

International Centre for Responsible Tourism

Gaining Commercial Advantage from Responsible Tourism

Prof. Harold Goodwin



The purchasing decision

1. Destination/activity
2. Price VFM & EFM
3. Availability/ trip length
4. USP or “added value”- non-price competition
 - For some consumers that can be a responsible tourism element.
 - Brand positioning and repeat business and referrals
 - Market trend towards more experiential holidays



Why change?

AITO 1999

- “An ethical trading policy can provide both a commercial advantage and a positive marketing tool”.
 - Moral imperative/conscience/personal values, concern for environment & culture 56%
 - Preserve destinations/maintain product quality 27%
 - Market forces and consumer pressure 17%
- Corporate Social Responsibility
- Market Trends – because it makes commercial sense – its about the way you do the business.

Association of Independent Tour Operators (AITO) 2000

- ... we recognize that in carrying out our work as Tour Operators we have a responsibility to respect other people's places and ways of life.
- We acknowledge that wherever a Tour Operator does business or sends clients it has a **potential to do both good and harm, &**
- we are aware that all too often in the past the **harm has outweighed the good.**



AITO

- ***Protect*** the Environment – its flora, fauna and landscapes
- ***Respect*** local cultures – traditions, religions and built heritage
- ***Benefit*** local communities – both economically and socially
- ***Conserve*** natural resources – from office to destination
- ***Minimise*** pollution – through noise, waste disposal and congestion

Becoming Mainstream

- Mintel: by 2010 outbound UK ethical market forecast to be 2.5m trips per year.
- Jane Ashton head of CSR at First Choice:
“We’re not experiencing a huge demand from the average consumer, but we do believe that awareness is increasing, and **in a few years time we will have needed to have integrated these principles into our supply chain.**”

% people who reported that they had

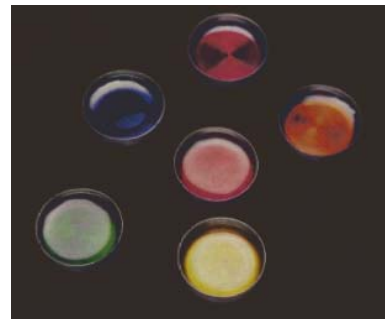
<i>at least once during the year</i>	'99	'08
Actively sought information on a company's reputation	24	36
Felt guilty about an unethical purchase	17	38
Chosen product/service on basis of company's responsible reputation	51	57
Recommended	52	55*
Recycled	73	96



Guilt free consumerism – a USP?

**It's not just
our green dyes
that won't
harm the
environment.**

Our policy on dyeing clothes is black and white. We've banned all our suppliers from using 56 chemicals in the production process that put either their employees or the environment at risk. We also insist that all remaining dyes are removed from effluents before releasing them back into the environment. To ensure they meet our stringent standards regular factory audits are conducted. So, it doesn't matter whether our dyes are blue, red or yellow, they're as kind to the planet as the green ones.
www.marksandspencer.com





Plan A

Responsible
Tourism



Because there is no Plan B

Broader Consumer Trends

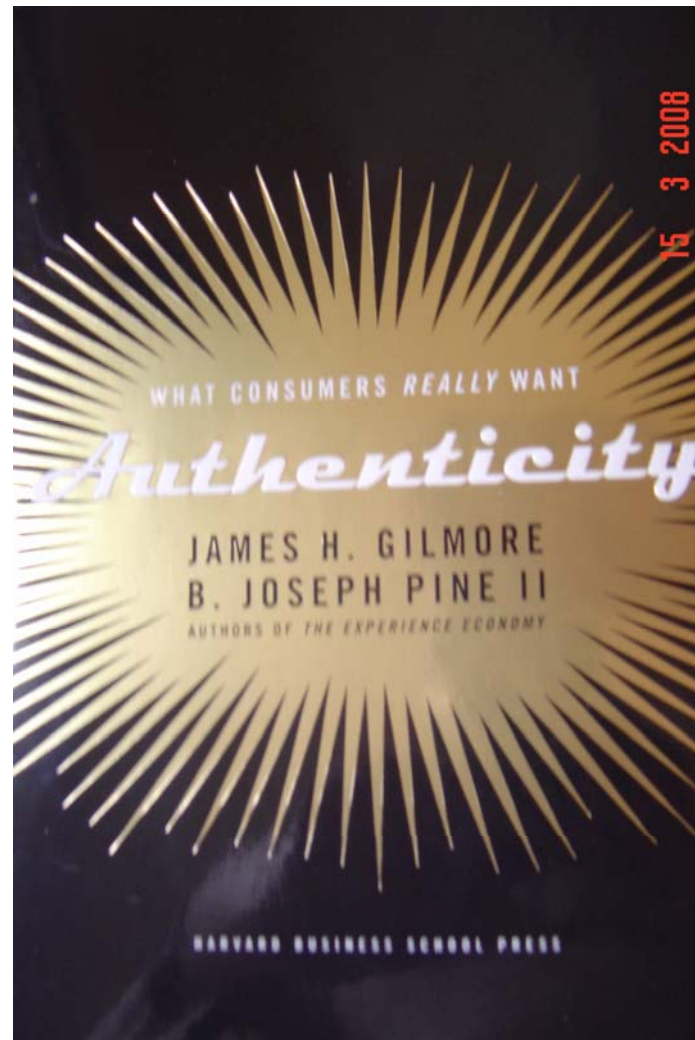
- The experience economy
- Consumers are better educated and more demanding
- Consumers are more aware of what they might feel guilty about
- Consumers are seeking authentic, more memorable experiences.
- Consumers should be able to taste the difference – continues to evolve

**You can taste
the difference**

Experiential Tourism

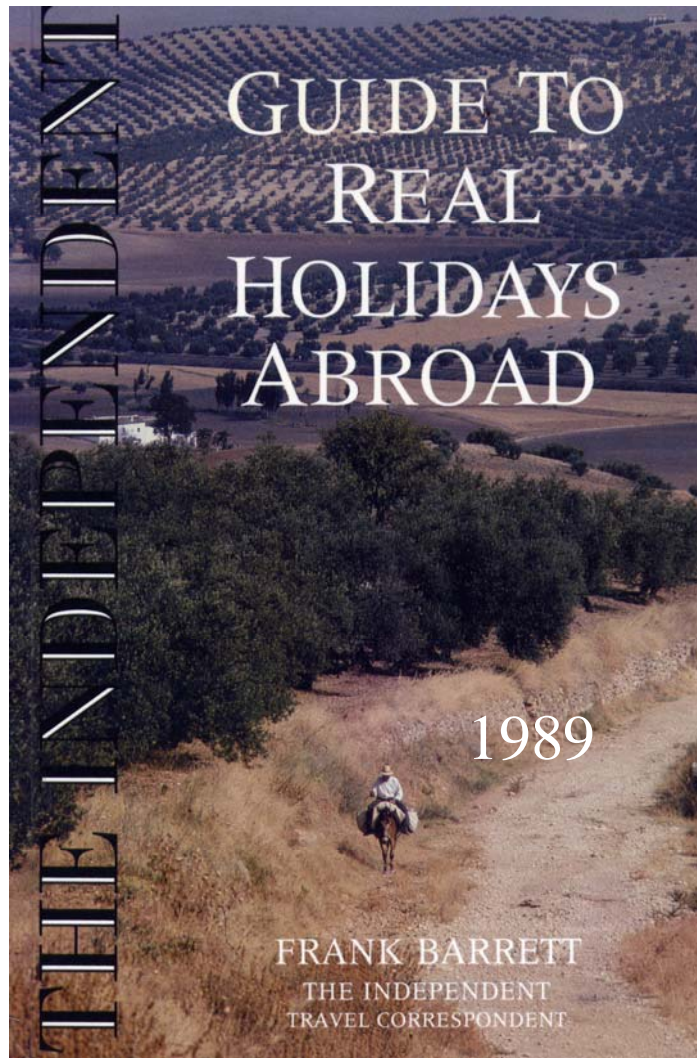
- The experience economy
- Seeking memorable experiences
- Driving increased tourism
- Viral marketing
- Engagement in culture, community and the environment
- Shared product of host and guest
- Quality, depth, create memories





Four successive consumer sensibilities

- availability – access to reliable supply
- cost – affordable supply
- quality – product performance
- Authenticity – “conforming to self-image”



Product

Differentiation

**Value of
privileged
access**

Product



Re
To



Resp
Tou





Consumer proposition.

- **Fair Trade**
- **What is the proposition?**

- Certification is opaque?
- It is without meaning and for most/all(?) consumers it is meaningless.
- It does not generate bookings, repeats or referrals.....
- Certification was a cul-de-sac – it strips out meaning and market advantage.

Credible Stories....

- What are your stories?
- What is the AITO story?
- Consider food and the importance of provenance.....
- Part of contract...

A lesson from Kochin?



Marketing is about “choosing” your clients

- Shaping Expectations
- If client satisfaction is key to repeats and referrals then attracting clients who will enjoy the destination/activity/service is surely critical

Marketing PR and Comms

- Shareholders and investors
- Maintaining brand value – particularly where that is the major asset.
- The carbon reduction agenda, moving beyond off setting and denial to carbon efficiency, water reduction and transparent reporting

Think about it

1. Product/experience enhancement
2. Differentiation in a crowded market place
3. Non-price competition
4. Market segmentation
5. Cost cutting
6. We all want guilt free holidays..
7. We all want better experiences – and that means finding better ways of interacting with communities and their environments

The aspiration survives recession.

Concerned Consumers Times Populus September 2008

- Recession
 - I would still try and buy the most ethical and environmentally friendly products I could – even if it meant paying a little extra
- Sep 07 59%
 - Dec 07 69%
 - Mar 08 65%
 - Jun 08 56%
 - Sep 08 59%
 - July 09 50%

The Business Case for Responsible Tourism

- The right thing to do
- Cutting costs
- Minimising risk
- License to operate
- Product quality and cost
- Staff retention & morale
- Market Advantage
- Market Advantage
- Experience
 - richer
 - more authentic
 - guilt free
- Differentiation and PR
- Brand Value
- Reputation
- Referrals & Repeats



Further information

- www.haroldgoodwin.info
- www.icrtourism.org
- www.wtmwrtd.com
- www.aRTyforum.info
- www.responsibletourismpartnership.org
- www.icrtourism.org/capetown.shtml
- www.icrtourism.org/Kerala.shtml
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