AOHT Sustainable Tourism

Lesson 11

A Consumer-Driven Market

Teacher Resources

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| Resource | Description |
| Teacher Resource 11.1 | Presentation and Notes: A Consumer-Driven Market (includes separate PowerPoint file) |
| Teacher Resource 11.2 | Assessment Criteria: Business Email |
| Teacher Resource 11.3 | Key Vocabulary: A Consumer-Driven Market |
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Teacher Resource 11.1

Presentation Notes:   
A Consumer-Driven Market

Before you show this presentation, use the text accompanying each slide to develop presentation notes. Writing the notes yourself enables you to approach the subject matter in a way that is comfortable to you and engaging for your students. Make this presentation as interactive as possible by stopping frequently to ask questions and encourage class discussion.

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| C:\Users\Mika\Documents\Pearson\2015\November\28\SustainableTourism_Lesson11_Presentation_ROOT_112515\Slide1.JPG  There is no doubt that we are starting to think about how the choices we make today might affect future generations. As we learn about the ways human activity has affected the planet and as we witness the effects of global climate change, this awareness is also starting to carry over into the marketplace. Today we are going to look at how consumers impact the market for sustainable products, not just in the hospitality industry, but in every industry. | Presentation notes |
| C:\Users\Mika\Documents\Pearson\2015\November\28\SustainableTourism_Lesson11_Presentation_ROOT_112515\Slide2.JPG  Let’s start by looking at an example of how consumers can affect the market for a product.  In 1989, a woman named Annie noticed that there weren’t a lot of fast, pre-packaged meals that didn’t contain food coloring and artificial flavors. She created a business called Annie’s Homegrown. She sold all-natural macaroni and cheese make-at-home meals to local supermarkets.  Annie’s macaroni and cheese became popular. Her purple boxes with the bunny logo became familiar. The company expanded into making other natural food products for families, and they began selling their products nationwide. Today, Annie’s Homegrown has over 125 products and sells in over 25,000 stores.  If you go into a grocery store today, you may find several different all-natural options for quick and easy family meals. Even large companies like Kraft now offer more natural options—like an organic macaroni and cheese. These products are a regular part of the marketplace because there was a demand for it—a demand that Annie first recognized more than 20 years ago.  Consumers have a lot of power to impact the marketplace. 70% of the gross domestic product of the United States comes from consumer spending. | Presentation notes |
| C:\Users\Mika\Documents\Pearson\2015\November\28\SustainableTourism_Lesson11_Presentation_ROOT_112515\Slide3.JPG  Green, “eco,” and organic products are becoming more mainstream. As you have learned with the tourism industry, nearly every large corporation now advertises its sustainability initiatives.  Companies make their products and practices more sustainable in many ways, and they can save on costs this way too. Packaging is a good example. Most every product could use less packaging, and companies should make sure that the packaging they do use is biodegradable.  Businesses also modify the way they produce their goods. Three fundamental changes include: minimizing emissions, minimizing the use of nonrenewable resources, and designing products to be biodegradable or recyclable whenever possible.  You have already learned about some of the ways hospitality and tourism (HT) businesses can be green, including offering organic meals, using energy and water efficiently, reducing waste, and choosing green building and landscaping methods.  Since more consumers are aware of these methods, companies can use their green practices to attract new business. | Presentation notes |
| C:\Users\Mika\Documents\Pearson\2015\November\28\SustainableTourism_Lesson11_Presentation_ROOT_112515\Slide4.JPG  When the economy got bad a few years ago, some consumers started buying fewer green products. But that doesn’t mean they lowered their standards. Today, most consumers have high expectations for businesses. They don’t just want businesses to operate in a greener way, or to produce green products that can compete with the prices of conventional products and do at least as good a job. Now they want companies to operate in an ethical way—to engage in corporate social responsibility. Also, people are thinking beyond just environmental sustainability. They are considering if companies behave in a socially and economically sustainable way, too.  According to one large study, 75% of Americans give companies a C, D, or F on how well they are addressing social and environmental issues. And yet, they aren’t actually aware of the changes that have been taking place in this regard. For a change, many companies are making great strides in their corporate social responsibility practices, but they haven’t figured out how to market these changes effectively to consumers. | Presentation notes |
| C:\Users\Mika\Documents\Pearson\2015\November\28\SustainableTourism_Lesson11_Presentation_ROOT_112515\Slide5.JPG  Now that companies know consumers want green products, green marketing claims are popping up all over the place. But what counts as a green product? There is no universal definition, and because green products are becoming so popular, some businesses advertise themselves as sustainable or eco-friendly when they really aren’t.  Using the term without backing it up is called greenwashing. Have you ever noticed a product label, like shampoo, that claims to be “all natural,” but when you check out the list of ingredients it includes a whole bunch of chemicals you can’t even pronounce? Greenwashing is wrong because it deceives customers into making a purchase based on false or exaggerated concern for the environment. | Presentation notes |
| C:\Users\Mika\Documents\Pearson\2015\November\28\SustainableTourism_Lesson11_Presentation_ROOT_112515\Slide6.JPG  One environmental marketing firm created a list of the “Six Sins of Greenwashing.” These include:   1. The Hidden Trade-Off: When companies focus on one environmentally friendly part of their business, but the other parts aren’t green at all. 2. No Proof: Companies should always be able to provide proof such as test results or certification of standards on their websites or ads. 3. Vague Claims: When companies don’t elaborate on their claims; they only use vague terms such as *earth-friendly* or *all natural*. 4. Irrelevant: When companies use information that doesn’t apply to their product to claim greenness; there’s no such thing as a free-range potato! 5. Lies: When companies flat-out lie about the green qualities of their products or services. 6. Lesser of Two Evils: These are products that have a questionable environmental benefit, such as organic cigarettes or an environmentally friendly golf course.   That doesn’t mean everything labeled “all natural” or “earth-friendly” is bad. But you need to look closely at the packaging and the ingredients to see if that label is really true or not. | Presentation notes |
| C:\Users\Mika\Documents\Pearson\2015\November\28\SustainableTourism_Lesson11_Presentation_ROOT_112515\Slide7.JPG  The term *greenwashing* was first used in the HT industry. A New York environmentalist noted that many hotels displayed signs encouraging guests to save the environment by reusing towels and not wasting water; but the hotels didn’t even have basic recycling programs in place. Now the term *greenwashing* is used to describe exaggerated or false green advertising throughout the marketing world.  Some golf courses have engaged in greenwashing. And golfers themselves believe that golf is an “environmentally friendly sport,” according to a 2007 *Golf Digest* study! Of the more than 16,000 golf courses in the United States, some are located in the desert. On average, one desert golf course in one day uses as much water as a family of four will use in four years. Golfing’s use of pesticides, chemical fertilizers, and poor turf management have all received scrutiny and criticism in recent years. Accordingly, more and more golf courses are adapting policies that will not only be beneficial to the environment but save them money and bring in more customers too. The power of the consumer is very much at work to profoundly change the way golf courses do business. | Presentation notes |
| C:\Users\Mika\Documents\Pearson\2015\November\28\SustainableTourism_Lesson11_Presentation_ROOT_112515\Slide8.JPG  It’s not just some golf courses and hotels that engage in greenwashing. Other companies are also exploiting the public’s interest in sustainable tourism. They greenwash their services or products to attract more customers and increase their profits. “Already the word ‘eco’ has lost all power and meaning,” says Guyonne James, senior projects manager at Tourism Concern, a British charity that campaigns against greenwashing and unethical tourism. “In Brazil, if a bed-and-breakfast has a back garden, they’ll call it an eco-lodge.”  According to a recent TripAdvisor survey, many consumers are indeed skeptical of green marketing claims: 72% of travelers polled said they think that hotels are more interested in marketing themselves as environmentally friendly than actually being green. | Presentation notes |
| C:\Users\Mika\Documents\Pearson\2015\November\28\SustainableTourism_Lesson11_Presentation_ROOT_112515\Slide9.JPG  So, how do you know if an HT business is really committed to going green or is just greenwashing? It can be hard to tell unless you do a lot of research; however, there are a few factors that help distinguish between the two. For instance, it is questionable for a business to label itself “green” just because it asks guests to reuse towels or only serves water upon request. These are good first steps but require no change on the part of the hotel or restaurant.  The American Hotel and Lodging Association (AH&LA) has created “11 Minimum Guidelines for Going Green,” which is a list of actions that properties of any size can take to live up to the claim of being green. In addition to the steps shown in this slide, they are: forming an environmental committee to develop an environmental plan, installing digital thermostats, implementing a recycling program and a separate recycling program for hazardous materials, purchasing Energy Star appliances, and using recycled paper products.  In addition, a number of hotel chains, such as Kimpton (a boutique hotel chain in the United States), Marriott, Hilton, and Intercontinental, have established their own criteria for green practices. Companies can also be certified for their sustainability efforts. | Presentation notes |
| C:\Users\Mika\Documents\Pearson\2015\November\28\SustainableTourism_Lesson11_Presentation_ROOT_112515\Slide10.JPG  Sustainability certification programs have been growing over the last 10–15 years, but they are still not widely known in the United States.  Ideally, a sustainability certification program will evaluate the “Triple Bottom Line”—the environmental, social, and economic impact of a business. But that’s really hard to do. How do you evaluate the social impact of a nature preserve that’s far away from people? Does a rental car company get credit for having a fleet of hybrid cars, or do they need to make other efforts, too?  Many certification programs focus on a specific area, such as environmental sustainability, or on a specific type of business or attraction. The Blue Flag Program, for example, offers sustainability certification for beaches, marinas, and boat attractions like whale watching.  Since these certification programs are still pretty new, it’s important to find one that is credible. A credible certification process would involve independent assessment by someone not associated with the business and a scaled rating system. Think about it like getting grades in school. You wouldn’t want to take all your classes as pass or fail; it can be helpful to know if your work is “B” work or “C” work or “D” work. And if you graded your own work—or your parents or friends graded your work—it would be hard for an outside observer (like a college admissions officer) to know if you really earned that “A.” As consumers, we want to know if businesses really earned their certification! | Presentation notes |
| C:\Users\Mika\Documents\Pearson\2015\November\28\SustainableTourism_Lesson11_Presentation_ROOT_112515\Slide11.JPG  Any successful business needs to communicate with its customers. A business that claims to be sustainable or green has an even bigger responsibility to communicate effectively.  A truly green business needs to share enough information about its practices that consumers feel confident the business is really green and not greenwashing. That means talking about what makes your business sustainable—is it your products? How you do business? Your hybrid cars? Organic foods? Composting and energy efficiency? What makes your business green? Have you earned certification? For what?  The business also needs to listen to consumers. Of course, any business needs to listen to customers to be successful. But sustainable businesses have another reason to listen. Consumers are often the first ones to identify new ways for a company to be responsible. By talking to potential customers, a green business can identify new steps they can take and new ways they can make a difference. That’s good for business and for the planet! | Presentation notes |
| C:\Users\Mika\Documents\Pearson\2015\November\28\SustainableTourism_Lesson11_Presentation_ROOT_112515\Slide12.JPG  We’ve already looked at how what people buy can influence the marketplace. But that’s not the only way potential consumers have an impact. Consumers can make their voices heard in a variety of ways, and all these different ways work together to affect the marketplace.  Sharing opinions and information about companies, especially over social media, is becoming a significant source of power for potential consumers. You can “like” a brand on Facebook. People discuss brands on Twitter and post photos of what they buy on Instagram or Pinterest. Environmentally conscious consumers can use social media to encourage friends and family to support (or avoid) specific companies. Companies are still figuring out how to use social media to promote themselves, but they are very aware of the potential negative impact if people start saying bad things about them on Facebook or Twitter.  People can also speak out in other ways—by voting for green policies or candidates, by signing petitions, and so forth. When a city passes an ordinance requiring supermarkets to charge people for using plastic bags or banning Styrofoam takeout containers, that also affects the marketplace. | Presentation notes |

Teacher Resource 11.2

Assessment Criteria: Business Email

Student Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Using the following criteria, assess whether students met each one.

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| --- | --- | --- | --- | --- |
|  |  | Met | Partially Met | Didn’t Meet |
| The email clearly communicates the request for an interview and the purpose of the interview. |  | □ | □ | □ |
| The email offers specific suggestions about the logistics of the interview. |  | □ | □ | □ |
| The email identifies appropriate next steps or follow-up arrangements. |  | □ | □ | □ |
| The email follows the correct format and uses a businesslike tone. |  | □ | □ | □ |
| The draft is neat and uses proper spelling and grammar. |  | □ | □ | □ |

Additional Comments:

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Teacher Resource 11.3

Key Vocabulary: A Consumer-Driven Market

| Term | Definition |
| --- | --- |
| biodegradable | Capable of being decomposed into organic material (dirt) by natural means. |
| ethical consumerism | The intentional purchase of products and services that the customer considers to be made ethically (i.e., with minimal or no negative impact on humans, animals, or the natural environment). |
| greenwash | A term that combines “green” and “whitewash,” used to describe unjustified claims companies make about the sustainability or environmental friendliness of their products or services for marketing purposes. |
| logistics | Coordinating the many steps involved in making something happen, such as a meeting or an event. Also refers to organizing and coordinating a project. |
| niche market | A market segment (or set of consumers) who have specific needs and/or demographics that make it different from other market segments. Usually refers to smaller market segments, as opposed to mass markets. |

Teacher Resource 11.4

Bibliography: A Consumer-Driven Market

The following sources were used in the preparation of this lesson and may be useful for your reference or as classroom resources. We check and update the URLs annually to ensure that they continue to be useful.

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