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**Hotel ICON: Towards a model hotel pioneering sustainable solutions**

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## **Hotel ICON: Towards a role-model hotel pioneering sustainable solutions**

### **Abstract**

Sustainability has become a vital issue for the hotel industry. Hotel ICON, the world's first fully-integrated teaching and research hotel was built with the aim of becoming a role-model hotel for the Hong Kong hotel industry. The hotel focused on sustainable operation through innovation to create value for the customers, the community, and the planet. [The hotel has invested time and monetary resources in various sustainability initiatives but was it effective in meeting the hotel's business and sustainability objectives? How can sustainability features be used to strengthen its competitive advantage? How should the hotel report its sustainability efforts?](#)

Keywords: environmental management, environmentally friendly hotel, hotel, performance measurement, social responsibility, sustainability, sustainability communication, sustainability performance, sustainability reporting, sustainable development

### **Learning Objectives**

This is a case designed for students to apply and think critically about the concept of sustainable development in the context of a hotel. [This case study is relevant for undergraduate courses on environmental management, sustainability, and social responsibility and appropriate for students who have completed the introductory courses in hospitality and tourism management. Students will be asked to come up with the relevant framework and key performance indicators to measure the sustainability performance of the hotel, provide recommendations on how the hotel can communicate sustainability initiatives with stakeholders, suggest possible sustainability initiatives to enhance the sustainability performance of the hotel, and make recommendations on how the sustainability features can be used to strengthen hotel's competitive advantages.](#)

### **Introduction**

Hotel ICON was established to be a fully integrated teaching and research hotel and living laboratory that shared its experiences and knowledge to benefit the hotel industry and the community. The hotel's commitment is to education as well as the relentless pursuit of sustainable operations. With its 'Thinking Green' philosophy, the hotel has launched various sustainability initiatives since its opening. At the executive committee meeting held after the hotel celebrated its eighth year of operation, Richard Hatter, General Manager, asked the committee, "We have launched many sustainability initiatives since the hotel first opened. How well are we doing on our sustainability initiatives? If we are to report on our sustainability efforts, what should we report? What other possible sustainability practices should we consider in the next five years? How can sustainability features be used to strengthen our competitive advantage and position the hotel?"

## **A Hotel ‘Unlike Any Other’**

Hotel ICON is a hotel with a special purpose; wholly-owned by The Hong Kong Polytechnic University, Hotel ICON has been operated as a research, education, and training facility of the School of Hotel and Tourism Management. Located in the Hong Kong Special Administrative Region, China, Hotel ICON is an upscale independent hotel located in the heart of Tsim Sha Tsui, one of the most vibrant areas in Hong Kong. The 262-room hotel has panoramic harbor views, stylish and spacious rooms, art pieces that reflect Hong Kong’s cultural spirit and showcase the creative visions of local talents, and attentive service. The hotel targets mainly independent travelers. The hotel’s customers come from different part of the world, with 50% from Europe, the United States, and Canada, 30% from Southeast Asia, and 20% from Mainland China. Standing as a testament to the “East meets West” design innovation, Hotel ICON has featured work from acclaimed local and international talents, including Rocco Yim, who designed the hotel building, William Lim, who designed the interior; Terence Conran, who designed the interior of the Chinese restaurant Above & Beyond, Vivienne Tam, who designed the hotel’s Vivienne Tam Suite; Patrick Blanc, who created the vertical garden, Barney Cheng, who designed the hotel uniforms, and Tommy Li, who designed the hotel’s logo, to name a few (Hotel ICON, 2019a).

With over 30 years of international hospitality experience as General Manager of five-star hotels in United Kingdom, the British Virgin Islands, Bahrain, Dubai, Indonesia, China, Singapore, and Hong Kong as well as Corporate Director of Development of the Shangri-La Hotels and Resorts, Hatter joined Hotel ICON as its pre-opening General Manager in 2009. In 2011, Hatter and his pioneering team launched the world’s first fully integrated teaching hotel facility to the Hong Kong market. Hatter led his team in creating and developing the brand’s DNA to ensure clarity on the employee and customer brand message, overseeing the opening and management of the hotel. The executive committee were all seasoned industry executives. For example, the Assistant General Manager, Ian Lee, and the Director of Rooms, Susan Fork, were both seasoned local hoteliers who joined the hotel as the opening team. Both had extensive industry experience in their respective areas prior to joining Hotel ICON.

One of Hotel ICON’s missions has been to educate and train young talents to be future hospitality leaders. The hotel has been committed to providing state-of-the-art educational facilities. Although it was envisioned as a teaching hotel, Hotel ICON was operated as a commercial hotel. Lee explained, “The students first learn all the knowledge from professors and then practice and do simulations at practicing facilities like the Bistro 1979 restaurant and the Vinoteca Lab. Finally, they come to practice what they have learned in our real-world hotel. So, Hotel ICON has to be run and operated commercially, completely independent from the university, just like any other commercial hotel.”

Since its opening, Hotel ICON has continued to strive to be a ‘a role-model hotel’ leading the hotel industry by example. It had always been in its DNA to be a confident, passionate, stylish, and responsive hotel. Lee noted, “We always try to be a role-model hotel to the industry. For example, if a hotel is looking for a new front office system or new concept for renovating their restaurant, we want to hear the owner or manager say ‘go to Hotel ICON and take a look.’” Hotel ICON was fully resourced as a living laboratory to experiment and adopt the latest innovation and technologies in the hotel industry. Lee added:

Being a role-model hotel, if something new pops up, we want to try it out. For example, we have tested different service robots because we thought that might be for the future. After testing them for six to nine months, we had to drop the idea because the designs and technologies were not ready to help us enhance our operations and customer experience. We are always looking for technologies that can improve the guest experience and our staff efficiency and solutions that integrate different systems. As a role-model hotel, we are happy to share our experience and new ideas with other industry practitioners through the different educational conferences we host every year.

From design to daily operation, many innovative ideas were reflected in various aspects of Hotel ICON. Hotel ICON created a Timeless Lounge for guests who arrived before their room was available or departed late in the evening to shower and relax. It was also the first to offer guests a free minibar, complimentary smartphones, unlimited Wi-fi access, and international calls to 27 countries. Dedicated to the expansion and sharing of knowledge, much of the research and innovation of Hotel ICON was shared with the industry that helped raise standards and introduce new ideas at Hong Kong hotels.

Hotel ICON has been ranked consistently as one of the top hotels in Hong Kong and received a series of international awards and commendations. Wallpaper magazine included Hotel ICON in its 2011 list of the world's Best Business Hotels and DestinAsian included the hotel in its Luxe List 2011. The premier hotel also won in four categories in the 2019 TripAdvisor Travelers' Choice Awards including the Top 25 Hotels in Asia and China (Hotel ICON, 2019b).

## **Sustainability Initiatives**

With a strong caring culture, Hotel ICON has continued to seek innovations and do everything possible to benefit the environment, local culture, and community through sustainable operations. In 2018, Hotel ICON created its own Innovation Team to work closely with different partners to focus on areas ranging from food waste recycling, food supplies, water systems, glassware supplies, to skincare. The collaborations with various environmentally conscious partners represented its interest and commitment to sustainability. "We believe the importance of 'doing the right thing'. Sustainable business planning starts the day before, executed yesterday, benefits today," Hatter said.

### *Designed Green*

Hotel ICON was designed thoughtfully with style and eco-consciousness in mind. Hotel ICON is home to Asia's largest indoor vertical garden consisting of over 8,600 plants with 71 species (Figure 1). The 18-meter-tall vertical garden is located right above the reception that stretches across the entire wall of the hotel's casual café and bar, GREEN. The striking vertical garden was designed by renowned French botanist Patrick Blanc, the creator of the vertical greenery concept who intended to create a space of nature inside the city. The garden has served as the most natural and eco-friendly way to produce and circulate fresh, pure oxygen. It has also helped in reducing energy consumption from heating and cooling systems. Along with the vertical garden, the hotel's sustainable design details, such as natural ventilation and lighting and furnishings, has created unique and natural environment (Hotel ICON, 2019c).

[Figure 1]

## *Technologies for Energy Saving and Recycling*

Finding critical ways to reduce energy and product consumption was crucial for Hotel ICON. Hotel ICON was the first hotel in Hong Kong to introduce paperless check-in (Figure 2), which not only made for a speedy and efficient guest experience but also saved about 2.4 tons of paper (equivalent to 40 trees) each year. As a leading hotel in the field of energy-saving, Hotel ICON has been awarded the CarbonCare® Label by Carbon Care Asia Ltd, recognizing its achievement in carbon footprint reduction. Hotel ICON cut CO<sub>2</sub> emissions and saved between 25%–28% on energy consumption, which was achieved from the mass of plants housed within the indoor garden, by converting what would be wasted energy into cool or warm air to heat the outdoor swimming pool all year-round and the use of solar energy. The hotel maximized the use of natural ventilation and lighting and used energy-efficient LED lights. When the built-in sensors detected space that was not in use, all lights and other electrical functions would be switched off. All wastes, including glass and plastic bottles, aluminum cans, and papers, were recycled throughout the hotel (Hotel ICON, 2019c).

Hotel ICON also worked with employees and guests to ensure green practices are in place hotel-wide. With Hotel ICON's We Care program, guests can choose when they want linens and towels replaced. Complimentary Hotel ICON tote bags were also provided to guests to reduce the use of plastic or non-recyclable bags when shopping around town. The hotel also experimented with removing all garbage bins in the lift lobby of all guestroom floors, which helped reduce the use of plastic bin liners for the garbage bins.

[Figure 2]

### *100% Electric Vehicle (EV) Fleet*

Hotel ICON led the industry in moving toward 100% electric transportation reduce its carbon footprint further. Since 2016, Hotel ICON has been operating a fully electric transportation fleet, consisting of Hong Kong's first electric hotel shuttle bus, four Tesla Model S, and a BMW i3. These 100% electric, silent, smooth, and emission-free vehicles deliver exhilarating yet eco-friendly rides. Guests who stay for two nights or more in a 'Club' guestroom or suite can enjoy complimentary Tesla airport transfers, which has also served as a paid transfer option for other guests (Hotel ICON, 2019c). Hatter explained:

Before 2016, we used to rent two diesel shuttle buses as hotel shuttle bus. We now have our own electric e-buses. The total cost of the e-bus (including labor, electricity, depreciation, and others) allow us to save over HK\$560,000 per year. With the savings, we were able to pay off the cost of purchasing the e-bus in less than three years. For running our own EV limo fleet versus hiring conventional European luxury sedan, the profit is almost the same, but we have 100% control over service delivery. [...] We could not be prouder to introduce Hong Kong's first electric hotel shuttle bus. Together with the Tesla Model S and the BMW i3, the hottest electric cars on the road, we provide our guests luxurious, sleek and efficient transportation options. The EV fleet was widely reported on different media locally and internationally. It's immensely gratifying that we continue to lead the industry with genuinely innovative and pioneering technology and thinking.

The hotel provided charging stations accessible to individual drivers of electric cars to recharge at the hotel while dining in the hotel's restaurants. Moreover, in collaboration with the non-profit organization, Charged Hong Kong, Hotel ICON organized Asia's first Future Electric Vehicle Leaders Circle 2018. The conference brought together experts in EV and leaders in the hotel industry to discuss the viability of EV as hotel transportation and to promote sustainability in Hong Kong.

### *Unique Food Waste Solution*

Hotel ICON has also been famous for its high-quality food and beverages offered in its three restaurants. The Market, a 160-seat buffet restaurant served breakfast, lunch, and dinner. It was inspired by the iconic food markets of Asia and Europe. The Market has been voted the best buffet restaurant for eight consecutive years. The GREEN, café by morning and a brassiere for the rest of the day, can be found right under the vertical garden. Its third restaurant, Above and Beyond is an award-winning fine-dining Chinese restaurant that served Cantonese cuisine. Hotel ICON's Silver Box Ballroom has been very popular among couples for wedding receptions and banquets. The hotel has hosted over 200 weddings per year, with a maximum capacity of 420 guests for Chinese banquet or 270 guests for western dining. In 2017, Hotel ICON won the Bridal Award of ESDLife Hong Kong. Its ballroom, professional events team, and food quality have been highly praised by wedding couples (ESDLife, 2017). With over 55% of Hotel ICON's revenue coming from food and beverages, the implementation of effective food waste solution was critical.

In 2018, Hotel ICON implemented the Organic Refuse Conversion Alternative (ORCA) technology that turned food waste into water. The water created in the process was used to irrigate the hotel's vertical garden located in the lobby. The sustainable ORCA technology was housed in a stainless-steel container with a door on the top and located in the kitchen, which enabled employees to throw food waste inside it. Within the container, ORCA's proprietary, natural microorganism solution worked with water and recycled plastic biochips to break down the waste rapidly. Through the "aerobic digestion" process, the ORCA technology transformed the food waste into water. This solution could help address the problem of Hong Kong's landfill being filled up and the elimination of the transportation process thereby reducing harmful emission from truck traffic. With the implementation of ORCA, Hotel ICON diverted 285 tons of food waste disposal per year from landfills, reducing its carbon footprint in terms of garbage truck diesel fuel usage, saving about \$140,000 annually on municipal solid waste charge, and recycling 135,000 liters of water per year. (Hotel ICON, 2019d; ORCA, 2019).

Another way to reduce food waste adopted by Hotel ICON has been to donate excess edible food. All surplus edible food from the kitchens have been donated to Food Angel, a non-profit organization that accepts edible surplus food that would otherwise be disposed of as waste from different sectors of the food industry. The food collected would be prepared as nutritious hot meals and distributed to the underprivileged communities in Hong Kong. Lee said, "We donate excess edible food from our restaurants and kitchens. We did not advertise or make it known to our guests. We just did it because it's the right thing to do. Chinese banquets, particularly those for weddings, usually have high food wastage. Will this appeal to the couple if we suggest the food donation option to make their wedding more meaningful? Well, this may be something worth exploring."

### *Launch of Sustainable Plant-based Burger*

Hotel ICON has continued to be devoted to serving innovative and sustainable food products for guests. The food and beverage team worked closely with hyper-localized food suppliers, leading to a whole generation of exclusive food collaborations that offer customers one-of-a-kind products. In 2018, Hotel ICON was the first hotel in Asia to launch the Impossible Burger in its restaurant menu by working in partnership with Impossible Foods, a food technology company with a mission to create a truly sustainable food system through its innovative platform of “uncompromisingly delicious” meat, dairy, and fish products. Impossible Burger, which is composed of meat entirely from plants with the same nutrition, flavor, and aroma as a burger made from meat, was created by Impossible Foods. Compared to conventional ground beef, it has reduced its environmental impact through 87% less water, 96% less land, 89% fewer greenhouse gas emissions, and 92% less aquatic pollutants (Hotel ICON, 2019e; Impossible Foods, 2019). Hatter explained:

With the launch of the Impossible Burger at ICON, this shows guests that we’re transferring a good product over to them. We have customers from over 15 countries around the world as well as Hong Kongers and this collaboration brings a superior product to our customers and gives us the ability to learn a new way of enjoying non-meat products. At ICON, our customers are explorers looking for something different, original and refreshing. We have chefs from Thailand, Malaysia, Singapore, India, China, and Hong Kong, and the Impossible Food products offer the chefs an opportunity to explore and innovate to invent tasty plant-based dishes for meat-lovers.

#### *Plastic Reduction Practices*

While many hotels and restaurants in Hong Kong focused on plastic reduction by replacing plastic straws with paper options, sustainability-minded Hotel ICON took it a step further. As a hotel that has always looked out for the next best thing, it chose to be the first hotel in Hong Kong to run a trial with pasta straw. At Hotel ICON, guests were encouraged to bring their own reusable straws while paper straws and pasta straws were provided upon request.

Hotel ICON adopted several initiatives to reduce the use of plastic water bottles in guestrooms. The hotel installed an ultrafiltration and purification drinking water system in the guestrooms (Figure 3). Hotel ICON was the first in Hong Kong to experiment with the water system in the guestroom. In 2019, the water system was installed in all guestrooms, which resulted in the reduction of the consumption of 400,000 plastic bottles per year. The hotel replaced all plastic water bottles in the guestrooms with handmade recycled carafes and glassware by collaborating with Wine Punts, a premier glassware maker dedicated to improving the environment by recycling tens of thousands of wine bottles (Hotel ICON, 2019b).

[Figure 3]

Hotel ICON also installed in-shower dispensers to replace individual bottles of shampoo, conditioner, and body and hand wash. The elimination of the individual packaging in the guestrooms resulted in a reduction of monthly consumption of 3,212 plastic tubes and 29 liters of liquids left behind in guestrooms. The hotel’s bathroom amenities featured products from Appelles, a premium Australian skincare brand. With focus on environmental impact and social consciousness, Appelles products are made of certified organic and natural ingredients,

using environmentally friendly and recyclable packaging, and were not tested on animals (Hotel ICON, 2019b). Hatter noted:

So far, our guests have shared a very positive response to our newly installed ultrafiltration and purification drinking water system, in-shower dispensers and biodegradable bathroom amenities. [...] We are focused on the future, balancing the short and long term to deliver a sustainable, profitable and helpful operation, which is a win-win for our guests, associates, partners, and the communities where we live and work. Over the seven years since our doors opened, we have been true to our original mission.

Furthermore, in 2019, the hotel bid goodbye to plastic laundry bags. The hotel instead offered guests eco-friendly laundry bags made from 100% cotton (Figure 4). The use of cotton laundry bags resulted in the reduction of the monthly consumption of 2,500 pieces of plastic laundry bags (Hotel ICON, 2019b).

[Figure 4]

“Most of our sustainability practices are mainly environmentally oriented and not so much on social and cultural sustainability. Do we need to do more in the other two areas?” Hatter asked.

## **Challenges in Implementing Sustainability Initiatives**

### *Huge Investment*

Hotel ICON faced some challenges while executing the sustainability initiatives. One of the challenges was that the implementation of initiatives could be costly. For instance, for the water filter system, it was originally not feasible financially because the cost of the installation per room was very high. A huge amount of money needed to be invested when installing the system in all guestrooms. Hotel ICON continued to look for other alternatives until the hotel and its contractor determined the best possible way to install without extending the water pipe and requiring extensive modifications. Fortunately, a more financially viable system and installation procedure were discovered, which led to the successful implementation of the system in all guestrooms. [Hotel ICON invested continuously in sustainability practices despite the considerable expense because the hotel expected to gain value directly and indirectly by providing better guest experience and developing a better hotel image that may lead to a financial return on investment.](#)

### *Government Permits*

Hotel ICON began to build a purely electric fleet since its opening. In the beginning, the hotel struggled because of the lack of feasible solutions for airport limos. A breakthrough came in 2013 when the BMW i-3 became available. However, the hotel faced another problem; it could not obtain a hire-car permit because the size of the car was too small. With the introduction of the Tesla Model S sedan, the hotel was able to solve the limo issue and quickly built an electric limo fleet with four Tesla Model S and one BMW i-3. It also installed nine EV



chargers in different locations of the hotel. However, no pure electric light bus or seven-seater vehicle was available in 2013.

The hotel also faced an uphill battle for the e-bus. The first obstacle was the licensing issue. The Transportation Department (TD) had stopped issuing the ‘A02 Hotel Service License’ and thus, the hotel could only buy an existing license from the open market which costs at least HK\$3 million. After several rounds of discussions with TD, a ‘Private Light Bus License’ with special conditions was issued in late 2013. The conditions were that the bus must be purely electric and could only serve Hotel ICON’s guests free of charge. Finally, the hotel had a license and successfully obtained funding from the Environmental Protection Department pilot green fund, but the sole provider of the e-bus filed bankruptcy in the same year. After searching and waiting for three years, the hotel finally worked out a plan to create its own prototype bus. In 2016, the first prototype e-bus was built on the chassis of a public light bus. Based on the experience and feedback from Version 1.0, Version 2.0, which had a higher reliability and better overall performance, was built one year later in 2017. The performance of the e-bus was still unstable because it broke down on the road from time to time and it caused some inconvenience to the hotel guests.

### *Guest Perceptions*

The eco-friendly features were often perceived by some guests as ‘cheap’. When the hotel changed from the use of individual bottles to the in-shower dispensers, some guests commented that it was like a three-star hotel setting. Similarly, when the hotel reduced the number of bathroom amenities as part of its eco-friendly practices, a small number of guests provided negative feedback. Even though the hotel explained to its guests that it was to protect the environment, some guests still thought that Hotel ICON was cutting costs. Lee noted:

When you try to be forward-thinking and innovative, usually the options are very limited, and it could be very costly. Hence, searching for innovations that meets our sustainability goals and is financially affordable has been a constant battle. Convincing our guests that these initiatives are not designed to save costs but to play an active role in saving the planet was another constant battle. Fortunately, the majority of our guests are from countries that are more advanced in adopting environmentally friendly practices. Hence, they are more appreciative of our sustainability initiatives. However, we are not certain whether the implementation of sustainability practices or positive attitudes towards such practices lead the guests to make a booking. [We position Hotel ICON as a lifestyle hotel, a ‘Hotel Unlike Any Other’.](#) [One of our competitors position themselves as a luxury design hotel based on their special design features while some simply position themselves as business hotels tailoring to the needs of their business clientele.](#)

### *Communicating the Sustainability Efforts*

[According to a study on the evaluation of web-based corporate social responsibility communication in the Hong Kong hotel industry, communicating corporate social responsibility \(CSR\) efforts through the property website is not a popular practice. Most hotels communicated their CSR efforts through social media sites \(Wong, Leung, & Law, 2015\).](#) On the contrary, Hotel ICON used the hotel website as the main communication channel for its sustainability initiatives. On the website, a tab named ‘ICON Edit’ with the blog-style layout

can be found. This tab was where all sustainability initiatives as well as other newly launched hotel products, services, and events are introduced. Same as other hotels in Hong Kong, Hotel ICON also shared posts on their sustainability efforts on social media, such as Facebook and Instagram. However, it was not clear how effectively the hotel has been communicating its sustainability efforts to customers and the general public and whether its website and social media platforms were effective communication medium.

## **Industry Trends on Sustainability**

Hotel ICON's Innovation Team conducted investigations on travelers' decisions and sustainable choices and the sustainability initiatives of some key global hotel brands to see how they were positioning themselves based on their sustainability initiatives. The team members shared the following findings with the executive committee.

According to a study on sustainable travel conducted by Booking.com in 2019 (Booking.com, 2019), 72% of travelers believed that people need to act now and make sustainable travel choices to save the planet for future generations. People with ages ranging from 46 and 55 years believed most strongly that sustainable action was needed (74%), followed by millennials (71%). Moreover, 73% of the global travelers stated their intention to stay at least once in an eco-friendly or green accommodation in their future travel. About 70% of global travelers shared that they would be more likely to book accommodations by knowing it was eco-friendly, regardless of whether they were looking for a sustainable stay. Approximately 72% of global travelers were not aware of the existence of eco-labels for vacation accommodations. Common barriers to make sustainable travel choices included lack of knowledge (37%) and the lack of ability to afford extra expenditure on sustainable travel (36%).

Travel companies had an important role to play in the eyes of travelers: 71% of travelers thought travel companies should offer consumers more sustainable travel choices. Meanwhile, 46% of global travelers acknowledged that they find it more difficult to make sustainable choices while on vacation than in everyday life. Approximately 31% of global travelers admitted that their vacation was a special time during which they do not want to think about sustainability. Results also indicated that travelers would be more encouraged to travel sustainably if there were economic incentives offered, such as tax breaks when choosing eco-friendly options (46%); this finding was followed closely by online booking sites offering a sustainable or eco-friendly filter option (45%).

Global hotel brands have been proactive in exerting efforts to reduce their impact on the environment. In July 2019, InterContinental Hotels Group was the first global hotel company to commit all brands including Holiday Inn, InterContinental Hotels and Resorts, and Kimpton Hotel and Restaurants in removing bathroom miniatures in favor of using bulk-size amenities by the end of 2021. The group has more than 5,600 hotels with 843,000 rooms around the world, which have collectively used 200 million little toiletries every year (Kennedy, 2019). In August of the same year, Marriott International announced the plans to replace tiny, single-use toiletry bottles of shampoo, conditioner, and bath gels in their guestrooms with larger, pump-topped bottles by December 2020. When fully implemented across the globe, Marriott expected to prevent about 500 million tiny bottles annually from going to landfills or about 1.7 million pounds of plastic, a 30% annual reduction from current amenity plastic usage (Marriott International, 2019).

Some hotel brands have positioned themselves as sustainable and environmentally friendly. For example, in 2019, Hilton International introduced the world's first "Vegan Suite" at their property in London Bankside. The vegan experience starts from the specially designed plant-based check-in desk, botanical artwork, keycards, and seating-made Piñatex, which is vegan-friendly leather made from pineapple's cellulose fibers. The suite is fitted with beddings made from environmentally sourced materials, carpet made with organic cotton, the bed headboard and chair made with Piñatex leather, vegan in-room dining menu options, and toiletries in recycled packaging (Hilton, 2019).

Some eco-friendly hotels have communicated their environmentally friendly positioning through destination management organizations and trip review websites. For example, the Singapore Tourism Board (STB, 2019)'s [visitsingapore.com](https://www.visitsingapore.com) featured a page on "hotels for eco-conscious travelers" which contains a list of eco-friendly hotels in Singapore. In 2013, TripAdvisor introduced the GreenLeaders Program showcasing a variety of eco-friendly hotels and bed and breakfasts committed to green practices, such as recycling, local and organic food, and electric car charging stations. The GreenLeaders Program has four tiers, namely, Bronze, Silver, Gold, and Platinum, with the higher the status, the greater the effects of the property's green practices (TripAdvisor, 2014).

## Conclusion

Hong Kong, a former British colony that became a Special Administrative Region in China in 1997, has played an important role in nurturing and growing green businesses in China (Lee, 2008). Hong Kong was a late adopter in the sustainable development principles as compared to other developed cities across the globe with the Council for Sustainable Development established by the government only in 2003 to promote sustainability in the city (Lo, King, & Mackenzie, 2017; Environmental Bureau, 2020). Therefore, the concept of sustainability among companies and the general public was still relatively new.

Since its inception in 2011, Hotel ICON has continued to innovate and experiment with different things. Not surprisingly, Hotel ICON had many firsts in terms of its sustainability initiatives, including being home to Asia's largest indoor vertical garden, the first hotel in Hong Kong to offer paperless check-in, the first hotel in Hong Kong to introduce a 100% electric fleet; the first hotel in Asia to adopt the ORCA technology, the first hotel in Asia to launch the Impossible Burger, the first hotel in Hong Kong to trial pasta straws, and the first hotel in Hong Kong to install an ultrafiltration and purification drinking water system in guestrooms. However, despite the launch of various initiatives, Hotel ICON did not yet have a clear picture of the effectiveness of the implemented sustainability initiatives. [What sustainability measurement framework and key performance indicators should Hotel ICON use to measure its sustainability performance? What should Hotel ICON include in sustainability reporting and what medium or methods can the hotel use to communicate its sustainability efforts to different stakeholders?](#)

With its strong caring culture and 'Thinking Green' philosophy, Hotel ICON has been pioneering sustainable hospitality solutions in Hong Kong. However, the sustainable development of the hotel has focused mainly on environmental sustainability. [What other possible sustainability practices Hotel ICON can consider in the next five years to enhance the other aspects of sustainability?](#) Hotel ICON has the mission and vision to lead the hotel industry by example, especially on the sustainability front. [How can these sustainability features be used to position the hotel and strengthen its competitive advantage?](#)

## Connection to Theory

In coming up with recommendations to address the key questions, students need to demonstrate their understanding of how companies measure and report sustainability goals and performances, how the information can be reported and communicated to the various stakeholders, and how the sustainability features can be used to position the hotel and strengthen its competitive advantages. The following sections highlight some of the relevant literature on sustainability performance reporting and market positioning.

### *Sustainability Performance Measurement and Reporting*

The demand for hotels to be sustainable socially and environmentally in addition to making strong economic performance has been increasing. Thus, a growing number of hotels have engaged in sustainability practices and have been communicating their efforts to a broad range of stakeholders (e.g., customers, shareholders, employees, and society). Accordingly, many companies have adopted the Triple Bottom Line (TBL) concept to evaluate their performances by incorporating economic, social, and environmental dimensions (Slaper & Hall, 2011). TBL is a framework that “captures the essence of sustainability by measuring the impact of an organization’s activities on the world including its profitability and shareholder values and its social, human, and environmental capital” (Savitz & Weber, 2006, p. 8). The three performance dimensions of TBL are often referred to in terms of three Ps: people, which refers to various social initiatives that make up sustainability strategies to improve the lives of its internal and external stakeholders; planet, which refers to a company’s ecological impact and environmental practices; and profit, which refers to the economic impact a company has on society and the company’s earnings for its shareholders (Thompson, Peteraf, Gamble & Strickland, 2018).

Sustainability reporting refers to “the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development” (Global Reporting Initiative, 2011, p.3). Companies often use a number of performance indicators around the three pillars of sustainability (i.e., economic, environmental, and social); however, the lack of standardization in reporting and measuring performance in the hotel industry has made it difficult to compare sustainability information across properties and chains (Ricourte, 2011). It has been suggested that more extensive reporting on environmental, social and financial issues can lead to better hotel performance (Assaf, Josiassen, & Cvelbar, 2012).

In their sustainability reporting, hotels may include information related to commitment to sustainability goals, details of specific initiatives undertaken to contribute to the goals, and actual performance achieved (de Grosbois, 2012). Hotels could use a number of different methods to communicate the sustainability efforts, including websites, social media (e.g., Facebook), annual reports, sustainability reports, press releases, and newsletters/magazines/blogs (de Grosbois, 2012; Nyahunzvi, 2013; Sloan, Legrand, & Chen, 2010; Wong et al., 2015). A study on CSR communication practice showed that the website was the least effective medium in communicating CSR efforts (Nyahunzvi, 2013).

### *Sustainability as a Base for Competitive Advantage and Market Positioning*

Hotels can achieve a competitive position within the industry through sustainability practices. The literature suggests that competitive advantage can be achieved through the various benefits of practicing sustainability, such as reduced operational costs, enhanced corporate image and reputation, better guest experience, higher guest satisfaction, increased hotel attractiveness, and better employee engagement (Boley & Uysal, 2013; Sloan et al., 2012).

An increasing number of hotels have been positioning and marketing themselves as eco- or green hotels. Some hotels have certifications and labels to demonstrate that they have designed programs to conserve water, energy, and to reduce waste, with the ultimate aim of reducing the negative to the environment (Green Hotels Association, 2020). Based on the Signaling Theory, these eco-friendly positioning or green labels are cues or signals communicated to and consequently interpreted by the customers. These signals allow customers to use the information to infer the characteristics of the product and brand quality (Atkinson & Rosenthal, 2014).

According to the Theory of Planned Behavior (Ajzen, 1991), customers' attitudes towards behavior, subjective norm, and perceived behavioral control are keys in affecting their behavioral intention and actual behavior. However, some studies have suggested that consumers' attitudes towards environmentally friendly products may not be consistent with their actual purchase behavior. For example, in a study of travelers, Njite and Schaffer (2017) found that price was perceived as the most important attribute while green attributes of the hotels were of low importance. In addition, it was found that although many travelers had a positive attitude towards green hotels and more hotels market themselves with eco-certified labels, the booking revenues of these certified hotels neither increased nor decreased (Chong & Verma, 2013).

This case study aimed to demonstrate how various sustainable practices could be adopted by a company. It was set in the hotel context using Hotel ICON as an example; however, it may also be applicable to any other industry context. It could provide insights to students to understand the challenges and opportunities in planning and executing sustainable practices in real business settings and give students the opportunity to understand how such practices could lead to improved business performances both directly and indirectly.

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## Hotel ICON: Towards a model hotel pioneering sustainable solutions



Figure 1. Asia's largest vertical garden



Figure 2. Paperless Check-In System



Figure 3. Filtered drinking water tap and recycled glassware in guestrooms



Figure 4. 100% cotton laundry bag