# 2024

# The Small Hotel Chains' Guide to Sustainability Data Management

Tips for Assessing and Overcoming Your Sustainability Data Management, Reporting and Certification Challenges







Small and mid-sized hotel chains – those with 10-100 and 100-1,000 properties under management, respectively – operate in a highly competitive environment. Global hotel brands often have a geographic and namerecognition advantage, while short-term residential rentals have eroded small chains' market share in many key destinations.

Combine those competitive hurdles with other operational challenges, like strategically deploying limited resources, scaling and increasing regional footprints, and maintaining property standards and guest satisfaction levels across their portfolios, and it becomes clear that small and mid-sized hotel chains need every type of efficiency they can get.

And this applies to sustainability data management as well. While sustainability may have been a "nice-to-have" quality for hotels in recent years, it's quickly become a mandate—and managing all the data to support eco-credentials is now a requirement for hotel networks of all sizes. Consumers are demanding more sustainable options from hotels, airlines and travel brands (80% say traveling more sustainably is important to them, according to <u>Booking.com's</u> 2023 Sustainable Travel Report). Government and regulatory bodies are making environmental, social and governance (ESG) reporting compulsory, and lodging sustainability certifications are creating a new competitive playing field.

#### Through this lens, **sustainability** is the new reality for hotels, and data underspins the entire system.

While all hotel groups face challenges in collecting, managing and communicating their sustainability data, these can be magnified for smaller and mid-sized chains. Knowing which sustainability credentials resonate with which traveler segment can be difficult. An enterprise-size hotel brand might hire consultants or devote an entire internal team to solving that challenge, but smaller groups may not have that option, either financially or with human resources.



1 | Small Hotels Chains' Guide to Sustainability Data Management | Spring 2024

The same applies to instituting data collection practices across all properties, automating data management processes and monitoring and complying with evolving regulatory requirements.

On the flip side, the time and cost savings that smaller hotel chains can achieve by connecting and automating the collection and communication of sustainability data are also magnified. These savings can enable smaller hotel operators to reallocate their limited resources to tasks where human intervention is significantly more valuable.

The ability to reliably communicate sustainability credentials to potential travelers or guests can also help smaller brands distinguish themselves and open new markets, making a considerable difference in sales growth than a larger chain might experience.

To gain these advantages, though, small and mid-sized hotel chains must first understand the challenges they face and be able to identify the appropriate solutions for their businesses. This guide is intended to help small and mid-sized hotel groups—and their sustainability directors or managers—assess their challenges and learn how the right solutions can provide a competitive edge in crowded markets.

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Dear Guest, Every day millions of gallons of water are used to wash towels that have only been used once.

# YOU MAKE THE CHOICE:

A towel on the rack means "I will use again." A towel on the floor means "Please replace."



Thank You for helping us conserve the Earth's vital resources.

## SAVE OUR PLANE



# Unique Metrics, Unique Data, Unique Challenges

Sustainability metrics are already complex. And effective data management becomes even harder as the type and quantity of sustainability certifications and requirements increase. This leaves small and mid-sized hotel chains unable to effectively communicate the true value of their sustainability credentials to potential guests both in their direct sales channels and on travel marketplaces. It can also lead to the loss of resources through inefficient data collection initiatives and leave hotels vulnerable to non-compliance with sustainability reporting standards. These potential negative impacts are ultimately attributable to the complicated, fractured and manual processes that too often define sustainability data management today. As a result, small and mid-sized hotel chains face a series of common challenges directly related to their sustainability data management practices.

# Let's review what these challenges are.

#### Challenge #1: Attracting Guests Who Prioritize Sustainability

It might seem counterintuitive that a back-end data management process can have an outsized impact on a smaller hotel chain's topline revenue. But when it comes to managing individual properties' sustainability data in a way that ensures clear communication of sustainability credentials to potential guests, that's exactly the case.

Surveys show that <u>81%</u> of travelers intend to choose sustainable accommodations over properties without eco-friendly accolades, and <u>52%</u> of business travel managers consider a hotel's sustainability practices essential. According to a <u>2023 report from Booking.com</u>, 76% of consumers say they want to travel more sustainably in the near term, a 16% increase from the company's 2021 survey and 5% higher than in 2022.

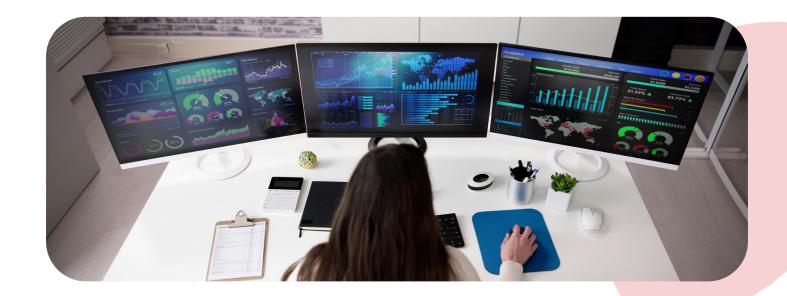
But the statistic that best underscores the need to manage and communicate sustainability data more effectively is that nearly half of consumers (43%) are willing to pay extra for travel options with sustainable certification.

For small and mid-sized hotel chains for which average daily rate (ADR), RevPAR and total per-guest spend are more important success metrics than occupancy, this is a key challenge to overcome.

### Challenge #2: Minimizing Double Accounting and Redundancies

Small and mid-sized hotel chains may not have as many properties under management as multi-national and global groups, but even a few dozen or a couple of hundred properties represent a major logistical challenge for collecting and aligning sustainability data. Combine that with the sheer volume of certifications available, and redundant data collection and recording become nearly inevitable.

Over 200 companies worldwide currently offer sustainable accreditation and certification processes to hotels and hospitality groups, and a hotel chain needs to divulge the sustainability metrics associated with each property to those entities to earn accreditation. Under a traditional system, sustainability directors and managers will likely find themselves entering the same data multiple times—and many times—taking up valuable resources in the process.



#### Challenge #3: Creating New Efficiencies

Data collection processes that involve so many participants are not only complex but also likely to be managed by disconnected, disparate systems, making it difficult for data to flow together uniformly—or in real-time. This compels sustainability directors and managers at smaller hotel groups to manually reformat data, resulting in resource-intensive and sporadic data updates, and often, with some errors. Similarly, if data is only uploaded at infrequent intervals, such as every few months or annually, maintaining current standards becomes a laborious and expensive undertaking.

For small and mid-sized hotel chains looking for every operational edge, leaving processes like these un-streamlined is both a major liability and challenge to surmount.





#### Challenge #4: Limiting Manual Processes

Accompanying the above challenges is a pervasive and hard-to-abandon reliance on manual processes. Hotel sustainability managers often rely on spreadsheets, surveys, and emails, to manually map and align data with the criteria specified by sustainability certification bodies and to receive accreditation. These manual approaches mean that sustainability data is usually out of date and fragmented by the time it reaches the end user. Some sustainability frameworks have over 1,100 possible reporting metrics; for a single sustainability manager, or even a small sustainability department, manually entering the data necessary to satisfy each of those metrics is a full-time job of its own.

Fortunately, some free tools are available to reduce the manual work that sustainability teams and departments currently undertake. BeCause offers two cost-free solutions through our platform: digitizing the Sustainable Hospitality Alliance's (SHA) <u>Hotel Carbon</u> <u>Measurement Initiative (HCMI)</u> and <u>Hotel Water</u> <u>Measurement Initiative (HWMI)</u> methodologies. These two features allow hotels to easily calculate their carbon footprint and water usage and then record and report that data digitally. The whole process is streamlined, enabling hotel chains to quickly roll out the metrics across their property portfolios.

# You can sign up for free access on the BeCause platform <u>here</u>.

Outdated, cumbersome, and costly sustainability data management procedures cost global hotel and travel brands about **\$8 billion a year**, according to our internal estimates at BeCause.

#### **Challenge #5:** Managing Evolving Regulatory and Compliance Requirements

Global governments are increasingly enforcing sustainability reporting a matter of regulatory compliance. This is particularly true in the European Union, where the <u>Corporate Sustainability</u> <u>Reporting Directive (CSRD)</u>, which is based on <u>European Sustainability Reporting Standards</u>, is already in place. Other regions have—or are considering—their own ESG requirements, including the <u>US</u>.

Some of these rules, notably the CSRD, mandate significant and sophisticated disclosures of sustainability measures that approximate the comprehensiveness of corporate financial reporting. Among the CSRD's requirements is a "double materiality" assessment, which instructs European hotel chains to report on not only the impact of sustainability matters to their own business, but how sustainability practices impact their partners, suppliers and the communities in which they operate. It's a complex regulatory framework, and one that all businesses in the EU must contend with.

For small and mid-sized hotel chains, identifying and satisfying these regulations is a significant burden, and requires an adaptable sustainability data management solution.

### Challenge #6: Reducing Complexity

To fulfill their reporting requirements or to qualify for sustainability credentials, all hotels must collect data from multiple internal and external sources, and then use the data for various purposes (getting certified, reporting, compliancy, communicating it to travelers directly on booking platforms like Google and Booking.com). The sheer number of stakeholders creates an inherently complex system, and collecting and communicating sustainability data accurately and reliably to all of them is a challenge that can only be resolved by a utilizing comprehensive technological solution built for hotels.





## Solutions Tailored to **Sustainability Data Challenges**

The good news is that more effective sustainability data management is available and attainable for smaller hotel chains. And it comes in the form of a sustainability data hub.

A sustainability data hub streamlines all aspects of sustainability data management by gathering relevant and required information and facilitating automated data transfers to stakeholders in real-time. The result is a more efficient, cost-effective, and overall transparent system and a single source of truth and visibility.

For small and mid-sized hotels, this means more of the properties in your portfolio can enjoy sustainability certifications, attracting a higher-spending segment of guests. It also means eliminating double accounting and redundancies in your sustainability data collection and reporting processes and putting the data you do have to work in more ways. And it means you'll have a significantly easier (and faster) time maintaining compliance with emerging sustainability regulations.

> By harnessing a sustainability data management hub, small and mid-sized hotels like yours gain:



#### **#1:** Simplified, Streamlined and Centralized Sustainability **Data Collection**

An effective sustainability management hub pulls data from your individual properties through a single portal containing simple interfaces and checklists, then coordinates that data automatically according to certification standards or regulatory frameworks. This eliminates the need for your sustainability directors and managers to manually collect data from partners or staff at the property level, saving significant time and resources. This also allows the hub to serve as a universal source of truth for your hotel chain's sustainability efforts.

#### **#2.** The Ability to Map Data Across the Sustainability Ecosystem

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#### **#3. Increased Automation and Efficiency**

It's impossible for small and mid-sized hotel chains to create efficiencies in their sustainability data management processes without the extensive use of automation. Automated data transfers via API from your individual properties to a sustainability management hub ensures that data is current and accurate.

Automatically mapping requirements from new certifications or new regulatory frameworks to existing data ensures that your hotel chain is getting the maximum recognition and benefit from your sustainability efforts. And automatically sharing sustainability credentials with distribution channels, such as travel marketplaces, also ensures maximum exposure of your hotel's eco-friendly initiatives to a wide audience of travelers. All of these actions and outcomes underscore the importance of automation in sustainability management hubs, a key feature hotel sustainability

directors should prioritize when selecting a solution and partner.



## Advantages of Utilizing a Sustainability Data Management Hub

How do streamlined data collection, data mapping and automation translate to results for small and mid-sized hotel chains? In three important ways:

#### **#1.** Appeal to and Fulfill the Needs of a Valuable Customer Group

By making it easier for travelers to recognize the sustainability credentials of individual properties in both direct sales channels and through travel marketplaces, smaller groups can tap into the growing demand for sustainable travel and cater to higher-spending guests that make up this segment.

#### **#2.** Reduce the Costs Associated with Sustainability Data Management

Utilizing a sustainability management hub can result in a significant 60% reduction in sustainability management costs and accelerate return on investment by up to six times within the first year of implementation alone.

#### **#3. Demonstrate the ROI of Sustainability Certifications to Individual Properties**

For individual properties within a small or mid-sized hotel chain, the benefits of collecting and managing sustainability data are clear and tangible when utilizing a sustainability management hub; increased occupancy and higher-value bookings.



#### Don't feel like your hotel group is ready for a comprehensive sustainability management solution yet?

The good news is that there are incremental steps you can take right now to gain insights into your operations' impact. For example, the free **<u>HCMI and HWMI</u>** tools offered by BeCause can be your entry point into sustainability management, giving you complete visibility into your carbon and water usage before you commit to an end-toend platform, and with easily generated reporting, too.

Start your journey here.



# Gain the Edge with BeCause: Elevate Your Hotel's Sustainability Efforts

As the only purpose-built sustainability management hub for the global hotel, travel and tourism industries, BeCause is committed to helping hotel brands of all sizes optimize and improve their sustainability data strategies and processes.

BeCause's sustainability management hub harnesses technology, including artificial intelligence and machine learning, to simplify the flow of information, making it faster, more cost-effective and incredibly efficient for hotels and all stakeholders to streamline and share critical sustainability data. The hub centralizes all certification criteria and data, making key metrics available across sales channels and enabling multifunctional data utilization.

With a specialized industry focus, the BeCause platform seamlessly integrates with reporting standards, calculation tools, and features tailored exclusively for the travel and tourism sector. Importantly, BeCause automatically maps your data to different frameworks and databases, including third-party certifiers and government frameworks like CSRD, eliminating manual and repetitive processes and ensuring compliance with evolving rules and requirements.

With partners including major hotel brands like Hilton and Radisson, as well as trusted certifiers such as GreenKey Global, Greensign, and TourCert, and by collaborating with industry organizations like the Sustainable Hospitality Alliance and the World Travel and Tourism Council, BeCause ensures that small and mid-sized hotel chains like yours can reap the same benefits of optimizing sustainability data management processes as the largest global brands.

For smaller hotel groups, embracing sustainability isn't a choice-it's a necessity for long-term success. With BeCause, you gain the tools to lead the way in sustainable travel, benefiting your guests and your bottom line.

> To learn how a sustainability management hub can meet your hotel group's sustainability reporting needs, get in touch with us today.



## Booking.com

easyJet

Ecostars\*

Google

## **Green Key**





HOTELMAP









## TourCert

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WebBeds

### Meet BeCause: Making sustainability management flow

We are an enterprise software company that enables sustainability data to flow simpler, faster and cheaper so travel and tourism companies like yours can positively impact people, the planet and their profits.

We work with over 22,000+ companies, including sustainabilitycertified hotels, eco-labels, certification entities like GreenKey, industry partners including UN GSTC and marketplaces including Booking.com. The BeCause Sustainability Management Hub allows organizations to collect and display all communications about their sustainability efforts in one place, empowering them to make sustainability manageable for their operations and a competitive advantage for their business.

For more information about us, please visit because.eco.



#### www.because.eco