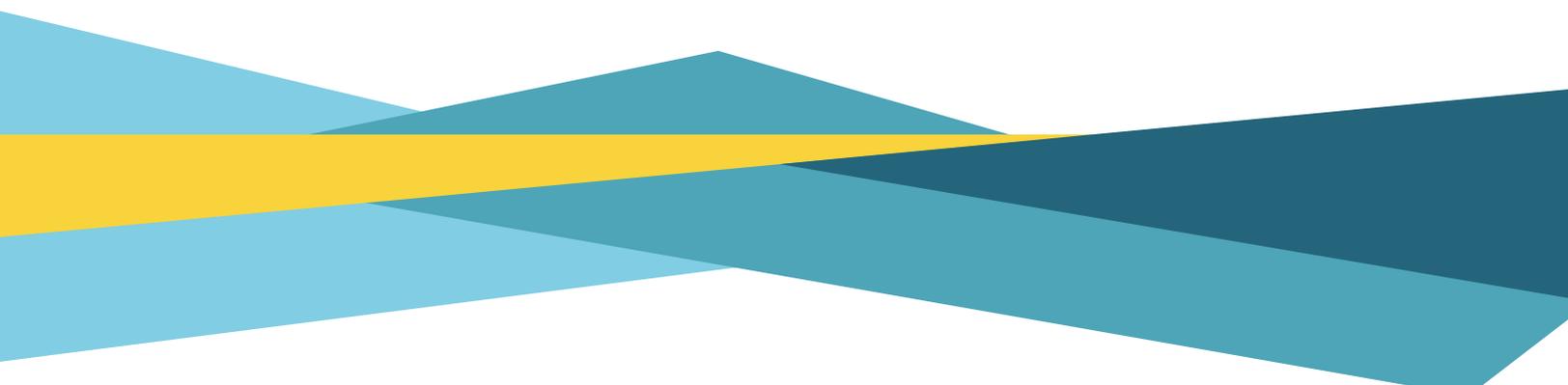


WHITE PAPER

Sustainable Tourism: From Trend to Transformative Movement

How Virtuoso Can Effectively Influence Consumer Behavior



“Travel creates paths to human understanding and peace and allows countries to protect natural resources in a way that would not be possible without its economic contributions. We need to support the individual sustainability practices of our partners involved in their communities. We need to ask questions and then be open to their ideas for us.”

— Matthew D. Upchurch, Virtuoso Chairman & CEO

Abstract

The challenge before the travel and tourism industry is real. In 2015, there were 1.2 billion international tourism arrivals, and billions more domestic tourists; this is predicted to nearly double by 2030, prompting the UN World Tourism Organization Secretary General to ask: “Will tourism bring us one billion opportunities to make the world a better place, or one billion disasters?”

That question, posed as the United Nations declared 2017 The International Year of Sustainable Tourism for Development, served as the impetus, along with Virtuoso’s established commitment to sustainability, to convene an inaugural Virtuoso Sustainability Summit in August 2017, bringing together key business owners, travel advisors, and global influencers to discuss how Virtuoso can best amplify its long-term commitment to sustainable tourism as a leader in luxury travel.

Sustainable tourism is defined by its three pillars, based on travel that is ***environmentally friendly, supports the protection of natural and cultural heritage, and benefits local people.***

This White Paper highlights the outcome of the Summit: ***Virtuoso should leverage its position in luxury travel and relationships with preferred partners to help travel advisors make sustainability a greater factor in consumer choice, so that achievements in sustainable tourism best practices also translate to business success.***

It further outlines appropriate next steps to catalyze and connect network participants to best advance this goal, including education and training to highlight the unique sustainability stories of Virtuoso partners around the world.

Overview

Virtuoso’s decision to further amplify its support for sustainable tourism reflects its belief that, rather than a passing trend, this is part of a global travel transformation, as further evidenced by 2017 being declared the UN International Year of Sustainable Tourism for Development.

Furthermore, research has revealed that when local people’s livelihoods are improved by tourism, they, too, become important allies in protecting the planet and safeguarding its heritage for future generations.

The question is no longer can sustainable tourism work; independent case studies from around the world have documented that it does. Rather, the question today is how far the travel industry can take sustainable tourism principles to help protect the world’s natural and cultural treasures – the very “products” upon which tourism businesses also depend.

“Awareness creates apostles.”

— Larry Pimentel, Azamara Club Cruises

Consumer Interest in Sustainable Travel

Can Virtuoso effectively leverage its network to influence consumer behavior toward making sustainability a greater factor in travel planning? Research appears to indicate that consumer sentiment is aligning to activate this transformation in travel.

Mr. Pimentel’s comment on consumer awareness exemplifies the importance of Virtuoso amplifying network efforts to influence consumer behavior. Concurrently, a growing volume of market research illustrates that travel consumers are showing an increasing interest in wanting their holidays to have a positive impact on the places they visit.

***In July 2017, SKIFT reported,** “Sustainability will be the mark of luxury as we move into the future.” A 2012 Travel Foundation study noted that 75% of travelers want a more responsible vacation and a Forum for the Future research study (2012) reported that 66% of travelers want an easier way to identify a green holiday. Fifty-eight percent of Condé Nast Traveler readers surveyed said they choose a hotel based on whether the hotel gives back to local people and the planet.*

Among millennials, demand is even higher:

***A 2016 Nielsen study revealed:** Millennials are more willing to pay extra for sustainable offerings – 72% of millennial respondents said they are willing to pay more for products and services that come from companies with a purpose and are committed to positive social and environmental impact, an increase from 55% in 2014 (Global Sustainable Destination Index, 2016).*

The **Virtuoso Sustainable Tourism Leadership Awards** have also continued to generate increasing interest among the network’s tour operators and hotels, with the number of entries steadily increasing year over year: In 2011, the first year of the awards, there were 72 award entries. In 2017, the number of award entries reached 138 partners, with a total to date of 60 award nominees and 12 global winners.

Virtuoso’s Role

As a leading luxury travel network, Virtuoso comprises more than 16,000 travel advisors in over 45 countries, generating more than US\$21.2 billion in annual travel sales. Virtuoso’s 30-year history, solid infrastructure, and long-standing relationships with 1,700 preferred partners – hotels, cruise lines, tour operators, and destination tourism boards – mean the network is uniquely positioned to serve as a catalyst to influence consumer behavior to advance sustainable tourism.

The Summit helped to determine how Virtuoso, alongside its members and partners, can best leverage its position in the luxury travel marketplace to support the three pillars of sustainable tourism – environmentally friendly practices; support for the protection of cultural and natural heritage; and social and economic benefits to local people – as a greater factor in consumer travel decisions.

Virtuoso has long been committed to travel as a force for good. For example, Virtuoso:

- Was one of the earliest luxury travel organizations to offer professional development training on sustainable tourism for travel advisors
- Launched Virtuoso Sustainable Tourism Leadership Awards seven years ago to further shine a spotlight on best practices among travel companies
- Has long reported on travel with meaning in multiple media platforms, including articles in *Virtuoso Life*, *Virtuoso Traveler*, and on Virtuoso.com, to better educate travel consumers and travel advisors on how sustainable tourism can be part of their travel planning

“It was incredibly inspiring to join a group of visionary leaders who understand the power and importance of travel to be a positive force for helping to protect our planet for future generations.”

— Laura Turner Seydel, Ted Turner Expeditions

Virtuoso Sustainability Summit

The inaugural Virtuoso Sustainability Summit was convened to gather ideas and input from leaders in sustainable tourism, representing both travel partners and travel advisors, as important collaborators in influencing consumer travel preferences.

The summit was hosted by Matthew D. Upchurch, Chairman and CEO of Virtuoso, and Jessica Upchurch, Virtuoso Sustainability Ambassador; moderated by Chris Jenson of The Table Group; and facilitated by Costas Christ, Virtuoso Global Sustainability Strategist.

Participants

Preferred partner participants included Sven Lindblad of Lindblad Expeditions, Keith Vincent of Wilderness Safaris, Laura Turner Seydel of Ted Turner Expeditions, Luke Bailes of Singita, Brett Tollman of The Travel Corporation, Richard Bailey of The Brando, Chris Cahill of AccorHotels, along with 15 other owners and executives, representing a cross section of the luxury travel industry from leading hotels, cruises, tours, and on-site companies, all of whom do business with Virtuoso.

They were joined by Virtuoso member travel advisors who have also been active in supporting sustainable tourism, including Meg North of Brownell Travel, Hui Juan Lim of Quotient TravelPlanner, Erin Green of Pique Travel, Sue Kasmar of Sue Kasmar Travel, Margarita Federova of Vega Travel International, and Natasha Rhodes of Vision Travel Solutions. *(See appendix for a full list of Summit participants’.)*

Summit Format

Matthew Upchurch opened the Sustainability Summit, stating his belief that Virtuoso's role is "to be a catalyst in the travel industry, helping to drive positive action for sustainable tourism, and shining a light on Virtuoso partners and members who are leading the way."

Costas Christ provided an overview on the state of sustainable tourism globally, along with a snapshot of some of the collective sustainable tourism impacts of Virtuoso partners that have been quantitatively measured, including:

- Protecting more than 6,000,000 acres of wilderness and marine habitat, home to some of the world's rarest and most endangered species
- Combating climate change through green hospitality
 - > This included producing 2,973,910 kWh of energy from renewable sources such as solar and wind in 2016
- Collectively providing over US\$5,500,000 in direct support to community development projects around the world in 2016

"I believe that purpose is the new luxury."

— Keith Vincent, Wilderness Safaris

Preferred Partner Best Practices and Examples

Each of the Summit participants shared highlights on their sustainable tourism efforts. Below is a representative sample of the breadth of these undertakings.

Environmentally Friendly Practices

- **Brett Tollman, The Travel Corporation:** Uniworld worked in partnership with The Travel Foundation to pioneer the criteria for environmentally friendly river cruising.
- **Richard Bailey, The Brando:** Using solar energy and sustainable coconut oil biofuel, the Brando resort in Tetiaroa, Tahiti, operates on 100% renewal energy.

Protection of Cultural and Natural Heritage

- **Laura Turner Seydel, Ted Turner Expeditions:** Helping to bring the American bison back from the brink of extinction, including restoring more than one million acres of North American wilderness.
- **Jalsa Urubshurow, Nomadic Expeditions:** Used ancient Mongolian Buddhist building techniques to construct the company's Three Camel Lodge in the Gobi Desert, without any nails or iron work.

Providing Social and Economic Benefits to Local People

- **Francesco Galli Zugaro, Aqua Expeditions:** Ships' doctors deliver medical supplies and health care to remote Amazon villages.
- **Keith Vincent, Wilderness Safaris:** Founded Children in the Wilderness, an environmental and life skills educational program that inspires African children to care for their natural heritage.

(See Appendix for additional information on Summit participant sustainability accomplishments.)

The Role of Travel Advisors

Discussion was robust, as participating advisors shared their experiences and ideas, and asked partners how to better influence consumer behavior during the travel planning process:

- **Meg North, Brownell Travel:** Having agency management adopt sustainability as part of their core mission is critical, along with continued efforts to educate advisors on including sustainable tourism as part of creating meaningful travel experiences for clients.
- **Erin Green, Pique Travel:** Raised the important question of how to get travelers who do not already know about sustainable tourism to consider sustainability when planning for their next holiday.
- **Sue Kasmar, Sue Kasmar Travel:** The stories shared by partners during the Summit are the kind of information more travel advisors need to hear about.
- **Margarita Federova, Vega Travel International:** Stressed the need to address the potential generation gap in sustainable tourism awareness, and the importance of being committed to efforts that sustain strong cultural authenticity in travel destinations.
- **Natasha Rhodes, Vision Travel Solutions:** Spoke about the valuable learning experience of participating as an advisor judge for the Virtuoso Sustainable Tourism Leadership Awards, and how the sustainability information provided by each company can be shared with other advisors.

Conclusion

Attendees were unanimous in noting that the Summit marked an important milestone for Virtuoso in advancing sustainable tourism. Mike Freed, Passport Resorts, commented, “Virtuoso’s strong commitment to sustainable tourism is a driving reason why we are proud to be part of this travel network.” Luke Bailes, Singita, added that it is especially exciting to see how Virtuoso has elevated sustainable tourism as a core value of the organization.

Advisor education on sustainable tourism, increasing consumer awareness of purposeful travel, and shining a spotlight through Virtuoso’s annual awards on the travel companies and hotels that are demonstrating sustainable tourism leadership all led the way to the inaugural Virtuoso Sustainability Summit, and provide a foundation for further efforts to influence consumer behavior.

Outcome

Jessica Hall Upchurch helped to guide the discussion on next steps by suggesting the group focus on a few key recommendations for implementation. After further discussion and input from Summit delegates, the following were identified as priority next steps:

FOR PREFERRED PARTNERS:

1. Aggregate a database of sustainable stories and best practices from Virtuoso partners.
2. Determine best methods to disseminate and share that data in order to:
 - a. Empower advisors with information to craft sustainable travel itineraries for their clients.
 - b. Connect advisors with partners committed to sustainable tourism to also advance sustainable business success or growth.
 - c. Provide advisors with more information on partners’ best practices to increase consumer awareness on choosing sustainable tourism options when they are planning travel.

FOR MEMBER ADVISORS:

1. Increase sustainable tourism training through professional development courses and webinars.
2. Establish a sustainability specialist designation and assign to Advisor Profile in Virtuoso.com.
3. Establish a Sustainable Tourism Community or Interest Group at Virtuoso.

FOR CONSUMERS:

1. Educate travel consumers on sustainable tourism as a factor in their travel planning.
2. Provide simple ways for consumers to find advisors and partners who are committed to sustainable travel.
3. Utilize media to assure consumers that traveling sustainably can be a simple choice that enhances their vacation experience.

Additional Recommendations

Other recommended items to be considered include holding a 2018 Virtuoso Sustainability Summit, creating a Virtuoso sustainable tourism advisory committee to support progress and maintain momentum, engaging Virtuoso staff to better understand sustainable tourism as a core value of the company, and establishing an Advisor Sustainability Champion Award.

Quoting Pulitzer Prize-winning author John Steinbeck on travel, *“People don’t take trips, rather trips take people,”* Costas Christ noted that through sustainable tourism, travelers can reach new horizons of understanding about our fragile planet, along with cross-cultural learning and awareness. In thanking Summit delegates for their time and support, Matthew and Jessica Upchurch concluded, *“For Virtuoso, it comes down to this: We believe sustainable tourism is the right thing to do.”*

“Travel pushes you out of your comfort level, and it fundamentally changes your perception of yourself, your place in the world, of others. It fosters greater understanding and awareness because travel is all about celebrating the differences that actually make us the most similar. It offers moments of discovery in which you make genuine human connections; where you are transformed because of your travels. And in that sense, as well as many others, travel is a force for good.”

— Matthew D. Upchurch, Virtuoso Chairman and CEO

Appendix

Sustainability highlights among the Virtuoso partners in attendance at the Summit:

Luke Bailes, Singita: Spoke about his company's 100-year vision to protect wilderness for future generations: "We are in this for the long haul. We all need to return the Earth to a sustainable equilibrium," he said.

Richard Bailey, The Brando: Explained his company's pioneering innovation using deep sea water cooling for air conditioning in the tropics, with 100% renewable energy from solar power and coconut oil. That sustainable technology is now being considered for its potential to air condition downtown buildings in Honolulu to reduce greenhouse gas emissions that are linked to climate change.

Chris Cahill, AccorHotels: Shared how Fairmont was the first company in the world to introduce water and energy conservation through washing guest towels every other day, and that Fairmont also published the first Green Hotel practices manual in the hospitality industry back in the 1980s.

Mike Freed, Passport Resorts: Described how Cavallo Point was a U.S. military base for more than a century. Cavallo Point preserved the Fort Baker army barracks next to the Golden Gate Bridge by reusing building materials and maintaining 100 percent of the original exterior design, garnering praise from the National Trust for Historic Preservation. Landscapers also planted 58,000 native species throughout the grounds to restore the natural habitat.

Alex Glassock, The Ranch Malibu: Shared how they operate their wellness retreat based upon care for the land and care for the people, including sourcing organic products from local communities while also protecting the natural environment of their property.

Sven Lindblad, Lindblad Expeditions, discussed how his father introduced the world's first small-ship expedition cruise company, and introduced some of the earliest concepts of conservation-based tourism.

Larry Pimentel, Azamara Club Cruises, a Royal Caribbean Cruise Line: Explained that RCCL began its Save the Waves program in the 1990s, by introducing state-of-the-art green practices onboard their ships, including recycling, waste reduction, and fuel efficiency efforts, and in 2017, partnered with World Wildlife Fund to support marine conservation.

Ashish Sanghrajka, Big Five Tours and Expeditions: Discussed his company's partnership with One More Generation, a youth conservation group that has launched a global campaign to reduce plastic waste, and Big Five's launch of its new company website dedicated to sustainable tourism.

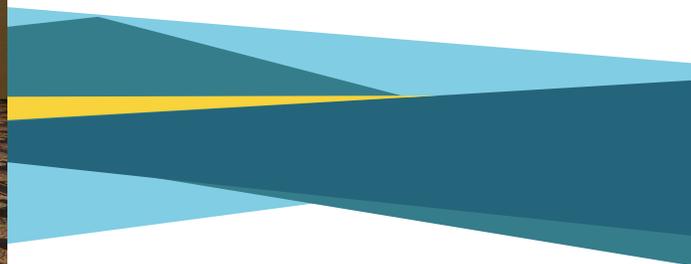
Laura Turner Seydel, Ted Turner Expeditions: Talked about how her father helped to bring the American bison back from the brink of extinction. Today, Ted Turner Expeditions is protecting more than one million acres of North American wilderness while reintroducing endangered species as part of Turner's "rewilding America" project.

Yalmaz Siddiqui, MGM Resorts: Shared how MGM has created an extensive recycling program. He also led a group of Summit delegates on a back-of-house sustainability tour.

Brett Tollman, The Travel Corporation: Described how Uniworld River Cruises worked in partnership with The Travel Foundation to pioneer the criteria for environmentally friendly river cruising.

Jalsa Urubshurow, Nomadic Expeditions: Explained how his company used ancient Mongolian Buddhist building techniques to construct Three Camel Lodge in the Gobi Desert, without any nails or iron work.

Francesco Galli Zugaro, Aqua Expeditions: Told how his company delivers medical supplies and health care to remote Amazon villages by boat - when guests head off on guided day excursions to learn about the Amazon rainforest in Peru, doctors onboard also head off to provide health care to isolated communities.



2017 VIRTUOSO SUSTAINABILITY SUMMIT ATTENDEE LIST

PREFERRED PARTNERS	COMPANY	TITLE
LUKE BAILES	SINGITA	CEO
RICHARD BAILEY	THE BRANDO	CHAIRMAN & CEO
CHRIS CAHILL	ACCORHOTELS/FAIRMONT	CEO
MIKE FREED	PASSPORT RESORTS	CO-OWNER
ALEX GLASSCOCK	THE RANCH MALIBU	CO-FOUNDER/CEO
SUE GLASSCOCK	THE RANCH MALIBU	CO-FOUNDER
SVEN LINDBLAD	LINDBLAD EXPEDITIONS	PRESIDENT & CEO
LARRY PIMENTEL	AZAMARA CLUB CRUISES	PRESIDENT & CEO
ASHISH SANGHRAJKA	BIG FIVE TOURS	CO-OWNER & PRESIDENT
LAURA TURNER SEYDEL	TED TURNER EXPEDITIONS	CO-OWNER, INTERNATIONAL ENVIRONMENTAL ADVOCATE
RUTHERFORD SEYDEL	TED TURNER EXPEDITIONS	SECRETARY AND GENERAL COUNSEL
YALMAZ SIDDIQUI	MGM RESORTS	VP, CORPORATE SUSTAINABILITY
BRETT TOLLMAN	THE TRAVEL CORPORATION	GLOBAL CHIEF EXECUTIVE/ CO-OWNER
JALSA URUBSHUROW	NOMADIC EXPEDITIONS	FOUNDER & CEO
KEITH VINCENT	WILDERNESS SAFARIS	CEO
FRANCESCO GALLI ZUGARO	AQUA EXPEDITIONS	CEO
MEMBER ADVISORS	COMPANY	TITLE
HUI JUAN LIM	QUOTIENT TRAVELPLANNER	OWNER
MARGARITA FEDEROVA	VEGA TRAVEL INTERNATIONAL	TRAVEL ADVISOR
ERIN GREEN	PIQUE TRAVEL	TRAVEL ADVISOR
SUE KASMAR	SUE KASMAR TRAVEL	OWNER
MEG NORTH	BROWNELL TRAVEL	EXECUTIVE VICE PRESIDENT
NATASHA RHODES	VISION TRAVEL SOLUTIONS	TRAVEL ADVISOR
VIRTUOSO	COMPANY	TITLE
MATTHEW UPCHURCH	VIRTUOSO	CHAIRMAN & CEO
JESSICA HALL UPCHURCH	VIRTUOSO	SUSTAINABILITY AMBASSADOR
COSTAS CHRIST	VIRTUOSO	GLOBAL STRATEGIST, SUSTAINABILITY
MICHELLE RASHID	VIRTUOSO	DIRECTOR, CULTURE & ORGANIZATIONAL DEVELOPMENT
CHRIS JENSON	THE TABLE GROUP	PRINCIPAL CONSULTANT
JAY GOLDEN	RETELLABLE	CHIEF STORYTELLER, STORY COACH