

Sustainability and sustainable development

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eISBN 978-83-8211-074-6

<https://doi.org/10.18559/978-83-8211-074-6>

PUEB PRESS



POZNAŃ UNIVERSITY
OF ECONOMICS
AND BUSINESS

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Poznań 2021



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LIGHTS AND SHADOWS OF AIRBNB AND ALL-INCLUSIVE VACATIONS: HOW TO MAKE THEM MORE SUSTAINABLE?—TOURIST SECTOR



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Abstract: One of the sustainable goals refers to the tourism services sector—by 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture as well as products. Responsible tourism (RT) means to:

- minimise the negative impact on the economic, environmental and social sphere (3P model);
- generate greater economic benefits for local communities;
- support the welfare of host communities;
- improve working conditions and access to the tourism industry;
- engage local residents in making decisions that will have influence on their lives, surroundings and possibilities;
- support the preservation of heritage in the sphere of nature and culture for maintaining diversity;
- provide tourists with new experiences through closer and more meaningful contact with local culture and people.

Below, of the following forms of tourist services are discussed—all-inclusive vacations and Airbnb. The goal is to invite readers to take part in the discussion on those popular forms of spending leisure time—how to make them—if possible—more sustainable.

Keywords: Airbnb, all-inclusive vacations, sustainability, tourist sector.

7.1. Sustainability in the tourism sector

Contemporary tourism poses a significant threat to the natural environment. One of the main reasons for the emergence of these threats are, among others, lack of tourism culture, excessive concentration of tourism in some regions and the related tourist base, bad forms of organising recreation. On the one hand, crowds of tourists visiting natural and cultural attractions, while on the other, tourist enterprises focused on short-term economic profits, in many cases, contribute to the destruction of these attractions. Increased awareness of this fact add to introducing the concept of sustainable development in tourism. Sustainable tourism is defined as: “tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities” (WTO, 2005).

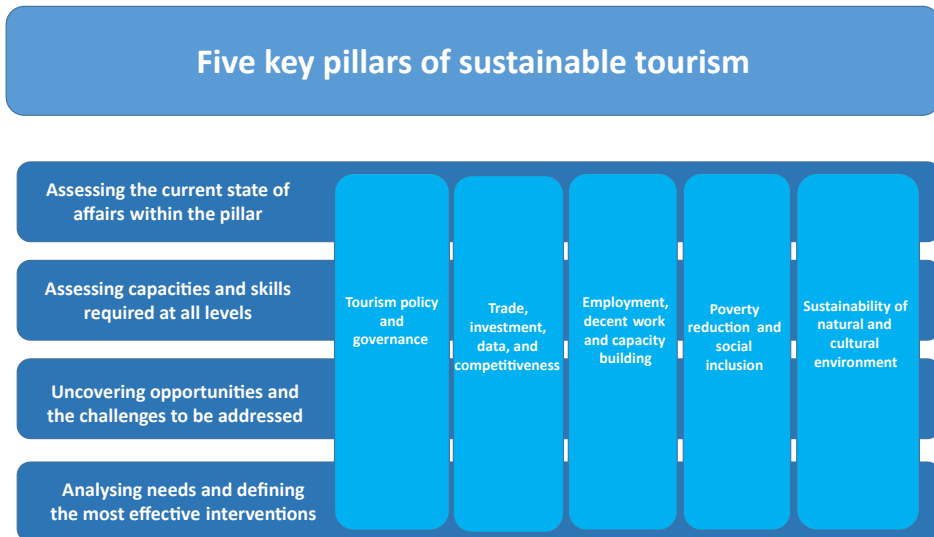


Figure 1. Five key pillars of sustainable tourism

Source: (WTO, 2005).

In the report of the World Tourism Organization (UNWTO) and United Nations Global Compact Network Spain: *The tourism sector and the Sustainable Development Goals. Responsible tourism, a global commitment* (2016), the following potential challenges in the tourism sector can be found and classified into priority areas: employment, environment, sustainable production and consumption, partnerships, transparency, sustainable and smart cities, as well as supply chain.

Sustainability can be managed at various levels (APEC, 2013): national, regional, local. For example, the national level is “considered as the highest extent

for sustainable tourism in a given economy. There are policies and/or initiatives involving the whole territory and establishing sustainability in all industry levels”. In contrast, at the most popular tourist sites (protected areas, historical monuments, beaches, areas of special interest), sustainable practices can play an important role in site control, management and future development of tourist attractions. Moreover, a very important level of sustainable management is that of tourism companies (hotels, tour operators, the entire transport or catering sectors). They decide whether or not to follow sustainable principles in their strategy.

The tourism sector is one of those areas of activity in which the problem of sustainable development is understood and implemented in practice in a variety of ways.

Questions / tasks

1. Five key pillars of sustainable tourism—provide examples in each area for the chosen country.
2. Find examples of good practices that companies in the tourism sector are already working on to achieve Sustainable Development Goals.
3. Overtourism is one of the negative phenomenon in contemporary tourism. Give examples of cities where overtourism occurs and ways to reduce it.

7.2. All-inclusive as a/an (un)sustainable model of business

All-inclusive (AI), as a form of spending vacations, was launched in the mid-20th century in France, and in recent decades, has become popular all over the world (some sources mentioned that it origins from Great Britain and was launched in the 30s of 20th century). It relies on the idea that customers pay a one-time fee per a package of tourist services—that usually includes: lodging, a few meals daily, most soft drinks, access to the majority of services offered at a hotel (spa, swimming pool, sauna, gym) and to entertainment programmes (Figure 2). Some extra services can be charged separately, such as stronger imported alcoholic drinks, fresh-squeezed orange juice, extra menu for dinner or some additional sight-seeing trips. Services of that type are usually delivered by travel agents, such as tour operators, who organise the “vacation service pack”. Then, the price often also includes travelling costs (direct transport to destination location) and insurance (sometimes optionally). This form of spending leisure time is popular among consumers who search for convenience. Also, those customers do not want to be charged for every unexpected service, thus, they prefer buying a service package prepared professionally. They want to feel safe

and are ready to pay for that (Tavares & Kozak, 2015; Abdool & Carey, 2004). The language barrier is non-existent, because the tour operator delegates employees to be accessible in hosting hotel—a representative resident—she/he being a contact person, who solves travellers' problems locally and supports them if necessary. As a result, customers can fully relax. They are released from organising anything because everything is prepared by and available it a hotel. Consequently, visitors do not feel the need to leave the hotel—all their needs are satisfied in one place.

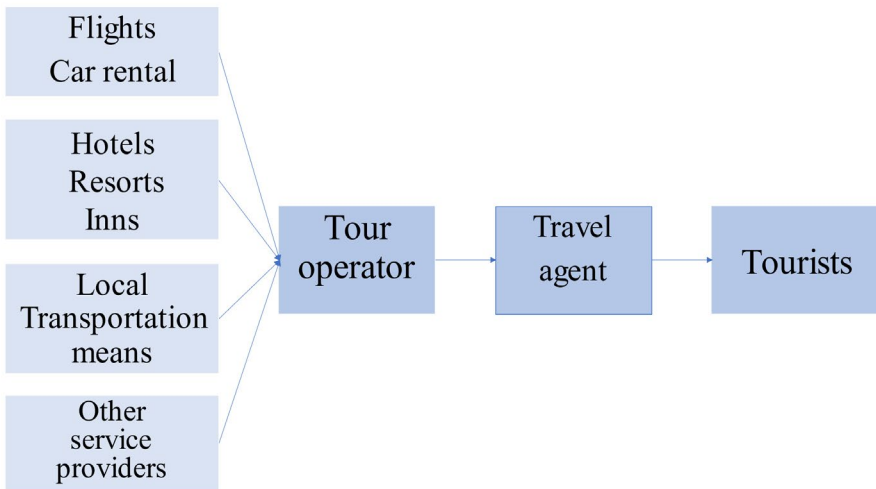


Figure 2. All-inclusive model

Source: Own work.

To make that business model profitable, a tourist agent who represents a tour operator buys a package of services from airlines (charter flights) as well as hotels, and also additional services from local service providers (e.g. bus transportation from the airport to the hotel) to add value for customers. Due to the scale of operations—the tour operator receives discounts and pays service providers much below regular price. On the other hand—hotels minimise the risk of their business—this cooperation with tour operators lets them extend the occupancy rate, while marketing and sales costs are the responsibility of the agent or tour operator. This cooperation also leads to prolonging the tourist season by about 15–30 days. Local transportation companies also have reservations for the services they provide. As a result, the tour operator delivers customer value which was not possible to achieve alone by individual companies operating in tourist destinations and offering single, specialised services—mainly due to higher costs and lack of experience in operating abroad.

This business model is very popular in many countries known as the most popular vacation destinations for European tourists, such as: Turkey, the Caribbean Islands, Mexico, Greece, Croatia, Italy or Spain—destinations gladly visited and attractive for vacationing.

This model of business brings positive aspects to local economy, society and customers by:

- creating work places (at hotels, restaurants, in transportation, local food production, souvenir-sellers, supporting services—for example, laundry services);
- developing local transportation means;
- forcing local governments to improve the quality of infrastructure to destination places;
- increasing standard of living for local residents;
- potentially bringing taxes to local budgets;
- promoting the region abroad, owing to relations with international travel agencies;
- saving time and money by tourists when planning a trip (owing to tour operators);
- ensuring safety—both for tourists, but also for business due to assured occupancy;
- transferring knowledge and know-how to less developed countries.

On the other hand:

- some local businesses suffer because visitors are not going outside the resort—to buy in local stores or other local services—venues, car rental, parks, museums;
- tourists know little about the place they visit—they do have contact with real local culture, cuisine or community;
- every day, tourists receive the same standardised offer—they do not have many experiences with locals;
- local community loses access to local attractions like beaches or areas, which are limited for foreign tourists;
- only part of the local community benefits from such resorts—often, only in form of employment;
- AI enclaves create an economic situation in which the lower-classes are exploited as a source of cheap labour, while the foreign companies reap most of the economic benefits;
- waste, water pollution, use of energy—if they do not come from renewable resources, may have detrimental effects on the natural environment;
- natural environment may be badly hurt due the adaptation of local nature to convenience of the business, which may lead to destroying forests and natural beaches.

Some researchers also mention (Moneim, Gad, & Hassan, 2019):

- that hotels applying this system are likely to reduce their service quality level to increase profitability—they sell their services to tour operators with a high discount;
- that the system may give rise to unfair competition and as a result, the preference for the hotels that care for quality could be reduced;
- in most of the accommodation hotels, staff can be easily exploited and overworked which, as a result, may cause the staff to treat the guests badly, finding fault in them for the low salary and difficult working conditions.

Although the meaning of all-inclusive as a form of vacations is growing, in parallel, other forms of tourism are being developed. Some of the weaknesses of AI can be overcome by other forms of spending vacations abroad, for example, by Airbnb (see chapter 7.3).

Questions / tasks

1. What would make all-inclusive vacations more sustainable?
2. Should governments set up special regulations and limitations for all-inclusive resorts to protect the local economy and environment?
3. What is given to all-inclusive tourists that is not provided by individually-organised vacations?
4. There is a question as to whether all-inclusive vacations, which now seem to be the least sustainable, can be more sustainable than other forms of tourism in the future. What kind of conditions would they have to fulfill? Knowing the threats and weaknesses of all-inclusive vacations from the text above—how can they be overcome? To learn more, go to the website: <https://edition.cnn.com/travel/article/all-inclusive-resorts-sustainable-travel/index.html>.
5. If you were asked to describe a tourist who chooses all-inclusive or individually organised vacations—who it would be? Create a persona using the design thinking technique.

7.3. Airbnb as an example of sharing economy

The activities of the Airbnb portal—an entity offering accommodation services—were presented. An important premise for the selection of this entity is the question whether Airbnb actually provides services on the basis of sharing economy and whether this activity complies with the principles of sustainable development. Thus, in the first part, basic information is presented with regard to sustainable develop-

ment in tourism, the next—selected areas of the sharing economy on the market of tourism services, and the finally—the assumptions of Airbnb.

One of the examples of implementing the sustainable development concept, especially at a local level, is the dynamically developing concept of **sharing economy**. It allows, for example, in the area of accommodation services, apartment owners to obtain additional income, and tourists—to avoid excessive expenditure on goods and services, contributing to the effective use of their resources.

The growing popularity of the idea of sharing economy in tourism is also strongly correlated with the development of **meal-sharing**. Very often, making accommodation available to tourists is also associated with offering local cuisine. The Food and beverage services offered by residents (e.g. eatwith.com) allow interaction between residents providing food services in their homes and tourists. This permits both—residents and tourists—to gain valuable experience.

Another example of the sharing economy in tourism is **ride-sharing**. This is an alternative mode of passenger transport in which car owners offer transport to other people. In tourism, it is associated with long-distance transport (a short-distance example in this respect is, for example, Uber). It is therefore an alternative to rail and coach journeys (e.g. carpooling.com, BlaBlaCar).

Among other services offered within the sharing economy, it is worth mentioning **guide and pilot services**, provided by committed residents of interesting tourist destinations in various parts of the world. Often, the guides are elderly, retired persons who, therefore, can earn some extra money for their retirement through voluntary donations of tourists participating in such a 2–3 hour walk around the city with one of its residents (e.g. travel4real).

The sharing economy concept is developing very dynamically in the tourism sector, which may contribute to the effective use of resources. Generally speaking, in the market of accommodation services, 2 basic models of the sharing economy concept can be distinguished (Stephany, 2015):

- exchange of houses and flats between service participants (e.g. HomeExchange, Knok, Love Home Swap);
- short-term rental—rental of houses, flats or rooms to interested persons by their owners, using platforms such as Airbnb, HomeAway, Roomorama, Onefinestay, HouseTrip.

Airbnb is one of the platforms enabling the provision and use of accommodation services (rental of an apartment, room, suite), which are an alternative to traditional hotel services. It is a website established in 2008 in San Francisco, California, U.S. Its founders are Joe Gebbia, Brian Chesky and Nathan Blecharczyk. The idea of this platform was born when its creators, due to the excessive maintenance costs of their rented apartment, decided to let accommodation to participants of a conference, which was soon to be held. Therefore, they placed an advertisement

on the Internet and easily obtained additional money for renting. The company Airbedandbreakfast.com, which they founded, created a website that brokered the transactions of 21,000 customers the following year, and in 2015, it was already 40 million. “Airbnb is a provider of a vacation rental online marketplace. The company offers a website and mobile app that enables travelers to search for and book vacation home rentals and travel experiences for solo journeys, family vacations, and business trips, as well as to add events to their itinerary, message hosts, and get directions. Its solution allows hosts to share their extra space or lead experiences, update their listing and calendar availability, prepare a host guidebook, message guests, and manage reservations” (Airbnb, 2020).

Among the advantages of this form of service, it is worth mentioning the possibility of booking accommodation at the last minute and lower prices than in hotels. It is also an interesting alternative to traditional hospitality services, taking into account the potential ethnographic nature of the experience associated with it, the specificity (uniqueness) of the place of accommodation, etc. Of course, it is also a good alternative for the tourist development of those places where traditional accommodation is lacking (Airbnb, 2019).

On the other hand, the disadvantage of this solution in some countries is the possibility of renting housing to tourists via this platform, but without registration and thus, without paying taxes. Obviously, this causes dissatisfaction with those companies (e.g. hotels) that are obliged to pay such taxes, as well as those that supervise the apartment rental market. Moreover, short-term rental may cause an increase in rents in long-term rental and affect the shortage of residential premises, especially in city centres. Residents of popular cities from Barcelona to Lisbon report that they are being pushed out of their homes as developers buy properties to rent on Airbnb (Buckley, 2019). This type of service may sometimes also be treated as a competition that threatens traditionally provided accommodation services. However, there are examples of studies conducted in South Africa in which it is shown that Airbnb generally plays a largely complementary role rather than of diversionary (Mhlanga, 2020). At the same time, there are studies (in Greece) in which it is pointed out that Airbnb has turned into a significant competitor for hotels. It is primarily non-business and low-price hotels that are being influenced (Apergis, Hayat, & Saeed, 2020).

It is worth adding that Vrumi works on a very similar basis to Airbnb. Vrumi was launched in London in 2014. It is a “sharing economy online property marketplace connecting workers and professionals needing space with householders who have rooms available in the daytime” (Cameron, n.d.). It is a website where people can book desk-space at a stranger’s apartment or home. It solves the problem for self-employed, micro-workers and other professionals (e.g. freelance web developers, writers, yoga instructors, therapists, other nomadic members) to find spaces to

work, in areas they could not previously afford, and may not need full-time. For householders, Vrumi provides an additional source of income from rooms 'sitting' idle during the day, such as sitting rooms and dining areas (Cameron, n.d.). The typical hosts in Vrumi are:

- people out at work during the day;
- people with adult children who have left home;
- families with children at school during the day;
- semi-private space owners, e.g. rooms above shops and pubs;
- B&B hosts who like renting out space during the day, or during the off-peak travelling season.

Questions / tasks

1. Sharing economy—give examples of actions that are consistent and inconsistent with the idea of sustainable development.
2. Is Airbnb sustainable? Discuss this issue.
3. All-inclusive services vs. Airbnb—indicate the pros and cons for:
 - the national and local economy;
 - local communities;
 - consumers;
 - the natural environment.
4. Find an Airbnb offer of the selected host and rate it in terms of sustainable development.
5. Startup Vrumi.com—what do you think about the idea sharing a flat for work-space? Give the pros and cons for the economy and hosts.
6. Analyse the core set of indicators for sustainability in tourism from the appendix;
 - Find data for 1 city/region and compare how the tourism sector changed in time (use the scope of 10 or 20 years to analyse the change). Make some conclusions.
 - Find data for 2 cities or regions and compare them. Make some conclusions.

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Appendix

Below, you will find a core set of indicators in the area of tourism sustainable development for the EU countries: (<https://ec.europa.eu/eurostat/documents/3888793/5834249/KS-DE-06-002-EN.PDF/178f8c9a-4a03-409c-b020-70ff7ef6803a>). This core set forms a base of indicators that can be used on national, regional and local levels in the EU countries:

Driving forces

1. Number of beds in hotels and similar establishments
2. Number of trips by means of transport
3. Tourism-related employment (% of total empl.)
4. Household consumption expenditure on tourism
5. Tourism share of GDP

Pressure

6. Number of tourist overnight stays in various types of accommodation
7. CO₂-emissions from energy use in tourism facilities
8. Water use by tourists, per person and day, in relation to use by residential population

9. Generation of municipal waste by tourists
10. Discharge of sewage water due to tourism

State

11. Areas used for specific leisure activities, e.g.: marinas, golf courses, ski areas, etc., time series
12. Areas covered by forest and other woodland areas (%), time series
13. Protected land and water areas (% of land area in tourist regions), time series

Impact

14. Tourists exposed to noise at hotels and similar establishments
15. Bathing water quality, time series

Response

16. Sewage water treatment plants—volumes of treated water—time series
17. Percentage of tourist business establishments participating in recognised environmental schemes
18. Expenditure to maintain/restore cultural and historical heritage
19. Eco-labelled tourism facilities (as % of total)
20. Existence of land use or development planning processes, specifically referring to tourism activities