

Room for improvement?

Sustainability in lodging industry SMEs

Where do lodging industry SMEs stand on sustainability in 2025—and where are they headed? This question guided our exploration across five partner countries: Germany, Poland, Bulgaria, Italy, and Austria. Each country presents a unique context, shaped by national policies, market dynamics, and support structures. This summary brings together key findings from literature reviews, stakeholder surveys, and expert interviews conducted as part of the *GreenHost* project. According to the literature, differences occur for example regarding external support and government programs, available certification schemes, VET training and many more:

Germany: The lodging industry in Germany is largely driven by SMEs, which contribute 77% of hospitality revenue and employ 87% of its workforce. Sustainability is supported through widely recognized certifications like Green Globe, GreenSign, and EU Ecolabel, and national platforms such as “Future of Tourism” which promote sustainable development. However, factors like financial limitations, managerial resistance, and limited access to sustainability metrics hinder progress. Many SMEs lack environmental training, and the Vocational Education and Training (VET) system has yet to fully integrate green skills. Stronger incentives and sustainability-focused HR strategies could bridge current gaps.

Poland: Tourism in Poland is a key economic driver, contributing around 4.5% to GDP. Government-backed initiatives, including the National Strategy for Responsible Development and programs like Green Key, support eco-friendly lodging. Yet, sustainability engagement among businesses is still low - only 2% have obtained recognition through programs like the Travel Sustainable Badge by Booking.com. Challenges include limited awareness, financial constraints, and inadequate vocational training. Though financial aid exists (e.g., Operational Program for Smart Growth), uptake is minimal. Practical guidance, training, and outreach are essential to empower SMEs to engage more effectively.

Bulgaria: SMEs dominate Bulgaria's lodging sector but struggle with adopting sustainability due to financial and regulatory limitations. Although national strategies and EU funds exist, awareness and access remain low. Weak enforcement and inconsistent policy implementation further hamper progress. Many operators lack knowledge of the value of sustainability, and training programs often omit green topics. Digital solutions - like smart energy systems and online certifications - offer promise, but uptake is limited e.g. by digital illiteracy. Vocational education does not adequately cover sustainability, underscoring a critical need for tailored green skill development.

Italy: Italy's lodging sector is economically and culturally significant, with sustainability gaining traction through customer demand and policy support. Initiatives like Ecobnb and financial programs promote green tourism, yet knowledge gaps persist among SMEs. Although VET programs include sustainability modules, they often lack practical, industry-specific content. Businesses cite financial constraints and outdated infrastructure as major barriers. Still, many are making incremental improvements such as installing solar

panels and reducing resource consumption. Increased funding, expert guidance, and stronger marketing of sustainability benefits are needed to scale adoption.

Austria: Austria's lodging industry is largely composed of SMEs. The "Plan T" - tourism masterplan, alongside strong institutional support and certifications like the Austrian Ecolabel, provides a robust framework for sustainability. SMEs benefit from advisory services, co-funding, and structured VET programs—though offerings remain limited in scope. While many businesses adopt green practices for efficiency, communication of efforts is often lacking, and smaller players lack sustainability personnel. Barriers include the perceived complexity of certification processes and resource constraints. Expanding formal training and internal sustainability integration are key to future progress.

What can be said regarding sustainability practices from the perspective of the businesses themselves? 81 persons, mostly lodging industry owners of smaller businesses, shared their experiences via a survey. Although not representative of these countries, their answers paint a picture of how sustainability is perceived by SME businesses in the partner countries:

Lack of information: The respondents' overall self-reported knowledge of sustainability in the lodging industry could be described as medium. The survey asked respondents to state in which areas of sustainability they felt that they were lacking information - the main areas were legal questions, followed by reporting sustainability progress. Other commonly lacking areas were options for external support, communication, management systems, and waste management. Areas that were mentioned most rarely were maintenance of green spaces and eco-friendly mobility/transportation.

Barriers to sustainability: By far the most commonly perceived barrier to implement sustainable practices was a lack of financial resources, which approximately 67% of respondents could agree with. Time was also an important factor. Constraints based on the building itself or lack of interest of the business owner were stated least frequently. In the academic literature, financial constraints are a common theme in terms of barriers. On average, the importance of financial constraints as a barrier was rated as 3,35 on a scale from 1 to 4 (4="very important"), which could be described as "quite important".

Motivations for sustainability: The respondents' most commonly cited motivation to prioritize sustainability was a "desire to protect the environment/community". Second in place were cost savings. External motivations were still common but less frequent.

Needs for support: When asked which resources would most help their organisations adopt sustainable practices, the most common response was financial assistance. Second in place were step-by-step guides or toolkits. Few respondents said that certification programs would be supportive to them.

In addition, some respondents see exaggerated sustainability claims as an important issue. As one person stated: "I think it's often just greenwashing that has little to do with real action". Another common concern is how sustainability efforts are perceived by guests: "Guests want sustainability but don't want to sacrifice comfort - that's a challenge." This emphasizes the need to figure out smart strategies to communicate sustainability efforts to customers.