



# THOUGHT LEADERSHIP BRIEF

## Tourism Sustainability: Bridging the Say-Do Gap

Angela Tritto



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### KEY POINTS

- ▶ After being severely hit by the Covid19 pandemic, the tourism industry has rebounded strongly, yet most companies and destinations did not take this reset opportunity to chart more sustainable travel products and services.
- ▶ After the pandemic, studies evidenced a 'say-do gap' of travellers wishing to travel more sustainably, yet struggling to choose responsible options.
- ▶ Policymakers and industry associations should become key enablers to fill this say-do gap by bridging the travellers with the industry with innovative strategies, trustworthy information, and monitoring on sustainable practices.

### ISSUE

In early 2020, the Covid-19 pandemic abruptly ended tourism's long and steady growth with a year-on-year decline of 73%.<sup>1</sup> Meanwhile, the urgency of the climate change agenda became more impellent as global experts and leaders put environmental risks on top of the most severe challenges facing the world in the next 10 years.<sup>2</sup>

But while the Covid19 pandemic provided a much-needed break for overcrowded destinations and their environment, most destination managers did not take this opportunity to come up with better, more sustainable, tourism products and services. Hence, by 2022, as travel restrictions were lifted almost everywhere and people across the world quickly resumed to travel, global tourism underwent a full recovery, and all went back to 'business as usual'. This includes issues like overcrowding, which returned in many destinations, and a shortage of workforce hit the sector, as much of it had been made redundant over the pandemic.<sup>3</sup>

<sup>1</sup> Araújo, L., 2022. *Forewords*. Exploring Consumer Travel Attitudes and Expectations to Drive Tourism Recovery, *European Travel Commission Market Intelligence Report*, Brussels: ETC.

<sup>2</sup> World Economic Forum, 2022. *The Global Risks Report 2022: 17<sup>th</sup> Edition*, 11 January 2022: <https://www.weforum.org/reports/global-risks-report-2022/>.

<sup>3</sup> Araújo, L., 2022.



In the reality of tourism activities not much changed, yet studies that were carried out during the pandemic indicated this time produced long-lasting effects on travellers' priorities, to their choices, perceptions, and lifestyle habits. For instance, 40% of respondents, mostly coming from developed economies such as the UK, Australia, and Japan, claimed they wish to travel more sustainably in the new year,<sup>4</sup> 4 out of 5 recognized the importance of sustainability in travel choices,<sup>5</sup> and 40% of travellers trying to travel more sustainably cited the pandemic as the catalyst of their behavioural change.<sup>6</sup> Moreover, in the study conducted by Booking.com,<sup>7</sup> 75% of respondents wished to increase their travel by environmentally friendly modes of transportation in the future, with 20% already picking train over car for longer distances. Roughly 40% actively looked for information related to sustainability while or before or during their trips, particularly on their accommodation with 48% having already chosen a more sustainable accommodation at least once in the past year. Most respondents said they did this to reduce their environmental impact.

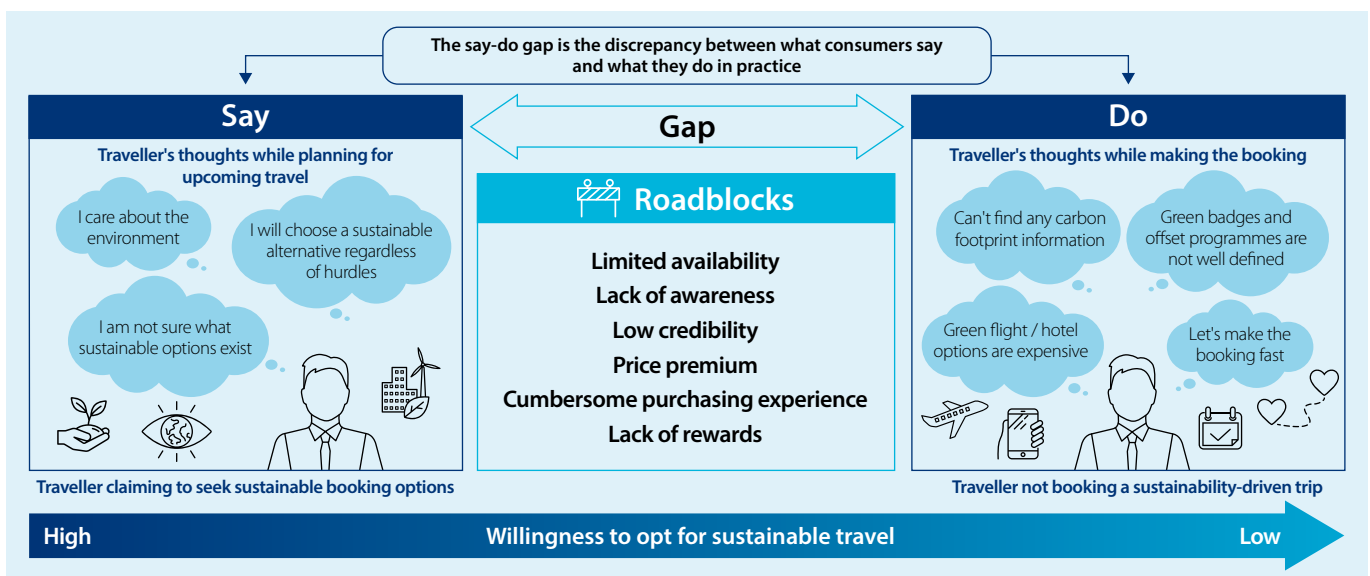
However, the same studies mentioned above show that many travellers do not 'walk the talk' and when booking, they do not prioritize sustainability in their choices. Most respondents in fact are not willing to pay more for activities that give back to local communities and price remains the primary criteria for booking flights.<sup>8</sup> Hence, travellers wish to travel sustainably but they are mostly unwilling to pay a premium for such products and services. The following analysis based on a recently published White Paper

titled 'How to Create the Sustainable Travel Products Customers Want' presents the determinants of this 'say-do' gap between what consumers say and what they do when they choose their travel options. It then outlines key strategies to overcome this gap as well as possible solutions to restructure the tourism industry towards more sustainable paradigms.

This brief provides additional points of analysis to better comprehend travellers' behaviour as well as new recommendations directed at policymakers and industry associations.

### ASSESSMENT

According to the recent white paper, there are six main determinants constituting the 'roadblocks' to align travellers' thoughts when they plan an upcoming trip with their actions of choosing to book sustainable transport or accommodation choices.<sup>9</sup> The first is the limited availability of sustainable choices having comparable aesthetics, quality, or comfort to the less-sustainable options. In other words, sustainable options at times do not appeal because they seem less comfortable, which begs the question: can luxury be sustainable? The second roadblock is the lack of consumer awareness on sustainability, on the availability of sustainable products and services, and on the challenges faced by the tourism industry to become more sustainable. The third is the lack of a reliable and trustworthy system for travellers to make their choices.



Source: World Economic Forum and Accenture, 2022.

<sup>4</sup> Skyscanner, Sustainability in Air Travel, 2021: <https://www.partners.skyscanner.net/insights/sustainability-in-air-travel>.

<sup>5</sup> Booking.com, 2022. Sustainable Travel Report, 2022: <https://globalnews.booking.com/climate-community-and-choice-bookingcom-reveals-the-trends-shaping-sustainable-travel-in-2022/>.

<sup>6</sup> Skyscanner, 2021.

<sup>7</sup> Booking.com, 2022.

<sup>8</sup> Skyscanner, 2021; Booking.com, 2022.

<sup>9</sup> World Economic Forum and Accenture, 2022. 'How to Create the Sustainable Travel Products Customers Want', <https://www.weforum.org/whitepapers/how-to-create-the-sustainable-travel-products-customers-want>



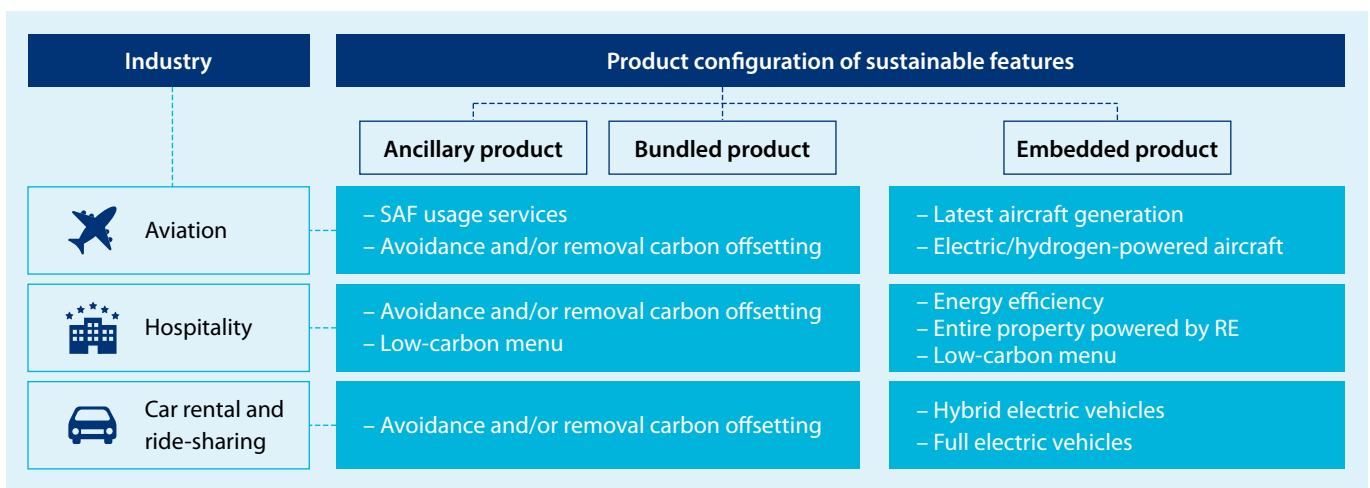
In fact, the greenwashing occurring in the consumer products industry has created the impending need for more transparency and reporting, so to enhance the credibility of service and products providers and generate trust in consumers. Then there's the question of price, as sustainable travel is often perceived to be (or effectively is) more costly, and most customers' inclination to pay for a premium depends on which segment they belong but is generally still low. This is even more so when the booking experience for sustainable options is perceived as more cumbersome, and the information required to make the choice is not easily accessible. Finally, the lack of rewards or acknowledgements for their better choice or behaviours is another factor hindering travellers to choose more sustainably.

While the six factors above provide a very comprehensive explanation of key roadblocks, there are other underlying dynamics and factors worth mentioning. First is the question of pricing, which seems to be the most pressing to travellers. Currently, sustainable options seem not as comfortable or easy to book as their competing ones, plus they are pricier. Hence, why would people need to go the extra mile and pay more for them? And, in some cases like that of booking flights, why should travellers be the ones to bear the costs of compensating carbon emissions? Finally, why are we always talking about costs and not about potential savings? The answers to these questions are simple. First, sustainable products and services in tourism need to be more easily accessible. Booking.com's new feature of the 'Travel Sustainable property' badge is a step towards that goal. Currently, there is even a filter to select only such properties, yet this filter could be further expanded to cover different practices (i.e., removal of single use plastics, energy saving options, etc.) and levels for properties to 'race' towards sustainability. Also, as this system is very new, introducing a verification system for travellers to confirm such claimed efforts exist would be ideal.

Secondly, most travellers already know that companies do not need to let them pay more to be more sustainable. Replacing single-use cutlery with reusable ones or providing refillable jugs and eliminating plastic water bottles is just a matter of making a little investment that will then be repaid in a few years. Introducing energy saving measures will also be an easily repayable investment, and so on. In making customers pay for investments that will repay themselves, companies are either asking for more profits or not showing enough commitment on sustainability, and travellers don't agree to that. Moreover, compensating for carbon emissions should be made mandatory for airline companies so to give them an actual incentive to experiment with less carbon-intensive fuels and responsible catering services. Currently, most airlines make an overly extensive use of disposable materials. Some of these materials are necessary for hygiene reasons, but most can be replaced yet this is not yet happening. All they offer is instead an option to pay to offset carbon emission.

This, in my view, is connected to the way tourism companies and travellers perceive sustainability, which seems to be different. As a matter of fact, industry research shows that 'sustainable travel products are still in their infancy and obtaining the required funding and sponsorship remains a prime challenge for T&T companies.'<sup>10</sup> Yet re-investing profits in more sustainable business models will repay in the long run. Also, current sustainability practices employed by the industry often include carbon offsetting or embedded products that have an effect mostly on energy consumption.

However, studies consistently show that travellers feel that examples of sustainability practices are best represented by the usage of renewable energy and resources and by reducing or eliminating single-use plastics. The former is an embedded feature of a product, but the latter is highly visible to travellers, which are therefore signalling the need



Source: Accenture analysis, 2022

Note: 1. Product is not available in the current market; however, it will be available in the future.

Product configurations included in the framework above are the ones offered at the time of booking.

<sup>10</sup> World Economic Forum and Accenture, 2022.



for the industry to cut on waste.<sup>11</sup> Furthermore, they also ask for more incentives to travel sustainably and ask for more environmentally friendly travel initiatives to be offered. One suggestion is that youth advantage cards for railway travel should be available to everyone.<sup>12</sup> In a nutshell, it is not enough to brand a product as ‘sustainable’: travellers want to know why it is sustainable, and also want to be engaged with incentives.

## RECOMMENDATION

First and foremost, it is necessary to move beyond plans and towards action. Most industry players in the tourism industry are still hesitant to invest in designing more sustainable tourism products and services. It seems they are waiting for travellers to signal their appreciation, yet their move should come regardless. Efforts like reducing disposable plastic and products in catering services are long overdue, yet despite important commitments like that of the European Union to ban single-use plastics by 2030, very few players are yet to make this change.

As a result, the current offer of sustainable products and services in tourism is lacking, and this is where a system of policies, monitoring, incentives, and rewards should come into place. Governments at national and local level, as well as destination management organizations (DMOs) should come up with ways of incentivising or inducing better behaviours from hotels and guide them to design, offer, and promote more sustainable travel products and services. It can be through tax incentives, or by creating partnership systems that make the whole travel experience designed with consciousness in mind. This can in turn yield several benefits for governments – from reducing waste and saving resources such as energy and water to attracting more tourists wishing to travel sustainably that will in turn give visibility to a destination’s image.

Industry associations can also play a pivotal role in diffusing and incentivising sustainable practices across the tourism industry. They can partner with national governments to survey and monitor companies and their sustainable practices, helping to promote and reward frontrunners. This process could also help identifying key bottlenecks for them to implement more environmentally friendly technologies and practices. Government and DMOs could also chart guidelines on how to transition to zero waste and remove disposable materials from catering and accommodation services and could design rewards and incentives programs for both industry and travellers that partake in activities such as energy saving, recycling, or even monitoring of hotels’ sustainability. Innovative mechanisms

for such rewards are still too few, and reluctance to implement them is mostly based on the wrong assumption that most people do not care about such things and want to be left alone while on holiday.

Finally, digital travel platforms are also essential to enable travellers to access the information required for their choices more easily. Currently, only some of these platforms have started to provide such information, which remains limited and shows that, in certain destinations, sustainable accommodations providers are too few. Once the information on providers is collected, statistics can show if travellers choose sustainable properties and why. The collected data will be extremely valuable, also for governments and DMOs, to analyse travellers’ choice and to encourage late adopters of sustainability practices to follow the rest. Hence, only through coordinated efforts and engagement can the tourism industry finally embark on a meaningful transition towards becoming more sustainable.

*This policy brief is an elaboration of the author based on the White Paper ‘How to Create the Sustainable Travel Products Customers Want’ published in 2022 by the World Economic Forum in collaboration with Accenture. The author was part of the group who provided feedback to the writing team before publication.*



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<sup>11</sup> Agoda, 2021. Sustainable Travel Trends Survey, 2021: <https://www.agoda.com/press/agoda-sustainable-travel-trends-survey>.

<sup>12</sup> ETC, 2022. Forewords. Exploring Consumer Travel Attitudes and Expectations to Drive Tourism Recovery, European Travel Commission Market Intelligence Report, Brussels: ETC.

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