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The Hospitality Industry Confronts the Global Challenge of Sustainability

Abstract

The third annual CHR Sustainability Roundtable continued the process begun in earlier roundtables of advancing the response of industry and academe to the challenges facing the hospitality industry regarding sustainability. Held October 29–30, 2011, at the School of Hotel Administration at Cornell University, the roundtable brought together representatives from several global hotel companies, service providers, and a diverse group of hospitality and sustainability academics and researchers. Building on the prior year's discussion and research, the roundtable focused attention on specific issues of interest as identified by the industry. Those included the complexities of managing sustainability in numerous jurisdictions worldwide, across a variety of hotel types and operating levels. Roundtable participants also continued the discussion of how to standardize or otherwise rationalize the measurement of the many elements that constitute sustainability. Although sustainability programs provide value to the industry, another driving factor is demand from customers, particularly groups, meeting planners, and corporate customers. As a final goal, the roundtable served as a springboard for increasingly focused research that adds value to the industry's discussion and sustainability practices.

Keywords

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Comments

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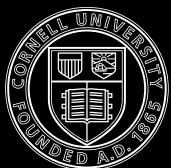
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The Hospitality Industry Confronts the Global Challenge of Sustainability

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by Eric Ricaurte

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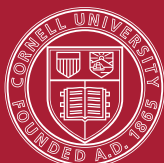
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Eric Ricaurte works to advance sustainability by helping the world's leading global hospitality companies measure and report on key issues of corporate responsibility and sustainability (eer3@cornell.edu). He adds this to his 10 years of experience in operations and consulting for hotels, hospitality vendors, tourism operators, attractions, and tourism boards in Latin America. Eric is actively involved as a speaker, roundtable organizer, and writer in the topic of sustainability within the hotel industry. Eric's research focuses on standardizing sustainability measurement within hospitality and tourism, beginning as a finalist in the Hotel School's student research competition in 2001 for his paper titled, "Carbon sequestration, offsetting, and trading, and their relation to travel and tourism." Eric holds a Bachelor of Science from the Cornell School of Hotel Administration and is a candidate for a Master of Science degree in Tourism Management from New York University.



EXECUTIVE SUMMARY

The third annual Cornell roundtable on sustainability addressed the hospitality industry's continuing effort to define and measure sustainability, in connection with the increased interest in sustainability on the part of guests and other stakeholders. The barriers to sustainable operation rest largely in myth and lack of knowledge, although the complexity of sustainability policies and mandates make it challenging to discern the way forward. Myths include the ideas that green operation is more expensive and that guests are not interested in sustainability. In fact, the reverse is true for both. Other barriers include the challenge of educating guests, communicating sustainability information, structuring sustainability as a business issue, and recognizing sustainability as a long-term concern. Overarching trends that influence sustainable operation include the unpredictable effects of resource depletion, social media, and globalization. Also not clear is the effect of new generations of travelers, who may have a stronger sustainability ethos than current guests. A key issue underlying all sustainability programs is one of measurement, given the many different standards and mandates already in place. So far, the hospitality industry has not determined a measurement mechanism. Although some industry practitioners subscribe to a third myth, to the effect that green policies can be delayed indefinitely, guests expect more now. In particular, meeting and conference planners are establishing their own sustainability standards and are asking hotels to respond to queries about green policies and programs. In conclusion, the roundtable participants expressed the need for continuing research and study to shatter myths and explode barriers.

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The third annual CHR Sustainability Roundtable continued the process begun in earlier roundtables of advancing the response of industry and academe to the challenges facing the hospitality industry regarding sustainability. Held October 29–30, 2011, at the School of Hotel Administration at Cornell University, the roundtable brought together representatives from several global hotel companies, service providers, and a diverse group of hospitality and sustainability academics and researchers. Building on the prior year’s discussion and research, the roundtable focused attention on specific issues of interest as identified by the industry. Those included the complexities of managing sustainability in numerous jurisdictions worldwide, across a variety of hotel types and operating levels. Roundtable participants also continued the discussion of how to standardize or otherwise rationalize the measurement of the many elements that constitute sustainability. Although sustainability programs provide value to the industry, another driving factor is demand from customers, particularly groups, meeting planners, and corporate customers. As a final goal, the roundtable served as a springboard for increasingly focused research that adds value to the industry’s discussion and sustainability practices.

Managing Sustainability across a Global Platform

Hoteliers, guests, and the environment would benefit from greater consistency in the definition and measurement of sustainability. At the moment, however, hoteliers face the challenge of determining how to manage the diverse scope of sustainability and stakeholder audience within a hotel company that spans the globe. In a session led by David Jerome, senior vice president of corporate responsibility at InterContinental Hotels Group, participants examined how to manage sustainability practices in a complex environment. With the proliferation of certifications, frameworks, standards, and regulations, a global hotel firm could have to monitor as many as 350 different voluntary or mandatory initiatives and standards. These initiatives and regulations are put forth by a mix of international, national, and local authorities and associations. From an operational standpoint, a critical element to managing global platforms has been the institutionalization of sustainability software. Faith Taylor, vice president, sustainability and innovation, of Wyndham Worldwide, indicated her use of software to help navigate this landscape, as new and changing codes and standards can be monitored and uploaded at property or regional levels. Other companies also have taken similar measures through software systems.

The knowledge, skill set, and workload required to maintain a sustainability program leads to another emerging trend cited by Jerome. Given the increasing levels of expertise regarding software and standards, corporate responsibility and sustainability departments have evolved to handle a diverse range of issues over the past decade. As a consequence, the industry is seeing a widening knowledge gap regarding sustainability within organizations. Expertise has grown for hotel associates who deal with sustainability on a day-to-day basis, while those who encounter issues only on occasion or in passing are not as well informed. This is not only true within organizations, but also is found across various firms. Bridging the knowledge gap is one of the current challenges within the industry and within each organization. Engaging internal stakeholders in an organization's sustainability effort is important, and for some firms the key issue is a more basic one of even convincing internal stakeholders of the importance of sustainable operation. Tact is required to communicate the issues in a way that makes sense to each stakeholder. Telling an owner that it's important to save the world, for example, is most likely not the most effective approach. Instead, the key message is one of the importance of sustainability to the central focus of the bottom line, without overcomplicating the issue. Other stakeholders will require different approaches so that sustainability makes sense to them.

Three Myths of Sustainability

Certain myths and misunderstandings seem to form a basis for resistance to sustainability programs. Jerome offered three



David Jerome: The hospitality industry faces an increasingly complex environment as it works to manage sustainability.

myths that have emerged among those not familiar with sustainability. They are: (1) *green* is expensive, (2) guests do not care about sustainability, and (3) hospitality firms can afford to wait to implement sustainability-oriented changes. Countering the first myth are numerous initiatives that have been proven time and again to save money, including those that involve changing to more efficient lighting or reducing the waste stream by recycling. In fact, far from being expensive, green programs are money savers. Looking at the programs with quick paybacks, the dialogue is now framed so that those who have not picked the “low-hanging fruit” of sustainability are in effect losing money. Touching briefly on the second myth, it's important to note that corporate clients and associates are themselves driven by their own sustainability targets. Data and information requests about hotels' sustainability by corporate clients as well as investors are also becoming more rigorous, with auditing of practices becoming more commonplace. Additionally, the guests (and society) have a general “creeping awareness” of sustainability. As discussed below, this topic was explored in greater detail during a subsequent session on customer choices. The final myth, that sustainability will wait, ignores the current reality that the issues relating to sustainability have become ever more pressing, even after decades of conservation and environmental efforts. Beyond that, one could argue that the cost of waiting can be calculated for hotels that have not implemented the most elementary sustainability efforts and are therefore losing money. As the industry changes, hotels need to remain current, and sustainability is part of that operational currency. As pointed out by Frank DiSalvo, director of the Atkinson Center for a Sustainable Future at Cornell University, there is also a beginning stage of engaging those in day-to-day



Frank DiSalvo: We need to find ways to increase hospitality company associates' awareness of sustainability.

operations on increasing sustainable practices. Thus, low-hanging fruit includes behavioral change, as an organization's associates experience their own "creeping awareness" of sustainability and integrate sustainable practices.

Participants considered the question of materiality and ROI, in terms of whether initiatives with the greatest payback may be given priority over those of greatest environmental or social concern. As pointed out by Tedd Saunders, president of EcoLogical Solutions, the overarching issue is climate disruption (including storms, earthquakes, and tsunamis), which is generally most material and offers the biggest ROI. As an umbrella issue, climate disruption also poses the greatest risks and opportunities for hotels. That said, issues at the hotel level such as energy usage and rising fuel costs affect both the operation and supply chain, and remain the central focus for now.



Mark Millstein: Other businesses have worked out industry-wide standards, but the hospitality industry so far hasn't done this.



Faith Taylor: Engaging the supply chain helps move the industry forward on sustainability.

A recurring issue which emerged during the first session's discussion was the need for the industry to help actively shape policy at various levels of government. Helpful though they may be, such standards as LEED and ISO 14001 are examples of the many standards, certifications, and codes that affect hotels but did not have meaningful input from the industry. Single or all-encompassing frameworks to replace the numerous existing codes and regulations would be ideal but are unlikely at present. As pointed out by Mark Millstein, director of the Cornell Center for Sustainable Global Enterprise and senior lecturer of management and organizations of the Johnson Graduate School of Management, this is unlike what has occurred in other industries. In many businesses, leading companies have set the bar and even the standard for performance or guidance, and then roll out that concept across their platform and to their stakeholders. The result has effectively become an industry standard. In the hotel industry, however, a lack of prior research and collaboration has so far prohibited this approach. Participants called for such research and collaboration during this session. This was a recurring theme throughout the roundtable. As well, the question was posed as to whether sustainability standards actually create value for the business, which further research could help illuminate.

In addition to research, engaging the supply chain was brought up as another opportunity for the industry to help bring about change within hotels. "Suppliers themselves are also faced with sustainability challenges, and there is a big opportunity to engage the supply chain to work together" said Taylor. It makes sense to foster collaboration between suppliers and hotels. Throughout the discussion common themes emerged as participants considered a complex

landscape of standards worldwide, the differing approaches for different audiences, and the myths encountered. Engagement in general was recurrently recognized as important. Beyond that, the group concluded that different stakeholders will have different requests and different channels for both communicating sustainability and implementing platforms globally. As a concluding point to this session, Jerome indicated that it is important for those working within sustainability to be brave, not to be afraid of making mistakes (as nobody has the true answers for every issue at this point), and to view trial and error as helping advance practices and policy.

Standardizing the Measurement of Environmental Footprints

Though the industry faces a plethora of standards and certifications, one critical area of sustainability that will require industry standardization is developing a common measurement for the environmental footprint of room-nights and meetings. Paul Hildreth, director, engineering and facilities management, global operations services, of Marriott International, led this discussion. He pointed out that this initiative toward common benchmarks arises from two aspects of group sales. First is the comparison among hotels regarding their environmental footprint. The other, related factor is the desire of corporate clients to perform environmental footprint calculations in regard to their own corporate travel. (This issue was discussed in greater detail later in the roundtable.) Carbon footprint calculation is the specific measurement in question at present. As Hildreth explained, the process of arriving at a common measurement is complicated. Satisfactory third-party solutions do not exist at the moment, which means that further research and discussion are still required before any standards can be put forth.

Part of the challenge of third-party solutions is that they do not specifically fit the hotel industry (as noted above). One specific third-party option stimulated considerable discussion. This is the U.S. Environmental Protection Agency's (EPA) Energy Star program and its corresponding Portfolio Manager for buildings. Though Portfolio Manager has been identified as a satisfactory tool for standardizing measurement and comparing performance in other sectors, general discussion focused on how the program was not representative of the hotel industry. As with other standards, it was developed from a focus on commercial buildings that was not hotel-specific, with limited data from the hospitality industry. Beyond that, Energy Star and Portfolio Manager are U.S.-based solutions that may not apply elsewhere. As a consequence, participants expressed the industry's need for global solutions that go beyond one country's borders. Thus, Energy Star in its current form does not seem to work as a common platform.



Paul Hildreth: Finding a common set of sustainability measurements is complicated, and third-party solutions aren't always a good fit for the hospitality industry.

Though it focuses on the U.S. at the moment, Energy Star could be considered as a method for measurement and normalization that forms a starting point for further research. Such study would have to address difficulties in developing standard measurements. One issue, for instance, involves not just the amount of carbon but the amount per some agreed-upon standard unit. That unit could be floor space or occupied rooms, for instance. The issue is how to compare from one hotel to another. The calculation of square footage of a hotel, for example, does not necessarily have uniform measurement across the industry (e.g., how does one treat public space or the back-of-the-house area?). Allocation of footprints using room-nights, meeting attendance, or amenities within a hotel is also problematic. From an academic standpoint, this type of research would imply a different scope in general, as hospitality students generally perform research with surveys and not metering. At the same time, metering itself raises problems. Participants suggested that other variables, such as a hotel's age and asset class, not to mention weather conditions, will likely create greater variances than day-to-day fluctuations inside the property. In terms of a traveler's total environmental footprint, it is clear that other attributes make greater contribution, such as air travel, ground transportation, and events taking place outside the hotel. These collectively may represent more than 80 percent of the overall footprint, and yet they also cannot necessarily be measured with any more precision than the hotel's contribution to that footprint.

Despite Energy Star's drawbacks as a U.S.-centric measurement, it does have the benefit of being a site to house data sets for comparison purposes. Though an inexact match, the concept of Energy Star held valid as a reputable



Howard Chong and Vanessa Choy: J.D. Power and Associates data shows hotel guests' increased sustainability expectations.

third-party site to house data which would enable comparisons and industry analysis. An academic institution could also play such a role, as well as currently accepted third-party solutions in other areas of hotel measurement such as STR. As mentioned by the Atkinson Center's DiSalvo, synergies are often created as people address problems. The Carbon Measurement Working Group, a joint initiative of the International Tourism Partnership and the World Travel & Tourism Council, was cited as an example of this potential, given the group's formation around this challenge. Roundtable participants realized that the focus of the discussion on measurement is inherently internal and based on a response to corporate client requests. But the industry could also benefit from an external approach to addressing sustainability issues. Yet another issue is the effect of new technology—known or yet to be devised—on the hotel industry. This topic would also be a good one for collective study.

Outward-focusing forums, stakeholder engagement, and further industry research can also help advance performance measurement in other areas. Even though the focus is on carbon, participants thought several other sustainability issues may be relevant to the guest. These were discussed in depth during the next two sessions.

Sustainability and Customer Choice

How do sustainability certifications and standards, and their more basic components of sustainable practices, affect choices and satisfaction? Howard Chong, assistant professor of economics and sustainability at the Cornell School of Hotel Administration, Vanessa Choy, a graduate student at the School of Hotel Administration, and Professor Rohit Verma, CHR executive director, analyzed data provided by J.D. Power & Associates on consumer participation in related environmental programs at hotels. Even as hotels have increased their participation in green programs, the data demonstrated that guest participation in those programs had showed minimal increases over the past four years. Even

as guests demand more sustainability from hotels, they also view this as largely the hotels' responsibility.

Chong, Choy, and Verma found an increase of about 20 percent in the number of hotels offering at least one green program between 2008 and 2010. The question for hotels is, what program or programs to choose, given guests' preferences and choices. Each sustainability program has its own return on investment, but each one also has its own weight in terms of guest preferences. The problem is that the relevance and weighting of programs do not seem to be tracked. Different programs offer varying possibilities of guest participation, and various programs may receive different customer choices and responses. This discussion illustrated the widening scope of potential initiatives and practices now available. Bennett Thomas, vice president of finance and sustainability of Hersha Hospitality, noted the changing demographics which will likely have a shift in the marketplace as well. Thomas foresees that in the next five years the industry will see greater uptake as a younger generation with more environmental consciousness gains more discretionary spending and represents a larger demographic of the business traveler. As well, all programs and initiatives are not created equal. For example, enhanced guest participation programs such as an opt-out from room cleaning



Bennett Thomas: Changing demographics will affect guests' approach to sustainability.



Walker Lunn: Hotels should adopt green policies as standard practices, so guests will use sustainable programs.



Michael Giebelhausen: If room rates are roughly the same, hotel guests will choose the green-labeled hotel.

altogether had seen significant uptake during the past few years and are expected to continue to grow.

Participants suggested a sort of critical mass phenomenon in guest participation in various programs. Research was discussed around the scenarios that if participation is seen as positive, then guests will feel less satisfied if they fail to participate. One question is whether to merely encourage guests' participation in green programs or to make some programs part of hotel policy, with effectively mandatory participation. Weighing in favor of mandatory participation, Walker Lunn, managing member of EnviRelation, posited that it was better to structure operations so that there is no option other than a sustainable practice. Several others were concerned that mandatory participation would not allow guests the chance to transition to new practices and behaviors over time. Such a transition is occurring, for example, with electronic delivery of hotel bills. Given the push toward sustainability, it is likely that what today are optional programs will in the future be commonplace. So, for instance, instead of the confusing and often disregarded sign giving the guest a choice regarding whether linens will be changed, it may become common industry practice for linens to be changed every three days unless requested (instead of the other way around), and that towels are reused when hung. Likewise, electronic delivery of room bills will be standard practice, and we will no longer see automatic delivery of local or national newspapers to every occupied guestroom. Instead, if people want a paper edition, they will find it conveniently at the front desk or other central location. As a final point, roundtable participants noted that depending on the status of resources in the future, it remains to be seen what practices can retain their optional status and which will become standard practice throughout society and not just in hotels.

At a level above the individual programs encountered during the stay, however, was the question of guest preference in choosing one hotel over another based on sustainability criteria. In particular, participants consid-

ered whether green certifications such as the one offered by Travelocity would mean that a hotel would be preferred by customers. In that regard, Michael Giebelhausen, assistant professor at Cornell, pointed to studies that have shown that when a guest has a choice between a green hotel and non-green hotel, the guest will choose the green-labeled hotel—provided room rates are essentially equal. One reason for such an outcome might be that a green certification carries an indication of increased quality. Other initiatives were cited as being positioned for a premium in the market, for example, a hotel labeled 100-percent carbon neutral.

Pairing sustainability with quality is a noble perception of sustainability, but a root question to that perception was whether the guests actually care about the environment, sustainability, and green products. That question of whether guests care led to several insights. First, there is a growing need to research guests by psychographic traits around sustainability, as this itself can shed light on segmentation. In the marketplace there are certainly guests who care to varying degrees. Just as hotel operations are intensely focused on product testing, operational efficiency, and analysis in other areas such as revenues per square foot, labor ratios for housekeeping duties, and guest room improvements (such as a rounded shower curtain) so they should treat sustainability and related programs with equal rigor. This can help move the question to a more professional, pragmatic, and segmented discussion of a currently overgeneralized question.

Second, regardless of segmentation, it only takes a few stakeholder requests to require that a hotel address these issues. One hotel owner mentioned an example of a minor shareholder in the company insisting that a specific low-flow showerhead be implemented across the portfolio, and addressing this request required additional engagement.

Another aspect to guest insights was offered by David Stipanuk, Cornell professor emeritus. "When you ask a consumer about whether they care about the environment, their ranking of importance may fall somewhere in the middle. Now if you ask the consumer if they care about the safety and



Jennifer Baucher: Guests are looking for companies that have a purpose.



Susan Robertson: Associations' meeting planners are incorporating sustainability goals into their conference proposals.

wellbeing of themselves and of their children, this moves to the top of the priority list.” The environment may not be the first priority on the list, but the fact that environmental issues are linked with factors that are high on the list of guest cares represents an opportunity. Perhaps relating the issues facing the planet’s future generations to the specific environmental practices of a hotel can help make this connection to increase awareness and prioritization. Currently, this linkage does not seem to be demonstrated clearly.

As for guest preferences and motivations, perhaps the room-level initiative is not the most appropriate approach. Jennifer Baucher, director of rooms operations and sustainability for North America, of Starwood Hotels and Resorts, offered conclusively that guests are looking for companies with a purpose behind them and will set their preferences based on larger, more overarching efforts at a company level.

As to making claims regarding sustainability programs, the discussion revealed that hotels are often fearful that they are not doing enough to actually make any valid green claims, or else they will face a backlash of mistrust regarding any claims and lose credibility. The myriad of issues, consumer preferences, and prioritization can also compound the company concern in this regard.

In summary, this session concluded that the guest preference, participation, and prioritization depends on each guest and will vary by program or initiative. Participants expressed a need for more focused research which more closely represents the current and future state of green programs within hotels, given the large spectrum that has recently emerged.

Engaging the Meetings and Events Sector

The hotel industry is engaging with meeting planners and associations who are themselves exploring sustainability.

Susan Robertson, president of the ASAE Foundation and executive vice president of ASAE, led the discussion by presenting some key figures which indicated that the majority of associations and association meeting planners are currently incorporating programs related to green meetings in their plans or will do so within the next year. As association meetings represented roughly \$118 billion in revenue in 2010, the hospitality industry must take note of this key trend. According to Robertson, 80 percent of the members of the American Society of Association Executives (ASAE) are pursuing the “greening” of their meetings. Through data obtained from the Convene Green Alliance, an ASAE affiliate, surveys of meeting planners indicated that 46 percent were currently integrating green policies into meetings, while 38 percent indicated seeking to do so within the next year. Thirty percent of members were pursuing “zero waste” components for their events, with an additional 30 percent planning to do so in the next six months. Also 38 percent of meeting planners currently offset CO₂ emissions in some form, with an additional 42 percent looking to do so in one year.

Association events also have larger opportunities for favorable sustainability impacts. Events often focus on the communities and destinations of the host site, as the event itself can have a broader aim and focus than just convening association members. The experience of the event can have many facets, of which sustainability can play an important role, especially when practices and outreach are consistent with the mission of the association organizing the event. With the large number of people attending events, opportunity also exists to educate attendees in sustainability so they in turn can become educated travelers.

The current challenge and opportunity, as Robertson outlined, is in helping to educate association event orga-

nizers and corporate event organizers to know the right questions to ask and the right criteria to seek when planning green meetings and events. Despite the organizational approaches being pursued by corporations and associations, the process ultimately falls upon the meeting planner. In this connection, attention is needed to bridge the gap between top level thinking of executives and on-the-ground practice of meeting planners. This gap can lead to frustration as the intentions of both associations and meeting planners are aligned with sustainability, yet there is a lack of experience in operationalizing an event in such a manner and subsequently communicate the story to the meeting participants.

Given the plethora of standards and certifications, the topic resurged as to how this can affect meeting planners and the hotels that form their supply chain. Roger Simons, manager of CSR and sustainable events, of Meeting Professionals International (MPI), pointed to their traditional approach of looking for prescriptive answers through checklists that planners could follow. This helps meeting planners make educated choices, and the awareness can then be transmitted to the meeting participants. Yet some pieces of the puzzle are not always prescriptive in nature and require further understanding and analysis, along with benchmark and a forum allowing for meeting planners to share best practices.

From the hotel perspective, participants discussed how having a multitude of checklists causes additional strain on sustainability professionals at property and corporate levels, as they face the challenge of handling numerous and inconsistent surveys and questionnaires onsite and through RFPs. This challenge is also increasing as clients seek more quantitative data on such matters as carbon impact, especially since carbon offers the same measurement difficulties as many other impacts. Starwood's Bauchner mentioned that impacts can also be measured in more basic levels and effectively communicated to the client, citing the case of tracking the reduction in the number of bottles or amount of paper saved as part of green meetings initiatives. While this approach may not work as easily with carbon, basic data serve the same purpose of telling the story, benchmarking best practices, and educating the planner and attendee.

The discussion at the end of this session returned to the need for standardization to help both clients and hoteliers in asking the right questions, and answering them effectively. In this context, the participants considered the prospect of the soon-to-be-released APEX Sustainable Meeting Standards. These standards, developed by the meetings and events industry, represented a collaborative effort to standardize the practices and performance of meetings and their main suppliers (including hotels). Anticipated for several years, the promise of the release of these standards offered an opportunity to move this standardization forward. Dis-



Roger Simon: Meeting planners and hotels can use checklists to help with decision making and to convey sustainability information.

cussion of the specific standards, however, revealed significant criticism for the practicality of their application given their lengthy content and lack of clear guidance on how they could actually be applied. Participants thought that once the standards are released, the hotel industry could have an opportunity to collaborate around their evaluation from the hotel perspective. On balance, the prospect of the APEX standards bringing standardized checklists and questions was viewed favorably. The question returned however to the issue of making sure the right questions were asked, and collaboration by the hotel sector will be key to their practical use where related to hotels as lodging and venues. Even as participants recognized the need for standardized guidance in green meetings, they thought that a certification based on this guidance could be overkill and perhaps even counterproductive. In that regard, some called for a “moratorium” on new standards and certifications in the interim, until current solutions are fine-tuned and improved for mutual benefit of sustainability practitioners in both the planning and supplier side.

Looking Ahead

As has occurred in the past ten years, sustainability continues to be a constantly emerging and evolving discipline. With that in mind, the group arrived at three top trends in sustainability that will affect the hotel industry in the future. First is the use and increasing scarcity of various natural resources. Though broad and unpredictable at the micro level, resource depletion may affect hospitality through increased utility bills, increased costs of supplies and services, and increased cost of travel. This trend was illustrated by Wyndham's Faith Taylor and EcoLogical Solutions's Tedd Saunders, who presented some of the challenges the planet currently faces in terms of population, consumption, resource depletion, and climate disruption. Aside from costs, the way



Tedd Saunders: The hospitality industry will need to monitor future trends in resource use.



Denise Naguib: Globalization presents new issues for sustainability.

humans use natural resources may shift, which will also have implications for the hospitality industry, which would then have to adapt to such shifts in sustainable resource consumption. Harking back to the discussion of customer choices, natural resources use may be the driver for changes in operational practices and guest perceptions.

The second trend identified is technology—specifically social media, which will affect hotel sustainability in its own way. Discussion of the effects of social media was wide ranging. This included the instantaneous spreading of information so that any negatively perceived actions or infractions of environmental or social practices can quickly spread. Likewise, the industry may find ways to use social media as a channel to communicate strategies, practices, and performance relating to sustainability. Finally, the guest interfacing with technology, also through social media applications, can shift behaviors and perceptions of guests.

The final overarching trend is globalization, which points to issues relating to emerging markets. The majority of major hotel brands' growth will be in emerging markets. These areas will have different issues of environmental protection and resource use, customer perceptions, and regulations. As pipelines shift toward different markets, the discussion of sustainability involves a more comprehensive stakeholder audience from a global perspective. As identified in the beginning session, the different regulations, codes, local practices, and customer preferences across the globe present continuing challenges in their management. An example previously offered by Denise Naguib, corporate senior director, sustainability, of Marriott International is that major growth markets such as China, India, and Brazil present specific challenges, such as a lack of a locally available recycling structure. Globalization also involves the interconnectedness of markets, supply chains, and resource

use. Shocks due to economic volatility, natural disasters, and social issues can affect regions and the industry as a whole.

The three key trends are obviously not unique to the hotel sector but affect business and society in general. These changes are occurring amid the efforts of sustainability professionals to roll out platforms and balance different stakeholder requests. To address this complexity, the group also arrived at three main barriers that inhibit hotel sustainability. The first barrier is that of educating and communicating information to internal and external audiences. The gap identified during the first session's discussion plays a role here. The challenge exists to match the increasing complexity of sustainability with awareness of key audiences, mainly hotel employees at all levels. As well, communicating practices and performance to the guest remains a challenge for the issues outlined in the session discussion on customer choices.

A lack of education and communication to top executives leads to the second barrier identified, which is that often sustainability is not treated as a business issue. The legacy of philanthropy and public relations efforts had treated sustainability through a corporate social responsibility lens, in which sustainability was trapped in an "organizational silo," with a limited focus. Sustainability must move outside of its silo and become an all-encompassing framework of environmental, social, and governance issues which collectively form cross-cutting initiatives and address multiple stakeholder audiences. On the other hand, if immediate sustainability issues are treated as philanthropic efforts unrelated to business strategy, it is difficult to make significant advancement. Participants noted that sustainability is now being treated as a business issue in other leading firms and industries, and will likely become the same for hotel companies regardless of how it is currently treated.

The final barrier is that even when it is treated as a business issue, sustainability currently exists in a short-term, operational focus rather than a long-term brand focus. By concentrating on low-hanging fruit and the immediate ROI of efficiency initiatives, the larger picture of how to create and maintain value for the organization is missing from the discussion. This final barrier manifests itself as a result of the aforementioned educational and strategy-level barriers. Since many responses to stakeholder requests have arisen in a reactive form, sustainability professionals often have attention directed to these requests and challenges, but as a result are not able to comprehensively examine the issues from a strategic level and relate them to how sustainability connects to brand value.

For overcoming these barriers as well as helping bring awareness to the trends, research and collaboration once again surfaced as key industry needs. The roundtable concluded with a wrap-up and recap of specific issues to further explore. Relevant, meaningful research relating to hotel sustainability is needed in the industry that adds value beyond what individual companies can undertake internally. Industry participants identified several opportunities for academe to help advance sustainability within the industry. As an independent third party, academic researchers can help analyze data and provide recommendations on pressing topics. Topics identified were:

1. The representativeness of the EPA Energy Star Portfolio Manager data set and scoring method for rating U.S. hotels.
2. A thorough examination of the different standards, frameworks, and certifications that involve hotel sustainability so that
 - (a) a synthesis of key components can be identified;
 - (b) each standard, framework, or certification can be analyzed and evaluated; and
 - (c) recommendations for future use of standards and certifications in hotel sustainability can be provided.
3. An operational assessment of the requirements necessary to obtain adherence to the APEX/ASTM Sustainable Events Accommodation standard from the perspective of the hotel property and chain.
4. Future business-as-usual scenarios of the U.S. and global lodging industry amid the global trends of emerging market growth, climate disruption, and supply-demand considerations.
5. Quantitative study of the current and future risks associated with climate change and resource scarcity to the hotel industry in general and to specific markets or segments, as related to risk management.

Three specific opportunities were also identified For further industry collaboration:

1. Assessment and commentary for the Global Reporting Initiative's G4 guidelines and how the hotel sector may best report its ESG material issues, impact, influence, and performance.
2. Working with the U.S. Government Services Administration to provide recommendations for appropriate criteria to be used in selecting hotels and hotel venues for government travel procurement.
3. Assessment and commentary for the APEX/ASTM Sustainable Events Accommodation Standard as to the appropriateness, relevance, and practicality of its application, along with recommendations for improvement.

Finally, a need and opportunity exists for bringing the content and related issues into classrooms of hospitality education, which can then be converted to applied research. In addition to adding research value to the industry and serving as the purpose of overcoming the educational barrier identified, it is the current generation of hospitality students that will likely face the many issues of sustainability head-on, regardless of the nature of their career within hospitality or department within a company. ■

Note: We welcome feedback on the roundtable and its proceedings to help industry and academe move forward. Please send us your feedback and commentary to eer3@cornell.edu.

Additional Sustainability Resources

[Environmental Management Certification and Performance in the Hospitality Industry: A Comparative Analysis of ISO 14001 Hotels in Spain](#), by María-del-Val Segarra-Oña, Ph.D., Ángel Peiró-Signes, Ph.D., and Rohit Verma, Ph.D.

[Developing a Sustainability Measurement Framework for Hotels: Toward an Industry-wide Reporting Structure](#), by Eric Ricaurte

[Hotel Guests' Reactions to Guest Room Sustainability Initiatives](#), by Alex Susskind, Ph.D., and Rohit Verma, Ph.D.

[The Challenge of Hotel and Restaurant Sustainability: Finding Profit in "Being Green,"](#) by Glenn Withiam

[Sustainability Roundtable 2009: The Hotel Industry Seeks the Elusive "Green Bullet."](#)

[Sustainable Hospitality[®]: Sustainable Development in the Hotel Industry](#), by Hervé Houdré

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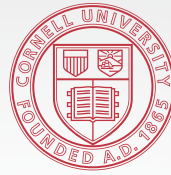
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