

GOING GREEN FOR GUESTS, ENVIRONMENT, AND BRAND

By Lawrence Hefler

This is the year of the 'green' consumer. Green has become a mainstream issue driving millions of consumers to find out how they can live a more eco-friendly existence. "Eco" has led to a new wave of consumer marketing in a grasp for 'green' market share. Some of the implications of 'green' for consumers include: eco-travel, environmentally friendly hotels, 'green' buildings, environmentally friendly interior design, and hybrid vehicles. This trend is now prevalent in the lodging and hospitality industry where more hotels are going 'green' (or at least saying, they are) and offering eco-friendly options. In an industry with a proliferation of brands and choices, 'green' appears to be competitive hot button for 2008. Problem is there is no easily understood or widely accepted consumer understanding of what is really "green."

So why become an eco- hotel?

'Green' programs can lead to enhanced perceptions of hotels and brands. Hotels by their very nature of transient guests, groups, consumption, and housekeeping are inherently an impact on the environment. The opportunity for hoteliers is to embrace environmental consciousness and 'green' practices. Once an environmentally focused hotel is operational, it can be marketed as such and their eco-story shared with guests, consumers, employees, the industry, and the media. It's now becoming more apparent that greening makes economic sense beyond being the right thing to do. The U.S. Green Building Council research has shown that the costs of going 'green' can be negligible in new buildings.

The Leadership in Energy and Environmental Design (LEED) Green Building Rating System encourages and accelerates adoption of sustainable 'green' building and development practices through tools and performance criteria. LEED provides strategies for sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality. These efforts are designed to promote both minimal environmental impact and the health and well being of the inhabitants. The cost for LEED certified projects has been shown to be only one to two percent, which is likely to be recovered through incentives and long-term cost savings. In fact, LEED-certified buildings typically save in energy usage, carbon emissions,

water consumption, and solid waste. As encouraging as these sound, there are levels of certification and only a few buildings and hotels are actually LEED certified.

Energy Star is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy that focuses on helping save money and protecting the environment through energy efficient products and practice. They have put the energy savings into hotelier “language”. With a 30 - 50 percent energy savings, a limited service hotel would achieve economic savings equivalent to increasing average daily rate (ADR) by \$1.80 - \$3.00, and a full service hotel would have the equivalent benefit of increasing ADR by \$4.00 - \$6.75.

Hotels and resorts around the world are going ‘green’ and becoming more environmentally friendly because customers are seeking it and demanding it.

Many organizations today have an environmental mandate. There is a growing movement toward ‘green’ meetings and ‘green’ weddings. Green meetings make good business sense because they save money by conserving resources, create and enhance competitive advantage and reputation, open up new markets, and present opportunities for marketing and public relations.

What exactly is eco – hotel brand?

First let’s define what is a brand? Beyond being a visual identification, a brand is a customer’s intuitive feeling about a product or service. It is the sum of all consumer experiences and touch points. In the case of hotels, resorts, and restaurants, the brand is defined by the guest rather than the company. Your brand is not what you say it is, but rather what the guest says it is. A brand is important because consumers face many choices and have too little time to sort it out. Many hospitality offerings are similar in quality and features. Consumers then will often make their decision on a brand that they believe they trust. The primary reason then to create a brand is to differentiate a hospitality product and service. This would not only reduce the need to compete only on price but also give employees a focus and a sense of purpose.

Hoteliers need a brand because just having a good product is not enough. Functionality and quality are expected. Consumers are often looking for a hospitality experience that will be relevant to their needs and align with their values. With more and more consumers basing

decisions on environmental consciousness, 'green' hotels will appeal to consumers with those values and attract them. Building a brand that incorporates eco sensitivity helps consumers in their decision making process. Hotels and resorts need to differentiate themselves with a brand and being a 'green' and eco-friendly brand can be a part of that. A 'green' brand image can help hoteliers to differentiate their property from other hospitality choices in their market. This can attract consumers as well as groups and meetings that require a 'green' location.

How do you brand an eco-hotel?

Once you are sustainable and it can be demonstrated, you will be credible and therefore marketable. While being 'green' and sustainable is unto itself an organic branding process, you still want to let people know about it. Not every guest will understand sustainability, but once explained will feel positive about it. Internally, the message first needs to be communicated to all employees. Internal marketing programs to educate staff will heighten 'green' visibility. Being 'green' affects everyone and branding is everyone's role. Signage and printed collateral will reinforce the eco message. Utilize any achieved third-party environmental certification, eco labels, awards, and voluntary initiatives. Wherever appropriate, include recognizable certifications such as three arrows for recyclable products and symbols for energy-efficient products. Externally there are several ways to incorporate an eco-hotel message into brand communications:

- Send an e-newsletter to your guest list to let them know about an upcoming or past stay and the benefits of their eco experience.
- Issue a press release to publicize a specific development at your hotel or within your brand. When you add "eco" into the message, you open up a whole new area of interest.
- Use your Web site to explain and promote the benefits of a 'green' lodging experience. Put a message on your Web site that charts energy and water saving results.

- Use blogs and seek user-generated content as a channel to educate consumers on the environment. Writing a blog is a way to get your 'green' hotel messages out to the public while also being a source of content that can lead users to your site.
- Create an online video to tell the story and connect it to *YouTube* which can be linked from your Web site or blog.
- Podcasting, another format for telling your eco story, allows you to communicate online to consumers and guests.
- Other "branding" opportunities include participation in community partnerships and local conservation.

Eco branding in action

Lodging is one of Florida's largest industries with millions of people visiting the state each year and at least half stay in a hotel, motel, resort or B&B. The Florida Department of Environmental Protection's *Green Lodging* program encourages, recognizes, and rewards environmentally conscious lodging facilities. Several properties from small independents to large branded properties have received the *Green Lodging* designation. It's just the beginning.

Fairmont Hotels & Resorts has been in the vanguard of the environmental movement since it launched its Green Partnership Program in 1990. At Fairmont, the environment is part of the culture, not just part of the program.

Hilton Vancouver, the first 'green' Hilton in the world, generated \$2 million in marketing and public relations value for the hotel's sustainable features in one year, illustrating the marketing potential of being first in their market with a healthier, more comfortable place to stay.

Kimpton Hotels are recognized for their numerous green innovations including: in-room recycling bins, housekeeping carts contain nontoxic cleaners, organic and shade-grown coffee, Property-wide printing on recycled paper, recycling of coat hangers, elimination of styrofoam cups, paperless check-ins/outs, organic flowers and more.

The Ambrose Hotel in California has a *Green Initiatives* section of their Web site indicating their commitment to holistic hospitality in protecting the environment and preserving precious natural resources. By going “green” they have made a promise to promote a lifestyle that ensures their environmental impact is minimal and as positive as possible. They have integrated various methods of ‘green’ living into their daily lives and encourage guests and team members to do the same. They reduce, reuse, recycle, compost, and continue to search for environmentally friendly alternatives. In the eyes of the consumer, a brand is a promise.

Are there risks to branding an eco-hotel?

Branding your hotel or resort as environmentally friendly can attract eco-concerned consumers and boost overall customer loyalty. But there are also potential risks as if consumers see you as ‘greenwashing’ your brand. As ‘green’ consumers become savvier, a sustainability message needs to be authentic and credible. With hospitality marketers now claiming carbon foot prints, ‘green’, eco-friendly, sustainable, natural resources, etc. the mandate is to not be seen or perceived as misleading or false. Consumers are expected to double their spending on ‘green’ products and services in the coming year. A brand’s ‘green’ image will be affected by skeptical consumers. Despite the temptation to shout ‘green’ initiatives, subtle and consistent is sometimes more effective—especially at the higher end of the market. Promoting by word-of-mouth, rather than through advertising, creates a viral message that can reach conscious consumers more effectively since they tend to be skeptical of claims of ‘green’ programs. Some properties even choose not to market its ‘green’ credentials because they believe that they should be doing it anyway.

In 2008, the branding of ‘green’ will only be as successful to hoteliers as the authenticity of their brand. Consumers will appreciate any attempt to be eco-conscious, but at the same time they just may get weary of all the ‘green’ claims. In any case, going ‘green’ is more or less a trend, albeit, an important one. As more hotels and hospitality brands embrace ‘green’, it will become less of a point of differentiation. A hotel should always be able to compete on its own brand foundation. Until that time going ‘green’ for people, places, planet and profitability will continue to change the hotel brand climate.