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Master Thesis

Sustainable Business Models and their Practices

An explorative study through the lens of Practice Theory in the Hotel Industry

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"You and I need oxygen to live; yet we do not produce it. Plants do."
(Elena Cavagnaro, p.9, 2018)

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Abstract

Due to the serious problem of greenhouse gas emissions in our atmosphere driving global warming, the need for sustainable initiatives has become an imperative for companies which leads to the necessity of operating sustainably. However, to avoid taking a weak approach to sustainability, it is imperative for companies to carry out a transition involving all three dimensions (environmental, economic, and social) of sustainability across the organization. In the last decade, one solution often suggested to achieve this objective is to implement a Sustainable Business Model to plan and organize the creation, delivery, and capture of value in a sustainable way. Although the concept was rapidly adopted in the business world, there are still some uncertainties about how Sustainable Business Models are practiced and what makes them successful or not.

Therefore, this study addresses this lack of knowledge by exploring the underlying processes of the implementation of a Sustainable Business Model in the Nordic hospitality industry through the lens of Strategy-as-Practice. Strategy-as-Practice is a branch of Practice Theory which considers that strategy is a deeply social phenomenon enacted by the individuals working in the company. In this theoretical view, studying how people understand Sustainable Business Models and what activities are performed within the latter allows us to uncover the meanings, skills and competencies enabling the implementation of a Sustainable Business Model.

This qualitative study gathered empirical material from eleven semi-structured interviews conducted with hotel sustainability professionals, hotel owners and hotel managers. Six themes emerged from the analysis of the data, showing in particular that the personal involvement and self-awareness of the managers, a right allocation of time and an adequate level of financial investments are key drivers of the practices related to the successful implementation of Sustainable Business Models.

Keywords: Sustainable Business Model; Practice Theory; Strategy-as-Practice; Practices; Hotel Industry; Sustainability; Qualitative

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Chapter 1

1.0 - Introduction

The Context of our Research

The United World Tourism Organization (UNWTO) says in their report for hotel energy solutions: "in a world looking for new models of economic growth and development, fighting climate change and adopting sustainable management practices is no longer an option, but a condition for survival and success." (Hotel Energy Solutions, 2011). Yet, there does not seem to be an agreement on the scope of these practices and a lack of concrete practices (Cavagnaro, 2018; Høgevold et al., 2015; Nosratabadi et al., 2019). The emissions from human activities are a major cause to the increase of greenhouse gas levels in our atmosphere (UNFCCC, 2019) and serious problem driving global warming which has given rise to extreme events (IPCC, 2022). One of the factors that will steer the level of these extreme events and risks are to what extent society and the economy is able to mitigate and adapt (IPCC, 2022). The hotel sector accounts for 2% of the 5% total global greenhouse gas emissions accounted to the tourism industry (UNWTO, n.d). The tourism industry accounts for 10% of both global employment and global gross domestic product and is estimated to grow (World Tourism Organization, 2019). Along that growth it can be argued that hotels are likely to increase. Hotels furthermore represents a major actor on the market in terms of employment and economic revenue, whilst being amongst the top energy-intensive sectors (UNWTO, n.d). Sustainable Hospitality Alliance (2020) argues a need for a decrease of 60% in emissions per room for 2030, and a need for a 90% decrease in emissions per room to ensure adherence with the Paris Climate Change Agreement. Moreover, tourism has been recognized as a vital driver for sustainable economic growth (United Nations, 2016) making any part of this industry important for continued research and development. Additional recent reports addressing global warming are stressing the need for action and urging all industries to take their responsibility for climate change (IPCC, 2021, 2022)**.** Hotels are furthermore considered as one of the most vital sectors within the hospitality industry that is affected by the course set by sustainability (Nosratabadi et al., 2019). The hotel industry is in the opportunistic position where they can take on a major role in reducing their impact on the environment (Jones et al., 2014; Melissen et al., 2015), as well as raising general awareness with the public due to their extensive reach (UNFCCC, 2018).

However, Jones et al. (2014) points out that sustainable initiatives that are communicated by hotels can be more driven by the will of securing a business edge rather than by a true concern about the future of the planet. Furthermore, how these commitments may derive from a traditional Business Model with the sole focus on growth, and thus operate what could be called a weak approach to sustainability(Jones et al., 2014). In the same line of thought, Hall et al. (2016) claim that this way of simply integrating sparse elements of sustainability to an existing Business Model could be considered as weak sustainability, whereas a strong sustainability approach would require a complete shift in the Business Model to an integrated Sustainable Business Model, which will be further discussed in this thesis. Additionally, it has been questioned as to what extent the hotel industry is willing to set the new course (Melissen et al., 2015), which is why we hope with this thesis to look into Strategy-as-Practice to better understand the underlying processes of strategizing Sustainable Business Models (Jarzabkowski, 2005)

The Evolution from the Traditional Business Model to Sustainable Business Model

The most common definition of sustainability can be retraced back to the Brundtland's report, "Our Common Future", which defines sustainability as the way to support the needs of the present generation while not risking the ability for future generations to meet their needs (UNEP, 1987). Despite the possibility to argue this definition as vague concerning practical implications of how to achieve sustainability, it has been widely debated over the years. As mentioned by Jones et al. (2014) and T. M. et al. (2021) it has evolved to a model encompassing a three folded approach to sustainability where environmental, social, and economic aspects are considered. Cavagnaro (2018) refers to these three as the three dimensions of sustainability and argues that for an organisation to be sustainable these, including its principles, need to lay at the very foundation of the company and of any strategies or processes. The following definition is the one we will consider for Sustainable Business Models in this thesis:

"The concept of the sustainable business model describes the rationale of how an organization creates, delivers, and captures value, in economic, social, cultural, or other contexts, in a sustainable way."

(Nosratabadi et al., 2019, p. 1)

In their words, a Sustainable Business Model is one that integrates all the three principles of sustainability in its core strategies, without leaving any out. Teece (2010) and Osterwalder et al. (2010) describes the traditional Business Model as a tool to map out the organizational

strategies and the description of value creation, which is similar to Nosratabadi et al.'s (2019) version, however it does not point to the three principles of sustainability. In an extensive review of existing Business Models, Biloslavo et al. (2018) explains how Business Models often are framed around economic and customer value, rather than the overall value created for society and additionally how value proposition is a fundamental component. Furthermore, it has been highlighted that current Business Models do not give enough space for the questions related to the environmental and social sides of the companies' environment and tend to neglect the relationships that exists between the economic and non-economic stakeholders (Biloslavo et al., 2018). In the paper by Manniche et al. (2021) a lack in knowledge is noted between what science and policymakers call for and what is concretely implemented and practiced in terms of sustainability by businesses. On a similar level Schaltegger et al. (2016) begs the questions as to what tools are needed for management in the transition towards Sustainable Business Models. Stubbs and Cocklin (2008) refers to how a Sustainable Business Model involves the company to develop its Business Model around sustainability concepts rather than just adding sustainability initiatives to their existing Business Model. Profits must be primarily seen to achieve sustainability. Sustainable Business Models help in integrating a sustainable purpose within the businesses' goals while aiding in the creation of a competitive edge (Bocken et al., 2014; Gao et al., 2016; Høgevold et al., 2016) but also allows companies to be more responsive to their changing environment (Alegre & Berbegal-Mirabent, 2016) Other known concepts such as Circular Business Models are argued to be more of a contribution to the concept of Sustainable Business Models rather than a solution on its own (Manniche et al., 2021) which is why our focus in this thesis is exploring the field of Sustainable Business Models.

Requirements for a Sustainable Business Model

It is undeniable that Sustainable Business Models are a necessity for companies(Høgevold et al., 2016), however, as it is a new theoretical concept, there is still uncertainties about them. A Sustainable Business Model requires a transformative shift in the value creation perspective (Bocken et al., 2014; Sahebalzamani & Bertella, 2018) and there is agreement among numerous researchers that building a sustainable value proposition is a good way to enable the creation of a Sustainable Business Model (Nosratabadi et al., 2019). The main intention with a Sustainable Business Model is to create value along all three dimensions of sustainability: economic, social, and the environment (Cavagnaro, 2018; Høgevold et al., 2015; Nosratabadi et al., 2019). The hotel industry is lagging behind the development of Sustainable Business Models in this field is still at its infancy (Høgevold et al., 2016; Jones et al., 2014; Nosratabadi

et al., 2019). One element that is specifically mentioned by Nosratabadi et al. (2019) is the fact that it is still unclear how Sustainable Business Models are practiced within industries and what makes them successful or not. Similarly, (Høgevold et al., 2016) found that the concrete implementation of a Sustainable Business Model can differ from the planned one, thus more emphasis should be put on researching the implementation phase. This view is supported by Nosratabadi et al. (2019). Another element that is still debated when considering Sustainable Business Models in a service context is what elements within the company's value chain should be considered as part of the Sustainable Business Model (Høgevold et al., 2016). In the same vein, Cavagnaro (2018) points out the importance of looking into the activities of a company's value chain to achieve sustainability and suggests that the hospitality industry should adopt a more in-depth way of considering their activities in their Business Model. Understanding what activities, a company is using to create value gives the opportunity to see where the company can create sustainable value by avoiding doing harm and doing good instead (Cavagnaro, 2018; Høgevold et al., 2015). Høgevold et al. (2015) consider that there has not been enough research across industries about Sustainable Business Models. Same as Biloslavo et al. (2018) who add that there is no clear big picture of the relationship between businesses and their external environment when it comes to sustainability. According to Ritala et al. (2018), there is a need to better understand how sustainable practices are embedded in the companies, how they can help achieving Sustainable Business Models and to which extent they are embedded within the firms. According to Oftedal et al. (2021) what drives stakeholders towards a Sustainable Business Model and how they create value out of it is still not well understood either. That is why we hope with the use of Social Practice Theory, and more specifically apply the framework of Strategy-as-Practice onto our data we hope to explore the underlying processes of these strategies. This theory takes the opposite view than more traditional strategy research in the way it shifts focus from the outcome of strategies on performance to a more integrated and extensive perspective of what actually goes on behind putting together a strategy and any other activities relating to strategy between different actors and practitioners (Golsorkhi et al., 2015). We will go through this in more detail in chapter 2.3.

In the next sections of this thesis, we will detail our research aim and research questions, followed by a literature review and detailing of our theoretical framework in the second chapter. Moving along in the thesis, we will attribute chapter three to our methodology in which we will point out our chosen methods and reasons for these choices. The thesis will then

develop an analysis based on our theoretical framework from chapter two and gained data from the methods in chapter three, after which a discussion and concluding remarks will follow.

1.1 - Research Aim and Questions

Overall, there is agreement that Sustainable Business Models are a good response to the sustainability challenges which businesses are currently facing (Biloslavo et al., 2018). To our knowledge, explorative studies into the strategic social practices underpinning change towards Sustainable Business Models in the hotel industry are still thin on the ground, even though current research argue that hotels have a great potential to be part of the transformative change that is needed. What has been found during the review of current literature are studies that are providing different models and theoretical frameworks for a Sustainable Business Model (Bocken et al., 2014; Høgevold et al., 2015; Joyce & Paquin, 2016; Nosratabadi et al., 2019) albeit these do not probe into the underlying processes that are required to facilitate this change. Earlier research regarding Sustainable Business Models in the hospitality industry have mainly been descriptive rather than providing suggestions and clarifications to the Sustainable Business Models within the hotel industry (Buffa et al., 2018; Høgevold et al., 2016; Melissen et al., 2015), with one exception (Høgevold et al., 2015).

Therefore, we hope that with the use of Strategy-as-Practice and Social Practice Theory, provide a deeper understanding into the practical implications entailing the processes that are underlying strategic action and those that will allow the facilitation of strategizing Sustainable Business Models. What we have seen on a descriptive level of sustainability amongst hotels are studies focusing on a specific hotel category (Høgevold et al., 2015; Hsiao & Chuang, 2015). Therefore, we have selected different types of hotels across the industry to hopefully get a deeper insight into the practices. We hope this will have the practical implication of providing managers, hotel business owners, or anyone aiming at implementing a Sustainable Business Model with useful practical knowledge. Furthermore, rather than aiming at developing one specific Sustainable Business Model, we hope to contribute to the larger field of Sustainable Business Model theory with the theoretical knowledge to a deeper understanding to the processes lying behind the facilitation of a Sustainable Business Model. This thesis has a three folded approach as follows: firstly, explain and review current Sustainable Business Models, secondly apply Social Practice Theory and Strategy-as-Practice onto our primary data, thirdly answer our research questions which are stated as follow:

RQ1: What are the sustainable activities performed by hotels?

RQ2: How are Sustainable Business Models understood within the hotel industry?

RQ3: What are the skills and competences needed to enable practicing Sustainable Business Models?

Chapter 2

2.0 - Previous Research and Theoretical Framework

2.1 - Chapter Overview

This chapter will start by explaining the shift from a traditional Business Model to a Sustainable Business Model, and further discuss current literature revolving the latter field and the drivers behind this emerging concept. Additionally, key components to what makes this concept successful. Four current Sustainable Business Models are discussed and the chapter will end with a review of Strategy-as-Practice and how this will be applied in this thesis to deepen the understanding behind Sustainable Business Models.

2.2 - Previous Research:

Definitions and General Principles of Sustainability

In 2010, Alexander Osterwalder revolutionized business development with his Business Model Canvas (Osterwalder et al., 2010). This became a concept and tool that ignited discussion, debate and new strategies relating to current Business Models within a company. Osterwalder created a tool that gave companies the opportunity to quickly strategize and innovate in a non-complex way to stay up to date and compete in the market. Similarly, Ariel Salum et al. (2019) describes a Business Model as something dynamic and should be adapting to its environment. Moreover Schaltegger et al. (2016) refer to a Business Model as something that aids in keeping up with current trends. A Business Model describes the main intended profit streams for a company, and how to create value through these (Osterwalder et al., 2010). The concept of Business Model has proven to be highly efficient to looking at how a company can generate value and has been widely adopted both by academia and the business world (Biloslavo et al., 2018; Carlsson, 2021; Schaltegger et al., 2016). Teece (2010) defines a Business Model as *"the design or architecture of the value creation, delivery, and capture mechanisms it employs"* (p.172) which is commonly referred to in the literature (Joyce & Paquin, 2016; Schaltegger et al., 2016; Stubbs & Cocklin, 2008). This definition explains how it is a useful tool which allows companies to translate their vision and mission into concrete strategies based on their value propositions (Ariel Salum et al., 2019; Biloslavo et al., 2018; Osterwalder et al., 2010; Schaltegger et al., 2016; Teece, 2010). Generating new strategies relating to Business Models ultimately comes down to the value creation for society, customers, and companies (Osterwalder et al., 2010). The essential qualities of a Business Model are explaining how key

functions are connected to bring value to customers, how this is integrated through value chain and stakeholder networks, as well as how value or profit is created through these (Biloslavo et al., 2018; Joyce & Paquin, 2016; Teece, 2010). Cavagnaro (2018) points to three main reasons as to why genuinely motivated companies are focusing on sustainability: 1) they consider themselves as pioneers, and to lead the way forward, 2) recognizing the business opportunity that lies in sustainability and 3) because of its transformational and innovative nature. She argues that new Business Models can be created by taking the third approach, where sustainability is seen as a transformative and innovate power together with the stakeholders of the hotel. She states how this approach can go beyond the initial two approaches when eco-efficiency elements are incorporated with a fundamental and clear value proposition, consequently delivering long lasting value across all three sustainability dimensions. Cavagnaro (2018) argues that to overcome the limitations these two initial motivating factors entail; companies need to adopt an approach where sustainability is chosen for its immensely transformative and innovative opportunities. And as such create forces and processes that ensure a more ecologically fair and equal society. Such an approach would not only include benefits such as increased market share and enhanced reputation but also to address the overarching goal of leaving the world in a better condition.

"An organization creates value when the costs of producing and delivering a good or service are lower than the benefits gained by selling it."

(Cavagnaro, 2018, P. 2)

This definition includes the broader perspectives, including the environmental and social aspects. Thus, not equalling economic benefits (profit) and economic costs. Creating value through economic gains is not sustainable in the long run. They fail to include the effects it has on the surroundings. Such as now, these days we need to tackle the effect of how us humans were consuming and producing decades ago. Continuing as business as usual would mean making the same mistakes again for the future. To ensure long-term success and the best result is attained when a business's sustainable practices are integrated with its broader network (Høgevold & Svensson, 2012; Høgevold et al., 2015; Svensson & Wagner, 2011). Therefore, it is not about doing just one thing (Høgevold & Svensson, 2012; Høgevold et al., 2015). Svensson and Wagner (2011) points to the meaning and necessity of being transformative and refers to the need of a flexible approach to business sustainability, similarly Høgevold et al. (2015) arguing the need for an outside-the-box thinking to go beyond business-as-usual. The three levels of sustainability need to support each other to ensure long-term success. This

cannot be done by continuing business as usual to ensure a Sustainable Business Model, but something needs to be done in a completely new way. Staying within the box, and restricting implementations to shallow initiatives are hurtful to a company's word of mouth and may result in severe backlashes which makes it important to be able to show the positive impact of the practices that are implemented and how it is positively influencing and involving stakeholders (Høgevold et al., 2015). In order to facilitate an organization that creates sustainable value, it is essential to understand and base this on the fundamental principles of sustainability which are the principles that will inform strategies and actions (Cavagnaro, 2018).

Critiques of the Business Model Concept

On the other hand, the concept of Business Model has also received several critiques. The fundamental characteristics of a Business Model are still agreed upon today, albeit differentiates on what kinds of value that should be created (Cavagnaro, 2018; Høgevold et al., 2015; Joyce & Paquin, 2016). Some researchers argue that Business Models are too frequently framed around a wrong definition of value (often economic or customer value) rather than the overall value created for society (Biloslavo et al., 2018). For example, Stubbs and Cocklin (2008), Joyce and Paquin (2016) and Biloslavo et al. (2018) suggest that it may be because current Business Models do not give enough space for questions related to the natural and social sides of companies' environment, thus tending to neglect the relationships that exist between the economic and non-economic stakeholders. Another critique made by Ariel Salum et al. (2019) is the fact that Business Models are still too rigid in comparison with the perpetual unbalance that companies face in their environment to be helpful in practice. In the same vein, Osterwalder, Pigneur & Clark (2010) in the seminal article presenting their *Business Model Canvas* were already acknowledging that a weak-side of their model was that it did not integrate sustainability as a key element. In their handbook for Business Model innovation, they seem to draw a line between these different variations of Business Models rather than arguing for sustainability blocks to be included in all models and constitute a large part of the innovation itself, as others more recently are arguing for (Carlsson, 2021; Cavagnaro, 2018; Høgevold et al., 2015; Joyce & Paquin, 2016; Nosratabadi et al., 2019). Since the Business Model Canvas came to life it has been widely adopted by practitioners (Carlsson, 2021) and in the academia (Joyce & Paquin, 2016) and further developed to fit for sustainability. What we see when looking at these different models is how the value creation process, and more importantly what kind of value is created has shifted. Osterwalder et al. (2010) focuses on Business Model innovation through the lens of creating economic value and differentiated this

kind of model to those including a Triple Bottom Line approach. In contrast with today, where researchers argue the value of exceeding the creation of customer value and also to look beyond, to value created on a social and environmental level as well within a company (Cavagnaro, 2018; Høgevold et al., 2015; Joyce & Paquin, 2016; Nosratabadi et al., 2019).

Addressing the Weaknesses of the "traditional" Business Model

To address these weaknesses associated with the "traditional" Business Model concept, an important number of researchers have built on the sustainability concept of Triple Bottom Line, arguing that the Triple Bottom Line approach allows companies to go beyond the traditional economical aim by taking into account the social and ecological impacts of the company (Høgevold et al., 2015; Høgevold et al., 2016; Sahebalzamani & Bertella, 2018; Schaltegger et al., 2016; Stubbs & Cocklin, 2008). The Triple Bottom Line concept, as it was described originally by Elkington in 1997 with the 3Ps (People, Planet and Profit) is widely accepted but is too often underused or aimed at only one or two of the three facets of the Triple Bottom Line, furthermore it does not entail a complete shift of the Business Model (Loviscek, 2021). It is argued by Loviscek (2021) that "the integration with stakeholders, transparency and a strategic and cultural change" (p.9) should be added to overcome these limits. In line with this new way of considering Business Models, Stubbs and Cocklin (2008) were among the first researchers to mention specifically the term Sustainable Business Model and argued that a company must develop its Business Model around sustainability rather than merely adding sustainable initiatives to their existing Business Model. According to them, profits must be primarily seen to achieve sustainability:

"Sustainable organizations must make a profit to exist,
but they don't just exist to make a profit"
(Stubbs & Cocklin, 2008, p.121)

The idea of a pressing need to look at the three aspects of sustainability and to integrate them in the fundamental values of the business, rather than superficially by doing business-as-usual, is a key topic frequently discussed in the current Sustainable Business Model literature (Cavagnaro, 2018; Høgevold & Svensson, 2012; IPCC, 2022; Melissen et al., 2015; Nosratabadi et al., 2019; Postma et al., 2017). A reason for that is the increased pressure that society puts on companies to act responsibly, to contribute to the reduction of emissions leading to climate change and to comply with the growing number of regulations (Høgevold et al., 2016; Nosratabadi et al., 2019). Customers these days are more determined to decide on a hotel

based on its sustainable practices, than what was commonly done before. This is exceedingly more applicable amongst larger customer accounts and public agencies (Høgevold & Svensson, 2012; Høgevold et al., 2015; Svensson & Wagner, 2011). According to Bocken et al. (2014) and Nosratabadi et al. (2019), Sustainable Business Models provide companies with a framework that can help them integrate sustainable values within the organization while at the same time creating an edge on competition and allowing companies to achieving their Triple Bottom Line objectives. Additionally, it is considered by a part of the research community that a Sustainable Business Model is a better way to achieve sustainable value creation processes than other theoretical concepts, such as Corporate Social Responsibility (CSR) for example (Sahebalzamani & Bertella, 2018). Oftedal et al. (2021) note however that one limitation of Sustainable Business Models is that their effectiveness highly depends on the level of engagement of the companies' stakeholders. Environmental initiatives many times decrease costs in this hotel's operations, but the implementation of this is primarily a question of attitude and not about saving costs (Høgevold & Svensson, 2012; Høgevold et al., 2015). Moreover, these practices can be profitable but must be grounded amongst top management and employees to guarantee a successful Sustainable Business Model. The authors argue the importance to cooperate and sharing knowledge (Høgevold et al., 2015), as well as demanding from partners and stakeholders to conduct sustainable business practices in order to ensure the best outcome to reduce the negative impact on the environment (Høgevold & Svensson, 2012). The understanding of sustainable value is often very different across the research community and that it is not always clear for the industry or policy makers how to create sustainable value (Oftedal et al., 2021).

Moving Further with Sustainable Business Models

Although it can be argued that Sustainable Business Models are a necessity for companies today (Høgevold et al., 2016), this field of research is still young and existing studies have tended to focus on looking into the level of sustainability practices through different models and systems in hotels, rather than clarifying a Sustainable Business Model for this industry (Nosratabadi et al., 2019). Initially, we ambitioned to develop and build on existing Sustainable Business Models. Although, after reviewing the literature it was found that there are a few existing theoretical sustainable models out there that are used in theory and in research, both with a focus on hospitality (Cavagnaro, 2018; Høgevold et al., 2015) and in general (Bocken et al., 2014; Joyce & Paquin, 2016) which revealed interesting to look further into. These are namely the "Triple Layered Business Model Canvas" (Joyce & Paquin, 2016), the "Sustainable

Hospitality Value Chain" (Cavagnaro, 2018), the "Typology of Sustainable Business Models" (Høgevold et al., 2016) and the "Sustainable Business Model Archetypes" (Bocken et al., 2014) (See section "Further *explanations of current Sustainable Business Models"* for more details). Research within Sustainable Business Model is still not matured regarding current practices and therefore an interesting field for continued research (Høgevold et al., 2015). Nonetheless, according to the review done by Nosratabadi et al. (2019) research in this field which is focusing on the hospitality industry address the level of sustainability in hotels but through different sustainable initiatives. What was abundantly missing was how little related to the practicalities of enforcing these models within an existing organization which led to adding the lens of social practice theory onto the practices of Sustainable Business Models. It is the first aspect of the theory to which our thesis hopefully may bring a valuable contribution, as we are aiming at exploring the underlying processes of implementing Sustainable Business Models and how these practices are affected. Secondly, our interviews are structured to gain knowledge relating sustainable practices that are in place in different hotels and such build on visualizing contemporary practices. Due to the early stages of this research field, there are still several uncertainties debated within the Sustainable Business Model community. For example, the fact that different Sustainable Business Models promote different levels of sustainability (Sahebalzamani & Bertella, 2018) or that the challenges that Sustainable Business Models aim at solving are composed of multiple dimensions, which often clash together and complicate the possibility to find a balance between these dimensions (Dick-Forde et al., 2020). The current literature also highlights the lack of concrete insight about the processes and practices involved in the concrete implementation of Sustainable Business Models (Biloslavo et al., 2018; Høgevold et al., 2015; Nosratabadi et al., 2019; Schaltegger et al., 2016). According to Nosratabadi et al. (2019) it is especially true in the case of the hospitality industry:

"The research in the common field of business model sustainability and hotels, as the most important sectors of the hospitality industry, is still in the infancy stage as most of the studies have tried to investigate the sustainability level of the hotels, rather than providing solutions for the development of a sustainable business model" (p.24)

Therefore, our research may also contribute to gain a better understanding of the processes underlying the implementation of a Sustainable Business Model in the hotel industry, as well as at a more general business strategy development for hotels. It is important to note that, with the rise of the concept of circularity, the idea of Circular Business Model has emerged and gained increasing attention within the sustainability field over the last years. Circular Business

Models are seen as a solution to the problem of material throughput, which is only partly solved by a Sustainable Business Model, and as a means for resource efficiency (Manniche et al., 2021). Although the concept is interesting because it calls for a transition of both the economic and social systems in place (Manniche et al., 2021), in our case we consider it more as a building block of the overarching Sustainable Business Model than as a solution on its own. Indeed, the intangibility of service offerings makes Sustainable Business Models in the context of the hotel industry more relevant than Circular Business Models, as they allow us to focus on a lower number of stakeholders and material sources (Høgevold et al., 2016).

Further Explanations of Current Sustainable Business Models

By drawing a plain canvas visualizing 9 main areas of different interactions, and stakeholders through the value chain, the Business Model Canvas by Osterwalder strategizes the opportunity to quickly and in a non-complex way innovate and allow for feedback to better improve a current Business Model to compete in the market (Osterwalder et al., 2010). These main areas describes the main intended profit streams for a company, and how to create value through these through an economical lens (Osterwalder et al., 2010). Joyce and Paquin (2016) builds on the Business Model Canvas with their Triple Layer Business Model Canvas (Hereafter TLBMC) which is a tool to not only encourage Business Model innovation, but more importantly to encourage Sustainable Business Model innovation. This model can be seen as taking an inside-out perspective to Business Model innovation, since it starts with taking a look at the current Business Model and how to develop these elements (Joyce & Paquin, 2016). The TLBMC follows Osterwalder's model by having one canvas with the economic processes of the business which has the same structure has the one by Osterwalder, but the build on this by adding two additional layers to make this more holistic. One of these additional layers is with strategical processes for the environment, which is based on a lifecycle perspective. The second one is focusing on social value creation which is based on a stakeholder perspective. By adding these two layers, the TLBMC maintains an integrative approach by highlighting central measures and the linkages between these on each of the economic, environmental, and social layer. Merged, these three layers furthermore provides vertical consistency by linking key actions to their corresponding actions in the other two layers, thus allowing for a coherent innovation within Sustainable Business Model innovation as well as opens for a systems-level perspective. Their research contributes to the field of Business Model innovation by offering a model that allows to organize sustainability dimensions within a business, as well as this model showcases how the activities operate both horizontally and vertically through the different

layers which allows for analysis on how the different activities are interconnected (Joyce & Paquin, 2016). The authors argue that this tool allows for a holistic and integrated way of analysing a Business Model as well as the development of sustainable business activities through the integration of all three layers (Joyce & Paquin, 2016). According to Nancy Bocken and her colleagues, the Sustainable Business Model field must be studied under the lens of business innovation, because a radical shift at the core of the existing Business Models is needed to solve the current ecological issues and it is only possible through the help of transformative business innovations (Bocken et al., 2014). This idea of radical shift and radical innovation can be tied back to the work of Joyce and Paquin (2016) on the Triple-Layered Business Model Canvas who also argue that businesses need to re-conceptualize the way they conduct their operations to address today's challenges. However, Bocken et al. (2014) have a different way to look at Business Model innovation from Joyce & Paquin, as they take an outside-in perspective with the help of eight Business Model Archetypes organized in three thematic innovation groupings, namely Technological Innovation, Social Innovation and Organisational Innovation (see figure 1 below).

Groupings	Technological			Social			Organisational	
Archetypes	Maximise material and energy efficiency	Create value from waste	Substitute with renewables and natural processes	Deliver functionality rather than ownership	Adopt a stewardship role	Encourage sufficiency	Repurpose for society/ environment	Develop scale up solutions
Examples	Low carbon manufacturing/ solutions	Circular economy, closed loop	Move from non-renewable to renewable energy sources	Product-oriented PSS - maintenance, extended warrantee	Biodiversity protection	Consumer Education (models); communication and awareness	Not for profit	Collaborative approaches (sourcing, production, lobbying)
	Lean manufacturing	Cradle-2-Cradle	Solar and wind-power based energy innovations	Use oriented PSS- Rental, lease, shared	Consumer care - promote consumer health and well-being	Demand management (including cap & trade)	Hybrid businesses, Social enterprise (for profit)	Incubators and Entrepreneur support models
	Additive manufacturing	Industrial symbiosis	Zero emissions initiative	Result-oriented PSS- Pay per use	Ethical trade (fair trade)	Slow fashion	Alternative ownership: cooperative, mutual, (farmers) collectives	Licensing, Franchising
	De-materialisation (of products/ packaging)	Reuse, recycle, re-manufacture	Blue Economy	Private Finance Initiative (PFI)	Choice editing by retailers	Product longevity	Social and biodiversity regeneration initiatives ('net positive')	Open innovation (platforms)
	Increased functionality (to reduce total number of products required)	Take back management	Biomimicry	Design, Build, Finance, Operate (DBFO)	Radical transparency about environmental/ societal impacts	Premium branding/ limited availability	Base of pyramid solutions	Crowd sourcing/ funding
		Use excess capacity	The Natural Step	Chemical Management Services (CMS)	Resource stewardship	Frugal business	Localisation	"Patient / slow capital" collaborations
		Sharing assets (shared ownership and collaborative consumption)	Slow manufacturing			Responsible product distribution/ promotion	Home based, flexible working	
		Extended producer responsibility	Green chemistry					

Figure 1 - The sustainable business model archetypes

Indeed, in their work, Bocken et al. (2014) suggest that companies should apply one or more of these archetypes to root sustainability in their daily practices and their strategy, while aiming at higher ambitions in terms of value delivery innovation. In other terms, the perspective they adopt is to consider that the successful implementation of a Sustainable Business Model relies, first, on the capacity of the company to integrate one or more archetypes to innovate and, then, their ability to use these innovations to deliver and capture sustainable value. In the context of this thesis, Bocken's perspective on Sustainable Business Models is interesting because it raises the question of the readiness of hotels to use existing innovative strategic solutions to create new ways of delivering sustainable value to their customers. However, one point that remains in question with Bocken's model is the fact that it was primarily designed for the industrial sector rather than service companies. This matter of fact led Yip and Bocken (2018) to revise the Eight Archetypes Model and try to see if it could adapt it to the service industry. Their work showed that, by its very specific nature and its growth potential, the service industry requires specific Sustainable Business Models that account for the direct interactions with customers and the multiplicity of value-generating activities (Yip & Bocken, 2018). Cavagnaro (2018) refers to value creation in organizations along the three dimensions of sustainability; profit, people, and the planet. The author argues that for an organization to succeed in facilitating sustainable value it is essential that actions and strategies are based on the fundamental principles of sustainability (Cavagnaro, 2018). Similarly, a Sustainable Business Model must encompass the total attempts and accomplishments of a company, including demand and supply chain networks, to drive the impact on the environment down according to Høgevold et al. (2015). This must include a variety of activities integrated throughout the core business, internal operations but must stretch across external activites in the value chain as well (Høgevold & Svensson, 2012; Høgevold et al., 2015; Svensson & Wagner, 2011). One of the underlying most salient principles of sustainability is for human activities to do no harm to neither people nor the planet. A value chain is characterized by the activities an organization is carrying out, which are run and lead by humans, thus sustainability principles are applicable all along the value chain of an organization (Cavagnaro, 2018). Cavagnaro (2018) argues that when looking at the activities in which organizations create value throughout the value chain, it allows the opportunity to better understand how the organization can create sustainable value through these principles. Høgevold et al. (2015) findings indicates that business sustainability is about having an abundance of sustainable activities and initiatives in place working simultaneously. These efforts should not only be within the business own operations but also stretch out over its whole demand and supply chain networks. A traditional value chain

analysis implies to look at the impact of an organization's activities internally, on the contrary, for this to become sustainable it is essential to look beyond the direct boundaries of the organization and look at the external impact as well (Cavagnaro, 2018; Høgevold & Svensson, 2012; Høgevold et al., 2015). From the traditional value chain analysis by Porter (1985) to the more developed one discussing the added element of shared value(Porter & Kramer, 2011) Cavagnaro (2018) argues that a broader instrument to analyse a company's value chain activities is needed to consider the dimensions and principles of sustainability. Thus, creating the Sustainable Hospitality Value Chain (hereafter SHVC) with the research group Sustainability in Hospitality and Tourism of Stenden Hotel Management School. The SHVC is built over four quadrants in which the hotel can create value across all three dimensions (see figure 2 below).
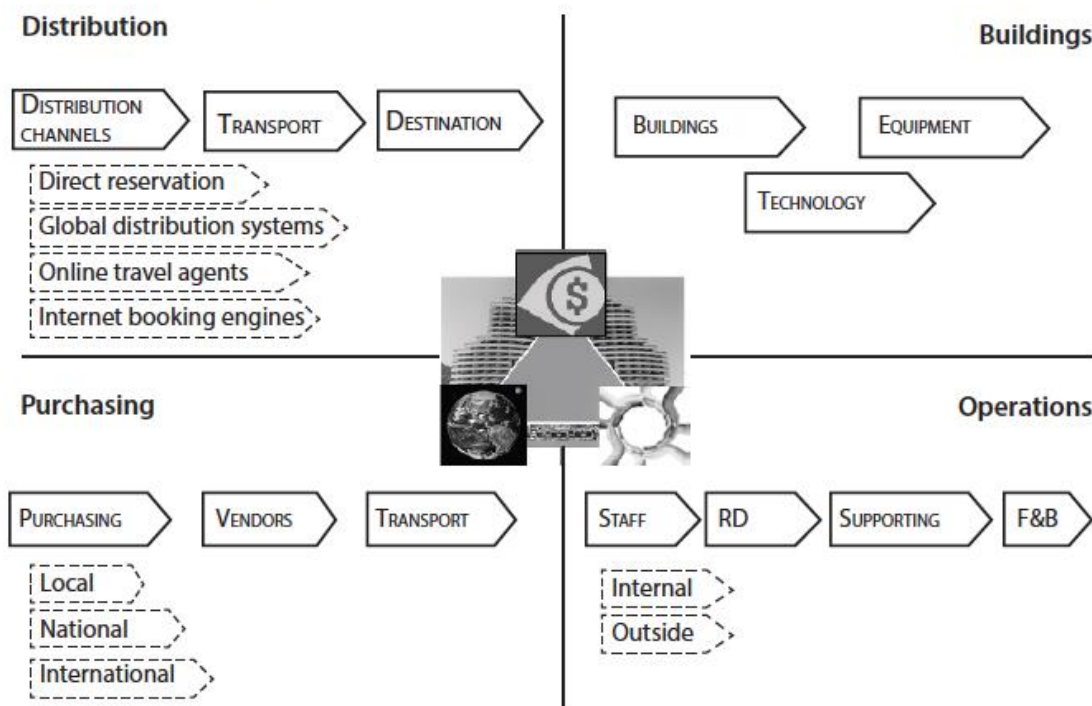
Figure 2 - The Sustainable Hospitality Value Chain - Retrieved from Cavagnaro (2018)

Nosratabadi et al. (2019) points to Høgevold et al. (2015) as the only paper looking into what kind of modern practices that an organization are implementing as sustainable relating to Sustainable Business Models. Høgevold et al. (2015) are using the framework from Høgevold and Svensson (2012) which is refined from the framework derived from a multitude of literature reviews, concepts and case studies by Svensson and Wagner (2011). the framework by Høgevold and Svensson (2012) used is considering four main areas, as follows:

- How the company connect, and re-connect with planet earth, which they moreover explain as "the mother of all stakeholders" (Høgevold et al., 2015, p. 19)
- How the company vision and mission sustainable business practices
- What the sources of carbon footprint are across the value chain, including internal and external activities, such as transports and storage, procurement, and production and assembly.
- The stakeholders who produce a carbon footprint (producers and suppliers, organizations and employees, wholesalers and retailers, customers and end users, and the market and society).

This framework was initially applied in the goods industry (Høgevold & Svensson, 2012), and later in the service industry with a small adaption to the framework (Høgevold et al., 2015). In their paper, Høgevold et al. (2015) states there have not been enough research conducted in Sustainable Business Models to portray modern practices and actions. Therefore, they conducted a case study within a large Scandinavian hotel chain applying the framework by Høgevold and Svensson (2012). The empirical findings from assessing this Sustainable Business Model indicates that it arguably can be adopted across different organizations and not just within the same industry in services. They argue further research can be carried out looking into similarities and differences across organizations and industries to better see the level of generalizability.

However, these models are different and not building on each other. Two of them are similar how they both build on a value chain perspective (Cavagnaro, 2018; Høgevold et al., 2015), the third is building on Business Model Canvas (Joyce & Paquin, 2016) and the fourth has its own different models that can be applied and used with a so called outside-in perspective (Bocken et al., 2014). The initial three models allow for an inside-out approach, which means starting by looking at a current Business Models components and from there looking into potential changes. Reversely, an outside-in approach refers to when one is taking a model outside the organization and applies onto the business and adapts it respectively (Joyce & Paquin, 2016). As explained previously, there is a need to better understand how sustainable practices are embedded in the companies, how they can help achieving Sustainable Business Models and to which extent they are integrated within the firm's strategy (Ritala et al., 2018). According to Shove and Spurling (2012) and Corsini et al. (2019), social practice theories have initially been used to explore questions related to consumption, while only slowly gaining interest in the field of business and governance over the last decade. As Jarzabkowski already

noted in 2005, strategy-related topics, such as Sustainable Business Models, have often been considered only under a normative lens that does not properly describe the role of humans in a process that can be argued as being a "lived experience" (p.39). This may explain why only a small part of the literature available on social practices theory concentrate on Strategy-as-Practice. Among the few authors who studied Strategy-as-Practice, the common ground is to consider strategy as a deeply social and constantly evolving phenomenon performed by the individuals belonging to a given company (Egels-Zandén & Rosén, 2015; Jarzabkowski, 2005; Vallaster & von Wallpach, 2018). Another recurring element is the idea that strategy is something that is done by the employees, rather than something that companies have (Egels-Zandén & Rosén, 2015; Vallaster & von Wallpach, 2018). These elements are in line with the work on sustainable practices of Ligonie (2021) who argues that approaching sustainability-related questions with Practice Theory is a good way to produce valuable empirical results.

2.3 - Theoretical Framework: Practice Theory and Strategy-as-Practice

As introduced previously, Sustainable Business Models relates to how a business strategically organizes its resources to perform effectively and they are most often studied through a normative lens (Lüdeke-Freund & Dembek, 2017). According to Parnell (2014), the field of strategy draws upon a variety of theories and the first theoretical concept that we initially considered was Resource-Based Theory, because it looks through a managerial perspective on organizations and identifies potentials within key resources that can be strategized to gain market share (Barney, 1991). However, this theory has a focus on competitivity rather than sustainability and, moreover, did not allow us to explore what is needed to enforce Sustainable Business Models. Therefore, we decided to investigate how Sustainable Business Models are understood and implemented through the lens of Practice Theory (or Theory of Social Practices), because we believe, as Jarzabkowski (2005), Vallaster and von Wallpach (2018) and Golsorkhi et al. (2015) did, that strategy and sustainability are social phenomenon enacted by the individuals working in the hotel industry. Therefore, Practice Theory may give us an understanding of what it takes to effectively implement Sustainable Business Models but also help us discover how they are understood by the managers we will interview. This area of the Social Sciences originates in the work of Schatzki (2001) who describes practices as "embodied, materially mediated arrays of human activity centrally organized around shared practical understanding." (p.11). In other words, viewing human actions through the practice lens leads to the understanding of the social setting as a structure of integrated practices. Moreover, according to Sayer (2012), the Practice Theory is well suited to study "what people

do and how they do it" (p. 168) and, therefore, it will serve our study purpose in a very adequate manner since we try to investigate how the people working in the hotel industry make sense of the idea of Sustainable Business Model and how they implement it concretely. Another important element to take into account in our choice is that Practice Theory has proven to be useful when addressing questions related to sustainability issues since it may unfold the understanding of change, which is a central element of the transition that business will need to undertake (Shove et al., 2012; Shove & Spurling, 2012). Indeed, in the case of Sustainable Business Models, changing a behaviour and replacing it with another requires a transformation of practices and therefore it is of great importance to understand how practices emerge, carries on and dissolves (Shove et al., 2012). In this thesis, when we mention to the idea of *practice*, we will refer primarily to the definition of practices of Shove et al. (2012) who consider that they can be seen as the combination of three elements: materials, meanings and competences. In other words, they see the *practice* as a result of an iterative process between human activities and the social structures that surround these activities. This means that the activities of an individual take place and are formed within the construct of rules and meanings which are, in turn, modified by the actions of the individual. As mentioned by Warde (2012), practices are composed of actions and statements, which imply to look at how the activity is enacted and at the same time how it is represented. In the case of our study of Sustainable Business Models, it means that we will need to consider not only what our interviewees will tell us about the sustainability policies but also the related explicit and implicit actions (Shove et al., 2012). Finally, studying and understanding how something new is created and established is especially important for businesses that wish to create competitive services (Shove et al., 2012).

It is important to note here that the Practice Theory was first used to study behaviours related to consumption by focusing on the way practices are reproduced and maintained rather than how new sustainable elements are included or generated (Hargreaves et al., 2013). Additionally, sustainable practices are characterized by a rapidly changing environment driven by customers' choices and government regulations, which makes that companies rarely approach sustainability from the same perspective (Sanchez-Planelles et al., 2022). These elements show that the use of Practice Theory for studying the implementation of Sustainable Business Models may bring a meaningful contribution to the business field. It is also important to note that one of the biggest challenges about reacting effectively to climate change is to reshape social practices and understand the underlying processes that enable this change (Shove et al., 2012). For example, research of Svennevik et al. (2021) on car-sharing shows

that changes in the Business Model is an important element in relation to the reconfiguration of an existing practice, while Gossen and Kropfeld (2022) show in research conducted in the outdoor industry that sustainable practices remain quite ambiguous, as the company's managers are torn between the necessity to follow the market's logic of growth and the individual objectives of sustainability proposed by the company. Together, these studies explain why Practice Theory has often been used to analyse questions related to sustainable consumption, but slowly gained interest in the research related to business and governance in the last decade (Corsini et al., 2019).

With regards to this evolution, we have decided to rely on one particular area of the Practice Theory for analysing our data: Strategy-as-Practice. This theoretical concept, which originates from the contemporary social sciences practice turn (Golsorkhi et al., 2015), investigates strategy-related questions and is therefore very appropriate to our thesis because Sustainable Business Models are a way to translate the vision and mission of the company into concrete strategical actions. According to Vallaster and von Wallpach (2018), Strategy-as-Practice consider strategy as something that is deeply social, constantly evolves and is produced and influenced by both the internal and the external stakeholders of the company. In the same vein, Egels-Zandén and Rosén (2015) describe Strategy-as-Practice as a way to see strategy "as something practitioners do as opposed to something that an organization has" (p.139). Strategy-as-Practice is interested in what are the practices being used, and how they act as mediators of interaction and communication between actors that are individuals who are shaping the strategy (Jarzabkowski, 2005). Strategy-as-Practice takes the opposite view than more traditional strategy research in the way that it shifts focus from the outcome of strategies on performance to a more integrated and comprehensive perspective of what actually goes on behind putting together a strategy, its implementation and any other activities relating to strategy (Golsorkhi et al., 2015). It is also argued that viewing Strategy-as-Practice is a good empirical way of considering strategy, as it is often a topic that is studied in a more conceptual way (Egels-Zandén & Rosén, 2015; Vallaster & von Wallpach, 2018), hence Strategy-as-Practice is a tool that would purposefully serve our research purpose while being adapted to our empirical methodology.

Paula Jarzabkowski (2005) was one of the first researchers to study strategy-related questions under the prism of practices. In her view, strategy has often been considered only under a normative lens that does not properly describe the role of humans in a process that is a "lived experience" (p.39). According to her, Strategy-as-Practice is a way to consider the multiple

facets of what makes a company strategy by seeing strategy as socially performed and situated within a network of actors that act and interact at different stages of the company. As presented in the following diagram (see figure 3), Jarzabkowski (2005) considers that Strategy-as-Practice is composed of three main elements:

- The praxes, which is the strategy seen as a "flow of organizational activities" (p.8) inscribed within a social context. In our case, the praxes will be all the actions undertaken within the hotel to align the operations on the Sustainable Business Model.

- The practitioners, who are all the people who contribute to the company's strategy by how they socially act or interact. In our case, the managers we have interviewed but also their colleagues eventually mentioned throughout the interviewing process.

Figure 3 - Strategy-as-Practice - Adapted from Jarzabkowski (2005)

- The practices, which are the "tools and artifacts" (p.8) that practitioners use to perform the strategy activities. Jarzabkowski (2005) has broken them into three main categories. Firstly, they can be administrative and aim at organizing or coordinating the company's strategy (in our case, a sustainability planning scheme or the sustainability reporting for example). Secondly, they can be discursive and include all the resources required for the strategic interactions (in our case, the language or symbols used by the sustainability managers interviewed for example). Thirdly, they can be episodic and include all the practices that systematize or generate opportunities for the practitioners to interact together, induce change and stabilize existing strategy (in our case e.g., internal trainings, or industry conferences).

Building on the theoretical framing of Jarzabkowski (2005) to conduct our analysis allows us to bring our focus on the individuals we have interviewed, rather than on their firms, and more specifically on how the people in charge perceives the Sustainable Business Model they are trying to implement but also how the context they evolve in may influence their actions. Indeed, as Kaplan (2007) mentions, Jarzabkowski's view requires a shift of focus from the macro-level of the company to the micro-level of the individual's activities, by considering that every

individual actor possesses a certain level of agency and that the actions of our interviewees are highly situated.

2.4 - Summary of the Chapter

Applying Business Models as a tool to develop business strategies transformed business society by Osterwalder et al. (2010). However, this model lacked the total integration of sustainability and the creation of sustainable value in all activities throughout the company (Biloslavo et al., 2018; Joyce & Paquin, 2016; Stubbs & Cocklin, 2008). Therefore, the debate revolving Sustainable Business Models spiked due to the critical need to include sustainable operations within the business and the traditional ways of operating a business is not enough. Companies need to adopt an approach where sustainability is seen as an immensely transformative and innovative power (Cavagnaro, 2018). Research argues the value of looking beyond at creating customer value and look at value creation on social and environmental level (Cavagnaro, 2018; Høgevold et al., 2015; Joyce & Paquin, 2016; Nosratabadi et al., 2019). Much of the literature is providing theoretical means how a business can operate sustainable (Bocken et al., 2014; Cavagnaro, 2018; Høgevold et al., 2015; Joyce & Paquin, 2016), however, what these practices are relating to each model are thin on the ground, especially what driving processes are needed and lying behind operating a Sustainable Business Model (Nosratabadi et al., 2019). Therefore, the use of Strategies-as-Practice and Social Practice Theory on to the primary data may offer a different angle to deepen the understanding of the human actions behind the implementation of Sustainable Business Models. The next chapter will explore more in detail our chosen methods and characteristics of interviewees.

<h1 align="center">Chapter 3</h1>

3.0 Methodology

3.1 - Chapter Overview

In this chapter, we will discuss our methodological choices by explaining the way we have designed our research, how we selected the appropriate literature, built our sample, collected the data, and how we analysed it. We will also reflect on the limitations of our methodology, as well as cover ethical and quality considerations.

3.2 - Research Design

Our research process started by asking how Sustainable Business Models are practiced within the hotel industry and we aimed at exploring the field with an openness to our interviewee's contribution, because this field of research is still young and lacks empirical research. Our research takes the form of an exploratory study since we are investigating how Sustainable Business Models are currently practiced in the hotel industry and that there is still little knowledge in this topic (Flick, 2018; Nosratabadi et al., 2019). We wanted to understand what is the social representation of Sustainable Business Models in the hotel industry, thus having a structuralist approach (Flick, 2018; May, 2011), built on a constructivist ontology and an interpretivist epistemology (Fay, 1996; May, 2011). In other words, we argue, as Jarzabkowski (2005) and Shove and Spurling (2012) did, that strategy is a social phenomenon and that studying its related practices may allow us to understand how and by whom the values related to Sustainable Business Models are created and challenged within the hotel industry. Adopting this perspective should allow us to understand the current state of Sustainable Business Models from our interviewees' point of view (Shove & Spurling, 2012). As mentioned in the previous chapters, there is a need for more research to understand how sustainable strategies are shaped in practice, especially since academia is urging companies to incorporate these into their operations (Egels-Zandén & Rosén, 2015). In spite of this, Strategy-as-Practice tends to have been overlooked by academia (Egels-Zandén & Rosén, 2015) and lacks of concrete empirical results (Nosratabadi et al., 2019), which explains why we decided to adopt a qualitative approach held on an abductive reasoning (Atkinson et al., 2003; Bryman et al., 2021; Schwartz-Shea & Yanov, 2012).

3.3 - Research Process

As shown in the research diagram on page 31 (see figure 4 on the next page), our research process has been iterative in how we have reflected on our research questions, initial set of data and how collected further data in order to gain a better understanding to our research field (Bryman et al., 2021; Flick, 2018). During the first phase of the research, we departed from our initial research questions which were:

- How is the sustainability agenda implemented in the value chain of hotels?
- What are the obstacles that hinders a hotel to transitioning into a Sustainable Business Model?
- How can they overcome them?

Building on these initial questions, we conducted a preliminary literature review using key words like "Sustainable Business Models", "Business Models", "Value and Value Creation", "Value Chain Analysis" and we cross-checked them with different industries in order to increase the chances to cover the majority of the existing concepts and theories. After this initial period, we reframed our research questions in this way:

- How are Sustainable Business Models concretely practiced in the hotel industry?
- How is sustainability practiced in the value chain of hotels?

With these questions in mind, we conducted an in-depth literature review and achieved this first phase of research by reworking our research questions around the concept of Strategy-as-Practice:

RQ1 - What are the sustainable activities performed in hotels?

RQ2 - How are Sustainable Business Models understood within the hotel industry?

RQ3 - What are the skills and competences needed to enable practicing Sustainable Business Models?

We concluded the first phase of the research process by starting our sampling process, which was two-folded based on pre-established sets of criteria to select the hotels profile and the interviewees profile (which we detail in section 3.5). We considered our sampling as a purposive theoretical sampling according to Edwards and Holland (2013) and Mann (2016), although it is important to note that we did not work with grounded theory, but rather kept in mind that our sampling should be in phase with the theoretical elements mentioned previously

(Edwards & Holland, 2013). After a first selection of hotels, we carried out qualitative interviews. We initially made two unstructured pilot interviews to encourage an open and long discussion with interviewees (Mann, 2016; May, 2011) and, from there, we developed a semi-structured interview guide to increase the quality of our empirical data by reducing the risk of deviation from our core topic (Mann, 2016). These two initial interviews revealed to be important, as they allowed us to test the research field, develop questions and explore more in-depth the reality of empirical field (Bryman et al., 2021).

The second phase of the research consisted of nine additional semi-structured interviews with the help of the interview guide built during the first phase. We performed the interviews over video calls because most of our interviewees were in remote areas across Scandinavia. Once the empirical data gathered and transcribed, we coded them and carried out a thematic analysis to narrow down the richness of the empirical material and bring some coherence to it (see section 3.6) (Mann, 2016; Seidman, 2006). Finally, we used the results obtained through this process to build our discussion and conclusion.
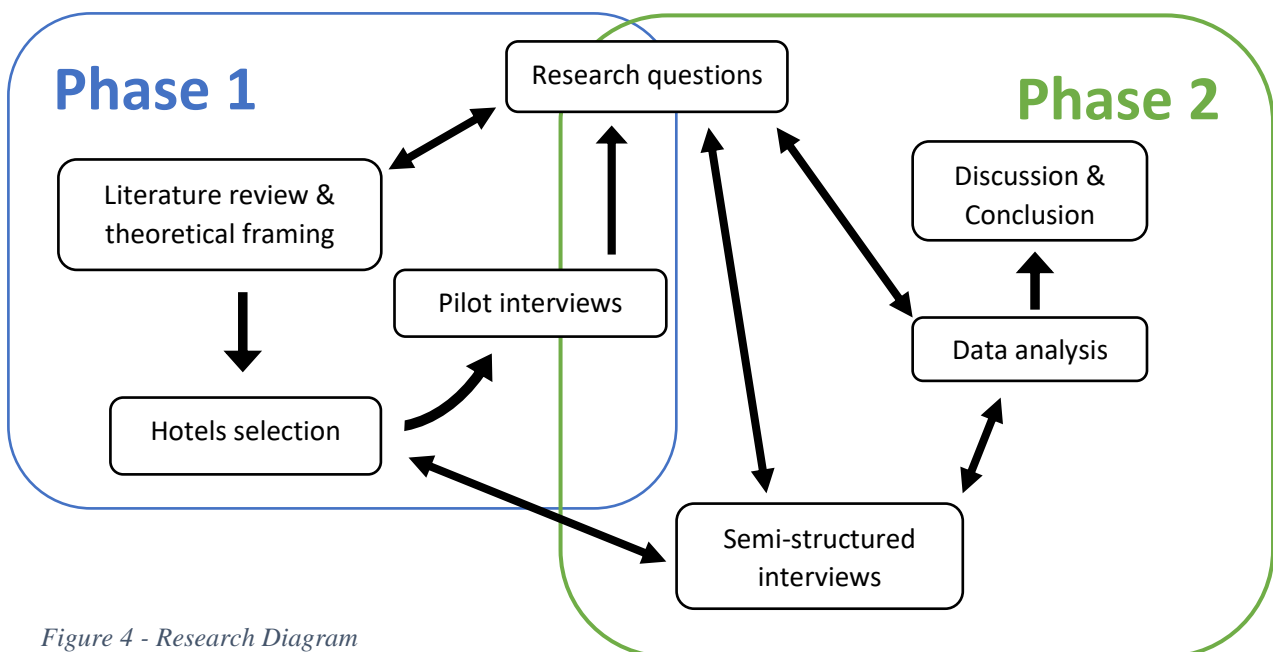

Figure 4 - Research Diagram

3.4 - Selection of the Literature

To build our theoretical background, we used three academic databases: LubSearch of Lund University, EBSCOhost and Google Scholar with a main focus on the first two databases because they had more advanced search options, especially the possibility to select only peer-

reviewed material. We made a series of initial searches with the following key of words: *Hotel sustainability; Value Chain Analysis; Value and Value Creation; Sustainable Value Creation; Business Models; Sustainable Business Models*. At this stage, we screened the articles of interest by using their titles and abstracts. Then, we conducted another search with more precise words and conditions (see figure 5). The papers obtained through this new screening have been read entirely and classified thematically (the main themes being: *Sustainable business models, Practice theory, Sustainable value creation, Business models in the hotel industry and Literature reviews & meta-analyses*). The final literature review for this work comprises studies from a variety of topics, such as sustainability, hotel management, social sciences, business administration and marketing.

	AND	AND
Sustainability	Hotel	Value chain
Sustain*	Hotel*	"Value chain"
Green*	Lodg*	"Value chains"
Viab*	Hospitality	"Shared value"
Environ*		

OR

	AND	AND
Sustainability	Hotel	Business Model
Sustain*	Hotel*	"Business model"
Green*	Lodg*	"Business models"
Viab*	Hospitality	"SBM"
Environ*		

	AND	AND
Sustainability	Hotel	Literature review
Sustain*	Hotel*	"Literature review"
Green*	Lodg*	"Meta analysis"
Viab*	Hospitality	Review
Environ*		

OR

	AND	AND
Sustainability	Hotel	Nordic*
Sustain*	Hotel*	"Nordic Countries"
Green*	Lodg*	Scandi*
Viab*	Hospitality	
Environ*		

	AND	AND
Sustainability	Hotel	Practice
Sustain*	Hotel*	"Practice theory"
Green*	Lodg*	"Theories of practice"
Viab*	Hospitality	"Strategy-as-practice"
Environ*		"Strategy as practice"

OR

	AND	AND
Sustainability	Business Model	Practice
Sustain*	"Business model"	"Practice theory"
Green*	"Business models"	"Theories of practice"
Viab*	"SBM"	"Strategy-as-practice"
Environ*		"Strategy as practice"

	AND	AND	AND	
Sustainability	Hotel	Corporate Social responsibility	Value chain	
Sustain*	Hotel*	"Corporate Social responsibility"	"Value chain"	OR
Green*	Lodg*	"Corporate Social responsibilities"	"Value chains"	OR
Viab*	Hospitality	CSR	"Shared value"	OR
Environ*		Repons*		OR

Figure 5 – Research terms table

3.5 - Data Collection

Sampling Process

In the previous section, we briefly described the sampling process. We performed it in two phases during which we made both times an a priori generic purposive sampling with the help of pre-established criteria for the hotels selected as well as who within the hotels we interviewed (Booth et al., 2008; Edwards & Holland, 2013; Mann, 2016; Seidman, 2006). The first phase consisted in establishing a sample of hotels that had, at least, documented work on sustainability (by publishing sustainability reports for example) and, ideally, a proven extensive work with sustainable initiatives (by having an eco-certification like the Nordic Swan, for example). We started by establishing the boundaries of our research to Sweden and, due to lack of potential targets, later extended it to the Nordic region (Sweden, Norway, Denmark, Finland). We did a first screening with the help of the Sustainable Brand Index; a sustainability ranking performed every year in the above-mentioned countries (Sustainable Brand Index, 2022). However, we extended the search by looking at sustainable hotels on the internet and at what they were communicating on their website since we wanted to explore smaller hotels and not just hotel chains (which were the only sort of hotels rated in the Sustainable Brand Index). We applied the following selection criteria:

- The hotel had to have clearly documented sustainability actions by either providing a sustainability report or listing the sustainability initiatives in a dedicated area of their website.
- The sustainability actions had to cover the three pillars of sustainability: *Economic, Social*, and *Environmental* as mentioned in chapter 2.
- Additionally, we took into consideration the communication of sustainability certifications (e.g., Green Key, Svanen (The Nordic Swan), KRAV, ISO 14001 or Sustainable Travel Finland). We did not limit our hotel selection to this criterion only because these certifications are often used in the Nordic hotel industry.

As mentioned by the World Travel Organization, categorizing and classifying hotels is a big challenge due to the wide variety of concepts, sizes and country regulations that exist (World Tourism Organization, 2015). Indeed, the most used hotel classifications criteria are size, level of service, function, price or ownership (Su & Reynolds, 2019). In our case, as we are looking at the business strategy aspect, we decided to categorize them with the help of both size and ownership, which appeared to us as the two most influential factors. Based on these two criteria,

the information found in the work of Rahman et al. (2012), Su and Reynolds (2019) and a web article published by one of the leading hospitality management colleges (EHL Hospitality Business School, 2020), we separated the hotels in the two following categories:

1. Chain Hotels: These hotels are part of major hotel chains and have a larger number of rooms spread on multiple sites. Their structure of management is pyramidal and is characterized by long chains of command built on a top-down strategic decision making. In the daily operations, the managers working in these hotels have to work according to high standards.

2. Other Hotels: These will be referred to as "smaller hotels" later in this thesis. These hotels may be boutique hotels owned by a hotel group, independent hotels or family-owned hotels. They have a smaller number of rooms and have often a single location. They operate independently and, to a large extent, are free to take their own strategic decisions. Their structure of management tends to be more horizontal and the strategy is often set from top to down and sometimes from down to top.

This way of proceeding provided us with the following sample of hotels:

			Sweden	Denmark	Norway	Finland	**Total**
Chain Hotels		Contacted	2	0	1	1	4
		Answered	2	0	1	0	3
		Participated	**2**	**0**	**1**	**0**	**3**
Other Hotels (smaller hotels)	**Boutique**	Contacted	2	2	1	2	7
		Answered	2	2	1	1	6
		Participated	**1**	**0**	**1**	**0**	**2**
	Independent	Contacted	4	0	0	5	9
		Answered	4	0	0	3	7
		Participated	**2**	**0**	**0**	**0**	**2**
	Family-owned	Contacted	1	0	0	1	2
		Answered	1	0	0	1	2
		Participated	**1**	**0**	**0**	**1**	**2**
Total of hotels participating **(in % of the hotels that answered)**							**9** **(50%)**

Table 1 – Hotels sample

After the hotel selection, we engaged in finding suitable interviewees within the hotels which accepted to participate. The main goal of our sampling was to guarantee that the interviews would have enough depth to provide valuable and reliable insights about sustainability practices and how these were implemented. Therefore, it was critical for us to interview people

who were personally involved in the sustainability strategy design, implementation, control, and reporting processes. This led us to make a second a priori generic purposive sampling (Booth et al., 2008; Edwards & Holland, 2013; Mann, 2016) where our a priori selection criteria were to contact people who had leading positions in the hotels and a high involvement into the sustainability strategy and decision making, such as head of sustainability, hotel director or hotel owner for example. When possible, we reached out directly to the person we wanted to interview. Otherwise, we contacted the hotel's reception, which redirected us to the appropriate person. By following this methodology, we obtained our sample of interviewees, which is detailed in the next table (see table 2 on the next page). As shown, we followed Gerson and Damaske (2020) advices on building a sample that provides "a variety of participants who are well positioned to reveal the practices, mechanisms, and relationships" (p.46) that our research aimed at exploring. In the case of our sample, the interviewees profiles ranged from the sustainability manager of a big Nordic hotel chain to the owner of an eight-rooms lodge. This way of sampling allowed us to make comparisons and reduced the risk of selection bias by providing the point of view of people who evolve in different work environments but who all have as an objective to improve the sustainability of their hotels.

Interviewing process

We started our round of qualitative interviews with two pilot interviews which allowed us to test the research field and build our interview guide (Gerson & Damaske, 2020). The first interview was of unstructured nature and gave us the opportunity for an open discussion providing an understanding of the hotel industry sustainability practices (Rubin & Rubin, 2005). It was used it as a basis for our semi-structured guide. The first interviewee had been overseeing the sustainability work of an important Swedish hotel chain for the last three years and had more than 15 years of work experience within the hospitality industry. Therefore, this person had the knowledge and experience necessary to provide comprehensive insights about our research field. As recommended by Flick (2018), we started with unstructured general questions in order to be non-directional and introduced some more structured questions closer to the end of the interview so that the range of the pre-defined topics would be covered, such as the interviewee's view of Sustainable Business Models and their definition of sustainability. We also made sure the interviewees remained specific, by asking them to recall specific examples related to sustainability practices (Brinkmann, 2013; Edwards & Holland, 2013). The second pilot interview was semi-structured, which allowed us to test our interview guide and adapt some of the questions to make sure that they encouraged rich and detailed answers. Our

Name	Sex	Type of hotel	Position	Sustainability work responsibilities	Date (2022)	Time	Mode
Interviewee 1 (Pilot interview)	M	Chain Hotel	Head of Sustainability (Head Office level) & Hotel Director	Responsible for the chain's sustainability strategy design, implementation, control and reporting. At the same time, is in charge of some of the hotels' general management.	30.03	60 min	Zoom
Interviewee 2 (Pilot interview) *Same hotel as interviewee 11*	M	Other Hotel (Independent)	Hotel Director (CEO)	Responsible for the hotel's sustainability strategy design. Supervises the Executive Director in charge of the sustainability strategy implementation, control and reporting. At the same time in charge of the general management of the hotel.	04.04	55 min	Teams
Interviewee 3	M	Other Hotel (Family-owned)	Hotel Owner	Responsible for the hotel's sustainability strategy design, implementation, control and reporting. At the same time in charge of the general management of the hotel. All these tasks are done together with his partner in life.	13.04	88 min	Zoom
Interviewee 4	F	Other Hotel (Family-owned)	Hotel Owner	Responsible for the hotel's sustainability strategy design, implementation, control and reporting. At the same time in charge of the general management of the hotel. All these tasks are done together with her partner in life.	20.04	66 min	Teams
Interviewee 5	M	Chain Hotel	Head of Sustainability (Head Office level)	Responsible for the chain's sustainability strategy design, implementation, control and reporting. Supports the different country departments to achieve the sustainability objectives.	20.04	84 min	Teams
Interviewee 6	M	Chain Hotel	Environment Manager (Head Office level)	Responsible for the chain's sustainability strategy implementation, control and reporting. Reports to the Head of Sustainability, who works on the strategy design. Supports the different country departments to achieve the sustainability objectives.	21.04	74 min	Google Meet
Interviewee 7 *Same hotel as interviewee 10*	F	Other Hotel (Boutique)	Hotel Manager	Responsible for the hotel's general management, which includes the sustainability strategy implementation, control and reporting. Follows the sustainability strategy of the direction committee lead by the hotel owner.	25.04	97 min	Zoom
Interviewee 8	M	Other Hotel (Boutique)	Development Director	Responsible for the hotel's conceptualization and sustainability strategy development. Supervises the whole construction process and reflects on the operations with the management team.	26.04	85 min	Teams
Interviewee 9	M	Other Hotel (Independent)	Hotel Owner	Responsible for the hotel's sustainability strategy design, implementation, control and reporting. At the same time in charge of the general management of the hotel. All these tasks are done together with a business partner and co-owner.	06.05	45 min	Teams
Interviewee 10 *Same hotel as interviewee 7*	M	Other Hotel (Boutique)	Hotel Owner	Leads the direction committee, which decides on the hotel's sustainability strategy. Supports the Hotel Manager in implementing the sustainability strategy.	25.04	30 min	Zoom
Interviewee 11 *Same hotel as interviewee 2*	F	Other Hotel (Independent)	Executive Director	Responsible for the hotel's sustainability strategy implementation, control and reporting.	07.06	55 min	Teams
Total interview time						**739 min (12h19m)**	

Table 2 – Interviewees sample profile table

interview guide (see appendix A) was built with a mix of open questions (i.e. *Can you tell us what made you start working with sustainable initiatives and how long you have done so?*), theory-driven questions (i.e. *How would you define a Sustainable Business Model?*) and confrontational questions (i.e. *If a customer comes up to you and tells you: "We have 3 years to act and reduce emissions before it is too late, what are you doing for that?" What would you tell them? Provide some examples*). We separated the questions into four thematic parts to ensure that the implicit knowledge of our interviewees could be explicitly stated (Brinkmann, 2013; Gerson & Damaske, 2020). Furthermore, to minimize the risk of misunderstanding or misinterpreting the answers, we continuously repeated and reformulated what interviewees told us (Brinkmann, 2013; Edwards & Holland, 2013; Rubin & Rubin, 2005). Spontaneous follow-up questions were asked to enable our interviewees to elaborate and clarify what they were saying, while creating an atmosphere of listening and openness conducive to sharing their practices (Bryman et al., 2021; Rubin & Rubin, 2005). The interviews took place in an interval of 69 days, for a total of 12 hours and 19 minutes, and lasted in average for 67 minutes, with a minimum duration of 30 minutes and a maximum of 97 minutes. This variation can be explained by the respective time available of the interviewees but also the flexible interview framework we have set, showing that we managed to maintain an open dialogue with the interviewees. We conducted most of the interviews in English (seven), except for one in French and three in Swedish. Proceeding in this way allowed us to gather data of a better quality, as it allowed our interviewees to feel comfortable and allowed them to express themselves in the most comfortable way. All the data was transcribed from recorded audio files using voice recognition programs, *Otter.ai* and the *dictate function* of *Microsoft Word*, which allowed us to achieve a high level of data uniformity and to reduce the time needed for the transcription (Brinkmann, 2013; Edwards & Holland, 2013).

3.6 - Data Analysis

As we took an explorative stand in our research, we decided to conduct the data analysis as an iterative process (Bryman, 2021). We purposely decided to avoid using a code book to keep an openness to the data provided to us by the interviewees, however, we followed Flick (2018) advice to use a coding software to make the analysis process more efficient and more reliable. We used the *NVivo* software. As recommended in Guest et al. (2012) and in Grbich (2013), we started by reading every interview transcript three times and started to extract major themes, either structural or emergent. The structural themes were all the themes linked to our interview guide, like the definition of sustainability of the interviewees or the type of sustainable

implementations made in the hotels (Guest et al., 2012). Emergent themes were all the themes that were brought up by the interviewees and that we did not expect to cover during the interviews, like the relationship with the eco-certification bodies or the impact of Covid-19 on the hotel's sustainability strategy (Guest et al., 2012). We found a dozen of themes of interest. After this first step, we started coding the interviews by grouping the text under labels and key words determined from the initial theme identification (Grbich, 2013; Guest et al., 2012; Oliver, 2010). This phase of the research was particularly iterative, as the way we coded the different elements of the transcripts evolved throughout the coding process and led us to apply three rounds of coding on every interview to ensure the consistency of the analysis. The last phase of the data analysis consisted in narrowing the number of themes by linking them to the Strategy-as-Practice framework of Jarzabkowski (2005) presented in chapter 2 and rearrange the coded data within the different themes. This way of doing allowed us to see six main themes emerge, among which three related to the praxes and to the elements driving the organizational flows towards more sustainable practices; *Meanings and competences assigned to Sustainable Business Models serve as praxes drivers*, *Disruptive elements can reshape praxes* and *The economic logic is at the core of the praxes*. Two other themes covered the practices side of Strategy-as-Practice by revealing specific elements of the hotels' sustainability strategy; *Practices related to Sustainable Business Models* and *Eco-certifications are seen as a practice facilitator*. The last recurrent theme concerned the practitioners and the way they were making sense of the Sustainable Business Model concept; *Practitioners' involvement and self-awareness are key skills*. We will present our analysis of the empirical material gathered in the next chapter.

3.7 - Ethical considerations

Throughout this research work, we made sure to follow with the utmost respect the code of ethics of The Swedish Research Council (2017) as well as the thesis guidelines provided to us by Lund University and the EU GDPR. We conducted our research by keeping in mind the necessity to guarantee that our work would not harm the people who participated, especially the interviewees (Bryman et al., 2021). A week before the interview, we emailed our interviewees to describe the aim of the study and inform them about the protection of their privacy and the rights they had towards the data they provided (Bryman et al., 2021; Lahman, 2018). All our interviewees signed a consent form, where all the information about the research was presented to them a second time to guarantee that they had fully understood them. As mentioned by The Swedish Research Council (2017) a key element related to our qualitative

research was to fulfil the need for confidentiality as we wanted our interviewees' identity to be preserved and provide them with a safe space for expressing their thoughts.

3.8 - Reflecting on the Limitations of Methodological Choices

Because this study results were gathered with a single method (qualitative interviews), we acknowledge the limitations it entails, like exaggerated answers by the interviewees or the lack of opportunities given to them to confirm their answers (Björklund & Paulsson, 2014). To reduce the impact of these limits, we carefully chose our interviewees to have a group as uniform as possible and asked clear and re-confirming questions (Björklund & Paulsson, 2014). It is clear that a triangulation of methods with the help of qualitative survey and observations, for example, may have contributed to increase both the validity and the reliability of our findings (Aityan, 2022; Booth et al., 2008; May, 2011; Schwartz-Shea & Yanov, 2012). Additionally, although our sample can be argued to be small (Brinkmann, 2013; Gerson & Damaske, 2020; Mann, 2016), the interviews led us to some level of data saturation on most of the themes presented in the next chapter. However, there is little doubt that building a larger sample would have allowed us to gain a deeper understanding. Since the interviews were conducted in English, a potential limitation could have been the language barrier, which is why we offered to our interviewees the possibility to speak in their native language if we had the same (Swedish for Alice Bager-Sjögren and French for Jean Rochat) and then translated the interviews. There is of course a risk that some of the interview content got lost in translation, but we believe that this process contributed to improve the quality of the answers provided by allowing our interviewees to express themselves fully and therefore considered that the benefits outweighed the risks. Furthermore, to increase the objectivity of the interviews, we regularly reconfirmed and restated what the interviewees were telling us to ensure a clear understanding of their answers (Björklund & Paulsson, 2014; Booth et al., 2008). Finally, it is important to note that, as we used video calls platforms, we have from time to time experienced some technological disruptions and poor connection, which occasionally decreased slightly the quality of the exchange and created some background noises that made the transcription a bit less precise (Bryman et al., 2021). However, after two years of pandemic, many businesses are accustomed to joining meetings digitally and we do not believe that having worked digitally has been a major limitation but rather enabled us to reach out to people that may have been harder to meet in person.

Chapter 4

4.0 - Results

4.1 - Chapter Overview

This chapter will provide explanations into our findings, and how we have analysed them with the help of Practice Theory and Strategy-as-Practice. As presented in the previous chapter and in the graph below (see figure 5), this analysis will present six main themes and eleven sub-themes, all of which are related to one side of the Strategy-as-Practice framework of Jarzabkowski (2005). We will start by discussing the two main themes linked to practices, then we will discuss the three main themes that emerged in relation to the praxes and we will finish the chapter with the main theme related to practitioners.
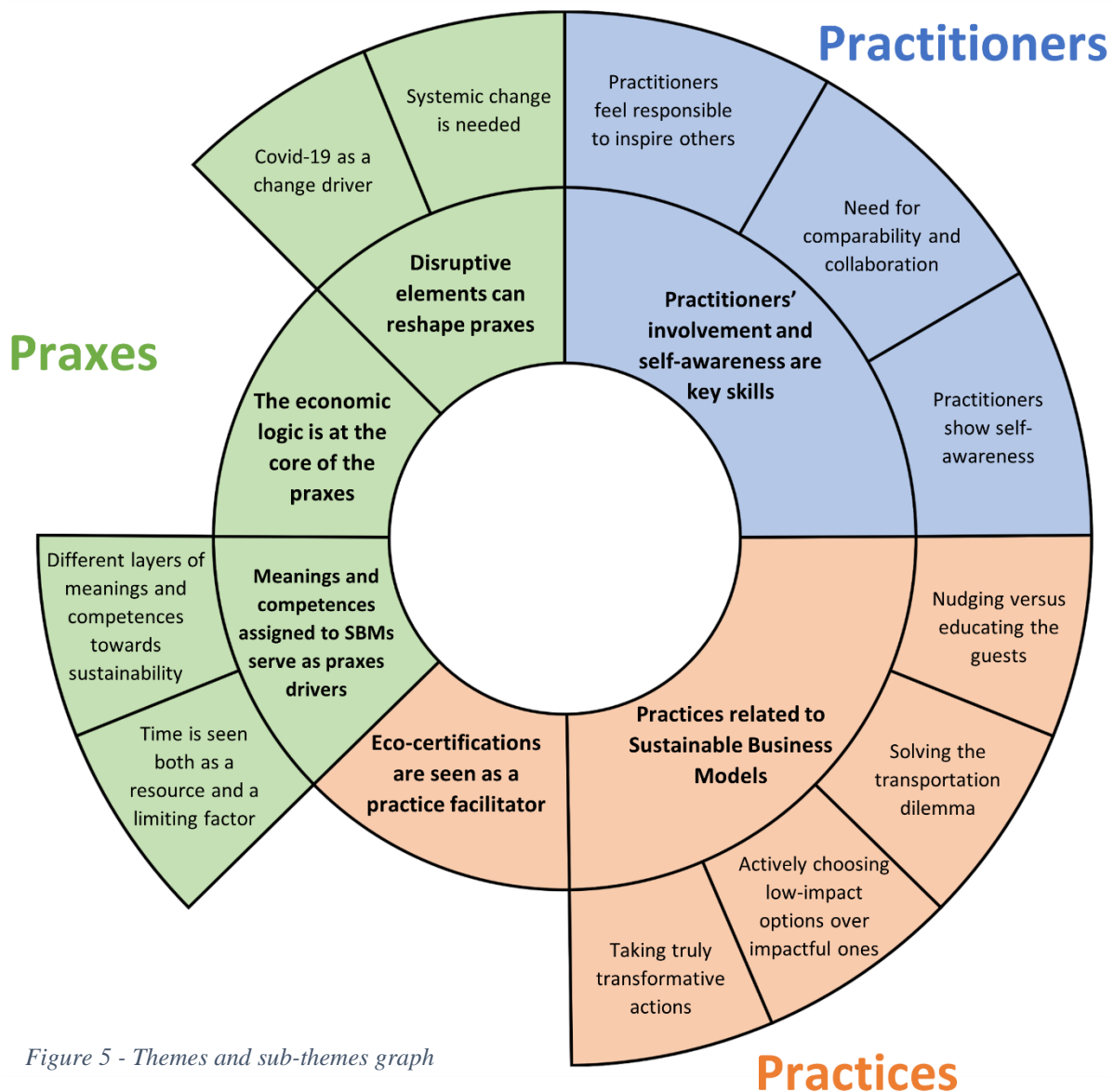

Figure 5 - Themes and sub-themes graph

4.2 – Analysis of findings

Practices Related to Sustainable Business Models

The first main theme that emerged of the analysis is that there are many practices considered by our interviewees when reflecting on the actions and policies linked to the Sustainable Business Model implemented in their hotels. Almost all of them mentioned activities that can be spread out through the business value chain, similar to the areas as discussed in the research work of Høgevold et al. (2016) and Cavagnaro (2018). Examples of these are, but not limited to, the shift to eco-labelled chemicals or natural products such as vinegar, exploring possible circular design improvements (especially for refurbishments), improved energy efficiency in buildings, waste management, water management, and striving for more local and organic procurement. As these elements are not new to the research on Sustainable Business Models and hotels, we will rather focus on four points of interest which emerged during the discussions and have rarely been mentioned in the existing literature.

First, a few of our interviewees brought up the idea that their hotels had to reward guests for making sustainable choices rather than pointing out unsustainable behaviour. When asked to react about the risk that guests choose unsustainable leisure activities during their stay, the executive director of an independent hotel explained:

> *It's really about what you try to sell them* [the guests] *and what you talk about. So, pointing fingers doesn't work, [---], especially in a sales process.*

(Interviewee 11)

Here it appears that the sustainability praxes were directly influenced by the director's perception of what should be or should not be told to the guests during the sale processes. In the same line of thought, most of our interviewees agreed that, although actively nudging the guests towards more sustainable service options (like encouraging the vegetarian food alternative in the below example) is a common practice, the final decision belongs to the guests. In their words, they only had a limited direct influence on the guests' choices:

> *But we are working a lot with nudging, but it's a freedom of choice. You can choose your red meat, you can choose to have your towels changed every day and your room cleaned with chlorine every day, but we would always try to make it easier to choose the right way.*

(Interviewee 6)

Interestingly, half of the interviewees also shared to us their belief that they have an educational role to play, by showcasing sustainable practices and initiating the guests to them. For example, the person in charge of the development of an energy positive hotel said:

> *[---] Because that's why for us another big pillar for our project is education. How do we educate the consumer to be better, to care more and to do some more? Because it doesn't matter what we do as an industry or hotels, people go back home, they go back to their daily life, and they still continue living their day-to-day things the same way. [---]*

(Interviewee 8)

This idea of sharing sustainability knowledge to the guests to educate them seemed to be a very important part of the practices of Sustainable Business Models in the hotels, especially in the smaller hotels, where the owners and managers could have a closer contact with the guests.

Another sub-theme that was mentioned by more than half of our interviewees is transportation. Indeed, the interviewees showed a great awareness of the problems that the mobility of their guests creates in terms of sustainability. Nevertheless, the interviewees did not seem to share the same vision on how to act on this. Some of them, like the sustainability manager of a large hotel chain, believed in rewarding guests with loyalty points if they could prove they travelled sustainably, while others believed that their responsibility was only to raise the awareness of guests:

> *We have a responsibility towards our guests to say the same thing: "When you travel to our hotels, please try to use the most sustainable means of transportation that you possibly can"*

(Interviewee 5)

Yet, another interviewee showed a sense of despair and seemed to think that they had only a very limited influence on their guests' mobility choices. Indeed, as their hotel was in a remote place, the issue of mobility was a fundamental but unchangeable part of their Business Model:

> *People have to travel by boat or by plane to come here due that we are an island and we can't get around it with the product that we sell.*

(Interviewee 4)

One solution to this issue can be linked to the third sub-theme. A hotel owner in Finland explained how they specifically targeted European guests to reduce the environmental footprint of their hotel:

I also wanted to make it clear that we are only addressing a European audience. [---], we are addressing a European public because we want to limit the footprint and therefore, the more we reduce travel, the less footprint there is.

(Interviewee 3)

In the same idea of actively choosing sustainable actions over more impactful ones, the interviewees reported trying to push their business partners, like transfer or activities suppliers, into more sustainable alternatives, but that the balance between encouraging sustainability and not being too pushy with their partners was hard to find. This dilemma is not surprising, as it was already discussed previously (Dick-Forde et al., 2020; Melissen et al., 2015; Moscardo & Hughes, 2018) and is a central to Sustainable Business Model implementation practices. It is also interesting to note that most of the people we interviewed understood that their business strategy involved to choose some partners over others.

The last sub-theme which emerged when asking the interviewees about their understanding of Sustainable Business Models is the idea that practitioners needed to dare taking truly transformative actions. For example, an interviewee working in hotel property development considered that a behavioural shift towards a sustainable value-creating strategy is an essential practice to adopt:

[---] people in general do not understand the 100% possibility of creating value from sustainability. And that's more of a mental switch than anything else, I think.

(Interviewee 8)

He then argued that it may also be harder for large hotel chains to do so:

[---] I was recently in the same panel with [name of a person] *[---] it was interesting to see how the bigger companies finding it difficult to be innovative, or at least moving forward with the time faster than they should.*

(Interviewee 8)

In the same line of thought, some of our interviewees explained how, in their hotel, there is a sustainability approach taken in each department, including back-office roles like sales and marketing, but mentioned later in the interview insights on the difficulties there are to dare selling something that may have a lower impact on the environment but does not meet the average guests' expectations. For instance, this interviewee, acknowledging that she was taking a provocative example, said:

It's difficult to charge people to hug trees. [---] I'm a bit over the edge, but like it's a bit easier still to send people out in a rib boat with a pack of strong beer because then it's consumption.

But having said that, there are such strong forces in the generation that you belong to, that so in many respects have much healthier values when it comes to activities and the values perhaps than my generation who are from the 60s. So, it's getting easier and easier to meet that kind of demand, it's more about being prepared to dare to do it.

(Interviewee 11)

Eco-Certifications are seen as a Practice Facilitator

The second main theme that came up from the interviews is the importance given by our interviewees to one tool that appeared as essential for the practices related to the Sustainable Business Models. Indeed, mentions of the various eco-certifications available for the industry were particularly prominent in the interview data. Although the participating hotels used different certifications, the majority of the interviewees mentioned the topic early in the conversation when asked about the implementation process of their Sustainable Business Model. According to them, these certifications programs are a necessary sustainability facilitator that pushes them to do more, but also helps securing market share by showing to their customers that their sustainability actions can be trusted as not being simply greenwashing. For instance, a hotel owner mentioned during the interview that it would have been hard for them to know what sort of sustainability measures to take when they bought their property and that they appreciated to be regularly evaluated:

[---] I think Svanen [The Nordic Swan Ecolabel] *was very good in the beginning to know where to begin. What should we start with? And it's also good that one control you that you do the right way. So, from the beginnings Svanen was very, very good."*

(Interviewee 4)

Most of our interviewees also agreed on the fact that being certified by an external auditor made them more involved in the sustainability work and provided them with more control over their operations. Moreover, a majority mentioned to us that the perspective of not being able to compete for government's contracts in the absence of eco-certification was an important decision-making element when considering the certification. Therefore, it seems that these certifications can be considered as administrative and discursive practice tools, as they allow the people in charge of sustainability to both organize their strategy work but also convey messages to their stakeholders. When asked to explain how sustainability was planned, the sustainability manager of a hotel chain directly mentioned the benefits that he found in the eco-certification:

The "Green Key" is totally challenging on the right spots in hotels, they understand hotels and travel businesses. Therefore, I think that it is a good eco-label for us to join and support. And it is also good when we need support, we get support from someone that actually knows hotel and knows our operations. [---]

(Interviewee 1)

However, it is interesting to note that the relationship with the certification bodies also sometimes appeared to create mixed feelings amongst the interviewees, both within hotel chains and smaller hotels. For example, the same sustainability manager of a hotel chain explained that some of the certificates are not adapted to the reality of the hotel world:

[---] I am also doing the ISO certification for one hotel. But I see that it's not really adapted to the hotel style. [---]

(Interviewee 1)

Another interviewee, the owner of a family-owned hotel, when asked about his view about the sustainability certifications, emitted two strong critiques about the certification bodies:

We are audited by them, but the big, big criticism I have of all these labels is that they ask us to fill in boxes, the "Green Key" charges and finally there is no advice. There is no advice and that is unbearable [...]. Firstly, it is the lack of classification, of ranking between the companies, because very sincerely I think I am a little more advanced, it is not a competition I know, but to have the same label as 500 companies in Finland, some of which are doing greenwashing... [---]. It bothers me because the difficulty is that when you have pushed upwards, when you have taken several measures, afterwards it is complicated, especially for a small company, to go to the next level. [---] but when I say: "What is the solution?", the labels that audit me are unable to help me.

(Interviewee 3)

As this example interestingly illustrates, some hoteliers also considered that the eco-labels did not do justice to the level of sustainability involvement they had, regretted that the certifications had become too widespread and seemed to feel frustrated about the lack of high ambitions and the lack of adaptation to the specificities of the hospitality industry from some of the eco-labels available in Scandinavia. Another point illustrated by the quote below which came out frequently is the lack of guidance provided to the smaller hotels in their sustainability implementation journey.

It is also interesting to note that the adoption of this practice tools was sometimes explained by the external pressure from large clients, such as government bodies booking big quotas of rooms, which required the hotels to have a specific environmental certification in order to secure a reservation contract. From the Practice Theory perspective, it does not seem surprising

that the influence of stakeholders may drive the adoption of specific practice tools for strategy, as it has been already been mentioned as one of the drivers of change in the work of Shove and Spurling (2012) on sustainable consumption or the work of Teece (2010) on Business Model innovation.

The Meanings and Competences Assigned to the Sustainable Business Models serve as Praxes Drivers

The third main theme of interest which the data analysis brought up is that the interviewees assigned a certain number of meanings to their hotels' Sustainable Business Model and that these meanings often seemed to be a driver for the implementation of the sustainability actions. To begin with, when asked about their definition of sustainability, the Triple Bottom Line approach of sustainability was mentioned by most of our interviewees as one of the guiding principles of their sustainability strategy. However, when it came to the concrete elements tied to these principles and the weight given to the different facets of sustainability, the answers varied a lot. For example, one interviewee presented their sustainability actions by using the environmental side of sustainability as the foundation for their sustainability actions:

> *The basic way to explain sustainability, we had to change our model, how to think so now we have it like a wedding cake. So, for us environmental questions are in the basement. It is the base thing we need to work with. And we see the development go through every layer of the wedding cake. So, for us we have the environmental, the social and the economics. And so, it's from the bottom to up that the development goes.*

(Interviewee 4)

This way of looking at sustainability was also mentioned, although slightly differently, by other interviewees who used the expression "People, Planet and Profit" and insisted on the idea that employees are at the centre of their sustainability strategy. It is interesting to note that some of our interviewees insisted on the idea that profit cannot be set aside from the two other facets and regretted that it was brought back as the most crucial question because of the Covid-19 crisis, like this Sustainability Manager of a hotel chain mentioned:

> *A lot of people react when I say profit. But, because, to me, before I started working with this, I saw profit almost as the opposite of sustainability, but I understood quite fast that even though, maybe I shouldn't say it, but that is the most important thing when it comes to sustainability. Because if you are losing money that's not sustainable, then the company will go bankrupt or it won't have any money to invest in people and planet. So, we've seen that during the pandemic. [---] So even though it's people planet and profit in that order, we saw now that if you take away the profit then everything else also goes away.*

(Interviewee 6)

This idea that the economic side may prevail on the two other sides was so frequently mentioned by our interviewees that we decided to allocate one thematic grouping to it, and we will discuss how the money logic shapes praxes later in the chapter

To continue, we noticed that the people working for the large hotel chains often assigned a less personal meaning to the implementation of the Sustainable Business Model and related to the introduction of environmental certification requirements and the initiatives taken by the board of directors and the top management to explain their view of Sustainable Business Model implementation strategy:

> *I think it was the classic example of you had a CEO that understood the value of sustainability and you had some kind of direct translation that sort of drove this topic and they tried to make a difference [---]*

<div align="center">(Interviewee 5)</div>

> *[---] our sustainability work is called* [name of the program]. *Under that umbrella, it's not only environmental issues, it's also the social parts of it with our employees and guests, neighbours and the society and everything.*

<div align="center">(Interviewee 6)</div>

While in the smaller hotels, the meanings assigned by the interviewees to the Sustainable Business Model implementation strategy appeared to be more individualized and driven by the personal meaning they attributed to sustainability. For example, when we asked the owner of a family-owned hotel how he positioned sustainability in relation to his hotel, he replied:

> *It's both our DNA and a certain way of motivating ourselves, and I think it's also... What we came here to look for is a meaning. Quite sincerely, after 20 years in events, I no longer found any meaning in my old job, at least as it was practiced. That is to say that giving pleasure to people has a real meaning but doing it in conditions where only money matters was a loss of meaning for me. [---]. There is the pleasure, the passion, I also like to share with people and the need to find meaning also comes through sustainability.*

<div align="center">(Interviewee 3)</div>

In the same line of thought, another hotel owner explained to us that what drove them to sustainability in the first place was their interest for the environment:

> *We are both graduates from university. I started as engineering in water and environment. [---] the environment issues were quite close to our own interests. So, we started with that. How can we do to run our business in that environmentally friendly way?*

<div align="center">(Interviewee 4)</div>

Another sub-theme that we were able to identify in the words of our interviewees is that working on establishing a Sustainable Business Model allowed them to adopt a different time perspective. Indeed, most of the interviewees seemed to view time under two perspectives. Firstly, time can be perceived as a key driver of the Sustainable Business Models implementation praxes because of the central role it had for our interviewees' strategizing process. Indeed, almost all of them mentioned to us that they had to change their time perspective when they started thinking of implementing sustainability initiatives. They shared with us that they had to consider their operations on the long-term value-added perspective rather than on a short-term profit-oriented perspective. For instance, this hotel owner mentioned to us that reflecting on sustainability questions helped him to be less focused on short term issues, consider actions on a longer-term basis and be self-reflective:

> It's not about taking the maximum amount of money in 5 or 10 years and then leaving, but also about having a long-term vision. And of course, everything that has an environmental footprint, whether it's biodiversity or carbon emissions. That's it. So, it takes in the whole spectrum and that's why I find it interesting to work with sustainability, because it also gives a structure... We often have a tendency as company directors to have a tunnel vision and this type of policy implementation means that we can work a little more on the medium to long term by asking ourselves questions and trying to answer them.

<div align="center">(Interviewee 3)</div>

In the same vein, when asked about the purpose behind their Sustainable Business Model, one hotel owner referred to their ancestors who built the old town where their hotel was located and said:

> And when they built it, it was not like for 10 years. No, they had another perspective. And that's the thing that we'd like to have it back and have a perspective not for 10 years or 20 years. We need to have a perspective for hundred years.

<div align="center">(Interviewee 4)</div>

Secondly, they were almost unanimous in the view that they did not have enough time in their schedule to implement measures that would go further in terms of sustainability in their hotels. When asked what he would need to go beyond their current sustainability actions, the hotel director of a boutique hotel had this straight answer:

> Maybe time? Isn't that always time?

<div align="center">(Interviewee 2)</div>

Or as one other interviewee working for a big hotel chain put it:

What I'm saying is that I can sort of set my own agenda to a certain extent, but there are a lot of things coming from right and left. I cannot say to keep the Nordic Swan organization: "Hey, guys, can you postpone your criteria development a bit? Give me a couple of years that would be really good, I am a little busy right now."

(Interviewee 5)

Time as a limiting factor appeared to be very important in the interviewees' perception of their individual sustainability impact and seems to have a big influence on the way the sustainability strategy was implemented, with no difference between people working in smaller hotels or big hotel chains, as all the interviewees had high levels of responsibility and tight schedules.

The Economic Logic is at the Core of the Praxes

Throughout the interviews, another aspect of the practices related to Sustainable Business Model implementation was brought to us by many of the interviewees: the economic logic. As written previously, this theme came up so often that we made it a main theme. To illustrate this logic, the owner of an independent low-carbon hotel, when asked what he thought the biggest challenge to become more sustainable for the hotel industry is, gave us this answer:

I think it's about economics. At the end of the day, it's all about economics, doing these things, being able to make the investments that you're going to need to get it, so basically, it's about, if you tighten it up all the way, you're going to come down in economics.

(Interviewee 9)

He also explained to us that their hotel was able to reduce their climate emissions by 80% with the help of three major investments financed by another company as a pilot project: solar cells, heating systems and a compost. However, none of these would have been able to be implemented if they would have needed to finance it themselves:

But it's big things to do from the beginning and it's extremely difficult, we would never have been able to do them if we hadn't had help from [name of the investing company] *because we would never have had the finances and made the investments that we did with them, as a small company we would never have been able to do that.*

(Interviewee 9)

The same thought was shared by the head of sustainability from a big hotel chain, who mentioned to us that their sustainability strategy was guided by a "realistic" approach, meaning here financially and operationally viable while acting sustainably:

[---] In my mind, in the perfect world, everything should be aligned with planetary boundaries, so that we could not conduct business that exceeded us. And if we did that, we'd have to pay up.

I think that our responsibility goes far, but we also have to be realistic. We cannot, it's not our energy sources to choose for the district heating, we cannot do everything that the property owners should do, because then we're going to go bankrupt. There's a lot of things that we cannot do.

(Interviewee 5)

Moreover, capital investments were put forward as an important factor to increase sustainability levels, but which was difficult to execute. According to the interviewees, it is especially true in the energy and building efficiency area, which was seen by them as an area where hotels could make a large impact. Since most hotels need a building to operate in, this can be seen as an important material aspect to look at and can be considered as a significant driver of praxes. In the words of the environmental manager of a big hotel chain, that can lead to a clash between the two parties:

I think we have a responsibility to also incentivize our property owners to make investments to a certain degree. There are some property owners who say [---]: "This is a climate action that we do and we should get some money from you because you're saving energy.". We would say: "That's part of your renovation plan which should be in place regardless of us making money on that or not". [---] So, they try to claim the environmental impact of their actions, so that they should get even more money out of this, which we think is unfair.

(Interviewee 5)

This feeling of unfairness is shared by the environmental manager of another hotel chain, who described how difficult it was to work with landlords who did not share their engagement for the sustainability questions and how it led them to leave certain properties to maintain their sustainability standards:

We have seen a change there as well for the last years, so that the average landlord is much more occupied with sustainability now than before. But I would say some of the ones on the bottom, the least engaged landlords, it's hard to have a good influence on them because they only are in it for the money some of them. They don't care how the hotel is operated as long as they get the rent. But we have some cases where we actually have excluded some of these hotels from our portfolio because they didn't work as they should.

(Interviewee 6)

This antagonism between property tenants and landlords and the influence it can have on sustainability is not surprising as it is a phenomenon that was previously discussed in research (Melissen et al., 2016). It is however important to note that we did not get the same comments from people who worked in smaller hotels, as they were often in a setting where the owner and the operator were identical.

In the same vein, all the interviewees said that their hotel was buying organic products but, as the statement below explains, only to a certain level set mainly by the economic limitations:

[---] Again, if we would buy only organic food on everything that is possible, we would go bankrupt. Or the prices of the food would be so high that no one would buy at the restaurant.

(Interviewee 5)

When asked what their decision criteria were concerning strategical sustainability decisions to make, the executive director of an independent hotel gave the same type of explanation:

Everything really goes together, [---], when we work with sustainability work, it's very much about counting things and finding out a lot in order to be able to make fact-based decisions. Counting how much organic products we buy in the environment, food and drink and so then we are immediately in the economy and you are also in that, okay if we are going to make a change to increase our share of organic products or make different types of choices then it is also in the economy because you are counting the purchases you make and how you could do in different ways.

(Interviewee 11)

Statements like these were shared by most of our interviewees, even though the larger hotels may have the possibility to buy in bulk and negotiate prices with their suppliers. The economic logic shared by the practitioners appeared to be one of the most important elements to consider when trying to understand what shapes the flow of organizational activities (Jarzabkowski, 2005) performed to align the hotel with its sustainability objectives. It is also important to note that this view was echoed by the interviewees working in smaller hotels. For instance, the owner of a small property talking about the sustainable energy implementations he wished to do noted that there is an economic logic that cannot be set aside:

After that, obviously we must not put our sustainability as a company at stake either, we obviously have to pay off our debts, so I can't either... I'd like to, if I win the lottery for a million euros, I can tell you that the acceleration of the transformation of our energy independence will be accelerated, but I'm obliged to take that into account in my timetable, obviously it has to be sustainable for the company.

(Interviewee 3)

Disruptive Elements can Reshape Praxes

The next theme which we identified in the interviews is the idea that there are some disruptive factors which may reshape the praxes related to Sustainable Business Models. This view emerged early in the vast majority of the conversations when we asked the interviewees about their perspective on what had an influence on the Sustainable Business Model of their hotel. The two subject that arose were, on the one hand, the impact of Covid-19, on the other hand, a potential change in the tourism and hotel industry. The pandemic crisis has been mentioned by

all our interviewees as an important element when we asked them to describe their experience of Sustainable Business Model. For most of them, the pandemic has had a negative impact on their sustainability strategy but also at a personal level. It was particularly prominent when questioning people working in smaller hotels, as they were sometimes having their own savings at risk. For example, this independent hotel owner explained that they had to set the sustainability strategy aside and focus on survival instead, which was hard:

[---]. And then the pandemic came, and it was super awful. It's changed everything and for us in the environmental projects, we just stopped everything. And everything was about profit, not about profit but surviving! In an economical sense. It was awful to work after that.

(Interviewee 4)

It is however interesting to consider that for other interviewees, stopping the sustainability work was never an option during the pandemic, but instead just slowed their actions and prevented them from doing as much as they may have done in normal times. For example, when asked if the economic situation during the pandemic has had an impact on their sustainability strategy, this hotel owner replied:

Yes, but we don't give up on it, on environmental thinking, because it's been a different year, no, then maybe we would have, if we'd had three fantastic years, we might have built a bit more solar cells, I don't know, but we haven't had the finances for that. But we haven't made choices that we don't think about the environment.

(Interviewee 9)

When asked the same question, the owner of another independent hotel gave us with this straight answer:

No, actually, the environmental work has probably not changed that much in the pandemic Somewhere along the line I would have to say that we were so well adapted that we didn't really feel it I think there are some hotels that have felt it in a completely different way than we have.

(Interviewee 7)

As mentioned in the economic logic theme, it appeared that, in our interviewees' words, the financial facet of sustainability took precedence over the two other facets and the comment below illustrates what most of the interviewees saw as a sort of "necessary evil":

The biggest obstacle right now it's the very harsh, economic reality that not only us are facing, but that the entire industry is facing, due to the pandemic. We would like to think that the pandemic is over. But we thought that in October last year as well and then came Omicron. So, people start hearing reports: "Now the hotels are filled up again and people are doing conferences and it's like the danger is over". But if we have a new Omicron in September, there's

nothing that says that we don't go out of business because the banks and the investors, not to mention the players that invested just enough to what they can supply us in terms of funding.

(Interviewee 5)

As previously stated, this perception of fluidity between the different sides of sustainability and the emphasis put on the economical side are very interesting to note and appear to be something integrated within the practices of the people we interviewed. However, for some of the interviewees, the pandemic also showed some potential for positive development and reinforced their belief that a profound change may reinforce the sustainability practices. For example, the owner of a family-owned hotel mentioned to us that he thought that the pandemic should make the industry question itself and maybe aim at developing smaller and more agile structures:

And we saw it with the pandemic, particularly in tourism, and the companies that can react best, adapt, change their target, modify their planning, are the small companies and I think very sincerely that sustainability will be that in the future.

(Interviewee 3)

This interviewee also told us that they took the pandemic as an opportunity to reconsider their offers and reorient them to develop activities that are more diverse across the year so that they could also generate some revenues in the low season. Another interviewee also mentioned that he hoped on the pandemic to have changed the people's travel behaviours:

Well, I hope, unfortunately, I don't know if it really is, so I hope that if I say that travel patterns would change a little bit, but we have seen that Swedes have chosen to come and travel at home and that's really nice and I hope that it will continue, that people might choose to travel a little bit closer, partly to give something back, this awareness, maybe give something back to their own that it has been a tough period and then maybe you choose as a consumer that yes but then I support the local maybe not make a cool trip in Sweden to support everyone in the industry in Sweden [---]

(Interviewee 7)

This last quote also relates to the second subject that developed clearly from the interviews: the idea of a change at the systemic level or at the industry level. Indeed, almost all our interviewees brought up the fact that the sustainability is more than a passing trend and that they saw a change of perception, both at their individual level but also at the company and the industry level. When we asked him what he considered to be a sustainable business, one interviewee shared with us that he felt that it was about being consistent with the changes happening in society and that the hotel industry may be forced into change if it does not evolve:

It's a business that is necessarily ethical and therefore at some point will not be confronted with an inaction that will be inconsistent with society. I think that, in any case, we won't be able to do otherwise. At some point, unfortunately, [---], it will be forced upon us. And probably much harder than we can imagine, so a sustainable company is probably a company that will be in line. [---]

(Interviewee 3)

In the same vein, some interviewees told to us that they perceived the change as coming from the big actors which have more leverage on the market, like governments and financial institutions. Commenting on the current state of the hotel industry, a hotel business developer involved in the sustainability work said:

I think the change will come like tech, you know, from a lot more private investment. People with kind of more of a personal vision, believe in sustainability, then start going to putting money and then the big institutions will follow because they will have no choice. Because they basically won't have clients. It's not as fast as it should be. But I think it will get there, the more the private sector pushes it faster.

(Interviewee 8)

When asked about how the sustainability transition of the hospitality industry could be facilitated, another interviewee mentioned to us that, as a small company owner, he relied a lot on the industry and world leaders to pave the way:

[---] I think it's bigger, so now Sweden is kind of on the way and you have your goal of 2045 and all those parts and if everyone has to do it, then we'll get there, and then you have the whole world that also has to get somewhere. But for the small company, I think that you need the big bear to make the choices that you end up there as well, you can't do it as your own small company and do all those things yourself as well. You have to take the small things that work and that you can handle and then you need help from the big ones.

(Interviewee 9)

However, it is also interesting to note that the majority of the interviewees doubted that the nature of tourism itself may deeply change, as one interviewee put it:

[---] Afterwards, to be perfectly honest, people should come to us by train and not by plane at all, but it's almost impossible. In any case, we would need a profound change in the very nature of tourism, with people travelling once every five or ten years. [---]

(Interviewee 3)

All these elements show that the praxes related to Sustainable Business Models are perceived by the practitioners as fluid, which is coherent with the view of Jarzabkowski (2005), and that these praxes can be modified by powerful contextual trends or events.

The Practitioners' Involvement and Self-Awareness are Key Skills

The last theme which emerged from the analysis is that the practitioners' level of personal involvement and self-awareness were key skills in relation to the implementation of Sustainable Business Models. The first sub-theme relates to fact that the practitioners' showed a certain level of self-awareness and self-criticism. Indeed, they understood that they needed to do more and to push their teams to adopt even more sustainable activities and attitudes. The executive director of an independent hotel explained to us that, when she needed to figure out the next sustainability step to make, she would ask herself that question:

> *[---] if I had started working here now, how would I have set this up in the situation we are in now? Because there's also a risk that sometimes you have to kill your darlings and start over and find a new approach to breathe new life into it. Because many of our new employees now, they have not been on this journey and then you want to make use of their skills and their ideas. [---]*

(Interviewee 11)

This person also mentioned to us that she knew the risk of getting lazy and of the fragility of the sustainability progresses, making this comment:

> *[---] So that's perhaps the biggest challenge in that way is, okay, how do we continue to innovate without losing what's been good so far? [---]*

(Interviewee 11)

Relating to this idea of fragility, some interviewees seemed to understand that the high level of service that was expected, the operational changes for sustainability and the expectations of the guests should be aligned. However, most of the interviewees discussed sustainable implementations and actions with caution by considering different kinds of guests and their different preferences towards sustainability. The guest expectations and satisfaction relating to sustainable activities was already brought up by Melissen et al. (2015), whose article also questioned as to what extent hotels wanted to drive impact and change. For instance, one interviewee shared his personal view on what should be his role towards the guests:

> *But then I think also the guests wants to feel that they are contributing. I would like to see us giving the chance for the guest to make these choices.*

(Interviewee 5)

Interestingly, a few of our interviewees also shared with us some self-criticism. For example, the environmental manager of a big hotel chain when asked about his opinion about their current environmental impact and plan for climate neutrality replied:

We are not even close to be honest. Because even though, in Nordic countries, we have district heating. And the district heating companies have come quite far when it comes to fossil free energy. We are running all our hotels on 100% renewable electricity, but we are... Everything we do is buying a lot of stuff [---]

<p style="text-align:center">(Interviewee 5)</p>

Going even further, the owner of a family-owned hotel raised a point about the limitations of their efforts to be sustainable and questioned the very nature of the travel industry and of their hospitality activities by calling them "schizophrenic":

So, we have this somewhat schizophrenic side which is to talk about climate change and then they take the plane. That's it... At least, I was going to say that, is it a bit hypocritical I don't know, in any case we try to do the maximum on our spectrum.

<p style="text-align:center">(Interviewee 3)</p>

Therefore, the capacity to be aware of the potential pitfalls of the Sustainable Business Model implementation and of the necessity to balance everyone's expectations appeared to be a very important element of the practitioners' understanding.

Another essential element that stemmed from the interviews and led to the emergence of a sub-theme is the way competition was perceived by the practitioners. Indeed, most of the interviewees mentioned to us that they saw sustainability as a competitive element and that it served them to both attract more customers and interest younger future employees in their workplace. Interestingly, one interviewee, who worked as a business developer for a sustainable hotel concept in Scandinavia, thought that sustainability may become a money generating pool in the hotel industry if hotels manage to produce more energy than they consume and enter the carbon emissions trade arena. Despite this frequent perception of sustainability as a competitive edge described in the work of Bocken et al. (2014), Gao et al. (2016) and Høgevold et al. (2016), a few of our interviewees expressed another perception of competition. They revealed that they believed that the main actors of the industry will need to collaborate closely to come up with a unified way of evaluating their climate impact. The comment below, made by the environment manager of a Nordic hotel chain when asked about the way they measure CO2 emissions, illustrates well this point:

[---] what we are actually also working on now, [---], that is trying to have this stakeholder dialogue with other competitors. So that we are talking to all the different hotel chains to actually try to establish the hotel industries ways of reporting on sustainability so that it will be possible to compare and know that it is the real thing when you compare the numbers.

<p style="text-align:center">(Interviewee 6)</p>

The ambivalence between the need to compare and the incapacity of doing it also appeared to be a very important element of the practitioners' understanding of their own Sustainable Business Model.

The last sub-theme that came up in every interview we conducted is the relationship that the practitioners have with their customers and the feeling of responsibility that stems from it. As mentioned previously in the first thematic grouping, a majority of the people we interviewed felt responsible for inspiring both their guests and their employees to adopt sustainable behaviours. Almost all our interviewees considered that their position offered them an opportunity to do more than the average people concerning sustainability. When asked about how he felt that the sustainability of the hotel influenced his work, a hotel director said:

> *Well, I think it's important for us, every one of us to do what we can, and as a business leader I can do a bit more. And I think it's also something that needs focus and it's also kind of a low hanging fruit you know, everyone wants to do this. It brings people together to work with it. So, I think… I think it's important.*

(Interviewee 2)

This belief that hotels can have a substantial influence on sustainability at the societal level is an element which came up frequently throughout the interviewing phase and that appeared to be important to the understanding of Sustainable Business Model of our interviewees. When asked about what they thought their sustainability responsibilities were, the owner of a family-owned hotel shared his belief that every business is responsible for doing its share:

> *If every business would climate compensate, we wouldn't be in this crisis that we are today. [---]. So, it's not like, it's not just only the state or the regions or the UN or things like these that have these responsibilities. Every one of us that possibly and as a business owner, I can do a difference. And that's my, I think that's my responsibility.*

(Interviewee 4)

As this testimony shows, the perception of the limits between the responsibility of the individual manager and the one of the hotels is sometimes blurry, especially in smaller hotels where managers and owners have often a bigger number of duties concerning the sustainability strategy implementation. Another view that frequently came up is the fact that customers buying important room volumes, like governments agencies, may have more agency to challenge hotels and push them into adopting sustainable strategies. It is also interesting to note that one interviewee working in a family-owned hotel reported that they voluntarily excluded some very popular activities from their portfolio because they were too polluting and that it led

them to lose some clients. However, according to this owner, it was more important to them to be coherent with their sustainability strategy and welcome only those who understood this philosophy than to receive more guests.

Chapter 5

5.0 - Discussion and Concluding Remarks

5.1 - Chapter Overview

This chapter of the thesis will provide a discussion centred around the findings presented in the analysis in the previous chapter as well as a conclusion. At the end of the chapter, it will provide the practical recommendations as well as theoretical contribution together with directions for future research.

5.2 - Discussion

The previous chapter presented the results of our thematic analysis. The following discussion will relate to these results and use them to answer the research questions presented in the first chapter of this thesis. As one may recall, the introduction of this thesis explained how Sustainable Business Models emerged and raised some of the current questions that remain in the research field. More specifically, we demonstrated that the theoretical grounding of the research area was strong and that some leading models have emerged, however we also showed that the underlying factors behind the implementation of Sustainable Business Models were still little understood. As mentioned in the second chapter, we decided to use Practice Theory and more precisely Strategy-as-Practice as our theoretical framework for analysis, which helped us uncover some of the underlying processes behind the implementation of sustainable strategies in hotels. In other words, we tried to understand what kind of structures, skills and competences are needed to create a thriving environment for sustainable practices (Shove & Spurling, 2012). It was challenging as sustainable practices are characterized by a rapidly changing environment driven by customers' choices and government regulations, which makes that companies rarely approach sustainability from the same perspective (Sanchez-Planelles et al., 2022). Therefore, we formulated three research questions of which each play a role into the overall of Sustainable Business Models implementation practices and we will answer them in the next paragraphs.

Taking a look at the first question, *What are the sustainable activities performed by hotels?,* our empirical data allowed us to provide a descriptive overview of the sustainable activities and practices performed in hotels, while being informed that it was a frequent research angle by a recent literature review (Nosratabadi et al., 2019). Nonetheless, we thought interesting to dedicate a question to that research area, since the sustainability field is characterized by a fast

evolution (Sanchez-Planelles et al., 2022), which may have led to the appearance of unknown activities and practices. Furthermore, most of the literature on sustainable practices within hotels studied hotels with identical characteristics and suggested to investigate these practices in different hotel categories (Høgevold et al., 2016; Kim et al., 2017; Okumus et al., 2019). Amongst our interviewees, sustainable practices were often enacted with the help of eco-certifications which acted as a praxes driver. These eco-certifications covered different areas of a hotel's operations such as organic products, the use of chemicals and energy-efficiency to name a few. It is also interesting to note that some practitioners had a critical view on the eco-certifications due to their lack of radical change, innovation, and price to use, as well as not being industry specific enough. These hotels had instead partnered with intrinsically motivated people in their team and took help from external sustainability experts. Other practices consisted of supporting the local community in which the hotel was set, including citizens, using the latest technology and expertise to calculate greenhouse gases emissions more precisely, collaborating with highly motivated people in the sustainability field and integrating new innovations and ideas in property development for hotels to increase energy-efficiency. These findings indicate that sustainable practices in hotels are broad and multi-dimensional. This furthermore supports the discussion about integrating sustainability across a business value chain in academia (Cavagnaro, 2018; Høgevold et al., 2015; Joyce & Paquin, 2016) but also, how sustainable practices are a combination of practical and behavioural habits (Shove et al., 2012; Shove & Spurling, 2012; Vallaster & von Wallpach, 2018). Our results also showed a variety of sustainable practices that were already mentioned in earlier research (Aagaard & Ritzén, 2020; Høgevold et al., 2015), like supporting social projects, biodiversity protection, waste management or water management. However, our study did not allow to explore each specific case on a detailed level due to time and space limitations. A challenge noted by Cavagnaro (2018) which was highly shared by our interviewees was the difficulties of continuous development in buildings energy efficiency when there is a hotel operator and a different property owner. Some of our interviewees explained that, put simply, as the hotel operator cannot pay for the capital investment into the property they do not own, although this investment would lower operating costs and be better for environment. However, the property owner does not have any financial incentive to do this investment since it would mean that they need to invest more capital without a return on investment for themselves. It was explained as a struggle between the operator and the property owner to motivate the latter to invest in renovations for energy efficiency. In general hotels require a building to operate in, which makes the building itself an important praxes driver. Our research shows that the building and

property management itself is an important material aspect to bear in mind when considering the implementation of sustainability practices. Using the Strategy-as-Practice model from Jarzabkowski (2005) allowed us to confirm some observations made previously in the research field but also to discover some practices that were not yet discussed, such as targeting a specific customer segment with the intention to avoid attracting tourists coming from far away to reduce the climate emissions due to transportation. Furthermore, some larger hotels shared a similar approach but only yet discussing actions to encourage people to take a train to their destination, or to organize "green conferences". However, these two ideas were not formulated clearly nor in place yet. Our findings also raised questions as to why there is a need to eco-label different products, rather to make it as the default standard. Perhaps such measure would be too much, but it may be what is needed for people to radically shift their attitude towards sustainability.

Moving further to the second question, *How are Sustainable Business Models understood within the hotel industry?,* opens the discussion around what our interviewees associated with Sustainable Business Models. When asked about their definition of sustainability, our interviewees referred to the Brundtland definition of sustainability, as well as the Triple Bottom Line, which is a result in line with other research papers (Joyce & Paquin, 2016; Loviscek, 2021). Furthermore, they referred to actions involving all employees and different departments in the operations and appeared to believe that enacting the Sustainable Business Model is not just one person's responsibility but that everyone can be a practitioner who contributes to the praxes. In Scandinavia, the hierarchy in a workplace is often leaning towards a horizontal structure, hence the idea of everyone taking responsibility and making it their job to implement sustainability may be an explanation for this observation. Cavagnaro (2018) explained how her hospitality interviewees were not certain as to *"why"* they should be operating sustainable. In our results, it appeared to have changed since the practitioners shared a good understanding of *"why"* they need to or are implementing a sustainable strategy by demonstrating a high degree of self-awareness, however, there was more of a concern regarding the *"how"*. This shows a shift in attitudes amongst practitioners and thus a change in the meaning they associate to Sustainable Business Models. Meaning has a key role in understanding the iterative process of human practice (Sayer, 2012; Shove et al., 2012; Shove & Spurling, 2012). Today there is a higher meaning placed to operating sustainably than before, but it is difficult to draw conclusions on what has caused this shift due to lack of relevant data in this thesis. However, this is a direction to explore for future research. As explained by our interviewees, external pressures such as governmental clients asking hotels to be eco-certified, or the individual

traveler demanding more sustainable options, as well as regulations and research about greenhouse gases emissions are encouraging companies to adapt more and more. However, our interviewees also shared with us a high sense of self-awareness and inner motivation by being critical on their own sustainability measures and by showing a willingness to educate both their employees and customers about sustainability. Despite having their hotel climbing higher up on the sustainability barometer, some of the interviewees still reported that not all their guests might appreciate the implementations related to their Sustainable Business Model. This leads to a clash about the associated meaning to *'why'* hotels should operate sustainability between the operators and the guests. The larger hotels seemed to be cautious when it came to implement radical changes towards sustainable operations because they were afraid of losing some clients who would not appreciate some of the new measures, and often related to past customers' backlashing to justify this position. These results indicate that hotel guests play a central role in the co-creation of sustainable value in the hotel industry and to the driving of praxes. This finding also backs up the conclusion made by Aagaard & Ritzén in their 2018 and 2020 articles that stresses the importance of value co-creation between guests and hotels in the Sustainable Business Model implementation. The last interesting result that this question raised is the fact that the hotel industry is a fragile industry. It does not only require the customers to make purchases, but it does need the customers to be physically present, which means that customers must travel to the hotel. In the words of our interviewees, the fragility of this became evident during the pandemic. Without customers coming to the hotels, the industry struggled to survive. All our interviewees were very clear and aware of this problem of unavoidable mobility also knowing that transportation is a proven driver of climate change. It is interesting and essential to ask how the hotel industry can ensure future business by providing a stay without a negative impact on sustainability.

This last element leads us to our final and third question, *What are the skills and competences needed to enable practicing Sustainable Business Models?*. Competence is the third key element of how a practice is built (Shove & Spurling, 2012). Our findings indicate that knowing what to do and how to act sustainably came, in many cases, from an external organization providing a system or list of elements that could be changed into a more sustainable way. As mentioned previously in this chapter, the external organizations, such as one that provide eco-certifications, can be used as a tool to initiate the implementation of sustainable practices and thus become a material element that may be required to get the process moving (Shove et al., 2012; Shove & Spurling, 2012; Walker, 2012; Warde, 2012). Our results show that these sort

of material tools allow the practitioners to develop their competences to enact the practices that will shape the organizational flow towards a more Sustainable Business Model. Nonetheless, we also interviewed people who argued how these tools and external guidance can be a limitation, and whose practices were driven by an intrinsic motivation to do good for their local surroundings and be at the frontline of transforming the hotel industry towards more sustainability. The practices related to this intrinsic motivation required a genuine interest to keep up to date with the latest techniques of sustainable operations. Other competencies that we found to be enabling Sustainable Business Model implementation are the use of new technology and expert advice, the awareness of collaboration and the courage to change strategy rapidly. As Høgevold et al. (2015) argue, implementing Sustainable Business Models requires to think outside the box, dare to transform and question the traditional way of operating.

5.3 - Conclusions

Firstly, looking at Sustainable Business Models from a practice perspective, it can be said that the practices that are part of the hotel's implementation are complex, multi-dimensional and varied depending on the hotel. On the one hand, there are practices derived from current structures that allow the practitioners to acquire competences in what and where to start with sustainability in the operations. On the other hand, some practices derived from checklists considered by some interviewees as not transformational enough or not industry specific. Today, it is not sufficient to have sustainable initiatives running in parallel to a company's Business Model or to have eco-efficiency elements added. It is important to note that, due to our methodology and the type of data gathered, we were not aiming at assessing if one hotel is more sustainable than the other, which was not the case of this thesis. But we rather aimed at understanding the underlying processes behind the sustainable practices. The smaller hotels stood out in our sample by aiming at thinking out-of-the-box and developing innovative methods to create new ways of operating in line with sustainability. Choosing sustainability for its highly transformative and innovative power to accelerate and achieve a higher level of Sustainable Business Model has been argued before (Cavagnaro, 2018; Høgevold et al., 2015) and our study shows that some companies in the hotel industry are able to do so. Seven years ago, Melissen et al. (2015) wrote that there are guests who might not appreciate sustainability practices and thus the company risk of losing these. In contrast, Cavagnaro (2018) argued that if a company decide not to take responsibility for their environmental impact, they risk of losing their customers and society's trust, which will ultimately impact the business. This notion was

brought up amongst our interviewees from the chain hotels as well, where some of our interviewees expressed this caution to radical changes, despite sharing the many positive feedback they receive from their guests. Also, interviewees amongst the smaller hotels expressed the complete opposite view with a firm believe that radical changes were needed and saw an interest amongst their customers and a future market for it. Perhaps it was because of a difference to the type of hotels and that more guests specifically sought them out for their sustainability work, or perhaps the timing has now changed, and guests are more ready for radical changes than they were seven years ago.

Secondly, our research showed that the practices related to the implementation of a Sustainable Business Model contributed to provide a clear sustainable value proposition, as long as there was a close collaboration with the stakeholders across the business value chain and an alignment of the praxes with the three dimensions of sustainability. Secondly, the interviewees who had a strong willingness to achieving a transformative change, a better society and a preserved local environment had stakeholders who strongly supported the sustainability drive. These interviewees also expressed a strong passion for sustainability and a will to think and do differently. Fundamentally, from what these interviewees told us, they drove operations that worked well for themselves, the local community and ultimately incorporated what we call sustainable practices. They did not make the choice of "adding" initiatives, but a choice of how to fundamentally operate their business for a continuous success, not just for now but also for the next season, the next year and the next decade. Most of them also explained that, as the idea was to sell their product (hotel room) in a given destination, they could not do anything that would damage the destination without risking losing their product forever. Another element that stood out in the practices related to Sustainable Business Models implementation are the importance to assign a good amount of time to sustainability within the operations, the allocation of financial resources and having an intrinsic personal interest of driving sustainability change. For instance, we noticed that for some of our interviewees, sustainability was not a prioritized job duty but rather one that was shared with other job duties, compared to others for whom sustainability was put as the overarching management objective and guiding every step taken. Furthermore, having the time on your hands to be able to not only put out fires but to work with a longer perspective appeared to be critical for the practitioners to drive the implementation in the right way. Sustainability is not short-term, it is long-term. Finally, a majority of the interviewees showed a genuine interest and passion to drive transformative change, which often appeared to be a core reason of the sustainable practices implemented,

especially within the smaller hotels. These elements make economic factors, time, and personal interests and efforts key practices and competences to enable Sustainable Business Models, while creating processes that work towards a more ecologically fair and equal society. Taking a longer-term perspective, the implementation of Sustainable Business Models will provide not only a competitive edge in the market (Bocken et al., 2014), enhanced reputation but more importantly leave the World in a better condition (Cavagnaro, 2018) so that the hotel industry can keep on thriving, even for the next generations. If the hotel industry wants to meet the argued 90% decrease in emissions per room that is needed to be in line with the Paris Agreement (Sustainable Hospitality Alliance, 2020), hotels need to stop operating in old structures and traditional routines and start not only to think about but to engage actively in radical changes and dare to become the destination where people can enjoy leisure sustainably.

To sum up, we started out with the idea to contribute to the development of Sustainable Business Models, however, after reviewing the literature we understood there are functioning Sustainable Business Models concepts out there, both in academia (Høgevold et al., 2015; Joyce & Paquin, 2016) and practitioners (Carlsson, 2021). Therefore, this study explored the human actions and practices related to Sustainable Business Models implementation and sustainable activities. Within the sustainability arena, there is a discussion to create a transformative shift in how things currently are structured to create the most efficient and viable solutions (Bocken et al., 2014; Sahebalzamani & Bertella, 2018). Questions as to what tools are needed for this transitioning in management (Schaltegger et al., 2016), what elements hinders this development (Biloslavo et al., 2018) and what drives stakeholders to Sustainable Business Models since they are key for the success (Oftedal et al., 2021) were previously asked. The main contribution to the research field this thesis provides is to uncover some of the social factors shaping and enabling the implementation of Sustainable Business Model in hotels, while using a theoretical framework (Strategy-as-Practice) which, to our knowledge, was not used before to examine this study object. Moreover, our analysis also confirms that Practice Theory is well suited to study questions connected to the sustainability field. As this study only interviewed people at the top management and used only one data gathering method, future research could be worthwhile using observational methods to improve the quality of the results, as well as interviews with different personnel in different departments and with different levels of responsibilities. Furthermore, the practical implication of this study relates to management of people in organizations and we hope it will give the reader an understanding of what is

needed to facilitate the implementation of Sustainable Business Models and how to proceed to do so.

To conclude, this study made us wonder if we are in the midst or at the start of a shift in attitudes? And if it is only the start, how can we take the leap to dare to change? As one of the interviewees rightfully said:

> *I think from a philosophical point of view, the obstacle is people and their willingness to change. And accept. [---] That's why I'm saying education is key in sustainability and we need to change people, we need to change the mentality of people, by them being educated through experience, no other ways. I mean, books or lectures, it's not going to do it. People have to experience the change in order to do it.*

<div align="center">(Interviewee 8)</div>

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Appendices

Appendix A – Semi-Structured Interview Guide

The interview has to start with the confirmation of the consent form signature. If the consent form has not been signed, the interviewer has to mention the following elements:

The participation in the interview is voluntary. It has the following purposes:

- Explore how sustainable business models are applied in the hospitality industry

- Better understand the bridge between theory and practice within the field of sustainable business models

The interviewee agrees that the interview will be recorded and scientifically analysed. After finishing the recording, he/she/they can ask for erasing of single parts of the interview from the recording.

The audio recording of the interview will be stored in a password-protected storage media by the interviewers and erased after the end of the study or after one year at the latest.

Only the interviewers and the supervisor will have access to the audio recording for

For the analysis, the recording will be transcribed. Names, locations and any other business-related information mentioned by the interviewee will be anonymized in the transcript as far as necessary.

In the thesis, it is guaranteed that the identification of the interviewee and his/her/their company will not be possible by the readers.

The interviewers and the supervisor of the project hold the copyright of the interviews.

The interviewee may take back his or her declaration of consent completely or in parts within 14 days after the interview.

The interviewer has then to ask the interviewee if he/she/they consent to the point referred to. After this, the recording has to be launched and the interview can begin, by following the semi-structured interview questions listed below.

The interview questions are classified by general themes. It is recommended to follow the themes from top to bottom, but the interviewer can of course jump to questions if the interviewee go in one way or another. The most important point is to leave some room for the interviewee to express what he has to say about the theme and do not constrain him/her/them.

Introductory questions:

Q1 - Can you tell us shortly about your background and what you do at your hotel?

Q2 - Can you tell us what made you start working with sustainable initiatives and how long you have done so?

General sustainability questions

Q3 - What is the definition of sustainability in your place of work?

Q4 - How would you define a sustainable business model?

Q5 - How is the sustainability work distributed across the team? Provide concrete examples.

Business model questions

Q6 - What sustainability dimensions are you looking at?

Q7 - How do you measure your impact?

Q8 - Can you tell us how you work with sustainability at your hotel? Provide some concrete examples.

Q9 - How would you describe your value proposition?

Q10 - If a customer comes up to you and tells you: "We have 3 years to act and reduce emissions before it is too late, what are you doing for that?" What would you tell them? Provide some examples.

Q11 - Where do you set the boundaries of your activities' impact? Provide concrete examples. (Where do you think your responsibilities in terms of sustainability stop?)

Conclusion

Q12 - What more do you think you, as a company, can do for sustainability?

Q13 - How do you see the pandemic outbreak in terms of sustainability and business sustainability?

Q14 - Is there anything else that you want to add?