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ARE GREEN HOTELS EXPENSIVE? THE IMPACT OF ECO-FRIENDLY POLICIES ON HOTEL PRICES IN SPANISH CITIES

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Abstract

Tourism and the environment are two closely related concepts. Environmental abuse can result in deteriorating environments with dramatic implications for tourism, which is why more tourism organisations and hotels have been gradually implementing environmental management policies. The objective of this study was to analyse the impact of market positioning as a green hotel on room prices in large cities. The hedonic pricing method was applied to hotels in two locations: Madrid and Barcelona. Data were collected using TripAdvisor ratings, including 677 hotels (i.e. 329 entries for 453 hotels in Madrid and 348 entries for 515 hotels in Barcelona). The results show different patterns for each city in the relationship between hotels' room prices and positioning as eco-friendly and appear to differ from the findings of similar research conducted in other locations. The discussion of results includes some possible explanations for these differences.

Keywords: environment, hedonic, hospitality, hotel, pricing

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