



DIGITAL MARKETING CONFERENCE

A Commercial Strategy Event



23rd August 2023

**Courtyard by Marriott
Phuket Town**

PHUKET | THAILAND

Time to Utilize and Monetize Sustainability

DIGITAL MARKETING CONFERENCE



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Associate Professor, Hospitality Business Program
Singapore Institute of Technology



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PHUKET THAILAND

Speakers



Assoc. Prof Dr Michael Kruesi



Assoc. Prof Dr Detlev Remy



- Professor of strategic management and sustainability at SIT since 2019.
- Previously worked as a Professor in Taiwan and NZ.
- Previously held various positions in hotels in NZ, Europe and South America.
- Founder of **Xterra Tech** – A research-based and data-driven company providing sustainability solutions for the hospitality and tourism industry.

Speakers



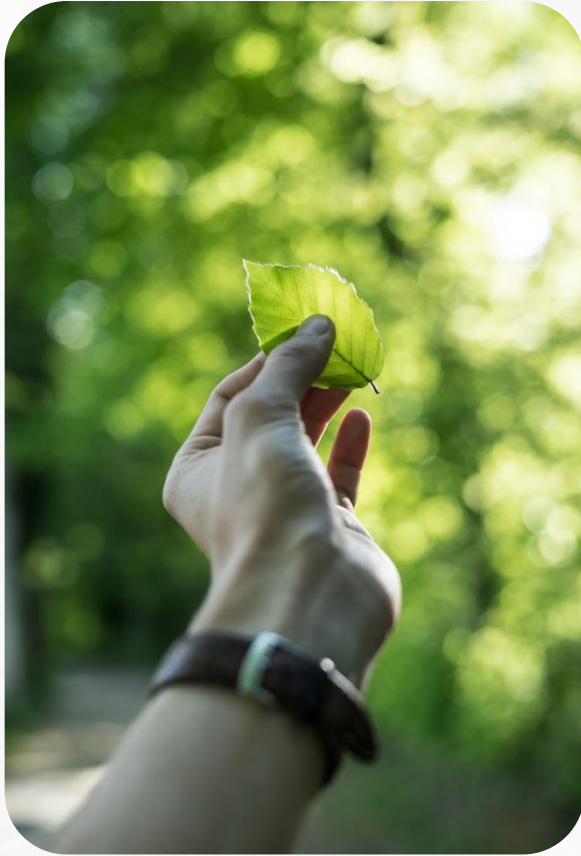
Assoc. Prof Dr Michael Kruesi



Assoc. Prof Dr Detlev Remy



- Professor of Revenue Management at SIT since 2016.
- Professor for Revenue Management at Laureate Universities 2007-2016, Switzerland.
- Various positions in the Hospitality Industry, Consultancy & Academia.
- Over 30 years hospitality industry experience. Founder of a consultancy business; **Remy Consult**, with clients in Germany, Ireland, UK, USA, Cambodia, Singapore etc.



Introduction

The Current Situation

Love it or hate it...it's not a trend, or a fad – Sustainability is here to stay.

It is demanded by the market and increasingly driven by regulation.

Requires a learning curve, an investment and time, but also presents an opportunity for early adopters.



Sustainability practices could lead to revenue optimization.

Plan how to utilize, develop a trust score, revamp the loyalty program to fit and promote through 'narrative'.

A/Prof Remy and I are actively researching the link between sustainability, digital marketing and revenue management.

The Problem



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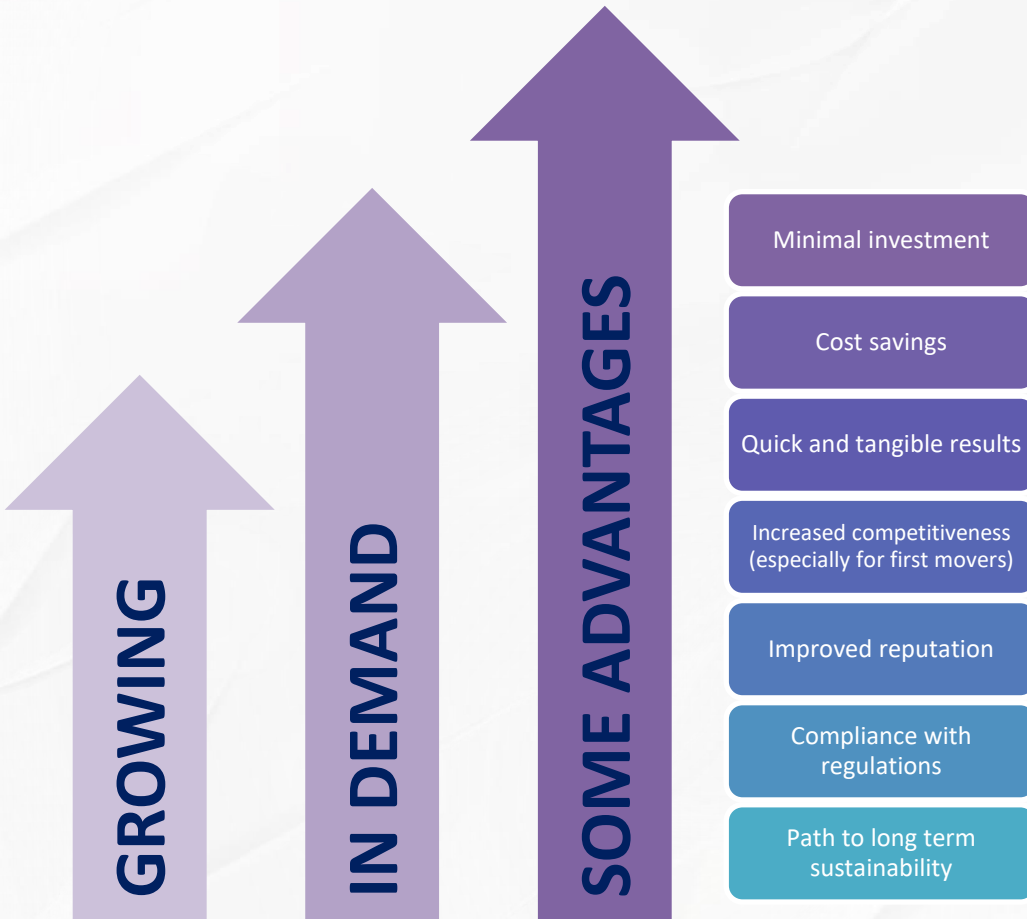
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2



In fact, there is still a reluctance in the industry to prioritize sustainability. Especially to do anything beyond what is regulated.

3



... so WHY then?

In other words, **sustainability** can be effectively utilized and importantly, **monetized!**

Specifically, numerous strategies exist for **turning sustainability into an advantage**. Chiefly by measuring, benchmarking, rewarding and promoting your sustainable practices.

Utilizing Sustainability



The “Low Hanging Fruits” are a Good Start



Let's start with 'utilizing' the
“low-hanging fruits” to address
the core sustainability impacts

Why?



Low Hanging Fruits

It makes sense to start with something simple & easy-to-understand to persuade the stakeholders involved.

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Low Hanging Fruits

It makes sense to start with something simple & easy-to-understand to persuade the stakeholders involved.

Identify resource-effective, short-term & visible sustainability activities.

It is a tangible way to:

- Measure sustainability efforts, apply benchmarking, & develop suitable KPI's.
- Integrate sustainability into your loyalty program.
- Inform & educate your stakeholders, through digital marketing.

Costs vs. Opportunities

Short-term Investment



Upfront Costs

Implementing sustainable practices entails initial costs for hotels.



Employee Training

Educating staff on sustainable practices and integrating eco-friendly habits.

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Long-term Opportunities

01

Cost Savings

Sustainable investments lead to reduced operational costs in the long run.

02

Enhanced Reputation

Hotels can attract more guests, resulting in higher occupancy rates and revenue.

03

Competitive Advantage

First movers enjoy higher RevPAR and ADR than later adopters in their compset.

04

Regulatory Compliance

Hotels can stay ahead of potential regulatory changes and avoid non-compliance penalties.

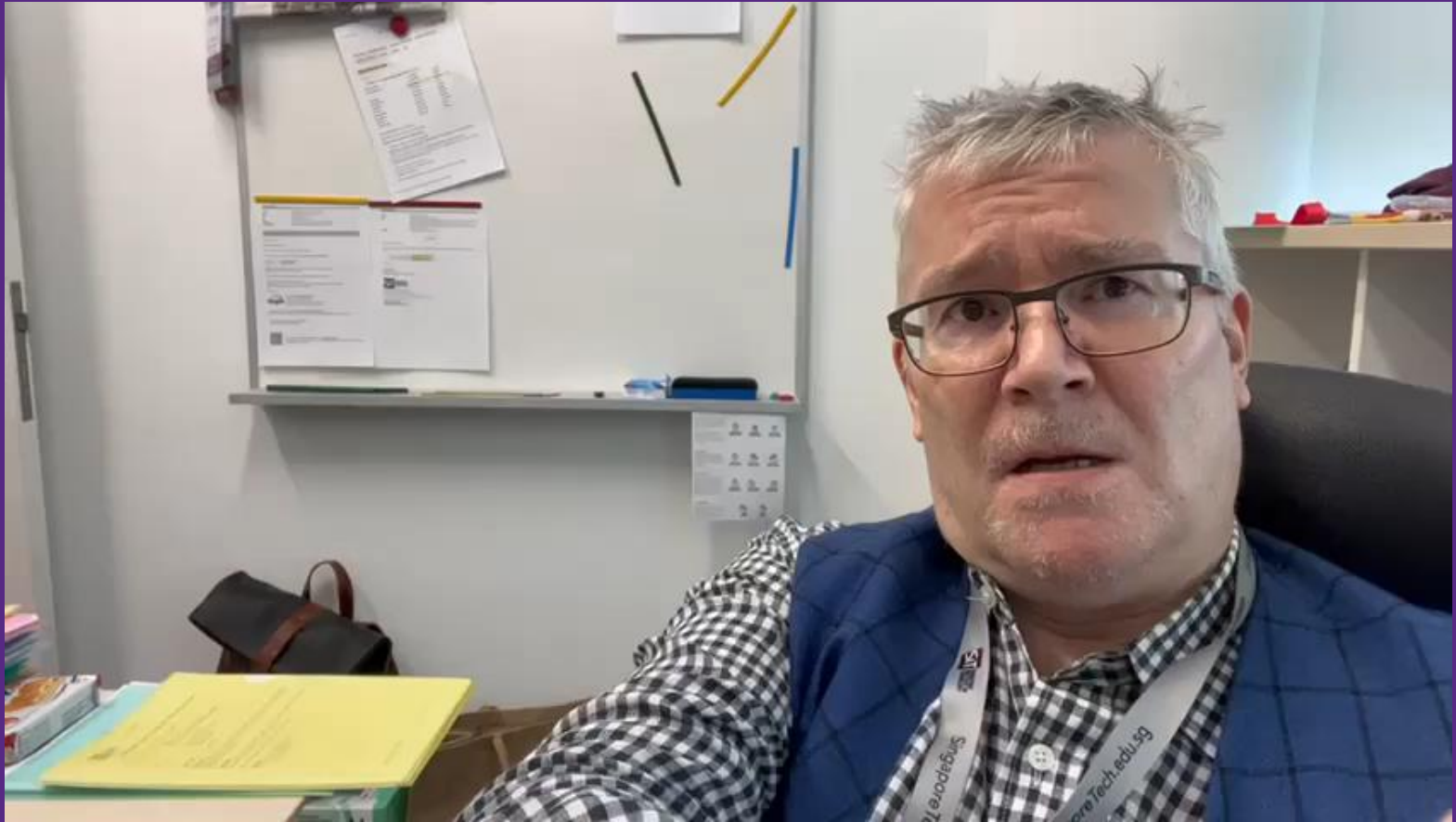
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Customer Loyalty

Guests who value sustainability are more likely to pay premiums and to become loyal customers further contributing to long-term success.



Monetizing Sustainability



An Overview

01

Follow the ORM model - start to measuring, benchmarking and developing sustainability performance indicators.

02

Build it into your loyalty program.

03

Use digital marketing to promote it on your website and via third-party intermediaries.

Sustainability and ORM

- The ORM trust score model requires measuring and benchmarking various data points to objectively improve a hotel's reputation.
- Independent and unbiased reviews of a hotel's features, amenities and services are calculated into trust score.
- Hotels must similarly assess their sustainability performance, identify areas for improvement, and demonstrate their commitment to eco-friendly practices.
- This transparency and accountability could contribute to building trust with guests and stakeholders, further enhancing the hotel's reputation and long-term success.

Sustainability and ORM

Measuring

- Collect sustainability data, to quantify the hotel's environmental impact, such as:
 - Energy consumption, Water usage, Waste reduction, Carbon emissions.

Benchmarking

- Comparing the hotel's sustainability performance against compsets and industry standards.
- Evaluate the hotel's performance relative to competitors to understand its standing in the market.
- Identify areas for improvement.

Sustainability Performance Indicators

- Establish clear, quantifiable indicators reflecting the hotel's sustainability goals and objectives.
- Continuously monitor and update these indicators, tracking progress, ensuring transparency, creating trust among guests and stakeholders.
- Ultimately move towards recognized certification.

Loyalty Program

Monetizing sustainability can also be achieved by revamping your loyalty program.

Review and convert your loyalty program into a sustainability-driven one, specifically by:



- Giving customers the option to earn (extra) points by rewarding sustainable actions
- Bringing forward their ideas and implementing the good suggestions.
- Aim to turn them into sustainability ambassadors.

Promotion Through Digital Marketing

Base your promotion on story telling. Establish a compelling and authentic sustainability narrative, inviting customers and employees alike to become integral participants.

The narrative

Begin by communicating (beyond mere promotion) sustainability e.g., certification displays, credentials, customer reviews (this also links to ORM)

Throughout the customer journey

Promoting it at each juncture of the customer journey from dreaming & inspiration, to the actual stay, to post-stay experiences.

Gamification

Develop small gamified sustainability activities to get the customers on board, creating traffic and awareness.



Conclusion

Key Takeaway

- Sustainability is here to stay! Yes, there is a cost, but it makes sense.
- Plan on how to utilize sustainability and then how to monetize it.
- Follow the ORM model, build it into your loyalty program and promote it.
- **We encourage hoteliers:**
 1. To focus on the easier and more impactful sustainability initiatives.
 2. To measure and benchmark their hotels' sustainability efforts.
 3. To build sustainability into the loyalty program
 4. To promote their standing/ranking through digital marketing.



Xterra Tech invites industry partners to start measuring, documenting and promoting their sustainability efforts, offering a special promotion for DMC delegates.



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