

Using examples from  
the hospitality  
industry outline the  
triple bottom line  
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[Business](#)



Triple Bottom Line Concept” for Sustainable Development in the Hospitality Industry The triple bottom line concept has a social responsibility, environmental awareness and economic viability as the pillars. This concept, now known as 3Ps (people, planet and profit), was introduced by John Elkington in his book *Cannibal with Forks* (1998). These pillars form part of the social responsibility for hotels and resorts in the tourism industry. From this exercise, both the resort and the community benefit, this process can be expensive for firms and some opt not to take up some of the pillars especially the social responsibility since it is not one of their legal requirements. Sustainable development means growth and improvement in operations that last for longer periods without depreciating in value at a high rate. (flinkinghub. eselvier. com)

From this, the benefits derived from the operations of the firm by the firm and societies are felt for a longer period. The economic and social developments gained open up the region for more trading opportunities through the externalities and multiplier effects.

In the hospitality industry, resorts that have taken the 3Ps are such as the Sarova hotels in Kenya who sponsor sports events such as the Lewa marathon that has proceeds going to charity. Serena hotels in Kenya, sponsor youth art projects to promote the growth of young talent and reduce the level of youth unemployment in East Africa. The Mara resort employs local Maasai morans to act as tour guides and this reduces unemployment as well as increasing income for the community. Travel firms such as Kenya Airways sponsor sports activities. They have set aside 3 billion to cater for travel and sports gear and salaries for the Kenya 7s national rugby team.

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The airlines recruit and train their own employees from the local community. Every year, a team of 25 recruits is trained and offered fully paid aviation scholarships to South Africa. After the training, they are absorbed in Kenya Airways. In New Zealand, Air New Zealand offers discounted air fares and luxury class travel packages for their clients that fly frequently to certain tourism destinations. It is aimed at encouraging people to go on holidays. They have to save for their holidays. The more they travel, the better the service they get at Air New Zealand. In Arabella Western Cape Hotel, South Africa, they offer their clients chartered tours around the Cape. They encourage them to interact with the local and indulge in the rich South African culture. This is done to conserve and embrace the culture and traditions of the Africana and native South Africans that are slowly fading away. From this venture, the hotel helps conserve tradition and social values. (www. nzma. ac. nz)

Aside from the above social aspect of sustainable development, there are economic benefits too. The local community is opened up for trading activity. In the Mara region in Kenya home to the great wilder beast migration, the Maasai community has been able to trade. The women sell their bead work and the men sell crafts made from hide and skin acquired from their traditional hunting sprees. Many journalists such as Nat Geo have documented the Maasai way of life. They have also exposed the rich wonders of nature in the region. This forms part of the marketing campaign for Kenya and in particular, resorts in and around the Mara. This translates in more client inflow and more profits. The net multiplier effect of the externalities leads to growth of the country's GDP. The investment in the

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hospitality industry also grows as the economy grows. (www. magicalkenya.com)

Environmentally, sustainable development is keen on conserving nature. Most resorts have gone green. Travel and tour companies have embraced green fuel and the diesel engines are slowly fading away. The government partners with hospitality industry players to help expand the forest cover in various countries. The government of Zambia via the tourism ministry, the Hoteliers Association of Zambia and the Wildlife Service are on a mission to plant as many trees as possible. This is to counter the pollution effects and deforestation that has resulted from coal mining activities. Tourists and delegates visiting the country are engaged in fun activities that include tree planting. Eco resorts in Kenya such as the Ole Sengereni Resort recycle metal waste. This material construction material used in the resort which give the resort an exotic and luxurious outlook.

Although many players in the industry encourage sustainable development, their clients seem not to notice the effort. Few are willing to pay extra to finance the 3Ps initiative. The cost of adhering to the environmental standards is high and individual operators may not afford them on their own. Most are subsidized by the government or NGO donors. The financing and alternative aid is limited since there is no observable market gain from this venture. This shortcoming locks out small players in the industry who cannot access the funds and they do not enjoy economies of scale to fund their own initiatives. From this premise, the small but serious players such as lodges and resorts continue to command an exceedingly small portion of the market and may be crowded out by large capital base firms.

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Another setback of sustainable development is the deviation from the main objective of the firms. The firm may concentrate on CSR activity especially those that are long horizon. This may shift the priorities of the firm which is mainly making profit. The cost of financing social and environmental conservation ventures drain the firms' net profits. This leads to reduced returns for the shareholders and eventually the firm value goes down.

Alternatively, the 3Ps concept may improve on the returns of the firm as a result of increased client traffic. However, this is a gamble and not many players in the industry are big risk takers. The industry is mainly affected by political stability and acts of nature that are not controllable. A risk in these ventures does not guarantee quick returns.

In conclusion, sustainable development is a gamble. It is used as a tool to gain competitiveness. Although not mandatory, the benefits override the costs in the long run.

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