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MOTIVATION, COSTS AND BENEFITS OF THE ADOPTION OF THE EUROPEAN ECOLABEL IN THE TOURISM SECTOR: AN EXPLORATORY STUDY OF ITALIAN ACCOMMODATION ESTABLISHMENTS

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Abstract

In the last 20 years, the tourism industry has witnessed the proliferation of many ecolabels with different scopes and criteria and sometimes with a limited area of recognition, which has caused confusion among guests. In order to offer a tool useful for consumers and recognised all over Europe, in 2001 the European Union decided to extend its official ecolabel to the hospitality sector. Fifteen years since its introduction, Italy represents the first country in Europe in terms of adherence to the European Ecolabel while in other countries like Austria, Spain and France, only a limited number of properties are certified. This paper aims at presenting a study of 36 Italian accommodation establishments with the European Ecolabel (out of 194, the 18.6% of the total) and analyses their motivations, difficulties, costs, and benefits deriving from its implementations.

Keywords:

Tourism, Italian accommodation, European Ecolabel, Cost Benefit Analysis.

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Introduction

In 2015, international tourism marked a record of about 1,200 million tourists (UNWTO, 2015) and 50 million more tourists travelled to international destinations, meaning an increase of 4%, compared to the previous year. Within Europe “arrivals reached 609 million, or 29 million more than in 2014” (UNWTO, 2015: 13), with an increase in all the European macro areas and, in particular, Central and Eastern Europe (+6%) and Northern Europe (+7). These data, and the provisions for the cur-

rent 2016, show the importance of tourism as a driver for the economic development in the world, and in Europe. On the other hand, however, the same data show the importance of taking into consideration the implications of the tourist activities on the environment and the local communities.

Starting from the end of the 1980, when the first definition was introduced by the Brundtland Commission, the concept of sustainability has been widely debated. ICLEI (1994) defined sustainable development as a “(...) *development that delivers basic environmental, social, and economic services to all, without threatening the viability of the ecological and community systems upon which these services depend*”, and pointed out the three basic pillars of sustainability: the environment, economy and society.

The sustainable development paradigm, therefore, started to permeate all the economic activities and, from the mid-1990s, when the Lanzarote Chart was signed, there has been a growing interest in the policy-making process related to sustainability in the tourism sector (UNWTO-UNEP, 2005; Borges et al., 2013).

In this field, sustainability started to become a key element of the debate on the management of the tourist destinations (Lopez-Sánchez et al., 2013) as well as in the tourist enterprises in general (Font and Wood, 2007; Font et al., 2014) and the accommodation establishments in particular (Bohdanowicz and Zientara, 2008; Ivanov et al., 2014). In this specific context more than in others, and due to a lack of knowledge showed by managers on the real “meaning” of sustainable tourism, it is necessary, as Lopez-Sánchez et al. (2013) point out, “(...) to develop effective tools that enable the translation of the ideals and principles of sustainability into actions” (p. 58). Among the useful tools able to “translate the principles of sustainable development into action”, the implementation of environmentally friendly labels and/or certification systems has been considered by the European policymakers as an important instrument. The European Commission, therefore, published the European Ecolabel in order to improve the environmental profile of the tourist establishments and stimulate consumers to choose “environmental friendly” services and products (Beltramo and Pandolfi, 2013). From the managers’ point of view, the reasons why a hotel may be interested in this theme are attributable to different factors: Park, Kim and McCleary (2014) underline manager’s disposition, whereas Bohdanowicz (2005) stresses the affiliation to a hotel’s chain and the location of the hotel (Bohdanowicz, 2006).

With regard to these considerations, this paper aims to analyse Italian hospitality managers’ perceptions towards the European Ecolabel and identify the factors that influence them. The rest of the paper is organised as follows: Section 2 comprises a

literature review that starting from the phenomenon of the ecolabels in hospitality, focuses its attention on the European Ecolabel. Section 3 presents the methodology adopted to evaluate the application of the European Ecolabel in the Italian context. Section 4 concentrates on the main results from a study of 36 out of 194 Italian accommodation establishments with the European Ecolabel and analyses their motivations, costs and benefits deriving from the certification. The final section wraps-up the main findings, discusses the limitations of the research, provides the future research directions and concludes the paper.

Literature review

Ecolabels first appeared in the 1980s (e.g. Blue Flag) but they proliferated in the last 20 years (Buckley, 2002; Font, 2002; Plißs et al., 2012). The aim of ecolabels is to certify the environmentally friendly products and/or practices of a company. In doing so ecolabels provide numerous benefits for the tourist companies, tourists and society as a whole. Dabeva (2013) summarises the benefits of ecolabels in the hotel industry as follows: improved image of the company, increased product and company competitiveness, a signal for the tourists about the product characteristics, improved product quality. In this way, the ecolabels help to curb some of the negative impacts of tourism (see Sasidharan et al., 2002). Furthermore, Buckley (2002: 185) points out that the ecolabel “becomes one of many characteristics a consumer may weigh, according to individual priorities and preferences, when comparing price and features for alternative tourism products”. On the other hand, ecolabels are associated with costs – not only for the certification, but for the compliance with the ecolabel’s standards as well. Sasidharan et al. (2002) emphasise the large expenses for environmentally friendly technology that are not within the budgets of small companies; thus, predominantly large companies can afford such certification. That is why the authors are relatively sceptical towards the ecolabels and think that they are “likely to function as nothing more than marketing gimmicks for large-scale enterprises” (p. 172). Furthermore, the increase in the number of the ecolabels for tourist accommodation, with different scopes and criteria and sometimes a limited area of recognition, has historically caused confusion to guests (Duglio and Beltramo, 2014).

The European Ecolabel

The first European Ecolabel was created in 1992 with the European Regulation CEE 880 of 23rd March 1992 on a Community eco-label award scheme in order to “promote the design, production, marketing and use of products which have a reduced environmental impact during their entire life cycle” and “provide with better infor-

mation on the environmental impact of products” (EU, 1992: p. 2). Following its first revision, in 2001 the product groups were officially extended, including the hospitality sector and creating the ecological criteria for two new categories: tourist accommodation and camping (EU, 2000). As far as the tourist accommodation is concerned, the current set of criteria is divided into two main categories: mandatory (29 criteria) and optional (61 criteria) (EU, 2009). An accommodation establishment has to comply with all the mandatory criteria, whereas it has to follow a sufficient number of optional criteria in order to acquire a fixed number of points, indicated by the Regulation: a minimum of 20 points and 3 more points based on the presence of some additional services. Table 1 contains the macro areas in which the mandatory and the optional criteria have been defined.

Table 1

Number of mandatory and optional criteria of the European Ecolabel

Area	Number of mandatory criteria	Optional criteria	
		Number	Achievable points by area
Energy	10	20	38.5
Water	5	13	20
Detergents and disinfectants	1	7	13
Waste	4	4	8
Other services	2	12	29
General management	7	5	11
Total	29	61	119.5

Source: Authors’ elaboration based on EU (2009).

The degree of adhesion to the European Ecolabel in Europe shows great differences among the EU members. Official data provided by the European Commission indicate 650 certified accommodation establishments (EU, 2016). In many European countries, however, the ecolabel has not been able to attract the interest of hospitality managers; in several cases, in fact, there are maximum of 1 or 2 accommodation certified as in Romania and Poland and in Bulgaria and Croatia official statistics do not indicate any certified properties. By contrast, with 194 certified accommodation establishments (or 29% of the total number of certified properties at European level), Italy represents the first country for diffusion of the European Ecolabel, which as interests every kind of accommodation, even the simplest in terms of services, the mountain huts (Campisi et al., 2014).

Methodology

Data collection and sample

Data were collected via online questionnaire sent to the managers of all 194 European Ecolabel certified accommodation establishments in Italy. After the first mailing, 19 accommodations responded (9.8%) and after a reminder 17 more responded (8.8%), leading to a final sample of 36 accommodation establishments representing 18.6% of the population. Table 2 presents the sample characteristics.

Table 2

Sample characteristics

	Population		Sample	
	Number	%	Number	%
<i>Type of certified accommodation establishment</i>				
Hotels	136	70	22	61
Other accommodation establishments	58	30	14	39
Total	194	100	36	100
<i>Location of certified accommodation establishments by geographic area</i>				
North	74	38	20	56
Centre	34	18	7	19
South and Islands	86	44	9	25
Total	194	100	38	100

As Table 2 reveals, the sample structure presents very well the structure of the certified accommodation establishments by type, while it slightly overrepresents the Northern regions (e.g. Trentino Alto Adige, Veneto, Friuli Venezia Giulia, Piedmont, Lombardia) and underrepresents the Southern Regions and the Islands (Sardinia, Sicily). Nevertheless the sample covers 18.6% of the population size, hence results could be generalised for the whole population of ecolabel certified accommodation establishments in the country.

Questionnaire

The questionnaire contained 18 questions related to motivations, difficulties, costs and benefits of the adoption of the European Ecolabel, based on previous experiences in other similar researches (Provincia di Torino, 2005). The motivation, difficulties and benefits were evaluated by a set of statements, measuring respondents'

level of agreement on a 5-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). Costs of the certification were measured by interval scale (up to 2000, 2001-4000 and over 4000 euros). Additional questions related to the characteristics of the accommodation establishment (type, location), the year of certification, and the initial expectations of the respondents.

Data analysis

The Kolmogorov-Smirnov z-test revealed that the answers of the respondents were not normally distributed. Therefore, we used the non-parametric Mann-Whitney U-test and Kruskal-Wallis χ^2 test to identify the role of accommodation establishment's type (hotels and other) and location (North, Centre, South and the Islands), respectively, on its managers' motivation, and perceived difficulties and benefits of the ecolabel certification (Baggio and Klobas, 2011). Paired samples t-test was used to identify any statistically significant differences in respondents' answers to some questions.

Findings

Table 3 presents the motivation for the European ecolabel certification of the accommodation establishment. The main motivation for certification are related to the personal awareness of the sustainability issue ($m=4.69$) and for improving the corporate image ($m=4.03$) and the paired samples t-test values with the levels of agreement with the other statements are significant at $p<0.01$. On the other hand, the role of the tour operators in requesting the label ($m=1.59$) does not seem to be influential. Even the opportunity of buying products at a lower cost ($m=2.18$) is not within the main motivations indicated by the respondents. The geographic location of the accommodation establishment does not influence the motivation for certification (none of the χ^2 values is statistically significant). The type of the property has only marginal impact – managers of hotels were more motivated by the potential subsidies to be received by the public authorities ($m=3.00$) than the managers of the other types of establishments ($m=1.57$) and the difference between their responses is significant at $p<0.01$.

Table 3

Motivation for certification

Motive	Number of responses	Mean	Standard deviation	Differences by type (Mann-Whitney U-test)	Differences by region (Kruskal-Wallis χ^2)
Due to my own awareness of sustainability	36	4.69	0.789	122	2.452
To decrease the costs related to the supply of natural resources	34	3.09	1.583	90.5*	2.008
To decrease the costs related to the purchase of products	34	2.18	1.218	124	0.533
To improve the corporate image	33	4.03	1.104	120	0.025
To increase profitability	34	2.35	1.390	140	1.234
To receive benefits and/or subsidies from the Italian public authorities	34	2.41	1.520	66.5***	4.132
It was requested by the tour operators	34	1.59	0.821	121	4.454

*Note: Levels of significance: *** p<0.01, ** p<0.05, * p<0.10*

The respondents have indicated nearly the same level of agreement with statements related to the difficulties of the certification process (Table 4) and none of the paired samples t-test values is statistically significant. All means are below the middle value of 3 meaning that in general the respondents did not find any significant difficulties with the certification. The label seems to be clear in its comprehension as well as in its initial implementation (compliance with the criteria) and retention (improvement programme). Even facing the cost does not seem to create particularly concerns to managers (m=2.51). The type of accommodation establishment is not influencing its manager’s perceptions of the difficulties of the certification while the location has a minor effect – the managers of properties in the central regions found it more difficult to show to the tourists that their properties were adhering to the ecolabel’s standards ($\chi^2=6.818$, p<0.05).

Table 4

Difficulties of the certification

Difficulty	Number of responses	Mean	Standard deviation	Differences by type (Mann-Whitney U-test)	Differences by region (Kruskal-Wallis χ^2)
I had difficulties in understanding the criteria	35	2.54	1.379	140.5	1.155
I had difficulties in covering the costs	35	2.51	1.011	117.5	0.314
I had difficulties in implementing the criteria	35	2.29	1.100	106	1.219
I had difficulties in showing property's compliance with the criteria	35	2.31	1.157	121.5	6.818**
I had difficulties in implementing the improvement programme	35	2.29	1.226	97*	0.988

Note: Levels of significance: ** p<0.05, * p<0.10

In regard to the financial costs associated with the certification we see a clear division of the accommodation establishments by their type (Table 5). Most of the hotel managers indicated that they had spent over 4000 euros on the certification, while most of the managers of other types of properties reported financial costs of less than 2000 euros. The difference between their responses is significant, as shown by the test statistics in Table 5. This result was expected because hotels have usually a larger number of rooms than guest houses, bed-and-breakfasts and other types of accommodation establishments, hence more expenses are required for hotels to adhere to the ecolabel standards.

Table 5

Financial costs of the certification

		Costs (in euros)			Total
		Up to 2000	2001-4000	Over 4000	
Type of accommodation establishments	<i>Hotels</i>	5	4	10	19
	<i>Other</i>	7	3	2	12
Total		12	7	12	31
<i>Statistics</i>	<i>Value</i>	<i>df</i>	<i>Asymptotic significance</i>		
Pearson χ^2	4.456	2	0.108		
Likelihood ratio	4.706	2	0.095		
Linear-by-linear association	4.249	1	0.039		
Mann-Whitney U-test	66.5		0.039		
Number of valid cases	31				

Table 6 presents the benefits of the ecolabel certification as perceived by the respondents. It is noteworthy that the only major benefits relate to energy efficiency (m=3.56) and water saving (m=3.2) and the paired samples t-test between them and the other benefits are all significant at $p < 0.01$ or $p < 0.05$. The type and location of the establishment do not seem to influence significantly the perceived benefits. Furthermore, despite the fact that 12 properties out of 36 (33%) affirm having obtained public financial support, the great majority of the managers do not recognise in the EU ecolabel a vector for obtaining subsidies from the Italian Public Administration. The reason why not all managers indicate support by the local public administration as a major benefit depends on the regional context in which they operate in. For example, 4 of the 12 managers (33%) that indicate of having obtained benefits from public bodies are located in Sardinia and joined the ecolabel in 2015, because of the publication of a specific regional act.

Table 6

Benefits of the certification

Benefit	Number of responses	Mean	Standard deviation	Differences by type (Mann-Whitney U-test)	Differences by region (Kruskal-Wallis χ^2)
Energy efficiency	36	3.56	1.340	80*	0.302
Water saving	35	3.20	1.389	110	0.556
Savings on the purchase of products	36	2.47	1.207	107.5	2.042
Benefits and/or subsidies by the Italian public authorities	36	2.22	1.514	98*	1.754
The employees are more motivated	36	2.72	1.323	96.5*	5.037*

Note: Levels of significance: * $p < 0.10$

Specific questions were suggested in order to investigate whether the ecolabel contributed to improved financial results of the accommodation establishment. Firstly, respondents reported great difficulty in quantifying the benefits of the ecolabel adhesion: only 3 out of 36 hotels (8.3%) affirm to be able to respond to this question. Secondly, even if a tourist seems to know this label, as 50% of hotels' and 35% of the non-hotel accommodation establishments' managers think, the certification does not necessarily lead to an increase in the number of guests. In fact, only 3 respondents note a major increase in the number of guests after the certification. All these perceptions drive the managers to report how their expectations before obtaining the label have been substantially disproved (73% and 86%, respectively for hotels and other accommodation).

Discussion and conclusion

The main results of this work show both strong and critical point in the adoption of the European Ecolabel by the Italian accommodation establishments. On the one hand, the main motives for certification are the sustainability awareness by the hospitality managers and the aim to improve the image of the property among guests, confirming one of the main factors in joining this kind of tools – the manager's disposition – as identified by Park, Kim, and McCleary (2014). Furthermore, the certification costs do not seem to create a barrier. On the other hand, some difficulties in evaluating and, above all, quantifying the benefits persist among the Italian hospitality managers. The respondents' opinions reveal a lack of balance between expectations

(the improvement of the corporate image) and related benefits (in terms of increase in the number of guests) that drives the managers to affirm how their expectations are not satisfied. In conclusion, even if Italy is the first country in Europe in terms of adhesion to the European Ecolabel (EU, 2016) with 194 certified accommodation establishments, after more than 10 years since its first introduction, they only represent the 0.12% of the 158,000 accommodation establishments in the country (ISTAT, 2016).

As all research projects, this study has some limitations. As already mentioned in the methodology section, even if it is possible to consider the sample as representative in regard to the division of properties by type (hotels and non-hotel accommodation establishments), there is a prevalent presence of facilities located in the North of Italy. Future studies, therefore, should concentrate their attention in order to enrich the number of the accommodation involved in order to sharpen the data analysis. Lastly, considering that different cultural groups may have diverse expectations and concepts of quality (Amstrong, Mok & Go, 1997), future research may investigate the differences in motivations, difficulties, costs and benefits of the European ecolabel in different EU countries and in other cultural contexts.

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