

THE VALUE OF SUSTAINABILITY AS A FACTOR OF DIFFERENTIATION IN THE TOURISM INTERMEDIATION PROCESS: AN ANALYSIS OF CATALAN SMEs

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1. INTRODUCTION

Analysis of the implementation of sustainability in the tourism sector has advanced in recent years, especially that centred on the achievement of business improvements (*business case*) and focusing in particular on the case of big companies, mostly within the accommodation subsector. This study tries to go one step further and observe the situation in the intermediation subsector, focusing the analysis on the case of retail agencies, most of them small and medium-sized enterprises (SMEs). They have led some of the main transformations in the sector in recent years. The main objective is to obtain a more defined profile for these retail agencies, observing their main characteristics and their sustainable motivations, behaviour, results and perspectives, and trying to find possible relationships among these issues.

2. LITERATURE REVIEW

Although the literature backs the theoretical origins of the concept of sustainable tourism taking root in the '70s, the paradigm really emerged in the '80s with the *Brutland Report* and the adaptation of the triple bottom line (sustainability in the environmental, social and economic axes of any territory and/or organization) to the context of tourism. Starting in the '90s, the analyses moved from conceptualization to examinations that were more practical and based on specific cases. In any case, at the beginning the debate around sustainability in tourism-related activity was much more centred on a macro (destination) than a micro (business) perspective. In the latter, the idea of the *business case* and the "doing good by doing well" approach predominated, with special focus on big corporations coming from the accommodation subsector. Under the corporate social

responsibility (CSR) paradigm, a large amount of the literature analysing sustainability in tourism companies was produced, and, under the same idea of the *business case*, its main objective was the observation of the potential relationships between the implementation of sustainable practices and the improvement of indicators regarding businesses' financial performance. However, academic data was inconclusive in explaining the relationships and directions of causality between CSR and CFP, or corporate financial performance, reporting positive, neutral and even negative associations. Some references moved beyond these assumptions to analyse the possible connections between sustainability motivations, barriers and other businesses' characteristics and sustainability implementation and its impacts. They presented some new ideas because they went beyond simple economic drivers, citing diverse "alternative" motivations in different companies' profiles, which in turn had different sustainability behaviours that finally led to different consequences in terms of company performance. The case of some SME contexts has been paradigmatic, as most of these kinds of businesses introduce sustainability not only for economic but also (or especially) for other reasons, such as legitimacy in the face of their stakeholders, environmental and/or social commitment or lifestyle choices.

Research into sustainability in the intermediation subsector has been scarce, which is surprising given its strategic positioning in the sector's structure and in the value chain of many tourism products. It is particularly surprising given the important transformation this subsector is undergoing in different vectors: not only in terms of greater concentration in some cases, but also in light of the appearance of new profiles of retail agency that are specialized in certain products and with an almost exclusively online presence (ICTs have enabled more direct interaction with both suppliers and customers). It is at this stage of the re-intermediation process in which agencies are redefining their functions in the value chain, seeking to identify and claim the added value they can offer in a new context of competitiveness. In addition, it is in this context that sustainability proves interesting as a new adaptive strategy for many of these companies, especially if we understand change as being guided by the search for competitive advantages, and in relation to the business case that we talked about earlier. In fact, this last possibility is the one in which the greatest amount of interest has been shown in the related literature, particularly through a vision based on resources and competition (*resource-based view*). This suggests that sustainability implementation will be able to provide the company with a future competitive advantage based on differentiation. From this perspective, the present article seeks to analyse which are the main drivers for introducing sustainability in intermediation companies (especially SMEs) and to determine whether sustainability is considered as a mere factor of differentiation or if there are other drivers that can push these companies to introduce it. Furthermore, it will take a look at the situation in which sustainability implementation finds itself in this context and if it can be related with these companies' improvements and perspectives.

3. METHODOLOGY

Empirical research was carried out during 2014 and 2015 in Catalonia (Spain). The population of this study comprised the total number of travel agencies operating in Catalonia, available in a public database that included 2,592 establishments, of which

2,103 had a valid email. During autumn and winter 2014, we sent the managers of these establishments a questionnaire, obtaining a sample of 119 answers that provided valid and reliable results. The variables included in the questionnaire were taken from previous literature analysing respondents' and companies' characteristics and sustainability motivations, practices and results. Regarding these variables, respondent and company characteristics and sustainability practices were measured by means of dichotomous variables, while sustainability motivations, barriers, results and perspectives were measured through a five-point Likert scale. The use of this five-point Likert scale in the motivation-related questions allowed the construction of diverse factors, which were found using principal components as the extraction method, with Varimax rotation. The explained variance was 67%. It is important to add that the factorial analysis was only exploratory, with the objective of defining a model for future studies, and that the validity and reliability of all variables and factors were ensured.

4. RESULTS

The sample's profile was that of family-owned and specialized SMEs mostly located in the Barcelona metropolitan area. Most of the travel agencies were independent and a large majority offered cultural, natural and urban tourism products. Sea and sun products were the fifth most offered product. A very high percentage of these companies were present on social media and believed that their customers were selecting them because of their quality, placing less importance on the price factor. Regarding the financial health of the establishments, most of the respondents felt it was good or very good, and similar results were obtained regarding financial outlook. In relation to sustainability implementation, these companies still presented relatively low percentages for most of the related practices, with some practices particular to a distinct profile of travel agency standing out, such as the promotion of environmental protection initiatives among customers. *Ecosavings* have, as it would seem logical, a lesser degree of follow-up than in other sectors like accommodation. In the case of social and economic practices, we found a greater degree of follow-through for some variables, with the commercialisation of products committed to the reality of the destination and its communities being particularly prominent. The main way of communicating this implementation to the customers was in person, generally before the trip, followed by information on the web page. Regarding the main reasons why owners and/or directors introduced sustainability in the companies, two altruistic reasons predominated (social commitment and environmental protection), followed by an economic motivation related to the business image, a motivation tied to the improvement of the destination and finally a personal reason relating to lifestyle. Legitimacy and cost-reduction motivations were in the background. Regarding the barriers, lack of time and lack of budget were the most important. Regarding perceived results of the introduction of sustainability practices, of greatest note among the sample was the possibility of having a greater market value or the potential to better meet customers' expectations. Finally, among the most reported perspectives were the fact that the number of agencies commercialising sustainable products will increase in the future and that ICT will play a leading role in this process.

Based on the reasons given and using a factor analysis, we obtained three factors grouping together most of the motivations reported: a “Management” factor that included a series of distinctive economic and/or management interests; an “Altruism” factor that included the reasons related with social and environmental commitment and lifestyle; and a third factor called “Customers”, which encompassed the reasons related with the company’s image and with customer orientation and response (adding the technological element, which in general was very related with these issues). We also found three factors related with barriers: a first factor called “Lack of Resources”, which included barriers such as lack of time or budget; a second factor designated “Stakeholders”, related with the lack of impulse from stakeholders; and a third factor named “Distrust”, which grouped together the barriers related to lack of confidence. We also found diverse factors analysing the possible results of sustainability: an “Internal improvements” factor, which encompassed improvements that could be seen particularly in the company’s operations and with the attainment of greater profits, and a second factor called “Market Improvements”, grouping together the improvements directly related with the market conditions.

We then proceeded to observe the possible relationships between these factors and sustainability implementation, results and perspectives. “Altruism” was the only motivation-related factor that was correlated (and in a positive way) with the three sustainability implementation axes (environmental, social and economic practices). Regarding barrier factors, the implementation of environmental measures was significantly and negatively related with “Lack of Resources” and “Stakeholders”, while the implementation of social measures was significantly and negatively related with the “Stakeholders” factor. Furthermore, the implementation of economic measures was significantly and negatively related with the “Stakeholders” and “Distrust” factors. Finally, concerning the relationship between the motivations for and barriers to implementing sustainability with its related improvements, we found that the “Internal Improvements” factor was significantly and positively related with the “Management” and “Customers” motivation factors and with the “Stakeholders” barrier factor, while the “Market Improvement” factor was significantly and positively related with the “Altruism” motivation factor and significantly and negatively related with the “Distrust” barrier factor.

5. CONCLUSIONS

The existence of three company profiles regarding the diverse motivations for introducing sustainability highlights three levels of involvement with sustainability, knowledge of which may be of vital importance to social actors and planners in the intermediation sector. Entrepreneurs with a high level of personal motivation, of a highly innovative nature and open to entrepreneurial risk implement practices very different from those of the other two profiles, which understand sustainability as a factor more related to business survival or increased competitiveness. The second profile responds to “conventional” agencies with a greater market share, but with a limited vision of sustainability as a means of increasing their competitiveness. In this case, a corporate action could be taken by existing travel agency associations to provide specific

assistance, recommendations and resources to agencies interested in increasing their commitment to sustainability. Finally, there is a third profile of agencies that, although they probably have the largest market share, only use sustainability practices to clean up their image and attract certain market segments. In this regard, practices should undergo audits to obtain/exclude quality certifications in sustainability; even more importantly, employees should be trained and empowered to make decisions about sustainability.