



# How are luxury hotels turning the page from opulence to sustainability? The case of three Portuguese hotels.

Inês Araújo Lopes

Dissertation written under the supervision of Laure Leglise

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## Abstract

**Title:** How are luxury hotels turning the page from opulence to sustainability? The case of three Portuguese hotels.

**Author:** Inês Almeida de Eça Araújo Lopes

This research aims to contribute to the debate about sustainability in the industry of luxury hospitality, by answering the following research question: how are luxury hotels turning the page from opulence to sustainability? To answer this research question, we used a qualitative approach and conducted a comparative case study on three luxury hotels in Portugal which are committed to deliver a sustainable experience without compromising the guest's expectations. The findings show that it is possible to combine the two concepts and be successful by implementing five strategies: sourcing locally, favouring sustainable construction, having a biological garden, meeting the luxury standards regarding the hotel's commodities and being located in the countryside without compromising comfort. Although it requires an investment, the study shows it is worth taking.

**Keywords:** sustainability, luxury, hospitality, tendencies.

## Sumário

**Title:** De que forma é que os hotéis de luxo estão a virar a página da opulência em direção à sustentabilidade? O caso de três hotéis portugueses.

**Author:** Inês Almeida de Eça Araújo Lopes

A presente investigação pretende contribuir para o debate sobre a sustentabilidade na indústria da hotelaria de luxo, respondendo à questão: de que forma é que os hotéis de luxo estão a virar a página da opulência em direção à sustentabilidade? Para responder a esta pergunta de partida, usámos uma abordagem qualitativa e conduzimos um estudo comparativa de três hotéis de luxo em Portugal cujo compromisso passa por ser sustentável sem comprometer a proposta de luxo. As conclusões mostram que é possível combinar os dois conceitos e ser bem-sucedido através da implementação de cinco estratégias: recorrer a produtores locais, favorecer uma construção sustentável, ter uma horta biológica, preencher os requisitos de um hotel de luxo e estar localizado numa zona rural sem comprometer o conforto. Apesar de requerer um investimento, a presente tese sustém que a sustentabilidade é um investimento essencial para ser competitivo no mercado.

**Palavras-chave:** sustentabilidade, luxo, hotelaria, tendências.

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## List of Abbreviations

QC- Quinta da Comporta

CF- Craveiral Farmhouse

SLB- São Lourenço do Barrocal

## 1. Introduction

“One of the first conditions of happiness is that the link between man and nature shall not be broken.”

Leo Tolstoy

In developed economies, where the buying power is increasing, the demand for luxury follows the frenzy (Sharpe, 2002) and, at the same time, sustainability is gaining its space in the public sphere and it is shaping the businesses towards responsible behaviours (Marchetti, 2017). In hospitality alike, hotels had to rethink their traditional configurations of luxury to match the consumers' societal and environmental concerns (Huang et al., 2009). According to the UNWTO (2020), tourism has been growing exponentially and, before the COVID-19 pandemic, the prediction was that in 2020 the industry would have grown between 3% to 4%. This development, however, brings to light risks. In fact, tourism and hospitality are amongst the biggest polluters whilst also being highly vulnerable to global warming and climate change, which poses a challenge of contradicting that tendency. In light of that, the UNWTO proposed the Sustainable Development Goals, guidelines that are *“applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments”*.

Adopting sustainable practices should not jeopardize the consumer satisfaction- instead, it should enable the possibility of participating in a meaningful experience when traveling (Tidey, 2013), and, as well as that, it should be a pretext to raise awareness about sustainability and the practices that contribute to sustainable tourism. For luxury hotels, traditionally associated with opulence and excess, the task is therefore to reformulate the way they present luxury as an experience for guests.

Even though scholars have done research on sustainability and luxury hospitality (Medeiros et al, 2012), the link between them and the correlation with the new paradigm of sustainable luxury consumption is still under-investigated. Nonetheless, there has been an effort to combine these two dimensions, although some consider them incompatible (Dean, 2018), and the results show that the paradigm of sustainable luxury presents a new mindset that went from a perception that luxury implied excess and reckless consumption to the appreciation of durable and unique goods (Okonkwo, 2007)- this is transversal, including both tangible and intangible goods, in which hospitality is included. This has been called a new “subtle”



approach to luxury that refers to a consumption that is associated with an unpretentious upscale experience (Eckhardt et al., 2014) that values simplicity and authenticity-characteristics that match the principles of sustainability. The goal, in the case of luxury accommodations, is therefore to blend the sustainable and the luxury aspects of the business. Despite that, there is still a gap that relies on the analysis of how luxury hotels respond to this new consumer behaviour and to their sustainable responsibilities. To fill in this gap, the present research aims to provide a better understanding of the tendencies of the luxury market and how Portuguese hotels acknowledge and act before this context by answering to the question:

*How are luxury hotels turning the page from opulence to sustainability?*

In order to answer this question, we used a qualitative approach. We conducted a comparative case study on three hotels: Quinta da Comporta, Craveiral Farmhouse and São Lourenço do Barrocal. These hotels are considered luxury hotels in Portugal, and all have been awarded for their sustainable practices, representing therefore good examples of the subject under study.

The thesis is structured in six chapters. Firstly, the topic is approached through an academic lens in the literature review chapter, where starting by the broad definitions of sustainability and luxury and their paradoxical relationship and ending in the specific industry of sustainable luxury hospitality, it is possible to understand the evolution and context of the present issue. Secondly, the methodology chapter explains the methods used to conduct the research, breaking down the qualitative approach that was implemented to collect data and its analysis process. Thirdly, the empirical settings chapter presents the industry of hospitality and the three cases. Then, the findings chapter proposes an answer to the research question, followed by the discussion, in which the results are compared with previous studies mentioned in the literature review. Lastly, the conclusion describes which were the most important takeaways from the research, as well as its limitations and propositions for future research.

## 2. Literature Review

The present literature review shows how the luxury hospitality industry is following the trend of sustainability and how this topic remains a subject of study among academics. Luxury hotels were often regarded as opulent and ostentatious, characteristics that contradict the principles of sustainability, however, the notions of luxury and sustainability are evolving,

and the review of literature suggests that there has been a shift amongst these businesses to combine them and create a new experience.

In the first section, the concept of sustainability will be broadly discussed along with its importance for businesses and stakeholders. Then the theme of luxury will be addressed along with the paradox between luxurious and sustainable. Lastly, there is a review of how these concepts apply to the hospitality industry and, namely, to the luxury hospitality category.

## 2.1. Sustainability

### 2.1.1. Definition and history of the concept

Sustainability is a non-consensual concept amongst the scientific community (Hopwood et al. 2005). The first uses date back to the 18<sup>th</sup> century and referred to the degree of scarcity of natural resources, namely agricultural land (Figuères et al., 2010). Presently, one can observe that the societal growth is expanding beyond Earth's natural limits, progressing in a way that is not sustainable- meaning it will create prejudice in the future wellbeing of individuals (Cavagnaro and Curiel, 2012). Along these lines, the United Nations defined sustainability as *“meeting the needs of the present without compromising the ability of future generations to meet their own needs.”* (WCED, 1987, p.16), through an integrated approach that takes into account both the environment and the economy, which implies finding linkages between these dimensions in order to maximize synergies to find an equilibrium. As well as that, one can add a third aspect, the social pillar, resulting in three interdependent dimensions of what is called the *“triple-bottom line”* - economic, social and ecological sustainability, or, in a business aspect *“people, planet, profit”* (Elkington, 1997; Dyllick & Hockerts, 2002). These elements form a triangular approach that align organizations, individuals and societies in a direction which will guide them to a sustainable development, creating value in every step of the way (Boer, 2013). Adding to these aspects, one has to be aware that resources are limited, so in order to become economically profitable, socially responsible and environmentally harmless, resources must be used consciously (Costanza et al., 1991). This idea meets with the notion of Corporate Social Responsibility (CSR), which according to the EU-Commission (2011, p. 6) is *“the responsibility of enterprises for their impacts on society”*, an approach to business value creation that, although beneficial on the short-run, may not preserve the growth and viability of systems in the long-run (Bansal & DesJardine, 2014). Corporate Social Responsibility is the path companies follow to keep the interest of society and the environment aligned with their practices, by taking responsibility for the impacts their

business has on the stakeholders and the environment (Amit et al., 2017). Although CSR and sustainability converge in some aspects and both are ambiguous concepts, Marrewijk (2003) explains that CSR is related to the stakeholder expectations, whereas corporate sustainability refers to the environmental related aspects of business.

### 2.1.2. Business and stakeholders' perspective

In 2009, Maak and Pless pointed out that the world's most critical problems of global warming called for integrated solutions that should go beyond sector borders, suggesting that business leaders should become agents of good practices, taking the mission of helping solve these issues. As a matter of fact, in the first decades of the 21st century most organizations in mature economies adopted sustainability as a core principle (Jones, 2017) although some authors call it a façade, explaining that those actions are questionable and driven by self-interests, with data showing that corporations claim they follow these values whilst not implementing them (Holt, Quelch, Taylor, 2004; Marrewijk, 2003). Furthermore, in the decade's beginning, CEO's argued that following the principles of sustainability was solely a source of costs for businesses (Gitsham et al., 2009). This is an opinion that has changed (Millar et al., 2012), with managers realizing how becoming sustainable can be an opportunity and, in the end, how companies which do not consider sustainability become less competitive in markets (Lubin and Esty, 2010). Companies that effectively adopted a sustainable business model have gained a competitive advantage over their competitors, meeting sustainable defined goals whilst maintaining their profitability and protecting their stakeholders (Schaltegger et al., 2016). Indeed, businesses should attend to their stakeholders' interests (Barter, 2011), which translates into suppliers, customers and society and, in its essence, this notion falls onto the "triple-bottom-line" model (Elkington, 1998). These goals serve as a guiding principle that ultimately reduces the adverse impacts of the business activities in both society and environment (Charles, Schmidheiny & Watts, 2017).

## 2.2. The idyllic industry of luxury

### 2.2.1. The luxury dilemma

The luxury market has been one of the fastest-growing industries worldwide (D'Arpizio *et al.* 2017) growing between 10% to 15% annually since the early 1990s (Fionda and Moore, 2009). Although the luxury industry has been studied across the years, there is no consensus regarding an accepted definition of luxury (Ko, Costello, & Taylor, 2019). Luxury is called

multifaceted due to its ambiguity (Kapferer & Michaut, 2014). Especially in a context of climate change and sustainability concerns (Lubin & Esty, 2010) appearing as disruptive factors, the definition of luxury has been a subject of change over time (Cristini et al. 2017). There has been, however, an effort to describe the concept through common characteristics of luxury brands, an example being De Barnier et al. (2012) who defined luxury in seven elements: high quality, hedonism (namely beauty and pleasure) (Tynan et al., 2010), a high price that would drive to the fourth element, rarity, limited distribution and associated personalized services, exclusivity (privilege), and creativity (creating art-like experiences and goods). By the same token, other scholars tried to conceptualize luxury through different approaches, for instance Phau and Prendergast (2000) who drew four attributes of luxury: recognized brand identity, quality, exclusivity and customer awareness. Amaldoss and Jain (2008) provide an alternative, concluding that some luxury brands are valued for their scarcity, while others are preferred because of their popularity.

When speaking of luxury purchasing behaviours, Vigneron and Johnson (2004) argue that there are two main motifs consumers choose this type of goods: non-personal and personal oriented perceptions, in which non-personal oriented perceptions have to do with conspicuousness, uniqueness and quality standards. Contrarily, the personal-oriented perception that the authors refer to corresponds to a hedonic consumption, as enhanced by Dubois and Duquesne who agree that individuals buy luxury goods for their symbolic value. At the same time, these consumers can value imperceptible quality with no intention of flouting wealth (Eckhardt et al. 2014), consuming luxury goods triggered by personal intentions and presenting a subtler approach to luxury that values unforgettable experiences (Bearden and Etzel, 1982). This segment will choose hotels that present themselves as down-to-earth, authentic, sustainable and providing health related activities (Atwal & Williams, 2009).

Luxury is, therefore, a fluid concept (Yeoman, 2011) that has become more subjective and inconspicuous (Kapferer et al., 2014) ever since it changed from materialism to become focused on experiences and aspirations (Yeoman & McMahon-Beattie, 2011). It can no longer be solely described through its high monetary value, as presented by Dubois and Duquesne (1993), as nowadays, consuming luxury is beyond extravagant goods or experiences confined in opulent spaces and social contexts (Bauer et al., 2011), it englobes

the experiences of luxury that range between time, space, authenticity, community, individuality, and well-being (Yeoman & McMahon-Beattie, 2018).

### 2.2.2. The paradox between sustainability and luxury

One of the most disruptive conditions for business, particularly within the luxury sector, is climate change (McKinsey & Company, 2015), but that is not the only threat affecting the industry. According to Andrew Winston (2016), the Millennials are changing the paradigm of consumption, endangering luxury brands in the process. Indeed, these generations (and younger ones as well) made up one third of all luxury customers in 2019, a number expected to increase by 50% until 2024 (Thomsen et al., 2020). Moreover, they are now becoming more demanding in what concerns the “clean label”, expecting companies to disclose their production processes (Winston, 2016).

When associating luxury with sustainability, one faces the challenge of interconnecting two notions that may be incompatible (Dean 2018; Tynan et al. 2017) as it is still unclear what sustainability means in the luxury context (Dean 2018). Luxury refers to a state of offering conditions beyond basic needs (Okonkwo, 2007), which contradicts the concept of sustainability, since the latter focuses on reducing the environmental impact through the decrease of consumption of resources to a necessity minimum (Ahn and Pearce, 2013).

Even though the concepts of luxury and sustainability are contradicting in some aspects, they do combine in others, as Kapferer and Michaut (2015) argue: unlike what happens with fast-moving goods, luxury is associated with superior quality, taking time to produce, the preservation handcraft traditions, which are associations that follow sustainable principles. Moreover, luxury is associated with limited access, which could contribute to a reasonable consumption of resources (Han et al. 2016; Janssen et al. 2014). The paradox is overcome by the durability aspect of luxury goods and experiences and the characteristics of its consumers' expectations, namely the “wholesome” experience when purchasing luxury (Leadbeater & Okonkwo, 2007). Luxury is, nonetheless, resource dependent and antithesis of the disposable society (Kapferer, 2010), a conjuncture of consumerism of short-lived consumer goods over durable items (Bulow, 1984). Some authors argue the concepts ought to walk alongside, as global sustainability is crucial and, businesswise, it is a smart choice to engage in sustainable behaviours in the luxury industry (Bendell & Kleanthous, 2007)

The existing data regarding sustainability in the industry of luxury is limited (Boenigk & Schuchardt, 2013) and recent studies portrait inconclusive and contradictory results (Voyer & Beckham, 2014). It is unclear if luxury consumers look for sustainability. Steinhard, et al. (2013) defend the thesis that being environmentally concerned and an sustainable claim positively influences the consumer's perception of a luxury brand or product, whereas Achabou and Dekhili (2013) found that the subjects of their study were negatively impacted by sustainability, with their preference falling into the non-claimed sustainable products and environmental friendly products being less desired, as individuals did not recognize prestige and rarity in them. Moreover, a study by Kapferer and Michaut (2015) found that the perceived contradiction of luxury and sustainability is lower on individuals that recognize luxury brands as high quality, whereas consumers that consider luxury as expensive or rare are more likely to differentiate the concept so they will not demand sustainability from luxury businesses.

### 2.3. Sustainability in the luxury hospitality industry

#### 2.3.1. A premium approach to tourism

In a conjuncture of a global economy, tourism is the largest industry and biggest employer (Wood, 1997), moving people, goods and capital (Saarinen, 2006) and rapidly growing (Lenzen et al. 2018). It is one of the key sectors for most countries when it comes to wealth creation (Azevedo et al., 2019), and in Portugal alike- according to the Portuguese National Institute of Statistics (INE), the sector represents 8% of the total gross value added and the tourist demand describes 14,6% of the country's GDP (INE, 2019).

Similar to sustainability, tourism is a broad concept difficult to define, especially when distinguishing the differences between the notion of tourism and hospitality, the latter being a fairly new discipline within the academia, resulting in a yet to exist consensus (Kandampully et al., 2014). On the one hand, tourism refers to the services for people travelling away from home for a period of time, while on the other hand the hospitality industry has to do with services to improve leisure and customer satisfaction (Inskeep, 1991). Additionally, hospitality originally refers to the concern of hosts for the well-being of their guests, though nowadays there is less of a philanthropic approach and more of an economic relationship between buyer and seller (Slattery, 2002).

Differently from other luxury sectors, the hospitality industry is focused on selling experiences and not tangible goods, with the main objective being providing a superior service to meet customers' needs (Liang, 2008). The four attributes mentioned by Phau and Prendergast (2000) can be translated in luxury hospitality, into three: feeling of prestige, premium price paid and intimate knowledge of each guest (Sherman, 2005). These characteristics require large investments, as hotels need to employ a sufficient number of people to answer to guest demand (Mattila, 1999).

Luxury hotels were typically associated to accommodations for individuals who sought an ostentatious experience (Curtis, 2001). Today, however, luxury travellers prefer unique experiences in unspoiled destinations that stimulate them both physically and intellectually- an inconspicuous form of consumption where authenticity and meaningful experiences are the main objectives for travelling (Yeoman, 2008). This can be conceptualized into the notion of "subtle" luxury- a consumption behaviour in which individuals demand premium quality and are willing to pay higher prices for an experience that is unpretentious (Eckhardt et al. 2015) and triggered by personal and private intentions, rather than assert wealth in social contexts (Bearden and Etzel, 1982).

In the present dissertation, the concept of luxury hotel is defined as an establishment that provides tailored services to its guests whilst offering the stay at a higher price than the average rate with high quality amenities (Danziger, 2005).

### 2.3.2. The impact of luxury hotels in the environment

Due to its dimension and importance, the tourism industry accounts for 8% of global greenhouse gas emissions and is expected to grow between 3-5% annually until 2025, with transport, services or products consumed at hotels being to blame for the increase. (Lenzen, Sun, Faturay, et al. 2018). Altogether, the concern about sustainability arises from the impact the tourism activities have had in the environment and society (Tanguay et al., 2013). Tourism destinations rely on both cultural and heritage resources to become appealing (Hassan, 2000) and the industry's players perform a fundamental starting point in what concerns the preservation of the environment they are in. Thus, the concept of sustainable tourism emerged, defined by the UNWTO (2005) as "*tourism that respects both local people and the traveller, cultural heritage and the environment*". Similarly to other industries, tourism organizations become sustainable when they answer to the three dimensions of the

*“triple bottom line”* (Elkington, 1997), creating economic value, related to the economic strength the businesses bring to the communities in which they are inserted, providing incentives to preserve natural areas, social and ecological value (Hassan, 2000). Similarly, Cater (1993) refers three fundamental goals for sustainable tourism, first, meeting the needs of the local population by improving their living standards both in short and long term. Then, satisfying the demand of an ever-growing number of tourists and lastly protecting the environment. It is, nonetheless, necessary to distinguish sustainable tourism from ecotourism, as these are concepts that often get inaccurately described as the same (Cater, 1994). The definition of ecotourism by Ceballos-Lascuran (1993) is widely accepted, and it shows that ecotourism is the act of traveling to uncontaminated natural areas with the goal of studying and admiring the scenery, the wildlife or the local cultural manifestations. It is often a threat to those areas, as the increase in tourists requires the growth of infrastructures that harm the natural landscape and culture (Wearing & Neil, 1999) thus conflicting with the notion of sustainable tourism that promotes an integrated approach of social and environmental preservation.

Customers are the focus of hospitality management, with managers constantly adapting their strategies in order to offer products and services that satisfy their guests (Kapiki, 2012), in order to sell a unique experience (Pine and Gilmore, 1999). The experience and emotions of the customer play a significant part in the process of decision-making, especially on the thought of returning to a hotel (Rai and Nayak, 2019). Unsurprisingly, recent literature defends that consumers are today more inclined on choosing the accommodation that appears more sustainable (Chengcai et al., 2017; Verma & Chandra, 2018), which is a motivation for hotels to change behaviour (Aragon-Correa et al., 2015).

All in all, the hospitality industry was quick to address the matter of sustainability, with the commitment with the environment becoming an integrated approach to the business (Jones et al., 2014). In fact, in 2014, Deloitte (2014, p.41) predicted that the hospitality industry would have to incorporate sustainability in its activity, as resource scarcity would pose a threat to its progress. Overall, sustainability is a fundamental concerned to all industries alike, but to the tourism industry in particular, as sustainability’s social-economic and environmental dimensions play a role in the operating reality of this sector (Postma, Cavagnaro, Spruyt, 2017).



### 2.3.3. From an economic effort to a decrease in operational costs

According to Goldstein and Primlani (2012), the first hotels to engage in sustainable processes date to the 1960's, and since then the hospitality industry has experienced a "growing awareness" in what concerns the social and environmental impacts of its activity.

There are several drivers towards sustainability in the hospitality industry: cost savings (cost reduction strategies that improve the company's efficiency), economic incentives (granted by the Government as a compensation for investing in sustainable actions) and attractive corporate brand image (Goldstein & Primlani, 2012). Thus, Tyrrel et al. (2012) present another element to this approach: an improvement in market positioning for hotels that engage in an effort towards sustainability. Furthermore, the sustainable conscious business can promote the preservation of the environment and, as a result, improve the quality of life of local communities (Maksoud et al., 2016).

Guests make up for a driver that hotels must keep in mind, but studies are still ambiguous regarding consumer expectations towards sustainability in luxury accommodations (Achabou & Dekhili, 2013). In fact, Kapferer and Michaut-Denizeau (2014) found that luxury consumers are reluctant in choosing a sustainable hotel, with most supporting their hesitancy with the fear of sustainability meaning less comfort, and differently, Robinot and Giannelloni (2010) showed that guests perceive the green attributes as expected in the hotel service, so their absence would affect negatively the experience. Another study found that a combination of functional (the policy of reutilization of towels) and emotional (tranquillity of the spaces) green attributes contribute to an overall positive green hotel image (Lee et al., 2010). Nonetheless, millennials show a tendency to demand sustainability from businesses (Lee, 2017), and as a response, "green hotels" that promote sustainable behaviors are emerging and becoming successful amongst the younger generations (Verma & Chandra, 2018).

One can argue that the characteristics of a luxury hotel, that range from overall opulence, spacious rooms to lavish materials or large bathtubs (Becker, 2009), collide with sustainable practices as it may be perceived as an unnecessary spend of resources (Han Ahn & Pearce, 2013)- indeed, higher ranking hotels are known to produce more waste per guest than their peers (Bajada, 2017). Adopting sustainable practices is generally profitable (Fraj et al., 2015), as, although accommodations may vary, consequently influencing water and energy consumption (Melissen et al., 2016), an effective plan of environmental performance is

important, given that the global demand for water is estimated to increase by 30% and energy consumption by 50% by 2030, resulting in scarcity and higher prices for these resources (Raworth, 2012). Dimara et al. (2017) exemplify this statement with the object being a 150-room hotel that has in place a plan of environmental performance, explaining that it can save up to 800,000L of water and 550L of detergent per year through a towel-and-line reuse program.

For that reason, hotel managers have the need to develop transparent and ethical plans to improve their environmental and social performances without damaging the economic side of the business (Santos et al., 2017). Ultimately, the goal is for hoteliers to understand their impact and their responsibility towards the stakeholders and the cultural and environmental landscape they are in (Perez and Del Bosque, 2014). In summary, the purpose should be to ensure that stakeholder's needs are met whilst remaining conscious about the resource consumption (Raworth, 2012) and that the environmental, social and cultural benefits remain a priority rather than economic results (Bocken et al., 2014). As well as that, the World Business Council for Sustainable Development (2010) explains that the transformation towards sustainability presents more than an opportunity- it is the key for prevalence in a fast-moving environment constantly changing-, not only it is the "right thing to do" but it is also "the smart thing to do" to become competitive in the markets (Luo & Bhattacharya, 2006).

#### 2.3.4. Practices hotels engage in to become sustainable

The hospitality industry is responsible for a great negative impact on the environment due to its day-to-day operations, such as heating and cooling, lighting and laundry systems that are majorly resource dependent (Dimara et al., 2017; Singjai, Winata, & Kummer, 2018) and some of the negative effects of tourism in nature also include the destruction of natural habitats for construction, noise pollution or the disposal of waste into water bodies (Leung et al., 2014). Hotels face the challenge of adapting to the tourist demand by implementing environmentally sustainable business practices (Janković & Krivačić, 2014).

This is a process that begins in the construction, with the choice of materials (Han Ahn & Pearce, 2013) and then, in order to become sustainable and answer the expectations of consumers (Chengcai et al., 2017), hotels adopt "green" practices, processes to decrease their activity's negative impact on the ecosystem, especially focusing on energy consumption, water excess and waste management (Kang et al., 2012), such as preferring eco-efficient

materials (Melissen et al., 2016), non-polluting soaps instead of regular soaps (Han et al., 2011), investing in reusable amenity containers (Verma & Chandra, 2018), choosing LED lighting to save energy (van Rheede, 2015) or implementing other sustainable programs (Kasim et al., 2014; Fraj et al., 2015). These processes are generally created to reassess the consumption cycles in order to understand which inputs are unnecessary and eliminate wasteful outputs (McDonough & Braungart, 2002), ultimately resulting in financial differences in the course of operations as, once implemented, hotels can, for example, reduce their energy consumption up to 40% without adversely affecting overall performance (Graci & Dodds, 2008).

Additionally, there has been an effort to create incentives for businesses to become more sustainable through labels and certifications (Pan et al., 2018), mostly focusing on accommodations facilities like hotels (Tepelus and Cordoba, 2005) and it has been proven that those who have certifications are booked more frequently (Vinzencz, 2019). Nowadays, there are over 800 different green certification programs for ecotourism, hospitality and tourism (Diamantis & Westlake, 2001). Amongst those, one can point out the ISO 14001 Environmental Management System, a certification that when applied, provides a framework for enhanced environmental performance (Lagodimos, et al., 2007) and the Green Key, which is an eco-label that is given to exemplary touristic services that promotes sustainable tourism. Nonetheless, as Font and Buckley (2001) stress, ecolabeling schemes are still very incomplete and do not accurately portray to which extent the product is sustainable.

The aim of this literature review chapter was to show the current scenery regarding sustainability and its application on the luxury hospitality industry. Although sustainability has been a topic of discussion amongst scholars, there is a lack in academic research regarding its application in luxury in general, but more specifically in the industry of luxury hospitality (Park et al., 2010). Moreover, the links between luxury and sustainability that create the paradox have been essentially focusing on tangible goods rather than experiences. Thus, further attention should be given to this topic as there is a growing number of luxury acclaimed hotels in Portugal whose interpretation of hospitality carries strong sustainable concerns.

A gap in the theoretical framework exists and, for the above-mentioned reasons, the research aims to fill it in to allow hotel managers to be conscious of the tendencies and solutions that shape the industry today. Ultimately, purpose is to understand how luxury hotels are

reshaping their strategies to fit the current Portuguese landscape by answering the research question of *How are luxury hotels turning the page from opulence to sustainability*.

### 3. Methodology

#### 3.1. Justification of the methodological choices

The review of literature shows a lack of academic research on the paradigm of sustainable luxury hospitality. Thus, in order to analyse the phenomena, we applied a qualitative approach, as its characteristics make it the most adequate to explore the topic in-depth (Birkinshaw, Brannen, & Tung, 2011). Through this approach different sources can be gathered and analysed allowing an investigation that is more flexible and dynamic. Within the qualitative approach, this thesis is based on a multi-case study, presenting diverse points of view that can be compared through time (Patvardhan et al., 2015), resulting in a more robust investigation (Yin, 2009).

For the case study, we chose three hotels based on a consultation with Lourenço Lucena, CEO of BLUG, who suggested a list of luxury hotels in Portugal. From that list, the choice was narrowed down to the accommodations that visibly announced themselves as sustainable, through the analysis of the official websites and articles to assess the relevance of each to the topic. Six hotels were identified and contacted (Table 5 in the Appendix). From these, only three positive responses were received from Quinta da Comporta, Craveiral Farmhouse and São Lourenço do Barrocal- so these were the cases selected. Unfortunately, this process was difficult as, in this phase of the research, Portugal was in a conjuncture of pandemic, so hotels had to close and the people contacted stated that although they would normally be willing to participate, at that time the workload did not allow them to. All the hotels have a classification above 8,5 stars on Booking.com and, although Craveiral Farmhouse is a four-star hotel (the remaining are five-star hotels), it is considered a luxury hotel for its characteristics, namely activities and commodities provided in the hotel, excellent service and a restaurant with a Michelin star awarded chef.

The three hotels under study are, for different reasons, considered good examples of sustainable luxury hotels. Besides being award-winning hotels, these businesses are financially profitable and recognized by magazines such as Boa Cama Boa Mesa, The Sunday Times Travel or Condé Nast Traveler as top accommodations in Portugal. Their innovative approach to luxury is the differentiating factor.

### 3.2.Data Collection

In what concerns data collection, we elaborated a research diary that was constantly updated to keep track of the information gathered. The thesis relies on primary data, in the form of semi-structured interviews and direct observations. For primary data, people from the hotels and experts in the industry were interviewed, namely Pedro Franca Pinto, the owner of Craveiral Farmhouse, Miguel Cância Martins, the owner and architect of Quinta da Comporta, Susana Lourenço, the Marketing Director of São Lourenço do Barrocal, Manuel Duarte, Director of the Hoti Hoteis Group, Philippe Moreau, a sustainable hospitality consultant for the HBD Principe Group and Avelino Sousa, a consultant for Alentejo Sustainable Tourism Observatory. All these individuals were reached by e-mail or LinkedIn. The interviews were semi structured, which means that the participants were encouraged to share their opinions and visions on the topic, which resulted in rich and useful data for analysis. The interview guidelines for these interviews were developed keeping in mind the research question and the insights from the literature review. The following table shows the themes that were discussed in the interviews.

*Table 1: Themes of the interviews held with the hoteliers and experts*

- |   |
|---|
| <ul style="list-style-type: none"><li>• What does it mean to be sustainable.</li><li>• The concept of luxury.</li><li>• Combining luxury hospitality and sustainability: how to become sustainable whilst staying luxury.</li><li>• Tendencies of consumption of sustainable luxury hotels.</li></ul> |
|---|

Source: the author.

The primary data also included structured interviews with guests staying at Quinta da Comporta and Craveiral Farmhouse. These were held upon visits to these hotels to gather observations and resulted in a total of thirteen testimonials, with eight coming from Quinta da Comporta and five from Craveiral Farmhouse. This format was the most appropriate for the context, since the goal was to verify if there was a pattern in the perception of guests and we had limited time, so they would not feel disturbed. The topics discussed are summarized below.

*Table 2: Themes of the interviews held with the guests at Quinta da Comporta and Craveiral Farmhouse*

- Reasons to choose that particular hotel.
- How is the hotel sustainable?
- Are luxury and sustainability compatible?

Source: the author.

The three categories of interviewees, hoteliers (hotel representatives), experts and guests, provided different points of view that allowed a triangulation of data, capturing the various dimensions of the phenomenon. We held the interviews in Portuguese (except for international guests), recorded on a mobile phone and later transcribed and translated to English to allow an easier analysis. Moreover, we also collected data through direct observation- the three hotels were visited, and the goal was to take notes about the external and visible aspects of the hotel, namely the materials used in the construction and the biological gardens.

### 3.3.Data analysis

In order to analyse the data, we used the coding method. We generated and defined a list of codes from the literature review and the research question. Then, once transcribed, we coded the interviews based on the first list. During the coding process, new codes emerged, and some were adapted. We then grouped them into first-order and second-order codes. During the process, the codes were constantly questioned, developed and compared to existing ones from other academic researches with the focus being covering the dimensions of the research question, which makes it a dynamic process. After repeating the process for the three groups of interviews and observations, the effort was to observe which were the common fields. In the end, three codes were formalized: “luxury”, “sustainability” and “sustainable luxury hospitality”.

The table below serves as an example of the coding process used. Please refer to table 5 in the appendix section for the full coding table.

**Table 3:** Example of the coding process

Final code	Second-order code	First-order code
Sustainable luxury hospitality	Social awareness	Sourcing locally
		Educational effort
		Fair trade in operations
	Environmental sustainability	Construction characteristics
		Efficient usage of resources
		Biological garden

Source: the author.

## 4. Empirical Setting

In order to understand the how luxury hotels are reshaping their offer, one must comprehend the environment and the players that operate in the context. For that reason, this chapter presents the hospitality industry in the Alentejo region of Portugal and the hotels under study.

### 4.1. The hospitality industry in Alentejo, Portugal

According to Turismo de Portugal, in 2019, Portugal received 27.1 million guests, which represents a growth of 7.9% (TravelBI by Turismo de Portugal, 2020). Tourism is a very important sector in the Portuguese economy, contributing to 14.6% of the country's GDP (INE, 2019), and its most important activity is hospitality- according to Deloitte (2019) the revenues coming from overnight stays amounted to 3 billion Euros.

Alentejo is an area that comprises 35.8 thousand km<sup>2</sup>, located between Lisbon in the north, and the Algarve in the south. The region, essentially rural, is estimated to have only about 704 thousand inhabitants, a number that has been decreasing (in 1981 about 820 thousand people lived in Alentejo and in 2010 the number had already decreased to 758 thousand), according to Pordata (2020), which makes it a sparsely populated, an underlying problem of rural depopulation that affects the province's economic and societal development.

Nonetheless, the tourism in Alentejo is growing (INE, 2017), with the figures of both demand and supply following the increase in other Portuguese regions. Although the region may be

limited by the lack of air transportation (namely commercial airports), it is fairly close to the Lisbon and Faro Airports and there are freeways and trains that connect these two cities to the most important towns in Alentejo.

**Table 4:** Nights in hotel establishments by Geographical localization and Type; Annual

Nights in hotel establishments by geographical localization (NUTS-2013) and Type (hotel establishment); Annual				
2018			2014	
	Hotels	Five-star Hotels	Hotels	Five-star Hotels
Portugal	40,469,825	7,543,283	29,678,861	5,913,088
Alentejo	1,299,088	14,621	821,732	87,692

Source: INE

The above table shows the increase in the number of stays in five-star hotels in Alentejo, with the latest data showing a significant growth since 2014. This is explained and further enlightens how there has been an investment in the area.

## 4.2.Presentation of the cases

### 4.2.1. Craveiral Farmhouse by Belong Staying and Feeling

Craveiral Farmhouse, located just a few kilometres away from Zambujeira do Mar in the Alentejo coast, consists of 38 rooms spread along 9 hectares of property where the nature has been preserved and barely touched to remain in its natural estate. Being sustainable was a fundamental aspect upon opening, in 2018, according to Pedro Franca Pinto, the owner of the hotel. That is why one can find pets as guests, a small animal farm or a biological garden where produces are harvested straight from the soil to the kitchen. Moreover, guests can enjoy the spa, bicycles to explore the property and two indoor and outdoor pools. The concept behind is to provide a feeling of being home while away, with the idea of authenticity that it allows- being barefoot outside and enjoying the nature and the silence, combining the luxury and simplicity.

Sustainability is the focus, and from the construction, that featured mainly local materials, to the decoration- all the artwork present in the hotel is produced in Portugal by local artists with



sustainable materials- everything was thought to make this small luxury resort low on the environmental impact and deeply connected to its roots (hence the slogan “Made in Portugal”). However, there is also a social component to this business: whenever possible, they choose to buy local, both to reduce the ecological footprint and to promote the region’s own producers. As well as that, one of the core principles is the social responsibility, so a partnership between the NGOs Vila com Vida and APCO- Associação de Paralisia Cerebral de Odemira emerged. From this resulted a pizzeria where young people with cognitive deficit are employed, in an effort to enlighten the principles of equality and to bring awareness to inclusiveness in jobs. Besides this restaurant, Craveiral Farmhouse also has a signature restaurant whose chef is Michelin star awarded.

During summer, the prices per night range between 200€ to 250€ and during winter the average is 150€. Craveiral Farmhouse had a turnover of 285,000€ in its first year of operations.

#### 4.2.2. São Lourenço do Barrocal Hotel

São Lourenço do Barrocal, a homestead in Reguengos de Monsaraz, Alentejo, welcomed its first guests in 2016, however, in 2020 the estate will celebrate its 200<sup>th</sup> anniversary. The Barrocal property, with 780 hectares, has been in the Uva family, since 1820. It was a small rural community where more than 50 families lived and worked until the mid-seventies, when it was abandoned, by the time the land was nationalized due to the Portuguese Revolution. Following years after the community’s dissipation, José António Uva, the heir of the property, decided to start the process of rehabilitation, inviting landscape architects, archaeologists (to protect the various megalithic monuments found in the terrain), farmers, designers and architects to draw what would then become a five-star hotel. Amongst them was Souto Moura, a highly regarded Portuguese architect, that projected the architectural plan for the hotel with the intent of preserving the tradition and the contact with nature. The project, that took twelve years to complete, took into consideration the environmental and cultural landscape of Monsaraz, therefore all the materials used are local and, in an effort to maintain the original aspect of the structures, local craftsman handpicked old bricks and tiles that were restored to recreate accurately the buildings. Even though the façades were renovated to maintain their original aspect, the interiors were designed to become more than 40 large, comfortable and luxurious rooms and houses. These reflect the Alentejo maxim of combining home and land, in a harmony that allows the guest to enjoy the rural environment

with the comfort a luxury hotel must offer. The hotel unit has won several awards and certification such as the Best Boutique Spa Hotel 2018 by Condé Nast Traveler or the Monocle Travel Top 50 Awards 2019/20.

Sustainability is visible in the biological garden and biological livestock production which serve the hotel's two restaurants, in a "farm-to-table" concept. Among other products, the Hotel also produces its own olive oil and wine in the homestead. The compromise is not, however, solely expressed in the organic production. São Lourenço do Barrocal Hotel's main focus is on the reduction of usage, promoting the decrease in waste of resources. Currently, there is a recycling and an integrated energy consumption plan to address the goal of becoming self-sustained. Specific measures taken go from attention in the housekeeping products to the use of LED lamps. The waste created in the kitchen is mainly given to the animals living in the farm, and the oils that result from the cooking are also collected to be treated. At the moment, the group is investing in a power station with photovoltaic panels that will provide enough electricity for the hotel so it can become totally self-sustained. Today they have already 24 solar panels that are responsible for water climatization. As well as that, in what concerns the social aspect of sustainability, the management maintains the objective of being a responsible business, so from the 109 collaborators, 65% come from the local county and the remaining from neighbour counties. Moreover, they aim to create fair conditions of work that are attractive for young people to fixate in the area, which ultimately revives these local economies and allows it to grow again. The Hotel also provides multiple activities for schools and universities in nearby areas, acknowledging that education is the starting point for change. Additionally, guests are invited to explore the area and its culture, from the shop inside the premises that only sells regional and the hotel's own products, to visits to the Monsaraz Castle.

The offer is the experience of being in an unpretentious luxury hotel that combines comfort and an authentic experience of the Alentejo region. During peak season, rooms start at 500€ and on low season the average is 300€ per night. São Lourenço do Barrocal generated a turnover of 5,600,000€ in 2018.

#### 4.2.3. Quinta da Comporta

Quinta da Comporta is a five-star luxury accommodation located in Comporta, in the Sado Estuary Natural Reserve, 120 kilometres away from Lisbon. Today, guests can choose

between 73 rooms of different typologies, all inspired by the local rice fields and the typical beach huts. The feature that is common to all areas in the hotel is the minimalism in the decoration that is unusual in traditional luxury hotels, a choice made by Miguel Cândia Martins, who is a Portuguese architect and the owner of Quinta da Comporta, and who was in charge of the architecture and decoration of the hotel. The accommodation began operating in June 2019, and the goal was to create a resort-style hotel that was differentiated and deeply connected to the roots of Comporta, so the construction focused on rehabilitating existing structures, such as rice warehouses (the land had been previously used to serve the rice fields and agricultural activities), with local materials, designing a space that respects and mirrors the culture of the region. In 2020 the Hotel has been featured in the highly reputable magazine Condé Nast Traveler, in the Hot List 200, and is part of the Small Luxury Hotels of World (SLH is an independent organization that features luxury hotels around the world that are considered unique).

Aligned to the simple design, Martins wanted to create a project that kept the impact on the land minimal, planning an integrated approach to sustainability: from the 700m<sup>2</sup> of solar panels that provide energy for the most resource dependent activities to the utilization of the natural characteristics of the soil to warm or cool the spaces, through the elevation of the buildings from the ground to allow them to have an empty space that creates the conditions to exploit the natural resources. Moreover, the hotel's infrastructure is designed to make the most out of the solar exposition, decreasing the need for electricity during the day. Quinta da Comporta features a biological garden with products that are consumed in the restaurant and offered to the guests as a welcome gift, so nothing goes to waste. As well as that, inside the kitchen the waste production is also insignificant- most surplus or unwanted remains are used for other purposes, such as to serve as a natural fertilizer in the garden.

The guests are encouraged to take action in the initiatives promoted in the hotel to preserve the nature around Quinta da Comporta, such as garbage collecting days, for instance.

## 5. Findings

The following chapter will answer the question of *How are luxury hotels turning the page from opulence to sustainability?*. It is organized in five sections- each referring to actions the three hotels engage in to become sustainable whilst staying luxury. All actions are interconnected and to some extent necessary to develop a concise sustainability plan. For the

understanding of the cases, interviews were held with the owners, managers and guests of the hotels and three industry experts, following a qualitative approach.

### 5.1. Sourcing locally & fair trade

The results show that sourcing locally is an important strategy for the luxury hotels to become sustainable while offering a luxury experience. This strategy contributes to the three dimensions of sustainability: social, environmental and economic. It is a way of “*giving back to the community*” as Pedro Franca Pinto, the owner of Craveiral Farmhouse, pointed out—businesses ought to look at the environment they are in and understand how they can help the local society. Sourcing products that range between furniture, agricultural produces or workforce from localities nearby the hotel helps reduce the environmental footprint, preserve the cultural heritage of the local and promotes economic growth.

*"Almost 90% of our furniture, kitchen equipment and illumination is produced in Portugal to reduce the environmental footprint."*

*Interview with Pedro Franca Pinto, from of CF*

Sourcing locally also contributes to the luxury experience. Interestingly, more than 50% of guests interviewed in Quinta da Comporta and Craveiral Farmhouse mentioned that experiencing the local culture through gastronomy was amongst their motivations for traveling to that specific hotel. Sourcing locally is a way for hotels to offer parts of the place’s culture to their guests, which is an enriching experience they value when traveling.

In order to reduce the environmental footprint, Miguel Cândia Martins, the architect and owner of Quinta da Comporta, explained that during the process of construction, the construction trucks stayed in the site and workers were lodged nearby the premises. Although this required an investment, reducing the number of trips between Lisbon (where the construction company is based) and Comporta was a commitment the owner considered essential. In São Tomé e Príncipe, the HBD Príncipe Group has implemented a rule in all its hotels: everything must come from within a range of 5km from the property and ideally from what they call the “KM 0”. Moreover, as explained by HBD's Hotel & Tourism Lead Consultant, Philippe Moreau, most tourists arrive to the destinations by plane, so it is necessary to combat the CO2 emissions that arise from those travels in the day to day operations.

In light of the social component of sustainability, in Craveiral Farmhouse there is an ongoing project with an association that promotes the integration of young people with cognitive deficit. Franca Pinto adds *“We also employed a person with those characteristics in the hotel. It is in accordance to our purpose”*. Thus, for the owner of this hospitality unit, being environmentally and socially aware are the main priorities.

In São Lourenço do Barrocal, for instance, there is an effort to bring guests as close as possible to the community and environment they are in, by offering experiences both in the hotel and in the nearby villages. According to its pamphlet, the offer includes workshops for children and adults (for instance, cooking or painting workshops), horseback riding through the homestead, wellness and fitness treatments and, in the exterior, balloon rides and guided walks. The biological gardens and orchards are the main source of produces for the kitchen, so they translate the opportunity to source locally mainly into the staff they employ. From the construction, which employed local artisans, to the operations, 60% of the hotel staff currently employed comes from the local county and, according to their good practice guide *“tourism cannot be dissociated from the so-called sense of place”*. Furthermore, Susana Lourenço highlights how the hotel tries to *“create fair working conditions that are attractive for young people to fixate in the area, as the local population has been decreasing since the 50's”*.

Although sourcing locally can boost the local economies, it can present some challenges, as sometimes local suppliers charge higher prices than industrial suppliers, which can be an impediment for some hotel owners. Moreau explained that whilst the prices are higher in small suppliers, such as those who produce locally, the financial effort is compensated with higher quality and increased trustiness in the community. He further emphasized the need for hotels need to find a balance with their suppliers, to engage in fair trade practices so both parts are benefited.

Sourcing locally allows hotels to provide their guests with an authentic experience of what being in that place means, therefore contributing to luxury. This can be achieved through various strands: gastronomy, architecture or the activities offered in the hotel.

On the one hand, when creating the hotel, Cândia Martins paid homage to Comporta, incorporating the traditional design and architecture in each building of the resort. The main structure was restored from an old rice warehouse and the materials chosen were mainly

locally made. He wanted to create simple buildings as, for him, the true luxury is *“the landscape, the openness, the silence and the weather”*.

On the other hand, an hotel like São Lourenço do Barrocal, an agricultural farmstead, that has capacity to produce its own fruit and vegetables, the guests are served with fresh season products that follow the typical gastronomy from the Alentejo region. Customers are also invited to buy the hotel’s own wine and olive oil, as well as locally produced handicraft. In like manner, Craveiral Farmhouse offers activities such as horseback riding, vegetable picking or, outside the hotel, surf lessons. Sourcing locally provides, in conclusion, an interesting approach to luxury.

*“Nowadays there has been a shift in luxury: people look for experiences, for the originality they bring of unique moments enriched by the authenticity of the place.”*

*Interview with Manuel Duarte*

Traditional luxury hotels were expected to deliver a broad variety of quality foods in the luxury menus, whereas today guests look for high quality, locally produced and fresh products, as Manuel Duarte explained.

The focus is in the culture of the place and what is unique about it, as Susana Lourenço points out: *“in the end it comes down to valuing and getting to know the destination, so guests understand why they are here and not anywhere else in the world”*. By sourcing their products from local farmers, artisans and the resident communities, hotels differentiate themselves from others through the singular characteristics.

## 5.2. Construction characteristics

Sustainability relies, ultimately, on the environmental impact businesses have on the planet. The results show that, when creating an hotel, the construction choices are fundamental to fulfil the premise of becoming sustainable. Each of the three hotels interpret sustainability their way, however, they all agree that construction-wise, an investment has to be made in order to have a smaller environmental footprint, in an industry like hospitality, where, according to Avelino Sousa, a sustainable hospitality consultant, *“for decades hotels were born everywhere, recklessly (...) and no one paid attention to the construction: especially in luxury hotels, the materials were chosen because they were the most expensive or exuberant; there were not any environmental concerns”*.

Miguel Cândia Martins emphasizes how being sustainable starts in the project, and how it is more than having solar panels, explaining how the construction plan has to be detailed and integrated so the solutions are efficient across all areas of the building. In Quinta da Comporta, for instance, there are 700m<sup>2</sup> of solar panels and, although they have yet to install batteries, they choose to do the washing during the morning (as that is when the solar panels are generating the most energy) and use the remaining to warm the pool waters.

*“Building a sustainable hotel requires a big investment, but for me, what we save on the environmental impact is worth it.”*

*Interview with Miguel Cândia Martins, from of QC*

When asked about where they found sustainability in the hotel, the guests at Craveiral Farmhouse noticed the construction, with one pointing out that *“the hotel is fully incorporated in the landscape, it almost looks undone. They left a lot of space for the nature to grow untouched”*. In fact, as explained by Franca Pinto, that was the goal and, as well as that, in order to not overuse the land, the buildings only occupied 4% of the nine-hectare property.

On the other hand, in São Lourenço do Barrocal, since the structures were already built, the architect took another approach to sustainability in construction: local craftsman were hired to restore old bricks and tiles to fit with the original ones, employing local people and contributing to the social aspect of sustainability. Moreover, the farmstead still uses the ancient irrigation systems as it did before, allowing the plantations to be completely irrigated by the rain waters it collects. This is an example of how it is possible for hotels located in old buildings to make use of the current conditions and adapt in order to become sustainable. Additionally, Lourenço declared *“the hotel will soon have a power station with photovoltaic panels that will enable us to become totally self-sustained”*- they presently have 24 solar panels for water climatization and use mainly LED lamps for energy saving.

Cândia Martins explained how an efficiently built infrastructure can regulate its temperature without the aid of air-conditioning, which makes a great environmental impact. This is achieved through proper isolation: from the walls, to the windows facing the sun. The goal is, according to Avelino Sousa, to make *“smart choices”* that serve the operational needs of the hotel whilst consuming the least amount of resources. He further agrees that modern buildings

are normally more efficient in saving energy, however there is a lot more that can be done according to the context of each case in the construction process.

Luxury hotels demand big investments, as they are usually characterized, design-wise, by an opulent style and expensive materials and furniture, even more so when they implement sustainable solutions in the construction process. Although it is an investment with a long-term return, Avelino Sousa refers that there is reticence in doing something “*that will not be noticed*”- however, he believes that consumers are aware and conscious about sustainability. Moreover, whilst the investment has a return and the savings pay off, modern technologies are becoming less expensive, so that is no longer an obstacle.

Additionally, guests value the exterior aspect and uniqueness when choosing a luxury hotel and, although each case is a case, all three hotels are praised for their design characteristics that reflect sustainability. In Quinta da Comporta, the architect chose simplicity over what he called “*opulence*”, so guests do not feel absorbed by the decorations but rather with the nature surrounding them.

For Franca Pinto, the objective was creating a space that primarily privileged the nature, hence the “*raw*” look some guests pointed out. Inside the rooms, the decorations and commodities, such as bed, technologies and furniture were chosen to excel the luxury patterns whilst staying sustainable- the owner highlights the two cork bathtubs (whose design won a Green Good Design Award).

In São Lourenço do Barrocal, the investment made to replicate the exteriors of the farmstead is, according to Lourenço, one of the aspects the guests notice as soon as they arrive. In this hotel, the main buildings where there are rooms today, used to function as housing for the farmstead workers and the place where there used to be a barn is now the hotel’s restaurant. The architect made sure none of the structures was altered nor added, the goal was to make the building works imperceptible, so the farmstead maintained its original aspect. Traditionally luxury hotels feature heavy decorations and expensive materials that “justified” the luxury motif and price paid for the stay. In the past, costumers looked for “*golden furniture and heavy decorations*”, according to Lourenço, which for Franca Pinto was “*oftentimes an uncomfortable experience*”.



Nowadays, hotels are designed in a way that values spaces and experiences over exaggeration, an example being São Lourenço do Barrocal, where *“durability and high quality is preferred over the accelerated consumption and disposable goods”*. At first, guests did not understand the concept, *“there were not many hospitality units with the luxury approach São Lourenço do Barrocal has- a stripped down luxury, that values touch and the materials, the design and architecture”*.

In Quinta da Comporta, the owner points out that besides being visually appealing, hotels must be functional, hence their choice of high-quality beds and bedding.

*“People who come from the country-side do not value this as much as people who come from the cities- they are looking for connecting to the rural, the nature, which they have lost.”*

*Interview with Pedro Franca Pinto, from CF*

### 5.3. Biological garden and production of animals

The results show that the restaurant plays an important part in the offer of sustainable luxury. Avelino Sousa explains, *“luxury hotels ought to have an excellent service, and that comprises meals in the restaurant”*. Indeed 30% of guests interviewed mentioned that they look for a good restaurant when choosing an hotel. The response was the same for the three cases analysed: farm-to-table concept restaurants served by the hotel’s own biological gardens.

As a matter of fact, Craveiral Farmhouse is currently growing a kitchen garden and, according to Franca Pinto, it is expected that soon 70% of the ingredients come from there and the remaining from local producers. In order to maintain the biological garden environmentally viable, the irrigation system uses collected rainwater.

Identically, in Quinta da Comporta guests are greeted with a biological garden in front of the restaurant, something 100% of the guests mentioned when asked *“Where do you find sustainability in this hotel?”*.

*“We try to cultivate as many vegetable varieties as possible, and the chef created a menu around what we produce here at the hotel. He also implemented a protocol of reusing and recycling everything we can, which means, for instance, that even potato peels are reused for our employees’ soups. Our waste is minimal.”*

*Interview with Miguel Cândia Martins, from QC*

For São Lourenço do Barrocal, an agricultural property by excellence, having a biological garden, orchard and production of animals is something that was naturally incorporated into the hotel's activity. For Susana Lourenço, this fulfils the guests' request of healthy ingredients, a trend she explains: *“nowadays people are more conscious about what they eat, demanding biological produces whose origins they know”*.

Besides reducing the environmental footprint (as there is no longer a need for transportations), being able to grow produces in the premises allows hoteliers to save money, as Sousa argues. He also claims that *“consumers are willing to pay higher prices for ingredients in which they know no chemicals were used”*. This is, according to Moreau, a better option than *“buying from industrial suppliers that source from other countries”*.

A promise of authentic Alentejo flavour made from the best seasonal ingredients produced locally, is the offer of São Lourenço do Barrocal. On the other hand, Craveiral Farmhouse's restaurant website refers *“biological ingredients from local origins that provide a special flavour”*. In Quinta da Comporta, the proposal is to offer typical flavours from the Comporta region, in a seasonal menu that combines fresh produces from the biological garden and fish sourced locally. Therefore, the gastronomical experience in a luxury hotel should be enhanced by the finest products, so growing them locally is an approach that is valued by guests.

*“Nowadays having a biological garden is almost mandatory for every hotel that calls itself sustainable”*

*Interview with Avelino Sousa*

Undeniably, providing clients with local products is a plus, as it enhances the local culture, attends to the health concerns of guests and reduces waste production, CO<sub>2</sub> emissions and unnecessary costs. Before, consumers looked for a broad variety of dishes that would include exotic ingredients, whereas today the preference relies on the local and the uniqueness of each region. Moreover, having a biological garden or an animal production re-establishes a proximity to nature and the environment that guests expect to find.

#### 5.4. All the commodities of a luxury hotel are met

Being sustainable does not have to compromise the premise of luxury. The results show that the characteristics of a luxury hotel, that used to be signals of opulence, are now different: hotels choose to deliver the luxury features in simplicity and in harmony with the

environment, which according to Philippe Moreau is the future of luxury hospitality. Furthermore, he explains “*sustainability has to be in every hotel’s DNA, otherwise they are out of the race*”.

For Franca Pinto, the choice was never to renege comfort, but rather to present what he called the “*simple luxury*” that shifts the attention from the showing to the feeling. In Craveiral Farmhouse the owner guarantees guests will find the highest standards of luxury hospitality in the comfort of the rooms and the quality of the service whilst contributing to the preservation of nature and the local communities.

Similarly, São Lourenço do Barrocal proposes an approach to luxury that contemplates the opportunity of “*being close with nature, to have time and space*”, in the words of Susana Lourenço.

### 5.5. Being located in rural places

The present dissertation gathers three cases, all located in the countryside. The results show that about 80% of respondents mentioned they chose that specific hotel based on its location, specifically for being away from the main cities in Portugal. Although being in non-urban areas may present some challenges (such as the lack of nearby commodities or the presence of bugs), it is an aspect that guests value a lot, due to their physical and emotional distance between their daily lives and the nature.

*“Being in the countryside means that it is normal to find ants, ladybugs, spiders or crickets. We try to get guests to understand the place they are in so they can face this naturally”*

*Interview with Susana Lourenço, from SLB*

Although a business can be sustainable anywhere in the world, sustainability is invariably interrelated with the proximity to the nature, since one of its preoccupations is the environment. When asked if there exists a possibility to have a sustainable hotel in the city, Moreau’s opinion was clear “*many hotels in the city incorporate sustainable principles in their operations, the consumer demands it and it helps the business bottom-line, it can be done anywhere*”. Avelino Sousa, on the other hand, called the “*rural hotels*” advantageous for their location, explaining how “*everything you do in the city can be amplified in the country*”.

In light of location, São Lourenço do Barrocal's Susana Lourenço defends that *“the principals of sustainability are fundamental to every hospitality unit, but each one has to adapt them to their context and place they are inserted in”*.

*“Upon arrival, the guest starts by finding the hotel odd. Everything looks raw, there are no palm trees or grass. After the entrance, they discover the rooms and find the comfort. The brutality of the landscape, raw and natural versus comfort and cosiness- we take every detail into account, and people appreciate it.”*

*Interview with Pedro Franca Pinto, from CF*

Pedro Franca Pinto suggested that being sustainable in the city is a matter of adaptability, for instance *“luxury hotels located in buildings can create a biological garden in the roof”*, indicating that being away from the countryside and consequently space restrained, is not a determination factor. On the other hand, the fact that Craveiral Farmhouse is located in the countryside does not compromise the luxury offer, as it strengthens the compromise of being *“a reference in comfort, modernity and sustainability”*.

For Miguel Cândia Martins, to create a sustainable hotel in the one begins by doing what he called *“the basics: isolate the buildings, since heating systems are amongst the most polluting factors, or using renewable energies”*. However, the passion for the region was what made him create the project of Quinta da Comporta. In the hotel's website Comporta is described as *“An untouched natural reserve (...), based on a genuine connection to nature and the local heritage of the location (...)”*.

All in all, the countryside offers the opportunity to experience deep tranquillity, which 92% of the interviewees stated as one of their motivations for that stay (*“time off” “time to relax” “wellness”* were some of the used concepts). Avelino Sousa mentioned *“being away from buses and the city noise offers a more authentic experience of sustainability”*. Additionally, Manuel Duarte states *“before people may have chosen a luxury hotel for the experience and display of opulence, but in the 21<sup>st</sup> century, individuals are tired of everything that is «too much»- they have that already in their day-to-day lives”*, enhancing that *“the true luxury is being able to disconnect and enjoy the calmness of the nature”*.

## 6. Discussion

In a conjuncture where companies must adopt sustainability in their core business or they are out of the race (Whelan & Fink, 2016), the industry of luxury hospitality has gone under a transformation. From a characterization of excess and opulence (Curtis, 2001) to a sustainable approach, luxury hotels are turning the page to offer a new experience. Interestingly, the findings suggest just that- hotel managers no longer take sustainability as a bonus, they take it as a fundamental part of their activity (Jones et al., 2014).

Projecting a sustainable luxury hotel requires planning as it must answer to both dimensions simultaneously in every step of the process, starting in the construction (Han Ahn & Pearce, 2013). In fact, as the architect of Quinta da Comporta stressed, the building plan must integrate all departments, so the infrastructures are correctly assembled to become efficient which, in his words, translates into *“reducing energy losses”*. Besides choosing eco-efficient materials such as LED lighting or non-polluting soaps (Melissen et al., 2016), each hotel chose its own approach to sustainable construction. The space for action is dependent on the conditions: both Craveiral Farmhouse and Quinta da Comporta were built from scratch whereas São Lourenço do Barrocal’s structure was built more than 100 years ago and the works were mainly focused on rehabilitation of what was already in place. In the latter example, the effort laid in the choice of materials, all durable and high quality, produced in the region by local artisans, which serves an example of how businesses can adapt sustainability to their situation- in this case having a previously built structure was not an impediment for improvement, instead, São Lourenço do Barrocal took it as an advantage, availing the opportunity to recreate the farmstead to provide an authentic experience to guests.

During the interview, Avelino Sousa, who is a sustainability consultant for hotels, underlined the importance of architects and engineers in the process, explaining that constructing a sustainable building is halfway to becoming environmentally friendly.

*“It is important to understand the particularities about each terrain in order to take advantage of the conditions the earth provides. Choosing smart and consciously can be a decisive factor for success.”*

*Interview with Avelino Sousa*

According to the guests at Craveiral Farmhouse, sustainability is visible in the way the buildings are integrated with the environment, expressing an appreciation for its “raw”

exterior aspect, which matches the idea that individuals develop a positive image of the hotel when noticing its green attributes (Lee et al., 2010). Similarly, the guests at Quinta da Comporta praised the traditional cottages, built from wood to resemble the original ones from the region. Wood was chosen because, not only it is effective at isolating the buildings, but it is also a recyclable material.

*“A concrete structure may be aesthetically pleasing and functional, but it is not recyclable- what will you do with the waste produced if you want to demolish the hotel?”*

*Interview with Miguel Cândia Martins, from QC*

At the end of the day, cohesion is fundamental: one can very easily fall into the perception that being sustainable is solely about showing-off and creating a sustainable facet for guests to see (Holt, Quelch, Taylor, 2004), but the findings show that the external look of a hotel is, in fact, the final product of a thought process.

The three cases studied are examples of luxury hotels whose preoccupation is beyond the environmental aspect of sustainability. A deep analysis of each case led to the conclusion that their actions translate an effort to answer all three dimensions of sustainability (Elkington, 1997) by trying to positively impact the people and the planet whilst maintaining good financial results. Amongst all there was a consensus: independently from where in the world a business is located, sourcing agricultural produces, construction materials and even staff from within the community they are inserted in is beneficial for all- on the one hand, local people are empowered and the economy is stimulated and on the other hand the hotel gets access to high quality products that are valued by guests, thus contributing to the three dimensions of sustainability. While in 1993 Cater pointed out the social aspect of sustainable tourism, research lacks in mentioning the effort to source locally as a guiding principle to achieve sustainability. The present research shows how these Portuguese luxury hotels invested in hiring local handicraftsman and small businesses to produce their decorations or constructing materials and how that contributed to a luxurious experience of these accommodations, fulfilling the principals enumerated by Kapferer and Michaut (2015) of providing superior quality goods that took time to produce and contributed to the preservation of handcraft traditions. In the case of Quinta da Comporta and Craveiral Farmhouse, hotels that do not have the agricultural capacity São Lourenço do Barrocal has, the proposal of sourcing locally extends to local farmers whose produces help build the restaurant menus. Respecting the local

cultures and traditions is indeed a nod to sustainability as it implies an effort to protect and maintain the environmental and societal context (Perez and Del Bosque, 2014) that may be perceived as a financial weight but is, in fact, an investment these hotels proudly made. The interviews held with guests further confirmed this: there is a linkage between the motifs for travelling and this sustainable behaviour shown in the hotels, as most individuals expect a culturally enriching experience when staying at an hotel, and hoteliers are able to provide that authentic experience through locally produced goods.

Luxury hotels traditionally create more waste per guest than lower rank hotels, namely because conventionally upscale hotels were expected to provide large quantities of food and amenities (Bajada, 2017). Today the paradigm has changed, luxury consumers no longer measure the attributes of a luxury accommodation based on the excess but on the quality and intrinsic symbolic value (Bauer, von Wallpach, & Hemetsberger, 2011), so managers focus on displaying quality over quantity, which ultimately reduces waste creation. Nonetheless, the three hotels analysed have put in place waste management programs (Kang et al., 2012) that comprise mostly the kitchen and the housekeeping activities. Also common between the cases studied is the presence of biological gardens within the hotels' properties. Each has agricultural activities, even if in different scales, that support the restaurant's concept of "farm-to-table". Using the land to plant vegetables and other produces is a tendency that is growing in Portugal as a response to the health concerns and growing interest in consuming biological products whose origin is known the market currently displays. However, to what extent are these efforts more than a façade? Observation implies that the biological gardens in Quinta da Comporta and Craveiral Farmhouse are not sufficient to supply the restaurant and, as Pedro Franca Pinto mentioned in the interview, the hotel expects to soon depend in 70% from their biological garden and the remaining from local producers which infers that although there is an effort to rely on the vegetable garden, it is not yet a reality- nevertheless, investing in local producers is an important dimension of social sustainability, promoting small businesses and the local economy.

One can question whether or not location influences sustainability (Bohdanowicz, 2005) and to what degree it is a determinant factor in the success of a luxury hotel in Portugal, but what the present research tells is that the offer is aligned to consumer expectation and that the efforts to create an experience that is as close as possible to nature without harming it have been fruitful. São Lourenço do Barrocal, Craveiral Farmhouse and Quinta da Comporta are

luxury hotels located away from the cities in Portugal, in the countryside, but in which the luxury standards have not been dismissed in favour of the proximity with nature, with the possibility of having insects in the spaces being taken as something natural. Instead, guests find excellent service (Liang, 2008) and premium quality rooms (equipped with modern technologies and featuring upscale furniture) combined with open air activities that give room for individuals to enjoy the time and space however they choose. Unlike what Achabou and Dekhili (2013) argue, 100% of the subjects of the present research responded yes when asked “would you consider coming back to this hotel?”, so sustainability is an aspect that can be disassociated with a negative perception of the experience in the hotel.

*“In traditional luxury hotels the opulence of the decorations called for formality: men and women were expected to dress smart for meals. Newer generations do not tolerate that anymore.”*

*Interview with Manuel Duarte*

Certainly, there is a growing segment of the market that is willing to pay higher fees for an unpretentious experience in which one can be their true self without feeling looked at (Eckhardt et al. 2015). The findings show that the pattern of consuming luxury has changed from an expectation of opulent and overly formal spaces (Bauer, von Wallpach, & Hemetsberger, 2011) to an immersive experience in nature and with connection to self. The conceptualization of luxury is, today, absorbed by the concepts of time and space, going hand-in-hand with sustainable principles of preserving the cultural landscape, as unspoiled destinations are now more desirable. Be that as it may, previous literature shows that luxury consumers are still unsure if sustainability means less comfort (Kapferer and Michaut-Denizeau, 2014).

To conclude the discussion chapter, it is fundamental to highlight the groundwork for the construction of a sustainable upscale hotel that corresponds to the new paradigm of luxury: luxury must not compromise sustainability nor the other way around. These characteristics should be complementary, and none should be undervalued. The experience on these hotels ought to fulfil the individual’s need for authenticity and meaningfulness while satisfying their requisites and achieve all this whilst answering to the three dimensions of sustainability, by being aware of the environmental, social and economic impact of their actions. From the findings one can surmise how the three hotels answer to the challenge of going green whilst remaining luxurious. Firstly, creating and promoting farm-to-table restaurants with produces



coming from their own biological gardens, then, sourcing products locally and letting costumers enjoy an authentic experience of the region, and lastly promoting an efficient construction process that makes use of natural resources to decrease energy and consumption.

## 7. Conclusion

Despite its importance to tourism and hospitality, sustainability remains a topic of discussion amongst scholars, especially in the luxury segment. Prior studies focused their attention towards the debate on the significance of sustainability in hospitality, not correlating this tendency to the new paradigm of luxury hospitality, which is where the present research finds its gap and relevance. For the purpose of analysing how luxury hotels implement sustainable principles without compromising their guest's expectations, we analysed three hotels who operate in the Portuguese market, and the results showed that, not only is sustainability necessary in this industry, but also how there are many small changes that can be put into action in diverse contexts- namely the five dimensions found by the study. Overall, results are in line with previous research on the topic of sustainable hospitality, however the acknowledgement of how luxury hotels can maintain their traditional pattern of upscale quality while delivering a new type of experience that is more aligned with what consumers are currently demanding- one that privileges sustainability, proximity to the nature and time for the self- was enlightened by the present thesis.

The present study, however, is a result of a process that had some limitations. The COVID-19 pandemic has caused travel restrictions, which resulted in financial distress in hotels, as the number of guests was noticeably lower than in previous years, which justifies the hoteliers' hesitancy in participating in this research. Lastly, only luxury hotels located in rural areas (namely the Alentejo region) were studied, so in future research a comparison between city and countryside hotels would be interesting to further explain to what extent location is relevant in the process to become sustainable.

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## 9. Appendices

*Table 5: Companies contacted*

<ul style="list-style-type: none"> <li>• Quinta da Comporta</li> <li>• São Lourenço do Barrocal</li> <li>• Craveiral Farmhouse</li> <li>• Sublime Comporta</li> <li>• Areias do Seixo</li> <li>• Six Senses Douro Valley</li> </ul>
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*Table 6: Primary data collection*

Data source	Type of data	Date of evidence	Observations
Interview	Structured interviews with guests at Quinta da Comporta	4th August 2020	The interview had five questions regarding the guest's perception of that hotel, their motivations for travelling and choosing that accommodation, their opinion on sustainable luxury hotels and if they would come back to Quinta da Comporta. The participants answered shortly, as the questions were very direct and did not expect conversation.
Interview	Structured interview with guest at Craveiral Farmhouse	19th July 2020	The interview had five questions regarding the guest's perception of that hotel, their motivations for travelling and choosing that accommodation, their opinion on sustainable luxury hotels and if they would come back to Craveiral Farmhouse. The participants answered shortly, as the questions were very direct and did not expect conversation.
Fieldwork	Visit to São Lourenço do Barrocal	7th March 2020	The visit consisted in a two-night stay at the hotel. It was possible to collect data regarding the rooms, materials and decorations, service and the farm-to-table restaurant. Moreover, by staying anonymously at the hotel, there was room to explore the area (namely, the biological garden) and its activities. This visit was interesting, as it generated a lot of data and served as a starting point for the research.
Fieldwork	Visit to Craveiral Farmhouse	19th July 2020	The fieldwork in Craveiral Farmhouse consisted in a visit to the hotel in the afternoon. After having lunch at the hotel's farm-to-table restaurant, it was possible to go around the property and observe the biological garden, the construction materials used and the overall ambiance. This was helpful to confirm the insights given by Franca Pinto in the interview.
Fieldwork	Visit to Quinta da Comporta	4th August 2020	The visit consisted in a short walk in the hotel. It was possible to visit the farm-to-table restaurant, the spa, the biological garden and the garden area.

Source: the author

Table 7: Primary data collection

Data source	Type of data	Date of evidence	Observations
Interview	Semi-structured interview with Manuel Duarte, Hoti Hotels Group Director	14th April 2020	The interview started with an overview of the hospitality industry in Portugal and how it has been evolving, along with the luxury segment. It was useful to understand the contexts and the tendencies of this market in the country. Later on, specific questions were asked, which led the conversation to the topics of the present conjuncture of sustainable luxury and guest expectations. Manuel's experience in hotels of various types gave room for clarifying questions and doubts that had emerged in the research process.
Interview	Semi-structured interview with Philippe Moreau, sustainability consultant for HBD Principe	23rd April 2020	The interview began with Philippe's explanation of the work HBD Principe is doing in the island of Principe, in São Tomé and Principe. This explanation was helpful, as it showed an approach to sustainability which was new and interesting. The interview followed the topic of combining luxury and sustainability, and Moreau helped define the most important points for luxury hotels that want to become sustainable.
Interview	Semi-structured interview with Avelino Sousa, sustainable tourism consultant	13th May 2020	Avelino provided several insights based on his experience in hospitality about sustainable procedures hotels must implement. In the conversation, the topics of green certifications, government limitations and risks of adopting sustainable were also relevant. Moreover, Sousa explained the importance and functioning of the most used systems for water and energy saving.
Interview	Semi-structured interview with Pedro Franca Pinto, owner of Craveiral Farmhouse	22nd May 2020	The interview was, on the first part, focused on the case of Craveiral Farmhouse. Several questions about its history, process of construction and current operations were asked. Then, Franca Pinto provided his thoughts on becoming sustainable whilst meeting luxury standards. His feedback was essential for the thesis, as it helped draw the case of Craveiral Farmhouse. Pedro Franca Pinto was also able to answer some questions and doubts regarding previously read information about the hotel.
Interview	Semi-structured interview with Miguel Cândia Martins, owner of Quinta da Comporta	4th August 2020	The interview with Miguel Cândia Martins was focused mainly on the sustainable aspects of Quinta da Comporta, since he was the architect and designer and accompanied closely the construction process. On a second part, the questions were mostly about luxury, where Martins described his guests and the feedback the hotel has received from them.
Interview	Semi-structured interview with Susana Lourenço, Marketing Director in São Lourenço do Barrocal	13th August 2020	Susana Lourenço was very helpful. Followed by an e-mail conversation where Lourenço provided documents and brochures related to the hotel's activity, the interview was, firstly, about São Lourenço do Barrocal, its history and how it is connected to luxury. Then, still on the topic of luxury, the conversation shifted towards being a luxury hotel in a farmstead in a rural town. From there, Susana explained how the history of the place influenced and enabled sustainable processes.

Source: the author



Table 8: Table of codes

Interview with hotel clients		
Final code	Second-order code	First-order code
Sustainability	Infrastructure	Building's external look
	Visible sustainability	Finding sustainability in the hotel
	Location	Importance of the destination
	Environmental sustainability	Construction Characteristics
Luxury	Travel motivations	Time to relax
	High quality hospitality	Culture & Gastronomy
Sustainable luxury	Conceptualization of sustainable luxury	Excelent service
	Construction characteristics	Hotels can be sustainable and luxury simultaneously
		Simple atmosphere & decorations

  

Interview with hospitality experts		
Final code	Second-order code	First-order code
Luxury	Expectations from consumers	Consumers are looking for a different luxury
	Context	Portugal's tourism offer through the years
	Expectations towards the future	Hotels' need to understand the tendencies
	Attractiveness of Portugal as a destination	
		Environmental offer
Sustainability	Environmental sustainability	Construction
		Amenities and other products for hotel consumption
		Efficient usage of resources
	Social Awareness	Respect for local cultures
		Educational effort
		Fair trade in operations
Importance of sustainability in hospitality	The role of sustainability in hotels	
Location	Location as a sustainability factor	
Economic Impact	Investing in sustainability	
Sustainable luxury hospitality	"New" Luxury Hospitality	Trends of luxury consumption in the hospitality industry
	Paradoxal relationship between opulence and sustainability	Shift in expectations
		Combination of luxury and sustainability

  

Interview with hotel managers		
Final code	Second-order code	First-order code
Sustainability	Purpose	Commitment to customers
	Mission	Commitment to stakeholders
	Government action	
		Government barriers
Sustainable luxury hospitality	Social awareness	Sourcing locally
		Educational Effort
		Fair trade in operations
	Environmental sustainability	Construction characteristics
		Efficient usage of resources
Importance of sustainability	Biological Garden	
Expectations from consumers	Investing in sustainability	
Luxury	Challenge	Customers search for the wholesome experience
	Future of hospitality	Paradox between sustainable luxury and opulent luxury
	Characteristics of luxury	Tendencies in the luxury market for tourism
		Why is the hotel considered a luxury unit?

Source: the author.