

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The literature on the subject is documented and touches on a number of areas, including the criticality of sustainability, its place in the hotel industry, and the tenets of sustainability. Concisely, the hotel industry is one of the fast-growing industries in the world currently contributing huge percentages to the revenues of a country. The industry has for long had a significant impact on the economies of various countries. In order to continue enjoying the benefits of the industry, the players must invest in sustainability. Quality and environmental management are considered a source of competitive advantage (Molina-Azorín, Tarí, Pereira-Moliner, López-Gamero & Pertusa-Ortega, 2015). However, Inle Lake has been marred by environmental concerns (Koppen, 2015). The rest of the issues underlying the literature review are explored in sections as follows.

#### **2.2 Sustainable Tourism and Hospitality Industry**

A sustainable industry has several definitions. The commonly used one is the ability to cater for today's needs while ensuring that the future generations will be able to provide for their needs through the same industry. It basically describes the sound and conscious husbandry of resources, equity in the allocation and careful distribution of the profits thereof (Myanmar Center for Responsible Business, 2014). A sustainable hotel industry, therefore, is one that is able to account for present needs and predict trends and possible future needs putting in place measures to satisfy these needs. This usually involves setting of measures and standards to ensure the economic output of the industry remains stable and relevant to a country or its particular locality. The industry has seen itself boost not the only the national economy but right from the local

economy going higher. Establishing a sustainable industry that will be able to withstand all the challenges that are characteristic of this industry requires a combined effort from various sources. The government should particularly be in the frontline in spearheading the development of a sustainable hotel industry. In setting standards and measures towards a sustainable hotel industry it is important to look at the various factors that contribute first towards the development of this industry. It is from this point that we can identify the pressure points and pivots of the industry. Careful understanding of these factors allows a body such as the government to put in measures towards the development of a sustainable industry.

The tourism industry has been known to go hand in hand with the hotel and hospitality industry. One can hardly exist without the other. The two industries exist in a symbiotic relationship where one benefits from the other (Myanmar Center for Responsible Business, 2014). Tourism basically involves the traveling of individuals known as tourists to a particular destination to enjoy the sites of nature present in the area. The sites may include natural phenomenon and physical features that are unique to that particular location. Wildlife forms a major tourist attraction site in most countries. A variety of wildlife is unique to specific areas and so to have a view of these unique creatures provides the need to travel to their specific ecosystems. Physical features such as mountains, lakes, waterfalls, etc. also act as tourist attraction sites. These physical features often form spectacular sceneries or are home to some rare creatures hence attracts the interest of nature lovers. The terrains, slopes, and vegetation of certain physical features act as exquisite venues for various exploration activities and are an attractor of explorers.

Climatic conditions are often reason enough for people to traverse continents in order to enjoy the favorable climatic conditions. This is particularly pertinent to Europe and other

countries affected by extremely cold conditions. Countries along the equatorial region and especially along the oceans enjoy relatively good climatic conditions all year long. These countries enjoy a large number of tourists trickling in during the winter seasons in the European countries. Inle Lake in Myanmar is an example of those countries with good climatic conditions all year long thus attracting thousands of visitors every year. The lake itself is a unique physical feature that provides a scenic view that attracts tourists from all over the world(Koppen, 2015).

Tourism provides the need for construction of hotels especially near the various attraction sites in order to accommodate the tourists visiting the areas. Accommodating does not only involve the provision of places of residence during their stay but providing them with meals too (Koppen, 2015). In order to be able to prepare foreign dishes, there is a need to establish colleges for catering and hospitality to master the art. This has boosted the hotel industry and hospitality industry as a whole in the countries that enjoy a good spell of tourism. Inle Lake enjoys this spell, and as a result, the hotel industry around the lake is booming with the establishment of five-star hotels along the shores of the lake.

### **2.3 Cultural Diversities**

The cultural activities of a particular people located in a certain region usually affect the hotel industry but not too directly (WAGENINGEN, 2015). Different cultures have different delicacies and different methods of preparing the common delicacies. For such reasons, the regions enjoy a lot of visitors coming to have a taste of these delicacies. This has contributed to the building of more hotels and guest houses where they receive a smaller amount of visitors. The lifestyle and cultural heritage of certain communities are quite interesting, and many culture lovers fancy visiting such communities to get to know more about the culture. The residents of

InleLake area possess a unique culture that is only characteristic to them. The art and traditional technology employed in this area reveal how much the people of this area treasure their culture.

Advancement of technology and industrialization has caused depletion of culture and heritage among most of the native communities in various countries around the world. The Inthas however still hold to some of the practices and even commemorate the traditional festivals (Buijtendijk & Tschunkert, 2016). The spectacular scenery brought about by their colorful dressing and decorations during these festivities is such awe to the eyes. Such activities provide entertainment to the tourists and even locals visiting these places. A glance at their methods of carrying out various economic activities like farming automatically creates an urge to know more concerning the community. This place is also the home to a variety of art and skills ranging from silver smiting to silk weaving. They are able to come up with ornaments and objects that fascinate any foreigner that happens to be in the area. The general way of life of this small and unique community is an attraction site itself. Cultural practices and heritage is generally a source of tourism. The large number of tourists boosts the hotels. Accommodation of these tourists and visitors is necessary thus the building of hotels and coming up with hospitality training institutes. The revenue earned from the tourists residing into the hotels can be used in expanding the hotel and bettering the service of the hotels.

The hotel industry is all about providing services that one would otherwise receive at their homes. And so for an individual to go seeking for these services in a hotel, he/she must be very far from their homes. It is therefore important to consider the prevalent conditions while venturing into the hotel industry. The industry depends on unquantifiable consumers. The investor cannot estimate how many consumers are going to be using his/her services. In this manner, when setting up the hotel and hospitality industry it is necessary to identify the need for

hospitality in the specific area. You cannot possibly set up a hotel for instance in the middle of a village where everyone owns a home and expect the business to flourish. There has to be something interesting and unique in the area that will encourage foreigners to visit these areas. Most of these factors have already been identified. There is, however, another factor that is particular to the Inle Lake and its people. The people are involved in intense agricultural activities including fishing and farming. This area is a source of a variety of foodstuffs that can easily be obtained and used in the hotels. A rare dish of fermented rice and fish is also characteristic of this region. The foodstuffs are the raw materials for any hotel and hospitality company. The availability of these raw materials at a throw stone distance is of great importance towards the amount of revenue earned from the industry. These crop products help save on costs that would have otherwise been used in transporting of the particulars to the hotels. The resulting revenue is a boost to the area's economy hence the ability to expand and sustain the industry. These products also ensure the hotel industry is a self-sustaining industry that is able to cultivate and harvest its own raw materials.

#### **2.4 Infrastructure**

The hotel industry is usually related to the travel or transport industry directly. To access the services of this industry normally requires one to travel from one place to another. We said that the services provided by the industry are usually home services that are delivered to someone away from his/her home. This means that the individual should travel or be transported to the location of the hotel, which is away from home. After identifying a phenomenon of interest that one would love to see or go to, then the transport industry chips in. Without it, the hotel industry would be limited. Through the travel industry, the hotel industry has been able to serve a diverse culture promoting globalization. A well-defined transport system and

infrastructure are crucial to the development of a sustainable hotel and hospitality industry. Most consumers of the industry have been proven to be majorly foreigners in the particular locations of the hotels. This suggests that in order for such an industry to prosper there is a need for a well-established air travel system that will allow visitors from all over the world to come visiting. The general infrastructure of the hotel and even the environment of the hotel should be pleasing to the eyes, and it is considered to be a vital satisfier element (Kim, Kim & Heo, 2016). This way, even visitors will be able to enjoy their stay and wish to come back to the same venue.

This development of this industry has been influenced by many more factors, especially in recent times. Advancements in technology have a significant impact on this industry. The introduction of the internet to the industry has particularly been influential. The internet has allowed for easy communication in undertaking tasks such as bookings. This has also been boosted by the development of smartphones and mobile Apps used in the industry. Mobile applications have been developed to ease the booking of hotel rooms thus avoiding traffic during the high peak seasons. The industry has also enjoyed the service of experienced and skilled workers as the years pass along. Establishment of schools and colleges of hospitality and catering management has provided the industry with skilled labor. The skills gained in the institutions have seen the industry improve on its service delivery in terms of quality foods and beverages being prepared. The undeniable outcome of this would be the increase in interest of more investors and individuals in the industry. Organization learning, shared vision and joint ventures have been instrumental in supporting sustainable practice (Leonidou, Leonidou, Fotiadis & Aykol, 2015).

Developing a sustainable industry would, therefore, require the emphasis on the factors discussed above. It is notable that all these factors are aimed at preserving high rates of visitors'

influx into subject areas to improve on the hotel industry. The best route to take in establishing measures and standards should, therefore, be directed towards protecting and safeguarding that which attracts visitors to the subject area. Measures should, therefore, be aimed at achieving three broad types of sustainability; economic sustainability, environmental sustainability, and socio-cultural sustainability. This three if achieved would ensure the industry is sustainable and remains viable to its consumers.

### **2.5 Environmental Sustainability**

Environmental sustainability refers to the preservation of the environment to cater not only to the needs of today but of future generations too. The environment is a major source of attraction and has a huge influence on the development of the hotel industry. Environmental sustainability refers to ensuring, the physical integrity, biological diversity, resource efficiency and purity of the environment (Gebreegziabher& Kumar, 2018). Physical integrity refers to maintaining the scenic beauty by preventing any form of environmental degradation. This popular with physical features that act as attraction sites and therefore promotesthe influx of visitors to a specific area. Several measures can be taken to ensure the physical integrity of a particular region is maintained. The government can, for example, put laws restricting development of urban structures in these areas as this would completely distort the beauty of the physical features. Since the areas act as tourist attraction sites, development of tourism facilities in the area should be closely monitored to ensure the physical integrity of the region remains intact. The installation of advertisement and signposts in this area should be kept on the minimum to preserve the beauty brought about by the natural environment.

Biological diversity refers to the various distinct species of living organisms present in the subject areas. Animal life and vegetation have also been major tourist attraction sites.

Different areas have unique biological diversity depending on climatic factors that either favors their presence or absence in these areas. It is therefore prudent to conserve this wildlife by protecting their natural habitat such that from their natural homes they can grow and multiply. Attempts in doing this have already been made in several countries by the introduction of national parks and reserves which are areas particularly set aside for the habitation by wildlife and tourist are able to come and view them from this place. Laws have been put in place to safeguard this area against inhabitation by any other factor that would cause harm to the wildlife here (Gebreegziabher & Kumar, 2018).

Resource efficiency refers to minimizing on the use of non-renewable resources in operating tourism facilities. It emphasizes the need for conservation of the environment even by visitors. It goes hand in hand with environmental purity that also aims at preserving the cleanliness of the environment. The purity of the environment directly affects both the biodiversity and beauty of the environment. Measures should be put to ensure pollution of the environment is kept at the minimum. This can be achieved for example by reducing the use of products containing chemicals that are harmful to the environment. The successful conservation of the environment directly affects the hotel industry. In creating a sustainable environment, visitors are able to sustain the conditions present in the area. Environmental sustainability, therefore, affects hotel industry sustainability. People are becoming conscious and endeavoring to share resources and engaging in collaborative consumer activities to protect the environment (Tussyadiah, 2016)

## **2.6 Socio-Cultural Sustainability**

Social, cultural sustainability refers to maintaining the support and positive attitude towards the industry. It involves ensuring social equity, visitor fulfillment, local control,

community well-being and cultural richness (Soini & Dessein, 2016). Social equity is to seek widespread sharing of economic and social benefits resulting from tourism and consequently hotel industry. Tourism usually takes place in a place owned by a certain community. To ensure sustainability, the tourism business has to win the trust of the community. This can be done by coming up income-earning opportunities for the community with preference given to those with special needs. This way the community is able to embrace the business in the area and hence ensure its sustainability. As a result, the hotel industry is sustained too.

Visitor fulfillment is the indiscriminate provision of a safe and thrilling experience to all visitors despite age, gender or disability of any kind. The visitors are the consumers and so how they are treated directly affects the sustainability of the industry. To ensure visitor fulfillment, it is important to carry out routine surveys on how visitors are treated to avoid cases of discrimination because of color, race or gender. This can also be improved by improving access to the tourist sites through improving infrastructure. It is also important to include the local community in decision making concerning the future of the tourism and hotel industry in the area. This provides the community with the confidence of ownership of the business. With the business situated on their land, it is only fair if they have a share of not only the profits but also participate in its development (Soini & Dessein, 2016). Such steps would see the future of the industry led by individuals who own the industry and have the urge to see the industry prosper.

To achieve sustainability, the industry can also engage in ensuring the well-being of the community. The industry can provide the community with access to social amenities and even life support services to ensure there is no exploitation or social degradation. This can be achieved by advocating for sharing of facilities and services by both locals and visitors. The industry should also be able to learn about the cultural heritage and practices of the local community. This

way they would ensure they do not involve in activities that are against the practices of the community (Soini & Dessein, 2016). The peace generated from mutually understanding one another's needs and practices is useful towards the sustainability of the hotel industry. The measures provided are vital towards creating a strong bond between the community and the industry. This way the industry would be able to develop and be sustained.

### **2.7 Economic Sustainability**

Economic sustainability refers to the ability to meet economic needs currently and in generations to come. It involves ensuring economic viability, local prosperity and employment quality (Cerina, Markandya & McAleer, 2010). Economic viability is basically the attempts made towards ensuring the industry remains viable and competitive in the long term. It involves securing a certain market that they can count on to continue using their services in years to come. Measures to achieve would obviously include prioritizing visitor satisfaction and keeping track of regular feedback from the visitors. This is a way of gaining consumers' confidence by providing quality service, such that the visitors would only come to you when in need of the same service in the future. The industry may also study the market trends and be able to determine the type of market they will be serving in a few years to come.

The industry should be able to consider improving on the local economy too (Cerina, Markandya & McAleer, 2010). This can be done by maximizing visitor spending the local resources. This can be done through outsourcing from the local community resources such as foodstuff. The industry may also support local businesses and provide labor to the locals to avoid leakages. This allows the community to grow significantly at the same rate as the industry. The industry is able to enjoy higher profits for a longer time if the surrounding community is relatively developed too. In providing jobs, the industry should ensure employment quality in the

kind and number of jobs availed to the locals. The jobs should be provided without no special preference given according to gender, race or disability. This they can ensure by establishing institutions where the locals can be trained on the various skills needed for the jobs present in the industry.

Attaining sustainability has been proven to not be a walk in the park but a combination of determination, focus and strategic planning. The measures provided above are the fundamentals in achieving a sustainability industry. Inle lake area enjoys a fast-growing hotel industry cropping up daily. The sustainability of this industry is dependent on these same factors.

Based on the literature review, sustainability can be conceptualized as comprising of five elements that are interrelated. The figure below summarizes the conceptual framework. Of particular interest for the present research is to question the position of these elements in the Inle lake initiatives.



Figure 1: Conceptual framework based on literature review