

The Actual Cost of Smoking

Understanding the impact of
smoking violations in hospitality



Tobacco and marijuana have been smoked in non-smoking hotel rooms for as long as non-smoking rooms have existed.

The task of calculating the costs associated with unauthorized smoking in guest rooms, however, is so challenging that many hoteliers have viewed smoking as a problem without a solution.

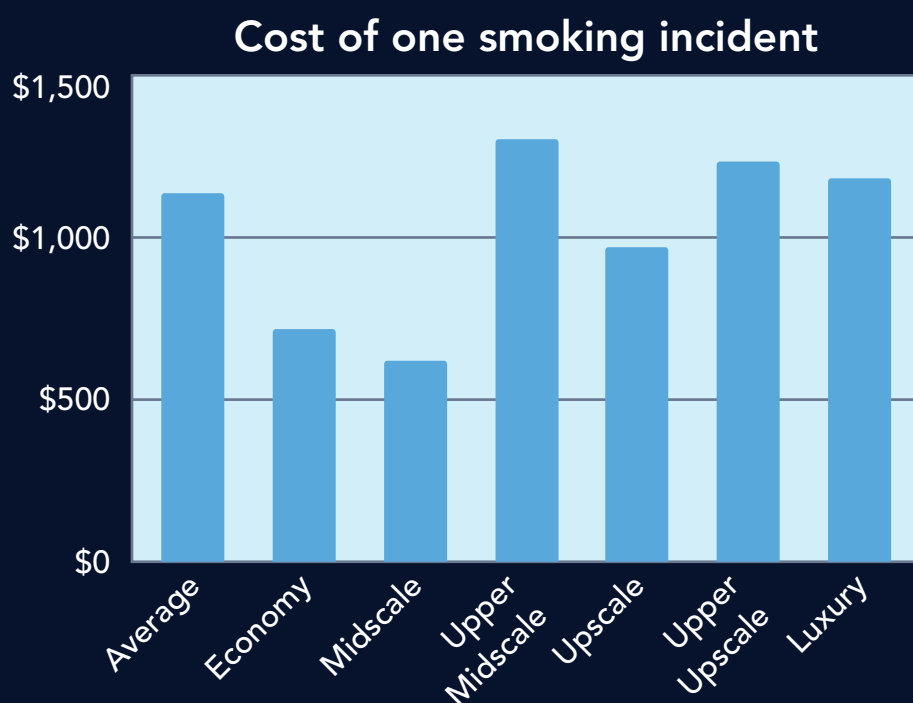
Now, new research provides a clear picture of the obvious short-term and hidden long-term costs of unauthorized smoking to quantify the impact. **Results reveal that unauthorized smoking costs hoteliers \$5.4 billion each year in the U.S. alone.**



Research Methodology

Multiple types of primary and secondary research were utilized to gain a definitive assessment of the cost of smoking in hospitality:

- Primary interviews with more than 8,000 U.S.-based hoteliers in all segments of the market (economy through luxury)
- Data analysis of smoking incidents across 20 million monitored room nights
- Methodical and systematic analysis and reference of thousands of points of secondary data to assess comprehensive cost implications related to smoking

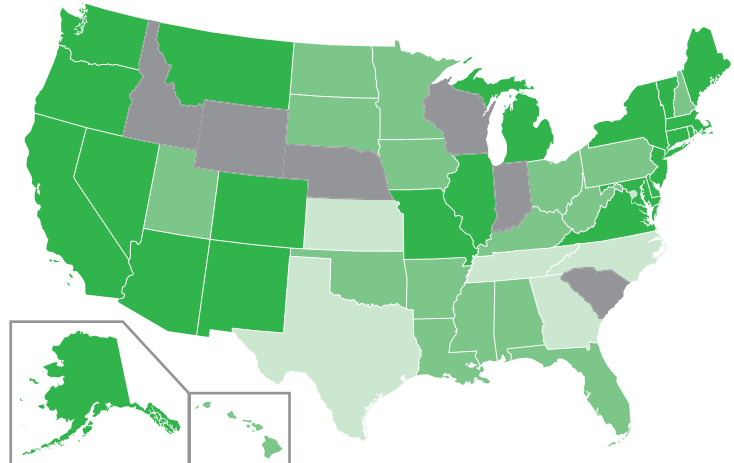
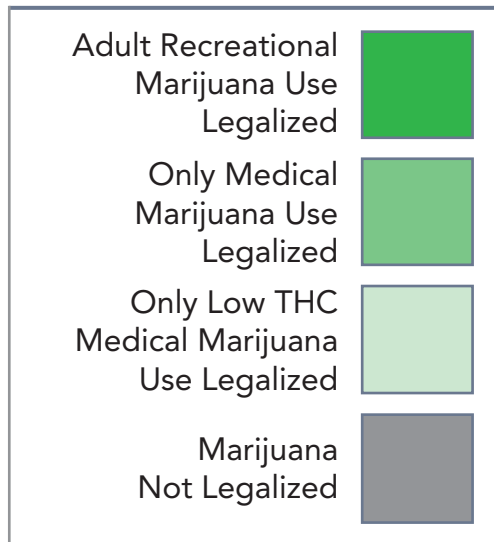


**\$5.4
Billion
each year**

An Ongoing Challenge

Unauthorized smoking in guest rooms remains a significant and costly problem for hotels of every shape and size. And while smoking may be more prevalent in economy properties versus luxury, the impact on a luxury property's revenue and reputation can be much greater, making the smoking problem a common concern among every segment of the market.

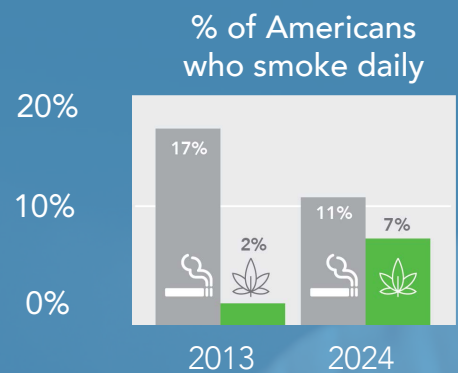
Additionally, the proliferation of legalization across the U.S. has made marijuana a growing concern for hoteliers as cannabis dispensaries continue to multiply in both urban and rural settings – often in close proximity to hotel properties.



DID YOU KNOW?

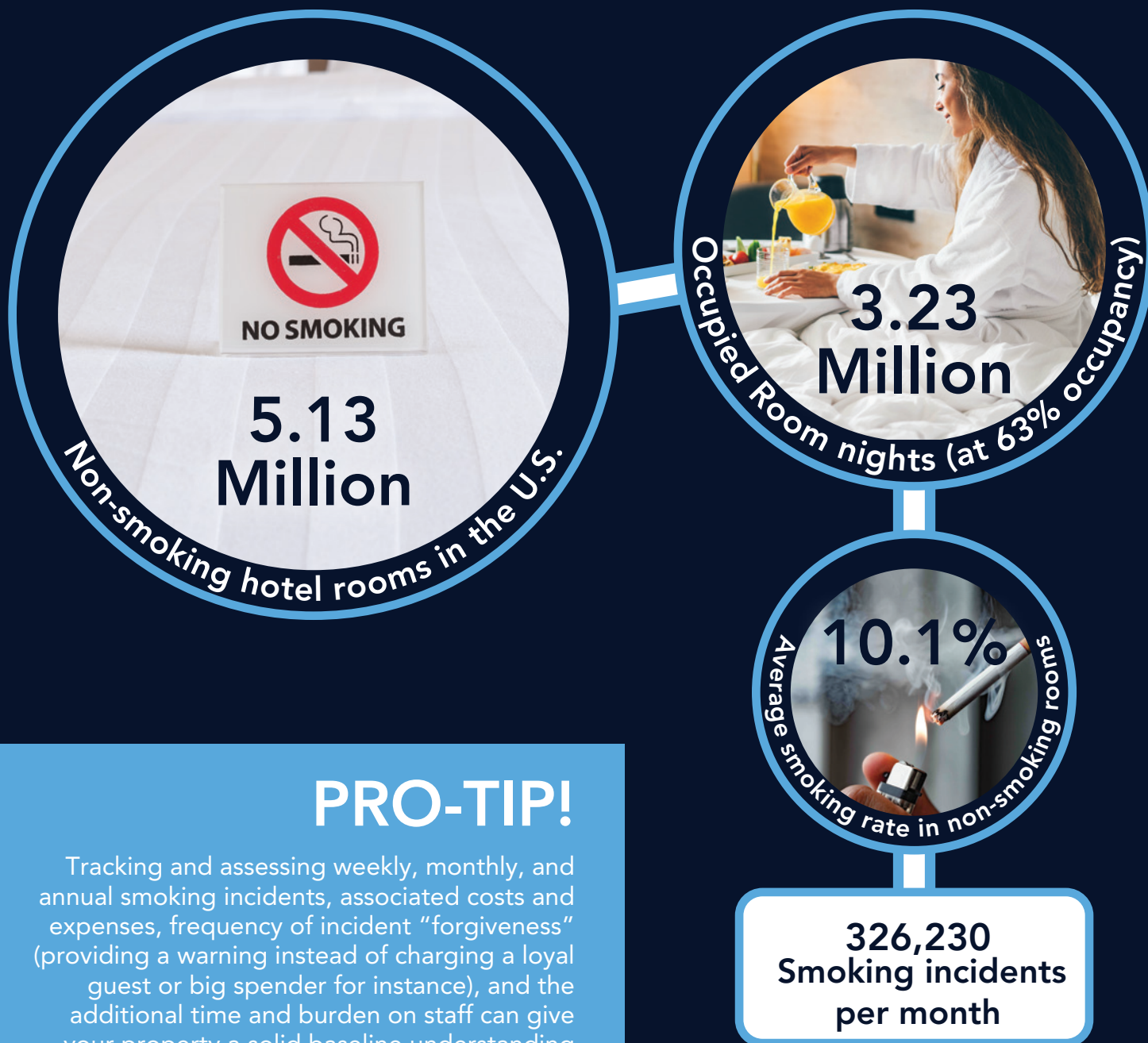
In 2022, the number of Americans using marijuana daily surpassed those using alcohol daily.
(US National Survey on Drug Use and Health)

Recent research suggests that while the percentage of daily tobacco smokers in the U.S. has dropped from 2013-2024, the percentage of Americans that smoke marijuana daily has increased.



With overall smoking rates increasing, the impact on hotels remains substantial. Market data – aggregated across all chain types – shows that 10.1% of non-smoking rooms in the U.S. are smoked in each month. To put this in a different perspective, with roughly 5.13 million non-smoking hotel rooms in the U.S. and an average occupancy rate of 63% in 2023 (Amadeus) yielding 3.23 million occupied room nights, smoking occurred more than 326k times per month in U.S. hotels.

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PRO-TIP!

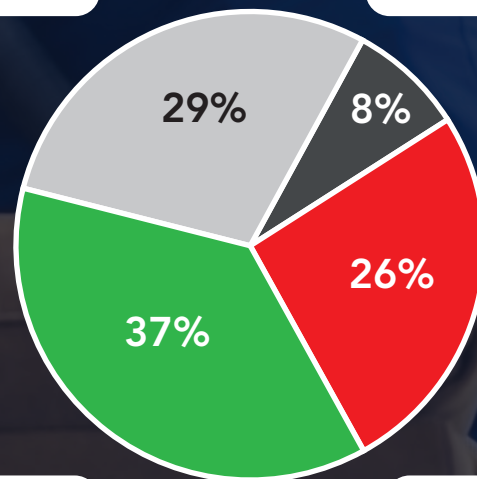
Tracking and assessing weekly, monthly, and annual smoking incidents, associated costs and expenses, frequency of incident “forgiveness” (providing a warning instead of charging a loyal guest or big spender for instance), and the additional time and burden on staff can give your property a solid baseline understanding when looking to assess the total cost of smoking to your property.

Primary Concerns

Hoteliers ranked their smoking-related concerns across four primary areas. Obtaining proof of smoking to enable fee collection was the primary concern for 37% of hoteliers, while damage to guests (from both a guest experience and health standpoint) came in second at 29%.

Damage to Guests

Reducing Chargebacks



Proof to Collect

Reputation and Online

Smoking-Related Outcomes

The outcomes of unauthorized smoking incidents present additional dynamics that hoteliers must contend with. More than a third of hoteliers say that they place a smoked-in room Out Of Order in order to conduct deep cleaning processes. In collecting associated cleaning fees from guests, however, nearly a third of hoteliers say that cleaning fees end up in a lost chargeback.



Cost Considerations

In addition to the obvious costs related to deep cleaning and potentially placing a smoked-in room off the market, there are many additional cost factors required to build an accurate assessment of each incident's impact on revenue and operations.

Below are the complete set of factors that must be accounted for when assessing the actual cost of smoking in hospitality:

Damage to property

Smoking leads to an accelerated depreciation schedule for soft and even hard goods in rooms, and otherwise increases the amount of soft and hard goods inventory kept on hand. Repeated smoking can lead to lingering odors that require the replacement of expensive items like mattresses and carpet. Smoking also occasionally causes material loss from fire, but in total accounts for nearly \$84M in total damages to hotels each year (National Fire Protection Agency).

Loss of reputation / Net Promoter Score

Bad reviews and lower Net Promoter Scores (NPS) cost hotels future business. Smell/Odor remains the third most cited complaint in the check-in process, which is the most important driver of NPS for hotels. This calculation is based on how frequently a new guest checks into a room that smells from previous smoking, the likelihood that guest leaves a negative review online OR otherwise chooses not to leave a positive review, and the loss of future business that results from those negative reviews.

Additional cleaning

Extra time and materials needed to turn over a smoked room add up and delay the housekeeping staff. This causes not only increases in wages due to the additional time, but an increase in the cleaning supplies. Being warned ahead of time of rooms with smoking incidents both minimizes and prepares the hotel to deal with those rooms in a timely and efficient manner.



Lost revenue (net of fees)

Fees collected from smoking can offset the costs associated with smoking. However, loss of revenue from taking rooms offline, relocating affected guests, and offering discounts/services generally exceed cleaning fees.

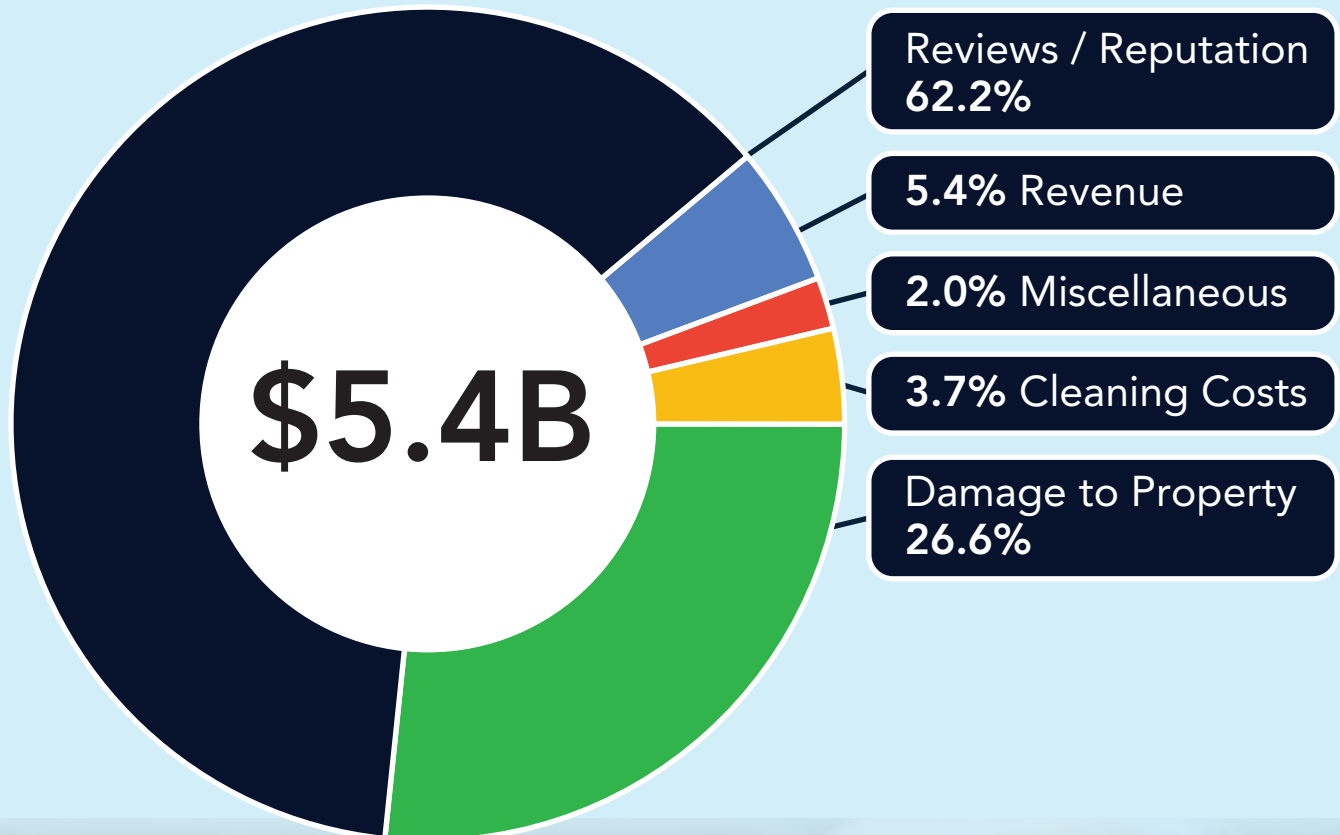


Loss of productivity

Time spent chasing down fees and fighting chargebacks affects productivity. Exposure to both secondhand smoke (SHS) and thirdhand smoke (THS) can lead to time out of work and directly lead to more expensive healthcare premiums for the industry.

Calculating the Cost

Research results reveal that unauthorized smoking costs hoteliers \$5.4 billion each year. Lost revenue, replacement of equipment, increased laundry costs, and other damages can lead to significant impact to profit. The economic cost of smoking in a non-smoking room ranges from over \$620 per incident to nearly \$1,300 per incident, with the mean of \$1,135 for a US Hotel. These costs are multiplied in instances with heavy or repeated smoking, where the entire room must be refurbished to remove the smell.



Smoking Costs by Chain Scale

The table below offers detailed estimates of the cost of smoking across all factors and chain scales:

Damage to property	Average	Economy	Midscale	Upper Midscale	Upscale	Upper Upscale	Luxury
Damage to soft goods	\$146.15	\$45.48	\$76.88	\$113.59	\$176.57	\$200.95	\$263.45
Damage to hard goods	\$232.13	\$61.76	\$102.32	\$163.37	\$204.47	\$324.75	\$536.13
Damage to walls	\$2.28	\$2.28	\$2.28	\$2.28	\$2.28	\$2.28	\$2.28
Loss from fire	\$2.42	\$2.42	\$2.42	\$2.42	\$2.42	\$2.42	\$2.42
Total costs related to FFE damage	\$382.98	\$111.93	\$183.88	\$281.65	\$385.73	\$530.39	\$804.27

Cleaning costs	Average	Economy	Midscale	Upper Midscale	Upscale	Upper Upscale	Luxury
Additional labor costs	\$34.94	\$13.00	\$23.00	\$34.00	\$46.00	\$49.00	\$55.00
Additional supply costs	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Additional water costs	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03
Total costs related to cleaning	\$46.97	\$24.82	\$35.18	\$46.05	\$57.88	\$60.70	\$66.60

Revenue considerations	Average	Economy	Midscale	Upper Midscale	Upscale	Upper Upscale	Luxury
Cost of lost room revenue	\$28.99	\$13.10	\$17.88	\$26.74	\$36.20	\$47.00	\$85.54
Revenue collected from cleaning fee	(\$145.47)	(\$63.00)	(\$139.23)	(\$139.23)	(\$170.17)	(\$201.11)	(\$593.78)
Cost of labor in processing cleaning fee	\$21.47	\$10.08	\$17.47	\$22.71	\$24.93	\$27.11	\$29.50
Direct costs to hotel in relocating guests	\$10.37	\$1.34	\$1.09	\$4.47	\$2.51	\$5.66	\$11.61
Direct costs to hotel in satisfying guests	\$7.41	\$----	\$----	\$----	\$0.41	\$1.45	\$15.96
Total costs (revenue) related to revenue	(\$77.23)	(\$38.48)	(\$102.79)	(\$85.30)	(\$106.13)	(\$119.88)	(\$451.17)

Reviews/reputation	Average	Economy	Midscale	Upper Midscale	Upscale	Upper Upscale	Luxury
Cost of lost business from smell related bad reviews	\$654.46	\$397.56	\$397.04	\$854.64	\$515.60	\$630.84	\$630.84
Cost of lost business from smell related loss of positive reviews	\$102.62	\$106.03	\$82.18	\$176.89	\$91.47	\$106.83	\$106.83
Total costs from review/reputation	\$757.08	\$593.59	\$479.22	\$1,031.53	\$607.07	\$737.66	\$737.66

Miscellaneous	Average	Economy	Midscale	Upper Midscale	Upscale	Upper Upscale	Luxury
Cost of SHS exposure to hotel work force, per room, per year	\$24.90	\$24.90	\$24.90	\$24.90	\$24.90	\$24.90	\$24.90
True total cost of one smoking incident	\$1,134.68	\$716.75	\$620.30	\$1,298.82	\$969.45	\$1,233.77	\$1,182.25



New Solutions to an Old Problem

Historically, unauthorized smoking in hotels has been a problem without a solution. The cost and adverse impact on operations, reputation, and revenue have simply been the cost of doing business.

Legacy technology, such as off-the-shelf particle or optical detectors, has been trumpeted by some as the solution to the smoking challenge, but comes with its own costs to the hotel. This technology, which dates back nearly 100 years, detects airborne particles passing between a light source and a photocell. It requires a significant amount of particulate matter to trigger, and cannot distinguish between smoke, dust, steam, burnt foods, or other forms of airborne particulates. It is unfortunately an everyday occurrence for guests to be falsely accused of smoking and charged cleaning fees when using this outdated technology. The result? Not just an irate guest, but a brand enemy that can and will do everything in their power to badmouth the property or brand via social media and other channels – potentially costing far more than the smoking cost in long-term lost revenue.

Luckily for hoteliers, advances in molecular science are bringing definitive solutions to the table. New types of sensor technology detect tobacco and marijuana smoke at the molecular level and cannot be fooled by guests or trigger a false alarm. These advanced solutions are allowing hoteliers to finally maximize compensation from smoking, reduce smoking instances, and deliver healthier air quality that enhances guest satisfaction. As air quality becomes an increasingly important component of cleanliness and the overall guest experience, molecular sensor technology is well positioned to help hoteliers monitor and manage common air quality contaminants such as tobacco and marijuana smoke.

How can FreshAir Sensor help you?

Our team of air quality monitoring experts are here to help you reduce the cost of smoking and deliver cleaner and healthier guest room environments. Contact us today to discover new solutions and processes to reduce smoking incidents, rethink incident response, maximize cleaning compensation, and enable greater efficiency across the organization.

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