

## **Abstract**

The hospitality industry is predicted to grow in the near future, particularly in the countries where it represents the main source of income. As pollution is currently one of the main global challenges, it is necessary to incorporate sustainability in hotel's business strategy. In the last few decades, hotels have started networking with surrounding enterprises, which has led to the formation of hotel clusters. The phenomenon of clustering is correlated with an increase in innovation due to the constant interactions among similar businesses which share their skills, knowledge, resources, intellectual capital, and promote competition.

Therefore, the aim of this research is to assess if being part of a hotel cluster improves hotels' performance and if hotel clusters play a role in promoting sustainability. This was done by developing a set of criteria to determine whether the five selected European eco-certified hotels can or cannot be considered part of a hotel cluster. Subsequently, primary data were collected and analysed using a qualitative research approach to investigate the relationship between operating in a hotel cluster and hotels' success, as well as between hotel clustering and the implementation of the three sustainability pillars. The results support the literature as clustering gives hotels competitive advantage over individual hotels. Moreover, eco-certifications improve hotels' image and guest satisfaction. Hotel clusters can promote sustainability, yet hotels' environmental impact does not depend on whether they are clustered or not.

**Keywords:** *green hotels, clustered hotels, unclustered hotels, hotel clustering, hotel industry, cluster policies, government role, innovation, sustainability, CSR, eco-certifications, hotel performance*