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7. The Industry Response: The Business Case

This unit concentrates on the UK because it is in this originating market that most work has been done with the industry to raise the issue. In my view similar efforts need to be made in other source markets a theme to which we shall return in the last unit.

Creating Change

The process in the UK was based on a standard making change strategy.

1. Situation analysis – the critique of the industry and of consumers
2. Raising the Issue – creating a context in which the industry was required to respond
3. Developing a strategy to address the issues
4. Supporting and encouraging change

Much of this story has been recounted in Goodwin H (2011) Taking Responsibility for Tourism and will not be repeated here.

1. Situation analysis – the critique of the industry and of consumers

Krippendorf (1987) argued that we “need rebellious tourists” who would reshape the products offered by demanding opportunities for self-realisation, new products which offer fulfilment rather than merely escape.

Krippendorf (1987) called on the suppliers of tourism services, the operators:
“to acknowledge their responsibility towards travellers, the host populations’ and tourists’ environment, to state clearly what contribution they are prepared to make to a more human tourism and what regulations they are willing to observe. I propose that they should formulate and make public a code of practice and the principles of their internal and external business conduct.”

Tour operators play an important role in shaping and determining the sustainability of destinations.

Their role is more significant because of the scale of their purchasing and the influence which they can exert through it.

I hasten to add that I reproduce this advert not to embarrass Cricketer Holidays, I use it merely because they placed the advert – albeit only once – in Gardens Illustrated.

They put in the public domain which I have heard articulated by frequently by companies and travellers/holidaymakers.

You will recall that Krippendorf wrote to tourism as the landscape devourer – quite so.

First Choice axed the Costa Brava in 2004 saying the decision was down to ‘destination fatigue’ and a lack of adequate hotels.
“Spain's Costa Brava, the area that launched the package holiday phenomenon, has been dropped by a leading holiday company. First Choice has axed the region from its summer 2005 programme. The company says the decision is down to ‘destination fatigue’ and a lack of adequate hotels.”

We have now looked in some detail at the negative and potential; positive impacts of tourism and I shall not rehearse the arguments here again now. The first assignment for this module really amounts to a situation analysis.

**Supplementary Reading**

For a view on tour operators and destination sustainability and codes of ethics in the 1990's, it is all part of the “situation” see


**Raising the Issue**

The VSO campaign began as a campaign for ethical tourism and we continued to use that approach when the campaign passed to Tearfund which published *Putting Ethics into Practice* in 2001.

Most of the early change in the UK to date was driven by tour operators' personal interest in adopting a more ethical trading strategy in an environment where there has been growth in demand for more responsible, better, holidays. However, the *Travelling in the Dark* campaign and the league tables produced of the relative performance of the operators, this demonstrated that the operators were not meeting customer expectations, a point driven home by the Tearfund research published in 1999 (*Taking Responsibility for Tourism: 59*)

The language used in the VSO campaign was largely around the concept of ethical. It was as a result of that campaign that I was asked to undertake a survey of the members of the Association of Independent Tour Operators (AITO). It was a confidential survey and the results have never been published.

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The research resulted in the development of the AITO Responsible Tourism Policy and a large number of individual companies have driven that agenda forward. Two things stood out from the research:

1. Operators were reluctant to use the word ethical, it appeared that it made them feel uncomfortable – “do-gooding”. There was strong evidence that the AITO operators were committed to the places where they sent tourists, and that they wanted to conserve the destinations and to put something back. They implicitly recognised that they were using other people’s places and that this placed obligations on them.

2. The Responsible Tourism Committee of AITO was amazed by how much was going on amongst member companies. I was not surprised – MSc students had been documenting examples of their members’ “paying back” for several years. Generally it is true – get operators talking about what they are doing and a great deal emerges. People in the industry are often reluctant to talk about what they do, although they are markedly less reluctant now than they were.

READ 45

You should have read this before (READING 33) but you may wish to refresh your memory,

Core Reading: Goodwin H (2011) Taking Responsibility for Tourism
Goodfellow on the resource disc pp. 49-58


Supplementary Reading

Tearfund (2001) Putting Ethics into Practice Tearfund on the resource disc as TearfundPuttingEthicsintoPractice.pdf

3. Developing a Strategy
The strategy was simple – press operators to recognise that
1. they had negative impacts in destinations and what they are
2. there is a business case for adopting a responsible policy
3. there is a market opportunity and a market place in ResponsibleTravel.com

In 2000 the Association of Independent Tour Operators (AITO) adopted a Responsible Tourism Policy on behalf of its 150+ members and began work with them to develop and deliver Responsible Tourism policies. Although more than decade on the policy now looks lightweight, the recognition of the significance of the tour operators’ role remains fresh and relevant.

BOX 38 AITO RESPONSIBLE TOURISM POLICY 2000

As members of AITO we recognise 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, and we are aware that all too often in the past the harm has outweighed the good.
All tourism potentially has an Environmental, Social and Economic impact on the destination involved. We accept, therefore, that we as Tour Operators should aim to be responsible in all our dealings on each of these three levels. To help us to do so we have proposed a set of guidelines intended to help companies, customers and local suppliers recognise their common responsibilities to:

- 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

Source: AITO 2000 on the resource disc as AITO2000RTGuidelines.pdf

AITO has slipped backwards, away from taking responsibility and watered down its commitments, ironic when ABTA is increasing its commitment in this area. When I drafted the original commitment I was not sure that they would endorse “potential to do both good and harm,” and I was fairly sure that they would not endorse “we are aware that all too often in the past the harm has outweighed the good.” They did, largely because many of AITOs members were then leaders in Responsible Tourism.

This is no longer the case and if you got to their website now the commitment is even thinner – AITO Has weakened its commitment significantly

**BOX 39 AITO RESPONSIBLE TOURISM POLICY 2011**

Green tourism and responsible travel are key concerns for AITO and its members. Each potential member’s sustainable tourism credentials are examined before they may join, to ensure sustainability and that local cultures and the environment are treated with the utmost care and respect. AITO members recognise that the destinations where they provide holidays are the life blood of the industry, and that they need to protect them with a responsible travel and sustainable tourism policy.

AITO is the first tourism industry association to incorporate into its business charter a commitment to Responsible travel and green tourism. Sustainable travel guidelines for its members based upon 5 key objectives:

- To protect the environment – its flora, fauna and landscapes
- To respect local cultures – traditions, religions and built heritage
- To benefit local communities – both economically and socially
- To conserve natural resources – from office to destination
- To minimise pollution – through noise, waste disposal and congestion

Source: AITO 2011 http://www.aito.co.uk/corporate_Responsible-Tourism.asp

The language AITO is using is now very confused. They say of the AITO ST Committee “To ensure that our programme is kept fully up to date we have a dedicated Responsible Tourism committee of members and advisors who review progress and help to keep the Association at the

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23 To my regret I do not know when AITO changed its policy – I was not keeping up with developments at AITO because so little was happening
forefront of thinking.” You can see who is involved at http://www.aito.co.uk/corporate_RTCcommittee.asp

It is no longer easy to keep up with the developments in Responsible Tourism - but you need to ensure that you can find the information you need.

Responsibletravel.com was co-founded by Justin Francis and me, so I should declare an interest, although I sold my shares five years ago and I am no longer involved. Justin Frances and Richard Skinner were both students on this course’s predecessor at the University of Greenwich, they are part of our alumni. Explore the site – it offers the opportunity to look at the trips, the specific responsible tourism elements of each trip and the responsible tourism policies of the operators.

**Task 1.10 Responsible Tourism Policies & Codes**

This task is designed to ensure that you know where the material is and that you are familiar with it.

**Policies**

Start with the largest online market place for Responsible Tourism [www.responsibletravel.com](http://www.responsibletravel.com)

Approach it first as a consumer- look for a holiday. This is a useful way of finding out who goes to Russia or New Zealand and has a responsible offer. You can also search by activity – again useful for find responsible type of trips.

To be on ResponsibleTravel.com you have to explain the Responsible Tourism component – for each holiday there is section which addresses “How this holiday makes a difference.”

Now use it to look at companies – go to the bottom right hand corner of the About Us page [http://www.responsibletravel.com/copy/about-us](http://www.responsibletravel.com/copy/about-us)

Under **Our Partners** click on one of the alphabetical groups. Click the e-e group.

Click on Exodus – this gives you access to information about their policy and a link to the full policy. Read it! They do not provide a direct link to the company website but it is easy to find copy the name, go to Google and find the site. Go to [www.exodus.co.uk](http://www.exodus.co.uk) and click on their Responsible Travel tab which will take you to [http://www.exodus.co.uk/responsible-travel](http://www.exodus.co.uk/responsible-travel) Look at the left hand side of the page and you will see what they are achieving.

While you are on the ResponsibleTravel.com website take a look at Explore; Intrepid; and Tribes. And explore their sites as you did Exodus’s

Some of the larger companies are also making much more explicit commitments and reporting progress towards those targets. See for example [www.holidaysforever.co.uk/thomson/index.html](http://www.holidaysforever.co.uk/thomson/index.html) and [www.holidaysforever.co.uk/firstchoice/pages/onholidays/on_holiday.html](http://www.holidaysforever.co.uk/firstchoice/pages/onholidays/on_holiday.html)

And then there are some really shocking ones – out them on [www.irresponsibletourism.info](http://www.irresponsibletourism.info)

On the Thomas Cook site you can find a link to Sustainable Tourism if you look hard at the bottom of the home page, it is very small writing down there. [http://www.thomascook.com/sustainable-tourism/](http://www.thomascook.com/sustainable-tourism/)

Now take a look at the list which I maintain on Responsible Tourism Around the World
www.responsibletourismpartnership.org/RTWorld.html
There are two specialist Responsible Activity websites both run by alumni
http://www.thedivehub.com/
www.responsibleskiing.com

Codes
Again start with ResponsibleTravel.com
Tips for ResponsibleTravel www.responsibletravel.com/Copy/tips-for-responsible-travel
and Tourism Concern How to avoid guilt trips
Many operators are now engaging their travellers too – see for example
Exodus http://www.exodus.co.uk/responsible-travel/your-role? and
Explore http://www.explore.co.uk/explore-formula/responsible-travel?start=1
Intrepid http://www.intrepidtravel.com/ourtrips/rt/responsibletraveller.php
Thomas Cook amongst other things encourages their holiday makers to Haggle with humour
http://www.thomascook.com/sustainable-tourism/how-to-play-your-part/#holidaymakers
Thomson are encouraging travellers to do their bit before they go, while they travel and whilst
they are away on holiday
http://www.holidaysforever.co.uk/thomson/pages/beforeyougo/before_you_go.html
http://www.holidaysforever.co.uk/thomson/pages/travel/travel.html
http://www.holidaysforever.co.uk/thomson/pages/onholidays/on_holiday.html

4. Supporting and Encouraging Change
Once they have adopted a Responsible Tourism policy encourage them to report on their
performance and to Award those who do particularly well to encourage emulation.

Essentially change can be supported by reminding companies of the changes taking place in
consumer preferences, demonstrating how Responsible Tourism can be used in marketing and
contributes to business success, recognising good practice through the wards and reminding
businesses that negative publicity can come from irresponsible practices.

Task 1.11 Supporting and Encouraging Change
Take a look at the Responsible Tourism Award winners – you can access the winners at
http://www.responsibletravel.com/awards/winners/ choose a category that you are interested in or
knowledgeable about and explore the winners – they are all there back to 2004. You can browse
by year or category.

The standard has gone up every year; there is enormous difference in what it took to win in 2004
and what is required now. In some categories, for example tour operating and small
accommodation, the competition is intense. The long listing is done by our students and alumni –
let me know if you would be interested in working on one of the categories next year.

This year’s winner and highly commended will be announced on World Responsible Tourism Day
at World Travel Market.

There are other awards too
www.to-do-contest.org
At the other end of the spectrum there is:

Take a look at
(and take note of the number of views
www.irresponsibletourism.info/forum/forum_topics.asp?FID=20)

Shaftesbury Premier http://www.irresponsibletourism.info/forum/forum_posts.asp?TID=216

You can view the Forum without joining; you need to join to post. You can use an alias only the web master and I will know who you are – although you are responsible for what you post. Join and make a post either .... Or both
www.irresponsibletourism.info and/or
www.artyforum.info

Tour Operators, and anyone else, using the concept of Responsible Tourism, need to say explicitly what is responsible about a particular form of tourism or product and to be clear about what they are taking responsibility for. Responsible Tourism is not a particular product range. All forms of tourism can be more (or less) responsible when measured by a whole range of criteria across the triple bottom line agenda of economic, socio-cultural and environmental responsibility. We return to the issue of CSR and transparent reporting in the next unit.

Whilst more can be done to further improve the Responsible Tourism performance of tour operators and to ensure that the laggards are pushed to perform better, more now needs to be done in the destinations where originating market operators with a commitment to responsible tourism share space with powerful originating market operators and local operators who are not committed to Responsible Tourism – in destinations there is considerably more potential, and need, to use regulation..
The Business Case

The definite article here can be misleading and it often is. There are a wide range of reasons why Responsible Tourism makes business sense, but there is no one business case. Each business and often each influential individual inside a business needs to be convinced, and different arguments work with different people. It is a real mistake to think that you are talking to a monolithic business, rarely is that the case you are seeking to convince a disparate group of individuals to take responsibility for making change in their part of the business.

Corporate Social Responsibility (CSR) is best understood as the business contribution to sustainable development. There are many definitions but they all focus on how businesses can take responsibility for the economic, social and environmental impacts which result from the way it operates. CSR is about managing the impacts of the business in order to maximise the positive impacts and minimise the negative ones. There are a range of reasons why businesses address the CSR agenda and report annually on their impacts. We are not talking only, or even mainly, about altruism. CSR should be good for long-term business success as well as good for wider society.

International tourism is a significant part of the global economy and because the tourist or traveller journeys to the destination to experience the product, they visit the factory, the impacts, positive and negative, are more likely to be visible to the consumer. The originating market tour operator or travel agent when they sell a product is selling more than those things for which they can be directly responsible. Whilst the originating market operator or agent can have contracts with the hotel, airline and excursion company the quality of the experience is dependent upon elements which cannot be purchased and controlled – the streets and beaches, the square and parks and the people in the destination who come into contact with tourists.

As Lord Marshall, then Chairman of British Airways pointed out at the launch of the BA Tourism for Tomorrow Awards in 1994, the tourism industry’s “products” must be kept fresh and unsullied not just for the next day, but for every tomorrow”. This clear statement of the enlightened self-interest business case for being concerned about the sustainability of destinations is frequently quoted.

Why do companies endorse the principles of Responsible Tourism? There are a range of different motives and generally companies will act for a number of reasons. Responsible Tourism emphasises the importance of consumers, operators and people in destinations taking responsibility to make a better form of tourism. It is a movement – a group of people, consumers, business people and locals seeking to harness the experience and the industry to make a better form or forms of tourism. Different groups will take responsibility differently and for different purposes, exercising their responsibility in a host of different ways; diversity is the very essence of human existence as well as an essential aspect of tourism and the concept of responsibility embraces it. Different consumers, companies and destination communities will aspire to realise their concept of a better form of tourism and take responsibility to achieve it.

Business people adopt and pursue Responsible Tourism because they feel a responsibility to do so, like other people they have moral imperatives, consciences and concern for environment and cultures. Others seek, more instrumentally, to preserve destinations and product quality and some have identified that there are consumer trends which favour a responsible approach because responsible tourism provides both guilt free experiences for tourists and a richer
experiences enabling tourists to get closer to, and understand more of, the peoples and places they visit.

The arguments for CSR and Responsible Tourism are similar to those which have caused other industries to adopt CSR:

**Minimising Risk**: brand image and value are key elements for an industry where the product is intangible at the point of purchase and where reputational risk has to be carefully managed. This is of importance to all travel and tourism companies but it is of particular concern to those companies seeking to raise funds in the financial markets.

**Licence to Operate**: good relationships with local communities, positive recognition of demonstrated concern for the natural and cultural environment and the maximisation of the contribution which the industry makes to local livelihoods, economic development and the reduction of poverty are all important to the industry’s licence to operate. Enterprises, particularly where they collaborate to achieve local economic development, can improve the general environment for business and enable themselves to stay ahead of legislation. Resentful communities can make it significantly more expensive for the industry to operate and reduce the quality of the experience for their clients.

**Market Advantage**: responsible tourism builds reputation, particularly for those companies that establish a leadership role. As the proportion of socially, environmentally and culturally aware holidaymakers grows and with increasing demand for a richer experience in the destination there is market advantage in a responsible tourism approach. Some operators are now linking their responsible tourism approach with repeat booking targets and referrals strategies.

**Product Quality and Cost**: the traditional focus on hotels and resort facilities is being broadened to include complementary products (handicrafts, walking tours, cultural experiences) many of which will be locally owned and provided by SMEs. The opportunity for travellers and holiday makers is dependent upon license to operate.

**Staff Morale**: adopting a more responsible business agenda can assist with the recruitment, motivation and retention of quality staff and reduce costs.

It is obviously difficult to generalise but if pushed for my opinion, I would respond that the two most important commercial reasons why UK operators have adopted Responsible Tourism policies are to do with minimising risk, protecting the brand and reducing the risk of government regulation; and market advantage...

It is difficult to estimate how important personal motivation is – the directors and managers of tour operating companies are people too – the change in the market environment has made it easier for them to adopt policies which they may have been wanting to adopt for some time but which were difficult because of the imperative to put shareholder interests in profits first. The movement towards CSR and the rising importance of the triple bottom line agenda has made it easier for directors and managers to argue the commercial logic of the responsible agenda.

In my experience of working with companies around the CSR and Responsible Tourism agenda it is important that they too are parents and grandparents, gardeners and birdwatchers – to move people along the road towards taking responsibility for sustainability you have to find a
connection with them – one of the reasons that AITO signed up to Responsible Tourism, they were part of its incubation and birth, was because the Responsible Tourism committee began to understand that many of their members were already doing it, that was only possible because were in a dialogue with them.

**READING 46**

Core Reading


Chap 3 The Business Case for Responsibility: 82-115

**BOX 40 TUI TRAVEL’S ARTICULATION OF THE BUSINESS CASE**

Director of Group Sustainable Development Jane Ashton explains how TUI Travel PLC sees the business case for sustainable tourism.

*"Being more sustainable supports the long-term success of our business. It’s as simple as that. Which is not to say that sustainable tourism is straightforward or that we have everything worked out – we certainly recognise we have a long way to go and there are challenges involved. But the potential benefits are significant:*

- The opportunity to be recognised as a leader by investors.
- Better risk management and being ready for forthcoming legislation.
- Meeting growing customer demand and the related potential competitive advantages.
- Reducing costs.
- Colleague recruitment and satisfaction.
- Protecting destinations.
- Improving our product.

*These cut across every almost every aspect of our business and that’s why I am convinced everyone in TUI Travel can find a reason to support our sustainability strategy. In fact I am pleased to say the business case is already being recognised and embraced across the Group. When we asked our businesses in a recent internal survey, 92% of them confirmed they were already implementing sustainable tourism strategies (73% in 2008/09). In many of those businesses, sustainability is embedded in business processes, supplier standards and performance measures. So it’s part of how we operate as a business, how we ask our suppliers to operate, and how we measure our success. This would not be true if there were not a clear business case for sustainability, both at a PLC and at individual business unit level.*

**Investor interest**

As a UK listed company, there are legal requirements for disclosure and transparency with respect to our social and environmental impacts and actions. There are also many voluntary stakeholder requests too.
Voluntary investor-backed indices such as the Carbon Disclosure Project, the Dow Jones Sustainability Index and the FTSE4Good Index demand on an annual basis rigorous analysis and proof that a company is taking its responsibilities seriously. With Socially Responsible Investment (SRI) growing significantly over recent years (a 20% increase in the UK between 2007 and 2009), it makes commercial sense for TUI Travel to seek to operate to best practice sustainability standards – and to out-perform our industry peers. And beyond the SRI sector, mainstream investors are increasingly incorporating sustainability criteria into their analysis of companies.

Managing risks and meeting legislative requirements

This also ‘future-proofs’ the business in advance of forthcoming legislation, of which there is plenty to come. The UK Coalition Government is due to report on plans to strengthen companies’ reporting requirements in July 2011. Then there is the UK’s Climate Change Act, obliging the Government to introduce greenhouse gas disclosure legislation by April 2012. Carbon-related taxes across Europe and indeed worldwide are scheduled to increase over coming years too.

The EU Emissions Trading Scheme (ETS) comes into force in 2012 and the fact that we are operating some of Europe’s most fuel efficient airlines will stand us in good stead competitively. As well as enhancing corporate reputation, encouraging investment and exceeding legal compliance, efforts to drive more sustainable business reap benefits at an individual business level too.

Growing customer interest – opportunity for competitive advantage

Today’s customer needs and demands are changing. Our recent research of 4,000 holiday makers in eight major TUI Travel markets revealed that one in two would book a more sustainable holiday if it were readily available; two in three would change their behaviour on holiday if it helped the environment; and two in three also want their holiday company to be clearer about what it does to make their holidays more sustainable.

These findings show a clear aspiration for more sustainable holidays on a significant scale. The exponential growth in fair trade and locally sourced goods in recent years is proof that consumers will indeed purchase more sustainably when the option to do so is easy, affordable and well communicated.

Three-quarters of TUI Travel businesses are now highlighting greener, fairer holidays to customers. The majority adopt Travelife standards (www.travelife.org), an industry-wide system that supports and recognises hotels which care for the environment, their employees and the destination community. Indeed, TUI UK has set a target for 90% of its hotels to be Travelife-awarded by 2014. This makes sense for us because it aligns closely with TUI Travel’s commercial strategy of differentiating its product portfolio. There is also evidence that our most sustainably-managed hotels are also those which are delivering higher quality and customer satisfaction. Our research shows that 85% of customers who stayed in a Travelife-awarded hotel rated it more highly than the average hotels.

Reducing costs

A focus on sustainability can significantly reduce a business’s costs. Across TUI Travel, improved management of energy and fuel in offices and in our airlines realised nearly £16 million of cost savings since 2008, as well as saving 117,000 tonnes of carbon emissions. These are substantial savings. It makes sense from a business as well as from an environmental perspective for us to
operate some of Europe’s most fuel-efficient airlines, and to continue to invest in cutting edge aviation technology.

For our hotel partners the cost savings of operating more sustainably has also proved to be significant. For instance, one of our flagship hotel partners, Thomson Sensatori Crete, realised £100,000 cost savings in one year by improving its management of energy, water and waste. TUI Travel’s Guidelines for Environmental Sustainability in Hotels highlight many case studies where eco-efficiencies have saved our suppliers significant sums of money.  
www.tuitravelplc.com/sustainabledevelopment

Attracting and retaining employees

Colleague engagement is a further driver for sustainability in business. Research shows that a company’s reputation is increasingly important to today’s employees, who are looking for synergy between their own and their employer’s values. Frequently we hear from new colleagues that TUI Travel’s sustainability performance influenced their choice of employer. One of TUI Travel’s core values is Responsible Leadership, which is increasingly being embedded into behaviour and performance metrics.

Protecting destinations

At a macro level too it is imperative that tourism businesses seek to address sustainable development challenges. Global issues such as climate change, water scarcity, poverty, child exploitation and pollution impact on the destination communities and environments we send customers to, and on the quality of our customers’ holidays. So it makes sense for us to make efforts to address those issues. Protecting destinations, in common with the other reasons to be more sustainable, is about protecting and enhancing the future of our business.”


This is a very articulated case – and note that Jane is acknowledging that there is potential competitive advantage.

Broadly Responsible Tourism can be seen as the Corporate Social Responsibility, the CSR, of travel and tourism. CSR is evolving and although travel and tourism was slow to take up the CSR agenda it has quickly moved beyond the charitable donations which still characterise the more primitive forms of CSR practice.

CSR was dominated by philanthropic activity until the 1990’s when the focus shifted towards doing business differently and in 2000 the United Nations launched the Global Compact

BOX 41 THE UN GLOBAL COMPACT

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

Human Rights
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;  
Principle 4: the elimination of all forms of forced and compulsory labour;  
Principle 5: the effective abolition of child labour; and  

Environment  
Principle 7: Businesses should support a precautionary approach to environmental challenges;  
Principle 8: undertake initiatives to promote greater environmental responsibility; and  
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption  
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Source: www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html accessed 11 Aug 2011 – all the links are on the website.

The Global Compact is a practical framework for the development, implementation, and disclosure of sustainability policies and practices – it is about moving to do business in ways which ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

Responsible Tourism is about doing business differently, maximising the potential positive impacts and minimising the negative ones.

Tour Operators

We have already looked extensively at tour operators as that is where the Responsible Tourism movement began. The focus here is on the larger operators and what they are achieving.

The Prime Minister in 2001 announced a number of initiatives for World Summit on Sustainable Development (WSSD) in 2002 – one of these was the Sustainable Tourism Initiative. 24 The UK Sustainable Tourism Initiative (STI) was launched at the WSSD in 2002. The initiative was based on the recognition of the potential role tourism could play in supporting sustainable development in destination countries. Its goal was to create a step change in the implementation of ST practices by the UK outbound tourism industry, and build the foundation for an on-going process of continual improvement and engagement.

The priorities of the STI were identified as:

- Promotion of sustainable livelihoods for local communities through participation in tourism;
- Minimising the use of scarce resources – land, soil, energy and water;
- Reducing pollution, waste, noise and congestion;
- Addressing tourism’s contribution to climate change;
- Conservation of plants, animals, ecosystems and landscapes including protected areas;
- Respecting the integrity of the local cultures and avoiding negative effects on social structures of communities affected by the tourism industry;
- Increasing the economic and social benefits from tourism to destination communities;

24 For the background see on the resource disc Sustainable Tourism Initiative.pdf and 1809_sustainable_tourism.pdf
Module 1 Responsible Tourism Management Theory and Practice

- Encouraging responsible behaviour by tourists;
- Integration of actions to address sustainability issues into core business practice.

The STI made a significant contribution to the development of more responsible approaches to outbound tourism from Britain – the engagement of the Prime Minister with outbound tourism strengthened developments which were already underway and initiated the development of the Travel Foundation. Graham Gordon who was responsible for the Tearfund campaign on ethical tourism played a key role in the STI as did a range of other NGOs and some relatively junior representatives of the larger operators. The STI process contributed to change in the industry and resulted in the formation of the Responsible Tourism Unit in the Federation of Tour Operators and the Travel Foundation

**Engagement of the Large Corporates**

One of the ambitions of Responsible Tourism was to address the mainstream of the industry – from the beginning Krippendorf argued that all forms of tourism could be more responsible. Responsible Tourism is not about the niches, like ecotourism and community-based tourism. From the outset with the VSO campaign we sought to engage the mainstream operators.

Responsible Tourism is still too often seen as a management approach applicable only to smaller specialist companies, operating in the developing world. First Choice Holidays (now part of TUI Travel plc.) was one of the big four operators in the United Kingdom with a turnover of £2,715m (USD 5,320m) in 2006... In January 2006 First Choice published their People and Environment Report which broke new ground for mainstream operators in the UK and globally. First Choice Holidays was admitted to the FTSE4 Good Index in 2005 and completed the full Business in the Community Corporate Responsibility Survey, the company was ranked 101st with an overall score of 72% . This CSR verifier is more useful in attracting investment than in selling holidays.

First Choice Holidays plc. were buying smaller activity holiday companies, including Responsible Tourism market leaders like Exodus and the Adventure Company. In 2006 First Choice Holidays made 39% of its profits from its mainstream holiday business, but the division’s contribution to overall group profits declined by 7%; by contrast activity holidays contributed 57% more to group profits and specialist holidays 16%. This reflects the growth in the market for more active holidays with stronger engagement with people and their environments, these experiences are enhanced by the application of Responsible Tourism policies and practices.

**READING 47**

**Core Reading**

This Annual Report by First Choice set a new baseline for reporting on sustainability by a major tour operator


It is important that you are familiar with the scope of this report – look in particular at the language being used – for this you do not need to look beyond the contents page: listening and learning, respecting destinations, creating local opportunities, promoting a positive work place – you will find more.
Look in particular at their values and the way they said that they understood sustainable development (pp.-14) and the business case on p. 15. First Choice had accepted that the “public increasingly expects business to take responsibility for the way it affects the environment and people.” This realisation coupled with a recognition of the finite nature of our world had produced a sea change in attitudes in the senior management at First Choice.

Note too that First Choice were already beginning to report using the Global Reporting Initiative standard.

2005 was a major tipping point Responsible Tourism was becoming mainstream. Others were also making changes, this is not a history of Responsible Tourism and we do not need to chronicle the whole process. Individual companies and collectively through the Federation of Tour Operators companies were beginning to address seriously the sustainability agenda.

**Task 1.13 The UK and European Mainstream Operators**

You may choose to ignore the mainstream industry many do write about tourism as though ecotourism and community-based tourism are what it is all about. That is an error. There are few destinations in the world where it is possible to travel that do not have mass tourism as well. And by definition you have much more impact by focusing on the larger part of the problem.

You need to be familiar with what the big companies are doing and to keep up with developments – of course the big companies in the originating markets are different again, but the principle holds.

The **Thomas Cook Group** had, in 2010, sales of £8.9 billion and 22.5 million customers. It operate under six geographic segments in 21 countries, and are number one or number two in their core markets. [www.thomascookgroup.com/segments](http://www.thomascookgroup.com/segments)

**TUI Travel PLC** is the world’s leading leisure travel company with 200 brands, operating in over 180 countries with more than 30 million customers in 27 key source markets, sales of £13.525 million and 30 million customers.

- **Consumer sites**

  **Thomas Cook** consumer website [www.thomascook.com](http://www.thomascook.com) – they also sell in Belgium, Canada, Egypt, France, Germany, India, Netherlands, and Poland – the web addresses are at the bottom of the [www.thomascook.com](http://www.thomascook.com) web page. The brands can be found at [www.thomascookgroup.com/segments](http://www.thomascookgroup.com/segments)


  Thomas Cook is proud of its history [www.thomascookgroup.com/history](http://www.thomascookgroup.com/history)

  **TUI** consumer brands [www.tuitravelplc.com/tui/pages/brands](http://www.tuitravelplc.com/tui/pages/brands)

  Consumer facing sustainability sites

  [www.holidaysforever.co.uk/thomson/index.html](http://www.holidaysforever.co.uk/thomson/index.html) and

  [www.holidaysforever.co.uk/firstchoice/pages/onholidays/on_holiday.html](http://www.holidaysforever.co.uk/firstchoice/pages/onholidays/on_holiday.html)
TUI History [www.tuitravelplc.com/tui/pages/aboutus/history/tuihistory](http://www.tuitravelplc.com/tui/pages/aboutus/history/tuihistory)

- **Corporate Sites**
  - Thomas Cook [www.thomascookgroup.com](http://www.thomascookgroup.com)
  - Group Strategy [www.thomascookgroup.com/group-strategy](http://www.thomascookgroup.com/group-strategy)


TUI plc. [www.tuitravelplc.com/](http://www.tuitravelplc.com/)

2010 Annual Report and Accounts on the resource disc as TUIAREp&Acc2010.pdf


In February 2011 TUI announced a strategic venture with Intrepid Travel to create a global leader in adventure travel, which will combine Intrepid Travel and TUI Travel PLC’s international portfolio of adventure brands. For more detail see [http://www.tuitravelplc.com/tui/pages/media/press?ref=198&dtype=2](http://www.tuitravelplc.com/tui/pages/media/press?ref=198&dtype=2)

**Other Large Tour Operators**

- **Virgin Holidays** [www.virginholidays.co.uk/info/about/who_are_we/responsible_tourism/responsible_tourism.aspx](http://www.virginholidays.co.uk/info/about/who_are_we/responsible_tourism/responsible_tourism.aspx)

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**1. The Federation of Tour Operators Responsible Tourism Unit**

The Federation of Tour Operators (FTO) in the UK launched a Responsible Tourism Unit in 2003 as its response to this initiative, it was modelled on the approach which the FTO took to rolling out and implementing a strategy for taking responsibility for Health and Safety, the strategy is based on a level playing field approach with the larger operators working together through the Federation. The strategy was to make Responsible Tourism a non-competitive area of activity by the larger operators modelled on the approach which the FTO had adopted on health and safety.

One of the things which has driven the development of Responsible Tourism in the Adventure and Activity sector was competition amongst the companies all of whom compete for the same relatively well defined market segments. Responsible Tourism offered a form of non-price competition, which unlike price competition did not destroy margins, and created the idea that there was distinctive way to travel increasing consumer loyalty. At least one company linked its Responsible Tourism policy and activity to its repeat booking targets.

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BOX 42 THE FEDERATION OF TOUR OPERATORS & RESPONSIBLE TOURISM

Millions of people travel to holiday resorts each year and these visitors can make a real difference to destinations – both good and bad. By following responsible tourism practices we can help protect the natural environment, traditions and culture – the things that make holidays special!!

We can improve the wellbeing of local communities by spreading the benefit of each visit to those who really need it. Managing tourism in a responsible way can help ensure that there are great places for us all to visit – for generations to come.

- Responsible tourism is about making a positive difference when we travel:
- Enjoying ourselves and taking responsibility for our actions - respecting local cultures and the natural environment
- Giving fair economic returns to local people – helping to spread the benefit of our visit to those who need it most
- Recognising that water and energy are precious resources that we need to use carefully.
- Protecting endangered wildlife and preserving the natural and cultural heritage of the places we visit for the future enjoyment of visitors and the people who live there.

Members of the Federation of Tour Operators are becoming increasingly aware of the socio-cultural, economic and environmental impacts of their products and services. In 2003, they formed a Responsible Tourism Committee and are developing a series of initiatives to assist tour operators to integrate responsible tourism practices into their core business.

Source: [www.fto.co.uk/responsible-tourism/best-practice accessed 12 August 2011](http://www.fto.co.uk/responsible-tourism/best-practice)

The FTO members signed a “Statement of Commitment” in 2004 (on the resource disc as fto_responsible_tourism (1).pdf) One of their first and major programmes of work has been on the supply chain in destinations and they have developed Travelife as a sustainability and certification system, more of this in the next unit and in the module on tourism and local economic development. 26

I have argued elsewhere (Unit 5 above) that the cultures which consumers come from will affect the importance and salience of different issues in destinations, that we do not all have the same concerns. In England we have the National Society for the Prevention of Cruelty to Animals and the Royal Society for the Prevention of Cruelty to Animals. I find this odd, and revealing. The Responsible Tourism Unit through Travelife published an Animal Attractions Handbook as its second publication.

ABTA has three primary functions:

1. trade association
2. regulator of its membership,
3. provider of consumer confidence through ABTA’s code of conduct and financial protection.

ABTA enforces through a code of conduct backed by fines minimum standards on brochures and booking conditions and requires that consumer complaints are dealt with promptly and fairly, where they are not ABTA can impose fines on its members.
Task 1.14 Understand ABTA

1. Understand their role in providing consumer confidence
   www.abta.com/consumer-services
2. Worry-Free Travel www.abta.com/consumer-services/worry_free_travel
3. Responsible Travel www.abta.com/consumer-services/responsible_travel
5.

One of the ways of understanding the development of ABTA is that there has been an extension of ABTA’s sense of responsibility, one which applies to outbound travel and tourism more generally – there has been an extension from financial security and consumer rights, through health and safety to broader issues of tourism impacts and destination sustainability. ABTA will be a powerhouse of Responsible Tourism over the next five years. You need to get to know its work and our alumni who work there.

READING 49

Core Reading
ABTA (2010) The ABTA Manifesto ABTA on the resource disc
ABTAManifesto.pdf
ABTA (2010) Building Confidence in Travel ABTA on the resource disc
ABTA_brochure_2011_12.pdf

Travel Foundation

Action for Conservation through Tourism (ACT) was one of many organisations involved in the STI process, when the STI process needed a charitable vehicle ACT became the Travel Foundation in 2003.

Task 1.15 Ensure that you are familiar with the work of the Travel Foundation

Information is available about the work of the Travel Foundation on its website www.thetravelfoundation.org.uk

Take a look at its ambitions: www.thetravelfoundation.org.uk/index.php?id=48

and at its Board www.thetravelfoundation.org.uk/index.php?id=59#7 and at its UK and overseas teams. Suzie Newham and Adama Bah are both part of our alumni.

Browse through its projects and the greener business tools and take a look at its 2010-2011 Annual Report available on line or from the resource disc TFAnnualReview2010 2011.pdf

The Travel Foundation in 2010-11 had a budget of £1,416,000 and it ran “over 30 projects in 16 destinations”.

As a charity the Travel Foundation has to file accounts with the Charity Commission these accounts provide a great deal of detail on income and expenditure – there is a copy of the
accounts to YE 2009 on the resource disc as TFAccountstoDec2009.pdf The full set of accounts of the charity are available on the Charity Commission website at


Consumer Protection

Travel and tourism products are subject to the same laws and regulations as other products, but of course if the company you are travelling with, operator or airline, goes bust while you are away there is a risk of being stranded. Consumer legislation has developed which requires package travel to be protected.

Task 1.17 Consumer Protection

You need to ensure that you know something about the law which surrounds the sale of travel and tourism.

First take a look at the consumer facing site:

www.direct.gov.uk/en/TravelAndTransport/Foreigntravel/BeforeYouTravel/DG_175232

ATOL  www.caa.co.uk/default.aspx?catid=2754-57 you need to keep up to date with this, the ATOL scheme is being reformed.

EU Package Travel Directive

UK: The Package Travel, Package Holidays and Package Tours Regulations 1992
A Consumer Facing site: www.holidaytravelwatch.net/2010/06/12/package-travel-regulations/

There are changes in the offing on the Package Travel Directive – the ABTA website provides a useful briefing on the consultation process and you can keep up to date with change there http://www.abta.com/about/lobbying_and_government_affairs/package_travel_directive

You may find that the most attractive way into this for you is to use the recordings of the seminar held as part of WTM WRTD in 2010 www.artyforum.info/wtmwrtd2010.html Sustainable Excursions

BOX 43 ASSIGNMENT 2

The second assignment for this module requires you to have read to this point in the Manual, so you can now conclude that piece of work.

1. identify and concisely describe the destination or organization
2. use a triple bottom line analytical approach to identify and critically evaluate the issues in the particular place or organization i
3. identify the priorities which need to be addressed and explain why you have identified those particular priorities (30% of the marks)
4. make recommendations about the process through which those issues might be given prominence and then be addressed; and identify the key stakeholders and what each might reasonably be expected to do and why. (30% of the marks)

You would be well advised to identify a few priorities, not more than a handful, and to justify that choice.

The fourth part of this assignment requires that you articulate how

a. the priorities identified can be made issues
b. how the issues might best be addressed and by whom (which stakeholders)
c. articulate why each stakeholder would do what you think they need to do.

You will be relieved to know that the three remaining units of this module are not only shorter, they contain less additional reading.

**Hotels and Accommodation**

There have been many initiatives around hotels – we shall come back to certification in the next unit. The business case has not been lost on the hotels and other accommodation providers, although progress has been patchy. There are three things, in particular, to remember about hotels and the accommodation sector:

1. Accommodation is not easily moved, it is not possible to move on when the place gets spoilt, the asset value declines. Accommodation providers are likely to have a bigger stake in the destinations and how it fares than do tour operators who can, at least in theory, move on.
2. People look at a Hilton or Inter-Continental and assume that they are all owned by the corporation. They are not. Many will be no more than franchises, locally owned by managed by the multinational company. That said Accor (Ibis, Sofitel, Novotel, Mercure) and Travelodge tend to own their properties. There are severe limits to what a management company can achieve where the employment contracts are with the owner and all decisions about refurbishment and retrofitting are the owner’s too.
3. The company which is managing the hotel very often has no say in how it was constructed. Many of the easy wins in sustainability were at build, retrofitting is possible but it is more expensive.

The **International Hotels Environment Initiative (IHEI)** was created in 1992, as a non-profit organisation when a group of chief executives of twelve international hotel groups. They took an idea first developed by Inter-Continental Hotels and developed; IN 2004 it was re-launched as the International Tourism Partnership. The IHEI realised very early on that it was not only about the environment -

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28 The history can be found at http://www.tourismpartnership.org/About_Us/History.html
Task 1.16 Hotels

You need to become familiar with some of the major sites for information about sustainable hotels.

**International Tourism Partnership** [www.tourismpartnership.org](http://www.tourismpartnership.org)

Look at the range of resources available [www.tourismpartnership.org/Publications/Publications.html](http://www.tourismpartnership.org/Publications/Publications.html) and consider registering to use Green Hotelier [http://www.greenhotelier.org/](http://www.greenhotelier.org/)

Do NOT miss their Youth Career Initiative [www.tourismpartnership.org/Partnerships/YCI.html](http://www.tourismpartnership.org/Partnerships/YCI.html)

**Groups**


**Conversion and refurbishment of existing buildings**

[www.apexhotels.co.uk/environment/sustainable-hotel-design/](http://www.apexhotels.co.uk/environment/sustainable-hotel-design/)

**Sharing the information with the customers.** The Orchid Hotel in Mumbai has a sewage treatment plant on the roof.

Be inspired.


**Engaging the traveller:** [www.cghearth.com/introduction/ecotourism_you.htm](http://www.cghearth.com/introduction/ecotourism_you.htm)


**Award Winners**

[www.responsibletravel.com/awards/categories/accommodation-for-the-environment.htm](http://www.responsibletravel.com/awards/categories/accommodation-for-the-environment.htm)

There are other sectors in travel and tourism too, but enough. This is not an encyclopaedia.

There is material on **Cruising** at

There is material on **Aviation** at
[http://www.responsibletourismpartnership.org/ResponsibleAviation.html](http://www.responsibletourismpartnership.org/ResponsibleAviation.html)
References for Unit 7

- Tearfund (2001) Putting Ethics into Practice Tearfund on the resource disc as TearfundPuttingEthicsIntoPractice.pdf