



Chapter 5

Food Wastage on the Economic Outcome: Evidence From the Hotel industry


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ABSTRACT

The hotel industry is vital to the global economy, but food waste is often overlooked. This issue significantly impacts hotel profitability, sustainability, and overall achievement. Food waste incurs significant economic losses due to the expenses involved in sourcing, preparing, and storing food that goes unused. The environmental effects of growing and discarding food also add to the secondary cost to the economy. The financial implications of food waste include operating expenses, revenue generation, and brand image. It also highlights hidden charges, such as legal duties and decreased consumer loyalty. Modern technology and management strategies can help reduce food waste, such as data analytics, inventory management systems, and sustainable sourcing techniques. Addressing food waste improves hotel financial performance, contributes to sustainability goals, and reduces the environmental impact of the hospitality business. Adopting proactive strategies aligns with ethical and environmental issues and contributes to the long-term economic viability of hotels.

1. INTRODUCTION

The hospitality and hotel industry is a cornerstone of the global economy, providing lodging, dining, and entertainment services to millions of guests worldwide. It is an emblem of hospitality, luxury, and

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comfort, attracting travelers and tourists with the promise of unforgettable experiences. However, beneath the opulent façade and the welcoming smiles of its staff, a profound and often unaddressed issue plagues this industry – food wastage. Food wastage has emerged as a critical concern within the hotel sector, with repercussions that extend far beyond the kitchen and the dining room (Baig et al., 2022). It represents a complex and multifaceted problem that has implications for the environment and the economy, fundamentally challenging the industry's sustainability and profitability (Mohammad Badruddoza Talukder, Firoj Kabir & Das, 2023). This chapter embarks on a journey to explore the intricate relationship between food wastage and the economic outcome of the hotel industry. As we delve into this issue, we aim to shed light on the multifarious dimensions of this problem, revealing its far-reaching consequences and, more importantly, its potential solutions.

The importance of the hotel industry within the global economic framework cannot be overstated. It is a significant contributor to economic growth, job creation, and the well-being of communities. It ranks among the top industries in many countries, employing millions and generating substantial revenue (Gautam, 2021). Hotels provide accommodation, dining, and hubs for events, conferences, and cultural exchange (Masaki et al., 2021). They serve as vital pillars supporting the tourism sector, attracting tourists from around the globe. However, a disturbing paradox unfolds within these establishments' bustling kitchens and dining areas. Food wastage, from both the consumer and operational sides of the industry, has emerged as an insidious and costly issue (Richards et al., 2021).

The hotel industry is a significant consumer of food products, and the inefficiencies in its supply chain and operations lead to staggering levels of waste. This waste is manifested through spoiled ingredients, overproduction, unconsumed meals, and more. In the heart of a world grappling with food insecurity and ecological challenges, the scale of food wastage in hotels is deeply concerning (Subramaniam et al., 2022). From a financial perspective, food wastage translates directly into losses. The cost of purchasing, storing, and preparing food that goes unused represents a significant and unnecessary expense for hotels (Srijuntrapun et al., 2022).

The environmental impact, from the energy and resources used in food production to the methane emissions from food decomposition in landfills, adds to the indirect economic toll. Furthermore, legal liabilities and reduced customer loyalty due to wastage-related issues can erode the reputation and profitability of hotel businesses. In a world increasingly focused on environmental sustainability, hotels are under growing pressure to address food wastage challenges (Islam et al., 2023). Moreover, the economic implications of this issue have far-reaching effects, influencing not only individual hotels but the industry as a whole, as well as the broader economy.

This chapter aims to provide a comprehensive understanding of the impact of food wastage on the economic outcomes of the hotel industry. It will explore the financial and environmental consequences, the hidden costs, and the role of innovative technologies and management practices in mitigating food wastage. By the end of this exploration, we hope readers will be equipped with valuable insights to address this issue effectively, not only for ethical and environmental reasons but also for the long-term economic sustainability of the hotel industry.

2. REVIEW OF LITERATURE

The tourism sector has shifted towards eco-friendly practices since the 1970s, with hotels facing pressure to reduce waste. Addressing global food challenges requires efficient resource management and reduc-

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