

# Sustainable Hospitality Management: The New Normal Way of Doing Business

GWTTRA Symposium

March 17-19, 2011

Santa Fe, New Mexico

Claudia Jurowski, PhD

School of Hotel and Restaurant Management

W.A. Franke College of Business

Northern Arizona University

# Sustainable Management

- A philosophy or ethic valuing
  - Economic Vitality
  - Ecologic Integrity
  - Socio-cultural Fairness and Equality
- Long-term consequences
- A process – requires change

# A Sustainable Hospitality Operation

- Manages resources
- Maximizes economic, social and environmental benefits
- Protects and enhances opportunities for future generations

# Sustainability Actions

- Economic
  - Improve status of disadvantaged
  - Develop local assets for local economic growth
- Environmental
  - Limit waste and pollution
  - Conserve natural resources
- Social
  - Promote cooperation and efficiency
  - Be socially responsible – improve quality of life of customers, employees and community

# Not an Option

- Julia Thorn, director of corporate communications

“Adopting environmentally friendly practices is no longer an option but a necessity, and at the Arizona Biltmore Resort & Spa we are committed to becoming an industry leader in this growing trend.”

# Cost and Revenue

- **Mark Hoplamazian, president and CEO, Global Hyatt Corp.:**
  - This is not [just] a cost issue. It is a revenue issue as well.
  - We need to raise consciousness about sustainability. In the hospitality business, we touch millions of people every week.
  - I absolutely believe this is here to stay. And we need to dedicate a lot more resources to it.

## Good for Business

- **Christopher J. Nassetta, president and CEO, Hilton Hotels Corp.:**
  - It is good for the environment, it is good for business.
  - I see it as an opportunity. It is a revenue and an expense issue. There are huge ROIs associated with green.
  - As a business proposition, green can be rewarding.
  - As time goes on, the investment community is becoming more sensitive to this issue.

# Immeasurable Impact

- Michael Leven, president and chief operating officer of Las Vegas Sands Corp.:  
“Clearly there are important business advantages to operating in a sustainable manner, but when sound business practices are married with sustainable efforts that benefit the environment and our communities, the impact is immeasurable.”

## Consumers demand it

- **Monty J. Bennett, president and CEO, Ashford Hospitality Trust, Inc.:**
  - The customer is dictating that the hospitality industry go green. If you don't see it today, you will tomorrow. Get ready. Every group meeting planner is going to check your carbon emissions.
  - You better build it green or convert it. If you don't, the customers won't come.

# Consumer Interest

- Travelocity survey of 1000 members
  - 80% willing to spend more on eco-friendly destinations or business
  - 38% planning to dedicate some portion of their vacation to volunteering
- American Express
  - 50 percent of their corporate customers consider sustainability in making reservations
- Travel Industry Association
  - More than 50% more likely to select a travel choice that uses more environmentally friendly products and processes

# Consumer Interest

- 44% make choice based on restaurant's efforts to conserve energy and water
- 60% more likely to visit a restaurant that offers food that was grown in an organic or environmentally friendly way.

National Restaurant Association Research

# Consumer Interest

- 73% visit national park in 2009 - up from 62% in 2008
- 34% environmentally friendly resort or lodging – increased from 30% in 2008
- 32% say they are more environmentally conscious in their travel decisions – increase from 26%

Data from TripAdvisor survey

# Green Practices of Business Travelers

- 69% turn of lights
- 31% adjust heat/air when leaving
- 1/3 concerned about green travel
- 34 % seek out environmentally friendly properties
- 38% researched green alternatives
- 28% will pay 10% more

# Top Five Actions Consumers Expect

1. Recycling – 77%
2. Using energy-efficient lighting – 74%
3. Using energy-efficient windows -59%
4. Towel/linen reuse program 52%
5. Safe cleaning products – 49%

# Employees Expect Sustainable Practices

- [MonsterTRAK.com](http://MonsterTRAK.com)
  - 80 % of young professionals are interested in securing a job that has a positive impact on the environment
  - 92 % would be more inclined to work for a company that is environmentally friendly

# Industry responds – A Rising Tide

- Recycling
  - 2004 - 32%
  - 2009 - 40%
  - 2010 - 60%
- Energy efficient lighting
  - 2008 - 68%
  - 2010 - 88%

# A Rising Tide

- Towel and Linen Re-use
  - 1996 – 10%
  - 2004 – 52%
  - 2008 – 67%
  - 2010 – 88%
- Guestroom energy management sensors
  - 2001 – 14%
  - 2006 – 21 %
  - 2008 – 25%
  - 2010 – 23%; 43% in luxury; 32% in upper upscale

# A Rising Tide

- Water saving
  - 2008 - 46%
  - 2010 - 69% overall
    - 80% in luxury and 73% in upscale
- Dispensers for shampoos and soaps
  - 2004 – 6%
  - 2008 – 22%

# Increasing interest in certification

- LEED\* certification applications 550% increase 2006 to 2008
  - 2005 one LEED certified hotel – [UMUC Inn & Conference Center](#)
  - Today there are over 500
- Working toward green certification
  - 71% in luxury
  - 64% in upper upscale
  - 47% in upscale
  - 43% Mid with F & B
  - 40% Independent
  - 59% Resorts
  - 32% Interstate hotels

\* Leadership in Energy and Environmental Design

# LEED's Certification

- Leadership in Energy and Environmental Design
- US Green Building Council
- Whole building approach
- Key areas
  - Sustainable Sites
  - Water efficiency
  - Energy and Atmosphere
  - Materials and resources
  - Indoor environmental quality
  - Innovation and design process

# Marriott's Courtyard Brand

## LEED® Certified Hotel Prototype

- Pre-approved certification
- Save owners \$100,000 and 6 months design time
- Reduce energy and water consumption by 25%
- 2 Yr payback
- Expand green hotel portfolio
  - 10 fold over next 5 years
  - 300 LEED hotels by 2015

# InterContinental's Green Engage

- Web-based software
- 108 point check list guide
- Eventually save \$200 million
- \$800,000 in new business

# Sands Eco 360° Program

- [Mission statement](#)
- Construction and development strategy
- Operational and maintenance policies
- Developing vendor partners that comply with the company's green policies
- Employee team members

## Where we are staying

- [Heritage Hotels and Resorts Green Initiatives](#)

# Lodging Chains

- Motel 6 (Accor)
  - Occupancy sensors that readjust thermostat when guests leave
- Marriott
  - 450,000 incandescent bulbs replaced with compact fluorescent –
- Hyatt, Hilton Marriott, Starwood
  - Low flow toilets, faucets and showerheads
- Starwood –
  - two new brands – 1 hotel and Element

# Starwoods 1 Hotel and Residences



- 5 star, eco- friendly global brand
- Green construction and operating principles
- LEED silver rating
- National Resources Defense (NRDC) Council advisor
- 1% of revenue to environmental organizations

# ELEMENT

- Starwood's newest extended stay brand
- Special thank you to green minded guests
- Priority parking for hybrid cars
- ENERGY STAR qualified kitchen appliances,
- Eco-friendly bath fixtures,
- Recycling bins for paper, plastic, and glass
- Eco-friendly carpets and low VOC paint
- Natural lighting and CFLs (florescent)
- Green Cleaning product
- LEED certification for all new hotels

# Mayland Seaside Hotel, China



- Generate 50% more power than it needs – wind turbines, solar panels, fuel cell power generator
- Completely carbon neutral without carbon offsets – a “net zero” building
- Maximum use of natural light
- Gray water recycling system
- All green material



# Sandic Hotels



- Environmental rooms
  - Wood, wool, cotton replace synthetics
  - Plastics and metals avoided
  - 97% of each room can be recycled
- The Swan: the Nordic Eco label
  - All hotels in Sweden
  - Minimize water consumption, energy and use of cleaning materials
  - Recycle
  - Refillable amenities
- Fair Trade Coffee



# Starwood's Make a Green Choice Program "You Tidy, We Treat"

- Decline housekeeping service for a day
- \$5 gift card for use at hotel restaurant or 500 Starwood Preferred Guest Points
- Soon available at all Sheraton and Westin locations

# AH & LA Green Resource Center

- Green Guidelines
  - 11 minimum green guidelines
- Best Practices –examples
- Case studies
- Green suppliers
- Consumer Information

# AH & LA Minimum Guidelines

1. [Environmental Committee](#) responsible for developing an Environmental Green Plan for energy, water, and solid waste use.
2. Evaluate [environmental performance](#) by monitoring the electric, gas, water, and waste usage information on a monthly and annual basis.
3. Replace [incandescent lamps](#) with compact fluorescent lamps.
4. Install [digital thermostats](#) in guestrooms and throughout the hotel.
5. Implement a [towel and/or linen reuse](#) program.
6. Install [2.5-gallons per minute showerheads](#) or less in all guestroom baths and any employee shower areas.
7. Install [1.6-gallon toilets](#) in all guestrooms.
8. Implement a [recycling program](#) --including public spaces -- to the full extent available in your municipality; document your efforts.
9. Implement a [recycling program for hazardous materials](#) found in fluorescent bulbs, batteries, and lighting ballasts through licensed service providers.
10. Purchase [Energy Star](#) labeled appliances and equipment.
11. All [office paper products](#) should have 20% or more post consumer recycled content.

# National Restaurant Association

- Conserve: Solutions for sustainability
  - An environmental initiative of the NRA
  - 10 tips
- [See What Restaurants are doing](#)

# Restaurants Going Green

- Restaurants devote more resources to green initiatives this year than last
  - Quick Service 27%
  - Family Dining 43%
  - Casual dining 45%
  - Fine dining 50%
- Installed water saving devices
  - Quick Service 30%
  - Full service 40%

## Chefs Collaborative

- Chefs, farmers, fishers, educators, and food lovers dedicated to promoting sustainable cuisine.
- Advocate for sustainability in the food community
- Connect chefs and sustainable food producers
- Provide chefs with tools to make sustainable purchasing decisions

# Green Restaurant Association

- Consulting firm that certifies restaurants
- [Green Restaurant Certification Standards](#)

# Subway Opens First Green Store

- Efficient HVAC
- LED lighting
- Recycled building materials & furnishings
- Works with suppliers to find sustainable alternatives
- Requires vendors to comply with fair labor practices and perform Good Agricultural Practices audits
- Paper napkins from 100% recycled materials



# Chick-fil-A Experimental Green Building Restaurant

- Energy efficient
- Low-flow toilets
- Low energy lighting systems
- Rainwater cistern
- Recycled construction materials

“There is no question, this will change how we build stores going forward,” says David Farmer, vice president of innovation and service.

# Sustainable Food Service Supplies

- **STOP** using Styrofoam !!!
  - Acute health effects for workers who make it
  - Carcinogen
  - Process of making it pollutes the air, 5<sup>th</sup> largest creator of hazardous waste
  - Toxic chemicals leach into food (esp in microwave)
  - Land fill space, litter
  - Outlawed in Taiwan, Portland, Or and Orange County, CA
- [FoodBizSupply](#)
  - [Green Box](#)

## EATware™

- Alternative to Styrofoam
- Decomposable and biodegradable
- Oil, water and heat resistant up to 140 degrees Centigrade
- Microwave, freezer and steamer safe
- Made from natural fibers, with no chemical additives
- Decomposes within 180 days or two weeks in water

# Summary: The New Normal Sustainable Hospitality Management

- Meets the needs of the present without compromising needs of future generations
- Goals -preserve and enhance the quality of the present and ensure availability of resources for the future
- The new normal way of doing business– consumer demand, cost savings, roi, employee relations, new products, sustainability programs
- The New Normal
  - Limit waste and pollution
  - Improve status of disadvantaged
  - Conserve natural resources
  - Promote cooperation and efficiency
  - Develop local assets for local economic growth
  - Be socially responsible – improve quality of life of customers, employees and community

Thank you

Questions?

Comments?