Chapter 17

Applicability of Circular Economy in the Hospitality Industry: Consumers’ Perception

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ABSTRACT

As a growing trend and sustainability tool, characterizing consumer concern, behavior, and intentions towards circular practices is an important starting point to the adoption of Circular Economy. With a major focus on Hospitality Industry, an exploratory survey was conducted, approaching foreign and domestic tourists based on an online questionnaire, which produced 203 valid answers. Initial findings suggested most consumers are willing to accept green and circular practices when choosing their hotels. Furthermore, participants mentioned being concerned about the environment and the water consumption, supporting sustainable practices to minimize such environmental impacts. Taking into account age and gender, it was possible to understand which Circular Economy practices can influence most consumers’ decisions and choices.

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INTRODUCTION

Current society lives in a constant demand for new product and service consumption, contributing to significant resource scarcity, environmental problems and consequent climate changes and impacts (Antikainen et al., 2015). As a result, the traditional linear economy model, focusing on extraction-transformation-utilization-disposal (MacArthur, 2013) is no longer efficient or sustainable in current social and environmental context. For this reason, there is an effective need to reduce resource consumption and achieve higher environmental and economic efficiency, creating incentives to improve the global value chain from the production of a service or product to the consumer, creating new opportunities, economic competitiveness and resilience for businesses (da Cruz, 2017; Preston, 2012).

Sustainability and environmentally responsible activities are part of current companies’ concerns. There is a social pressure towards businesses to become more sustainable, focus on social, environmental and economic benefit and to adopt new methodologies and strategies that look for resources’ efficiency (Julião, Gaspar et al., 2019), creating this way a balance between planet, profit and people (Rheede, 2013).

Regarding the touristic activity, it is known that tourism is classified as the third largest export sector in the world (Planet, 2018) and the third largest socio-economic activity in the European Union (Girard & Nocca, 2017). However, such activities have a significant contribution to environmental pollution and ecosystems degradation (Chengcai et al., 2017; Partnership, 2014), producing 5% of global CO₂ emissions. Moreover, hotels alone produce approximately 21% of the CO₂ that is emitted in all of the tourism sector (Girard & Nocca, 2017; Han et al., 2011; Londoño & Hernandez-Maskivker, 2016). To reduce such impacts, current governments have been pressing the lodging industry with new regulations, promoting the adoption of new strategies in order to reduce their impacts and the related global carbon footprint (Berezan et al., 2010).

Considering that current consumers are largely concerned about environmental changes and degradation (Shen & Zheng, 2009), the hospitality industry needs to be receptive and flexible to future changes of behavior, not only by these sustainability aware consumers, but also taking into account their management sustainability concerns and decisions.

There is a need to move towards a sustainable and greener tourism (Chengcai et al., 2017) and, as some authors sustain, such an innovative approach and model, which incorporates the principles of the Circular Economy (CE) – reuse, reduce, recycle – should be applied to all economic activities, including tourism and the hospitality industry (Julião et al., 2019; Nedyalkova, 2018). Regarding the latter, hospitality is nowadays considered one of the largest water and energy consumer, and even a greater producer of waste. It seems to be an evident need to seek for new and alternative strategies to develop waste management, water savings and energy conservation (Verma & Chandra, 2018b). As a result, even though CE appearance in hospitality industry could be seen as a solution to approach resource scarcity and sustainable problems, the lack of studies approaching the connection of these two subjects is visible. Thus, the purpose of current study is to explore and approach consumers’ awareness and preferences towards CE and sustainability-oriented hospitality industry practices in order to explore their motivations, knowledge and relations between consumer intentions and attitudes.
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