

Is there Demand for Sustainable Tourism?

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**Study conducted by Lucerne University of Applied Sciences and Arts
in collaboration with IPK. Sponsored by Kuoni.**

Objectives and Design

- Objectives

1. Assess tourist understandings of sustainable tourism
2. Determine tourist type clusters
3. Evaluate the willingness to pay for sustainable tourism products

- Empirical Analysis

1. Understanding of sustainable tourism
(in collaboration with IPK)
2. Willingness to pay for sustainable tourism products
(with Kuoni as sponsor)

Empirical Survey about Tourist Understandings of Sustainable Tourism

- Questions about the understanding of sustainability

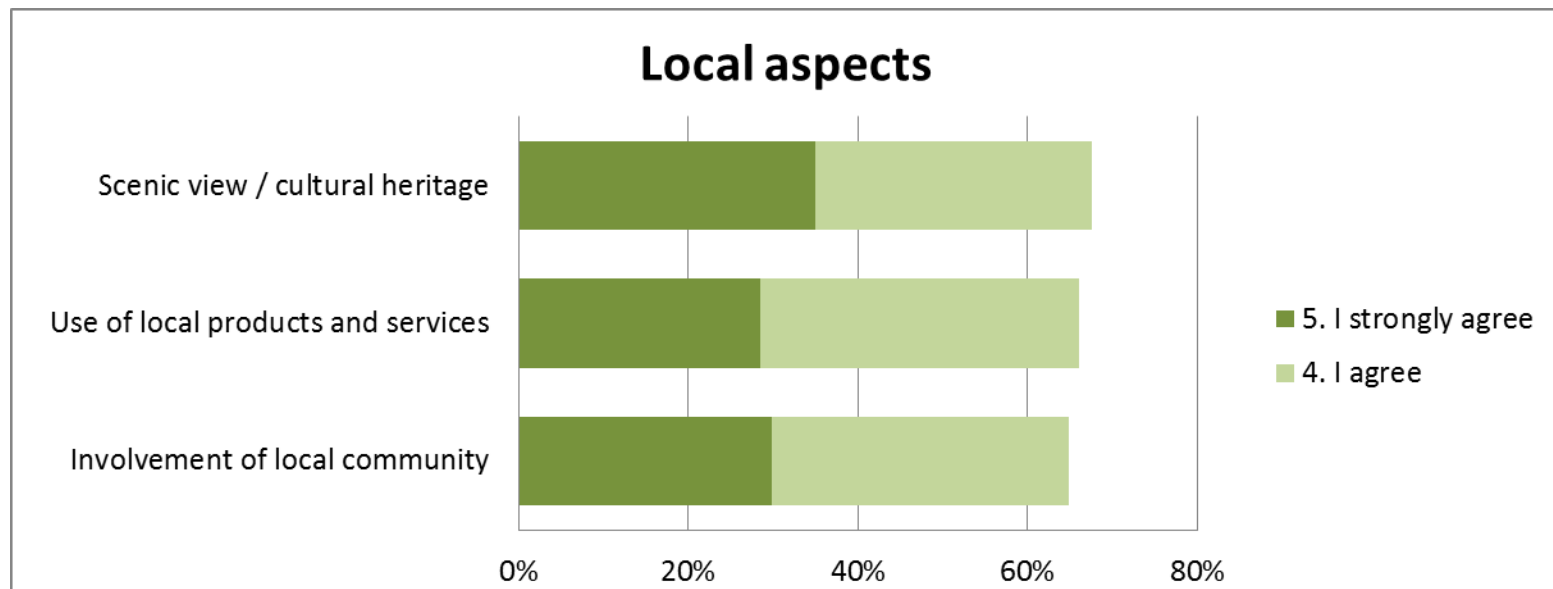
- Interdisciplinary derivation of relevant aspects of sustainable tourism
- On a scale of 1 to 5, assess the following statements:
"Sustainable tourism...
 - a. ... is characterised by a good provision of public transport to and from, and at the destination.
 - b. etc..."

- Empirical design

- 8 countries
 - Brazil, Germany, India, Russia, Sweden, Switzerland, UK, U.S.
- 750 respondents per country

Empirical Results about Tourists' Understanding

Attributes referring to **local** products, **local** community and **local** culture are judged as most sustainable.



Empirical Results about Tourists' Understanding (cont.)

Top topics in the ecological dimension

- Resource efficiency
- Waste management

Top topics in the social dimension

- Upkeep of scenic views and cultural heritage
- Involvement of local community
- Considering impacts on locals

Top topics in the economic dimension

- Use of local products and services
- Regional employment
- Long-term regional economic well-being

Five Types of Tourists

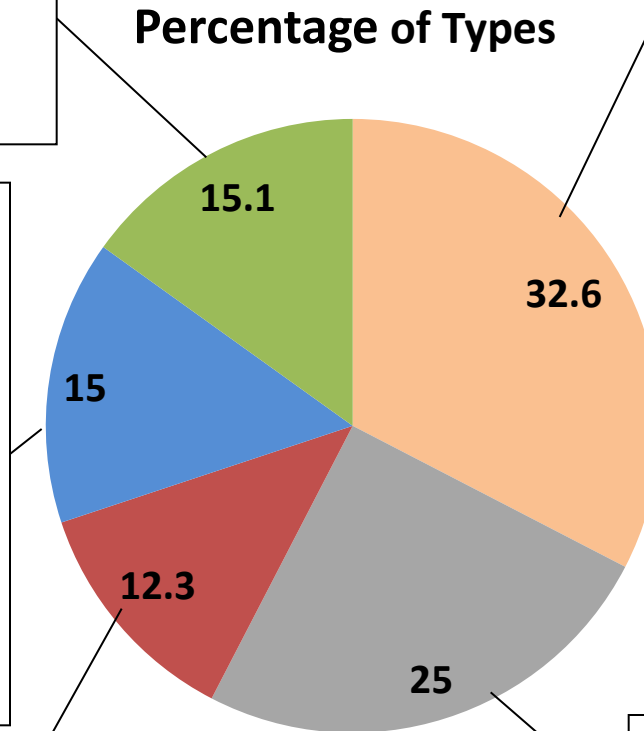
The *ecological type* considers ecological aspects in particular.

The *balanced type* seriously observes all three dimensions.

The *localised type* rates especially the attributes related to local aspects of sustainability and to culture as most relevant for sustainable tourism.

The *socio-economic type* considers the social and economic dimension in particular.

The *sceptic* has a critical attitude and rates all attributes clearly lower.



- 1. Balanced type
- 2. Sceptic type
- 3. Socio-economic type
- 4. Localised type
- 5. Ecological type

Most Interesting Differences between Countries

- Germans are most critical.
- Ecologists are overrepresented in Switzerland.
- Russians are critical about energy-related attributes and they represent mostly the localised tourist type.
- Higher share of agreement in Brazil.
- Higher share of agreement with social attributes in India.

Market Potential of Sustainable Tourism Products

Question: "Please rate the following factors according to the importance when you book your vacations"

1. Weather / climate
2. Price
3. Accessibility to and from the destination
4. Local culture
5. Landscape
6. Food
- 7. Sustainability**
8. Local activities (sports, excursions, etc.)

For 22% of the respondents sustainability is among the top three factors influencing the decision to book a holiday.

⇒ "**Sustainable aware tourists**" is an interesting target group.

Second empirical phase: Choice Experiment in Switzerland: Willingness to pay for sustainable tourism aspects

- Customers of Kuoni and Helvetic Tours
- Basic products:
 - Beach holidays in the Maldives
 - Safari in South Africa
- Question: Does the inclusion of sustainable tourism aspects in these basic products increase the willingness to pay for the product?
- Included attributes:
 - Use of local products
 - Environmental management (energy, water and waste)
 - Fair working conditions
 - CO2-compensation

Second empirical phase: Choice Experiment in Switzerland (cont.)

Generally preferences are for higher levels of sustainable attributes:
The more sustainable the attribute is, the more it is chosen.

But only small marginal willingness to pay:

Attribute (highest level of each attribute)	Premium in US Dollar	Premium in percent of price
CO2-compensation	9.8	0.18%
Local products	17.3	0.32%
Environmental management	26.2	0.48%
Fair working conditions	23.7	0.44%
Total	77.0	1.42%

Only less price sensitive if product is completely sustainable.

Conclusions

- Interesting market: 22% sustainability aware tourists
- Tourists principally favour sustainable tourism products
 - Interesting for product diversification
 - Interesting way to increase market shares
- Tourists are not willing to pay a substantial premium for the inclusion of a specific sustainability attribute.
- Design and communicate your sustainable product according to tourist types.
- Further research
 - Choice experiment analysis in other countries
 - Monitor market evolution
 - Do sustainability aware tourists have different preferences?
 - Choice experiment analysis with completely sustainable products