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POSITIONING SACCHARUM IN MADEIRA AS A SUSTAINABLE LUXURY HOTEL:
BRAND DO – ADAPTING AND INNOVATING THE PRODUCT OFFER

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Abstract

Sustainability has been prioritized on the global agenda. Growing consumer awareness of environmental issues has prompted companies to shift their portfolios towards sustainability, and industries like luxury and hospitality are also contributing to the trend. More and more luxury hotel chains around the world are incorporating sustainable practices to achieve a green transition. Hence, the objective of this paper is to understand how a large luxury hotel like Saccharum can achieve a sustainable positioning. The recommendations focus on how the hotel can strengthen its current offering and what new practices and initiatives it can implement from an operational point of view.

Keywords

Sustainability, Hospitality, Luxury Hotels, Sustainable Portfolios, Strategic Sustainability

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Group Part

1. Introduction

Saccharum is a Portuguese luxury hotel owned by Savoy Hotels & Resorts, one of the largest luxury hospitality companies in Madeira. The group has six hotels on the island that form the Savoy Signature collection, three of which are five stars hotels. The hotel was conceived as a wellness destination, based on its quiet, seafront location, spa, and cuisine. With the return of tourism following the COVID-19 pandemic, Savoy wants to strengthen the positioning and differentiation of its hotels. For Saccharum, Savoy aims to establish the property as a leader in sustainability and social responsibility, within the company, on the island, and in the hotel industry. Therefore, to investigate how the hotel can strengthen its positioning by adopting sustainable strategies and actions this Field Lab aims to “reposition Saccharum as a leader in sustainable luxury hospitality”.

To achieve this purpose, both primary and desk research were conducted. The first one included qualitative and quantitative research. The qualitative research was aimed to assess Saccharum’s brand identity and brand image, understand Saccharum’s current target group’s characteristics and decision-making process. Semi-structured and in depth-interviews respectively with current guests and staff were used together with on-site observations to analyze Saccharum’s potential in terms of sustainable luxury hospitality. Quantitative research was also conducted through a quantitative structured questionnaire targeting luxury hospitality consumers with the purpose of assessing their values, preferences and buying behaviors, as well as their sustainability consciousness and associations with luxury. At the end of the research a SWOT analysis was also conducted to identify and assess Saccharum’s internal strengths and weaknesses, and external opportunities and threats. The desk research for this Field Lab was composed of competitive analysis and benchmarking to address three challenges: 1) explore

success factors for sustainable luxury positioning and how these pertain to hospitality; 2) study best-practice cases of sustainable luxury hotels and resorts nearby and worldwide; 3) assess of alignment between Saccharum current situation and market expectations. Additionally, thanks to a framework developed, this work will identify the match between luxury, sustainability, and hospitality by opposing the values of the three concepts, and then uncovering similarities, shared convictions, and also conflicting principles among the three. Taking the 2030 Agenda for Sustainable Development (UN 2015) into consideration, it will finally develop scenarios, including implications for branding, management, and operations proposing recommendations to reposition the luxury brand Saccharum and realize Savoy's strategic goal through a new sustainability DNA.

2. Contextual Background

2.1 Saccharum

The hotel was built in 2015 in Arco da Calheta, Madeira (Saccharum website). Saccharum is noticeably big in size: it has 243 rooms, 5 pools, 4 restaurants, a big spa, and a vegetable garden accessible to guests. The hotel target group are mainly couples who want to enjoy a romantic or a wellness stay in a retreat hotel surrounded by nature. It mainly has European customers, but recently started receiving international bookings also from oversea (Australia and United States), especially after new direct flights routes from New York City and Rio de Janeiro to Madeira (Graça Guimarães, Savoy Signature Head of Sales).

The hotel's service is very customer-oriented and various experiences offered to guests are tailored to make them live at most their Madeiran stay and experience local traditions and festivals. Two interesting examples are the trip to the local market in Funchal where guests can shop fresh groceries and cook traditional dishes with the chef at the hotel, as well as participate in the famous flowers' festival in April. Finally, to fully enjoy their time at Saccharum, guests could also choose to purchase the "Premium Experience" pack, where they have the possibility

to enjoy different facilities, lounges, and services – like the spa – to enhance their stay. (Udo Vital, Saccharum Guest Experience Manager).

Saccharum is built around the sugar cane concept. In fact, “saccharum” is the latin name for sugar cane, which was brought to Madeira in 1425 with the beginning of the colonization of the island (Madeira Rum 2021). Many of the hotel spaces are references to sugar cane machineries and design pieces that remind factory elements like pipes and tubes. The hotel wants to convey the sense of relaxation and wellness through a luxury facility with sophisticated design that is immersed in a calming natural place and offers a premium service.

The hotel is also committed to sustainability and over the years managed to adopt different green alternatives that will be discussed in more detail in the following paragraph. In 2017, Saccharum was also the most booked hotel in Portugal on Booking.com. (Bruno Teles, Hotel Management Director).

However, at the time it was built, the hotel received critiques for being such a large property in a spot quite far from Funchal, the island’s capital and largest city in Madeira. At the time, Calheta was badly connected in terms of highways, but with Saccharum’s opening, new streets were inaugurated making this part of the island more popular and touristic.

2.2. The Savoy Signature Group: Brand architecture & Portfolio

The name Savoy evolved from a small family business and over the years has become a legend of luxury hospitality in Madeira. The very first and original Savoy hotel, the Savoy Classic, opened its doors in 1917 (Savoy website 2022). The hotel welcomed the most distinguished aristocracy and visitors from all over Europe, helping the Savoy name to grow in popularity and mastering the art of welcoming and serving. The Group expanded its portfolio of hotels over the years with Royal Savoy, Calheta Beach Hotel, Saccharum and TUI Gardens, with no intention to stop. At the end of 2015, the AFA Group acquired the Savoy brand, SIET SAVOY S.A (Grupo AFA website) Besides the abovementioned hotels, the Savoy Group also included

the Savoy Palace construction project. The AFA Group is a business group with a consolidated international position active in several sectors, including construction, real estate, hospitality, business aviation, media, waste management, cement sales, aggregate mining and sales, highway concessions and energy (Grupo AFA). However, the Group’s main businesses are construction and engineering. AFA entered the hospitality sector in 1999 with the construction of Calheta Beach Hotel and then kept its foot in the industry when in 2014 built Saccharum. Another milestone in the Group’s history could be found back in 2019 when the AFA Group’s hospitality business was renamed Savoy Signature.

Savoy Signature is a growing hotel collection with a portfolio of differentiating experiences unified by the Savoy heritage. In fact, each hotel has its own distinctive value propositions, concepts, and audiences, unified with the brand prefix “Savoy” that stifles their individual concept and value proposition (Unlockbrands 2018). Before the rebranding, there was a collection of hotel units with distinct propositions, but their individuality was shadowed by the same name on top. The strategic solution Savoy adopted was creating a strong portfolio brand, that could build a value structure to hold individual unit brands with some vertical identity, and at the same time, allow a sense of group identity to flow throughout the structure (Figure 1).



Figure 1: Before and after Savoy Signature rebranding (Unlockbrands 2018)

“Changing the scale and going upscale required a comprehensive rebranding project for Savoy Hotels & Resorts and urged the answer to a critical issue: how to organize a set of clearly distinct brands under an overarching proposition and legitimacy” - Ana Costa Dias, Senior Strategist at Unlock Brands. (Unlockbrands 2018).

After the rebranding in 2019, this new paradigm created a new identity system. Each hotel has now its own symbol and typography, depending on its positioning, its own combination of colors, and Savoy signature is endorsed in every hotel name. All the hotel names were tweaked to help projecting the individual concept of each unit – like Gardens or Calheta Beach – and they are all powered with their own storytelling, target, and positioning. With this organizational structure, Savoy Signature acts as an umbrella brand, offering a portfolio of hotels with differentiating experiences. Currently, the group owns six hotels in Madeira with a total of 1300 rooms and 1112 employees (Savoy Signature 2022). Six hotels make up the Savoy Signature hotel collection:

- Savoy Palace –Tribute Cosmopolitan Resort
- Royal Savoy - Heritage Sea Resort
- Saccharum - Hedonist Design Resort
- Calheta Beach - Fine Sand All-Inclusive Resort
- Gardens - Panoramic Adults-Only Hotel
- NEXT - Connected Sea Hotel

To broadly define the concept of each hotel, the key features are structured as follows:

Savoy Palace. This is the most luxurious hotel of the group, located in Funchal, and it is the first hotel in Madeira to be part of the “The Leading Hotels of the World” organization. Savoy Palace targets upper-class customers (age range of 40-60 years old) and their points of difference are the artistic concept restaurants and lounge areas, the 72m long outdoor pool, the

presidential suite, the possibility to do private check-in and having one of the highest rooftop ocean-view on the island.

Saccharum. This hotel is located in Arco da Calheta, it is surrounded by nature and mountains in the background and has the ocean in front. The target group are 30-50 wealthy international customers, mostly couples, who choose the hotel for a romantic gateway or to live the Madeiran experience surrounded by nature. Their main PoDs are undoubtedly the location, the vegetable garden, the infinity pool directly facing the ocean and being a design hotel.

Royal Savoy. Its target group is elderly people who are looking for relaxation and want to enjoy their time in retirement. Royal Savoy is known for its British design concept, and in fact, most of the guests are from the United Kingdom. However, even though the hotel boasts 5 stars, the luxury level is less exclusive than the previous two. The rooms are designed to be comfortable and practical, as they are largely meant for time-sharing and longer stays.

Gardens. This hotel targets upper-middle-class couples around 35-50 years without children. In fact, its main point of difference is being the sole adults-only hotel, with a design strongly focused on nature. Plants and nature are recalled in every space of the hotel, which offers sophisticated and customized experiences to its guests.

Calheta Beach. Opposed to Gardens, Calheta Beach hotel is an all-inclusive resort for families. It is located directly on the beach of Calheta and offers plenty of services for children and family-oriented activities.

NEXT. This is the newest hotel in the portfolio, inaugurated in 2021. It is a four stars hotel that targets millennials and digital nomads. Its unique selling points are being extremely

technological, young, almost entirely paper-free, a big auditorium for movies and conferences, the possibility to do a self-check-in/out and a pool with underwater music.

The map below shows the positioning of all the hotels under the Savoy Signature collection (Figure 2). Given the variety of facilities, target, and experiences offered by each hotel, the cannibalization effect inside the Group is significantly low.



Figure 2: Positioning map (Work Project authors elaboration)

Currently, Saccharum is positioned as a design wellness hotel. As visually represented in the positioning map above, taking into consideration variables such as “Target” and “Luxury level,” every hotel has a clear positioning in the portfolio. However, since now the hotel is considering switching its positioning from a wellness retreat hotel to a leader in sustainable luxury hospitality, also the portfolio mapping would change accordingly.

2.3 Madeira overview

The island of Madeira is located in the northern Atlantic Ocean, about 900 km from mainland Portugal, and about 600 km from Morocco. (Visit Madeira 2022). It is part of an archipelago of four islands where Madeira is the largest and is the only one inhabited together with Porto Santo. Two other small groups of uninhabited, wild islands make up the rest of the archipelago.

Madeira is an island rich in culture, nature, art, and traditions dating back to the 13th century. It is mostly known for its environment, characterized by lush vegetation, rugged mountains, and of course, the surrounding ocean (Discovering Madeira 2022). As a matter of fact, the major tourist attraction of the island are its fascinating landscapes, and more than half of Madeira's surface is a protected area (Madeira All Year 2020). Inside the Natural Park of Madeira, in fact, can be found the indigenous Laurel Forest, a type of subtropical forest which dates back to the Tertiary Period. Given its relevancy and unicity, in 1999 UNESCO recognized the Laurisilva Forest of Madeira as "Natural Heritage of Humanity" (UNESCO World Heritage Centre 1999). It is the largest surviving area of laurel forest and is believed to be 90% primary forest. It contains a unique suite of plants and animals, including many endemic species such as the Madeiran long-toed pigeon. Madeira, in fact, has a very diversified vegetation which can be described as a combination of tropical and Mediterranean biodiversity, creating very different and suggestive landscapes (Visit madeira 2022). The park is classified as a Biogenetic Reserve, in which can be found a unique range of flora and fauna, with some rare species such as the Orquídea da Serra (Mountain Orchid), which is unique in the world. As the whole island's paradigm evolved around nature, it is the perfect destination for nature lovers and people who enjoy outdoor activities, especially trekking and hiking. Madeira was also nominated for the 8th consecutive time in the 2022 World Travel Awards (WTA), considered the "Oscars of Tourism", in the category of World's Leading Island Destination. But besides its natural beauty, Madeira attracts a lot of tourists also for its famous festivals and traditions. One example is the Madeiran Flower Festival, which takes place every year for four weeks after Easter when flowers are blooming. The Flower Festival is a cultural event associated with local traditions, whether through the performances of folk groups or through the construction of beautiful floral carpets, as a tribute to Spring. (Apmadeira 2022)

After COVID-19, “*Madeira fully recovered its pre-pandemic numbers in terms of tourism, and also Saccharum was able to cover the losses made during that period*” (Graça Guimarães, Head of Sales Savoy Signature). A huge contribution came from the proactivity of the Madeiran government, which really pushed to create green corridors to keep the island open from mainland Portugal, Germany, and the U.K. Tourism is the first Madeira’s source of income, thus they implemented safety measures free of charge through which guests could come to the island in mid-May 2020 (Graça Guimarães, Head of Sales Savoy Signature).

2.4 Saccharum & sustainability

The hotel decided to slowly move towards being more sustainable and eco-friendlier “*as a natural consequent evolution of the hotel’s original concept.*” – Saleta Valdes, Head of Innovation & Customer Experience Savoy Signature. In fact, the location immersed in nature, the overall concept around sugar canes, the vegetable garden and other green facilities have brought to a natural transition towards sustainability as a core characteristic of the hotel. Over seven years of hotel activity, Saccharum implemented different alternatives and improvements that will be described as follows:

- **Utilities:** For energy and maintenance, the hotel put solar panels to exploit the sunny weather of the island to heat the pool and tap water, switched to LED lights in almost every space to reduce energy consumption, collects and re-uses filtrated rainwater for gardening, and also uses glass as a mean of thermal isolation. Moreover, they implemented an in room air-conditioning system that stops working when a window is left open.
- **Suppliers:** the hotel made some changes over the years. They now give priority to local suppliers and sustainable partners to support regional businesses. They switched preference for reusable, returnable, and recycled goods with eco-friendly materials – for example, tetra pack bottles – replacing plastic alternatives. For spa treatments, they used to buy organic

products from local brands that come in recyclable packaging. However, despite the island provides most of the goods the hotel needs, it lacks animal farms and, thus, local meat that can be supplied to the hotel.

- Plastic & water/waste reduction: To reduce its footprint and educate its guests, the hotel adopted numerous environmentally conscious solutions. For example, in every room, guests can find refillable shower products, water bottles, and a grass-made paper with the “There's no planet B” policy. The latter advises guests that housekeepers will change their beach or bath towels only if strictly necessary to save water and reduce unnecessary waste. Plus, QR code menus can be found in every restaurant. Saccharum also developed its own hotel app where guests can find all the information they require, such as the possibility to book spa treatments, check the menus, or look up the services and facilities offered. Moreover, when paper is needed – as for the instruction leaflet Saccharum provides their guest with at the reception – the hotel substituted it with grass (organic) or recycled paper. Along the lines of waste reduction, thanks to the efficient warehouse management, Saccharum manages not to have food in stock that will expire and be thrown away. Speaking about food, to compensate for the leftovers from the buffet, surplus is served in the canteen for the staff within the day.

Overall, Saccharum is focusing more on the environmental aspect of sustainability, with a sustainability report that is published annually. However, the hotel is also committed at a certain level to the social aspect by supporting local businesses, hiring people from the island, and lastly with donations programs to support local communities and associations.

2.5. Sustainable luxury hospitality

The convergence of economic downturn and technological innovation has led to a turning point. As the weight of human impact on ecological systems has been apparent, there has been a rising

realization of the strong relationship between these systems - human health and economics - particularly among the younger generation. Consumers are questioning values and goals that overly prioritize material well-being. (Curtis 2022). Through faster information access and transmission, the continuing development of technology strengthens this scrutiny. Organizations are exposed to a level of transparency and visibility never experienced before, which puts pressure on them to adapt their behavior to shifting expectations. Everyone is expecting more from a business. Capturing customer passion and loyalty in the post-pandemic battle for market share increasingly entails adhering to new environmental standards and using frameworks and procedures based on common human values. (Fabius 2021).

The decade of sustainability in luxury has begun. An Accenture Strategy worldwide survey conducted in 2018 with a sample of 30,000 customers in 35 countries found that 62% of them view brands with strong ethical values to be appealing. It poses a potential issue for businesses in the luxury industry, which has long been connected to wasteful self-indulgence. By 2025, Generation Z and Y will account for 70% of all luxury purchases worldwide, and as they develop into adults, they will favor brands that have a beneficial impact on society and the environment and disengage from those that don't (Bain and Company 2021). Many older consumers are already leaning in this direction. The meaning of luxury is variable and constantly changes as a result of shifts in viewpoint, culture, and society. Luxury brands have the ability to be agents of change which affect how people think and act because they are related to emotional appeal, quality, and reputation. As a result of their legacy and resources, they may make genuine and actionable claims regarding sustainability. Furthermore, purchasing sustainable and luxury items are both means of self-actualization.

On the other hand, COVID-19 has radically changed the hotel industry landscape. According to a recent Accenture study, 83% of people aged 25 to 34 are willing to pay more for

environmentally friendly travel options (Accenture 2021). Any hotel company that struggles to align with its clients will be at risk from more environmentally conscious rivals. The industry has a rare chance to set the standard for sustainability. The Sustainable Travel Report 2022 from Booking.com reveals a movement in favor of ecotourism: Traveling sustainably is important to 81% of people who travel internationally, and climate change is cited by 50% of respondents as having an impact on their decision-making (Booking.com 2022).

Successful hospitality brands are incorporating these improvements into their routine operations more commonly. All the while they are traveling, people are making decisions that have an impact. Enhanced cultural understanding, socioeconomic opportunities for communities, and the chance to help rejuvenate and safeguard our planet for future generations are just a few of the positive effects that hospitality can have.

3. Methodology

3.1. Research question and objectives

In order to address the research question “*How to reposition Saccharum as a sustainable luxury hotel in Madeira and within the Savoy Signature group?*” four research objectives were designed to better address and solve the challenge.

The *first objective* is to assess Saccharum’s brand identity and brand image. To do so, different aspects must be analyzed, such as if the brand identity matches the brand image and which expectations the hotel management has in terms of positioning, target group, points of difference and unique selling proposition. Adding to that, how is Saccharum brand perceived across different segments, if the guests’ perception of Saccharum is the same as the brand desires it to be, which spontaneous associations guests have about Saccharum and finally if guests associate Saccharum with sustainability.

The *second objective* is to understand Saccharum's current target group's needs and characteristics and their decision-making process. For that, the reasons behind the guests' stays must be uncovered, as well as whether it is possible to identify different customer segments and their decision-making processes. Besides, the main goal is to understand if sustainability is part of the criteria taken into consideration by guests coming to Saccharum and Madeira, and at the same time if the island is perceived or has the potential to be perceived as a sustainable destination.

The *third objective* is to investigate luxury hospitality consumers' values, preferences and buying behavior with an emphasis on travel and leisure habits. Therefore, it is essential to identify the differences between consumers' preferences and tastes in terms of luxury hospitality among different generations and nationalities, but also understand how much luxury hospitality consumers care about sustainability. Crucial to the research is to identify spontaneous associations between luxury, sustainability and hospitality towards luxury hospitality consumers and find out if associating these concepts is perceived as a contradiction. Moreover, one of the major goals is to understand whether sustainability is already part of the consumer decision journey of luxury hospitality consumers: is sustainability the driver for interest, purchase, or even bond, and are consumers willing to pay more for a more sustainable luxury hotel? Furthermore, as Saccharum is an endorsed brand of the Savoy group, the research was designed to understand how the link to a group can influence an individual brand's sustainability perception.

Finally, the *fourth and last objective* is to analyze Saccharum's potential in terms of sustainable luxury hospitality with the purpose of uncovering tactics to enhance the guest experience. Taking into consideration that sustainability concerns several spheres (social, environmental and economic), the research was also designed to find out which aspects consumers value most

regarding sustainability in luxury hotels. Thus, it is necessary to explore the possibilities that Saccharum has to be more appealing to sustainable luxury hospitality consumers and which sort of initiatives they appreciate and engage with in brands. Lastly, to understand the style of communication these consumers appreciate for such initiatives and develop scenarios that would impact, in the best way, branding, management, and operations.

3.2. Research Design

3.2.1 Primary Data Sources

The first source of primary data was a qualitative observation on-site through a visit of the hotel between the 19th and the 22nd of September of the present year 2022. Through the observations, it was possible to experience first-hand what guests normally experience to better comprehend the strengths, weaknesses, and opportunities of the hotel on several levels – relationships between employees and guests, facilities, current and future initiatives, and, lastly, experiences provided to guests. During the visit, it was possible to collect the second source of primary data: 12 in-depth and semi-structured interviews were conducted with Saccharum staff members, with executives of the Group, and even with a councilor of Calheta's municipality, the region where the hotel is located. All the information regarding each interviewee, as well as the 12 tailored interview guides, can be found in Appendix 1.

Furthermore, the third source of primary data is 24 qualitative in-person interviews conducted with actual Saccharum guests staying at the hotel during the visit. These interviews, allowed to uncover the reasons why guests were visiting the island, how they got to know the hotel and how they came to choose Saccharum. Furthermore, through the interviews, it was possible to understand which factors were relevant in their selection process of a hotel, which booking channels were used and the reasons for their stay. Finally, their awareness of Saccharum's sustainability initiatives and actions was also investigated. The respondents' sample is

composed of 24 individuals, which means it is not representative of Saccharum's guests. It is mostly composed of females (58.3%), with an age range between 18 and 34 years old (62.5%), from the United Kingdom (33.3%) or other countries such as Germany, the Netherlands or Austria (25%). The majority of interviewees are also currently employed (75%). In Appendix 2 and 3 respectively the questions for these interviews, and the demographics can be found.

Finally, the fourth source of primary data consists of a quantitative structured questionnaire that was spread using social media channels - Instagram, LinkedIn, and WhatsApp - with the aim of collecting information regarding luxury hospitality consumers. The information collected includes their values, preferences and buying behavior related to leisure travel, if sustainability was a driver for purchase, and which channels these consumers use to understand if their hospitality choices are sustainable. Additionally, the associations they have concerning luxury and sustainability, if there are behavioral paradoxes towards it and how engaged and interested these consumers are about the employees' treatment, brand operations, brand culture and the communication regarding sustainability that comes from hospitality brands. Finally, the consumers' perception of Madeira and if they associate it with sustainability.

The target for this study were individuals that had stayed in a 5 stars hotel, in the past 5 years, for leisure for at least one night. The questionnaire is composed of five sections: (1) associations regarding luxury and sustainability, (2) consumer decision-making process, (3) the perception of a brand's sustainability, (4) Madeira Island perception, and finally (5) demographics. Regarding the sample, out of 426 respondents, 234 passed the filter question. The majority of them are between 18 and 24 years old (36.31%), come from either Italy (34.52%) or Portugal (31.55%), and their gender is female (63.69%). Besides, the majority have an academic degree as the highest level of education completed (67.86%), are skilled or specialized workers

(30,36%), and the professional area that best describes them is administration/business (43.12%).

3.2.2 Secondary Data Sources"

The research design of this paper is also composed of secondary data sources, both internal and external. The internal sources are documents provided by Saccharum, such as Saccharum Sustainability Report 2021, where analytical information regarding waste, water and energy management can be found, together with social initiatives and employee training information, as well as their goals for the next year. A further internal source accessed is the Savoy Signature Press Kit which illustrates detailed information regarding every Savoy Signature hotel. Moreover, another document analyzed was the Apresentação Estratégia Turismo Madeira 2022-2027 | 28 DEZ - Definição da Estratégia para o Turismo da Região Autónoma da Madeira no horizonte temporal 2022-2027. This report illustrates Madeira's strategy for tourism for the years 2022 to 2027. Finally, external secondary data sources include all academic research conducted, which comprises online articles, reports, data and information accessed through the websites or social media channels of all the hotels investigated for the benchmark.

3.3. Models

3.3.1. Three Pillars Model"

A framework was built to both deep dive into the core of the challenge and define the pillars and their synergies. The Tree Pillars Framework (Figure 3) helps identify the match between luxury, sustainability, and hospitality, and, by opposing the values of the three sectors, it uncovers similarities, shared beliefs, and conflicting principles in the diagram's central intersection. The diagram obtained is a useful tool both for the purposes of analyzing the challenge itself, and as a basis for the Saccharum's opportunities, strategy, and scenarios.

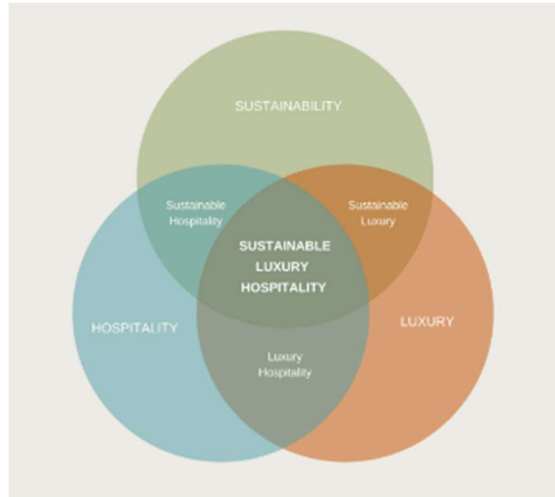


Figure 3: Three Pillars Model (Work Project authors elaboration)

Sustainable development is high on the global agenda. Intensive economic and population growth without regard for the environment jeopardizes the lives of future generations. Governments, non-governmental organizations, and individuals demand that all economic sectors adapt quickly. In the hospitality industry, sustainability is essential. Most consumers care about sustainability, according to a recent Trip Advisor survey (2022). The study found out that 62% of travelers had opted for more environmentally friendly hotels, food, and transportation, and 69% of survey respondents said they intended to make even more environmentally responsible travel choices in the future. Moreover, Hospitality organizations' success depends on their preserving the natural and cultural attractions that compel tourists to visit their destinations.

On the other hand, at first glance luxury and sustainability have little in common. "To many, sustainability still means slower, more complicated, less materially satisfying, and less profitable and this makes the notion of sustainable luxury like a paradox" (Pinkhasov 2015). While luxury is generally associated with ostentation, waste, and unnecessary consumption, and is limited to a small elite, sustainability is frequently associated with austerity, altruism, decreasing disparities, and constrictive living. Finding common ground for both businesses

appears to be hard (Lochard 2011). Socrates and Rousseau, both famous opponents of luxury, declared that luxury is organically linked to decadence and violates moral principles (Castarede 1992). Since then, the connections of luxury with ostentation and waste have persisted. Luxury is still under intense examination today, perhaps more than ever. The luxury industry has a critical (financial) interest in preserving its reputation, with its devotion to quality and perfect brand image assuring large profit margins (Kapferer 2010). Embracing sustainability is asking luxury to follow a very different path in terms of creativity and transgression (Girod 2021). Should it now be subject to regulations imposed from outside? Must it abandon its traditional mystique in favor of transparency? Traceability and the collecting of high-quality data, two pillars of sustainability, would seem to demand this transition.

Luxury is an ever-evolving concept: it's a fluid definition that changes consistently along with perspective, cultural and social changes. Thus, many different etymologies exist. The most generally claimed origin is 'luxo,' which means 'dislocate' or 'twist.' Another possible etymology is "luxus," which implies "excess, surplus, and overabundance," with a moral connotation (Da Silveira 2021). Others associate luxury with the Latin word 'lux' or 'light' (Michaud 2013). Although the foregoing is not the correct etymological origin, it has an interesting aspect because luxury can be seen as an enlightenment tool. In this regard, an interesting definition is the one that sees **luxury as an agent of change**, a platform for innovation, and a tool to build a new evolution of society. In the age of the "liquid society" in mature markets, brands fill the void of values, meaning, and belonging left by politics and religion. Moreover, the Internet has radically changed our approach to depth, information, and culture: within the digital offer everything seems to be at our fingertips and there has been a reduction of expectations and flattening. In this context, luxury brands that operate under this definition answer the questions of a generation that wonders whether traditional luxury is the best tool for expressing its social status and above all, whether it still makes sense to show it or not. Is it better to show what you

can afford or what you know? The aspirational qualities of luxury brands give them the capacity to influence people's actions and drive societal values, opening the door to new ways of thinking and acting. Luxury brands have the ability to make strong statements. They have a unique combination of tradition and resources to make real and actionable statements about sustainability (Pinkhasov 2011).

To flout with other luxury connoisseurs, to feel appreciated and recognized, and to move closer to their ideal selves, luxury buyers will invest in the luxury lifestyle. The Maslow Hierarchy of Needs has been enlisted by Crobox's psychologist to understand consumer behavior and how luxury and sustainability are related. Many high-end buyers are motivated to purchase sustainably by the same impulses (Wintermeier 2021). Luxury and sustainable product purchases are ways to achieve self-actualization. Luxury brands' understanding of emotion, quality, and reputation are rooted in the long-term pursuit of fundamental values. Through their own cultural impact and desirability they can lead businesses and individuals to ever more socially responsible and sustainable practices adopting a **holistic value proposition** that aims to address the requirements of organizations, people, and the community through the same actions. Embracing the holistic value proposition gives brands meaning, contributes to people's sense of fulfilment, and transforms them into whole, singular, and distinctive entities (Pinkhasov 2011).

Luxury is managed with a "long-term" perspective, and durability is also at the heart of sustainable developments as well as luxury and the hospitality sectors. Nowadays, successful **hotels are social hubs**: they provide transformative and memory-making experiences creating cultural bridges. Hospitality and Luxury are in the business of lasting worth on the contrary of the mass market and fashion industry (Kapferer 2010). In order to be successful, a hotel should not just provide high-standard guest rooms but an experience that ties the guests with the

vibrancy of the location. Making guests feel like they are a part of the local community is crucial, so incorporate some local flavor and provide social hubs and lasting memories for the guests (Harrison 2018). Additionally, guests are totally immersed in a branded microcosm when staying at a hotel, giving hospitality brands the opportunity to give them rich and comprehensive lifestyle experiences. Hotels are thus interactive content environments and aspirational platforms where brands may share with customers examples of sustainable habits and practices from their own daily lives to help them on their path to personal fulfilment (Skift 2018). To conclude, the central intersection of our model lies between the concept of holistic value proposition, the definition of luxury as an agent of change, and the role of hotels as social hubs (Appendix 5). In our challenge, we will investigate and analyze Saccharum's current situation based on this assumption and use this model as the theoretical basis for Saccharum's tactical recommendations. Luxury can redefine the notion of excellence, making it less about the self-interest and more about environmental considerations (Kapferer 2010).

3.3.2. Brand Know, Brand Do, Brand Say Model

The Brand Know, Brand Do, Brand Say Model was theorized by Nova School of Business and Economics researcher, Lena Kemna for managing companies from a sustainability and social perspective. The framework was used as an assumption base to deliver the recommendations for Saccharum. The Model consists of three areas of interest:

- *Brand Know*: the corporate culture and value system that marks the internal and external relationships with the organization and the brand;
- *Brand Do*: what the company offers and how it offers its product;
- *Brand Say*: how the company communicates what it offers;

According to this model, in order for a company to be perceived as truly sustainable, it must follow a path of change and awareness in all three areas, starting chronologically from that of

corporate culture and then moving on to operations, supply and only then communication. What happens very often is that many brands communicate their interest in sustainability before they have changed their DNA and business plan. This implies that in the eyes of conscious consumers, brands are inconsistent and unreliable. Their purpose is not perceived as a natural mode of creation of Shared Value linked to that of profit-making.

3.3.3. Consumer decision journey

The consumer decision journey is a model developed by McKinsey & Company that helps to identify key touch points during the purchase, i.e., moments when consumers are open to external influence, and to understand how consumers make purchasing decisions (Court, Elziga, Mulder and Vetvik 2009). This model replaced the one previously used to understand the consumer decision-making process, known as the funnel metaphor. According to that model, consumers start with a set of potential brands and methodically whittle them down to make a purchase (Da Silveira 2021). Today, the consumer decision-making process has become increasingly complex and sophisticated, and appears more like a circular journey consisting of four main stages (Figure 4). These stages are preceded by the *trigger*: a moment generating interest or need for a certain product or service. The first stage, called the *consideration stage*, is where consumers start to consider the product or service broadly. This phase is followed by the *evaluation stage*, in which consumers compare the product or service with various alternatives according to relevant factors for them. The third stage is the *buying stage*, in which the purchase decision is made. The last stage is the post-purchase, or *bond stage*, in which consumers experience the product or service, and form a realistic opinion about it. If the bond is strong enough, consumers might enter the loyalty loop, in which the product or service is repurchased without cycling through the earlier decision-journey stages (Da Silveira 2021).



Figure 4: Consumer decision journey (Da Silveira 2021)

4. Analysis & discussion

4.1. Analysis of the demand

Based on the insights gathered from the primary research, three main consumer segmentations were identified. The segmentation carried out was useful to understand the characteristics of current Saccharum consumers. In fact, each segment presents different decision drivers through which they start their decision-making process. The consumer decision journey model helps to describe each of the three segments in more detail, identifying the factors influencing the choice at each stage of their decision process.

Romance Chasers

The first consumer group identified were “Romance Chasers” (Appendix 6). The main driver of this category of consumers is the desire to have a romantic couple's getaway in a European location: *“We chose to come to Madeira to celebrate our 25th wedding anniversary”* (Skilled worker, Dutch, 58). Seven of the twenty-four guests interviewed belong to this consumer group. The needs that trigger the start of the decision-making process for this group of consumers are the celebration of an important occasion, such as a wedding anniversary, or simply the desire to take a couple's holiday. In the first stage of the decision-making process, the consideration stage, these consumers consider several factors starting with location and amenities. To these are also added other factors such as the type of experiences and rooms offered, but also whether

there are children. *"I wanted to make sure that there were not many kids around in the hotel, so we would enjoy our time here better"* (Skilled worker, German, 31).

In the second stage, the evaluation stage, these consumers assess various factors such as price, promotions offered through tour operators and travel agencies, but also reviews, the brand name, and recommendations received from friends or relatives: *"I have a friend from Madeira and he was the one suggesting us this property"* (Service worker, British, 59). In addition to this, information found on the hotels' website and social media channels, or on Booking.com, also play a key role in this stage. The decision factors leading to the last step where the purchase takes place, are in almost all cases the price, the location and the amenities offered.

Nonetheless, the deals available are also mentioned quite often: *"One of the reasons why we came to this hotel was the convenient price we found for our stay"* (Skilled worker, Dutch, 56).

Relaxation Seekers

The second consumer category identified, to which six of the twenty-four interviewed guests belong, are the "Relaxation Seekers" (Appendix 7). As the name recalls, this group has other decision drivers for their choice. Firstly, by the need for a secluded location surrounded by nature: *"I wanted to make sure that the location was quiet and not too crowded, but also that nature played an important role in that"* (Skilled worker, American, 32). Secondly, the design of the hotel and its focus on wellness and relaxation. Again, the decision process is determined by the need for a holiday, but most importantly by the desire to stay in a natural place where it is possible to relax and connect with nature: *"What we were looking for was really a place where we could relax and where the contact with nature was also possible"* (Skilled worker, French, 46). The factors considered by this group of consumers in the first phase of their decision-making process are several, starting with the location. What these guests consider is a

secluded position in a not-too-touristy area with the possibility of having direct and easy access to the environment. To these factors, others are also added, such as the element of hotel design, whether there are children, and whether the location enjoys a pleasant climate. Lastly, in this stage, this group considers more generally an environment where it is possible to relax and focus on wellness. In the second stage of their decision-making process, these consumers mainly assess the value-for-money aspect, but also the presence of promotions and positive reviews. The decision factors that lead to the last phase, the buying stage, are in this case again the price, but mainly a location with direct access to the natural environment. Other factors playing a key role in this last stage are the amenities offered, with a focus on the spa, but also the pools and restaurants: *“What we really liked about this hotel in the end was that it had a lot to offer. The restaurants looked great, but also the infinity pool really got our attention”* (Administrative worker, British, 33).

Madeira Explorers

The last group of consumers, the “Madeira Explorers”, to which most of the interviewed guests belong, eleven out of twenty-four, presents mainly one decision driver: explore the unique nature that Madeira offers (Appendix 8). This category of consumers starts their decision-making process guided by the desire to visit Madeira and explore first-hand the island's environment, its mountains, and hikes: *“The reason we came to Madeira is definitely its landscape. We really like to hike and here we knew we could do that a lot”* (Student, German, 21).

In the consideration stage, these consumers only take into consideration hotels on the island that have easy access to nature and provide good value for money along with standard amenities. In the evaluation phase, this group mainly assesses price, information found on the

website and social media, but also promotions offered and positive online reviews: *"We read only great reviews about this hotel, starting from the service but also the amenities like the bars and the pools"* (Skilled worker, British, 31).

The main factors that lead these consumers to the final stage of choice are finally again the price and the deals available, but also and above all the possibility to access nature quickly and easily: *"We really wanted a place that had direct access to the environment, both to the sea but also to the mountains to hike"* (Student, 21, Austrian).

4.2. Analysis of the Saccharum's practices

After having analyzed and understood the different guests' profiles, this section will be focused on examining what Saccharum is currently offering to the public. As previously mentioned, Saccharum is a Design Hotel that is committed to delivering a superior experience to their guests with a particular focus on their well-being and relaxation. The hotel leverages its peaceful setting surrounded by nature, the luxurious amenities and services, and its elegant décor to make their stay remarkable. Through the research conducted it was possible to assess the overall points of strengths and weakness of the brand. In particular, an analysis of some business areas, that present room for improvement and growth for the company, is going to be carried out.

Luxury

For what concerns the luxury dimension, there are some factors that could have a negative impact on Saccharum's luxury aura. Based on the findings from the primary research, it seems that the hotel is making safe choices with the aim of pleasing everyone instead of building an aspiration and a dream related to the brand. Indeed, in many operational choices, the hotel seems to favor quantity over quality as one can see in Saccharum's decision to offer large buffets rather than offering à la carte menu. When directly confronted with this topic some employees

explained that they reckon that their current guests are not ready for the buffet to be replaced with a less varied menu because it is something that they value and look for when staying at a hotel. However, this is something that they would want to modify whenever the guests are deemed to be ready for this change. Considering the fact that the hotel's management aims at better repositioning Saccharum in terms of sustainability, it is important for them to make bold choices that are coherent with the development they desire to have. Indeed, this attitude of the brand towards trying to please everyone and playing it safe potentially could ruin the luxury aura. This behavior could be a consequence of the fact that the hotel is highly motivated by the occupancy rate. Indeed, even though the hotel is highly successful, *"Half of the guests are not the ones that Saccharum wants"* (Sílvia Dias, Head of Marketing Savoy Signature).

It is extremely important for Saccharum to have a clear vision of what type of consumer they want as right now the target group of the hotel seems not to be well defined and Saccharum's ideal consumer does not correspond to the hotel's current luxury consumer. This mismatch between Saccharum's ideal consumers and their current ones seems to be mainly caused by some deals that the hotel is carrying out with unsuitable tour operators that attract people that don't match the level of luxury that Saccharum wants to offer.

The last area that undermines the luxury aura of Saccharum is related to discounts and promotions. Indeed, discounts are very often present on the website and on the different booking platforms in a quite invasive way. In particular, on Saccharum's website, the discount banner appears as soon as the potential guests access the home page (Saccharum 2022). As official websites are one of the main touchpoints between the hotels and potential guests, being immediately presented with discount banners can potentially negatively affect the perception of the visitors while ruining Saccharum's exclusivity and accessibility perception.

Communication

Saccharum's communication strategy presents some issues. Indeed, guests are not aware of several aspects, services and initiatives that the hotel runs or offers. Communicating more would contribute to providing a more complete involvement of the guests. This lack of communication affects different domains of the business: sustainability, luxury, and hospitality area.

Starting with sustainability, although the hotel is currently involved in sustainable initiatives and has already adopted some sustainable practices, on the various communication channels of the hotel it is not possible to retrieve any kind of information. When asked about this issue, Saccharum's Head of Marketing stated that *"In terms of sustainability, there is no communication on our channels"* (Silvia Dias, Head of Marketing Savoy Signature) because the hotel is still in the early stages of their path towards becoming sustainable leaders and also due to the fact that the hotel fears not being perceived as credible by the public. These are the reasons why the hotel has not shared anything regarding its environmental and socially responsible initiatives. However, with this strategy, it is impossible for potential guests, who are interested and motivated by sustainability, to obtain information about this topic and distinguish Saccharum from all the other hotels that are not committed to making a change. Moreover, apart from not publishing any information about its sustainable practices, Saccharum does not even share the sustainable certificates that it received. As a consequence of this total lack of communication, the result of the guests' interviews showed that, as of right now, guests are in no way aware of Saccharum's sustainable initiatives. It is true that it would be detrimental for Saccharum to be advertised to the public as a sustainable hotel since there is a lot of room for improvement however, Saccharum should communicate and show the efforts that they are making and update the public on where they are in terms of their sustainability journey and future objectives.

For what concerns the communication strategy to enhance the luxury levels of Saccharum, there are some aspects that could be improved. Indeed, many interesting aspects of the brand are not sufficiently explored and leveraged to enhance the overall experience. During the stay at Saccharum, the research group was able to have a private tour of the entire facility fully immersing in the fascinating concept behind the hotel. In particular, the concept behind the different areas of Saccharum and the ideas behind the menus and restaurants were explained, revealing many engaging stories. For example, the Group Executive Chef illustrated the idea that went into developing the menus. Indeed, the menus are created depending on the availability of the resources and all the different parts of the supplies are used. He explained that his goal is *“to teach people to use all the fish there is in the sea so maybe in that way they won’t need aquaculture”* (Carlos Gonçalves, Group Executive Chef). This initiative has the potential to educate the guests and make them apply the lessons learnt also in their daily lives when they are back in their houses. In this way the hotel’s function elevates offering both a relaxing experience and an educational experience that sensibilizes guests regarding important topics. However, since Saccharum is not communicating these meaningful aspects to the public they are missing out on the opportunity to elevate the guests’ experience.

Differently from the two previous domains, communication regarding the hospitality area is present. However, there are some aspects that could be improved. In particular, the communication regarding the experiences offered by Saccharum is present but the dedicated section on the website is found to be confusing and not well organized. Indeed, in the experiences section, the hotel presents a series of activities that can be carried out without leaving the structure (such as aquarobics and Pilates), workshops (like the “local food workshop” and the “gardening workshop”), unique experiences (like watching the sunset above the clouds), and products that can be purchased. This way of communicating the range of

experiences results in a sense of confusion that does not contribute to feeding the guests' dreams (Saccharum 2022).

Internal misalignment

The last critical issue regards internal communication and coordination among Saccharum employees. This internal misalignment was identified because of the lack of clear information and knowledge regarding certain topics. This issue emerged after having carried out different conversations with the hotel's staff members and having assessed that, when addressing some subjects, contrasting information was given.

Starting from the topic of the hotel's suppliers and in particular meat suppliers. The group interviewed many staff members to understand the provenience of the meat. However, each person provided a different answer regarding this topic, making it difficult to understand the effective origin of this product. This point should be clarified as well as the sustainable implications that importing meat from overseas can have on the environment. The topic of the supplies' origin is also connected with another issue: the understanding and use of the word "local". Indeed, talking to different staff members of the hotel brought to the attention the fact that the word "local" related to food is sometimes not used properly and is misinterpreted by some of them. Indeed, some employees used this term improperly referring to suppliers' products being local even though the raw material was imported to the island and then processed directly there. This misuse of the term could lead to dangerous implications, in particular if used to advertise the food's origin to the guests.

Next, the staff interviewed did not clearly address the topic of employees training. As a result, the team was not able to determine some aspects of the training as employees gave different and vague answers. For example, there was a lack of clarity on which topics are covered during training sessions. Indeed, it is not clear if these trainings are just about the employee's area of

work to provide better skills and better service to the guests or if they also cover broader topics more related to the future goals and objectives of the hotel, such as the sustainability efforts and other important values. In addition, the answers regarding the frequency these training are carried out seemed to be contrasting. As for the composition of the sustainability team, there was some confusion around this subject. Indeed, initially, it seemed that only one person oversaw this sector at Group level. However, later it was mentioned the existence of a sustainability team composed of more people that however were not identified.

Another point found to not be clear regards the buffet and the waste it causes. On the one hand, the Group Executive Chef claims that the buffet causes a lot of food to be wasted daily. On the other, some staff members claim that the buffet's waste is minimal as most of the food is reused. It is fundamental to understand this point if the hotel aims at improving its sustainability levels. Moreover, the result of the projective technique, that was subjected during all the staff interviews, identified very different staff perspectives on Saccharum as a brand. Although some degrees of differences are natural, as the projective technique is a personal exercise, some ideas are extremely contradictory.

Finally, to put solid foundation for Saccharum's sustainability journey, is about the brand culture related to sustainability. Indeed, right now there is not an internal shared vision about this topic. All the employees should be aware of the objectives and aspirations of the company to work in a cohesive way towards a common goal. Without the support of the entire team, it is impossible for Saccharum to achieve a better positioning in terms of sustainability, since everyone's contribution is important. Furthermore, it is critical to develop a clear strategy and have a shared internal vision of how Saccharum wants to approach this topic so that the brand can be perceived as credible by the customers.

4.3. SWOT Analysis

In order to better analyze the strategic planning of this project and the competitive position of Saccharum, a SWOT analysis was conducted. A SWOT analysis is a commonly used method to identify and assess an organization's internal strengths and weaknesses, and external opportunities and threats. This analysis is based on the information gathered through primary research: staff interviews, guest interviews and on-site observations.

Starting with the strengths, the one that stands out the most is definitely the location in which the hotel was constructed. The prestigious secluded oceanfront location in what is truly a private oasis away from a town center ensures that the hotel can truly be a place where relaxation and well-being are the main focus. A further strength that the hotel enjoys lies in one of the attributes that hotel management uses most to describe the hotel: the design. The property, completed in 2015, features a modern, minimalist design by world-renowned interior designer Nini Andrade Silva (Appendix 9). In addition to this, the hotel also features among its strengths two of the many amenities it offers. The first is the spa, which offers a wide variety of treatments. The second are the pool facilities, which include two indoor and three outdoor pools, among which the eye-catching infinity pool certainly stands out. Another feature that can be considered a strength of the hotel is the value for money it offers. As the group's Head of Sales pointed out during her interview, *“Madeira is able to offer five-star service at a price that few other places in Europe can offer”* (Graça Guimarães, Head of Sales Savoy Signature). For example, a standard room in Saccharum ranges from a starting price of €156 in low season to €295 in high season. To this, adds the Head of Sales, *“Madeira and in particular the Savoy group are internationally recognized for their warm hospitality and appreciated for the unique friendliness of their staff”* (Graça Guimarães, Head of Sales Savoy Signature). Added to this, the hotel is located in the sunniest part of the island of Madeira: the southern coast.

Moving on to the weaknesses, the first highlighted in our analysis relates to the hotel's target group. The primary research showed that the hotel presents a target group that is not clearly defined, with the ideal consumer not corresponding to the hotel's current luxury consumer (Appendix 10). Indeed, partnerships with tour operators not usually associated with a luxury hotel, frequent discounters on the hotel website, and moderately accessible prices favor this negative effect. In this respect, the hotel seems to try to please everyone with its offering instead of building an aspiration and a dream related to the brand. These aspects undermine the aura of luxury around Saccharum, with the risk of being associated more with a premium concept rather than exclusivity and luxury. Another aspect related to this is the fact that the hotel seems to favor quantity over quality in several operational choices. An example of this is the choice to have a large buffet at breakfast and dinner in the hotel's main restaurant, rather than an à la carte menu. This implies another weakness identified: food waste. By having a large buffet that feeds more than 70% of guests at dinner, and almost all of them at breakfast, a large amount of food waste is created that can no longer be reused and must be disposed of. Related to the food aspect, another element that the hotel should consider reviewing is the minibar. The current minibar contains a vast selection of unhealthy drinks and food packaged in plastic, paper, or aluminium, which could instead be replaced by more environmentally friendly alternatives (Appendix 33). A further weakness concerns what has been referred to as 'internal misalignment'. This includes both the previously mentioned issue of food waste, the handling of which does not appear to be clear among the staff members interviewed, and other aspects such as the origin of some suppliers. Added to these are the unclear administration of staff training on certain aspects, the existence of a sustainability team within the group, but also a general misalignment with regard to brand perception that emerged from the projective technique carried out in the staff interviews. Further weaknesses identified from the research are the poor communication with guests and the approach to the LGBTQ+ community. The

first relates to the fact that guests are often not aware of several aspects, services, and initiatives that the hotel runs or offers, neither via the website prior to their stay, nor when directly on site. The second concerns an unclear and undefined approach to commitment and support the LGBTQ+ community from the hotel. Finally, the last point highlighted by both staff and guests interviewed concerns the dark and dim environment resulting from the hotel's design in some areas such as the rooms' corridors on each floor.

Looking at the opportunities that Saccharum is facing, the element that stands out the most is definitely leveraging Madeira's pristine and authentic natural beauty. Indeed, one of the island's major tourist attractions is its spectacular natural heritage, recognized by UNESCO as a Natural World Heritage Site. Additionally, almost the entire territory has been classified as part of the Madeira Nature Reserve and is considered a Total Conservation Area and a Bioenergy Reserve containing unique flora and fauna (Madeira Nature 2022). In this context, the previously mentioned location of the hotel, surrounded by nature, together with the clean and unadorned design of the structure, could favor the building's harmony with its surroundings. Two other elements arise as opportunities for the hotel in this context. The first is the presence of the chef's private garden on the building's roof, where vegetables and aromatic plants used in the hotel's restaurants are grown. The garden overlooks the sea and by being at the highest part of the structure almost merges with the mountain behind it (Appendix 11). The second is the opportunity to exploit the cultural heritage related to element after which the hotel is named – Saccharum means sugar cane in Latin - and its related history in the area and on the island. Other elements that are considered as opportunities for the hotel are related to the concept of sustainability from two of the different points of view under which it can be considered: environmental and social. If the hotel is today more committed from the environmental point of view, it seems to have less commitment from the point of view of social sustainability. In fact, given the strong link with the only community in the hotel's vicinity, that of Calheta, the

hotel could have the opportunity to commit itself to promoting programs and practices with the town in order to develop the cultural, artistic, and social heritage of the area. A further opportunity for the hotel would be to develop its customer engagement in terms of education and aspiration towards the sustainable practices that the hotel already operates, but also those that it could implement in the future. Finally, a last opportunity for the hotel arises from the point of view of the target group. On the one hand, Saccharum could leverage the continuous growth of consumers interested in sustainability. Indeed, according to Booking's 2021 Sustainability Report, 73% of travelers would be more likely to choose an accommodation if it has implemented sustainability practices (Booking Sustainability Report 2021). On the other hand, the determination of Madeira and Savoy Signature Group to try and “*attract new luxury consumers from other markets, especially the United States and the United Arab Emirates*” (Silvia Dias, Head of Marketing Savoy Signature).

Finally, turning to the threats that Saccharum faces, the fact that sustainability standards are continually being raised among consumers is perhaps the most relevant, especially in the luxury industry. Indeed, luxury brands are traditionally regarded as playing an aspirational role for consumers, by being those who influence the future through their actions. So, who more than them plays a key role in the transition towards sustainability today? Sustainability is now a vital component of buyers' motivation, thus forcing these brands to pursue new innovative sustainability initiatives that in many cases require a revolution in their business model (Caïs 2021). Moreover, this transition is driven by the growing interest in sustainability of the new generation of luxury consumers, Millennials and Gen Z, whose spending in this market is set to grow about three times faster than in other generations until 2030, reaching one third of the entire luxury market (Bain & Company 2022). Another element that appears a threat for Saccharum is the possibility of losing part of the current target group the hotel has, as was also pointed out by members of the hotel management. Indeed, part of this transition implies an ideal

younger target group, more interested in sustainability, which as pointed out in the consumer decision journeys is not present in the decision-making process of any of the hotel's current guests. Another factor that the hotel must consider as a possible threat is competition from boutique hotels when it comes to implementing sustainable practices, especially those in the immediate proximity. Given their smaller size, and in several cases independence from a larger group of hotels, these properties are able to implement sustainable practices more directly and effectively than a hotel the size of Saccharum can. Linked to this, the last threat highlighted for Saccharum is belonging to a group that controls six different hotels on the island with very different targets and positioning. In fact, by being the only hotel of the group implementing a sustainable approach, Saccharum could appear as a greenwashing player if the Group – Savoy Signature – does not follow the same approach.

4.4. Consumers Insights

The quantitative research developed was aimed at understanding consumer behavior towards sustainability in luxury hospitality. The insights gathered are divided into three sections. In the first section, the associations that this type of consumer makes between luxury and sustainability were determined. In the second part, insights were collected to analyze the consumer decision-making process of luxury hospitality consumers, and to understand if and how much sustainability influences their choice. Finally, the last section of the insights contains information on the consumers' perception of a hotel's sustainability and about sustainability commitment in endorsed hospitality brands.

4.4.1. Associations luxury and sustainability

According to the research conducted (Appendix 12), sustainability is the value least associated by respondents with luxury hospitality (rated 3.21 out of 5). Instead, the main attributes that they tend to associate with luxury hospitality are more traditionally associated aspects such as

excellent service (rated 4.80 out of 5), followed by attention to detail (4.67), amenities (4.28) and personalization (4.21). This highlights how uniqueness and exclusivity still play a very important role for consumers in this industry. Other aspects most associated with luxury hospitality by respondents were hotel design (4.21), unique experiences (4.18), and high price (3.88). Finally, aspects that received a lower average rating were innovation (3.53), social statement (3.28), and heritage (3.24).

The role that exclusivity still plays is underlined by the fact that almost all respondents (98.78 %) agree that a luxury hotel should guarantee a superior experience for its consumers (Appendix 13). The same cannot be said, however, when these consumers are asked whether luxury hotels should be environmentally friendly. In this case, a slight discrepancy can be seen as 70% of consumers agree with this choice, but around 20% are unable to decide and 5% of respondents disagree with this statement (Appendix 14). This again stresses that sustainability is not traditionally a concept directly associated with luxury hospitality.

4.4.2. Consumer decision-making process

The next necessary step is to understand how much sustainability plays a relevant role in the decision-making processes of luxury hospitality consumers and how much it influences them in their choice. For this reason, respondents were asked to rate how much certain aspects influence their decision-making process of luxury hotels. The motivations that were considered most important in their choice (Appendix 15) are services and amenities, rated 4.53 out of 5, the location of the hotel (4.52), the presence of a variety of restaurants and bars (3.96), and the exclusive experiences offered (3.92). These motivations are followed by hotel design, rated 3.87 out of 5, a recommendation from friends or family (3.80 out of 5), reviews (3.80) and personalization (3.72). The presence of sustainable practices within the hotel, on the other hand, ranks lower, with a rating of 3.32 out of 5. Once again, this underlines the less significant role

this factor plays in consumers during their process of choosing a hotel. Sustainability is only followed by motivations such as the quality of the website (3.30 out of 5), the tech approach (3.22), brand prestige (3.19) and finally press media coverage and social presence, rated 2.51 and 2.26 out of 5 respectively.

Additionally, it was required to examine how important it is for consumers to choose a hotel that is part of a larger, and often more recognizable hotel group, and how much this aspect influences their choice. The results obtained from the respondents prove that this factor still plays a fairly decisive role in their choice process for more than half of them. In fact, around 14% of respondents do not consider it an important factor in their accommodation choice process, and almost 32% consider it slightly important (Appendix 16). At the same time, however, almost 34% considered it moderately important and almost the remaining 20% considered it either very important or extremely important.

Similarly, respondents were asked how important it is for a hotel to be committed to sustainable practices and therefore whether this was an influencing factor in their decision-making process. Almost 32% of them either did not consider this factor to be important or slightly important, and around 29% considered it to be moderately important (Appendix 17). Yet, at the same time, about 38% consider this aspect to be very or extremely important. This result reveals a paradox with what was stated earlier by respondents surveyed. If in fact they regarded sustainability as the least associated factor with luxury hospitality, they simultaneously considered it a very or relatively important factor (around 68% in total) in their process of choosing a luxury hotel. To further test this assumption, respondents were asked how much they agreed that staying in a sustainable hotel would improve their holiday (Appendix 18). About 56% of them said they either strongly or somewhat agreed, but at the same time a large proportion of them neither agreed nor disagreed (about 31%) or disagreed completely (about 12%). This finding therefore

still emphasizes a slight hesitancy on the part of consumers to really commit to a sustainable choice for their holiday.

The same is confirmed when asked about their propensity to pay more for a luxury hotel committed to sustainable practices than for one that is not. In fact, just over 50% agree and around 21% neither agree nor disagree (Appendix 19). At the same time, however, the percentage of those who disagree increases to around 23% in this case. Although sustainability is thus apparently not traditionally associated with luxury hospitality, consumers see it as a potentially influential factor in their choices. This is also proven by the fact that around 68% of respondents agree that they would feel more connected to a hotel if it was committed to sustainable actions and initiatives (Appendix 20).

Finally, further confirming this factor, when questioned as to whether they would recommend a hotel more if it were sustainable, almost 70% agreed and only the remaining 30% either agreed or disagreed (19%) or disagreed completely (11%) - (Appendix 21).

4.4.3. Perception of a brand's sustainability and sustainability commitment in endorsed brands

The last section of insights focuses instead on consumers' perception of a hotel or group of hotels commitment to sustainability, with a focus on what kind of sustainable initiatives they value and through which channels they inform themselves.

When asked whether a hotel is only perceived as sustainable if the hotel chain it belongs to is also sustainable, respondents mainly agreed with this statement, with about 73% of them either really agreeing or somewhat agreeing (Appendix 22). The very small percentage of those who strongly disagreed shows how the commitment to sustainability of a group of hotels is key to each of their hotels also being perceived as sustainable and not practicing greenwashing.

In terms of which sustainability issues consumers consider most important for a hotel to implement, a good balance occurs between social and environmental sustainability initiatives. In fact, the issues considered most important are both aspects related to social sustainability such as fair labor practices (with a rating of 4.41 out of 5) and employees wellness and workplace safety (both with 4.15 out of 5), but also aspects more related to sustainable environmental commitment such as attention to food waste (4.23) and hotel's environmental impact (4.02 out of 5) - (Appendix 23). The aspects considered less important are social initiatives with the community (3.32), presence of CO2 compensation programs (3.19) and donation to charities (3.12).

Furthermore, it should be pointed out that the presence of a sustainable certification is for 67% a reliable method to understand whether a hotel is sustainable (Appendix 24). This implies how important it is for hotels to obtain and be able to show their guests this type of information.

Additionally, it was investigated through which channels these consumers inquire about a luxury hotel's sustainability. Regarding the channels considered most reliable for learning about a hotel's sustainability efforts there was a good stability between channels directly controlled by a hotel and external channels. First among them are reviews, which was rated with a score of 3.80 out of 5, followed by hotel sustainability reports (3.63), hotel websites (3.53), and online booking platforms (3.42) - (Appendix 25). It is therefore significant to emphasize that many consumers find it more reliable to get information on this issue through channels that are accessible before the stay and thus already included in their evaluation process. Social media (3.32), online magazines (3.19) and even offline magazines (3.14) also play an important role for consumers. The channel that is least trusted is the newsletter (2.60).

After understanding which channels consumers considered most trustworthy, it was then necessary to understand what kind of sustainability-related information they were most

interested in consulting. Of these, employee's wellbeing, rated 4.07 out of 5, is the most popular (Appendix 26). This is followed by food origin (3.93), waste management (3.92), and energy management (3.89). Here, too, it can be noted that initiatives relating to social sustainability and those relating to environmental sustainability are fairly balanced. At the same time, however, when asked to choose between the two, initiatives related to social sustainability seem to be information considered more important for consumers to consult, with a rating of 3.75 out of 5 for the first and 3.62 out of 5 for those related to environmental sustainability. The information considered least interesting to consult is that on chemicals management (3.57).

Finally, the preference between social and environmental sustainability initiatives appears to be very balanced among the consumers surveyed. Respondents, in fact, indicated with about 50% saying that they are both equally important, and 23% with a preference towards environmental and 25% towards social (Appendix 27).

From the quantitative research carried out, it is possible to summarize the main insights into:

- **Luxury - Sustainability Paradox** – Sustainability is not immediately associated with luxury hotels, but respondents believe luxury hotels should be environmentally friendly.
- **Consumer Decision Journey** (interest, purchase, retention, recommendation) - Even if sustainability is not associated directly with luxury hotel brands, it is a relatively important aspect of the consumer decision process. Respondents stated sustainability as a relevant motivation to choose a luxury hotel and they would be keener to recommend it. Sustainability is also a driver for retention: participants will be more emotionally connected with brands that are engaged in sustainable actions and initiatives. Moreover, most respondents are willing to pay more if they perceive a luxury hotel as sustainable.
- **Sustainability as a whole** - Participants perceived sustainability as a whole: they both value the social and the environmental parts.

- **Brand extension** – Perception of the endorsing brands influences the perception of the endorsed brand when it comes to sustainability evaluation.
- **Sustainability certification matter** – participants consider sustainable certifications a trustful tool to assess a luxury hotel's sustainability commitment.

4.5. Benchmarking

In the current chapter, a small selection of luxury hotels that also managed to engage in sustainability is presented. This section aims at creating a benchmark to understand which best practices and visionary initiatives applied in the luxury hospitality industry could potentially be a source of inspiration for Saccharum. To better explain how Saccharum is positioned in terms of luxury and sustainability, compared to the hotels chosen for this benchmark, a Cartesian plane was built. The criteria considered for choosing these hospitality brands were if they had 5 or 4 stars, the fact that they are considered leaders in luxury and/or sustainable hospitality, and finally, their location. Being located in Madeira is of the utmost importance since these could already be, or become, Saccharum's potential competitors. The only hotels not located in Madeira considered in the present chapter are Areias do Seixo, located in Santa Cruz, Portugal, and Soneva, located in the Maldives and Thailand, due to their visionary practices in luxury sustainable hospitality.

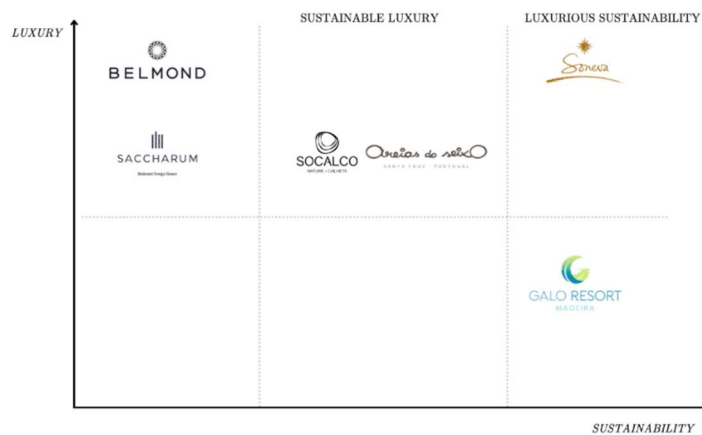


Figure 5: Benchmark Hotels Positioning Map (Work Project authors elaboration alongside Advisor Michael Pinkhasov)

Sustainability is the variable on the horizontal axis of Figure 5 and on the vertical axis is the variable **luxury**. The options better representing these two variables are, respectively, Sentido Galomar – located in Madeira – part of the Galo Resort Hotels, and Reid’s Palace, part of Belmond Hotels, also located on the island. The reasoning behind the choice of Sentido Galomar is that it is the first 100% self-sustainable energy hotel in Portugal, since 2018 (Sentido Galomar 2022). In its portfolio, the hotel displays an exhaustive and diverse scope of sustainable and social initiatives, such as the following – the presence in each room of a resource consumption display for guest consultation in order to raise resource consumption awareness, the presence of public charging stations for electric vehicles, and, regarding their many social initiatives, the *Green Buddies Project* stands out. This last initiative was developed in partnership with CAO Funchal institution (whose mission is to take care of young people with special needs and promote their professional integration), where these “buddies” are handmade dolls stitched from Madeira textiles and reused materials that guests can simply hang on their door handle to skip daily cleaning. These dolls can also be purchased, and the total amount goes directly to the institution and its users (Sentido Galomar 2022).

Regarding Reid’s Palace, it is the ex-libris of Madeiran hospitality (Visit Madeira website 2022). The hotel belongs to the over 40 years old brand Belmond, which is also part of the

LVMH Moët Hennessy Louis Vuitton since April 2019 (Belmond 2022). This hospitality brand has several properties around the world, and Reid's Palace in Madeira is one of the 14 European locations. The hotel provides different unique and exclusive experiences such as a private yacht trip to the Desertas Islands accompanied by a butler who will serve champagne and food; a botanical art workshop where guests join a local dried flower artist Tristoas to learn how to create pieces using dried and pressed flowers picked up from the private grounds of Reid's; and their pets service, where a pet bed, a clean water bowl and three exclusive pet meals per day, prepared by the Executive Chef, are available for a daily fee (Belmond Reid's Palace 2022).

Moreover, inside the Cartesian plane, there are also two areas represented: *sustainable luxury* and *luxurious sustainability*. The main difference between these two areas is related to the level and depth with which sustainability initiatives are implemented in the brand's culture and values (Pinkhasov 2015). Hence, these areas demonstrate that some companies in hospitality are not simply luxurious or sustainable, but that those dimensions can coexist. Thus, they are being used to better identify where Saccharum is positioned and where it could potentially be in the future. To better explain this, *sustainable luxury* is used to describe luxury hotels that implement some sustainable practices, like Areias do Seixo, in Santa Cruz, Portugal and Socalco Nature, in Madeira.

Regarding Areias do Seixo, the hotel has adopted some actions with the aim of reducing its ecological footprint, such as the implementation of an automation system that allows it to control its resources consumption. The system can be adjusted in accordance with factors such as the weather, occupancy rate, and other circumstances that could affect how the resources are consumed (Areias do Seixo 2022). Moreover, the hotel attempts to encourage sustainable behaviors in their guests by directly engaging them in activities that can raise their awareness towards environmental practices. These activities include a guided tour of the hotel's

automation system to learn about resource efficiency, the composting circuits in which guests learn methods to reuse the organic waste produced during their stay, and the possibility to spend a morning with the hotel's farmers picking vegetables and herbs that will be used to make their lunch. Lastly, Areias do Seixo also developed a system named “eco-clock” that is available both on the official website and through an app that allows guests to monitor the resource consumed by the hotel in real-time (Areias do Seixo 2022).

On the other hand, Socalco Nature is a boutique hotel located in Calheta right next to Saccharum. With very few rooms, Socalco combines rural tourism, gastronomic studio, and farming in one experience in order to let guests be in touch with nature through activities like cooking classes, farm chores, dinners, and so many more (Socalco Nature Calheta 2020). Their point of difference is raising the name and reputation of Madeiran regional cuisine while promoting Madeira as a gastronomic destination (Socalco Nature Calheta 2020). Its main principle is permaculture, i.e., a system of agricultural and social principles whose goal is directly simulating or using the patterns and characteristics observed in natural ecosystems studied to respond to the new and growing awareness of global environmental degradation. Some of the sustainable initiatives of this hotel are composting with the organic waste produced in the kitchen of the hotel’s restaurant, rationalization and reduction of water and electricity consumption, collection and use of rainwater and water courses; thermal insulation on the walls and roofs, reducing the use of heaters and air conditioning (Socalco Nature Calheta 2020).

On the other hand, *luxurious sustainability* is used to describe luxury hotels that have sustainability as one of the core concepts in their business model. In other words, these hotels were created with both pillars - luxury and sustainability - in mind. Soneva hotel is the perfect example of this approach. Soneva is a well-known brand with three resorts located between the Maldives and Thailand. The hotels are present in numerous lists featuring the most sustainable

hotels around the world and similarly to Saccharum, they also based its concept around three areas - luxury, sustainability and wellness. In their own words Soneva was “*founded on shared passions and masters of innovation, we are a thriving community working hand in hand with the environment to craft beautiful, beyond bespoke experiences where discovery is a way of life*” (Soneva website 2022). Among their many sustainability actions, one must mention The Soneva Total Impact Assessment where the social and environmental impact of all Soneva hotels is measured, including the indirect impact of their supply chain and guests air travel. This initiative, alongside their sustainability report, is an example of transparency in terms of consumption, sustainability and communication, that also highlights the fact that the hotel is certified carbon neutral. Adding to this, Soneva produces their own drinking water since 2008, and were one of the first hospitality companies to ban branded bottled water in the world. Their water is filtered, mineralised, alkalised and bottled on-site in reusable glass bottles. Besides, a percentage of revenues from Soneva Water funds 500 clean water projects, providing drinking water to over 750,00 people in 50 countries through charities such as Water Charity and Thirst Aid. Moreover, Soneva has rolled out Soneva Water to the neighboring island of Maalhos in the Maldives, reducing dependence on unreliable rainwater and increasing access to pure, filtered water in reusable glass bottles (Soneva 2022). Furthermore, the hotel is also engaged and connected with the community surrounding its properties through various programs – such as the one that teaches people from the Maldives how to swim. All these initiatives created by Soneva were possible due to its Foundation - the Soneva Foundation. It was founded with the intention of promoting the execution of projects with a positive environmental, social, and economic impact. Adding to the ones mentioned before, this Foundation also created several other projects, such as the Action Against Hunger program, the Soneva Forest Restoration Project, the Care for Children.

It must be taken into consideration that the previous analysis regarding the hotels mentioned above was done through the information available on their websites. Therefore, it was an exploration made through an interested consumer's point of view. This means that the positioning of the hotels in the Cartesian plane and the conclusions that derived were reached with the information that is currently available to the public. For these reasons, Saccharum was positioned below Reid's Palace on the Cartesian plane because the information regarding sustainability on its website is completely absent. However, the level of luxury of both hotels is different, Reid's being the most luxurious.

5. Diagnostic & Recommendations

As illustrated in the previous section, finding a good compromise between sustainability and luxury is possible. Sustainability is in fact a transformative, transversal, and gradual mission.

Although Saccharum has already started its journey towards sustainability through its environmentally friendly and social initiatives, the hotel lacks several points to be associated with a luxurious sustainability positioning. And this is due to different reasons. First of all, Saccharum is not self-sufficient in energy, like Sentido Galomar, or carbon neutral, like Soneva. Then, the hotel is limited by the vast size of its building and the current strategy that is focused on the occupancy rate in order to be financially sustainable. Moreover, the target group is undefined - the hotel tries to please everyone without identifying and focusing on a clear target. In addition, as claimed by Carlos Gonçalves, the Group Executive Chef, the hotel still produces a great amount of food waste due to the hotel buffet. This is also confirmed by a table in Saccharum's Sustainability Report 2021 (Appendix 28) that states that the largest type of waste produced by the hotel is organic. To these aspects is also added the fact that Saccharum does not have a sustainability team, but there is only one individual responsible for this issue at a Group level. Finally, some aspects of the staff training are unclear, such as the topics covered

during training and their frequency. In the table “Goal Plans - 2022 Saccharum” presented in their Sustainability Report of 2021 (Appendix 29), it is simply stated that there is environmental training given through 1 to 5 training sessions in 2021, and the goal for 2022 is 2 to 5 training sessions. However, one does not know if these sessions are monthly, weekly or per year.

For all reasons here and earlier in this report, sustainability cannot be the main proposition in their strategy. Saccharum cannot reach the luxurious sustainability positioning in the short to medium term, where Soneva, for example, can be found. However, luxury can act as Saccharum’s agent of change in terms of sustainability, leading the hotel to a new positioning: from a Design Wellness retreat concept to a sustainable luxury concept. Saccharum could in fact focus on building a strategy centered on being a nature-oriented, luxury hotel. This positioning would be reachable within the short term with the implementation of appropriate sustainable strategies and initiatives, that will be dealt with in the next chapter of this paper. Nevertheless, in the long run, Saccharum should also focus on defining a consistent and credible sustainability culture that will see the hotel, and the overall Group, to become truly committed to sustainable and nature-oriented practices. Along the lines of long-term objectives, also Savoy Signature will play a key role. As part of an endorsed brand architecture, the image of the Group should also be consistent with its hotels. In the long term in fact, the sustainable practices implemented, and a visible commitment should also be visible at the Group level.

In the following section, it will be discussed in more detail how to develop the new positioning strategy of Saccharum as a sustainable luxury hotel. In particular, the first three parts will follow the “Brand Know, Brand Do, Brand Say” model introduced in Chapter 3.3.3. Due to research purposes, this paper will consider solutions for the short and medium-term, as they will be more practical and immediate for the hotel to be adopted. As Saccharum is also part of the Savoy Group hotel chain, research into how companies manage their brand portfolio towards

sustainability will follow. Finally, a dive deep into Madeira Island and how Saccharum can leverage on the island to achieve its sustainable objectives.

6. Limitations

During the research carried out for this dissertation, some limiting factors occurred that had a direct impact on the diagnosis and, therefore, influenced the result.

The first limitation concerns the qualitative interviews conducted with hotel guests. The interview sample is in fact not representative of the population as only 24 interviews were conducted. This is due to the difficulty of being able to interview guests during their stay at the hotel as they were on holiday, and most did not like to be bothered. Furthermore, for the same reason, the interviews were not conducted in depth, as there was no intention to take time away from guests during their stay. Thus, this limited the study and influenced the segmentation carried out of Saccharum's current guests as it was not possible to go into detail on all the topics one wanted to cover. In addition, this was further compounded by the fact that the hotel did not grant the research team access to a post-stay evaluation questionnaire and its answers that guests fill out, through which the segmentation and analysis of current guests would have been more complete and detailed.

The second limitation still concerns qualitative research, but in this case, relates to the interviews conducted with hotel staff. The staff interviewed often saw the research team more as guests than as external individuals to the hotel, thus providing biased and not entirely correct information. This could only be observed after all the interviews had been conducted and the answers compared, resulting in conflicting findings. At the same time, another limitation concerning the interviews is the fact that in some cases the research team interviewed staff members who were not suitable and not aware of the information being sought. Therefore, this also influenced the data collection during the hotel visit.

The third limitation concerns quantitative research and the answers obtained through the questionnaire developed. Firstly, the sample is not fully representative of the population for a number of reasons. These certainly include the fact that more than 60% of the respondents are from Italy or Portugal (Appendix 4), and the fact that it was not easy to filter respondents to get answers only from luxury hospitality consumers. As the concept of luxury is relative, it was not possible to use the BCG-Altgamma True-Luxury Consumer Treshold matrix (Pianon et al 2017) for prices, because they differed greatly from those of luxury hotels in Madeira. For this reason, it was decided to filter respondents by asking if they had been to a five-star hotel more than once in the last five years for a holiday. Added to this is the fact that several individuals started the questionnaire but abandoned it before the end. In fact, about 234 people answered the first question after the filter, but only 170 reached the end of the questionnaire to answer the demographics.

Another limitation concerns the examples given in the benchmark section. These examples are restricted due to the fact that sustainable practices and initiatives implemented in luxury hotels around the world number in the thousands and therefore only those deemed most relevant have been selected.

Finally, the last factor that has limited research and also its outcome is the fact that sustainability is an evolving concept in today's fast-paced society. In fact, for the long-term scenario, it is not possible to predict the technological developments in the coming years, and likewise to know consumers' expectations and how they will evolve with regard to sustainability.

Individual Part: *Brand Do - Adapting and innovating the product offer*

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1. Introduction

Arguably, the broad experience one has while staying in a hotel is what most leads a guest to give a positive or negative opinion about it. Hence, offering customers memorable and meaningful experiences is what every hospitality brand usually strives for. Experiences are directly correlated with the concept of Brand Do, which precisely relates to what a brand offers and how its product is offered to consumers. 'Brand Do' is the second phase of the three steps framework known as “Brand Know, Brand Do, Brand Say Model”, theorized by Nova SBE researcher Lena Kemna. The model is useful in fostering the perception and positioning of a brand as sustainable and follows a path of change and awareness that starts with corporate culture (Brand Know), then moves on to operations and product (Brand Do) and ends with communication (Brand Say) (Kemna 2021). In this specific case, Brand Do includes all the experiences and products guests can enjoy during their stay and is therefore the one aspect most directly related with them.

As previously illustrated in the group part, Saccharum is already engaged in a number of environmentally and socially sustainable practices. However, this does not necessarily mean that the current offer of experiences and products available to guests at Saccharum is entirely consistent with the hotel's current strategy and positioning, and most importantly with the positioning that the hotel would like to reach.

This research aims to understand the importance of sustainable activities and practices for guests in luxury hotels, what are the experiences offered from other brands in the sector, and finally to propose possible recommendations and strategies that Saccharum can implement in the short and long term. Additionally, it is necessary to take into account the primary conclusion drawn, according to which sustainability cannot be the core concept on which Saccharum builds its positioning. For this reason, it will be presented first which aspects of the offer the hotel can

strengthen, and only then which new practices and initiatives the hotel can implement to achieve a sustainable luxury positioning.

2. Contextual Background

The relevance that the issue of sustainability plays is now more than evident to everyone. From the actions taken by governments around the world towards this direction, to the ever-increasing consumer interest in this topic. For this and other reasons, sustainability has been defined as the key to successful business in the 21st century, and the hotel industry is no exception (University of South Wales 2022).

The hotel industry is in fact responsible for about 1 % of global carbon emissions, which is why this sector has the responsibility to commit to improving the impact it has on the planet (Sustainable Hospitality Alliance 2022). At the same time, factors such as pressure from governments and actions taken by competitors are pushing more and more hospitality brands to include sustainable initiatives, programs and practices in their agenda. Furthermore, it is the hospitality industry itself, which by relying on natural and cultural resources and exploiting them as tourist attractions and reasons to travel, that has a further reason to approach sustainability not only as a trend but as a way to survive and grow (Malhotra 2022).

Confirming the importance of this issue is also the opinion of consumers themselves. According to a survey conducted by Booking.com on a sample of 30,000 people, 81% agrees that sustainable travel is increasingly important, and around 71% say they would like to make more efforts in the coming year to travel more sustainably (Booking Sustainable Travel Report 2022). This trend is also confirmed by another research conducted by IHG Hotels & Resorts on a sample of 9000 adults surveyed across the US, UK, Germany, China, UAE and Australia (IHG Hotels & Resorts 2021). More than 80 % of the participants said that it is important to choose a hotel that operates responsibly, and the same percentage of them would spend an average of

31% more in accommodation that knows how to operate responsibly (IHG Hotels & Resorts 2021). In addition, both studies also showed that travelers are willing to connect and contribute more to the culture and local communities they visit during their holidays, thus underlining how the aspect of social sustainability is also increasingly relevant. In fact, according to the survey conducted by IHG, 86% of respondents stated it is important to get to know the local community when visiting a new place, and they do so by supporting local restaurants (67%), buying locally (64%), talking to locals (61%) and participating in local tours (48%) (IHG Hotels & Resorts 2021).

Implementing sustainable practices and approaches in hotels is therefore no longer just a way to differentiate, reduce operating costs and improve the brand's image, but has become a standard practice in the industry, the possibilities of which are so diverse.

3. Addressing the Work Project

3.1. Methodology

In order to investigate the best sustainable practices and experiences implemented in luxury hotels, and to determine which are the most relevant for Saccharum, several research tools were used.

First, qualitative research was conducted through 12 in-depth interviews with Saccharum staff members along with on-site observations conducted at the hotel during the research team's visit in September 2022. Secondly, quantitative research was carried out through a structured questionnaire, the results of which were useful in understanding the preferences and buying behavior of luxury hospitality consumers towards sustainable initiatives and practices. Finally, background research was also performed, which included the consultation of articles and papers regarding sustainability engagement of hotels, as well as a benchmarking analysis on different

luxury hotel websites to gain an understanding of what other players in the market already implemented.

3.2. Consumer Insights

Some of the insights obtained through the quantitative research carried out are particularly relevant for the effectiveness of this paper's recommendations, both in the short and long term.

Firstly, it should be stressed that almost all respondents agree that luxury hotels should guarantee a superior type of experience (Appendix 13), suggesting how factors such as uniqueness and exclusivity still play a relevant role in this industry. At the same time, it is significant to point out that most of the factors considered more important by respondents in their process of choosing a luxury hotel, are closely linked to the experiences and facilities that the structure offers. Among these certainly stand out services and amenities, bars, and restaurants, but also the exclusivity of the experiences offered (Appendix 15).

According to the respondents, sustainability apparently does not play the same role or level of importance as other aspects, neither in terms of associations (the survey showed that this aspect is the one least associated with luxury hospitality), nor in terms of playing a decisive role during their decision process. At the same time, however, it became clear from the results of the questionnaire that sustainability has all the potential to be considered a relevant factor for consumers in this industry. A few insights from the survey stressed this hypothesis, such as the fact that 68% of respondents agreed that they would feel more connected to a luxury hotel if it engaged in sustainable practices (Appendix 20), or the fact that around 70% of them would recommend a luxury hotel more to friends and family if it was sustainable (Appendix 21).

In conclusion, although by many this aspect is not directly associated with luxury hotels, the survey highlighted that attention to sustainability is increasingly a relevant factor in the choice of this type of accommodation.

3.3. Benchmarking

Before proposing recommendations for Saccharum, it is important to take a look at successful implementations of sustainable practices in luxury hotels. The areas in which a hotel can implement sustainable practices are diverse, from those related to staff wellbeing or guest experiences, to more technical areas related to waste, energy or water management. In this section some examples of sustainable practices implemented in luxury hotels considered to be most pertinent to Saccharum's structure, offer and organization are presented.

Six Senses Kaplankaya located in Bodrum, Turkey, is a 141 rooms resort offering a combination of seclusion and social community at the heart of nature. The hotel is part of the Six Senses Resorts collection, owned and controlled by the hospitality giant InterContinental Hotels Group (Gollan 2019). The hotel is committed to different sustainable initiatives, as all of the group's properties share the same commitment to balance economic, environmental and social profitability, in strong harmony with local communities and ecosystems (Six Senses website 2022). For example, in terms of environmental responsibility, the hotel not only filters and bottles its own still and sparkling water, but also sends monthly data on energy, water, and waste to the Six Senses Home Office, where this information is benchmarked against an international hotel data set and used to inform each hotel part of the collection to reduce resource consumption (Six Senses Kaplankaya website 2022). Moreover, the hotel has created a space, called “*Earth Lab*”, dedicated specifically to sustainability engagement and innovation, where all their environmental initiatives, activities, and community partnerships are physically presented to hotel guests (Six Senses Kaplankaya website 2022).

Another example of excellent integration of sustainable practices in a luxury hotel is Tierra Patagonia, located on the edge of Torres del Paine National Park in Chile. The hotel is part of the Tierra Hotels Group, which also owns two other properties in Chile. According to their

sustainability report, the hotel's mission is *"To offer authentic, memorable, high-quality trips, where luxury is found in the simple, the natural and the intimate relationship between a landscape and its people. To encourage sustainable development for local people"* (Tierra Patagonia Sustainability Report 2019). Indeed, the hotel's sustainability strategy is funded on three pillars that provide the framework for their actions: Zero Footprint, Community and Biodiversity (Tierra Patagonia Sustainability Report 2019). The hotel employs a variety of sustainable practices in terms of water, energy, and waste management, but the most interesting initiatives seem to be those concerning social responsibility. For example, in collaboration with two foundations, the hotel has pledged to support a local woman, Orieta Caucamán, who is living on a nearby island. Orieta collects polyethylene fishing ropes found on the shores of her island to clean the beaches and uses these plastic fibers to weave traditional Chilean baskets. The hotel has pledged to support Orieta, who now earns a salary from them for her cleaning and sells her baskets at the hotel gift shop. In addition, since 2019, the hotel has developed various itineraries consisting of traditional activities, free concerts, photo exhibitions, seminars, conversations, craft fairs and workshops, all of which allow guests to come into close contact with local communities, while also promoting the richness of indigenous cultures through sustainable tourism. In this way, the hotel seeks to create authentic links between visitors and local communities, while at the same time generating income for the locals and helping them to teach others about their heritage (Tierra Patagonia Sustainability Report 2019). Finally, in terms of exclusive experiences, the hotel has designed a unique excursion where, together with a specialist from a local foundation, guests are immersed in nature to get to know the different animal and plant species in the area and learn how humans can interact with them in harmony (Tierra Patagonia Sustainability Report 2019).

These hotels are just one example of the dozens of different initiatives and practices that a hotel can implement in terms of sustainability. A first aspect to be considered for Saccharum will be

to find the right balance between environmental and social sustainability initiatives. A further issue will be to strike a balance between sustainable practices that already exist, but can only be observed by guests, with experiences that guests can enjoy first-hand.

4. Recommendations

What often seems to be failing despite the interest proven by consumers towards sustainability, is their actual commitment in this matter. How then can luxury hospitality consumers be encouraged to really engage with a more sustainable approach? According to Harrison (2021), hospitality consumers increasingly demand experiences that are transformational, i.e., experiences that leave them somewhat improved in the end, and through which they can learn something. Perhaps, one direction that hotels could take is to try to combine sustainability with an educational experience. Hotels could be those social hubs, as mentioned in the group part, where guests could create a kind of bond, a connection, something that really makes the hotel not only a place to holiday, but also an educational space where they could learn something, and then bring it home with them. Supporting this thesis is Deloitte Global Powers of Luxury Goods Report 2022, which claims that educating and empowering people to make more sustainable choices is crucial for fostering sustainability and spread more conscious behaviors (Deloitte 2022). It will therefore be necessary to take this into consideration to effectively construct and target recommendations for Saccharum.

4.1. Strengthening the current offer

This section addresses the aspects that Saccharum should seek to further improve about its sustainable approach already in place. Four aspects will be covered: (1) optimization of waste, energy, and water management, (2) food and beverage, (3) activities & experiences, (4) product/offer.

Optimization of waste, energy, and water management

Regarding the first aspect, Saccharum already has several initiatives and practices in place. In terms of energy, the hotel already uses solar panels to produce energy, LED lights in almost the entire building, an intelligent system that controls the air conditioning, and a water heating system that uses solar energy. On the other hand, practices put in place to reduce water consumption are also many, like using rainwater to irrigate the hotel gardens. The same in terms of waste: the hotel is highly committed to recycling, the use of paper and plastic is reduced to a minimum, to the extent that the hotel has established the goal of becoming plastic free by the end of 2022. At the same time, however, the hotel has ample room for improvement in all three areas. For example, in terms of energy, Saccharum could consider adding solar panel systems and implementing photovoltaic panels to increase its energy independence. In terms of water management, one measure that could be implemented is the installation of systems that reduce water consumption from taps and showers. One example is Comfort Saver, an accessory for the shower hose that injects a certain percentage of air into the jet so that less water is consumed. This tool contributes to 50% water savings, 30% energy savings and can help save 25% on the annual water bill (Comfort Saver 2022). On the other hand, finding measures to reduce waste is more complex. As can be seen from the hotel's Sustainability Report 2021 (Appendix 29), the main type of waste produced by the hotel is organic, and thus mainly food. The production of organic waste is in fact closely related to another issue highlighted in the hotel, that of the food buffet and the amount of waste it produces, which is discussed in the following paragraph.

Food and beverage

The issues concerning food and beverage involve several aspects, starting with the buffet. Indeed, in the hotel's main restaurant a large lunch and dinner buffet is served, which, as pointed out by several staff members and the Chef himself in their interviews, produces a large amount of waste that cannot be reused. Changing the modality of lunch and dinner from a buffet to an

a la carte menu is currently not feasible due to the target group of guests the hotel currently has, who favor this modality. Certainly, this is something the hotel will have to work on in the long term, but there are also measures that can be implemented in the short term to improve the hotel's impact. Firstly, the hotel could reduce the amount of food on display to avoid waste and prevent guests from being encouraged to try as much food as possible. Secondly, the hotel could implement an agreement with a company that donates food to animals or install a composting system that turns organic waste into nutrients that can be resold or used in their gardens. Another aspect concerning food and beverage is the current state of the minibar in the rooms. In fact, the minibar now only has industrial products packed in plastic, paper or glass that are unhealthy and at the same time not sustainable (Appendix 33). They could instead be replaced by more natural products and drinks such as tea, fruit juices and smoothies at the guest's request. One item that could be integrated into the minibar, for example, are drinks and snacks made with sugar cane, an iconic element of the hotel and already present in some of the hotel's bars. A further issue of the food and beverage aspect concerns suppliers. Indeed, as the interviews revealed, although the hotel claims to give priority to local suppliers, the origin of some of the hotel's suppliers, is not completely clear. Saccharum should in fact commit to guarantee and always give priority to local suppliers through a more adequate system of control of their origin. The last issue of the food and beverage aspect on which the hotel could work on in the short term is that of food education. This could be achieved with several simple practices to be introduced in the hotel's restaurants and bars. Firstly, the hotel should introduce more vegetarian and vegan options, which are scarcely present in the hotel's bars and restaurants to date. This would not only broaden the food offer but also make the buffet more sustainable. A further feasible practice would be to involve guests more in understanding the menu and the characteristics and origin of each dish. This could be done for example by displaying next to each dish on the buffet how much CO₂ is emitted to produce that dish and to source each

ingredient featured, in an effort to eventually motivate guests to be more aware of what they are eating and their food choices.

Activities & experiences

Another area where the hotel should work to ensure a more sustainable approach concerns the activities and experiences currently offered. Indeed, in terms of guest experiences Saccharum currently only offers experiences related to the luxury sphere, where no trace of sustainability can be found. While the next section provides suggestions on new experiences that the hotel could implement, here are suggestions on how to improve the current experiences in terms of sustainability education for guests. For example, the hotel offers a 'luxury tour around the island' through which guests can be accompanied on a half or full day tour around the island by a luxurious car with a private driver. This experience could in fact adopt a more sustainable approach through a tour that would take guests to visit local and sustainable realities such as farms, small businesses, and local foundations, as well as places directly related to the traditions and culture of the island and its people. This tour could be directly offered by the hotel with a private car, although hybrid or electric in this case, or the hotel could create an interactive map on the app with recommended places to visit. Another aspect that could be revised concerns the store inside the hotel. This shop offers products used in the spa and rooms, small items such as shower gel and shampoo, but also some local products. To strengthen the link with the community of Calheta and the island itself, Saccharum could also start selling pieces of art from the nearby Museu de Arte Contemporânea da Madeira (Mudas), or products from sustainable local brands such as Terramiga. Terramiga is a small Madeiran brand that produces natural cosmetic products using sugar cane straw residues and other typical Madeiran elements. One example is the Terramiga White Gold soap, which is packaged in a fabric bag, representing the old sugar and Pão por Deus bags (Visit Madeira 2022).

Product/offer

Lastly, a further area where certain aspects could be improved is defined as 'product'. This section presents some features and products that could be added or replaced to Saccharum's current offer. The first concerns the plastic cards that are given to guests to access the rooms. These, despite being reusable, are made of plastic and sooner or later must be disposed of anyway. Instead, several hotels have decided to adopt another type of card for room access, made of vegetable fiber. Saccharum could adopt this card type, or if they wanted to go even further, directly replace the use of the card with an access code. A further point concerns the composting of waste. At present, Saccharum does not use any kind of composting and waste treatment system. Instead, the hotel could introduce this practice by means of so-called worm composting bins, i.e., bins with holes for ventilation and moisture inside which there are worms that facilitate the composting of waste. The advantages of these bins are many, such as reducing the amount of waste to be disposed of, speeding up the composting process and helping the soil to drain properly to reduce water runoff. A further aspect concerns the means of transport used by the hotel for services given to guests. Indeed, Saccharum guests can request a transfer from the hotel to the airport or Funchal via a fleet of Group cars. As such, Savoy Signature could consider introducing a fleet of hybrid or electric vehicles to replace the cars currently in use. A final aspect that the hotel should consider is an increase in the digitization of the customer relationship. An example of a practice that the hotel could implement is to no longer give paper receipts in the hotel's restaurants and bars, but to send them directly or by email or app to guests.

4.2. Implementing new practices and initiatives

The last section of this report aims to propose new initiatives and experiences to be added to Saccharum's offer. Behind these proposals is the intention to propose an approach that favors guest involvement in terms of education and learning about sustainability. This section is

divided into four different groups of recommendations: (1) experiences, (2) (H)earth Learning Lab, (3) product, and lastly (4) social initiatives.

Experiences

This section aims to propose a series of sustainable activities that the hotel could implement in addition to those already offered by Saccharum. As explained in the previous section, in fact, the hotel already offers a private tour of the island by car but does not offer any kind of sea excursion. Given the island's strong connection to the sea and fishing, Saccharum could introduce a tour of the island on an eco-boat (a catamaran or sailboat), which would take guests to learn about the local maritime realities of the island, explore their history and understand what this work entails and how it has evolved over the years on the island. This experience could also include a visit to the Madeira fish market together with the Chef, so that guests can learn about the species of fish present on the island, how they are farmed or caught, their seasonality, and the criteria the hotel uses to purchase fish.

A further initiative that could be implemented is that of educational retreats, i.e., hotel packages with an exclusive program included. The implementation of educational retreats would in fact be for Saccharum not only a way to extend the average stay from 4-5 days to a week, but also a possibility to fill the hotel in low season. For example, there could be three different types of retreat:

- Ecological: this retreat could touch on different aspects such as, for example, gardening and the culture of flowers of Madeira, but also initiatives regarding waste disposal, how to have a chemical free house, or how to reduce one's environmental impact in everyday life.
- Social: this retreat could focus on introducing guests to different social realities and foundations in Madeira and could involve them in their daily activities for a few days.

- Wellness: the last type of retreat could instead focus on one of the hotel's core values, that of wellness. During this experience, guests could dedicate themselves completely to yoga, aerobics, pilates and meditation activities, as well as hiking in Madeira's nature accompanied by hotel guides.
- To complement the educational retreats, the number of workshops the hotel already offers could be increased to include, for example, weekly initiatives that teach how to compost at home, how to daily produce the least amount of waste, or simple sustainability tips to save money that guests can adopt in their everyday life.

In addition, one more exclusive experience that the hotel could add for its guests involves the Meia Legua garden. The hotel in fact owns this plot of land in the central part of the island where it keeps a large garden in which not only the plants that are then used in the group's hotels are grown, but there is also a large fruit and vegetable garden that is used to meet part of the product requirements of the Savoy hotels. This space has a lot of potential, and there are many possibilities to engage guests with these spaces. For example, the hotel could organize an exclusive experience where guests are first asked to pick fruit and vegetables together with the chef, and then cook them on site and prepare typical Madeiran dishes.

(H)earth Learning Lab

The next recommendation for Saccharum is the creation of an educational space on sustainability within the hotel. This permanent space set up in an area of the hotel could not only be the place where the hotel's various sustainable initiatives are presented to guests, but also where staff training in sustainability could take place on a regular basis. This space will be able to become a kind of green heart of the hotel, where guests can get in touch with the hotel's sustainable initiatives, but also a place where different workshops and occasional conferences on sustainability also open to the Calheta community will be organized.

Product

In terms of product, there are a few more things that Saccharum could add to its offer. These initiatives are all focused on encouraging guests to be more resource-conscious during their stay at the hotel. Firstly, Saccharum could introduce an initiative already implemented by several hotels to reward guests with a valid food and beverage voucher when they decide not to use their room cleaning service. Secondly, the hotel could encourage a more conscious consumption of water and energy through small signs placed in bathrooms, rooms or other areas of the hotel explaining, for example, how much water a shower lasting more than 10 minutes consumes, or how much water is wasted if the tap is left running while brushing one's teeth, as well as how much energy it consumes to leave a TV or light on in the room. Finally, the last initiative that the hotel could introduce is a resources consumption display in the lobby and other common areas of the hotel. Through this system, guests will be able to check how many resources the hotel is consuming in a given day or how many of the available resources for a whole year the hotel has already consumed and whether it is exceeding its limit. This mechanism could also be available on the app, so that guests could check this kind of information in real time from their phones. In addition, this system could also be used from Savoy to compare how many resources their hotels are using, benchmark this against an international hotel data set and thus understand whether there is a need to reduce consumption of anything and if so, notify guests accordingly.

Social initiatives

The last group of recommendations concerns new social sustainability initiatives that the hotel could activate. Firstly, the hotel could encourage the involvement of its staff in social initiatives and projects by guaranteeing them at least one paid day per year where they can dedicate themselves to a social project of their choice. Secondly, another initiative that the hotel could

apply is the reuse of its materials and waste to be donated to associations or people in need. For example, emulating an initiative proposed by Marriot International in South Africa, Saccharum could reuse old linens (sheets, towels and other clothing provided to guests) to create new clothes to be donated to associations that safeguard and support orphaned children in Portugal, such as SOS'S CHILDREN VILLAGES in Lisbon or Refugio Aboim Ascensao in Faro.

5. Limitations

A few limitations occurred during the study. The ones that influenced the drafting of this section are mainly two. Firstly, the questionnaire sample is not representative of the population in terms of nationality, as respondents from Italy and Portugal account for more than 60% of the total (Appendix 4). Furthermore, several individuals dropped out of the questionnaire before reaching the end. Secondly, the recommendations were also limited by Saccharum's property structure, organization and possibilities, as also pointed out in the group's part chapter "Diagnostic & Recommendations".

6. Conclusion

The recommendations just presented provide an opportunity for Saccharum to work on its positioning in the guest experience area in both the long and short term. Repositioning Saccharum as a sustainable luxury hotel will certainly not be an immediate and easy path, but there are certainly some aspects that the hotel will have to take into consideration. Firstly, the ever-increasing attention that consumers pay to this issue, and thus the risk of being labelled as greenwasher. Secondly, balancing environmentally and socially sustainable practices in the hotel's offer. And lastly, given the relevance of the issue globally, considering the initiatives proposed to guests and staff as an opportunity for personal growth and education.

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Appendix 1: Interview guide Saccharum staff



| MEMBER OF THE STAFF | QUESTIONS DEVELOPED |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hotel Management Director – Bruno Teles | <ul style="list-style-type: none"> • What is the percentage of customers who book an all-inclusive stay, how many book a half pension stay, etc.? • How much do guests spend on average in the hotel excluding the stay? • Which channels are most used by guests to book? • What kind of experiences are guests looking for when they come to Saccharum? • For which reason is your hotel mainly appreciated? Do guests of different nationalities appreciate different aspects in the hotel? Do guests' needs and expectations differ according to their nationality? • Do you have a percentage of guests who return to your hotel because of the specific concept on which it is based? • What is the average profile of guests at Saccharum? What do they do for a living? • What is the percentage of Portuguese and foreign guests at the hotel? What are the countries from which guests mainly come? • Do you also have families staying at your hotel or is it mainly couples? • What do you do to create a LGBTQ+ friendly environment? What conditions do you create to allow such a space? • Is Saccharum a pet-friendly hotel? • Do guests who come to your hotel mainly spend the day there or do they only use the hotel as a base for visiting the island? • Can people external to the hotel use the amenities and the restaurants? • What are the most common positive feedbacks that you receive from guests at the hotel? Do different nationalities give different positive feedbacks? • What are the most common complaints that you receive from guests at the hotel? Do different nationalities complain about different things? • How relevant is the implementation of customer feedback for Saccharum? |

| | |
|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Is there anything you would like to change in the hotel and that you are currently working on? • If Saccharum was a person, what kind of person would it be? |
| <p>Savoy Signature Head of Marketing – Sílvia Dias</p> | <ul style="list-style-type: none"> • Which brands do you consider to be your competitors as a luxury hotel chain? And as a signature hotel? • Which hotels do you consider as competitors from a geographical point of view? And from the point of view of the specific lifestyle/concept you offer? • How much internal competition is there between the different hotels of the Savoy group on the island? How does Savoy handle this? • Can you give an overview of the nationalities that frequent the hotel the most? • How much is your current target audience matching the one you would like to reach after this project? What would be the major differences? • Can you give us a profile overview of your current customers? And what about your ideal ones? • What are the main factors for which your customers choose you? • Is there any reason for which customers come back to the hotel? Do you know why? • How do you communicate your sustainability efforts/commitment to guests when at the hotel? • What actions are you taking to demonstrate your engagement towards the LGBTQ+ community? • How does the premium hotel experience concept work? What is the reasoning behind it? • What kind of platforms for paid adv do you use to promote the hotel? • What purpose do you use social media for? • What types of earned media do you use most? • Is there anything you would like to change in the hotel and that you are currently working on? • If Saccharum was a person, what kind of person would it be? |
| <p>Savoy Signature Head of Innovation & Customer Experience – Saleta Marquez</p> | <ul style="list-style-type: none"> • In terms of digitization, has Saccharum implemented any processes that facilitate and simplify the relationship with guests? • Which services are most used and appreciated by guests? Is there a difference between nationalities on the choice of these? • Why did you decided to change your positioning and orient it towards sustainability? • How challenging is taking care of the sustainability aspect at the hotel? • What are the control processes/mechanisms in place to ensure that everything is up to standard with regard to sustainability throughout the hotel supply chain (for example in terms of supplier’s selection or staff criteria and education)? • What are the most important KPIs that you use to monitor sustainability? • In the 2021 Sustainable Report there is a section dedicated to the program “zero plastics 2020-2022”. Now that the end of 2022 is approaching, are you satisfied with the current position of the hotel regarding plastics consumption, or do you still have room for improvement? • Saccharum offers characteristic products from Quinta Pedagógica dos Prazeres. Do you have other partnerships with local companies, producers, suppliers or artists. |

| | |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Is there any sustainability framework from which Saccharum/Savoy draws inspiration or aspires to be part of? (B-Corp, UN Sustainable Development Goals etc.) • Apart from the sustainability aspect, what aspects does Saccharum want to focus on in terms of innovation and customer experience? • How relevant is the implementation of customer feedback for Saccharum? • Is there anything you would like to change in the hotel and that you are currently working on? • If Saccharum was a person, what kind of person would it be |
| <p>Saccharum Guest Experience Manager – Udo Vital</p> | <ul style="list-style-type: none"> • Could you please describe a typical day of a customer at Saccharum? • What are the main factors for which your customers choose you? • What services do you offer as a hotel? Which are the most successful/popular? • Is the experience provided by the hotel only in the facility or are there also related external experiences? • What are the factors that differentiate the experience you offer at Saccharum from those at other hotels? • What kind of experience are guests looking for when coming to Saccharum? • Are you providing different experiences for different targets? • Have you already received any positive feedback from customers for the sustainable initiatives taken so far? If so, which ones most? • Have you encountered any difficulty getting guests to adopt some of the promoted sustainable initiatives? • How does the premium hotel experience concept work? What is the reasoning behind it? • Is there anything you would like to change in the hotel and that you are currently working on? • If Saccharum was a person, what kind of person would it be? |
| <p>Saccharum Housekeeping assistant - Célia Sardinha</p> | <ul style="list-style-type: none"> • What is the standard procedure when cleaning a room? What about the hotel's common areas? • What is the average time you spend cleaning one room? • Do you replace towels and bedsheets every day? What is the standard procedure? • When soaps and shampoos bottles are empty, do you fill them up or replace them with new ones? • Which kind of chemicals do you use to clean the rooms? • Do you use any sustainable/organic products to clean? • How do you make sure to always reach standards required when cleaning luxury rooms? • Did you receive a training when you started working here? If yes, what did the training involve? • Do you find it difficult to keep up with the busy schedule? How is the environment at Saccharum? • Have you encountered any challenges while being a housekeeper? • Is there anything you would like to change in the hotel and that you are currently working on? • If Saccharum was a person, what kind of person would it be? |
| | <ul style="list-style-type: none"> • How is a typical workday for you? • What kind of facilities and treatments is it possible to do in this SPA? • Is there a specific tradition for SPA treatments/rituals in Madeira? |

| | |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Saccharum SPA supervisor – Lídia Martial</p> | <ul style="list-style-type: none"> • What kind of products do you use during the treatments? • Are any of these products sustainable/organic? • Do guests usually ask about the products origin or ingredients? • Are you able to recycle anything inside the SPA? • How often do guests come to the SPA during their stay (is it a one-time visit? Or does coming to the SPA involve most of their day?) • Is there a particular reason why the access to the SPA is not free for all the guests? • Is there anything you would like to change in the hotel and that you are currently working on? • If Saccharum was a person, what kind of person would it be? |
| <p>Saccharum Food and Beverage manager – Solange Teixeira</p> | <ul style="list-style-type: none"> • What are the main criteria taken into consideration in the choice of suppliers? • Do you give preference to food that is sustainably sourced/local food? • Is the food served at the hotel organic? • Do you have a vegetable garden? Or a greenhouse? If yes: • In order to grow the products do you use pesticides, herbicides or any type of chemicals? • Do you pay attention to the seasonality of the products in the vegetable garden and greenhouse? • Is the hotel partially supplied by its own agricultural production? • Does the hotel do compost or organic compost? If yes: what do they do with it? <p>Regarding food waste:</p> <ul style="list-style-type: none"> • How much food waste do you produce every day? And what do you do with it? • What do you do with the buffets' leftovers? • What do you do with fresh ingredients (meat, fish, vegetables) that are left uncooked? <p>Regarding the menus:</p> <ul style="list-style-type: none"> • How do you create the menus? • Do you have menu options for celiac and lactose intolerant people? • What is the procedure for people that have food allergies? • How important is to include vegan and vegetarian options in your menu? <p>Regarding guests:</p> <ul style="list-style-type: none"> • Are there any workshops to involve guests in activities like cooking, harvesting vegetables and fruits, prevent food waste etc? <p>Regarding the hotel:</p> <ul style="list-style-type: none"> • Is there anything you would like to change in the hotel and that you are currently working on? • If Saccharum was a person, what kind of person would it be? |
| <p>Saccharum Maintenance supervisor – Francisco Gouveia</p> | <ul style="list-style-type: none"> • What is the part of the hotel or the items that need more maintenance? • What are the most common technical problems? Which type of these items needs more maintenance? • Does the hotel use sustainable energy sources? If yes, how, and what is the percentage of electricity they produce? • Regarding water consumption, do you know if the hotel uses the water from the rain in any way? If not, do you know if the water consumption is higher than average? • Regarding thermal insulation, is there any process or material used by the hotel to conserve the temperature without needing electricity? |

| | |
|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Is there anything you would like to change in the hotel and that you are currently working on? • If Saccharum was a person, what kind of person would it be? |
| <p>Group Executive Chef – Carlos Gonçalves</p> <p>Saccharum Chef – Raúl Ferreira</p> | <ul style="list-style-type: none"> • How many dishes have the menu? Is it more fish/meat or vegetarian driven? • Do you know what the guests appreciate the most about your cuisine? • Which dishes are the most popular? Which are the most popular guest requests? • Do the orders/preferences change based on guests’ nationalities? Do you see a common trend? • How many vegan options do you have? • Do you have kids’ menu? • Do you have lactose-free/ceeliac alternatives? • Where do fruits and vegetable come from? • Where is the meat/fish coming from mostly? Are they sustainably sourced? How do you know? • Is the food waste a relevant problem? How do you handle this problem? • Do you do anything in terms of interaction with guests? For example, workshops with chef and guests / food waste prevention / guests’ education • Is there anything you would like to change in the hotel and that you are currently working on? • If Saccharum was a person, what kind of person would it be? |
| <p>Savoy Signature Head of Purchase - Gonçalo Nóbrega</p> | <ul style="list-style-type: none"> • Which are the main purchase drivers? • Are you strict to the budget or do you have lot of flexibility? • Which criteria do you look for in a supplier? How relevant is the sustainability aspect? • Do they change from the past? How? Why? • Do your suppliers need to have certain recognitions/certificates/awards to work with u? Which ones? • Have you ever switched supplier to become more environmentally friendly? • How important are the customers feedback for your department? • Is there anything you would like to change in the hotel and that you are currently working on? • If Saccharum was a person, what kind of person would it be? |
| <p>Savoy Signature Head of Sales - Graça Guimarães</p> | <ul style="list-style-type: none"> • How is the group performing financially? • What is your budget for sustainability? Is this aspect included in your financial resources? • What do you consider high and low season? Does it differ with nationalities? Does it differ with the different hotels of the group? • How much does the price change between high and low season? • How much does someone spend on average, excluded the stay? • How many people come back to the hotel? • What is the percentage of bookings in each different booking channel? • Did you fully recover from the pandemic crisis? • Is there anything you would like to change in the hotel and that you are currently working on? • If Saccharum was a person, what kind of person would it be? |
| | <ul style="list-style-type: none"> • How autonomous is the government in the island from Portugal mainland? And what about the municipality itself? • Do you have a team at the municipality that deals with sustainability? |

| | |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Calheta Municipality Councillor - Aleixo Jacinto Castro Abreu</p> | <ul style="list-style-type: none"> • Did you organize any sustainable initiative here at Calheta? If yes, which one? • Is there a plan in terms of sustainability for the community at Calheta? • Is there any objective that you want to achieve in terms of sustainability (long and short term)? If yes, which actions are you taking? • Is there any company that holds or is trying to achieve any sustainable certification in the area? • Is Madeira government trying to do anything in terms of sustainability? And what about the specific area? • Are you trying to involve the community of Calheta in any sustainable initiative? If yes, which ones? • How do you dispose of the waste in the municipality? Do you do recycling? • In which ways did Saccharum impact the community of Calheta? • Did Saccharum impact the municipality in terms of sustainability? For example, in terms of waste production, employment etc |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Appendix 2: Topics developed guest interviews

| TOPICS DEVELOPED | QUESTIONS DEVELOPED |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Reasons of the stay</p> | <ul style="list-style-type: none"> • What is the reason of your stay? Pleasure, travel, work, etc.? • What are the reasons why you chose Madeira? • What are your plans for the holiday? Both at the hotel and on the island |
| <p>Booking channel</p> | <ul style="list-style-type: none"> • Through which channel did you book the hotel? • What other channels did you take into consideration? |
| <p>Hotel knowledge & choice</p> | <ul style="list-style-type: none"> • How did you find out about the hotel? Social media, magazines, internet? • What are the reasons why you chose Saccharum for your stay? |
| <p>Hotel choice factors</p> | <ul style="list-style-type: none"> • What's the most important factor for you when choosing a hotel (price, location...)? • What other factors do you take into consideration? • Could you please rank the importance of these factors? |
| <p>Saccharum's sustainability engagement</p> | <ul style="list-style-type: none"> • Did you know that Saccharum is engaged in sustainable initiatives? • Did you perceive any engagement in sustainability from the hotel? • How did you perceive Saccharum's sustainability engagement during your stay? |

Appendix 3: Demographics qualitative research

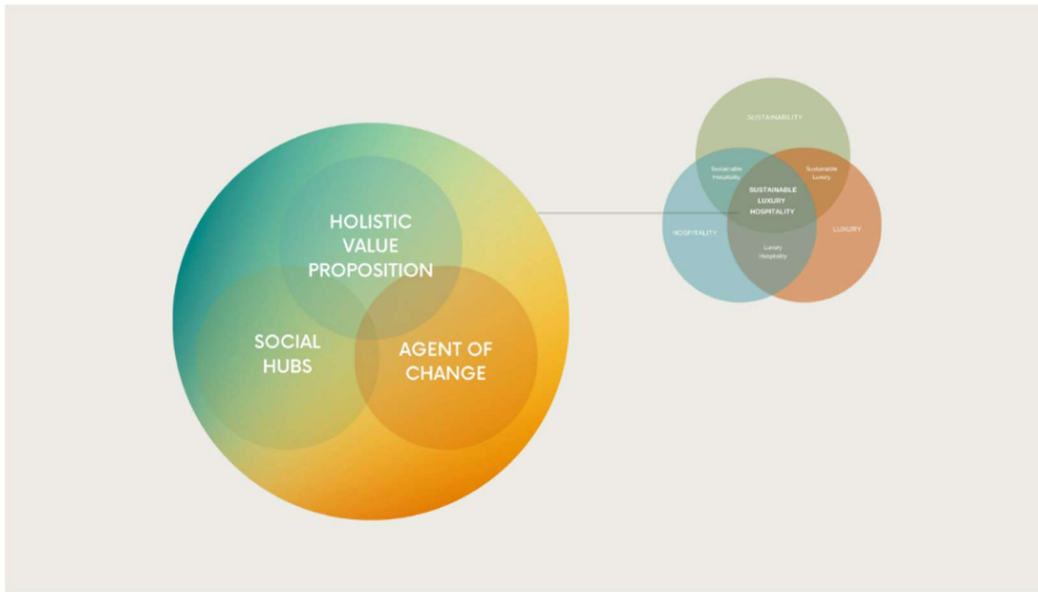
| Demographic Data | | |
|------------------|----------------------------------|-------|
| Gender | Male | 42.6% |
| | Female | 58.3% |
| Age | <18 | 0% |
| | 18-34 | 62.5% |
| | 35-50 | 12.5% |
| | 51-70 | 25% |
| Nationality | British | 33.3% |
| | German | 16.7% |
| | American (USA) | 16.7% |
| | French | 8.3% |
| | Other (Italian, Dutch, Austrian) | 25% |
| Occupation | Employed | 75% |
| | Student | 25% |
| | Retired | 0% |

Appendix 4: demographics quantitative research

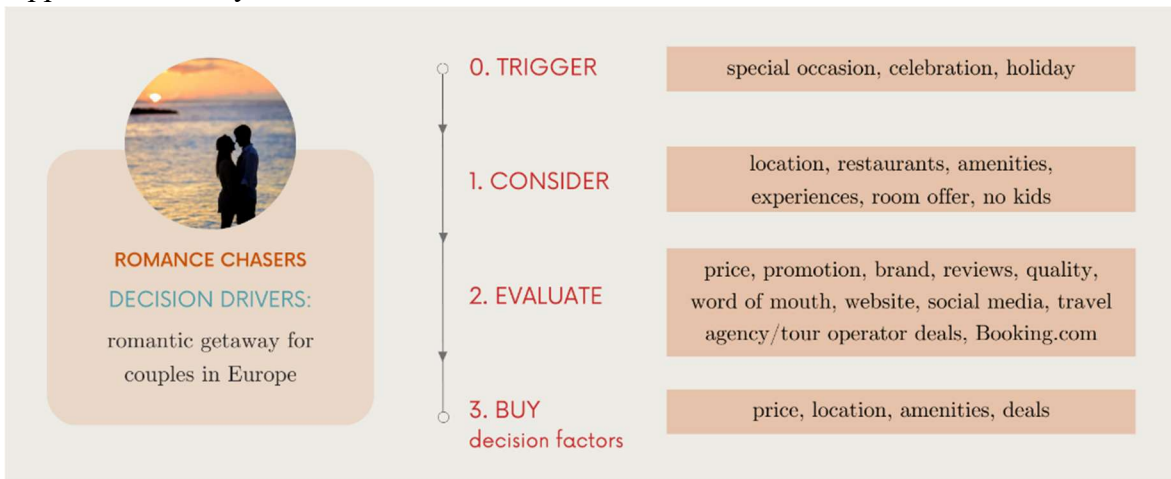
| Demographic Data | | |
|------------------|--------------------|--------|
| Age | Under 18 years old | 0.00% |
| | 18-24 years old | 36.31% |
| | 25-34 years old | 22.02% |
| | 35-44 years old | 9.52% |
| | 45-54 years old | 16.07% |
| | 55-64 years old | 14.29% |
| | Over 65 years old | 1.79% |
| Country | Australia | 0.60% |
| | Austria | 1.19% |
| | Bangladesh | 0.60% |
| | Belgium | 1.79% |
| | Brazil | 1.19% |
| | Colombia | 1.19% |
| | France | 1.79% |
| | Germany | 7.14% |
| | Greece | 0.60% |
| | Guatemala | 0.60% |
| | Italy | 34.52% |
| | Japan | 0.60% |
| | Kuwait | 0.60% |
| | Mexico | 0.60% |
| | Pakistan | 0.60% |
| | Portugal | 31.55% |
| | Spain | 1.79% |
| | Sweden | 0.60% |
| | Switzerland | 1.19% |
| | Tunisia | 0.60% |

| | | |
|--------------------------------------|--------------------------------------------------------------|--------|
| | United Kingdom | 3.57% |
| | United States of America | 7.14% |
| Gender | Male | 35.12% |
| | Female | 63.69% |
| | Non-binary | 0.60% |
| | Prefer not to say | 0.60% |
| Highest level of education completed | High school | 6.55% |
| | Technical/Sports/Artistic degree | 2.98% |
| | Currently obtaining Technical/Sports/Artistic degree | 0.00% |
| | Academic degree (Bachelor's or above) | 67.86% |
| | Currently obtaining an academic degree (Bachelor's or above) | 19.64% |
| | Another situation, please specify | 2.98% |
| Professional status | Specialist Technicians & Self-employed | 17.26% |
| | Service / Commercial / Administrative worker | 13.69% |
| | Skilled / Specialized worker | 30.36% |
| | Unskilled / Unspecialized worker | 0.00% |
| | Student | 29.17% |
| | Household | 1.19% |
| | Retired / Retired Pensioners | 2.98% |
| | Living on income | 4.17% |
| | Unemployed | 1.19% |
| Professional area | Administration/business | 43.12% |
| | Arts & design | 11.01% |
| | Science & technology | 4.59% |
| | Social sciences | 2.75% |
| | Communication | 9.17% |
| | Engineering | 1.83% |
| | Environmental | 1.83% |
| | Health & well-being | 5.50% |
| | Other (please specify) | 20.18% |

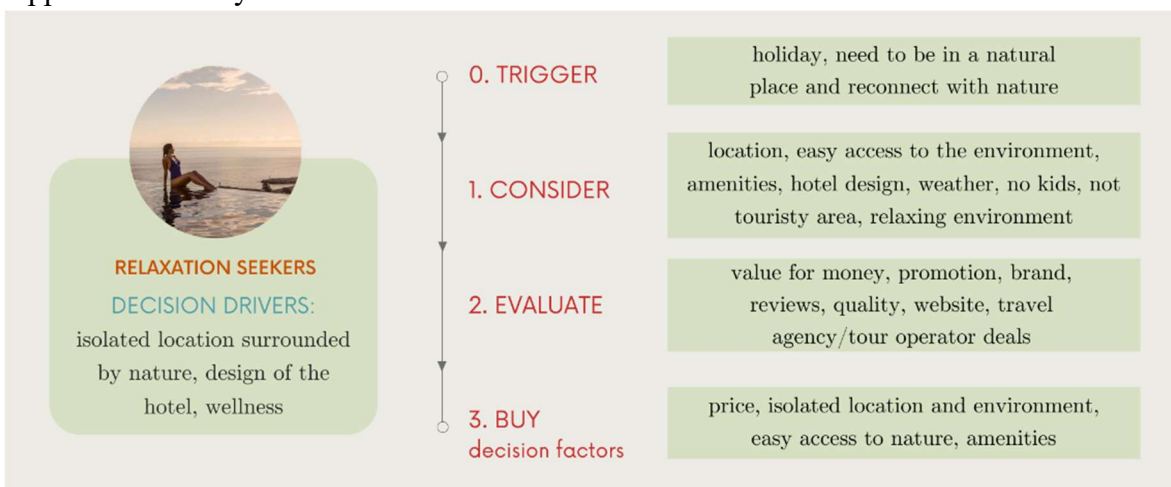
Appendix 5: Three Pillars model: central intersection



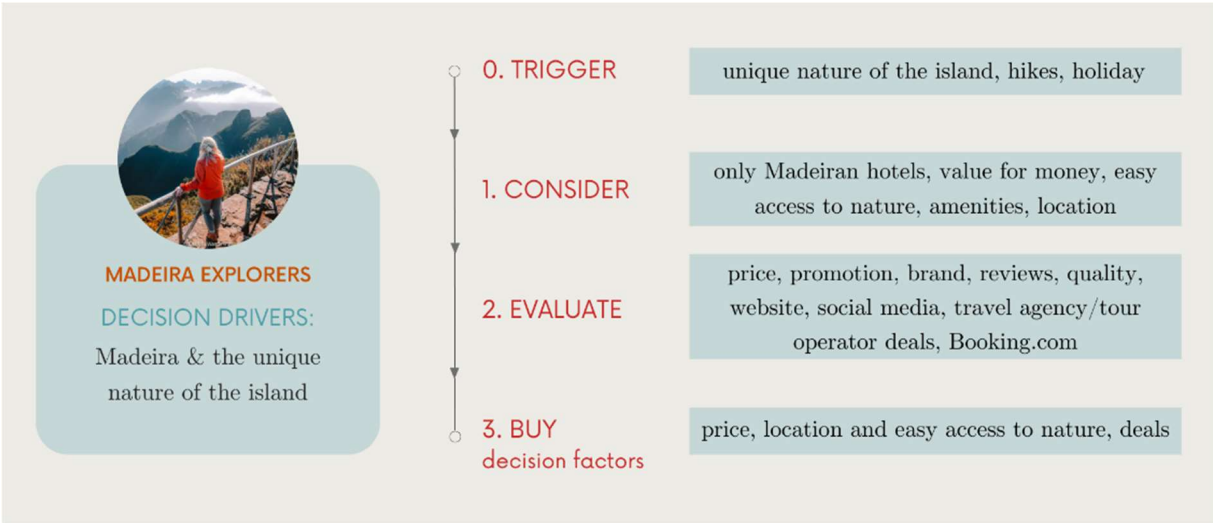
Appendix 6: Analysis of the demand: “Romance Chasers”



Appendix 7: Analysis of the demand: “Relaxation Seekers”

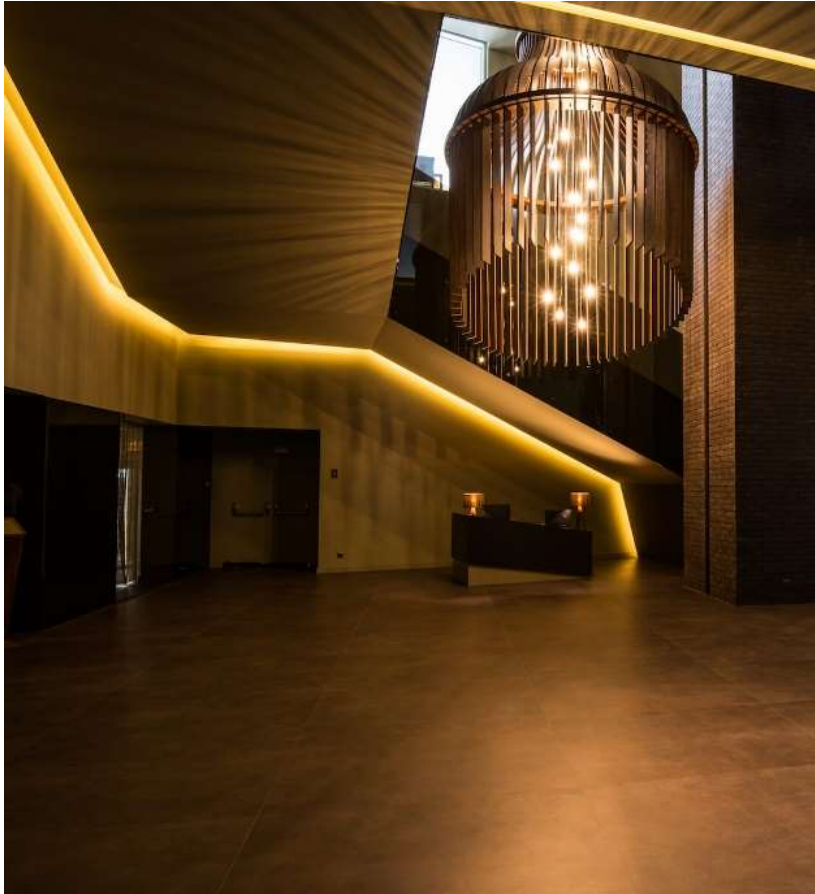


Appendix 8: Analysis of the demand: “Madeira Explorers”



Appendix 9: Hotel Design





Appendix 10: Current hotel target

CURRENT TARGET

30-50 years old

Couples experienced in travelling, aware of good services and luxury hospitality.



Nationalities



"Probably half of the clients that we have, are already the ones we would want, but half are not, and this is probably due to the tour operators"

Head of Marketing

Appendix 11: Hotel’s natural surroundings



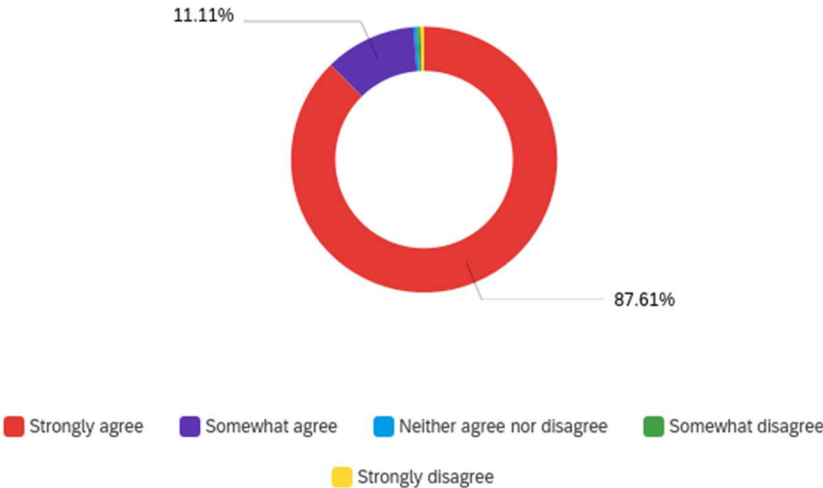
Appendix 12: Associations Luxury & Sustainability I

On a scale from 1 to 5, how much do you consider the following aspects to be related to luxury hospitality? (1- not related at all, 5- extremely related)

| ASPECT | MEAN |
|---------------------|------|
| Excellent Service | 4.80 |
| Attention to detail | 4.67 |
| Amenities | 4.28 |
| Personalization | 4.21 |
| Design | 4.21 |
| Unique Experiences | 4.18 |
| High price | 3.88 |
| Innovation | 3.53 |
| Social Statement | 3.28 |
| Heritage | 3.24 |
| Sustainability | 3.21 |

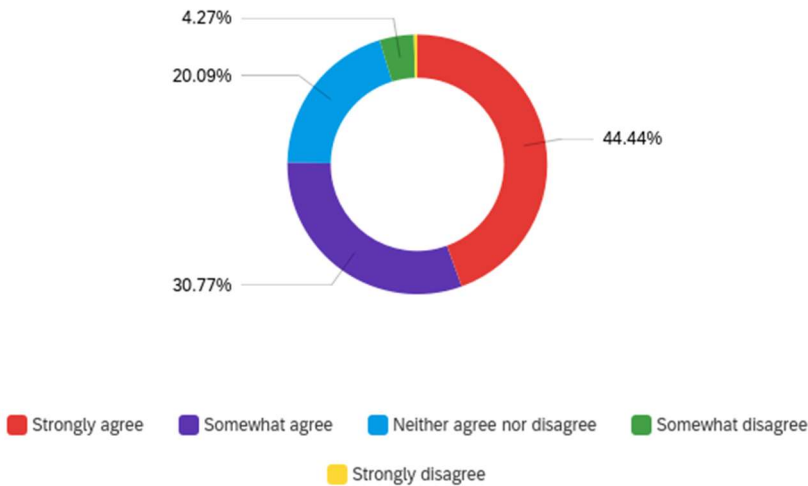
Appendix 13: Luxury & Sustainability II

To what extent do you agree with this statement: A luxury hotel should guarantee a superior experience to its customers



Appendix 14: Luxury & Sustainability III

To what extent do you agree with this statement: Luxury hotels must be environmentally friendly



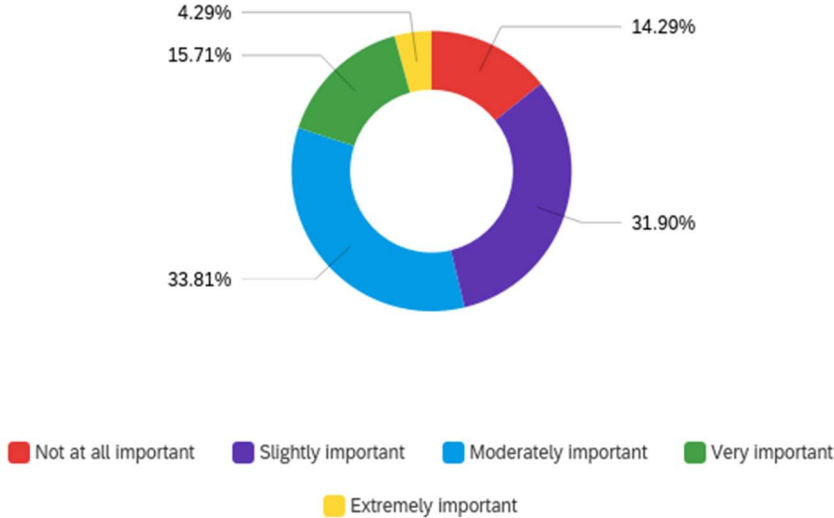
Appendix 15: Consumer decision making process I

On a scale from 1 to 5, how would you evaluate the following motivations for choosing a luxury hotel? (1- not important at all, 5- extremely important)

| MOTIVATIONS | MEAN |
|----------------------------------------|------|
| Service and amenities | 4.53 |
| Location of the hotel | 4.52 |
| Restaurants and bars | 3.96 |
| Exclusive experiences offered | 3.92 |
| Design of the hotel | 3.87 |
| Advice from someone you know | 3.80 |
| Reviews (Tripadvisor, Booking reviews) | 3.80 |
| Personalization | 3.72 |
| Sustainable practices | 3.32 |
| Quality of the website | 3.30 |
| Tech-friendly approach | 3.22 |
| Prestige of the brand | 3.19 |
| Press media coverage | 2.51 |
| Presence on social media | 2.26 |

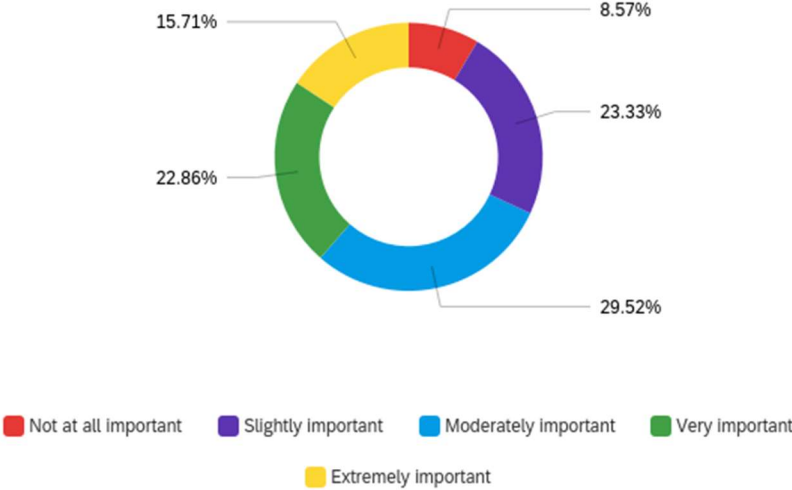
Appendix 16: Consumer decision making process II

On a scale from 1 to 5, in your accommodation selection process, how important do you consider the group to which a luxury hotel belongs? (1- not important at all, 5- extremely important)



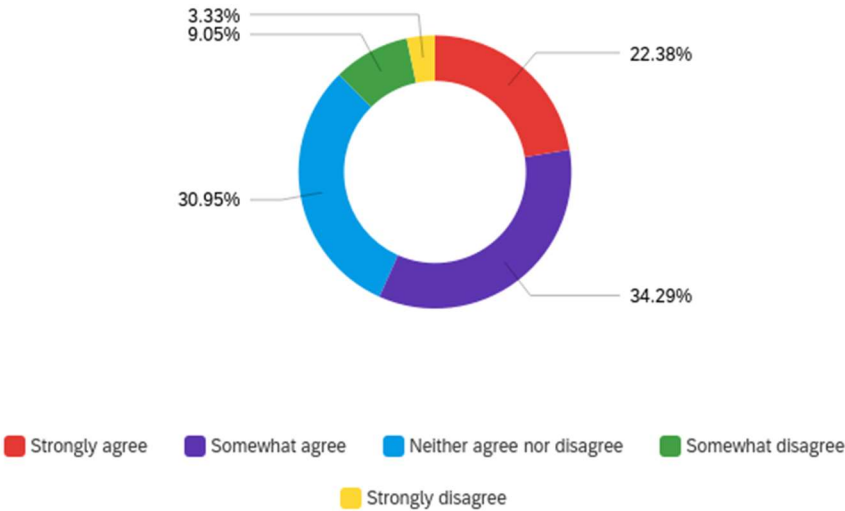
Appendix 17: Consumer decision making process III

On a scale from 1 to 5, when evaluating different options for luxury hotels, how important is it that a hotel is committed to sustainability? (1- not important at all, 5- extremely important)



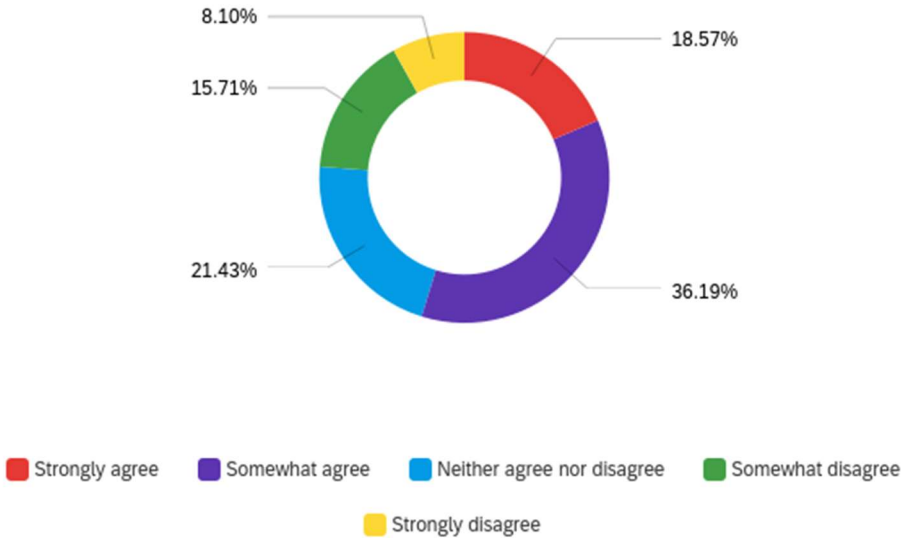
Appendix 18: Consumer decision making process IV

To what extent do you agree with this statement: Staying at a sustainable hotel during my vacation is important for me



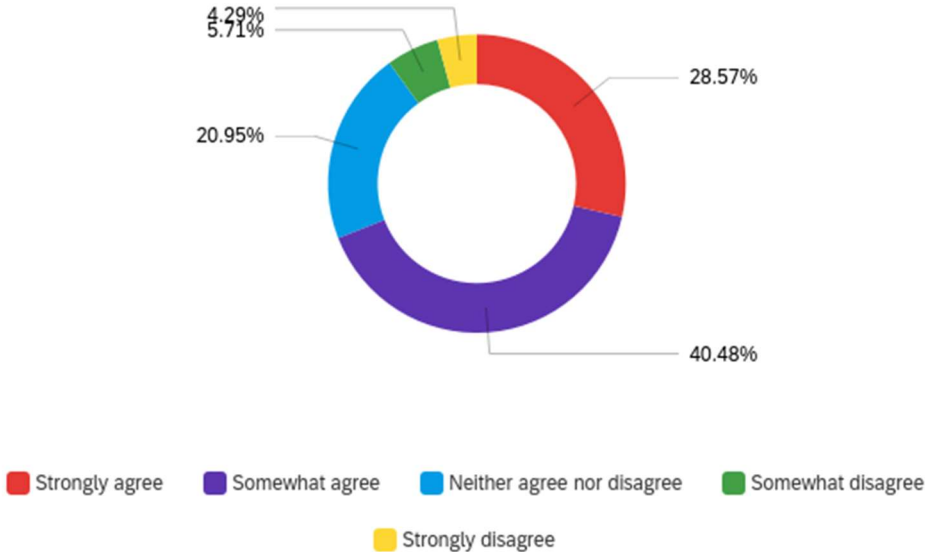
Appendix 19: Consumer decision making process V

To what extent do you agree with this statement: *I would be willing to pay more for a sustainable luxury hotel than for a non-sustainable one*



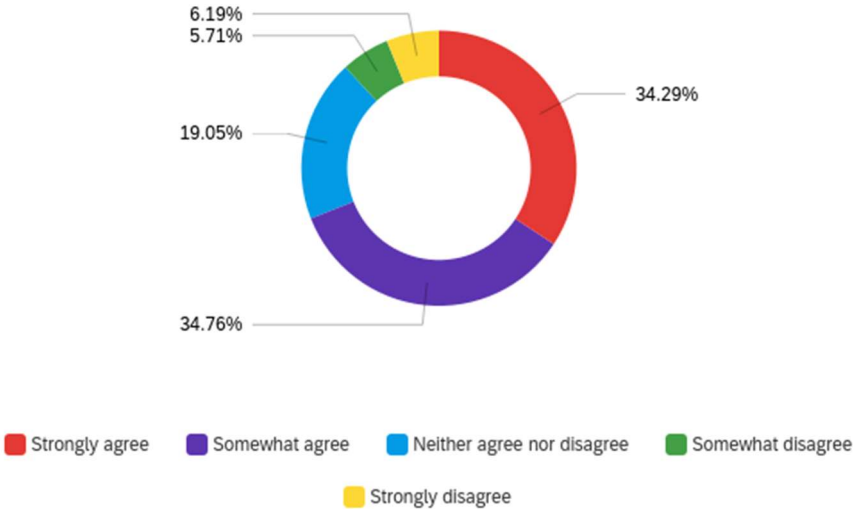
Appendix 20: Consumer decision making process VI

To what extent do you agree with this statement: *I would feel more connected to a hotel if it was engaged in sustainable actions and initiatives*



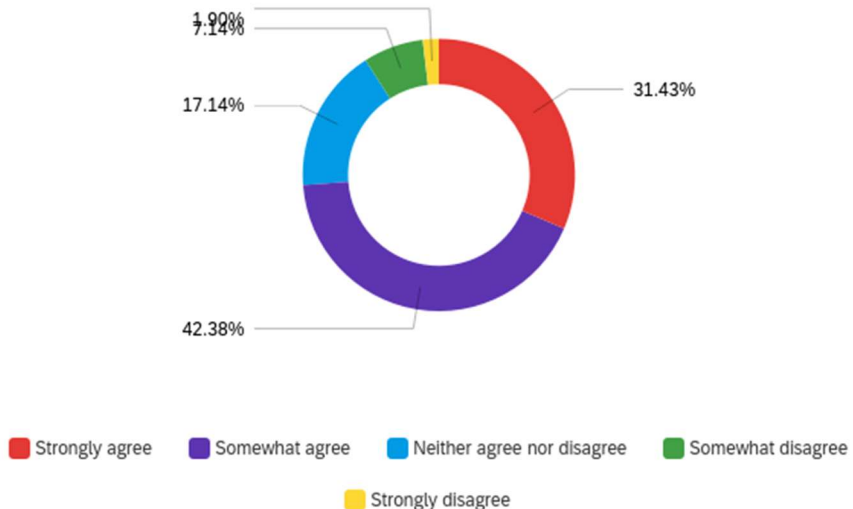
Appendix 21: Consumer decision making process VII

To what extent do you agree with this statement: *I would recommend a hotel more if it is sustainable*



Appendix 22: Perception of a brand’s sustainability I

To what extent do you agree with this statement: *A hotel that is part of a group is only perceived as truly sustainable if the group itself is sustainable*



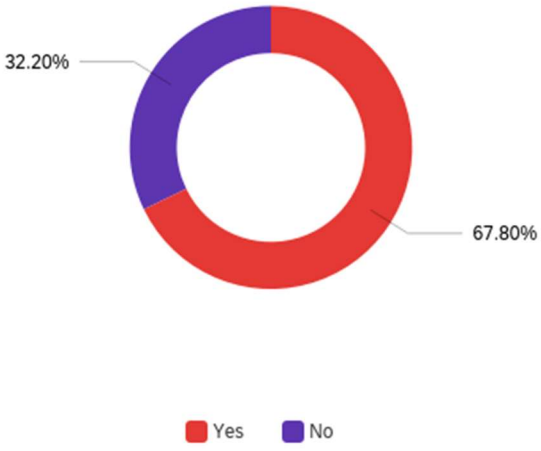
Appendix 23: Perception of a brand’s sustainability II

On a scale from 1 to 5, how would you evaluate the importance of the following sustainability aspects in a luxury hotel? (1- not important at all, 5- extremely important)

| SUSTAINABILITY ASPECTS | MEAN |
|-------------------------------------------------------------------------------|------|
| Fair labor practices | 4.41 |
| Attention to food waste | 4.23 |
| Employees wellness and benefits | 4.15 |
| Workplace health and safety | 4.15 |
| Hotel’s environmental impact | 4.02 |
| Use of local suppliers | 4.01 |
| Staff training | 3.97 |
| Staff diversity and equality | 3.97 |
| Plastic-free and paper-less approach | 3.95 |
| Use of renewable energy | 3.82 |
| Use of reusable products (example: food and shampoo containers) | 3.76 |
| Fairtrade certified products | 3.71 |
| Use of organic products in the hotel’s meals and products (shampoo, soap etc) | 3.70 |
| Vegetarian and vegan options | 3.44 |
| Partnerships with social organizations | 3.36 |
| Social initiatives with the local community | 3.32 |
| Presence of CO2 compensation programs | 3.19 |
| Donation to charities | 3.12 |

Appendix 24: Perception of a brand’s sustainability III

Do you consider sustainable certifications a reliable tool to consider a luxury hotel sustainable?



Appendix 25: Perception of a brand's sustainability IV

On a scale from 1 to 5, which of the following channels do you consider most reliable to learn information about a hotel's commitment to sustainability? (1 - not reliable at all, 5 - extremely reliable)

| CHANNELS | MEAN |
|---------------------------------------------------------|------|
| Reviews | 3.80 |
| Hotel sustainability report | 3.63 |
| Hotel website | 3.53 |
| Online booking platforms (Booking.com, Tripadvisor etc) | 3.42 |
| Social media | 3.32 |
| Online magazines | 3.19 |
| Offline magazines | 3.14 |
| Forums | 3.06 |
| Travel Agencies & Tour Operators | 3.05 |
| Newsletter | 2.60 |

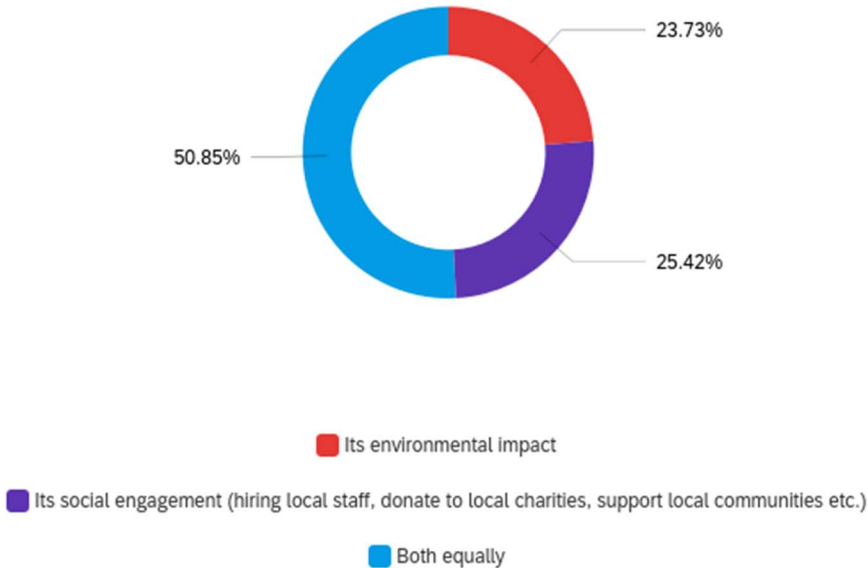
Appendix 26: Perception of a brand's sustainability V

On a scale from 1 to 5, which of the following information would you be more interested to consult about a hotel's commitment to sustainability? (1 - not interested at all, 5 - extremely interested)

| TYPE OF INFORMATION | MEAN |
|--------------------------------------------------------------------------------------------------------------------------------|------|
| Employee's wellbeing | 4.07 |
| Food origin | 3.93 |
| Waste management | 3.92 |
| Energy management | 3.89 |
| Hotel's progresses towards sustainability | 3.76 |
| Initiatives regarding social sustainability (ex: hiring local staff, donate to local charities, support local communities etc) | 3.75 |
| Suppliers | 3.68 |
| Initiatives regarding environmental sustainability | 3.62 |
| Chemicals management | 3.57 |

Appendix 27: Perception of a brand’s sustainability VI

Which of these two areas do you consider more important for a luxury hotel to address in terms of sustainability?



Appendix 28: Waste table sustainability report Saccharum

Waste Analyzes

| Waste Saccharum 2021 | | | | | | | | | | | | | | | | |
|-------------------------|---------------------------|----------------|---------------|-------------------|-------------|-------------|----------|----------|-------------|--------------|--------------|------|------|------|------|------|
| Designation of waste | Código LER ⁽¹⁾ | Operacion code | Qt,Year (Kgs) | Weight Percentage | Jan | Feb | Mar | April | May | June | July | Aug | Sept | Oct | Nov | Dec |
| Card | 150101 | R12 | 11190 | 9,34% | 1200 | 70 | | | | 1530 | 1290 | 1490 | 1570 | 1490 | 1320 | 1230 |
| Plastic | 150102 | R12 | 60 | 0,05% | | | | | | 60 | | | | | | |
| Used Nexpresso Capsules | 150104 | R12 | 260 | 0,22% | | 110 | | | | | | | 75 | | 65 | 10 |
| Plastic | 150106 | R12 | 7955 | 6,64% | 570 | 50 | | | 150 | 790 | 750 | 1190 | 1180 | 1335 | 1065 | 875 |
| Glass | 150107 | R12 | 13230 | 11,04% | 900 | 90 | | | 70 | 1290 | 1450 | 2380 | 1990 | 1770 | 2330 | 960 |
| Ceramic | 170103 | D13 | 350 | 0,29% | | | | | | | | | 350 | | | |
| Organic | 200108 | R12 | 47800 | 39,89% | 3640 | 260 | | | 1180 | 3360 | 4990 | 5890 | 7030 | 6840 | 8650 | 5960 |
| Mixed | 200301 | R12 | 38440 | 32,08% | 3490 | 660 | | | 760 | 4410 | 4100 | 4360 | 7950 | 4310 | 4730 | 3670 |
| Tiles | 200399 | R12 | 550 | 0,46% | | | | | | | | | | | | 550 |
| QT Total | | | 119835 | 100,00% | 9800 | 1240 | 0 | 0 | 2160 | 11440 | 12580 | | | | | |

Table 2 - Waste weight records

Appendix 29: Goals Plan - 2022 Saccharum

| SGC Process | | GOAL PLANS - 2022 SACCHARUM | | | | Evolution | | | | | | | | | | | |
|---------------------------------------------------------|------------------------------------------------------------|----------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|--------|-----------|------|------|-----|------|------|-----|-----|-----|------|-----|--|
| Goals | Current data (2021) | To be achieved (2022) | Action Plan | Resp. | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug | Sep | Oct | Nov. | Dec | |
| Environmental actions | Communication and execution of environmental activities | 2 | 3 | Plan environmental actions regulary. Promote8 distributing brochures) to guests and staff | DC+DIR | | | | | | | | | | | | |
| | Audits | 2 | 3 | Implement audits according to plan | GQ | | | | | | | | | | | | |
| Training | Maintain or increase the amount of products from RAM | Fruits,vegetables , chicken,sweets and wines | Fruits,vegetables, chicken,sweets and wines | Choose local products whenever possible. Set a measurable goal if possible. | C+GQ | | | | | | | | | | | | |
| | Increase the amount of BIO products | Jams | Jams, olive oil,sweets and cookies | Choose Bio products whenever possible. Set a measure goal if possible | C+GQ | | | | | | | | | | | | |
| Electricity+water+gas | Environmental training | 1 to 5 training sessions | 2 to 5 training sessions | Comply with the training plan. Evaluate the training provided | GQ | | | | | | | | | | | | |
| | Improve training efficiency | 46% | 47% | | GQ | | | | | | | | | | | | |
| Cleaning Products | Reduce consumption of | | | | | | | | | | | | | | | | |
| | Water (floor+rest+bar+comm on areas) | 0,16 m3/guest | 0,15 m3/guest | Replacement od flow reducers+training to raise awereness+swimming Pool= reduce oe number od times it is washed. | ENG+GQ | | | | | | | | | | | | |
| | Electricity (floor+rest+bar+comm on areas) | 13,68 kw/guest | 13,55 kw/guest | Changing lamps from halogen to Led's+ training to raise awereness. | ENG+GQ | | | | | | | | | | | | |
| Consumable | Gas | 0,40Kg/guest | 0,39 Kg/guest | Training to raise awereness | ENG+GQ | | | | | | | | | | | | |
| | Reduce consumption of | | | | | | | | | | | | | | | | |
| | Food Areas | 0,063Kg/guest | 0,062Kg/guest | Improve efficiency in the use of products. Training to raise awereness | GQ | | | | | | | | | | | | |
| | Pool | 0,002Kg/guest | 0,001Kg/guest | Improve efficiency in the use of products. Training to raise awereness | GQ | | | | | | | | | | | | |
| | Rooms | 0,002Kg/guest | 0,002Kg/guest | Improve efficiency in the use of products. Training to raise awereness | GQ | | | | | | | | | | | | |
| | Kitchen | 0,15Kg/guest | 0,14Kg/guest | Sensitize employees to reduce the use of consumables. | GQ | | | | | | | | | | | | |
| Waste | Floors and Common areas | 0,15Kg/guest | 0,14Kg/guest | Sensitize employees to reduce the use of consumables. | GQ | | | | | | | | | | | | |
| | Recycling rate | 67,92% | 68% | Sensitize employees to reduce the use of consumables. | DR/GQ | | | | | | | | | | | | |
| Customer and Supplier satisfaction | Recucling quality | Good | Very good | Increase recycling quality | DR/GQ | | | | | | | | | | | | |
| | Improve Goibal final Resulys of Sactisfaction Bookings | 9,3 (max 10) | 9,4 | Sensitize employees to provide a friendly service with rigor and quality | GQ | | | | | | | | | | | | |
| | Improve Goibal final Resulys of Sactisfaction TripAdvisor | 4,5 (max 5) | 4,6 | Increase costumer perception of the Hotel quality and service | GQ | | | | | | | | | | | | |
| | Improve Goibal final Resulys of Sactisfaction HolidayCheck | 5,6 (max 5) | 5,7 | Increase costumer perception of the Hotel quality and service | GQ | | | | | | | | | | | | |
| | Improve Goibal final Resulys of Sactisfaction Expedia | 4,7 (max 5) | 4,8 | Increase costumer perception of the Hotel quality and service | GQ | | | | | | | | | | | | |
| Improve Guest satisfaction environmental sustainability | 76% Very good 14% Good | 77% Very good 13% Good | Increase costumer perception of the Hotel quality and service | GQ | | | | | | | | | | | | | |

Date: 10-01-2022

Quality & Sustainability: Alice Costa

Board: Bruno Teles

Table 1 - 2022 Targets Plan

Appendix 30: Saccharum Room Minibar Products

Minibar

Name/Nome _____ Room/Quarto _____


To complete or refill the minibar, please dial reception 9.
 During your stay, please complete and sign this form. Upon check-out kindly hand this form at the reception.

Para completar ou repor o minibar, por favor ligue para a receção, através da extensão 9.
 Durante a sua estadia agradecemos que anote o seu consumo, assinando esta impressão.
 No acto do check-out, quera por favor apresentar esta folha na receção.

| Consumption Consumo | Drinks Bebidas | € | Total |
|------------------------------------|-------------------|----|-------|
| Mineral water/Água sem gás | 25 cl | 4 | |
| Sparkling water/Água com gás | 25 cl | 4 | |
| Coca-Cola | 35 cl | 4 | |
| Coca-Cola 0 | 35 cl | 4 | |
| Passion-Fruit/Brisa/Brisa maracujá | 38 cl | 4 | |
| Nectar juices/Sumos néctares | 20 cl | 4 | |
| Beer/Cerveja | 30 cl | 5 | |
| Madeira wine/Vinho Madeira | 5 cl | 6 | |
| Smirnoff | 5 cl | 6 | |
| Red Label | 5 cl | 6 | |
| Red wine/Vinho tinto | 37,5 cl | 12 | |
| White wine/Vinho branco | 37,5 cl | 12 | |
| Pringles | 4 | | |

Prices in euros (VAT not shown)
 *VAT included/IVA incluído

Signature/Assinatura _____ Date/Data _____

 SACCHARUM

