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Banyan Tree: Embracing the Environment, Empowering People

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Synopsis and Learning Outcomes

Banyan Tree Hotels and Resorts (commonly known as 'Banyan Tree') is a subsidiary of Banyan Tree Holdings Limited which has its global headquarters in Singapore. Since the inception of Banyan Tree in 1992, the company has received many prestigious awards and accolades for its leadership in sustainable practices. One of these awards was received in 2012 from the World Travel and Tourism Council (WTTC) recognising Banyan Tree as a pioneer in sustainable tourism development. Banyan Tree state that, "while we are honoured to receive these awards, they remain to us rewards not incentives." Founded on the core value of driving sustainable development, the company seeks to be an agent of social and economic development through responsible tourism. Environmental conservation is a top priority in the development of the company's resorts. Banyan Tree has boutique hotels, resorts, and spas across six continents. This case presents information on the environmental initiatives implemented at the first integrated resort in Asia, Laguna Phuket, under the visionary guidance of their Co-founder and Executive Chairman, Mr Ho Kwon-Ping.

The purpose of the case study is to provide a platform for developing an understanding of entrepreneurial strategic sustainable development in the hotel industry. The concepts of *entrepreneurship*, *core values*, *sustainability*, *corporate social responsibility* and *corporate shared value* are demonstrated by Banyan Tree's development of Laguna Phuket in Bang

Tao Bay, Thailand. The issue of environmentally ravaged land being developed into an exemplary model of sustainable tourism development is demonstrated in the case. Best practices developed at this first initiative can be seen as impacting future developments and the daily operations of all Banyan Tree properties.

After exploring this case study learners should be able to:

- 1 Define entrepreneurship and discuss its role in the sustainable development at Bang Tao Bay.
- 2 List and explain sustainable practices taken by Banyan Tree at the micro, meso and macro levels of the Laguna Phuket development at Bang Tao Bay.
- 3 Discuss the relationship of Banyan Tree's core values with their co-founders, Mr Ho Kwon-Ping and Ms Claire Chiang.
- 4 Describe the role of strategic sustainable development decision making at the Bang Tao Bay development.
- 5 List best practices developed at Laguna Phuket and discuss how they have impacted future Banyan Tree developments.
- 6 Define corporate social responsibility and corporate shared value. Discuss their impact on Banyan Tree's sustainable development policies, procedures and daily operations at their properties.

■ Background

Mr Ho Kwon-Ping (commonly known as 'KP Ho') is the Executive Chairman of the Thai Wah/Wah Chang Group. He took over the reins of the company after his father had a stroke in 1981. KP's values and leadership directed the company toward their future in sustainable development (Laguna Phuket, 2013). In the initial years of the Group's operations, its main business was in trading commodities such as starch and vermicelli, food production, as well as property development and construction. Initially, the Group enjoyed a significant cost advantage over its competitors; however, with the passage of time, the competition became far more challenging. The Group decided to look for other growth opportunities and consequently this led the company to acquire a piece of land in Bang Tao Bay, Phuket, Thailand in the 1980s. This purchase started their journey into the hospitality industry.

As the Group's business in the hospitality industry grew, it established Banyan Tree Holdings Limited in 1992. Subsequently, Banyan Tree Holding Limited expanded its business to establish and to manage other hotels, resorts, and related businesses. The company was registered in Singapore with KP Ho as Executive Chairman; his wife, Claire Chung, as Senior Vice President (Retail); and his brother, Ho Kwon Cjan, as the head architect of the company.

Banyan Tree Hotels and Resorts (commonly known as ‘Banyan Tree’) is a subsidiary of Banyan Tree Holdings Limited and owns two brands, ‘Banyan Tree’ and ‘Angsana’. While the ‘Banyan Tree’ brand is targeted at affluent travellers looking for classic experiences in romance, intimacy and rejuvenation, the ‘Angsana’ brand, launched in 2000, is designed for more contemporary experiences and revitalisation.

Both brands operate boutique hotels, resorts, and spas across six continents, which stretch from as far north as Ireland to the Australian cities of Sydney and Cairns in the south and from as far west as South Africa to China and Japan in the East. In total, Banyan Tree owns 29 hotels and resorts, 65 spas and 81 galleries, as well as two golf courses. Its 9,000 associates come from 27 countries (see Figure 7.1). Banyan Tree hotels, resorts and spas are often located in or near environmentally sensitive locations around the world, where they are caring for the environment and seeking to be positively contributing members within the host communities. With a motto of “Embracing the Environment, Empowering People”, Banyan Tree pursues sustainability through the three pillars of enhancing operational efficiencies, building local capacity and conserving biodiversity.

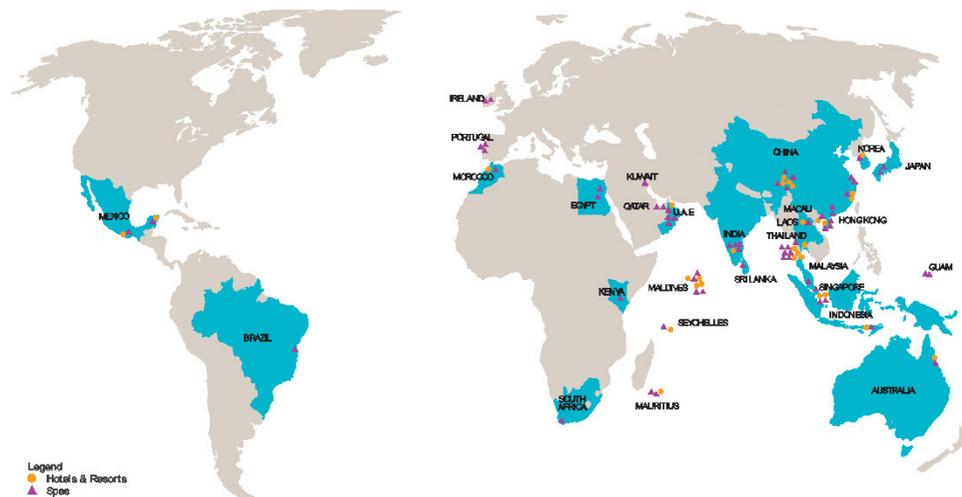


Figure 7.1: Banyan Tree Properties, 2011. *Source:* Banyan Tree (2012)

□ First Development

In 1983, a 1000-acre plot of land in Bang Tao Bay, Phuket, Thailand, was acquired by the Thai Wah Resorts Development Public Company Limited of Bangkok, a subsidiary of the Thai Wah/Wah Chang Group, to develop into a resort (see Figure 7.2) (Banyan Tree, 2013a). However, the Group faced a considerable challenge as this piece of land was severely ravaged as it had previously been used for tin-