

SUSTAINABLE COST MANAGEMENT IN HOSPITALITY INDUSTRY

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ABSTRACT

The role of sustainability in the hospitality industry is increasingly important. As the effort of globally to address changes in climate and the depletion of resources from nature continue, the environmental impact of the hospitality sector has received greater attention. The rapid expansion of hotels, combined with the industry's high use of resources, has contributed to several environmental concerns, including excessive water use, high energy consumption, and waste production. Implementing sustainable practices in hospitality can help reduce these impacts while promoting a more responsible approach to industry operations. Cost control has consistently been an important consideration within the hospitality industry. However, the continuous rise in energy prices has made this issue particularly relevant to the hotel sector. Conservation in energy remains an continuing and developing concern, with the high possibility to produce substantial sustainability benefits. This study will explore the cost categories that are commonly emphasized within industry of hospitality, including the targeted consumers and their effects on customer satisfying needs and wants. Hotels depend heavily on energy resources to support their daily operations, making green initiatives and energy recycling increasingly relevant from both financial and environmental perspectives. In addition, this study will examine green initiatives as potential cost-saving strategies. Overhead expenses, particularly those associated with energy consumption, can represent a significant cost for hospitality businesses. Therefore, measures that can reduce these expenses may generate considerable long-term financial benefits (AdminTHDM, 2023). Strategies that simultaneously lower costs and promote sustainability can provide additional advantages for hotel operations. While identifying effective methods of conserving energy is important, maintaining customer retention and satisfaction must also be considered, as these remain central priorities within the hospitality and tourism industry. The hospitality industry consists of various cost categories, including staffing, marketing, and overhead expenses, among others. Nevertheless, utility and energy costs have attracted increasing attention because of their rising prices and their potential effect on profitability. Consequently, this study will place particular emphasis on utility and energy costs, as these expenses are becoming an increasingly important component of hotel overhead

Keywords: sustainable cost management, hospitality industry

INTRODUCTION

The hospitality industry, particularly the hotel sector, places significant emphasis on the significantly of services in customer provided customers throughout their staying. As a result, the industry involves extensive interaction with customers, which requires effective workforce management (Camilleri, 2023). Human resources play an essential role in achieving success in hotel management. Investing in human resources can support companies in maintaining the long term sustained of their hotel operations.

The significance of human resources encourages hotel management to establish motivation and encouragement for employees. Previous studies indicate that the hotel industry seeks to retain its workforce by focusing on employee welfare, the work environment, background of knowledge and training, balancing work life, mental health, and job security (At the same time, management must ensure profitability, which makes the efficient management of human resource costs an important consideration. Hotel room sales tend to along the year. Certain periods experience high occupancy rates, commonly referred to as “the high season,” while other periods are characterized by significantly lower occupancy, known as “the low season.” Such fluctuations require management to develop strategies in workers that can achieve quality in service while controlling the cost.

Utility monitoring devices, which are also referred to as system in managing environment, are becoming increasingly common within the hospitality industry. The majority of these energy management systems are categorized as automation and/or control systems. Some of the most commonly implemented systems include cool and hot weather, room rate sensors, control in lighting, speed control for heavy equipment, uninterruptible power supply (UPS) equipment, energy-use checking, and storing for data management systems. Other systems that are less frequently implemented include electrical peak load shedding systems, energy control equipment for kitchen refrigeration units, power factor monitoring systems, and automated electrical energy tracking systems (Coccosis, 2020)

Although the implementation of energy management systems in hotels can involve considerable initial expenses, these technologies can contribute to overall cost containment. The adoption of newer and more advanced technologies may also support customer retention by improving the appearance, comfort, and overall experience within a hotel. Improvements in kitchen facilities, air quality, heating and cooling systems, water quality, and lighting efficiency can contribute to the overall aesthetic and environment of the hotel, potentially creating a more positive relationship between the hotel and its customers. Further research into the effectiveness of utility automation and monitoring devices could provide valuable information for hotel managers. However, because these technologies generally require substantial initial investments and may take a relatively long period to generate returns, many managers remain hesitant to adopt them ((Alex Barakagira & Christopher Paapa, 2024)).

According to the American Hotel & Lodging Association and STR's 2016 Lodging Survey, the use of energy management sensors has continued to increase The survey found that 48% of hotels had implemented smart energy management systems, particularly those involving high-efficiency lighting and linen reuse programs. Furthermore, considerable progress has been made in wireless sensor technology, enabling hotels to monitor electricity usage and make adjustments that can result in greater efficiency. These sensors are not limited to lighting systems and can also be applied to larger equipment, including boilers. For example, lighting sensors in hotel lobbies can identify when sufficient natural light is available and subsequently reduce the amount of electricity supplied to lighting fixtures. The study also highlights the advantages of wireless thermostats, which can monitor usage, provide reports, and enable hotels to remotely regulate temperature levels By implementing these energy-saving technologies, hotels can potentially reduce overhead and other operating expenses through relatively simple but effective green initiatives.

HVAC occupancy sensors are designed to determine whether a room is occupied. When a sensor identifies that a room is unoccupied, it can automatically deactivate the heating and air-conditioning systems in order to reduce energy consumption. However, one study found that managers were hesitant to implement these sensors because of concerns that guests might enter rooms that were excessively hot or cold, or that the systems could turn off while guests

were sleeping. Additional concerns included lights being switched off unexpectedly, uncomfortable room temperatures, limitations on guests' ability to adjust the temperature according to their preferences, and delays in restoring the room to the desired temperature. Although these systems can be technologically sophisticated, the technology was not always considered sufficiently seamless or user-friendly to fully meet guest expectations.

Peak load shaving systems, which are also known as demand shedders, operate by switching off non-essential electrical equipment and lighting when electricity demand reaches high levels. Electricity prices tend to increase during periods of high demand, particularly during the summer when travel activity is more prominent and air-conditioning systems are heavily used. By temporarily deactivating certain equipment, hotels can achieve energy savings and may also qualify for rebates through participation in relevant programs. While generators are commonly used by hotels as a source of emergency power, some hotels also operate generators to supplement their energy requirements during periods of peak demand. However, managers have expressed concerns that these systems could contribute to power outages or other issues that may negatively affect guest comfort and safety.

Automated electrical energy tracking systems provide information such as historical consumption data, usage patterns, and benchmarks, allowing users to better understand their energy consumption. Such systems can provide useful information regarding energy efficiency and assist hotels in identifying patterns of consumer usage. They can also support efforts to conserve energy sustainably among guests as well as employees and staff. A single analysis of energy consumption is generally insufficient because utility usage patterns continuously change, particularly across different seasons. Tracking systems can assist managers in identifying billing errors and making informed decisions aimed at improving energy efficiency. Making informed decisions regarding energy efficiency, such as identifying potential errors in utility bills, can provide managers with a better understanding of cost containment within their hotels and help them determine the most appropriate operational changes.

LITERATURE REVIEW

Hospitality Industry

Utility monitoring devices, which are also referred to as energy management systems, are becoming increasingly common within the hospitality industry. The majority of these energy management systems are categorized as automation and/or control systems. Some of the most commonly implemented systems include heating and air-conditioning occupancy sensors, lighting control systems, variable speed drives for heavy equipment, uninterruptible power supply (UPS) equipment, energy-use benchmarking, and data storage management systems. Other systems that are less frequently implemented include electrical peak load shedding systems, energy control equipment for kitchen refrigeration units, power factor monitoring systems, and automated electrical energy tracking systems. Larger hotels are generally more likely to install less common and more advanced equipment, although these systems often require greater capital investment.

Although the implementation of energy management systems in hotels can involve considerable initial expenses, these technologies can contribute to overall cost containment. The adoption of newer and more advanced technologies may also support customer retention by improving the appearance, comfort, and overall experience within a hotel. Improvements in kitchen facilities, air quality, heating and cooling systems, water quality, and lighting efficiency can contribute to the overall aesthetic and environment of the hotel, potentially creating a more positive relationship between the hotel and its customers. Further research

into the effectiveness of utility automation and monitoring devices could provide valuable information for hotel managers. However, because these technologies generally require substantial initial investments and may take a relatively long period to generate returns, many managers remain hesitant to adopt them (Barakagira, 2020).

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changes.

One study identified cost concerns and potential effects on guest satisfaction as the two primary reasons why some hotels had not adopted energy monitoring. The study further found that some respondents believed occupancy sensors could negatively affect the guest experience, citing previous instances in which guests had encountered problems with room occupancy sensors. In some cases, guests have even shared instructions online explaining how to disable these devices.

Hotels may also encounter several technical challenges when implementing utility monitoring devices. One potential issue involves the placement of sensors, which can affect their ability to operate accurately. For instance, an occupancy sensor positioned in an area that does not have a clear line of sight to locations where guests typically spend their time may incorrectly identify a room as unoccupied. Similar problems can occur when sensors are not properly calibrated to account for periods of inactivity, such as when guests are sleeping. Guests may also experience discomfort for extended periods if automatic temperature settings for unoccupied rooms are configured too high or too low. In such situations, HVAC systems may require additional time and energy to restore the room to a comfortable temperature .

One possible solution is to adjust the settings of sensory monitoring devices so that they can accommodate both customer requirements and hotel operational needs. If hotel management is hesitant to implement energy management systems for lighting or HVAC purposes, cost-containment efforts could instead focus on alternatives such as linen reuse programs or other modern technologies. Both major and minor operational changes can have lasting effects not only on customer satisfaction but also on hotel overhead and labor costs .

Techonology

Various modern technologies have been increasingly introduced within the hotel industry. According to an article discussing efficiency initiatives, the InterContinental Barclay Hotel in New York incorporated energy-efficient windows into a \$180 million renovation project as an effort to lower energy expenses Although this technology remains relatively limited in the United States, the Radisson Blu Frankfurt in Germany has adopted fuel cell technology that enables hotels to generate some of their own energy resources. This system is capable of generating up to three gigawatt hours of electricity while reducing carbon dioxide emissions by approximately six hundred tons annually.

As mobile technology continues to become more integrated into daily activities, customers have gained greater access to applications that can be installed on their mobile devices, providing convenience and greater control. In addition, cloud-based cognitive technologies offer on-demand access to real-time information, which can be valuable for hotel management, particularly in areas such as forecasting. These emerging energy-efficient technologies can also be implemented in other areas of hotel operations, including kitchen and bathroom appliances (AdminTHDM, 2023)

Multi-Branding

Although multi-branding is not specifically centered on utility and energy-related expenses, it represents an interesting approach in which a parent company operating multiple hotel brands can share back-of-the-house facilities and resources within the same property. This approach is particularly useful when different levels of service are required to accommodate various consumer segments. Marriott, for instance, currently applies a dual-branding strategy Multi-branding can improve efficiency in both construction and h (Baker, 2024)otel operations while also providing different hospitality experiences within a single location. The three

brands can utilize shared facilities, including a “single, integrated back-of-house space; a single, integrated back-office space; a single office for accounting; and a loading dock and security office”. This integration can also contribute to enhanced amenities and provide guests with a wider selection of restaurant and retail options.

Green initiatives, including practices implemented to achieve eco-certification, involve a variety of strategies designed to reduce utility and energy costs. There several green practices, including changing sheets for guests staying three or more nights, using key cards to control the room’s power supply, installing occupancy sensors and energy-efficient light bulbs, implementing towel reuse policies, providing recycling bins in guestrooms and lobbies, and using refillable amenity dispensers.

Cost Management

A significant portion of the sales revenue generated by hotels and food service enterprises is allocated to covering costs. In some cases, as much as 90 cents or more from every dollar of revenue may be spent on various costs. For this reason, effective cost management is essential. One approach to controlling and managing costs is through cost budgeting and cost analysis, which can help increase net income.

Another approach to increasing net income is to reduce costs without considering the possible consequences. However, this approach may not always be appropriate. A more effective method may be to examine each expense and determine how it contributes to the overall net income of the business. For example, if advertising expenses generate a greater increase in net income than would be achieved without advertising, reducing advertising costs would not necessarily be beneficial. A better understanding of cost management can also be achieved by recognizing that costs can be categorized into various types. Identifying the specific type of cost being considered can support managers in making more informed decisions. Some of the most common types of costs are described in the following sections.

Although the concept of cost management began to gain attention in the early 1990s, there is still no universally accepted and clearly established definition of the term. Different perspectives continue to exist regarding the definition of cost management. Based on these perspectives, cost management systems are utilized to provide cost indicators and evaluate performance. Cost management can be described as “improving and using cost management information within a value chain.” From another perspective, it can be understood as accurately determining the cost of goods, improving processes, minimizing waste, identifying cost factors, planning and controlling activities, and developing appropriate strategies. In general, cost management can be summarized as “organizing the enterprise processes and activities in order to manage costs”

The primary purpose of a cost management system is to provide management with information that is timely, accurate, reliable, and useful. Through the use of cost-related information, resources can be utilized more efficiently and productively in the production of goods or delivery of services. In addition, an enterprise can strengthen its competitiveness by improving its cost efficiency and profitability. In other words, the main objective of a cost management information system is “to supply information to the managers in order to compete at the world market within cost, time and performance dimensions.” Within this framework, cost management information systems address not only financial aspects but also non-financial factors. Several objectives of cost management can be identified as follows determining the cost of goods as accurately as possible based on relevant cost factors; evaluating the life-cycle performance of goods or services; accurately identifying and assessing processes and activities; determining the efficiency and productivity of activities;

controlling and managing costs; supporting performance evaluation; and assisting organizations in implementing their strategies.

Cost Management in Hospitality Industry

In the restaurant business, the success of an enterprise largely depends on the effective management of its expenses. Managing these expenses can be considered a significant challenge. To maintain proper control over expenses, they need to be clearly identified, understood, and carefully monitored. Restaurant expenses are generally categorized into fixed expenses and variable expenses. Regardless of their classification, during an economic downturn such as in 2023, various costs can be reassessed, including raw material costs, general expenses, operating expenses, staff costs, and consumable expenses (Fu, 2023)

To optimize costs, every company needs to establish clear cost management objectives. Cost reduction strategies can be more effective when they are relatively easy to implement and simple to monitor. One approach that can be applied is managing costs through digital transformation. In the past, business owners generally considered cost management only when they encountered financial difficulties. However, in recent years, it has become a standard operational practice that requires continuous attention during both favorable and unfavorable economic conditions. Despite this, the failure rate of cost reduction efforts remains relatively high, even when the targeted reductions are modest. With the implementation of automated processes, robotization, cognitive analytics, and other technologies, cost management can become a strategic factor capable of transforming the entire industry and fundamentally changing the way businesses operate.

Nevertheless, cost management continues to present challenges. The concept of “digitization” may discourage many HoReCa operators because it can suggest replacing human interaction and traditional business elements with modern technologies that may be difficult to use. However, this is not necessarily the case, as various measures can be implemented to address these challenges. One example is replacing traditional paper menus with QR codes, allowing customers to access menus through their mobile devices. Marketing materials can also be replaced with monitors displaying promotional campaigns and special offers. Restaurants may also implement booking and ordering software to reduce the need for dedicated departments (Sangwan, 2023)

Another approach is to purchase only the necessary materials and products. The procurement of raw materials, ingredients, food, and beverages should be based on actual requirements rather than being conducted automatically or excessively. Purchasing more than necessary can result in waste, spoiled products, or portions that are larger than required. Maintaining clear records of supplier orders, quantities purchased, and prices can help identify potential savings and consequently reduce costs. This type of accounting and monitoring can also be carried out using management software.

Another method is to focus sales on the preparations that generate the highest profits, regardless of their raw material costs. Some menu items may require higher production costs but can still generate greater profits. For example, although steaks or fresh seafood may involve higher costs, their selling prices can also be higher and may make them more profitable than less expensive fish dishes. Although these considerations may appear obvious, many managers do not always take the profitability of individual preparations into consideration when making business decisions.

Hotel cost accounting is essential because monitoring and recording both incoming and outgoing cash flows enables an organization to make more accurate predictions about the

future, maintain a more realistic understanding of the costs incurred by the resort, and ensure that annual budgets are properly maintained. As stated by Filimonau and Delysia (2019), this area of hospitality management is also important for the proper administration of hotels, as it supports several critical functions, including financial reporting, fund management, payroll reconciliation, expense monitoring, and financial auditing. There are several important factors involved in cost accounting, including cost allocation, forecasting and budgeting, profit drivers, and cost savings.

Cost allocation is highly beneficial for hotel business management. According to (Abdou, 2020), managers can distribute costs according to different development areas, which can contribute to the improvement of the financial structure of the hotel business. Forecasting and budgeting involve estimating costs associated with specific activities, allowing senior executives to plan future hotel expenditures and manage their financial resources accordingly. Profit drivers enable hotel business owners to gain a deeper understanding of their profit margins and the factors that influence them (Filimonau, 2020). In addition, the use of cost accounting can help hotel businesses identify areas of efficiency that may contribute to reducing unnecessary expenses and saving costs.

The cost accounting process within the hotel industry is highly effective and plays an important role in supporting business development. However, several challenges can arise during the implementation of this process. One of these challenges is data overload. According to (Rhou, 2020), most hotels have access to a wide range of data sources, including STR reports, property management systems, financial information, guest satisfaction records, reviews, and financial data from various properties. Consequently, the large amount of available data can create an information overload that may become a challenge for hotel businesses.

Another issue is the lack of transparency regarding objectives. The cost accounting department should have a clear understanding of the hotel business's preferences, objectives, and overall purposes. It is also important for the team to understand why the information is being collected and how it will be used in the future. According to (Lawn, 2020), difficulties may arise when employees are unable to obtain the appropriate information or when inaccurate or insufficient information is communicated, which can create problems for the business. Another challenge involves the use of different management systems. An effective costing method may be based on a particular authorized management system; however, in practice, there may also be additional management systems that can create inconsistencies or difficulties in the cost accounting process.

METHOD

Research Design

This research adopts a descriptive research design. This research design is applied to provide an objective and systematic description of the circumstances, characteristics of the population, and phenomena being examined.

Research Approach

An inductive research approach will be employed in this study. This approach is expected to support a comprehensive examination of the research topic and the key aspects related to the study.

Data Collection Method

This research uses secondary data collection methods, which are considered appropriate for the study and will be used to examine and analyze the research topic.

RESULTS AND DISCUSSION

The hotel industry is one of the most rapidly developing and promising sectors, generating millions of dollars in revenue across the world. The hotel sector contributes approximately 6% of the "World's National Product," 7% of total "Global Investment," and 11% of global consumer spending. Although knowledge regarding the application of cost accounting within the hotel industry remains limited, the topic has gained considerable interest in the tourism and hospitality sectors. Cost accounting in hospitality services encompasses a range of concepts and techniques intended to support the collection, analysis, and application of historical cost information. These methods can also be used to estimate per-unit costs, which can then support management in the decision-making process.

The growing importance of the cost accounting process in the hotel industry can be explained through several relevant theories. According to (Alharahsheh, 2020), one of these theories is the "supply-side economics theory." This theory can be used to explain the process and significance of cost accounting within the hotel industry. It also indicate that the theory can be applied to examine various issues associated with this topic. Furthermore, (Filimonau, 2020) state that this theory is important because it provides an approach that allows economists to examine and forecast economic conditions and behavior within the hotel business, including matters related to cost accounting. Therefore, this theory can be considered relevant to the development of research concerning the cost accounting process.

A literature gap refers to a lack or insufficiency of data and information that is necessary for conducting research. In this study, several gaps can also be identified. For example, this report does not contain sufficient information that could contribute to the further development of the topic. In addition, some of the available information concerning problems associated with the cost accounting process remains unclear. Therefore, there is an opportunity to examine the problem more extensively; however, the limited clarity of the available information makes it difficult to conduct such an analysis effectively.

Cost accounting refers to a process used by hotels and businesses within the hospitality industry to collect, analyze, summarize, and evaluate various activities based on cost efficiency. Cost accounting is used within the hospitality industry, particularly in hotels, to measure and assess costing capabilities. Detailed cost information for different hotel sectors can be determined through accounting methods, allowing current operations to be evaluated. Furthermore, cost accounting can provide a basis for developing future business plans. Financial matters can be managed through cost accounting, which can clarify tax-related information and assist in addressing accounting issues. Through this process, hotel administration can monitor expenses and determine whether certain expenses should be restricted or increased.

The finance department within hotels is responsible for managing food, beverages, and various orders based on guest demand and requirements. Cost accounting can also initiate and manage orders from other branches of a lodging establishment or restaurant and forward them to the costing and purchasing department, which then places orders with external suppliers (Rahayu, 2022). At the end of each month, the hotel can calculate the proportion of its total costs and determine how these costs affect its profit. In addition, hotel accounting supports the continuous flow of information and communication across departments, revenue streams, vendors, and properties located in different geographical areas. In this context, tax codes and various financial regulations are also incorporated into hotel operations, which can contribute to smoother business processes and guest services. Vendor contracts are another component of cost accounting operations, helping hotels manage contractual transactions as well as multiple revenue and departmental systems.

Cost accounting enables hotels to identify and evaluate their effectiveness, efficiency, and economy. It can also help identify gaps between hotel revenues and expenses, which can subsequently be addressed through appropriate cost accounting procedures. Financial reporting is an important component of cost accounting within the financial sectors and departments of the hospitality industry. Since hotel costs can change unpredictably on a daily or monthly basis, financial information such as profit and loss statements, balance sheets, cash flow statements, and comparisons with annual budgets are incorporated into the accounting process.

Contemporary management practices have also been incorporated into hotel cost accounting to assist in addressing various management issues. Customer profitability analysis is increasingly being applied within hotel cost accounting, while activity-based costing is also utilized to identify the profit and loss percentages associated with hotel operations. Costs can be accumulated according to individual activities, while both financial and non-financial indicators can be incorporated into hotel operations and subsequently applied to other areas of the hotel.

The hospitality industry can serve as the backbone of any country and a significant amount of revenue and profit is managed in hotels on a regular basis. Conventional management accounting and cost accounting methods are implemented in hotels, which can emphasize product costing, return on investment, strategic planning and product profitability. It can be viewed as the various types of circumstances encountered in hotels that can be either unfavorable or advantageous for hotels and that can be evaluated through cost accounting in hotels within a specific period of time.

In addition to that, the break-even point and the "*tableau de bord*" can be incorporated into hotels together with "*budget variance analysis*". In the case of hotels, motels, homestays and other accommodations, budgeting can be highly significant for the adjustment and evaluation of future costing within that organisation. It can be observed that various planning methods and techniques are integrated into the costing and budgeting of hotels and the calculations are extremely important for both customers as well as hotel administrators. Detailed analysis can be conducted through this method.

Budget variance commentary is extensively incorporated into the hospitality industry. A particular analysis is required that can assist in evaluating the specific sector that requires greater attention from the administrators. Product profitability is also considered in the hospitality industry, particularly in hotels for the guests and employees in the hotels. With accurate accounting, the remuneration of employees and workers can improve the reputation of hotels. Departments such as human resources, accounting and finance and management can be effectively regulated and efficiently accelerated in the future.

The profitability in the industry can be evaluated through accounted costs and that can support the other subsections of hotels. Strategic planning focuses on the approach of making decisions and managing subsequent activities with the objective of enabling managers to select the most appropriate strategic direction for the establishment. Long-term objectives can be developed in hotels which can be incorporated into the current strategy. Modern management practices are also integrated into hotels for cost accounting that can assist in addressing operational issues. Customer profitability analysis is currently incorporated into the cost accounting of hotels and activity-based costing is also implemented which can demonstrate the profit and loss percentage of hotels. The cost is accumulated for each activity and the financial and non-financial indicators are incorporated into hotel operations, which can subsequently be, applied in other sections in the hotels. In addition, benchmarking can also be an observable process that can be evaluated in the context of cost accounting, which

can compare the annual performance of hotels that assists in the implementation of improvements. Managers encounter various challenges in the hospitality industry while applying accounting practices.

"Customer profitability analysis" (CPA) allocates all revenues and expenses to specific customers to determine the degree of profitability and identify who is generating profits. Customer relationship management approaches have been enhanced, making it possible to improve the understanding of profitable and unprofitable consumers. The strategic planning tools are incorporated into the costing and accounting of hotels, which can further assist in strategically distributing specific benefits to different sectors. The *"Economic value added"* process is integrated into the cost accounting of hotels for evaluating the areas of profitability in hotels and restaurants within the hospitality sector.

CONCLUSIONS AND SUGGESTIONS

It is importance of environmentally friendly practices from the perspective of customers. The research identified several barriers that could prevent customers from participating in environmentally friendly practices, including inconvenience, perceptions that the practices were intended to reduce costs, and a possible decrease in luxury. These barriers can influence customers' willingness to stay at green hotels, as guests may be unwilling to compromise their overall experience simply to allow the hotel to reduce its expenses. The authors suggest that educating customers during their stay could be an effective approach to encouraging participation in green initiatives. This approach could also involve establishing small and achievable goals and gradually introducing programs over several years rather than implementing them all at once. Hotel staff could distribute surveys during the check-in or check-out process or send them to customers by email after their stay to obtain feedback regarding cost-containment and sustainability practices implemented by the hotel

Several encouraging initiatives have been reported throughout the literature, providing useful information for hotel managers. These studies highlight important factors that managers should consider when introducing energy cost-saving initiatives. For instance, initiatives that do not negatively influence customers, such as LED lighting, can provide significant effects while requiring relatively low costs. Voluntary programs, including linen and towel reuse programs, can also be effective and are already widely implemented within the hospitality industry. During the COVID-19 pandemic, Marriott reported that approximately one hundred corporate travel buyers had requested information regarding its operational carbon footprint, compared with only twenty buyers several years earlier. This development suggests that cost containment and sustainability have gained increasing attention within the tourism industry, which may encourage hotels to take further initiatives toward more environmentally sustainable operations. Hilton Worldwide and IHG Hotels & Resorts also reported an increase in requests for sustainability-related information) The growing availability of such information can help hotels determine which specific green initiatives should be prioritized without negatively affecting customer satisfaction and needs, while also improving their cost-containment practices. Expectations regarding sustainability, environmentally friendly practices, and cost containment within the hospitality industry continue to increase. Many organizations are becoming more familiar with sustainable technologies and are increasingly willing to invest in environmentally responsible practices because these investments can provide benefits related to customer satisfaction, sustainability, and cost containment within the hotel industry.

The hospitality industry can serve as an important foundation for the economy of a country, with hotels regularly generating substantial amounts of revenue and profit. Traditional management accounting and cost accounting practices are implemented within hotels to provide information regarding product costing, return on investment, strategic planning, and product profitability. Various situations encountered by hotels can produce either positive or negative effects, and these conditions can be evaluated through hotel cost accounting over a specific period.

In addition, hotels can utilize the break-even point, the “tableau de bord,” and “budget variance analysis” as part of their accounting and management practices. For hotels, motels, homestays, and other accommodation establishments, budgeting is an important process for planning and estimating future costs within the organization. Various planning methods and techniques are incorporated into hotel costing and budgeting, and these calculations are important for both hotel customers and administrators. Such methods can also support more specific financial and operational analyses.

Budget variance commentary is increasingly applied within the hospitality industry. A detailed analysis is required to identify specific areas that require greater attention from hotel administrators. Product profitability is also considered within the hospitality industry, particularly in hotels, in relation to both tenants and employees. Effective accounting practices can support appropriate employee and worker remuneration, which may contribute to the reputation of the hotel. Departments such as human resources, accounting and finance, and management can also be coordinated and operated more effectively in the future.

Profitability within the industry can be evaluated through cost accounting, which can subsequently support other areas of hotel operations. Strategic planning focuses on using appropriate techniques to guide decision-making and manage future activities, with the objective of assisting managers in selecting an appropriate strategic direction for the organization (Sewwandi, 2018). Through strategic planning, hotels can establish long-term objectives that can then be incorporated into and implemented through their current strategies.

Several recommendations can be proposed for hotels to support and improve their cost accounting processes: Cost estimates and expenses should be reviewed periodically to ensure that hotel calculations remain accurate and up to date. Skilled employees can be assigned to different areas according to their abilities and responsibilities in order to support more effective accounting practices. Feedback can be collected to identify areas that require improvement and to support the further development of cost accounting practices within hotels.

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