Sustainability as a Source of Competitive Advantage in the Travel and Tourism Industry

Seleni Matus, Senior Advisor, Destination Management


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Our Panel Presentation

- How is sustainability changing the competitive landscape and what are the opportunities and threats for tourism destinations and companies?

- What are the tools and models available to help tourism destinations and companies make sustainability actionable?
What is sustainability?

Sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development. A suitable balance must be established between these three dimensions to guarantee its long-term sustainability.

UN World Tourism Organization
The consensus: sustainability matters

There is wide consensus that sustainability, however defined, is and will continue to impact the way businesses think, act, manage and compete.
What are the benefits of action?

- Improved company or brand image
- Cost savings
- Competitive advantage
- Employee satisfaction, morale or retention
- Product, service or market innovation
- Business model or process innovation
- New sources of revenue or cash flow
- Effective risk management
- Enhanced stakeholder relations
- Other

Percentage of respondents

MIT Sloan Management Review & BCG’s The Business of Sustainability Global Survey
Business Value - Brand Enhancement

- Increasingly sustainability initiatives can result in recognition from industry ranking schemes, award programs, and certifications.

- Global travel societies with influence, including National Geographic Society, often use sustainability as a key criterion when they rank destinations

- More and more tour operators such as Thomas Cook Group and TUI, Natural Habitat, and Abercrombie and Kent, give preference to destinations, hotels and resorts that adopt sustainability principles

- Holding Associates and CoreBrand conducted a 2007 study of 465 companies and found that brands viewed as having strong CSR values are perceived as being better investments
Consumers are ready

- 66% in U.S. believe their travel choices make a difference*
- 44% consider the environment when making travel decisions*
- $24 billion dollar industry in the U.S. alone**
- 59% of travelers would be influenced by a green rating index*
- 56% are skeptical and looking for information*

*Saber Holdings, 2010
**Lifestyle of Health and Sustainability Market (LOHAS)
Where are we today?

- Today there about 130 third-party certification programs worldwide for hotels and tour operators

- 15,000 hotels of the estimated 500,000 hotels globally are certified by these programs

- Finding and booking these options remains a difficult proposition for travelers
Where are we today?

- There is a wide range of voluntary and sector-specific standards that are helping companies embed key elements of sustainability into day-to-day operations.

- Most voluntary initiatives remain small-scale and fragmented.
Impacts of Voluntary Initiatives

- **Mesoamerican Reef Tourism Initiative:**
  - 32,000 hotel rooms and 200 tour operators participating in good practices program
  - 2 of 5 cruise ports have destination stewardship plans

- **Caribbean Hotel Energy Efficiency Action Program:**
  - 2670 Hotels in 25 Caribbean Countries/Territories
Decisive and effective action needed

- Some companies and destinations are committing aggressively to sustainability and winning, but most are not

- What’s needed? Destination-level responses and wider adoption of good practices by private sector
Making Sustainability Actionable

- Next-gen Destination Manager Toolkit
- Exemplary Models from our region
Next-Generation Toolbox for Destination Managers

- Global Destination-level Criteria
- Destination Sustainability Diagnostic Tools
- Destination-level Standards & Certification
- Destination-level Sustainability Monitoring Systems
Benefits of Toolbox

- Helps to make the term “sustainability” actionable
- Provides a yardstick for measuring performance now and over time
- Provides the information needed to make better management decisions
Global Sustainable Tourism Council

A universal framework of indicators for hotels, tour operators and destinations (in development) that will help the industry to understand and advance work around the key pillars of sustainability

One global standard. Tuned to the needs of each place.
Destination Sustainability Diagnostic Tool

Cozumel, Mexico
STI’s Rapid Sustainable Destination Diagnostic

- Provides snapshot and helps to prioritize sustainable destination management issues

![Diagram showing a network of sustainability issues]
Marketing Sustainability
Crafting your sustainability story

- Diagnostic tools can help the destination to begin integrating sustainability into the brand and marketing strategy in new ways:
  - Launch a campaign
  - Target new market segments
  - Re-position the brand
- Diagnostic results can help the destination’s marketing team to identify new opportunities, and also provide substantiation for sustainability claims
Destination-level Sustainability Standards, Certification and Capacity-building

Costa Rica
Costa Rica’s Certification in Sustainable Tourism

- An assurance that a tourism business is run according to agreed-on standards for sustainable tourism best practice
- A program designed to promote sustainable tourism and to protect the environment for future generations
- A model to inspire more efficient and sustainable ways of doing business
Incentivizing Greater Adoption of Standards

- DMOs can promote and incentivize widespread adoption of tourism sustainability standards through marketing.
Destination-level Sustainability Monitoring System: tracking changes occurring over time

Belize
Knowledge Management Systems
Models for Pursuing Sustainability

Jungle Bay Resort & Spa – Sam Raphael, General Manager

Kittitian Hill – Valmiki Kempadoo, Founder and Managing Director

Graham McKenzie, TravelMole, Publisher