

Corporate Social Responsibility in Tourism

How can a CSR certificate enhance the competitive advantage of tourism SMEs in Denmark – case study of Travelife Certification



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Abstract

As Corporate Social Responsibility is becoming a buzzword recently and especially in the tourism industry, the researchers decided to focus on this subject and try to find a problem or an issue regarding the adoption and the implementation of CSR. Since the authors are currently living in Denmark, the country was considered as a possible area for the research. Furthermore, the image of Denmark as one of the Scandinavian leaders in CSR and Sustainability and its governmental practices were some of the other reasons why the research was focused on the Danish tourism market.

Since most of the literature about CSR is focused on large enterprises and only few on the small and medium enterprises, the researchers considered this gap as a great opportunity to conduct a study concentrated on tourism SMEs in Denmark. And thus, the aim of this master thesis is to investigate why Small and Medium sized travel providers in Denmark engage in Corporate Social Responsibility and especially in Travelife Certification Program. The report aims also to discover what the motivations of the tourism SMEs are and what type of CSR activities are they engaging with.

For the purpose of finding the answers to those questions, it was important to look at the existing literature about tourism and the travel agency market in Denmark, in order to understand in what environment the selected companies are operating. Literature regarding CSR, its definitions and complexity, and types of CSR outlined the most important aspects of the term. Then, CSR in the tourism industry was discussed in order to find out what the main trends and issues on the market. Literature about competitive advantage was essential for this report as this was the base and a starting point for analyzing the findings. It was also necessary to include information about Travelife Certification program, so that the reader can get an understanding of what the program is about. The findings of this thesis are based on the data collected via four qualitative semi-structured interviews. One of them was conducted with a certified in Excellence and Sustainability travel agency and the other four with Partners of Travelife certification program. The research design was a qualitative comparable multi-case study, which had an aim to get a deeper insight of Travelife program and understand why SMEs engage with CSR.

After all the data was collected and after conducting the interviews, the findings were presented together with the analysis. Some of the theories about CSR were used in order to analyze the motivations behind the interviewed companies to engage in CSR and according to their CSR activities to understand the way they perceive and implement it.

After that, the analysis focuses on the four elements of competitive advantage and the elements that Travelife program is offering to its applicants. The connection between the theory and the practice was outlined in order to explore where Travelife certificate can actually has an affect on the competitive advantage of the companies involved in it.

The findings show the possibility of enhancing the competitive advantage by certain way of implementing CSR, one of which is focusing on strategic CSR and aligning it with the business strategy of the company. The researchers propose some suggestion regarding how the implementation of CSR could most likely lead to enhancing competitive advantage and it ends with a proposal for further research, which could be conducted in the future for getting a better insight of this problem.

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Chapter I Introduction

1.1 Introduction

Since the 1960s (Fuchs, 2010), the tourism industry has experienced continued expansion and diversification, to become one of the largest and fastest-growing industries in the world. Today it represents 9% of the world's GDP, one in eleven jobs worldwide; and 30% of all service exports (UNWTO, 2015). International tourist arrivals worldwide are expected to increase by 3.3% a year between 2010 and 2030 to reach 1.8 billion by 2030, according to UNWTO's long term forecast *Tourism Towards 2030*. (UNWTO, 2015). The sector has become one of the driving forces of global employment, economic and social well-being of the 21st century (Rifai, 2012) and it will continue growing steadily in the future. It is well known that when not managed well, tourism development can have negative impacts on the environment and there is a great risk of over exploitation of natural resources (Rifai, 2012).

As (Manente, Minghetti, & Mingotto, 2014) (2001) states, postmodern travellers today have moved away from the mass tourism. Tourists are more informed and better educated and they are aware of the biggest issues around the globe and public is interested and more sensitive about environmental issues. Therefore, there has been a change in consumer behavior and buyers started choosing carefully what they are consuming. A growing number of people are willing to choose greener products (Font, 2001) and this applies also to the tourism sector. Consumers are moving away from the mass tourism and choosing responsible tourism instead.

"(...)they want to believe that their use of tourism facilities and their presence in tourist destinations will not damage the resources they visit and embrace the promises offered by tourism companies" (Font, 2001).

This increase of awareness and the more responsible behavior not only by tourists, but also by businesses led to the increasing demand for sustainability and responsible tourism. For the first time the term sustainability was defined in 1987 by the United Nations World Commission on Environment and Development (Manente, Minghetti, & Mingotto, 2014). Since then the definition has changed several times and the term has become a major topic and issue not only for the Tourism Industry, but all the other industries around the world. According to the UNWTO (United Nations' World Tourism Organization), sustainable tourism development can be defined as *"Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities"* (UNWTO).

Tourism should tolerate more responsibility for sustainable development and respect for the environment and human rights as a service industry, which deals with people and environment on national and international level (Kalish 2002 cited in Manente,

Minghetti & Mingotto (2014). Knowing the size and the speed with which the tourism sector is growing, it is clear that investing in environmentally friendly tourism can lead to economic growth, poverty reduction, job creation and improving resource-efficiency and minimizing environmental impacts (Rifai, 2012). Companies have realized that they had to make a change and they had to become more responsible as well. As Porter and Kramer (2006) wrote: *“Successful corporations need a healthy society.”* A healthy society creates an expanding demand for business. Therefore, sustainability had to be integrated into the business, but that was not enough. Companies had to start taking responsibility for their actions and a new concept was born – Corporate Social Responsibility.

Corporate Social Responsibility (CSR) a subject of increasing interest amongst practitioners although is not a new concept (Henderson, 2007). The term can be understood as the *“voluntary contribution by companies to improving the environment, society and economy, either for altruistic reasons and/or to improve their competitive position”* (Tamajón & i Aulet, 2013).

CSR has been widely studied during the last decade and while there is a lot of literature related to CSR in big companies within the hospitality and tourism sector, there is lack of information regarding CSR in the small and medium enterprises (SMEs) (Tamajón & i Aulet, 2013). Small and medium-sized enterprises represent 99% of all businesses in the European Union (European Commission, 2016). The main factors defining whether an enterprise is an SME according to the European Commission are the number of employees and either the turnover or balance sheet total. Small enterprises are considered the ones that have less than fifty employees and not more than ten million euros in turnover, while the medium-sized companies consists of less than two hundred and fifty workers and turnover of less than fifty million euros.

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

Table 1 Company Categories.
Source: European Commission (2016)

In Denmark, there are approximately 283.000 enterprises of which two-thirds have less than five employees. Moreover, only 8.600 places of employment in Denmark have more than fifty employees (Statistics Denmark, 2010). The statistics also show that 99% of the tourism companies in Denmark are SMEs. Since most of the companies in the tourism industry are SMEs and microbusinesses (Haven & Haven, 2005) it is important to focus on researching and investigating their business environment. Those small and medium companies are often family owned and they differ from the big organizations in terms of management and strategic choices (Getza & Carlsenb, 2000).

It is interesting to explore the motivations behind SMEs, which choose to implement Corporate Social Responsibility, as they are not obligated by law to implement it unlike big organizations in countries like UK and Denmark, for example. On 16th December 2008 the Danish parliament adopted “Act revising the Danish Financial Statement Act (Accounting for CSR in large businesses)” (Danish Business Authority). According to this act, large businesses in Denmark are obligated to account for their work on Corporate Social Responsibility. Since 2013, a new requirement was added to the existing law, according to which it is mandatory for businesses to also clearly account for their policies for respecting human rights and for reducing their climate impact. Since big enterprises in Denmark are to a certain extent obligated to adopt CSR, their motivations and reasoning for focusing on it is relatively understandable. On the other hand, as below table 2 shows, that Danish companies commit to a high level of activities in terms of CSR issues (Leubuscher, Hager, Wattiez, Mombrù, & Liaska, 1998), and other reports have also show that SMEs in Europe are in a good position to adopt CSR more strategically (Inyang, 2013). Thus it is very interesting to investigate why tourism SMEs choose to commit to Corporate Social Responsibility.

Member state	Access to complaints procedures (public/self-regulation)	Level of activity in green complaints (public/self-regulation)	Effect on claims, excluding on pack claims	Consumer information
Austria	Good	None	*	Average +
Belgium		None/significant	*	Average/ poor
Denmark	Good	Very active	**	Very active
Finland	Excellent	Active	**	Active
France	Good/good	Limited	*	?
Germany	Good/good	Active	**	Active
Greece	Fair/fair	None/none		Poor
Ireland		None		Poor
Italy	Fair/good	Limited	*	Poor
Luxembourg				?
Netherlands	Excellent	Very active	**	Active
Portugal	Fair	None		Poor
Spain	Fair	None	—	Poor
Sweden	Excellent	Very active	**	Very active
United Kingdom	Fair/good	Active	*	Average

Table 2 The effects of green claim control regimes in Europe (Leubuscher et al. 1998)

There are different approaches for the SMTEs to implementing and engaging with CSR, and the certification is one of the options. A certification is a procedure by which “a third-party certifier provides a written statement that, for example, a business conforms to the requirements specified in a standard or reference” (Font & Buckely, 2010). It can also be considered as a tool used to direct and guide the sustainability efforts of eco-tourism

operators with a focus on eliminating negative impacts. Most of the Eco-labels or certificates provide schemes to help the companies to practice the implementing the corporate social responsibilities to meet the standard. Today some tour companies choose to obtain the certification for gaining benefits, such as improving image and making CSR effort.

There are many tourism certification schemes around the world, within the tourism industry. There are more than 100 certification schemes that have been already established in 2002 (Medina, 2008). Some of the large certification systems include Green Globe 21, a global benchmarking and certification program for travel and tourism; Green Key, an international certificate for leisure tourism operators, which focuses majorly on the hospitality industry; and Travelife, a leading training, management and certification initiative for tourism companies committed to reach sustainability. These certification programs provide a set of established criteria that encompasses socio-cultural, economic, and environmental sustainability dimensions.

1.2 Problem Formulation

The problem statement of this thesis is formulated as:

How can a CSR certificate enhance the competitive advantage of a small and medium-sized tourism enterprise in Denmark?

By this problem formulation, the thesis will focus on answering the following research questions:

- What are the motivations for small and medium-sized tour operators or travel agencies to engage with CSR?
- What are the benefits for small and medium-sized tour operators or travel agencies to be certified by Travelife?
- How can the Travelife certificate enhance the competitive advantage of the small and medium-sized tour operators or travel agencies researched?

In the tourism academic world, some researchers have investigated that companies have been engaging with CSR certification programs (Medina 2008; Jarvis, Weeden and Simcock 2010; Sandve, Marnburg og Øgaard 2014; Font and Buckely 2010) However, there is still less evidence on how the companies and organizations have benefited by implementing such certification programs, specifically in the context of Denmark. Thus, this thesis aims to fill the gap by focusing on the Danish tour operators or travel agencies that have been awarded with CSR certificates.

Porter (1985) stated that *“competitive advantage grows out of value a firm is able to create for its buyers”* and he referred to two types of approaches to enhance the competitive advantage: cost leadership and differentiation. As lowering cost has not being considered as the perspective when talking about CSR, thus this thesis will try to identify that the connection between the CSR and competitive advantage, by finding out if CSR is a way of differentiation and enhance the competitive advantage of SMTEs. Eraqi

(2010) has investigated similar topic in the tourism sector in Egypt, and tried to identify the link between CSR and competitiveness. However, there is no sufficient academic evidence showed in the European or Danish context, which will be the major research area of this thesis.

To be specific, this thesis will try to investigate the link between the certification programs and the competitive advantage. The outcome of this study could be helpful in the future for SMEs, which are looking for ways for differentiation and at the same time, which are willing to implement CSR.

Firstly, the research objects will be small and medium size tour operators in Denmark that have been awarded with CSR certificates. When looking at the tourism industry of Scandinavia, several of certification programs are available, with a focus of environment and sustainability. This is due to the reputation of Scandinavia as a tourism destination for "*its vast natural resources and 'green' image*" (Gössling and Hultman, 2006). Furthermore, in all Scandinavia, even among all the European countries, Denmark was the first country, which took initiative to implement certification programs (Honey, 2002).

Secondly, the thesis will focus on one of the certification program mentioned above, Travelife, which is stated as a fair and affordable system, which helps tour operators and travel agencies to manage and improve social and environmental impacts by complying with sustainability criteria. In order to be certified by Travelife, there are stages the company has to work through: Travelife Engaged, Partner and Certified. In Denmark there are 9 travel agencies or tour operators that have engaged with Travelife, four are certified and five are partnered.

In regard to the data collection, the investigation of this thesis will be accomplished by conducting qualitative research, specifically by semi-structured interviews with the five travel agencies or tour operators that have been awarded by Travelife. It is important to mention here that in Denmark there are 9 companies in total that have been engaged with Travelife certification program. Three of the companies have been excluded: firstly *Apollo*, *Falk Lauritsen Rejser* and *DIS Congress Service*. The reason why they are not included in the research will be explained in the Methodology chapter.

Chapter II Theoretical Framework

This chapter is dedicated to the theoretical framework of the thesis. In order to process a qualitative research, a clarified theoretical framework is needed and it helps to structure the analysis of the data collected, so as to answer the problem formulation of this thesis properly. It will help to structure the analysis and findings from the theoretical perspectives. According to figure one, the theoretical framework is based on the problem formulation and divided into four parts: part one aims to discuss the definition of the tourism industry, and understand the tour operator or travel market, especially in Denmark; Part two intends to discuss the theoretical perspective of Corporate Social Responsibility in general and in the tourism industry; Part three tries to elaborate on the concept of strategic CSR and the link between competitive advantage; Part four focuses on the CSR certification, and it will try to develop an analytical framework, by which we can analyze the relationship or link between the CSR certificate and competitive advantage, as well as answer the problem formulation of the thesis.

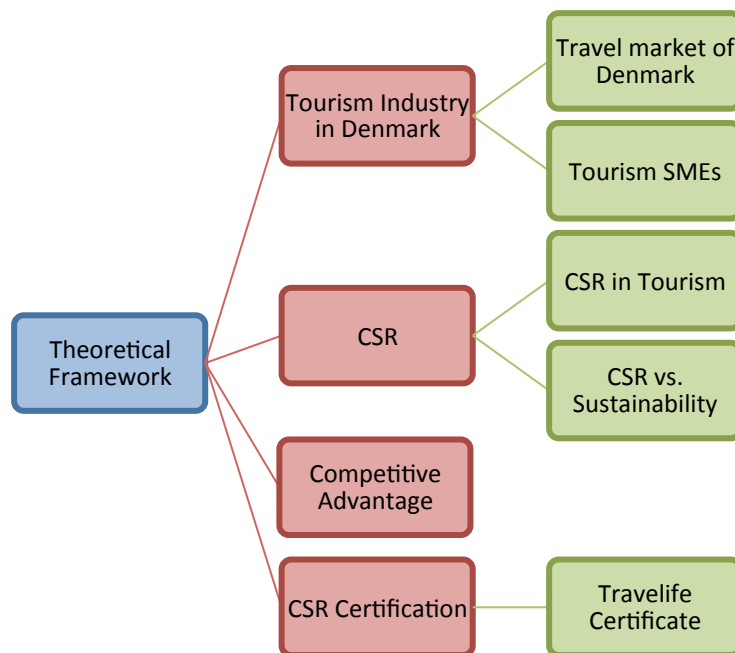


Figure 1 An overview of Theoretical Framework (self-sourced)

2.1 The Concept of Tourism

According to the United Nations World Tourism Organization (UNWTO) the official definition of tourism is:

"Tourism comprises the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes." (2015)

Since the 1960s (Fuchs, 2010), the tourism industry has experienced continued expansion and diversification, to become one of the largest and fastest-growing industries in the world. As stated in UNWTO (2015), tourism has shown uninterrupted growth. International tourist arrivals have increased from 25 million globally in 1950, to 278 million in 1980, 527 million in 1995, and 1133 million in 2014 (UNWTO, 2015). From US\$ 2 billion world revenue generated by tourism in 1950 to US\$ 104 billion in 1980, US\$ 415 billion in 1995 and US\$ 1245 billion in 2014 (UNWTO, 2015).

Today tourism represents 9% of the world's GDP, one in eleven jobs worldwide; and 30% of all service exports (UNWTO, 2015). The sector has become one of the driving forces of global employment, economic and social well-being of the 21st century (Rifai, 2012) and it will continue growing steadily in the future. International tourist arrivals worldwide are expected to increase by 3.3% a year between 2010 and 2030 to reach 1.8 billion by 2030, according to UNWTO's long term forecast *Tourism Towards 2030*. (UNWTO, 2015).

The constantly increasing number of destinations around the world has invested in tourism, because it is a way for socio-economic progress as it creates new enterprises, which need workforce and infrastructure development (UNWTO, 2015). Some of the biggest advantages of tourism are that it creates jobs and it generates income in the local economy and due to its continuous growth and size, tourism has also become a very important player in international business.

According to Fuchs (2010), Europe welcomes more than half of all the international tourists and it is the continent that records the most incoming tourists. This of course means that the Old Continent generates a big part of its GDP from tourism. Fuchs (2010) also argues that there is growing number of tourist visits in the developing countries and emerging markets, but this does not always lead to improved standards of life in the tourist destinations. It is well known that when not managed well, tourism development can have negative impacts on the environment and there is a great risk of over exploitation of natural resources (Rifai, 2012). As it is one of the largest industries in the world, it also contributes to a significant amount of impacts on society, economies and the environment. The economic and environmental consequences caused by tourism have gained a lot more attention than the social and cultural impacts. The reason behind it could be that the latter occur slowly over time and it is difficult to measure (Swarbrooke, 1999).

Tourism is not the only factor that causes socio-cultural changes. Globalization is becoming one of the main reasons for those changes and combined with the innovation and the availability of new technology, they bring change in cultures and societies around the globe. When travelling, people bring part of their own culture to the place they visit and they demand certain amenities, which lead to the damaging of the destination's authenticity.

Nowadays, when climate change is a fact and a constant topic of discussion, environmentalists' questions whether air travel is justifiable for purposes of pleasure and recreation (Gössling & Peeters, 2009; Fuchs, 2010). As Fuchs states, the main issue is always responsibility, not only of the businesses, but also of the individual tourist. Fuchs (2010) talks also about the needed change in tourism and how it lies in the respect for nature, the environment and society. He also explains that none of the above will necessarily lead to less comfort in the destination, but exactly the opposite that respecting a foreign culture when travelling actually enhances the travel experience. This is dependent on the attitude of the individual traveller.

Many enterprises have already tried to reduce their social and environmental impacts caused by their activities. Porter and Kramer (2006) argue that those efforts are not as productive as they could be and this is usually because companies pit business against society and also because they pressure entities to think of Corporate Social Responsibility in generic way and not in a way which will fit to each company's strategy.

Companies do not operate in vacuum as stakeholders surround them. *"A stakeholder is a party that has an interest in an enterprise or project."* (Investopedia, 2016). Typically, the stakeholders are investors, suppliers, employees and customers, but nowadays community, trade associations and the government are also becoming a part of the definition. Those stakeholders have expectations and demands that need to be respected and met by the businesses. In the early 1970 different organizations and commissions were established, which were responsible for the policies regarding some of the major impacts of businesses such as environment, employees and consumers (Carroll, 1991). They were also officially recognized as important business stakeholders. The beginning of social legislation came with the creation of Environmental Protection Agency (EPA), the Equal Employment Opportunity Commission (EEOC), the Occupational Safety and Health Administration (OSHA), and the Consumer Product Safety Commission (CPSC) (Carroll, 1991).

Today, one of the most important stakeholders that have the power to set overall policies and regulations for businesses is the public sector (Ward, 2004). Some of the tools that the public sector authorities use include legislation, regulation, labels and certificates (Ward, 2004). According to RING (2003) those tools are the tools of Corporate Social Responsibility.

Carroll (1991) talks about the main responsibility of companies, which is to maximize profits and thus the financial return to shareholders. This pursuit of financial gain, however, should happen within the laws of the destination country. Companies have to improve their environmental performance and develop that incorporate CSR so they can

meet the demands of their stakeholders (Welford, 1998). Fuchs (2010) talks about how travellers should insist that tour operators are more transparent when providing information about the environmental and social background of their products or services.

Tourism SME's

Small and medium-sized enterprises (SMEs) represent 99% of all businesses in the European Union (European Commission, 2016). The main factors defining whether an enterprise is an SME according to the European Commission (2016) are the number of employees and either the turnover or balance sheet total. Small enterprises are considered the ones that have less than fifty employees and not more than ten million euros in turnover, while the medium-sized companies consists of less than two hundred and fifty workers and turnover of less than fifty million euros.

Tourism is one of the main sources of income for small and medium enterprises, especially in low-income countries (Dodds & Joppe, 2005). Although Denmark is not a low-income country, 99% of the tourism companies in the country are SMEs (Statistics Denmark, 2010). Those small and medium companies are often family owned and they differ from the big organizations in terms of management and strategic choices (Getza & Carlsenb, 2000). Therefore, it is interesting to research their business environment, but it is also very important, as most of the tourism companies are SMEs and microbusinesses (Haven & Haven, 2005).

Corporate Social Responsibility has been researched a lot recently and as most of the practitioners focus on the big companies within the hospitality and tourism industry, there is very little information regarding CSR in the small and medium enterprises (Tamajón & i Aulet, 2013). In countries like UK and Denmark, big enterprises are obligated by law to implement Corporate Social Responsibility. On 16th December 2008 the Danish parliament adopted "Act revising the Danish Financial Statement Act (Accounting for CSR in large businesses)" (Danish Business Authority). According to this act, large businesses in Denmark are obligated to account for their work on Corporate Social Responsibility. Since 2013, a new requirement was added to the existing law, according to which it is mandatory for businesses to also clearly account for their policies for respecting human rights and for reducing their climate impact. However, SMEs are not required to implement CSR and therefore it is interesting to investigate why they commit to Corporate Social Responsibility.

Small and medium-sized enterprises experience difficulties to adopt socially and environmentally responsible measures to incorporate into their business strategies (Manente, Minghetti, & Mingotto, 2014). Some of the main reasons for those difficulties are the lack of relevant knowledge about CSR and about how it has to be implemented. Another reason is the lack or the limited resources they have. Furthermore, very few tour operators are aware of the impacts from their activities and that tourism can actually affect people's lives and it could also be a factor that can reduce poverty (Kalisch, 2002).

2.1.1 The Travel Agency Market

In general

The tour operators' main activity consists of organizing package tours. The package tour includes two or more travel services such as accommodation, transportation and other services. The travel agency, however, is a retailer of trips and holiday packages made by the tour operators. They are the link between the tour operator and the tourists (Candela & Figini, 2012). This does not necessarily mean that tour operators sell their packages only to travel agencies, they can also sell the final product directly to the consumer. The links are illustrated on the figure below:

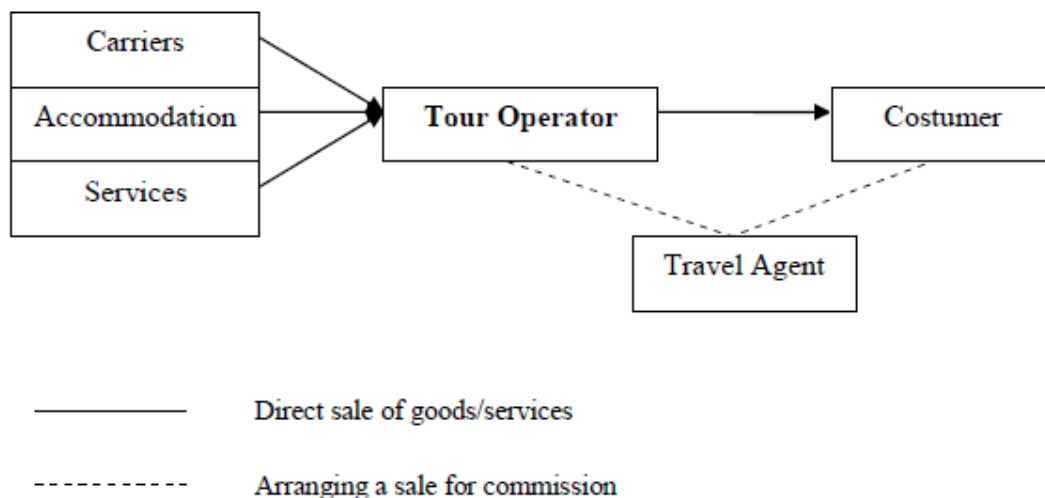


Figure 2 Source: Holloway as cited in Meyer (2003)

According to the Danish Ministry of Business and Growth, a travel provider in Denmark is a person, who *“in his own name, other than occasionally, offers for sale or sells the travel services specified in section 2(1), points 1-3, of the Travel Guarantee Fund Act, either directly or through a retailer.”* (Danish Ministry of Business and Growth, 2015)

As stated in the Travel Guarantee Fund Act, a package travel service is a package that consists of combinations of not less than two products/services and when the combined service covers a period of more than 24 hours or includes overnight accommodation. This could include transportation, accommodation or other tourist's services (Danish Ministry of Business and Growth, 2015)

Meyer (2003) makes an important distinction and explains the difference between mainstream and specialized tour operators. The mainstream tour operators create travel packages that attract a big amount of people who prefer the most common tour packages such as sun and sand, for example. On the other hand, specialized tour operators are the ones that focus on a niche market and provide tours to specific destinations, which are not typical for the mass market or they offer special activities. Meyer (2003) states that sometimes it could be difficult to distinguish between mainstream and specialized travel providers as some of them might offer both types of travels. Generally, the small tour operators and travel agencies are specialized in order

to compete with the big players on the market, which often provide mainstream travels as they look for maximizing profits and thus reaching a larger amount of consumers.

Tourism has changed over the years and nowadays it is not only about mass tourism focused on the traditional summer break, but it has a more individualistic approach. Today, tourists are choosing more independently and it is a lot easier for them to create their own packaged holiday as they have access to limitless information online. Over the past decade, tour operators have experienced severe competition between the major tour operators, but also between the possibilities for travellers of purchasing products and services directly from the provider and thus avoiding the mediator (Carey, Gountas, & Gilbert, 2008). Tour operators and travel agencies are highly dependent on the customer's needs and therefore it is important for them to follow the latest trends in consumer behavior, as it may be crucial for their success or even existence (Carey, Gountas, & Gilbert, 2008).

Due to its size and growth, tourism has significant impacts on society as it causes social economic and environmental change. Tour operators are mediators between the tourism providers and tourists and often they do not consider that their influence could be significant. Therefore, *Corporate Social Responsibility has until recently largely been neglected by tour operators*" (Goodwin, Ashley, Meyer, & Roe, 2004, p. 34). Wijk & Persoon (2006) talk about that it is about time that tour operators take responsibility for the practices within their supply chains (Tamajón & i Aulet, 2013).

In Denmark

In Denmark the tour operating market consists of a few large and many small and medium-sized tour operators. In many cases, the big travel providers own smaller and specialized tour operator in order to cover wider customer segment by providing both mainstream and specialized travel packages. Most of the largest tour operators in Denmark provide mainly mainstream travels.

The total number of travel providers in Denmark is 634 (April 2016), based on the number of registered tour operators in the Danish 'Rejsegarantifond' (Travel Guarantee Fund). In this number are included all travel package providers including tour operators, travel agencies and hotels or conference facilities, which also organize tours. (Rejsegarantifonden, 2016)

Out of those 634 registered package providers, 105 are members of DRF – Denmark's Rejsebureau Forening or Danish Travel Agency Association in English is the trade association for Danish travel agencies. The association was founded in 1938 and has since its foundation worked to create attractive conditions for travel agencies in Denmark. The Danish Travel Agency Association's vision is to be recognized as a leading political representative and adviser to the Danish travel agencies. The Danish Travel Agency Association's mission is to create attractive conditions for the total Danish travel industry, including the provision of economic and political interests on an ethically based and sustainable basis. Back in 2008, DRF started working on a social responsibility policy and began its cooperation with Travelife certification program (Danmarks Rejsebureau Forening).

Fourteen of the biggest tour operators in Denmark are members of Rejsearrangører i Danmark (RID) or Tour Operators in Denmark. Since 1983, RID has been the association for tour operators in Denmark, whose primary work is to arrange and sell vacation travels by plane. The total sales of RID accounts for about 90% of all charter air travel out of Denmark (RID, 2015), which means that the remaining 10% are sold by the other 620 travel providers in Denmark.

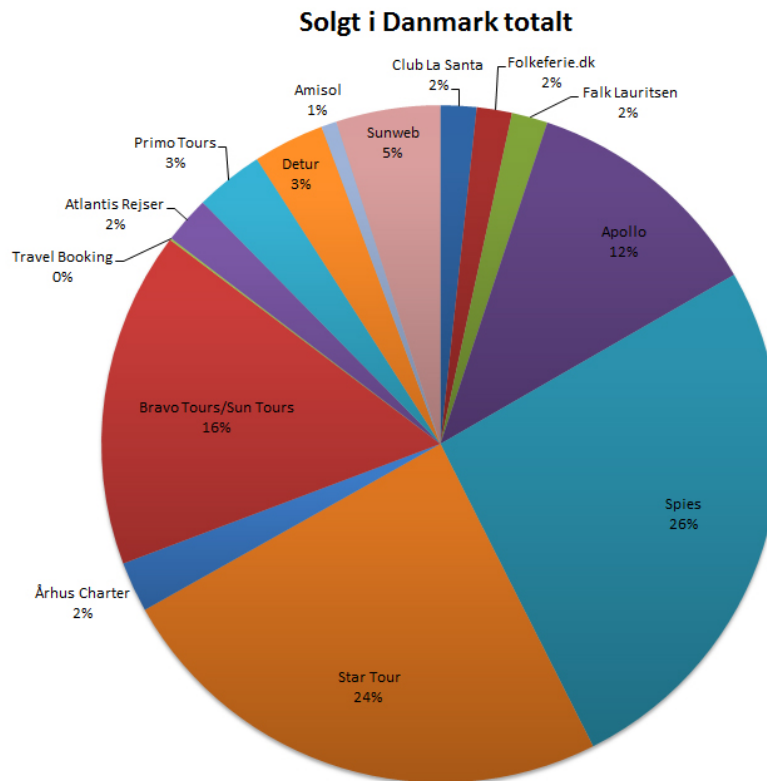


Figure 3 Total Number of Travel Packages Sold in Denmark 2015

When looking at the biggest actors in the Danish travel agency market, they provide mainly mainstream travels and this is perhaps the reason for their success. However, the other 620 travel providers in the country are SMEs striving for market share and a way do differentiate themselves in order to survive. Taking into consideration how many small and medium tour operators and travel agencies operate in Denmark, the question pops up – how are those SMEs dealing with some of the biggest challenges for the market at the moment? Apart from those issues, these small and medium enterprises are also being socially responsible and this is interesting to investigate, because as mentioned earlier, small companies in Denmark are not obligated by law to report for their CSR activities. It is exciting to research what drives those small travel providers to embed CSR and how do they actually do it. Is being socially responsible affecting their business performance and why do they choose to enter CSR certification programs? The aim of this thesis is to answer some of those questions and investigate whether CSR certificate can enhance the competitive advantage of small and medium travel providers in Denmark.

2.2 The concept of Corporate Social Responsibility

Definition

A lot of academic research has been done about Corporate Social Responsibility and the concept has received a lot of attention recently in the business practice as well (Taneja et al. 2011 cited in Vázquez-Carrasco and López-Pérez (2012)). However, a limited number of studies have focused primarily on Corporate Social Responsibility and especially on three topic areas – its implementation, the social relations of CSR and acting more responsibly in terms of economics (Coles, Fenclova, & Dinan , 2013). Researchers and practitioners find the concept of CSR quite complex, unclear and under researched while a lot remains to be done (Fuchs, 2010).

The first definition of Corporate Social Responsibility dates back to 1953 in the publication by Howard R. Bowen (1953) of his book *Social Responsibilities of the Businessman*. *“It refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action, which are desirable in terms of the objectives and values of our society”* (Bowen, 1953). His book is argued to mark the beginning of the modern literature about CSR (Carroll, 1999). The term CSR has been developing since the mid-1990s to become an essential framework for changing business practice (Manente, Minghetti, & Mingotto, *Responsible Tourism and CSR - Assessment Systems for Sustainable Development of SMEs in Tourism* , 2014).

Back in 2001, the European Commission defined Corporate Social Responsibility as:

“A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.”

The definition was revised and updated a few years later, in 2011 as *“the responsibility of enterprises for their impacts on society”* (Strand, Freeman, & Hockerts , 2014; Commission of the European Communities , 2011). By changing the definition, the Commission elucidate that businesses should take into consideration social, environmental, ethical, human rights and consumer into their business strategy and core operations in order to meet their corporate social responsibility (Manente, Minghetti, & Mingotto, 2014).

According to the definition from 2001, integrating social and environmental concerns into business operations voluntarily was considered enough to be CSR responsible. The relations to the stakeholders are mentioned as well in the definition. This means that the concept covered three different issues at the same time (economic, social and environmental) while the term is only about social responsibility (Manente, Minghetti, & Mingotto, 2014). That is one of the reasons for the complexity and confusion around the term.

The current definition of CSR is very complex and this is due to the context of the problems it deals with (Sheehy, 2015) such as ecology, society and economy, which are also very compound concepts. Corporate Social Responsibility is typically associated with certain organizational activities such as social welfare, employment rights, stakeholder engagement, charitable giving, ethical leadership, responsible supply chain management, environmental responsibility and community action (Sheehy, 2015; Coles,

Fenclova, & Dinan , 2013). Those actions are not necessarily restricted and not all of them have to be present when engaging with CSR. Thus, the term is notoriously difficult to define (Coles, Fenclova, & Dinan , 2013) and it is imperative due to its complexity (Sheehy, 2015).

Although CSR is being constantly researched and its importance has been widely recognized while CSR standards are becoming more and more, it is still unclear how it is actually defined and understood in different businesses (Sheehy, 2015). According to Benedict Sheehy (2015) the absence of a specific definition is not only because of lack of effort by practitioners. He also suggests that the progress in defining CSR has been very limited and

“CSR is undeveloped with respect to its precise meaning, content and practice, definitiveness of relationship with the law and clarity of regulatory design and implementation” (Osuji (2011) cited in Sheehy (2015)).

By definition Corporate Social Responsibility goes beyond simply fulfilling legal obligations, but it is about companies taking responsibility for their actions and voluntarily rising to social and environmental challenges (Fuchs, 2010). Similar statement was made by Inoue and Lee (2011), according to whom CSR is about a company's activities that are not only related to its interests and which are not required by law, but the ones that go beyond that and aim for social good. However, there are some weaknesses of the concept that question the purity and transparency of CSR. For example, Sheehy (2015) brings up the question whether CSR is “simply greenwash” (Greer and Bruno 1996) or it is a genuine effort to control and reduce the impacts, companies have on the environment and society. This is not only about how to correctly define CSR, but what it is actually used for. There are companies that see Corporate Social Responsibility as a way to strengthen their image and use for commercial purposes while their actions can still be harmful for the society.

Nowadays, governments focus on CSR and they try to promote and use it in order to deal with environmental and social problems. The lack of specific definition, however, which is “both acceptable to businesses and yet drives behavioral change” (Sheehy, 2015) makes it challenging for governments to set the requirements, which fit both, political and business interests. Sheehy (2015) also suggests that the ubiquity of the term CSR threatens its effectiveness as a concept and this is again due to practitioners focusing on the description and behavioral classification instead of the phenomenon itself.

Why CSR?

The term CSR has been developing since the mid-1990s to become an essential framework for changing business practice (Manente, Minghetti, & Mingotto, 2014). Despite the numerous definitions and different explanations of the concept, *“The word “social” in CSR has always been vague and lacking in specific direction as to whom the corporation is responsible”* (Carroll, 1991).

There are numerous approaches that have been suggested over the years. For some, CSR is a management approach while for other it is a dynamic process. The common thing in all approaches is that CSR is about identifying the stakeholders' interests and

expectations and adjusting the company's business operations accordingly with respect (Manente, Minghetti, & Mingotto, 2014).

Porter and Kramer (2006) introduce a "license-to-operate approach", which offers a specific way for companies to recognize social concerns that matter to the stakeholders and to act accordingly. Companies are often concerned about their reputation and thus it is important for them to satisfy their stakeholders. As stated by Porter and Kramer, "*in consumer-oriented companies, it often leads to high-profile cause-related marketing campaigns*" (Porter & Kramer, 2006). Many businesses believe that CSR improves their image and strengthens their brand. Some even think that it could raise the value of their stocks (Porter & Kramer, 2006). This shows how different companies perceive the purpose of CSR and how it could be used for the old fashioned ultimate purpose of business – to maximize profit.

Generally, people have lost their trust in business standards and ethical behavior. Kalish (2002) claims that Corporate Social Responsibility can contribute to increase consumer trust in businesses, because it is a way for a responsible and sustainable business development. Sustainability is one of the main concerns for businesses today and it cannot be achieved if companies do not take responsibility for their actions and the impacts they have on the society (Kalish, 2002). Choosing businesses due to their CSR reputation is becoming a preference for consumers (Eraqi M. I., 2010). However, it is not enough for businesses only to gain customer trust – they have to retain it as well. Engaging with CSR is a way to achieve that as this way firms take their responsibility for the impacts they cause on both society and the environment (Manente, Minghetti, & Mingotto, 2014). A socially responsible company considers the impacts it causes on the local environment and the community when it makes decisions, balancing the interests of all stakeholders while maximizing profits (Manente, Minghetti, & Mingotto, 2014).

2.2.1 Types of CSR

There are several classifications of Corporate Social Responsibility by different practitioners. Carroll (Carroll, 1991) first introduced four levels of CSR in his Pyramid of CSR. Matten & Moon (2004) presented two categories– implicit and explicit CSR and Mohammed Eraqi (2010) talks about ethical, altruistic and strategic CSR. The different categorization could be explained with the fact that CSR is a multi-faceted concept (Coles, Fenclova, & Dinan , 2013). However, those different classifications have some similarities and they will be discussed later on in this section.

The Pyramid of CSR

Carroll (1991) talks about four kinds of social responsibilities that establish total Corporate Social Responsibility: economic, legal, ethical and philanthropic. Those four types of social responsibilities represent the Pyramid of CSR and it is a "*framework for understanding the evolving nature of the firm's economic, legal, ethical, and philanthropic performance*" (Carroll, 1991).

The implementation of Corporate Social Responsibility depends on many factors such as the size of the company, its management style, corporate strategy, the characteristics of the industry in which the company operates, the economy, etc. (Carroll, 1991).

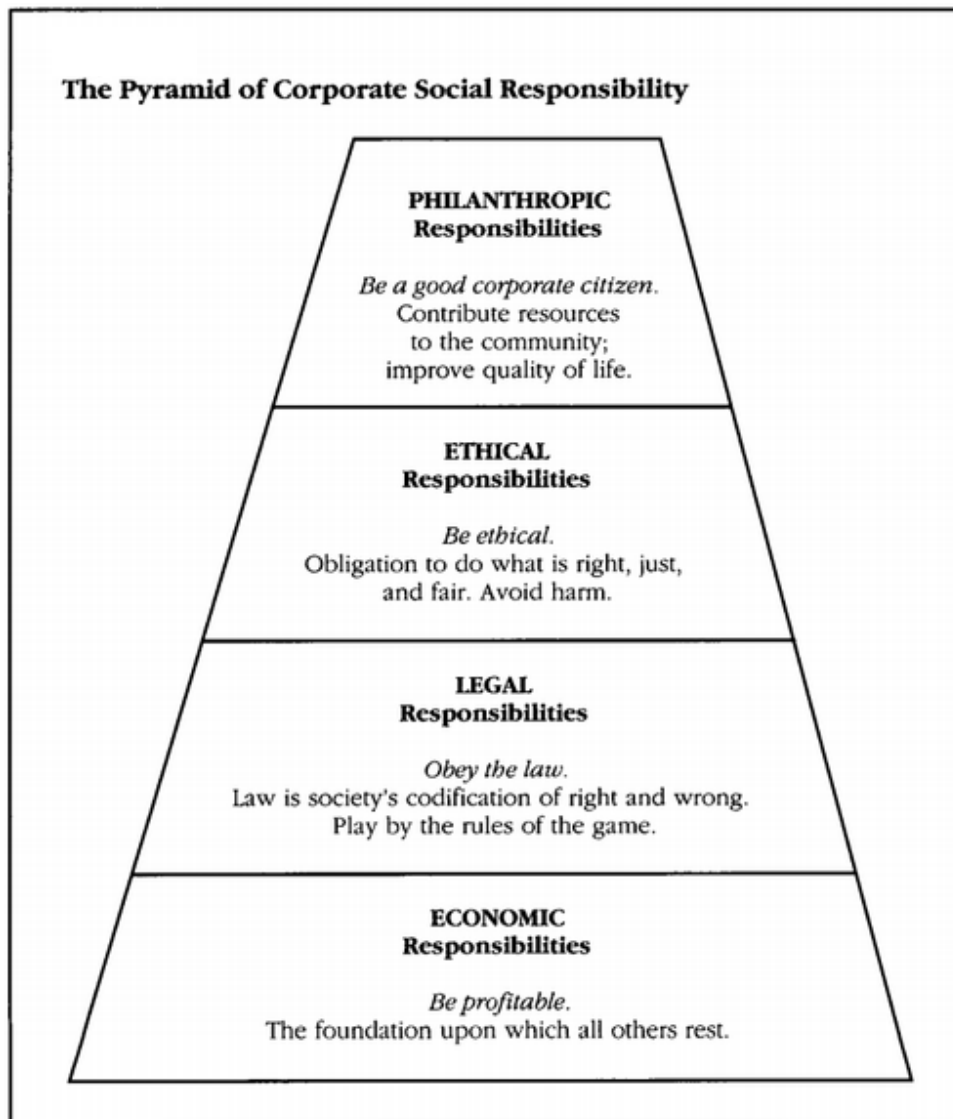


Figure 4 The Pyramid of CSR (Sourced from Carroll, 1991)

Economic Responsibilities

The main reason why companies exist is to produce goods, sell them and make profit. If a business is not making profit, it will not be able to pay salaries to its employees, return on investment to its shareholders and it will not be able to provide products to its customers. Therefore, the first and main responsibility for every company is to stay in business. This is the foundation of Carroll's pyramid of CSR upon which all others rest (Carroll, 1991).

Legal Responsibilities

The legal responsibility of businesses requires companies to obey the law and "play by the rules of the game" (Carroll, 1991). Ignoring their legal responsibility can result in paying a very high price and facing legal prosecution.

Ethical Responsibilities

Ethical responsibility is what society expects from the business beyond economic and legal expectations (Carroll, 1991). It covers a wide range of responsibilities, which are not enforced by law. However, they are expected by the public as businesses have obligations to be good citizens and to “do the right thing” (Porter & Kramer, 2006).

Philanthropic Responsibilities

They are on the top of the pyramid, because they focus on things that are neither obligatory nor expected by the public. As Carroll states “philanthropy is icing on the cake” and in this case, the pyramid (Carroll, 1991). Philanthropy is about improving quality of life not only of the employees, but also the local community. Philanthropy can contribute to the sustainability of a society (Porter & Kramer, 2006). Philanthropic responsibilities involve businesses’ contributions with financial resources or time to different causes. It could be contributions to charities, education, arts, etc. (Carroll, 1991). Philanthropic activities are usually reported as amount of money or volunteer time spent, but it is rarely described as an impact made by the company (Porter & Kramer, 2006).

The ultimate Corporate Social Responsibility requires the fulfillment of all four elements of the CSR Pyramid i.e. the economic, legal, ethical and philanthropic responsibilities (Carroll, 1991). A company engaging with CSR should not only try to maximize profits, but also obey the law, be ethical and respect its stakeholders (Carroll, 1991). Some corporations think that they are socially responsible by simply being good citizens in the community (Carroll, 1991). This is example of ethical responsibilities. However, businesses often apply CSR in ways, which are incomplete or not aligned with the company strategy, internal policies and its main activities. Companies usually focus on one CSR activity such as planting trees, donations to charities or different sponsorships to local sport clubs. Those activities are creditable, but having only such initiatives does not imply that the company has a real CSR, but only corporate citizenship (Manente, Minghetti, & Mingotto, 2014).

Implicit and Explicit CSR

Implicit CSR refers to the role of a company within other institutions, which could be both formal and informal. The enterprise is usually required to address stakeholders’ needs and it is obligated to be socially responsible. It consists of rules, norms and values, which are mandatory (Matten & Moon, 2008). An example of Implicit CSR could be the large enterprises in Denmark, which are obligated by law to report their CSR actions.

On the other hand, explicit CSR is driven from inside the company, from self-interest and it is voluntary. It refers to corporate policies, which lead businesses to undertake responsibility for certain issues of interest to society (Matten & Moon, 2008).

Ethical, altruistic and strategic CSR

Similar to the Implicit CSR, ethical CSR is mandatory and it is about companies obeying the law and avoiding harmful impacts, caused by their business such as pollution and unfair labor practices (Eraqi M. I., 2010). A failure to address these requirements can result in a loss of reputation, or even worse, legal prosecution. Therefore, big

enterprises have their own specialists within CSR to make sure that all laws are obeyed in order to avoid court. The ethical CSR can be regarded as the second and third levels of Carroll's (Carroll, 1991) pyramid.

Altruistic CSR relates to Carroll's (Carroll, 1991) Philanthropic responsibilities. It goes beyond the obligations and entails voluntarily giving time and money to good causes. Altruistic CSR does not necessarily benefit the company, but in many cases it has a positive effect on the business in terms of employee satisfaction, good reputation, etc.

Strategic CSR has direct and expected impact on the business (Eraqi M. I., 2010). It is aligned with the company's strategy, goals and values and is carefully planned and implemented mainly because of the effect it will have on the company. When implementing CSR, all the stakeholders and parties involved in the value chain have to be involved in the process (Manente, Minghetti, & Mingotto, 2014). It should be integrated into every aspect of the business strategy, policies, processes and practices of the company" (Manente, Minghetti, & Mingotto, 2014).

2.2.2 Triple Bottom Line Approach

Corporate Social Responsibility is based on the concept of triple-bottom-line, which is similar to the financial bottom line, but the environmental, social and the economic impacts replace the finance (Manente, Minghetti, & Mingotto, 2014). The triple-bottom-line approach adds environmental and social elements to the economic bottom-line for an increasing number of corporations (Eraqi M. I., 2010). It measures the economic, environmental and social profits and losses. This means that instead of being responsible only for profit optimization, companies that are engaged with CSR have to be responsible for their actions regarding the environment, the society and the economy.

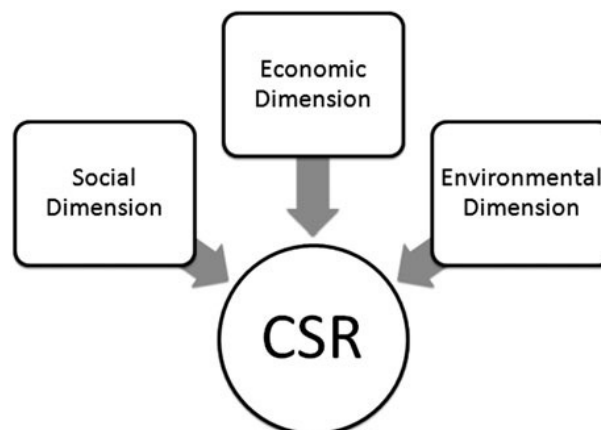


Figure 5. Triple bottom line Source: (Manente, Minghetti, & Mingotto, 2014)

In the past, the financial bottom line was the only approach for companies as their main concern was to maximize profits. Today, companies have to be aware of the impacts they have on the environment they operate in caused by their business activities. Nowadays, it is not enough only to be profitable as different stakeholders have different expectations, which have to be met by the business. Respecting staff, the local

community and the other stakeholders is becoming a necessity (Kalish, 2002). Companies should be able to secure their long-term economic performance by avoiding short-term behavior, which is usually socially and environmentally harmful (Porter & Kramer, 2006). Thus, the triple bottom line approach should be incorporated by all businesses (Coles, Fenclova, & Dinan, 2013).

Vo, Delchet-Cochet and Akeb (2015), in their article, *Motives Behind The Integration Of CSR Into Business Strategy: A Comparative Study In French SMEs* regard the different motives behind SMEs integrating CSR. They use the Triple-bottom-line approach in order to divide the motives into categories – economic, social and environmental motives.

The economic motives are considered to be the most important driver of CSR integration. However, according to Jenkins, SMEs engage in CSR primarily for social and environmental reasons. This could be due to the fact that small and medium sized companies are owner-centric or because CSR is just the “right thing to do” (Jenkins, 2006). Disregarding the importance of each motive category, they are all important to explore, because they reveal other information, which can help for the better understanding of the perceptions of SMEs about CSR and the way they implement it.

CSR Practices

CSR practices involve all the activities a company undertakes in order to be socially responsible. It is important to know what businesses do regarding CSR, how they approach it, adopt and embed it in their business operations. Some of those practices are presented below.

CSR practices are continuously changing as the conditions that are framing them change as well (Coles, Fenclova, & Dinan, 2013). Previous studies have shown that most common CSR practices are cutting operating costs and minimizing resource consumption (Garaya & Font, 2012) as this leads to increased profits (Tamajón & i Aulet, 2013). Strategic philanthropy has also been used by most businesses (Coles, Fenclova, & Dinan, 2013). However, new researches show that there are some meaningful social and economic practices implemented such as identity promotion, heritage conservation, local development, consumption of local products, recruitment of local labor, gender equality and fair wages (Garaya & Font, 2012).

CSR is not only about philanthropy or the maximization of the shareholders' benefit (Kalish, 2002) and thus companies should not focus only on those issues. For example, contributing only to charities or on reducing environmental impacts (Coles, Fenclova, & Dinan, 2013). According to the triple-bottom-line, total CSR consists of three dimensions – social, environmental and economic. If a company chooses only one of the dimensions they act in a responsible manner, but they do not implement CSR completely.

The most common reactions from businesses are media campaigns and public relations, which present the company as a “Good Samaritan” and all the good deeds it has done in very shiny CSR reports (Porter & Kramer, 2006). This approach neither operational nor it is strategic, but only cosmetic. Corporate Social Responsibility can be much more than

a good deed or an additional cost – it can be an opportunity for competitive advantage (Porter & Kramer, 2006).

According to Porter (2006) and Kramer, a company that is trying to appease pressure groups of stakeholders often ends up into a circle of never ending public relations, which lead to short-term defensive reactions and not long lasting solutions. This approach does not usually bring any benefits for the business in the long run and creates very little value for the society. *“A temporary gain to one will undermine the long-term prosperity of both”* (Porter & Kramer, 2006).

Both business operations and social policies must follow the principle of *shared value*, because of the mutual dependence of corporations and society (Porter & Kramer, 2006).

According to the World Business Council for Sustainable Development (WBCSD 1999), CSR is way of improving quality of life of the workforce and the whole community. It has the power that is underestimated by businesses. However, the continuous commitment can contribute to the better life and working conditions (Manente, Minghetti, & Mingotto, 2014)

Companies become more aware of the impacts they have on society and environment, but sometimes those impacts are a lot more delicate than they realize. Hiring practices, emissions and waste disposal might not look that subtle at first glance, but without carefully planning and identifying the social effects, companies might risk their own survival (Porter & Kramer, 2006). Corporate Social Responsibility should be a part of company's business strategy and operations as it is all about “integrating social and environmental concerns into the enterprise's activities” (Manente, Minghetti, & Mingotto, 2014)

Companies can influence several social factors such as the local educational system, the adequacy of public health system, the accommodation availability, discrimination, etc. Those factors can affect the ability of the company to recruit suitable human resource (Porter & Kramer, 2006). Society depends on business and vice versa. Businesses provide products, pay taxes and offer jobs while society consumes, provide workforce and policies (Eraqi M. I., 2010). One cannot survive without the other. Therefore, it is important that companies realize the power they have in the community they operate in and that their positive change will lead to their future benefit in one way or another. Successful enterprises need a healthy society. Businesses need productive workforce and this depends on the educational system, health care and laws and equal opportunities. Good working conditions attract not only new potential employees, but also it creates a good image of the company. Combined with safe products, it helps for the lowering of internal costs and accidents (Porter & Kramer, 2006).

A healthy society has a higher demand for business, because public needs are met and their aspirations grow (Porter & Kramer, 2006). When the society is healthy, people tend to procreate and more humans will need to work, thus businesses grow. Meanwhile, a healthy and happy society needs successful companies. CSR is in the interest of society and not only for companies (Manente, Minghetti, & Mingotto, Responsible Tourism and CSR - Assessment Systems for Sustainable Development of SMEs in Tourism , 2014). According to Porter and Kramer (2006), businesses that

pursue their success at the expense of the society, will find that this is only temporary and illusive and their actions can rival the business sector in terms of creating jobs, wealth and innovation and this directly affects the standards of living, which later on will effect the company. *“Business and society are dependent upon each other and both must be healthy or neither will thrive into the future”* (Eraqi M. I., 2010).

Connection between CSR and Business Performance

In order to understand the motivations behind why companies choose to adopt Corporate Social Responsibility, it is important to uncover whether CSR has a positive effect on business performance.

Back in 1984, Drucker (1984) suggested that there is a connection between CSR and business profitability in terms of market, productivity, human resources and competitive advantage (Vázquez-Carrasco & López-Pérez, 2012). A few years ago Coles, Fenclova and Dinan (2013) brought up the question whether CSR influenced economic performance and detracted from shareholder dividends. Their research focused on CSR implementation and business performance and whether it is possible to ‘do well by doing good’. On the other hand a survey by Europarc showed that enterprises, which implement CSR consider themselves satisfied with the financial performance of the business and they believe the company has benefited from it (Tamajón & i Aulet, 2013). Kasim (2004; 2004; 2010) have discovered that there are intangible benefits beyond the balance sheet that are result from CSR implementation and they can be cost savings from recycling, energy saving, waste reduction and other environmental measures (Coles, Fenclova, & Dinan, 2013). All those assumptions have been criticized for the fact that CSR is regarded only as a business case (Tamajón & i Aulet, 2013).

There are two different approaches to the way business cases are studied – narrow and broad. The narrow views look at the relationship between CSR and financial performance using statistics and indicators as revenue and profitability. On the other hand, the broader views examine both direct and indirect links to the performance of the company. That could be factors that affect the company in the long run and do not focus on statistical information, which is short-term oriented. According to this approach, there are four performance aspects – reducing costs and risks, strengthening legitimacy and reputation and building competitive advantage (Coles, Fenclova, & Dinan, 2013).

CSR in Scandinavia and Denmark

Scandinavia is considered a global leader in CSR and sustainability (Strand, Freeman, & Hockerts, 2014). Scandinavian companies have integrated ethics and social responsibility into their corporate strategies for a long time now (Morsing, Midttun, & Palmaas, 2007). As a part of Scandinavia, Denmark is also known as one of the most socially responsible countries. The Corporate Social Responsibility in Denmark has always been characterized by a high involvement of the government in the form of a general political encouragement for businesses to engage with CSR (Morsing, Midttun, & Palmaas, 2007). In fact, the Danish Government is among the global leaders when it comes to promoting corporate social responsibility with a comprehensive strategy for CSR and initiatives ranging from numerous CSR tools to legal requirements on CSR reporting. The role of the state is big and companies are already exposed to a high

expenditure in welfare as they pay some of the highest taxes in the world. Furthermore, as mentioned in section *SMEs* on page 8, large enterprises in Denmark are obligated by law to report for their CSR activities, which is also an example of the high involvement of the Danish government in the business towards a sustainable future resulting almost 7 out of 10 Danish companies working with CSR and 75% of all businesses considering CSR as a more important part of their business today, than they did five years ago (Kjær).

2.2.3 CSR in the Tourism Industry

The concept of Corporate Social Responsibility began to emerge in different industry sectors since the mid-1990s (Manente, Minghetti, & Mingotto, 2014). Recently, it has become more significant within the tourism industry (Inoue & Lee, 2011) and has become a buzzword in the mainstream tourism (Fuchs, 2010).

A lot of research has been done about CSR practices in the large manufacturing companies and a lot less focusing on tourism and hospitality firms (Tamajón & i Aulet, 2013), especially small and medium enterprises (Garaya & Font, 2012). This study aims to fill this gap and to investigate whether the implementation of CSR can enhance the competitive advantage of tourism SMEs in Denmark.

CSR and Sustainability

CSR stands for a whole range of concepts, which are used by tourism companies to make tourism more sustainable (Fuchs, 2010). But what exactly is sustainability? Sustainable tourism development is the *"tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities"* (UNEP and UNWTO, 2005). According to the definition, sustainable development should conserve natural heritage and biodiversity, respect and protect the socio-cultural authenticity and heritage of host communities and provide socio-economic benefits to all stakeholders. All tourism actors such as tour operators, travel agencies, transportation companies, tourism businesses, government, community, NGOs and tourists need to work together to tackle all of the social and environmental issues that negatively impact the destination and the industry as a whole (Kasim, 2006).

CSR and sustainability are considered synonyms, by some, and completely different concepts, by others. While CSR is mostly linked to social issues, Sustainability is often related to environmental issues (Strand, Freeman, & Hockerts, 2014). However, taking into account the definition of CSR, it does not focus only on social matters – but also on economic and environmental ones. It aims to minimize the impacts of businesses and leads them to a sustainable future. It could be concluded that CSR is the way for tourism companies towards sustainable tourism development (Eraqi M. I., 2010).

Responsible tourism

Responsible tourism is alike sustainable tourism, but the term is used mainly by the industry as a more simple and understandable concept avoiding the overused word 'sustainability' (Dodds, 2014). Responsible tourism includes all forms of travels that focus on minimizing negative economic, environmental and social impacts caused by tourism. Its aim is to improve living and working conditions of the host community and

to involve them in decision making regarding local tourism development and planning; to contribute to the conservation of natural and cultural heritage, to build local pride and confidence and provide greater understanding of local culture and more meaningful connection with the locals (CAPE TOWN DECLARATION, 2002).

In the book *Responsible Tourism and CSR* (Manente, Minghetti, & Mingotto, 2014), responsible tourism is described as being a lifestyle. In order to be responsible travellers, people should have responsible behavior in their everyday life as consumers. The choice of responsible travels is linked to the choice of everyday products with the difference that responsible travel is not only about the eco-certification and the fancy packaging. *“Responsible tourism has to do with an everyday lifestyle that promotes cultural and biological diversity, and promotes environmental and natural resources conservation, at home and while travelling”* (2006, p. 13).

Fuchs (2010) discusses the controversy of CSR in his article about Responsible tourism. He talks about the possible suspicion that CSR programs are only about public image and for marketing purposes. However, some travel companies introduce labor standards for their personnel; others engage in philanthropic causes and there are some that are looking for the cultural sensitization of the tourists (Fuchs, 2010). Yet, in general, the actions of tourism enterprises regarding CSR are often unclear and spasmodic while their CSR programs are complex and non-transparent (Fuchs, 2010).

Inoue and Lee (2011) discuss the benefits of CSR and that number of scholars have proposed that CSR has positive effects of business performance such as consumer satisfactions, reputation, competitive advantage, and organizational commitment. The Fortune Corporate Reputation Index shows that bigger companies have higher CSR ratings while smaller businesses may be able to implement environmental and social policies easier than the larger companies (Eraqi M. I., 2010). Even though the implementation of CSR has shown positive influence on business performance it is still not being implemented by SMEs in the tourism industry due to number of reasons (Manente, Minghetti, & Mingotto, 2014) such as lack of awareness, while others are lack of resources and knowledge about the implementation process or underestimating the importance of CSR.

Companies can be led to more sustainable growth by implementing Corporate Social Responsibility, which could also result in enhancing the competitive advantage of the firm in the global tourism market (Eraqi M. I., 2010). Some companies feel pressured to implement CSR in order to be socially responsible. The pressure could come from the government, activists or customers. However, their CSR measures are often chaotic and not aligned with the company's strategy and its business activities (Eraqi M. I., 2010). CSR actions can become part of a firm's identity and it could be used as a way to differentiate from competitors (Eraqi M. I., 2010), which is one of biggest issues for tourism enterprises. Therefore it is important when choosing CSR activities, that the company makes sure that they are related to its strategy and main objectives, so that it will not only benefit the stakeholders, but also the company (Eraqi M. I., 2010).

Corporate Social Responsibility is a complex concept and it is understood differently by businesses. The concept has been mainly associated with environmental issues in the

tourism industry and only a few tour operators have addressed the fact that tourism affects people's lives and it has the potential to reduce poverty (Kalish, 2002). Therefore, the tourism industry remains underdeveloped in terms of Corporate Social Responsibility.

2.3 Competitive Advantage and CSR

This section is dedicated to identify the link between the competitive advantage and corporate social responsibility. In order to understand the competitive advantage in the context of Corporate Social Responsibility, it is necessary to discuss the concept of Strategic CSR, by that it will lead a question: If a CSR certification program can be considered as a way of integrating strategic CSR into the business? Secondly this section will present the theoretical model of competitive advantage, to explain the different contexts or elements when analyzing the competitive advantage of a company. The model will help the researchers to identify the connection between CSR activities and the competitive advantage.

2.3.1 Strategic CSR

Theoretically there are still limited sources to talk about the link between Corporate Social Responsibility and business strategy (Neves & Pessoa, 2011). From the perspective of general business context, Porter and Kramer have been one of the main authors that have researched on the issues in relation to strategy and society. They argued that businesses that closely engaged with CSR practices could produce maximum social benefits and other gains for the business itself (Porter & Kramer, 2002).

Many businesses believe that CSR is a cost, a constraint, or a charitable deed (David Lane, 2008). This perception is not correctly because CSR can be a source of opportunity, innovation, and competitive advantage (Eraqi M. I., Social Responsibility as an Innovative Approach for Enhancing Competitiveness of Tourism Business Sector in Egypt, 2010). Porter and Kramer (2006) have pointed out, that companies cannot survive in an isolated social environment around them. Especially in the tourism industry, the ability of tourism enterprises to compete depends heavily on the circumstances and conditions caused by the external social environment (Butler, 1974; Matias, Nijkamp, & Sarmiento, 2011). It is concluded that social and economic goals are integrally connected in the long run.

Besides, companies do not operate in vacuum as stakeholders surround them and therefore, it is very important for them to consider the role and the power of all actors in their enterprise activity (Garaya & Font, 2012). *"A stakeholder is a party that has an interest in an enterprise or project"* (Investopedia, 2016). Usually, the stakeholders are investors, suppliers, employees and customers, but nowadays community, trade associations and the government are also becoming a part of the definition. Those stakeholders have expectations and demands that need to be respected and met by the businesses. The power of stakeholders is an important factor, which sometimes can be underestimated. When they are organized and act together, their power increases and they can influence the decisions of a company (Carroll, 1991).

Nevertheless, there was insufficient research on the strategic CSR in the tourism industry (Camilleri, 2014). However, None of the business can solve all the social problems around or spend a high cost of doing so. In the tourism industry, this is considered as one of main challenges for Tourism SMEs, as they are confused on which dimensions to focus on when implementing CSR (Mitro kostas & Apostolakis, 2013; Vo,

Delchet-Cochet, & Akeb, 2015). Therefore, each company must select social issues that have connection with its particular business. Authors such as Wheeler, Colbert, and Freeman (2003) have claimed that integrate the social concerns into the business value. Based on this, Porter and Kramer (2011) further developed the concept to identify the different social issues that are related to the specific business and enable to help to enhance the competitive advantage. The businesses realized that they may be in a better position to understand the true bases of company productivity and the ability to collaborate across profit and non-profit boundaries as they appreciate societal needs (Porter & & Kramer, 2011). It implies that company should work more on the social issues strategically.

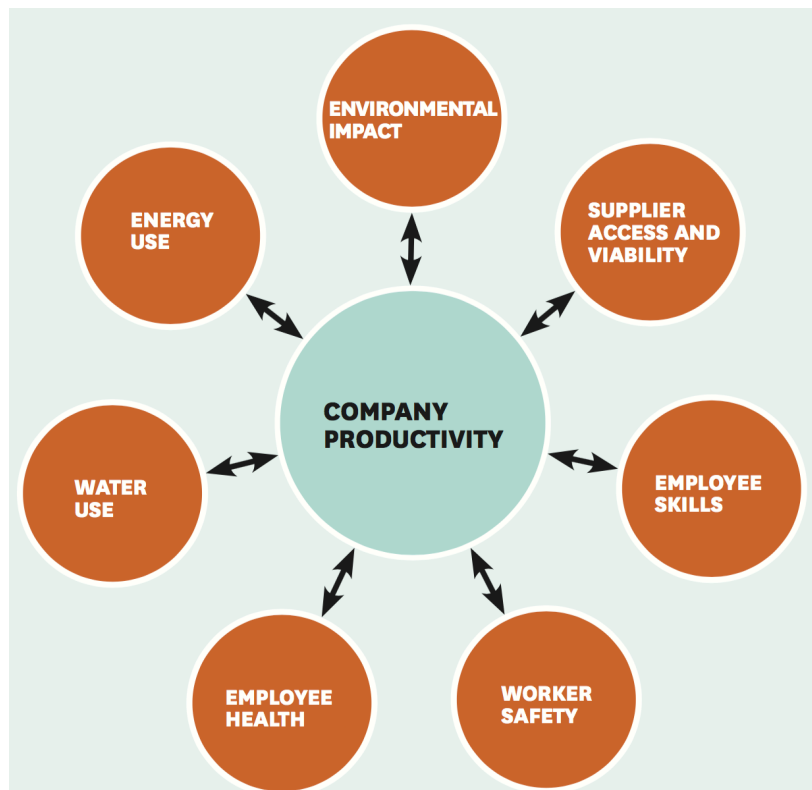


Figure 6 The connection between business and Societal issues (Porter & Kramer, 2011)

Companies choose to integrate the social perspective into the value chain of the business can be considered as a strategic approach of corporate social responsibility. Thus Strategic CSR refers to a company that do things differently from competitors than lowers costs or better serves a particular set of customer needs, and it moves beyond good corporate citizenship (Porter & Kramer, 2006). According to Porter and Kramer (2006), a company that ties more closely to social issues, the better opportunity it can help to leverage the company's resources and capabilities, as well as benefit society, as strategic CSR unlocks shared value by investing in social aspects of context, by that to strengthen the company's competitiveness.

On the contrary, Porter and Kramer have also mentioned the concept of responsive CSR. And it helps to distinguish how to react to the social environment of the company proactively. Responsive CSR comprises two elements: acting as a good corporate citizen and anticipated adverse effects from business activities (Porter & Kramer, 2006). As the

below figure 7 illustrates, that different from responsive CSR, strategic CSR focus on the value chain social impacts and the social dimensions of competitive context, and it helps the company to make a better engagement with CSR, rather than just reactively survive in the external social environment.



Figure7 Strategic CSR vs. Responsible CSR, adopted from Porter and Kramer, 2006

Thus the Strategic CSR enable to provide companies with solutions for (Ballowe, 2009):

- Balancing the economic value with social value of the business
- Managing stakeholder relationships
- Developing sustainable business practices
- Deciding the company's capacity for philanthropic activities

2.3.2 The Four Elements of Competitive Context

In order to answer the research question of *how the CSR certificate can enhance the competitive advantage of tourism enterprises in Denmark*, it is necessary to study and discuss the concept of competitive advantage. Porter claimed that, "understanding the potential links between philanthropy and competitive context can help the company to identify where to focus in terms of corporate social responsibility" (Porter & Kramer, 2002).

The competitiveness of a company depends on the productivity and performance with that companies can use capital and natural resources to provide high quality goods and services (Porter & Kramer, 2006). By carefully analyzing the competitive context, the company will be able to identify the most essential CSR issues that have been engaged,

thus to find out in which aspects the CSR strategies have helped the company to enhance the competitive advantage. As figure 8 demonstrates, the competitive context of a company includes four elements: factor conditions, related and supporting industries, demand conditions, as well as context for strategy and rivalry (Porter & Kramer, 2002).

To be noticed that, the theory of Four Elements of Competitive Context was applied by Porter and Kramer to identify the issues in relation to corporate philanthropy of the company. However, the researchers of this thesis considered it as a comparable structured framework to analyze the company's CSR issues. During the analysis section, by applying the model, it can help to find out which CSR issues the company has been engaged, and in which way it can help to enhance the competitive advantage.

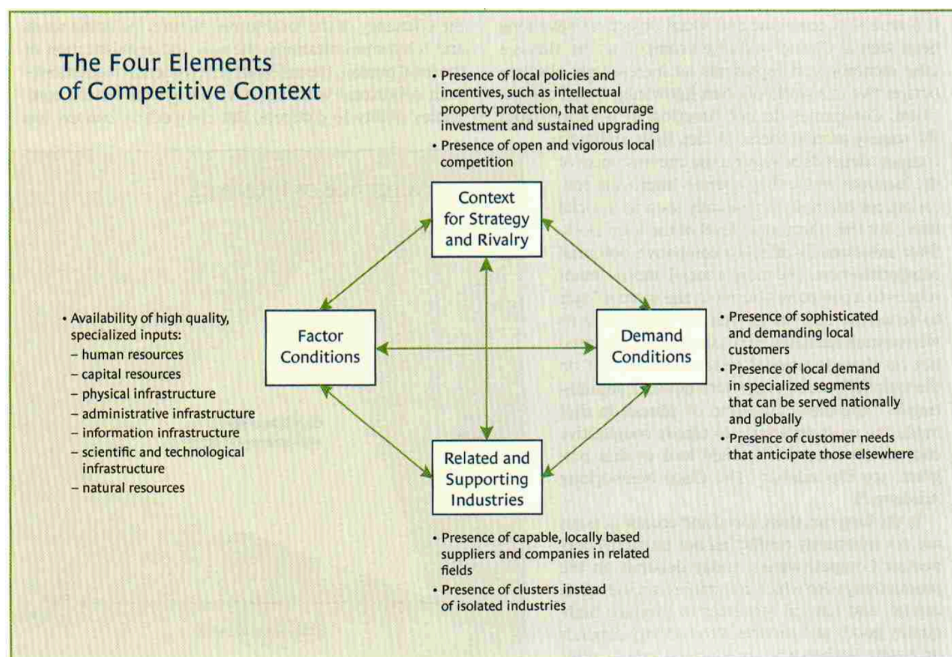


Figure 8, The Four Elements of Competitive Context, adopted from Porter & Kramer (2002)

Factor Conditions

The factor conditions refer to the resources and capacity of the companies, such as the natural, human and capital resources. The level of infrastructure about physical environment of the employees will also have a high influence of the company. According to Porter and Kramer (2002, s. 61), that high level of productivity and performance depend on *“the presence of trained workers, high-quality scientific and technological institutions, adequate physical infrastructure, transparent and efficient administrative proceeds, as well as available natural resources.”* Dealing with different internal social issues, such as training employees could be one of the approaches to enhance the competitive advantage of the company.

Demand Conditions

Porter and Kramer (2002) outlined that the demand conditions in a region or nation as the local market, the appropriateness of product standards and the sophistication of the local customers. Travel has been one of the major activities for European citizens (Fuchs, 2010). Nowadays more and more tourists are aware about the environment, and the concept of eco-friendly products. By working with the customers who care about the environment and other social issues, it will give the tourism companies opportunities to enhance the region's competitiveness by satisfying customer needs and applying pressure for innovation.

Related and Supporting Industries

As it is discussed earlier, that none of the company can survive without the support of the industries and services nearby and other long distances suppliers. Especially in the tourism industries, that the products or service are highly affected by the suppliers and other local stakeholders (Eraqi M. I., 2010). By managing the stakeholder relationship it will help to enhance responsiveness, exchange of information, and drive the company to pay more attention to the innovation within the industry (Porter & Kramer, 2002).

Context for Strategy and Rivalry

The local context has a strong influence on the competition in a national or regional base. Policies that encourage the companies to pay more attention to investment, open local markets for trade and enhance the communications between the public stakeholders. In the tourism industry, by managing the public stakeholders, it will help to encourage the companies to care more about the social issues in national or regional level. The better communication will also help to make the location an attractive place to do business.

2.4 Travel Life Certificate

In order to introduce the Travelife certificate, it is necessary to discuss the conceptual understanding of the CSR reporting system and the two different approaches that help to distinguish the systems. As figure 9 illustrates, this section will firstly discuss the reporting system of CSR; continue with the discussion the section will elaborate on the two different approaches of reporting system, to introduce the major reporting systems that have gained reputation in the international tourism industry; the third part will focus majorly on the CSR certification and finally leading to the discussion of Travelife certificate.

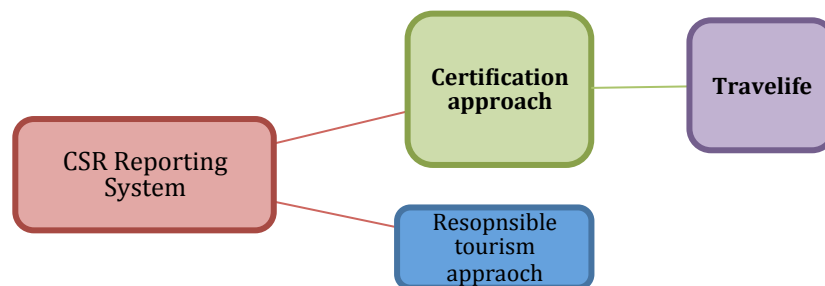


Figure 9 Structure of the section (self-sourced)

2.4.1 CSR reporting system

A CSR reporting system can be defined as “an assessment system, that help to evaluate and certify the overall responsibility of tourism companies, for practice of responsible tourism principles or implementation of CSR” (Bien, 2008; Manente, Minghetti, & Mingotto, 2014). It can be considered as a tool that measures and communicates to assure that an activity, a product or a process meet specific standard. In recent years, due to the increasing recognition of responsible tourism and sustainable development in the tourism industry, several CSR reporting programs, such as certifications, labeling and award schemes have been encouraged and developed for the businesses especially in the tourism industries (Dodds & Joppe, 2005; Goodwin, 2005; Font & Buckely, 2010).

The CSR reporting systems that have been assosicated with travel agencies and tour operators can be catergrized into two groups: firstly. The system such as AITR, ATES, TOI, AITO, as well as Travelife. Those reporting systems have been created by tour operator assosications specialized in responsible tourism or actively engadged with responsible activities. The second group are systems that have been developed by consulting companies or organizations that propose tools to promote responsibility in tourism businesses, such as QUIDAMTUR, KATE and the *The Responsibletravel.com* (Manente, Minghetti, & Mingotto, Responsible Tourism and CSR, Assessment Systems for Sustainable Development of SMEs in Tourism, 2014).

Certification Approach VS. Responsible Tourism Approach

There are two types of approaches that can help to distinguish the different reporting systems: the certification approach versus the responsible tourism approach.

The certification approach refers to systems that are generally process oriented, it applies for companies that “*want to audit their internal processes and supply chain and to improve their management strategies*” (Manente, Minghetti, & Mingotto, 2014). On the contrary, Goodwin (2005) has claimed that, systems based on a responsible tourism approach focus more on the products, by adopting a market-driven perspective, reflecting the appropriate characteristics a responsible tourism product is expected to have. As figure 10 illustrates, that AITR, ATES and Responsibletravel.com have been categorized as responsible tourism approach, while KATE, TOI, FTO and Travelife are claimed to be based on the certification approach. One of the disadvantages of the certification approach is that the program does not encourage products’ differentiation and does not bring significant marketing advantages (Goodwin, 2005).

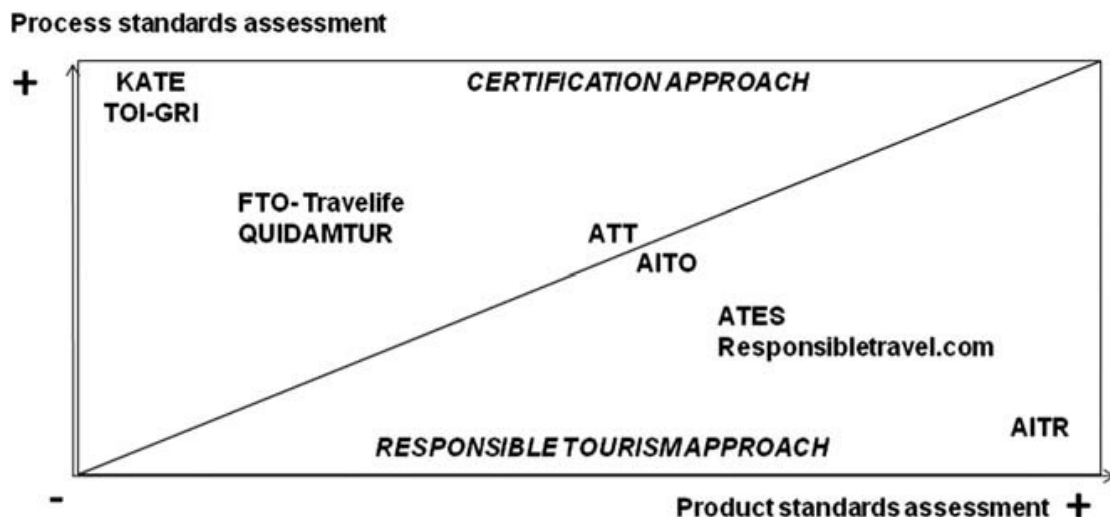


Figure 10 Certification Approach VS. Responsible Tourism Approach

2.4.2 CSR Certification

According to Dodds and Joppe (2005), A certificate can be defined as “*a voluntary procedure that assesses, audits and gives written assurance that a facility, product, process or service meets specific standards.*” By the certificate, the company is awarded a logo for their own marketing and products development. Within the tourist industry, there have been different types of certification programs developed by different organizations. The programs are applied to assess different aspects of tourism, such as the quality of the tourism products, tourism sustainability in different tourism sectors, as well as ecotourism that takes place in natural, protected, or fragile eco-systems (Bien, 2008).

Companies that engaged with the certification program aim to be recognized by the consumers or distribution channels such as travel agencies or tour operators. It can be considered as a development for the companies to add value to the products (Porter &

Kramer, 2011), as well as increase its acceptance in the market place for enhance the competitive advantage (Toth, 2002). The purpose of certifications schemes is to highlight the best practices for products, services and tourism management. It can help the tourism enterprise to hold accountable standards to stakeholders and provide marketing benefits (Font, Sanabria, & Skinner, 2003). By this means to ensure that different tourism sectors both from the demand and supply sides are managing their business practices with less negative impacts on the environment, society and the economy (Diamantis & Westlake, 2001). Vertinsky and Zhou (2000) argued that the certification programs provide opportunities for industries to *“coordinate competition, prevent excessive government intervention, and also present a positive destination image.”*

When looking at the history and development of the CSR certification, the beginning stage paid initiativelly attention to the hospitality industry, known as hotel star rating system. Starting from the end of 1980s, the environmental programs have emerged, and socio-cultural and economic aspects have been developed and intergrated since 1990s (Bien, 2008). Until the middle of 2000s, more than 60 % of certification programs concentrated on the accommodation sector, while only 7% address on tour operators (Font X. , 2003; Dodds & Joppe, 2005). Within different certification schemes, approximately 40% of the criteria and principles are related to the standards about management issues, the rest 60% focus on specific actions such as environmental benchmarking (34%), economic indicators (8%) or socio-cultural criteria (12%) (Font X. , 2003). In regarding to the case of Travelife certificate, Manente, Minghetti and Mingotto have claimed that (2014), the social and environmental dimensions of the certification program are well developed, while the economic aspect still need further improvement.

The Process of Compliance Assessment

In order to understand how a tour operator or travel agency are certified by Travelife, it is necessary to discuss the process of compliance assessment, and the different parties that have been involved in during the process. The model in Figure 11 has clarified five steps to fulfilling the assessment and getting certified: setting standards, undertaking assessment, certifying this assessment, accrediting certification, recognition of the value of the certificate, and acceptance by the industry (Font X. , 2002). Font claimed in his article that not all the certificates or labels have to follow the whole process as the model demonstrates.

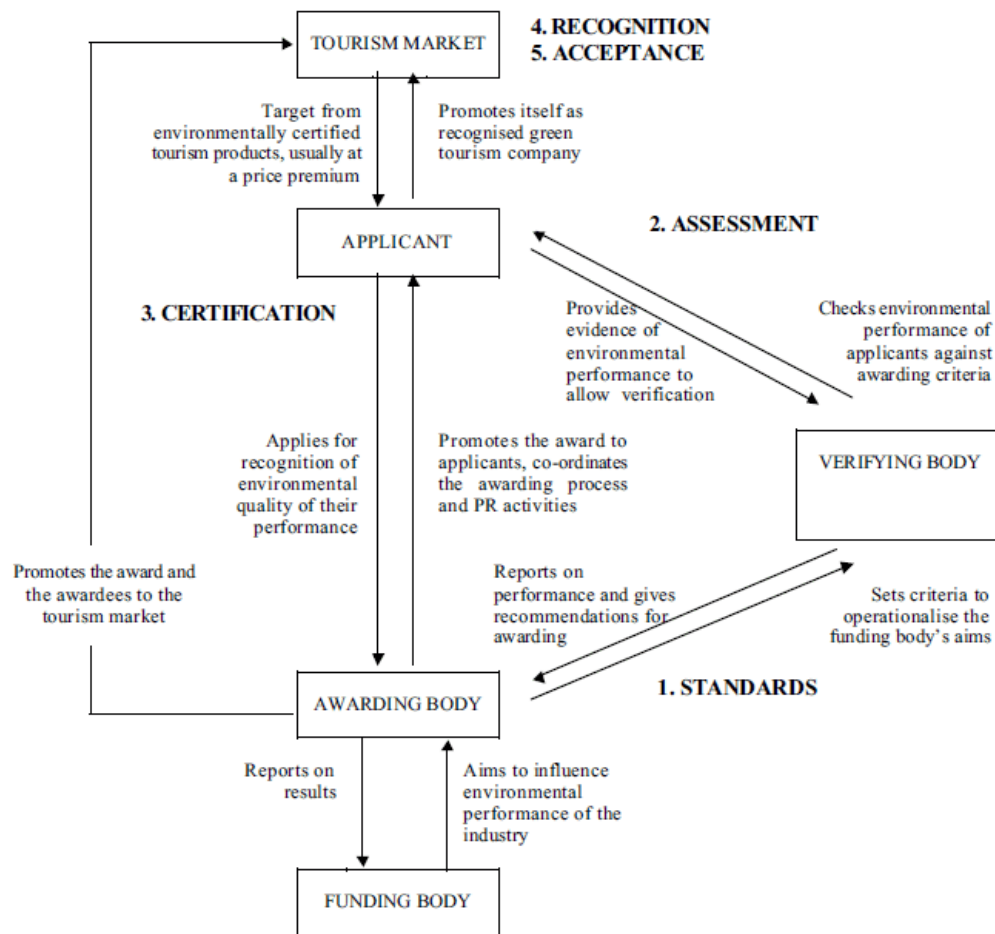


Figure 11 the Process of Compliance Assessment, adopted from Font (2002)

Firstly, the funding bodies refer to the organizations that financially support the development of the certificate. They tend to be governmental or non-profit organizations, as well as industry associations or tourism companies (Font X. , 2001). Currently, it is the trend to include both public organizations and NGO's in the funding group, by then to guarantee and enhance the credibility of the certificate. Sometimes the industry associations and large tourism companies are also involved in the funding bodies to make sure that the applicants to keep the commitment before, during and after the certification program (Font X. , 2002).

The awarding body refers to the different sectors of tourism industry, such as accommodation, transportation, attractions and destinations; the travel market such as travel agencies and tour operators have also been a part of targets (Font X. , 2001). Firstly the awarding body has to prepare a list of criteria to verify the performance and management of the tourism enterprise. The verifying body checking the situation and the performance of the applicant to respond to the awarding criteria. One of the weaknesses during this stage is that the verifying body sometimes realize that the operational performance has not completely meet the awarding criteria, and as a result there exists certain level of compromise (Font X. , 2001). There are different motivations for the applicant to perform environmentally friendly during the certification process. And this will be detailed explored in the empirical research. However, the benefits and

challenges of certification program will be discussed in the next section.

The Travelife certificate was launched in 2007. It is a training, management and certification scheme based in the Netherlands. It is for the tourism enterprises, such as accommodations, travel agencies and tour operators. However, this thesis will focus only on the certification program to travel agencies and tour operators that commit to sustainable and responsible development, and it aimed to promote sustainable practices within the travel and tourism industry. According to the model of process of compliance of assessment by figure 8, the funding body of the certification scheme is ABTA, referred as the UK Travel Association and the Dutch Travel association. The scheme is also supported by the Leeds Metropolitan University in UK, Lund University in Sweden, as well as the European Centre for Eco and Agro Tourism (ECEAT-projects), a Dutch no-profit organization that promoting sustainability in Tourism. Other partners include the Catalan Ministry of Environment in Spain; the Austrian Ministry of Environment in Austria; the Royal Award Foundation in Denmark, and the Dutch Alps Platform, Netherlands (Manente, Minghetti, & Mingotto, 2014). Today a growing number of governments and development organizations (25 partners) that support the program in order disseminate the methodology across Europe and other continents (Núñez & Hamele, 2014).

The awarding body of Travelife certificate for accommodations is the ABTA, and the ECEAT is responsible for the tour operators and travel agencies (Núñez & Hamele, 2014). The awarding set the criteria that have to be fulfilled in order to receive the certificate. The verifying procedure is divided into two phases: Phase one is completed by online that the verifying body examine the documents forwarded by the applicants, and phase two is considered as on-site third party verification. The whole verifying procedure takes place every two years (Núñez & Hamele, 2014). After checking the environmental performance of the applicant, the verifying body will recommend the awarding body to see if meet the awarding criteria based on their performance (Travelife, 2007)

2.4.3 The Benefits of CSR certificate

As the thesis discussed earlier, that the CSR certificate provides the tourism enterprises opportunities to improve the sustainable performance to enhance the position in the travel market, prevent excessive government intervention, as well as present a positive destination image (Vertinsky & Zhou, 2000). It is believed that CSR certification *“represent an increasingly important strategy for encouraging the sustainable production of goods and services”* (Medina, 2008), and it aims to encourage customers to purchase goods and services from companies that engaged in high social and environmental in relation to their products (Jarvis, Weeden, & Simcock, 2010). Tepelus and Córdoba (2005) have claimed that the tourism industry is still unregulated in a large bases, thus voluntarily adopting a certification program seems to be critically important. As in some extent it ensures high quality of sustainable products. And it is also essential for long-term business commitment to quality improvements. The following parts intend to elaborate on the benefits of certification programs from the literature perspectives.

Reducing Environmental Impact

Reducing the environmental impact is considered as one of the most important reason for the tourism enterprise to engage with the CSR certificate (Tourism South East & South West Tourism , 2007). Negative environmental impacts occur when the destination has not paid enough attention to the capacity use and the uncontrolled visiting numbers. It carries potential threats to many natural based destinations, and it can put huge pressure on the area and damage the environment around the destination. This issue has been more and more recognized both by the supply side and demand side of the tourism industry. It pushes the tourism enterprise to care more about the environment when developing and managing the tourism products (Dodds & Joppe, 2005). A CSR certificate such as Travelife, it provides very comprehensive principle in terms of environmental sustainability and responsibility. Thus by engaging with a CSR certification program, the tourism enterprises will have the opportunities to reduce the negative environmental impacts caused by tourism. Other literature evidences has also proved that certification schemes aim to benefit and protect the environment (Font X. , 2002; Font & Buckely, 2010; Jarvis, Weeden, & Simcock, 2010).

Saving costs

Saving costs is considered as one of the effort that CSR certificate contributes to the awarded companies (Dodds & Joppe, 2005). This is firstly refers to the environmental issues such as water and energy savings. Secondly, the certification program itself offers different levels of courses and it enables the companies to save costs of training the employees. The certification program itself will provide opportunities to help the companies to improve the internal management and practices.

Brand Recognition

From the literature aspects, improving the image of the company is one if the important motivations of joining a CSR certification scheme (D'Souza, 2004; Harris, 2007). Several authors have stated that recognizable and widespread brands lead to improved sales and customer loyalty (Reichheld & Teal, 1996; Szymanski & Henard, 2001; O'Sullivan & McCallig, 2012). By joining the CSR certification program, the tourism enterprise will gain opportunities to remarketing its products, and integrate the environmentally friendly elements into the products and service. Consequently this will help to increase the brand recognition of the companies. Consumer surveys indicate that growing consumers are willing to support the environmentally friendly products. And they don't mind to pay more for the sustainable types of tourism (Dodds & Joppe , 2005; Jarvis, Weeden, & Simcock, 2010). Dodds and Joppe has also mentioned in their article, that 61% of consumers are interested in environmentally friendly and socially sensitive travel products and willing to pay up to 10% more for a holiday.

Enhancing Competitive Advantage

According to Dodds and Joppe (2005), one of the benefits of engaging with the CSR certification is to improve the tourism enterprises' competitive advantage. Firstly it is because that the certification program enables the tourism enterprise to have a better corporation with the supply side of the companies. Secondly the certification program helps the awarded companies to communicate with the customers by different marketing tools. For example, Travelife award the certificate to travel agencies or tour

operators, by which means, the travel agencies or tour operators are allowed to use the Travelife logo on both their online and offline marketing materials. This can help to differentiate the certified companies from other competitors and increase the credibility of their tourism products and services. Thirdly to the community of destination where the awarded travel agencies and tour operators are doing business with, by promoting sustainable development, it will help to improve the environmental conditions of facilities or infrastructure of the destinations.

2.4.4 The Challenges and Issues of CSR Certificate

Several scholars have discussed the challenges and issues around the certification scheme. Font (2003) claimed that most of the certification programs for tour operators or travel agencies address on the ecotourism rather than large operators that domain the majority of the tourism market. However, such issue does not necessarily to be considered, as this thesis focuses on the SMEs in the tourism industry. In general situation, that most of the CSR certification programs have not gain enough reputation in the industry, hence it is difficult to ensure the quality standards in their accreditation. Currently there is only 1% of tourism businesses are certified (Jarvis, Weeden, & Simcock, 2010).

Internal

From the company's internal perspective, one of the challenges stated by Jarvis, Weeden and Simcock (2010) is that companies lack of respondent knowledge of the sustainable tourism concept; this point will lead to the perception that companies believe that the cost of implementing a CSR certification will be high, as they have to spend time to complete the application process, and the amount of work involved in compliance of the program; lastly, the criteria of the certification scheme requires the members to deal with mass of paperwork, which will demotivate their willing of contiguously contribution in terms of CSR issues; Lastly, as an existing tour operator or travel agencies, it is difficult to change the culture and existing way of dealing both internal and external tasks. Thus it will be challenges for them to make change in terms of implementing the CSR certification.

External

Marketing benefit of implementing a CSR certification has been discussed earlier. However, there is still less marketing proof that convinced the potential members of CSR certification to join the program. Due to this reason, the cost saving benefits can be considered as an issue for engaging with such a CSR certification, as most certification programs do not include social and community issues, the local community has not greatly benefited and in addition (Dodds & Joppe, 2005).

Consumer awareness of the certification program is one of the major challenges in considering of implementing a CSR certification (Jarvis, Weeden, & Simcock, 2010). As consumers, all they know is that the company has been awarded, but the by seeing the certification, it gives no meaning, and it is difficult for them to classify on what is the special of the tour operator or travel agencies,

2.4.5 Travelife Certificate

The Travelife certification scheme that was launched in 2007 is claimed to be a fair and affordable system that helps tourism enterprises to manage and improve social and environmental impacts by complying with the sustainability criteria (Travelife, 2007). At the end of the process, when a company meets the requirements, it receives a Travelife award. The scheme provides wide range of services, for instance training, management, planning, reporting and B2B tools. It aims to increase the quality of travel products, improve the customer satisfaction and bring the quality of life in destinations. And this can be achieved by *“bringing together the individual and collective experiences of tour operators, travel agents and their associations and builds upon the experiences of other initiatives within the tourism sector”* (Travelife, 2007).

Currently there has been 700 hotels and more than 450 travel agencies and tour operators applied the certificates (Manente, Minghetti, & Mingotto, Responsible Tourism and CSR, Assessment Systems for Sustainable Development of SMEs in Tourism, 2014). Important travel agencies or tour operators such as TUI, Kuoni and Thomas Cook are among of the applicants. Núñez & Hamele (2014) have claimed that the Travelife certification scheme is successful, as there are high number of applicants have commitment to the program. It is considered as one of the most widespread in the European tourism industry.

The selected criteria of Travelife scheme focus on the different areas in terms the operation of the travel agencies or tour operators: (Manente, Minghetti, & Mingotto, Responsible Tourism and CSR, Assessment Systems for Sustainable Development of SMEs in Tourism, 2014): sustainable and sustainable supply chain management; Sustainable transport, accommodation, excursions and destination management; customer communication as well as internal management. The detailed criteria and the indicators will be listed as Appendix 1. In particular, in order to help the travel agencies/tour operators and their suppliers, Travelife offers a set of integrated instruments and tools, such as:

- An international standard of management for the implementation of sustainable tourism by travel agencies and tour operators;
- Training & planning, providing courses for the best practices of sustainable management and setting and monitoring the enterprises' commitments through action plan;
- Introducing an online instrument for tourism enterprises to report both internal and external achievement of specific sustainability actions.

Operatively, the Travelife scheme is accessible through a online-based facility (www.travelife.org). There are three steps have to be carried out by the travel agencies or tour operators before awarding the certification (Travelife, 2007):

- Stage 1—Travelife Engaged: By the first stage the company conducts an application to introduce the proper management issues in relate to CSR. An appointed Sustainability Coordinator receives proof that the elementary steps in

relation to the Travelife certificate are implemented. During this stage, the company has not been rewarded yet. The cost for engaging with this stage is 200 EURO per year (based on the number of full time employees are less than 25)

- Stage 2—Travelife Partner: The company conducts a sustainability report in accordance with the basic requirements assessed by Travelife. By this process the company reaches the Travelife Partner status, and it gives the company opportunities to communicate its sustainability commitment and achievements with the support of the Travelife Partner logo. The company is now qualified to work through the final stage. The price requirement is on the same level as the stage of Travelife engagement.
- Stage 3—Travelife Certified: in the third stage, an independent auditor will evaluate the company's compliance with the international Travelife standard for travel companies, and this is done by on-site visit. After successfully completing the third stage, the company is awarded with the Travelife Certified status. After certified, the cost of the certificate will be between 400 EURO for smaller companies, and 2.000 EURO per year for very large companies.

2.5 Recapitulation of the Theoretical Framework

For the purpose of exploring the problem statement and answer the research questions of the thesis, this section will try to clarify the theoretical framework that will be applied in the analysis chapter. Based on the discussion of existing literature review on CSR in tourism industry, the competitive advantage, as well as CSR certification, the theoretical framework will be divided into four elements: Motivations, Travelife Certification, Competitive advantage and Suggestions.

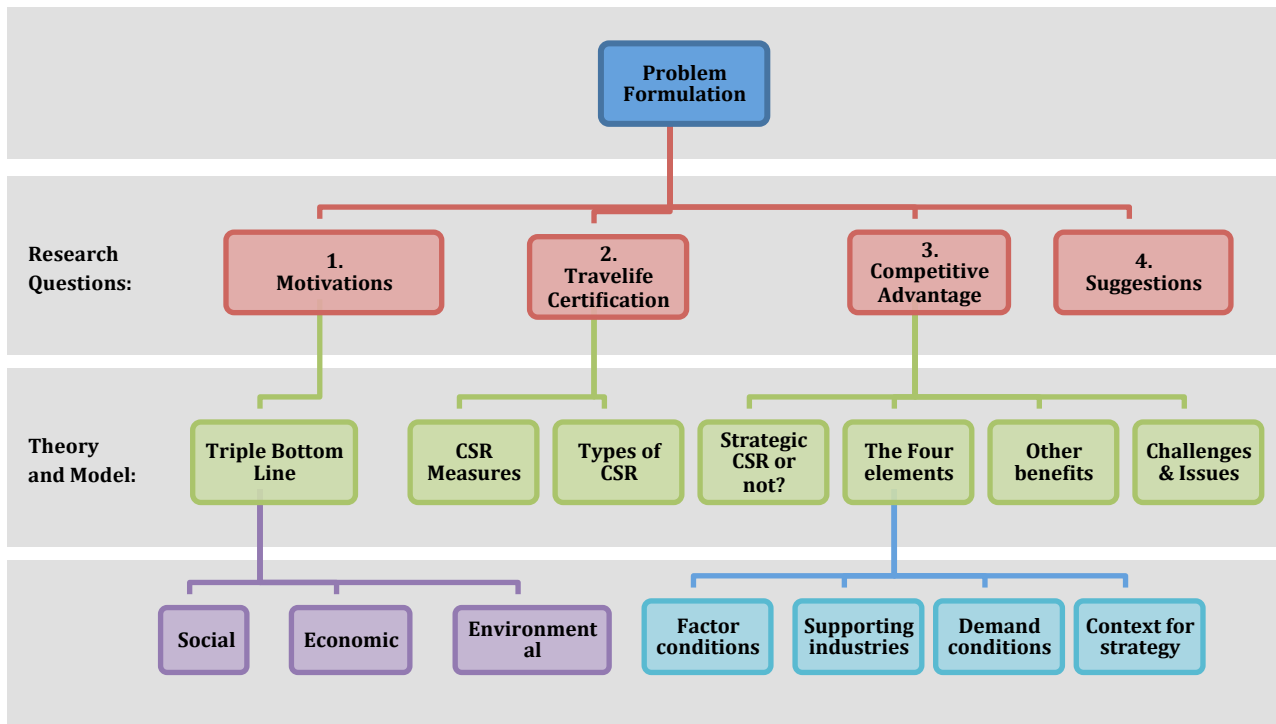


Figure 12 the core elements of the theoretical Framework (self creation)

According to figure 12, the four elements mentioned above are subjects to the research questions of the thesis. The first element is motivation and it aims to answer the question on ***What are the motivations for small and medium-sized tour operators or travel agencies to engage with CSR?*** In the analysis, the Triple-bottom-line approach will be used to identify the research companies and their motives of engaging with CSR from the social, economic and environmental perspectives.

In order to find out ***how Travelife Certification can enhance the competitive advantage*** of the research companies, the foundation task is to understand the Travelife certification program not only by conducting desk research, but also by analyzing the data collected by field research. In this step, the theory about CSR measures and types of CSR will be applied in order to understand how the travel providers are engaging with CSR and what CSR activities they are undertaking. This information is important, as it will outline whether the travel providers implement complete CSR or focus only on certain issues, but it will also give an insight on whether or not their CSR measures are aligned with the business strategy and goals of the company. Hence, the analysis in relation to Travelife certification is considered as the second element of the theoretical framework of the thesis.

The third element of the theoretical framework focuses on identifying the link between the competitive advantage and the Travelife certification. The analysis and findings will help to answer the research questions on ***“What are the benefits from engaging with Travelife?”*** and ***“How can Travelife certificate enhance competitive advantage?”*** To be noticed, as the theory discussed in previous sections, that some of the benefits of engaging with a CSR certificate will help to enhance the competitive advantage, thus it is very difficult to distinguish and separate the answers in the analysis chapter, especially to set the boundary between the competitive advantage and the benefits. Therefore, the researchers decided to categorize the benefits and challenges & issues of implementing Travelife certificate under the analysis element of competitive advantage.

The last part of the chapter intends to conclude the analysis and findings of the first three elements, as well as give suggestions to the research companies on how they could maximize the benefit by continually practice the CSR issues related to Travelife certification.

Chapter III Methodology

This chapter aims to discuss and explain the philosophy and principle of this thesis. It intends to explain on how the research is conducted and structured, and what methods have been used to obtain and analyze the data. As the figure 13 illustrates, this chapter is divided into two parts: Part one explains the philosophy of science of the thesis, which refers as the social constructivism paradigm and its ontological, epistemological and methodological considerations. Part two aims to discuss and describe the research design by introducing the methods of research, data collection, and the data processing and analysis.

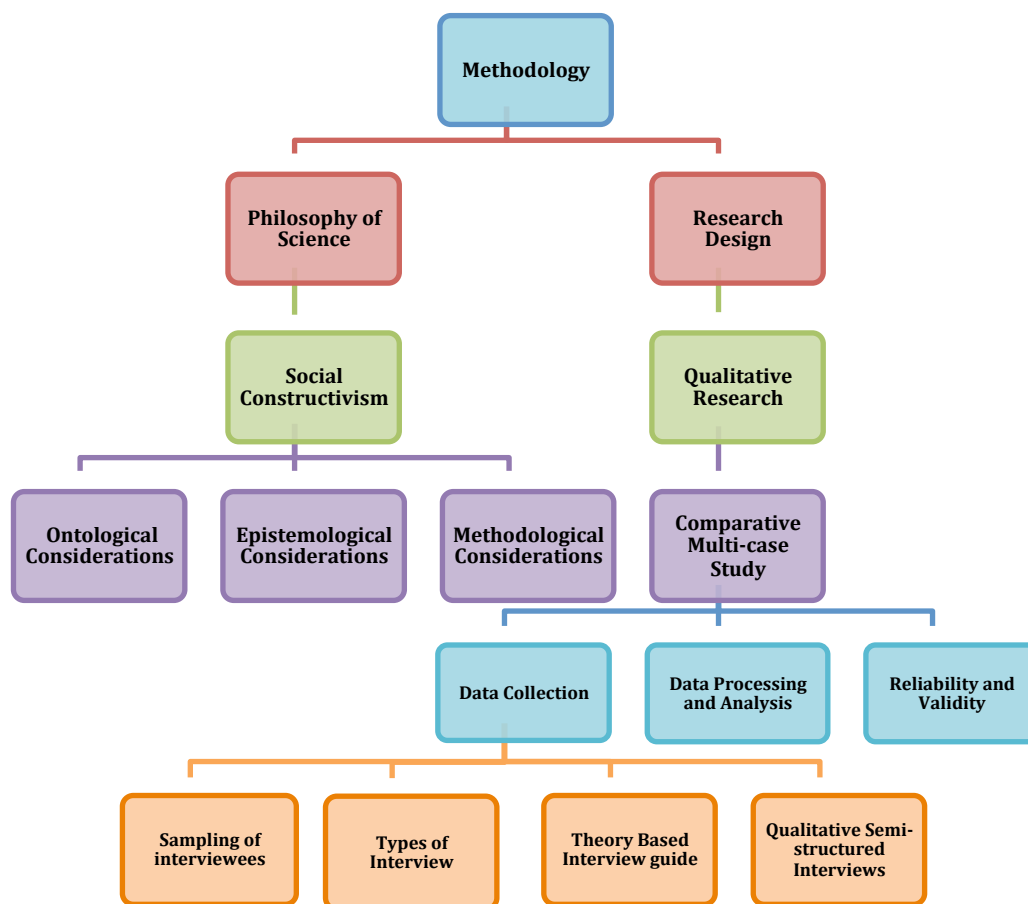


Figure 13 The Methodology Framework (own source)

3.1 Philosophy of Science

The research of this thesis focuses on the Danish tourism enterprises that have been partnered or certified by Travelife certification program. In order to explore this research area, it is essential to choose and follow a paradigm, as it holds the ground criteria of the study. A paradigm is considered as *“windows giving us information about the social world and often frame the particular questions we seek to answer* (Hesse-Biber & Leavy, 2011, p. 38), and it helps to build up the connection between the researcher’s philosophical standpoint and methods applied in the research. The paradigm provides the discipline for the researchers, and it will help the reader to understand on how the research is processed and carried out.

This thesis chooses to follow the paradigm of Social Constructivism, as it is *“a way of building knowledge about self and society through reflection and meaning making”* (Shor, 1992), and it *“aims to identify the variety of constructions that exist and bring them into as much consensus as possible”* (Guba E. , 1990). According to Stake (1995) one of the advantages of being a social constructivist is, that it gives freedom to both researchers and participants. For the researchers, it is allowed to look at all the views and perceptions as each of them is unique, while for the participants, they will have the freedom to tell their stories as they believe it is the truth (Brinkmann, 2013). The below section will try to explain and elaborate the paradigm of social constructivism from the ontological, epistemological and methodological perspectives.

3.1.1 Ontological Considerations

This section aims to discuss the ontological beliefs on how this research is approached. According to Oxford Dictionary (2000), the term ontology is defined as *“The branch of metaphysics dealing with the nature of being”*. Packer and Goicoechea (2010) claimed that ontology is the consideration of being, and it gives answer to the question *“What is the nature of reality”*? (Guba E. , 1990, p. 18). It is important to emphasize that, this thesis is following the paradigm of social constructivism, and it usually adopts relativist’s ontology (Guba, 1990; Lincoln & Guba, 1985; Denzin & Lincoln, 2011).

Relativists believe, that the world is built from multiple realities, which co-exist together and are constructed in people’s minds (Denzin & Lincoln, 2011; Lincoln & Guba, 1985; Guba, 1990; Kukla, 2000). This means that the reality is based on the way each individual perceives his or her surroundings. Since each person perceives the reality differently, the task of this research is to explore the different perspectives and understandings, but not to look for the ultimate truth (Guba E. , 1990).

To be more specific, this research aims to investigate the Danish tourism SMEs that have engaged with the Travelife certification. The main focus is to find out how a CSR certification can help to enhance the competitive advantage of the company that has been investigated. In order to answer this questions, different sub-questions have to be explored, such as the motivations of joining in the certification programs, and the benefits and challenges in terms of implementing the programs. However, as social constructivists, it is not the goal to find out one final answer for the research. It is rather important to explore different perspectives and understandings that each company has provided, as each opinion is unique and matters for the researcher. This point also

explains why this thesis applied the semi-structured interviews to collect the data. More details can be found in the data collection sections.

3.1.2 Epistemological Considerations

Epistemology answers the question “*what is the nature of knowledge?*” (Bryman, 2012). It focuses on the relationship between the researcher and the researched objects and on the way this knowledge is obtained. This includes methods used for data collection and the way this data is going to be used.

According to social constructivists, all researchers use interpretation (Klotz & Lynch, 2007). Interpretivism is an epistemological position (Bryman, 2012) that supports the view that the researcher has to be a part of the social world of what is being examined. Interpretivism requires respect of the differences between individuals and the researched object (Bryman, 2012). The approach is subjective as the researchers interpret all the information and thus there is no objective truth (Samaja, 2004). According to Murphy (1997) “*the knower interprets and constructs a reality based on his experiences and interactions with his environment.*” This means that everybody perceives reality in a different way depending on his or her own experiences. The way this reality is constructed could be affected by cultural values and traditions (Saunders, Lewis, & Thornhill, 2009).

The researchers background and knowledge play an important part as they interpret information based on their own experience and the way their reality is constructed. Therefore, the interpreted information is perceived individually and to a certain extent differently (Johanssen, 1991).

Since there is no absolute truth, the authors are not looking for an ultimate right answer of the research questions. The aim of this report is to understand the behavior and motives of the tour operators/travel agencies in Denmark for joining Travelife certification program. The main goal for the researchers was to enter the social world of the companies chosen for the research and to try to see the environment from their point of view. By doing this, the researchers could get an understanding of the motivations and actions of the researched objects and thus to be able to get a deeper insight into the problem.

The choice of the topic for this thesis was based on the academic background of the researchers and their interest about Corporate Social Responsibility. Their academic knowledge and skills allowed them to study theories about CSR, where they found a gap in the existing literature and this helped for the formation of the problem formulation. Thus, the study was directed by the academic knowledge base of the examiners. The choice of questions for the research were based on the researchers perceptions of what was relevant to be investigated in order to answer the problem formulation.

Both of the researchers have work experience from the hospitality industry, but only one has worked for a travel agency before. This is important to point out as it gives a deeper insight of the travel agency market in Denmark and about how a travel provider operates. This can explain the way some of information is interpreted, but the fact that the other researcher has never worked in a travel agency can reduce the risk of biased

analyses while making sure that there is a balance between theoretical and practical knowledge.

3.1.3 Methodological Considerations

Methodological considerations refer to the methods the researchers apply in the process of data generation (Guba E. G., 1990). It focuses on finding the best way to gain knowledge about the world (Denzin & Lincoln, 2003). Thus it deals with questions such as *“How should the inquirer go about finding out knowledge”* or *“How do researchers select their tools?”* (Klotz & Lynch, 2007). Guba has suggested that social constructivists should apply the methods of hermeneutic approach (Guba & Lincoln, 1989). Hermeneutics is defined as the *“theory and methods of the interpretations of human actions”* (Bryman, 2012, p. 560). It is a process of moving forward by understanding the in-depth knowledge of the subject. This point is in accordance with the principle of Social constructivists, as the goal of doing research is not looking for explanation, but see understanding by different kinds of data.

The hermeneutic circle is defined the as *“the dialectic between the understanding of the text as a whole and the interpretation of its parts, in which descriptions are guided by anticipated explanations”* (Hekman, 1983) The hermeneutic circle was evident during the stage of selecting the topic and formulating the research direction of the thesis. To be more specific, the initial topic of the research is about Corporate Social responsibility in the tourism industry. However, this topic has to be narrowed down to provide a clear direction on which area the researchers should focus on; meanwhile, the main focus has to relate to one of the study area of the tourism courses that have been provided by the Aalborg University. During this stage, the researchers haven’t made a single decision to lead the investigation, but to look at the topic area and reflect back and forth to identify the most interesting perspectives to formulate the problem statement. Therefore, this thesis aims to investigate the link between CSR certification and competitive advantage. Nevertheless, the above example hasn’t been ended by the time the problem statement formulated. As below figure 14 illustrates, the hermeneutic approach allow the researchers to adjust and improve each parts of the thesis along the whole process.

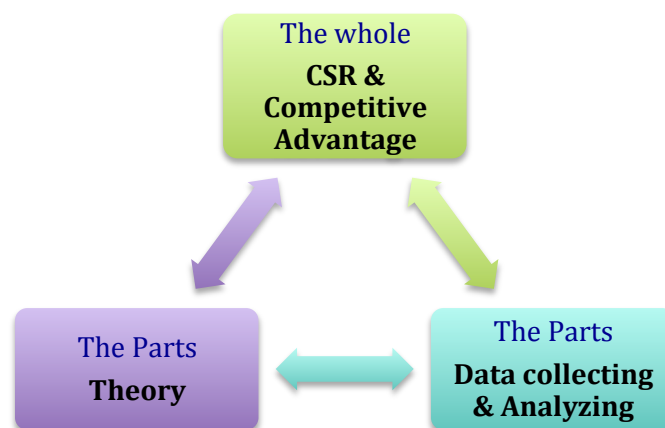


Figure 14 the Elements of Hermeneutics approach complied in this thesis (self sourced)

Another example is during the process of conducting the theoretical framework of the thesis. In the first version of theory part, the researchers firstly intended to discuss the conceptual understanding of Corporate Social Responsibility, followed it to introduce the CSR certification program, specifically Travelife certification as the case of this research; to be continue, the second part of the theory was trying to discuss strategic CSR and the competitive advantage, and finally lead to an analytical framework for analyzing the data. However, the researchers were doubt about the structure of the theory section, as during the first interview of data collection, the researchers realized that the interviewee spoke of the general perspective of their CSR situation and business strategy, and this led them to elaborate further about the Travelife certificate. Moreover, after the consultant meeting with the supervisor, the researchers believe it is necessary to change the order of the theory part, as the discussion in relate to strategic CSR and competitive advantage have been moved before the discussion of CSR certification program.

The hermeneutic approach has also been experienced during the process of data collection. As the main methods of collecting data for this thesis is qualitative semi-structured interviews, the researchers have prepared the interview guide beforehand. However, after the first interview, the researchers have realized that, some of the questions included in the interview guide are less necessary, as they can also be obtained from other channels. For example, the backgrounds of the company and their business strategy can be found on the homepage of the research companies. Thus, the researchers decided to adjust the interview guide after the first interview by deducting questions and add other questions the researchers explored during the first interviews.

3.2 Research Design

A research design provides a framework for the collection and analysis of data (Bryman, 2012). The choice of research design says a lot about how the research process will look like. According to Bryman (Bryman, 2012), research design is often confused with research methods. A research method is a technique for collecting data (Bryman, 2012). It can involve a specific instrument, such as survey or a structured interview schedule, or participant observation.

This section has a aim to elaborate on the choice of research design and research methods as well as to describe the process of data collection and explain the reasons behind the choices made. It also outlines the techniques for data processing and analysis.

3.2.1 Qualitative Comparative Multiple-Case study

The aim of this thesis is to conduct a qualitative research focusing on a case study. A case study can be defined as *“a strategy for doing research, which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple source of evidence”* (Robson, 2002). Since the research is focusing on Travelife certification program and its aim is to get a thorough understanding of how this certificate can affect the competitive advantage of travel agencies in Denmark, the case study design allows the researchers to get a detailed and intensive analysis of the that

case (Bryman, 2012, p. 66). However, the research entails qualitative interviews with more than one company, which could also be considered as different cases, which are being compared.

By definition multiple case study design involves studying two contrasting cases using similar or identical methods. Comparison is used for the better understanding of the social phenomena when studied in two or more different situations (Bryman, 2012). However, the comparative design when applied in relation to qualitative study, it takes the form of multiple-case study. The difference is that the cases do not have to be contrasting. Comparative multiple-case study has become a common research design recently (Bryman, 2012). It is argued that improves theory building and that gives an even greater opportunity as the researcher can test the same mechanisms in similar contexts and to establish *“establish the circumstances in which a theory will or will not hold”* (Bryman, 2012, p. 74)

The comparative research design is used in this thesis, because the researchers believe that a better understanding about Travelife and certification programmes will be gained when more than one case is examined. All the tour operators/travel agencies are comparable since they are all part of Travelife program. They will be compared according to their perception of CSR, motivations, CSR measures and the way they benefited from the certification program. Their products and services will not be compared or at least that will not be the main focus of the research. However, the aim of this thesis is not only to compare those companies, but to investigate whether a CSR certificate can enhance the competitive advantage of a tour operator or a travel agency and how.

Some academics argue that a case study may not be an appropriate method of study because the research could be too subjective. The individual perceptions of the researchers might influence the research process, but this does not mean that the results will be untrue. This research does not aim to generalize the findings and the results of this study will not apply to other cases than the one chosen.

The following sections will elaborate on all the methods used in this thesis.

3.2.2 Qualitative Semi – Structured Interview

Qualitative semi-structured interview was the method chosen to collect primary data for this thesis. The goal of this thesis is to collect information about companies' understanding and experiences regarding to the Travelife certification, which have to be processed by collecting primary qualitative data directly from the selected companies. Bryman and Teevan (2012) have argued that the semi-structured interview gives freedom to the researchers; it is in contrast to the structured interviews, where strict rules have to be followed. In this thesis the semi-structured interviews provide the researchers possibilities to follow certain plans in terms of preparing questions about the topic. To the interviewees, it gives freedom for them to express other opinions that they believe it is relevant in regarding to the topical questions. As Kvale (1996) has also argued, that semi-structured interviews are applied for the purpose of adjusting the questions for the interviewee, so he or her will be better understood. From this point of view, the interviewers does not have to always follow the interview guideline, on the

contrary, it is allowed to come up with other questions based on the situation and information gained during the interviews. As social constructivists, the researchers believe all the data collected during the interviews are valuable sources, even the questions have not been considered before hand. Nevertheless, in order to continue to collect the qualitative data, the researchers are allowed to adjust the interview guidelines, or even deduct some of the questions after the interviews. And this has been experienced in this thesis.

However, there is risk in terms of conducting semi-structured interviews. One of the criticisms is that the whole interview could be difficult to control by the researchers (Bryman & Teevan, 2012). And the interviewees might not be fully honest during the interview, as there is a chance that they intend to think what the interviewer would like to hear.

In total the researchers intend to accomplish five semi-structured interviews with the selected research companies. The following sections will try to explain how the qualitative semi-structure interviews accomplished by elaborating on three aspects: sampling of interviewees, Types of interviews and interview guide.

3.2.3 Sampling/ choice of interviewees

This research is based on qualitative interviews with representatives of different CSR certified tour operators and travel agencies. The aim of the study was to investigate why tour operators engage in CSR, what CSR measures do they take and whether this certificate is affecting somehow their business performance, specifically their competitive advantage. Another purpose of the research was also to understand the process of certification, what has to be done in order to get certified and how those measures are evaluated afterwards.

Since the study focused on the case of Travelife certification program, the tour operators and travel agencies interviewed were the ones that are certified by Travelife. Therefore purposive sampling was done in order to make sure that the companies, which were sampled, are relevant to the study. The researchers *“don’t seek to sample research participants on a random basis. The goal of purposive sampling is to sample cases/participants in a strategic way, so that those sampled are relevant to the research questions that are being posed”*. (Bryman, 2012, p. 418)

All the tour operators, which are either partners or certified by Travelife can be found on the official website of the program. However, since this project focuses only on SMEs in Denmark, which are certified by Travelife, some of the companies were not included in the interview sample. It is important to mention that Kuoni Nordic, Apollo and Falk Lauritsen Rejser are also certified in Excellence in Sustainability by Travelife, but due to their size, they are not suitable for this research sample. One more company was considered irrelevant for the research as well and this was DIS Congress Service – package provider of congress services, which was considered by the researchers as not relevant due to the fact that it is neither tour operator nor travel agency.

The companies selected for the interviews were: one certified in Excellence and Sustainability – Kipling Travel and four Travelife Partners certified in Commitment to

Sustainability – Jesper Hannibal & Co., Holstebro Rejsecenter, Unitas Rejser and C&C Travel. Some general information about them could be found in the table below.

Name of Tour Operator/Travel Agency	General Information
Kipling Travel	Tourism product: sustainable travels including yoga trips, fishing, mountain climbing, safari, painting trips, etc. Website: http://www.kiplingtravel.dk/ Number of Employees: 12 Member of: DRF (Danmarks rejsebureau forening), Rejsegarantifonden
Jesper Hannibal & Co.	Tourism product: family vacations, safari, honeymoon trips; customized travels. Website: http://www.hannibal.dk Number of employees: 8 Member of: Rejsegarantifonden
Holstebro Rejsecenter	Tourism product: group travels, sport travels; trips to Thailand, USA, Australia, New Zealand, etc. Website: http://www.holstebrorejsecenter.dk Number of employees: 15 Member of: Rejsegarantifonden, DRF
Unitas Rejser	Tourism product: study trips and vacations Website: http://www.unitasrejser.dk Number of employees: 19 Member of: IATA, Raptim, Rejsegarantifonden, DRF
C&C Travel	Tourism product: beach vacations, tours, family holidays, city breaks, nature experiences Website: http://cctravel.dk Number of employees: 23 Member of: Rejsegarantifonden, DRF

Table 3 Information About the Selected for Interview Companies (self-sourced)

3.2.4 Type of Interviews

There are three types of methods have been applied to conduct the qualitative interviews of this research: face-to-face interview, Skype interview and e-interview. As the below table shows, in total there were one face-to-face interview, three Skype interviews and one e-interview. Each types of interview have its positive and negative aspects and it will be explained in this section respectively.

	Interview companies	Position of Interviewees	Location	Type of interview	Duration
1	Jesper Hannibal ApS	Owner	Aarhus	Face-to-face	45 minutes
2	Kipling Travel	Owner	Slangerup	Skype	50 minutes
3	Holstebro RejseCenter	IT Manager	Holstebro	Skype	35 minutes
4	Unitas Rejser	Marketing Manager	Silkeborg	Skype	48 minutes
5	C&C Travel	Administration	Copenhagen	N/A	N/A

Table 4 An overview of the interviews conducted (self sourced)

Face-to-face Interview

Firstly, face-to-face interview is considered as the most natural choice for a qualitative research (Denzin & Lincoln, 2003; Bryman, 2012). By this type of interview the researchers have great possibility to connect with the interviewee, to observe the reactions, face expression and movements during the interview. On one hand, it gives the researchers more chance to communicate and discuss deeply about the interview questions and it helps to motivate both the interviewer and interviewees and explore new perspectives in relation to the topical questions. On the other hand, the researchers have possibilities to access the interview companies to personally experience the working environment of the company researched, and make a better understanding about the company.

However, there is only one face-to-face interview was conducted. And this is because the disadvantages of doing such type of interview, as both the interviewer and interviewee have to agree on a time to meet. It is quite challengeable for the interviewees, as they have to find a time besides fulfilling their daily tasks and duties. Another challenge is the physical distance between the researchers and the research companies, as there is no time and financial support to conduct more face-to-face interviews.

The only face-to-face interview was carried out with the Jesper Hannibal ApS, which was scheduled on May 19th by visiting the office in Aarhus. The duration of the interview was around 45 minutes, and the whole interview was recorded and transcribed later for data analysis.

Skype Interview

Skype interview is the second type of interview this research has applied to achieve qualitative interviews. It is considered as another type of online interviews, which is a

comparable new method for collecting data (Bertrand & Bourdeau, 2010). One of the advantages is that the researchers are allowed to use web camera to see the immediate reactions of the interviewees, which is similar to the face-to-face interview. It is a flexible way of communicating with the interviewees, as they can choose to do it at home or after the working time, by that not to disturb their normal working schedule and feel more relaxed. Moreover, it is cheaper and faster to conduct a Skype interviews in compare with the face-to-face methods (Bryman, 2012). For the researched company that located in a long distance from the place where the researchers live, it is a very effective and efficient way to conduct interviews and obtain qualitative data.

However, there are different factors that can influence the outcome of the Skype interview, for example, technical problem such as the speed of the Internet, or the quality of the signal on the computer. Those factors might discourage both of the interviewer and the interviewees to participant actively during the process. Sometimes the interviewers have to change the plan to minimize the negative affects. One of the examples is that during the interview with Kipling Travel, the interviewer decided not to use camera as it affects the quality of the recording.

To conclude, there are three Skype interview has been conducted. Firstly the Skype interview to Kipling Travel was scheduled with the owner on May 23rd and the duration of the interview is approximately 50 minutes; The second was conducted on May 26th with the Marketing manager of Unitas Rejser and it took around 48 minutes; The last Skype interview occurred on May 26th as well with the IT manger of Holstebro RejseCenter, and the total time used was 35 minutes.

E-interview

E-interview refers to the method of obtaining qualitative data by exchange the email between the researchers and the interviewees (Bampton & Cowton, 2002). Bryman has claimed that this type of interview is asynchronous (Bryman, 2008). The E-interview does not require either the researchers or the interviewees to compromise time and place to make agreement on when to communicate and where to meet (Bampton & Cowton, 2002). Thus it gives enough time for the interviewees to think about the answers of the pre-sending questions. From the interviewee's perspective, it minimize the pressure from the researchers.

However, as Bampton and Cowton (2002) claimed, that the E-interview might loose the spontaneity. As there is slightly chance that the interviewee will elaborate more than the questions the researchers sent previously. Other problems can occur such as the misunderstanding of the questions, a long delay of answering. Therefore, this method is not encouraged to conduct a qualitative research (Bryman, 2008).

There is one e-interview has been required by the research company C&C Travel. It is due to the company itself has claimed that they are in the very beginning stage of Travelife partner, and there is limited information to share. However, this e-interview was failed to complete, as the contact person did not find time to complete the questions eventually. After several calls and emails with the company, the researchers received a notice of rejection, thus there is no valid data collected in terms of this e-interview.

3.2.5 Interview Guide

The design of the interview guide is important for the purpose of finding the most relevant data and answers the research questions. As Brinkmann (2013) stated, that *“qualitative interviews are prepared, conducted, analyzed and reported according to some plan of what is normally referred as research design.”* However, as we have argued previously, that this research aims to conduct semi-structured interviews, means the research questions were prepared but do not require the interviewers to follow strictly. On the contrary, the interview guide helps to lead a direction both for the interviewer and the interviewees (Bryman, 2008). Thus the interview guide has to be prepared carefully beforehand, by this means it can help to create a natural flow during the interview, avoid the situation that interviewers lost time control or forget important perspectives. According to Bryman (2008), that there are four basic principles for creating an interview guide for qualitative semi-structured interviews.

Firstly, the interview questions should be in logical order, by that to make sure the whole will follow a natural flow. As it is showed in Appendix 2, the questions in the prepared interview guide are divided into three parts: part one starts with the general information about the company and their business strategy and experience in relation to CSR; part two focus on their engagement and involvement with Travelife certification; and part three based on the reflection of the first two parts into the competitive context of the company. This separation can help the researchers not to neglect the essential details and focus on the important concepts. However, the order of the questions in each part is flexible and depends on the information provided by the interviewees.

Secondly, Bryman (2008) suggested that questions in the interview guide should in accordance with the problem formulation and the research questions of the whole thesis. The interview questions therefore are generated to follow the analytical framework in Chapter 2. Although the questions in Appendix 2 have not strictly followed the order of the analytical framework, but the essential aspects, such as the reasons of engagement with CSR, the Stakeholder perspectives and challenges have been included in the questions.

The third suggestion is to create an interview guide that is short and easy to understand (Bryman, 2008). The questions are not supposed to be too long to lose focus. As a matter of the fact, this was one of the major problem the researchers have experience during the process of data collection. After the first interview, the researchers realized that some of the questions could be combined and condensed into a shorter version. Therefore, the researcher made changes and cut down the interview questions from 21 to 16 for the rest of the interviews. Additionally, Bryman (2008) has claimed that, in order not to confuse the interviewees, the interview questions should be formulated in simple language. To be noticed that the questions in the interview guide were formulated in English. It is critical that all the interviewees selected for this research are Danish. Due to the business they are dealing with, their English level is comparable high to answer the questions. But it could still be a barrier, as they prefer to speak Danish during the interviews. The researchers have experienced in some extent, that by using Danish as the basic communication before the interview happened, the request became easily to accept.

Lastly but not least, Bryman (2008) suggested that the researchers should also try to identify the profile and background of the interviewees, as it will help to understand the meaning and reveal the hidden context behind the answers. As table 4 on page 51 showed, that the researchers have tried to collect the basic information about the interviewees, such as their position in the companies and their basic background.

3.3 Data Processing and Analyzing

This section intends to explain how the researchers process the data collected, and which methods to apply for analyzing the data. According to Graneheim og Lundman (2004), there are four basic stages have to be followed for the purpose of processing and analyzing the data.

The first stage is to unpack the data from interviews. Transcription is one of the general methods that can apply to process the data of the semi-structured interviews (Bryman, 2012). However, researchers decided not to transcribe every sentence from the interview record. During the interview, some questions exist for the purpose of maintaining the dialog in a smoothly order and enhancing the effectiveness of interview (Kikwawila Study Group, 1994). A short version of transcription *“is to listen to the tape and note down the substantive statements as they float along the stream of consciousness”* (Gillham, 2000, s. 61). However, there were only small parts left from the transcription. The transcribed documents will be enclosed as appendix one at the end of the project.

The second stage is to divide data into different sections. As the above section has explained, that the data collected from the interviews can be divided into three main categories: Motivations, competitive advantages & benefits and challenges and issues. All the three categories are subject to the answer of the three research questions. Color coding could be a good way to highlight the main points. However, as there are only five interview conducted, the researchers can easily manage the data manually.

The third stage is to categorize and group the data by similar and differences. As Howe, Worrall and Hickson (2010) stated that categorizing the meaning units by grouping ones that were closely related is highly important. By this means it will help to identify the shared content and answers provided by different companies, and eventually to find out the main problem this research is dealing with: ***If the CSR certificate is a way of enhancing the competitive advantage of the tourism enterprise in Denmark?***

The last stage is to analyze the data. The thematic and comparative approaches are the major methods to apply for this thesis. Firstly, the thematic analysis is stated as one of the main forms for analyzing a qualitative research (Guest, 2012). Qualitative analysis seeks to *“establish the existence of relationship on the basis of what individual people say and do”* (Veal, 2006). Hence by identifying and grouping different, it will help to find out the significant findings for the analysis (Bryman & Teevan, 2012). As we stated earlier, the analysis of this project is based on the theoretical framework. The thematic analysis was thus presented throughout those steps.

The element of comparative approach is also present in this thesis. The previous chapter has discussed that there are different levels when a tourism enterprise engaging with the Travelife certificate, and the data collected based on two different groups: Travelife

partner and Travelife certified, although there is only one company – Kipling Travel is certified. Thus by comparing the two groups, the analysis intends to identify possible differences in terms of the motivation of engaging with CSR, and competitive advantages & benefits, and challenges for the two different groups.

To be noticed, that the different analyzing themes are inter-related. It is possible that the motivations could be the benefits by engaging with CSR, or the benefits helps to enhance the competitive advantage of the companies. Thus the researchers are allowed to go back and forth to reflex the data to conduct a comprehensive analysis.

3.4 Reliability and Validity

Reliability is related to the question whether the results of a study are repeatable. According to Bryman (Bryman, 2012, p. 46), reliability is especially used in connection with quantitative research as the qualitative researchers are more concerned with whether a measure is stable or not. Another, and considered as the most important measure of research is validity. Validity is concerned with the integrity of conclusions, which are generated from a research (Bryman, 2012). Both reliability and validity are considered important criteria in establishing and assessing the quality of research. Several researchers try to find a way to adapt those terms for qualitative studies and Lincoln and Guba (1994) propose alternative criteria for evaluation. They suggested a new term – trustworthiness, which should replace reliability and validity in qualitative studies.

Therefore, the results of this thesis will be assessed according to Trustworthiness and its criteria for evaluating qualitative research.

Trustworthiness

Lincoln and Guba (2013) propose Trustworthiness as a way of assessing how good a qualitative study is. Together with Bryman (2012) they suggest four criteria of trustworthiness and each of them has a parallel with the quantitative research criteria.

1. Credibility, which parallels internal validity

Credibility is concerned with how believable the findings are. It requires both that the research was conducted according to the norms of “good practice” and that the researcher has understood the social phenomena. Bryman (2012) states that this technique is often referred to as respondent validation, but he also mentions triangulation as being recommended for the same purpose. However, triangulation is not being used in this study.

2. Transferability, which parallels external validity

Transferability deals with whether the findings can apply to other contexts. It refers to the transferability of results to other social realities and other situations. As this research is qualitative, its findings are considered to be contextually unique and thus they cannot be transferred to other contexts or generalized.

The research in this thesis is focusing on tourism SMEs in Denmark and specifically travel providers, which implement CSR measures and have a CSR certificate. Since there is a lack of literature regarding this, the researchers decided to fill the gap by investigating the issue. However, the results from this study might not be transferable, due to the uniqueness of the context.

3. *Dependability, which parallels reliability;*

Dependability looks at whether results are likely to apply at other times. To elaborate on that, the term is concerned with whether the researchers will obtain the same results if they could observe the same object or situation twice. Since the researchers are social constructivists and this is a qualitative study, it has to be taken into consideration that two researches are never the same and the change of time and space can affect the findings a research. The authors do not believe that obtaining the same result is possible.

There are several issues concerning the dependability of the research conducted in this thesis. First, the researchers are aware that the finding could have been different if they both had conducted all qualitative interviews. Second, in the case with *Jesper Hannibal*, the person responsible for the CSR certificate in the company was not present. The authors are aware that they would have probably got more information that could have helped the study by interviewing the person in charge.

It is important here to mention that throughout the process of conducting the interviews, the authors noticed some differences between doing an interview alone or together. While the interviews were held individually, the researcher in charge, had difficulties focusing on both the research questions and on following the conversation, while when the interviews were conducted by both researchers, this process seemed to be much easier. The authors believe that if they have conducted all of the interviews together, they would have got a bigger chance of collecting more and more qualitative data.

4. *Confirmability, which parallels objectivity*

Confirmability is concerned with the degree to which the researcher allowed her or his values to intrude. It also has to do with whether the results from the study will be confirmed by other researchers. The investigators to make sure that the collected data is not too subjective. According to social constructivists, complete objectivity is not possible in social research, but the researchers have act in a “good faith” (Bryman, 2012). However, the researchers tried to remain as objective as possible during the conduction of the research. Of course, since complete objectivity is not possible, they are aware that the results are to some extent affected by the social realities of the authors, their academic backgrounds and previous experience.

Summary

This chapter presented the philosophy behind this thesis and it explained the social paradigm followed by the researchers. The reasons why the authors consider

themselves Social Constructivists are also discussed as well as the Ontological, Epistemological and Methodological considerations regarding the paradigm.

On the other hand, in the second part of the chapter, the choice of research design is being explained. Since the study focuses on several cases, it was decided that the study is considered as Qualitative Comparative Multi-case study. Later on, the methods of data collection are explained and the motives why they were chosen. The research was conducted via qualitative semi-structured interviews with companies, which were chosen by a purposive sampling. The questions used for the interviews are also not randomly chosen and the idea behind the interview guide is explained in details. At the end of this chapter, the reliability and validity of the research have been discussed.

Chapter IV Findings and Analyses

The chapter will present the empirical findings, which will be analyzed using theories and models presented earlier in the Theory Section. The structure of this part follows the model of the Theoretical Framework (Figure 12, page 40) in order to answer the problem formulation. The chapter consists of four parts – the *Motivations* of the chosen travel providers in Denmark for engaging with CSR; the second part will focus on *Travelife Certification program* and the process of getting certified. It will also include information about the CSR activities that the companies undertake and thus it will analyze the type of CSR each company is implementing; *Competitive Advantage* will be the main topic of the third part of this chapter and its aim will be to discover whether the researched companies have enhanced their competitive advantage by entering the Travelife program and getting certified; and the fourth and last part of this section will have an aim to conclude the analysis and provide *Suggestions* for the implementation and further evaluation of CSR and also for embedding it strategically into the business operations of the company in order to result in competitive advantage.

4.1 Motivations

What is motivation

According to definition by Oxford Dictionary, a motivation is “*A reason or reasons for acting or behaving in a particular way.*” (Oxford Dictionaries). The reasons that this research had an aim to investigate were the ones that drive small and medium travel providers in Denmark to engage with Corporate Social Responsibility. It is interesting to see why those companies are choosing to join Travelife certification program and spend time and money on obtaining a certificate. Do they want to be good corporate citizens or do they seek differentiation and access to resources? What are their expectations and are they met after joining the program? The answer to those questions will be found in the following section.

The motivations behind adopting CSR (before joining Travelife)

The findings from the qualitative interviews will be presented in this section regarding the motivations of the travel providers to join Travelife certification program and to engage with CSR in general. It is important to note again that one of the companies interviewed is certified in Excellence and Sustainability while the other three are only verified as Partners of Travelife.

The motivations for engaging in CSR for small and medium enterprises could be numerous. According to Udayasnakar (2008), smaller companies are choosing CSR mainly to differentiate themselves from others and to seek visibility to facilitate access to resources. However, there could be millions of different motivations for SMEs to join Travelife. There is a way to break down those motives in order to analyze them.

As mentioned in the theory section, the Triple-bottom-line approach is the base of CSR. The motivations behind SMEs engaging with CSR can be divided according to the three

bottom lines – economic, social and environmental motives behind the integration of CSR. It is important to mention that one company may have more than one type of motivations behind the integration of CSR. According to the discussion in the theory section, the ultimate CSR covers all three aspects of the triple-bottom line and therefore in order for a company to implement it completely, it should have economic, social and environmental motives for that.

Economic Motives

The economic motives are the ones concerned with the financial wellbeing of the company. Vo, Delchet-Cochet and Akeb (2015) state that more and more SMEs consider that being environmentally responsible leads to good publicity, which may attract more customers and help for retaining staff. They also mention that small and medium sized companies are convinced that CSR activities such as recycling and saving energy can result in reducing costs, which will increase profitability.

As discussed in the theory section, fulfilling stakeholder needs and expectations is essential for CSR. A motivation linked to the fulfillment of stakeholder expectations can be usually associated with social concerns. However, here is an example of motives that could also be considered as economic.

From the interview with *Jesper Hannibal*, the owner of the company, it became clear that they learned about Travelife from a presentation made by the Danish Travel Association.

“The idea was actually planned more or less through the Danish Travel Association. They got engaged with the certification program Travelife and they tried to pitch it to us and I actually think that we tried to be the first ones to get it, but I think that we were the second agency in Denmark that was approved from Travelife.”(Appendix 4)

The Danish Travel Association (DTA), in this case, is one of the stakeholders for *Jesper Hannibal* travel agency. This shows how important stakeholders can be in making essential decisions. Meeting the expectations of the association could be one of the motivations for the company to join Travelife program. It is not certain whether this was a requirement, but is definite that DTA had an influence on the decision-making. Furthermore, the fact that they *“tried to be the first ones to get it”* (Appendix 4) shows that their motivation was probably to gain publicity as the first travel agency in Denmark to be certified by Travelife and thus strengthen their image and position on the market.

It was interesting to find out that *Holstebro Rejsecenter* had a similar experience.

“We got an email from something called the Danish Travel Association. They sent us an email about it that it was free and everybody could participate. So we decided to try it.”(Appendix 6)

It became clear from the interview, that the travel agencies members of the Danish Travel Association were presented with an opportunity to join the program for free and this was plausibly the main motivation for them to join it. As Christian Jacobsen stated *"it was an opportunity for us and we tried"* (Appendix 6).

And while for *Jesper Hannibal* and *Holstebro Rejsecenter*, joining Travelife was more as an addition to existing company, for *Kipling Travel* was a starting point.

"Started CSR the first day when he started the company, which is back in 2003."(Appendix 3)

Taking into consideration this statement, it is apparent that Corporate Social Responsibility was one of the main objectives for Kipling. Plausibly, CSR was aligned with all the business activities and the overall strategy of the company. This could be one of the reasons why *Kipling Travel* is the first Travelife certified travel agency in Denmark. But are the reasons behind it the same as the ones that drove *Jesper Hannibal* to join Travelife program?

According to the interview with *Kipling Travel*, the company had no expectations about increasing profit or gaining any economic benefit at all.

"(...) as I didn't expect any financial return from it. It is a proof that we are doing good, and behave good."(Appendix 3)

It is the same case for *Jesper Hannibal* and *Holstebro Rejsecenter*. Both travel providers stated that they did not expect to gain anything financially from joining Travelife certification program.

Social Motives

The social motives are focused on two main points – creating causal cohesion and equity (Vo, Delchet-Cochet , & Akeb , 2015). They are usually concerned with the employees, their health, safety and well being. They are also dealing with motivating the staff by offering training and other development opportunities.

A good example for having social motivations is Kipling Travel. The company was started based on the values of Corporate Social Responsibility.

"We believed good behavior is one of the most important value, even though we haven't written it in our company profile. But CSR is in our DNA, and it is the DNA of the company."(Appendix 3)

This statement is very important as it shows that being socially responsible is not only an additional activity to the existing product of *Kipling Travel*. The founder and owner, Lars Gundersen shared the main reasons behind starting the company.

"We developed the concept not because the customers wanted it, but for the company, and all the people who work here."(Appendix 3)

He also states the main motives for embedding CSR in the business strategy.

"We want to build up the whole concept by caring about the environment, and care about the people who work for us. And of course it is a way of differentiation from the others from the market."(Appendix 3)

According to his statement, however, it becomes clear that there was an economic reason as well behind being a CSR focused company – differentiation. Once again it is evident that one firm can have several types of motivations.

One of the main signs that Kipling is focusing on the social motives of CSR is the statement:

"I believe, that my employees are motivated to work for the company. It is also a proof to the others that we are doing good."(Appendix 3)

Showing that the staff is of a great importance for the company, which are what social motivations are concerned about. An important statement was also:

"We at least not expect profit by getting the certification. However, it is a way to prove that we care."(Appendix 3)

A company showing that it cares about its stakeholders is not only a good corporate citizen, but it also more easily gains the trust of its customers. And while *Kipling* focuses on the wellbeing of its employees, *Jesper Hannibal* concentrates on being a good corporate citizen:

"I personally think it is a good idea to take responsibility" (Appendix 4)

The owner of the travel agency states numerous times that the most important for the company was to become more aware of the impacts and to learn more about what they can improve and contribute with.

When it comes to meeting the expectations of the stakeholders, another example is *Hannibal Travel*. However, here the stakeholders are customers and suppliers as the argument is that everybody shows their certifications and memberships in their travel catalogues.

"Also image. That's one of the reasons why we are member of the WWF - we are supporting a monkey. You can't open any travel catalogue without people trying to flash all their memberships."(Appendix 4)

This shows a hidden motive for *Jesper Hannibal* to engage CSR in order to meet the exactions of its customers and all other stakeholders of having memberships and certificates to "flash" in their travel catalogue. It could be also following an example of the competitors or trying to compete with that.

The case of Unitas Rejser is slightly different from all the other travel providers as the company is partially owned by an NGO and it is not completely private. Therefore, their motivations for engaging in CSR differ from all the other agencies.

“Partly because we are owned by NGO the YMCA and YWCA, it is very close to what they work with and also towards with the CSR. So we work for good case, so now we work on doubled as much as we can on good cases.” (Appendix 5)

According to the interview with Unitas Rejser, another reason for joining the program was to have more influence on the destinations, as this was important for them beforehand.

“We expected to have some influence on the destinations.”(Appendix 5)

What Unitas is aiming at is to contribute for the sustainability of the destinations they offer, as thus they will be able to work with them in the future as well. This shows that the company is not short-term oriented and it focuses on the well being of the destinations it operates in.

Environmental Motives

Environmental motives can be divided into two categories – reactive and proactive. The reactive environmental motivations are concerned with regulations, norms and standards. Companies that have reactive environmental motives try to do only the things required and put minimum effort in that. On the other hand, having proactive environmental motivations is a sign of engaging beyond the requirements. Companies that have proactive motives for engaging in CSR transform their operational activities to achieve eco-friendly products and services (Vo, Delchet-Cochet , & Akeb , 2015).

During the interview with the representatives of Unitas Rejser, it became clear that one of their motivations for joining Travelife was to gain more influence on the destinations it works with. However, according to the statement, the examples given about the possible impacts that affect the destination are environmentally related.

“We sent a lot of schools to places in Europe where they climb or bicycle or whatever they do and we want to have the possibility to send them in ten years time too. If the destinations are not taken care of, they will be polluted or full of garbage and we want to try to have some influence on the destinations.”(Appendix 5)

Focusing on the wellbeing of a destination, it is not really regulated anyhow and therefore, this motive can be regarded as a proactive environmental motivation.

Another example of similar motivation is from *Kipling Travel* again.

“Externally to seek the suppliers that have cared more about the environment, CSR friendly.”

By that, the travel agencies make sure that the products and services they provide are not going to be harmful for the society or partially the environment.

More or less all the other travel providers mentioned that they were motivated to join the program, because they could contribute somehow by being environmentally friendly. It is more interesting, however to look at what they actually did in terms of CSR measures in the next section.

4.2 CSR Activities

This section will focus on the activities directly related to Corporate Social Responsibility that the companies undertake. This information will help us understand how those travel providers perceive CSR and what type of CSR they are focusing on. The latter will be analyzed further in the next section.

Now that it is clear why the travel providers involved with Travelife chose to engage in CSR and in the specific certification program, it is time to take a closer look at the specific actions that those companies take. In order to analyze the CSR activities easier and to follow the logic of the previous section, the triple-bottom-line approach will be used again. However, there will be other criteria for the categorization of the activities, such as internal and external for the company.

In the process of gathering the data from the qualitative interviews, it became clear that all of the travel providers divide their CSR measures in two categories – internal, which are happening inside the company and external, which are regarding the destinations they provide, their suppliers, etc. A good example is the statement by *Jesper Hannibal* about the two sides of the certification program:

"(...)there are actually two sides of it. One is what we actually do within the company and then there is what we can do externally." (Appendix 4)

Internal activities

The internal CSR measures include all the activities that are undergoing inside the company. It was interesting to see that all of the travel providers have focused on making internal changes regarding CSR. Some of the most common measures are linked to reducing costs. And while some are focused on things such as changing light bulbs (*"Internally, yes... we have changed the light bulbs" (Appendix 4); "All our light bulbs are savers." (Appendix 6)*), others change computers in order to save energy: *"All of the computer screens that we use in the office are AAA." (Appendix 6); "We changed the computers from the old ones to the new ones in order to save electricity." (Appendix 5)*. Some more measures in the office seem to be a common practice such as reducing the amount of paper used for printing or using recycled paper (*"We are trying to reduce at least the amount of paper that we use, so I am sorry that I printer this out (Interview questions)." (Appendix 4); "All of our copy paper is with the right certificate on and stuff like that." (Appendix 6)*).

Another common procedure as interesting as it may seem is the choice of coffee whether buying ecological coffee or a special coffee machine.

"And we have changed the coffee, so now we have the fair trade coffee, and that's some of the internal things we are doing. " (Appendix 5)

"Then we have these coffee machines (...) and my colleague here thinks that it is possible to be recycled by Nespresso. "(Appendix 4)

Separating garbage was also mentioned as a CSR activity, although it has been for many years in Denmark: *"We also separate our garbage as much as it is possible in the city limits."* (Appendix 4).

A very interesting statement was made, saying: *"Everything we buy is something green, if you can say that."* (Appendix 6).

All of the above CSR measures are focusing on the environmental aspect of CSR and some of them touch upon the economic, but lets take a look at other internal activities that are not implemented by all the companies.

The focus on the employees was mentioned only by two of the travel providers interviewed. A reason for that could be that the social aspect of CSR focusing on equal rights and employees' well being is already almost covered by the government. However, these two travel agencies that are concerned with their staff, are focusing on more than just obeying the law. For instance, Kipling Travel is concentrated on the working environment and the satisfaction of the employees:

"Internally, we care about our employees, as I said, the working environment is one of the social issues we are aware of. I will never let my employees work over time. And they should feel happy and satisfied with what they are doing."
(Appendix 3)

Taking also into consideration the motivations behind why the company wanted to engage with CSR – *"for all the people who work here"; "(...) care about the people who work for us."* (Appendix 3) – it is clear that Kipling Travel is concentrated on the Social aspect of CSR.

On the other hand, Unitas Rejser is also paying attention to the employees satisfaction, but in a slightly different manner.

"Yes, you know the APV, the Arbejdspilsvurdering (refers to workplace), that's what we do every year, to write a workplace assessment, to see what issues that we need focus on, and what more we can do for our employees." (Appendix 5)

Another measure that could be also considered as environmentally related is a CSR guide for the new employees to help them follow the internal CSR policy of the company such as how *"(...) to save energy, to save water, and to save paper and things like that."* (Appendix 5)

There are two examples of some special CSR internal activities that resulted into additional services or products. For instance, Unitas Rejser has implemented “go green”, which is something like a guide for their customers about how to travel responsibly.

“(...) that’s what we call it, and we explain to the customers, what is good to do when you visit a country and local places. So we give them good advice.” (Appendix 5)

Jesper Hannibal, on the other hand, takes it to the next level by creating a sub-brand – Eco Hannibal, which focuses on green tours and responsible tourism.

“We actually have created a sub-brand of Eco Hannibal and we are always trying to include at least one eco travel in the newsletters and to provide green alternative.” (Appendix 4)

Those were the main findings in connection with the internal CSR activities by the travel providers.

External activities

When it comes to external CSR measures, all of the interviewees talked about the same issues – choosing the right suppliers and the complexity of ensuring that they are really socially and environmentally responsible. But what exactly those companies are doing regarding those issues?

For example, the employees at *Jesper Hannibal* use a guide “as an example of how to choose a client.” (Appendix 4), which helps the company to select the right suppliers, which are not harming the local society or the environment where they operate. This is not enough:

“Well, it is not enough just to have a label. This is the very easy to get. But if we have to qualify for our eco programs, we have to get into a dialogue with the suppliers to see if they are using sustainable methods of transportation or biogas or whatever within that region that is possible.” (Appendix 4)

The case is very similar in Unitas Rejser, where they try to influence the supplier to become socially and environmentally responsible:

“Yes, that’s what we are working with also. We will get the status, on how they work with the CSR, to see if we can help, or if we can push them to the right direction.” (Appendix 5)

However, this is not the same scenario for Kipling Travel where they simply stop partnerships with suppliers that are not socially responsible:

“All we can do is see, look, if this supplier does not care about the environment,

the working condition and so on, we will stop the partnership with them. That is also their loss.”(Appendix 3)

Jesper Hannibal is also focused on the social aspect of CSR not only by selecting certified suppliers, but also by trying to add a new product:

“(…) not only being green and energy saving, but trying to work a lot more with companies that are not exploiting workers and who are working together with local communities and we do more home stays and it is actually possible to stay with a family.” (Appendix 4)

One of the most interesting findings from the interviews was regarding Holstebro Rejsecenter and their refusal to engage with any external CSR measures.

“No, because we don’t have any contracts with anybody. Most of the trips we organize are business trips and that mostly flight tickets forward and back and we cannot do anything about that. Its mainly flight companies that we deal with and we are not big enough to control that.” (Appendix 6)

On the question whether it is not possible for them to find socially responsible suppliers, the answer was:

“Yeah, but then we loose business. Therefore, we cannot do anything about it.”(Appendix 6)

Now that all the CSR measures have been presented, they will be analyzed and categorized according to the theory about Types of Corporate Social Responsibility.

Types of CSR used

In this section the theory part will help for the analysing the type of CSR used by the travel providers certified by Travelife. It is important to look on the types of Corporate Social Responsibility the companies engage with because this provides a better insight of the way companies perceive and implement CSR.

Carroll’s pyramid of Corporate Social Responsibility (1999) will be used for establishing a framework of the companies’ economic, legal, ethical and philanthropic performance. Information about the pyramid can be found under section 2.2.1. Types of CSR in the Theory Chapter.

Carroll’s pyramid of CSR

Carroll’s pyramid gives a very clear idea of how companies should be selecting their CSR activities, based on their nature. For example, the first changes that should be made in a company can be economic as this is the ultimate goal for each business. As it is stated in the pyramid – that is the foundation upon which all others responsibilities rest. Therefore it was not a surprise that all of the interviewed businesses were focusing on having as a starting point internal changes, which could be both regarded as economic

or environmental. This is the easiest way to begin and it is basically the foundation of “building” upon CSR.

The second level of the pyramid, which is the Legal responsibilities was supprisingly not mentioned by any of the travel providers and the researchers believe is due to the fact that the companies plausibly assume that every company’s responsibility is to obey the law, especially to the fact that those travel providers are operating in Denmark, country known for its welfare and low corruption.

The third part of the pyramid is related to the Ethical responsibilities and being a good corporate citizen. From all the findings, it became clear that most of the companies are trying to act in a responsible way. A way, that they are expected to act. An example could be only having the logo on the newsletter or in the travel catalogue, because all other companies do that. (Example from Jesper Hannibal, see Appendix 4).

The fourth and last step of the pyramid is the phylanthropy part where companies do a lot more than they are expected to. Here, we can see again *Jesper Hannibal*’ supporting monkey via WWF or Kipling Travel for choosing to work only with responsible suppliers.

Another interesting way to look at CSR acitivities is whther they implement explicit or implict CSR. As mentioned in the theory part, Implicit CSR refers to the role of a company within other institutions. Examples of Implicit CSR are all the travel providers that have engaged with Corporate Social Responsibility through the Danish Travel Asociation. Their choice of engaging in CSR was influenced by the association and thus it is considered as implicit. Another example could be Unitas Rejser as their partial ownership by an youth organization is also a sign of implicit CSR. On the other hand, explicit can be considered the CSR that Kipling Travel is implementing. The CSR is driven from the inside of the company and it is voluntary and focused on the company’s interests.

Why is important to differentiate between implicit and explicit CSR? This will be explained in the next paragraph. But lets take a look at the next types of CSR – ethical, altruistic and strategic.

Ethical CSR is considered to be mandatory and it is only about companies following rules, regulations and obeying the law. As mentioned earlier in this section, this point was not touched upon any of the researched travel providers.

The altruistic CSR, however is related to Carroll’s philanthropic responsibilities, which have already been discussed. The most important type of CSR is the strategic one as it has direct and expected impact on the business. CSR is usually in the core of the company, in its DNA as stated by Kipling Travel and the compant can be considered as the only one of the all interviewees that has focused on implementing CSR strategically. Strategic CSR will be elaborated in detail in the next section.

4.3 CSR Certification and Competitive Advantage

Based on the empirical research and data collected from semi-structured interviews, this section aims to identify the link between CSR certification and the competitive advantage of the tourism SMEs. The findings and analysis will be able to answering the following two research questions:

- **What are the benefits for small and medium-sized tour operators or travel agencies to be certified by Travelife?**
- **How can the Travelife certificate enhance the competitive advantage of the small and medium-sized tour operators or travel agencies researched?**

According to the theoretical discussion in chapter two, there are four aspects that have to be discussed in order to answer the above two research questions. Firstly, the researchers will try to find out if the process of implementing and practice Travelife certification is a way of integrating strategic CSR. The purpose of discussing this question is that Strategic CSR aims to enhancing the competitive advantage by adding social value to the business, managing the stakeholder relations and developing sustainable business practices. Therefore, those elements of strategic CSR have direct relations with the competitive context of the companies. Thus it will naturally leads to the next aspect of discussion.

Secondly, the model of four elements of competitive context will be applied to discuss and identify the link between the Travelife certification and the competitive advantage. Continue with that, this section will discuss about the other benefits that have been mentioned from the data collected. To be noticed that, during the stage of theoretical discussing about CSR and the process of data collection, the researchers discovered that it is very difficult to distinguish the benefits of engaging with CSR certification and the competitive advantages it can provide to the companies. Theoretically, several authors have argued that competitive advantage is one of the benefits that company can gain by engaging with CSR certification (Font X. , 2003; Medina, 2008; Manente, Minghetti, & Mingotto, 2014). During the interviews, the companies have also mixed those two terms together and gave examples that referred o both the benefits and the competitive advantages. Thus the researchers decided to firstly discuss the finding and analyze that related to the model of competitive context, subsequently to elaborate on the issues that are not being discussed from the model.

This section will be finished by discussing the challenges and issues identified from the empirical data. By this discussion it will help the researchers to give suggestions to the companies on how to maximize the benefits by engaging with a CSR certification program.

4.3.1 Strategic CSR or not?

Regarding to the case of Travelife certificate, there is very limited theoretical proof indicated that CSR certification program could be considered as an approach of integrating strategic CSR in the tourism business. However, by understanding the concept of strategic CSR and the principle of Travelife certification, the researchers

concluded that the process of implementing the Travelife certification could be considered as an approach of integrating strategic CSR.

From the theoretical perspective, Mitrokostas and Apostolakis (2013) argued that a voluntary certification program could help the tourism enterprises to strategically improve the business environment and gain more benefits by practicing CSR. Therefore, this process should not be fragile movements, but strategically work on by looking at different issues of the company so as to improve and change for the purpose of meeting the standards of Travelife certification.

Furthermore, as it is stated in the theory part, that a CSR certificate such as Travelife focus on the process, and it is a program not only provides criteria and standards for the certification, but also training and sharing practical tools for sustainability planning, management and reporting. It guides the tourism enterprises step by step to implement, improve and practice the CSR both from internally and externally (Manente, Minghetti, & Mingotto, 2014). By the help of the program, the tourism enterprise could develop a strategy to implement more efficient managerial practices in order to achieve effective environmental or social goals (Mitrokostas & Apostolakis, 2013). From this point of view, the process of engagement with Travelife certificate is a process of implementing CSR strategically.

However, from the empirical perspective, the above arguments have not been strongly proved. According to the data collected, as the only certified company, the business strategy of *Kipling Travel* has a strong connection with strategic CSR, as the concept of the company is strategically working with the social values both from the internal and external perspectives.

"We didn't write it anywhere from the first day the company established. But Corporate Social Responsibility was in the DNA of the company, and as the founder, I believe, being social responsible is one of the most important value of doing business." (Appendix 3)

Therefore, for *Kipling Travel*, the process of implementing the Travelife certification program is not improving or changing the business concept strategically, but a process of continually working with CSR and maintaining the existing business strategy. This is also a part of reason why *Kipling Travel* was the first and only Danish tourism company that has been certified by Travelife.

On the other hand, the process of integrating the Travelife certification for the partnered companies cannot be considered as process of implementing strategic CSR. All three companies indicated that, being a partner of Travelife was not complicated, as small changes were needed to meet the standards. The accreditation procedure can be completed by submitting an online report to explain to the auditors, on which social issues they have worked. For example, *Jesper Hannibal* claimed that internally they changed the light balls and worked more on the recycle issues in the office. And externally they send newsletters about sustainable tourism to the suppliers and

customers. Holstebro Rejsecenter mentioned that their changes toward the Travelife Partner stage were only focused internally.

"We did only here inside the company, For example, all of the computer screens we use in the office are AAA. All our light bulbs are savers. All of our copy paper is with the right certificate on and stuff like that. Everything we buy is green."
(Appendix 6)

From this point view, there are important elements of strategic CSR such as proactively working with CSR issues, adding the social values to the products, as well as managing the stakeholder relations were not indicated during the stage of being partner of Travelife certification program.

4.3.2 Travelife Certification and Competitive Advantage

As the theory part illustrated, that there are four elements have to be analyzed in order to examine the competitive environment of the companies. The following section will try to analyze the research companies by exploring the link between the competitive advantages of the firms and the issues they dealing with when implementing the Travelife certification.

According to the theoretical review, Travelife certification program aims to help the company to improve and implement CSR issues both from internal and external perspectives. Hence, the main principles of Travelife certification focus on five aspects: knowledge sharing, database & networking, stakeholder management, supply chain and destination management (Travelife, 2007; Manente, Minghetti, & Mingotto, 2014). Based on the understanding of the theory of the Four Elements of Competitive Context, the researchers have generated the below figure 15 to show the links between the elements of competitive advantage and the main principles of Travelife certification tries to bring to the applicant company.

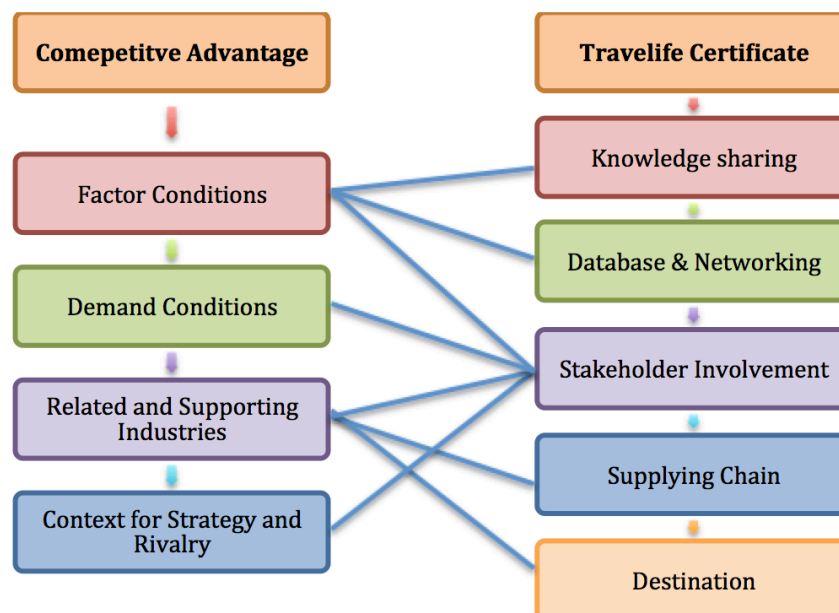


Figure 15 The links between the competitive advantage and Travelife certification (adopted from Poter & Kramer, 2006 and Manente, Minghetti, & Mingotto, 2014)

Factor conditions

Knowledge and Database & Networking Sharing

The factor conditions refer to the resources and capacity of the companies, such as the natural, human and capital resources (Porter & Kramer, 2002). The first link between the factor conditions and the Travelife principles is the knowledge, database and networking sharing. CSR in tourism industry is still under the stage of developing, meaning that knowledge could be one of the barriers that prohibit the companies to engage with CSR. From this point of view, the Travelife program is helping the company to fill this gap, as it provide the knowledge, on which social areas the companies can work on and how to work it out. Moreover, from the point of database and networking sharing, one of the benefits the applicant companies gain is to access to Travelife Partner and Travelife Certified companies.

According to the data collected, although *Kipling Travel* is more sophisticated in terms of dealing with CSR both internally and externally, they do agree that Travelife program is a good help:

"Although the company deals with the CSR on a daily bases, there are still some issues need to be taken care of and work through. The Travelife auditors present in the companies leaded us in certain way to solve the problems." (Appendix 3)

The owner of *Jesper Hannibal* has also proved the importance of knowledge gain during the process of engaging with Travelife certification.

"The benefits so far have been the personal "eye opener", trying to be more green, trying to navigate... We actually have created a sub-brand of Eco Hannibal and we are always trying to include at least one eco travel in the newsletters and to provide green alternatives now." (Appendix 4)

Furthermore, the other two travel agencies *Unitas Rejser* and *Holsterbro Rejsecenter* emphasized that by receiving the award of Travelife partner, the companies are more aware of "being green" and "energy saving", and they realized that CSR practices can easily start from their daily working environment, and until now they are continuously working on those issues.

"I think that it is a very good tool to getting started with CSR. They have this planning and reporting, that can easily help us to working on the internal issues." (Appendix 5)

Besides, *Unitas Rejser* also mentioned that, by being the partner of Travelife Certification, the company also received training opportunities, as

"We participated a free course provided by Travelife in Bulgaria, and in the course we gained important knowledge such as what is CSR, and what difference you can make; or what can you do to influence the environment or the society. After that we had to go through a personal test. And it was very helpful that we joined this course." (Appendix 5)

To be concluded, that the knowledge gain and the database & networking sharing aspects is very great help for the applicant companies to enhance the competitive advantages.

Stakeholder Management - Employees

The second link between the factor conditions and the principle of Travelife certification is the Stakeholder management. In this context the stakeholder refers to the employees of the applicant companies. On one hand, different factors such as the good working conditions, the opportunities to access training programs that can enhance the competitive advantage of the companies. From this aspect the Travelife certification requires the applicant companies to meet certain standards regarding to this kind of ethical practices of CSR, to be specific, employee issues. For example, *Holsterbro Rejsecenter* has mentioned that all the employees know that the company is under the partner stage with Travelife, and they all practice the different CSR practice internally. This aspect helps them to improve the relationship and formulate a company culture by working on the same internal issues during the daily work. *Unitas Rejser* gave examples on how the certification helps them with the employees' issues:

"We created our employee policy in terms of CSR, we are having meeting with the employees once a year and we produce a workplace assessment, to see what issues that we need focus on, and what more we can do for our employees." (Appendix 5)

as the only certified company, *Kipling travel* has also argued the importance of employees in relation to CSR, and by implementing the Travelife certification; the company strengthen more on those issues.

"Internally, we care about our employees, as I said, the working environment is one of the social issues we are aware of. I will never let my employees work over time. And they should feel happy and satisfied with what they are doing." (Appendix 3)

From this point of view, that by engaging with Travelife certification it could help to enhance the competitive advantage, but the proof is less convincing in compare with the knowledge and database & networking sharing factors. It is due to that social welfare is one of the important values of Denmark (Ringsmose, 2012), and caring the employees is not a new perspective regarding to CSR. However, being working together with Travelife certification program, the CSR issues regarding to employees have been highlighted.

Demand conditions

Stakeholder Involvement – Customers

The demand conditions in this section refer to the factors of customers or clients of the applicant companies. According to the data collected, that by engaging with the Travelife certification, there is no significant change in terms of attract more customers. Firstly, *Kipling Travel* stated that gain more customers or increase the profit was not the reason of engaging with the Travelife certification. Thus there is no influence on their target groups.

"For the customers, they have not been influenced, as they are easily influenced by other factors, such as price. I have to admit, that our product is comparable expensive and the regular tourists they do care about price. But as I said, the main purpose is not to gain more customers. We do it, for our own good." (Appendix 3)

Jesper *Hannibal* on the other hand, expected more business by working with the Travelife certification, but the expectation was not met until the interview conducted. Although during the practice the company has tried to integrate more green and sustainable elements into their products and service, it didn't show the increase of the demand on the CSR-friendly products.

"I think from the customer perspective it is interesting to see that our company is doing something really good. But it is also a little bit naïve to think that people can do a total green travel. Since the majority of the clients are not educated to be more aware about being green and sustainable." (Appendix 4)

The Data from *Unitas Rejser* indicates that, there is slightly change of customers' consumer behavior regarding to green products. And for the purpose of communicate the CSR policy with the customers; the company has worked on certain level to inform the customers to be more aware about responsible travel.

"We created something called 'go green', by that to explain to the customers, what is good to do when you visit a country and local places and give them good advice. But I am not sure if there is actually an increasing demand that we want to have a trip that is all green. One thing we are certain, is that there is a change of mind, that more and more people are aware about the CSR." (Appendix 5)

The level of involvement with customers for Holstebro Rejsercenter is comparable low. As they believed that their clients don't think it is important in terms of CSR, and if the changes of being green could create the risk of losing business, they has less intention of working on that direction (Appendix 6).

Therefore, it is reasonable to conclude that, by engaging with the Travelife certification, the demand conditions of the company has not been strengthened, thus it is difficult to enhance the competitive advantage of the applicant companies.

Related and Supporting Industries

Suppliers and Business Partners

The Suppliers and business partners can be considered as the first aspect that influence the related and supporting industries of the applicant companies. Travelife certification has stated that, one of the principles is to help the applicant companies to communicate with the suppliers that have also engaged with CSR (Travelife, 2007). For the tourism industry, that suppliers and business partners are significantly important, as the products or service are highly affected by their actions (Eraqi M. I., 2010). Hence the competitive advantage of the company could be enhanced if the applicant companies can carefully maintain the relationship with suppliers and the business partners. This point is highly evident in the empirical data collected. Firstly *Kipling Travel* stated that business partners and the suppliers are one of the major area where they practice their CSR issues, although Travelife certification is not the motivation of taking this action.

"We have always worked closely with the partners around the world, because they are the ones that can make sure that we develop the qualified responsible tourism products to our client. Although we can't guarantee the clients about that, but if the supplier does not care about the CSR issues such as the environment, working

condition and so on, we will stop the partnership, and that is their loss.” (Appendix 3)

Jesper Hannibal mentioned, that by being a partner of Travelife partner, they have started to consider more when choosing and dealing with different partners and suppliers.

“We are dealing with a lot of partners that already been certified by other eco and sustainable labels, and we also tries to communicate with the exist suppliers to choose their partners carefully, by this process we negotiate and create a more green product.” (Appendix 4)

Supporting this finding, *Unitas Rejser* is also implementing CSR features into their product by communicating with suppliers and partners. On the Contrast, *Holstebro Rejsercenter* is the only researched company that didn’t intend to expand the CSR practices regarding to Travelife certification externally. One of the reasons claimed in the data is that there is a risk of losing business.

Destinations

Destination can be considered as the second link that influences the related and supporting industries of the applicant companies. Except *Kipling Travel*, the other three researched companies have specifically elaborated on the CSR issues toward the destinations they are dealing with. *Jesper Hannibal* and *Unitas’ Rejser* have strongly proved that, by engaging with the Travelife certification, that they pay extra attentions to the destinations, and they expect improvement of CSR in the destinations by the influence of their actions. *Jesper Hannibal explained that*

“If there is difference we can make, it will be on the destination. We could try to work a lot more with companies that are not exploiting workers and who are working together with local communities.” (Appendix 4)

Unitas’ Rejser emphasized that during the interview, that

“We expected to have influence on the destinations. We sent a lot of schools to places in Europe where they climb or bicycle. We want to have the possibility to keep longer relations and continue to send clients to those destinations. But if the destinations are not taken care of, they will be polluted or full of garbage, therefore we want to try to have some influence on the destinations.” (Appendix 5)

Their explanation about the destination aspects implies that if the Tourism SMEs can be more united and working together, they do have the power to influence the whole industry. However, *Holsterbro Rejsecenter* believes that their role of influence is slight, as the scale of the company is too small to make changes.

“I think it is easier for big travel agencies to do something on the destinations, because they can make a change. They can control, and they can make the impacts on the suppliers out there ... and sign only with the ones who are agree to be to be some kind of CSR program. But for us, the company is too small to make the change” (Appendix 5)

Based on the above findings, it is reasonable to conclude that, by closing dealing with the suppliers, business partners, it will be make a big influence on the destinations. Hence it can help to enhance the competitive advantage of the applicant companies, as this aspect will ensure the company to provide tourism product and service in a high quality. And it will also make significant impact on the whole industry, that being green and sustainable is the future of tourism development.

Context for Strategy and Rivalry

Stakeholder Involvement – Local community & Other Associations

Porter and kramar claimed that (source) local context has a strong influence on the competition. It encourages the companies to pay more attention to not only with the issues that directly link to the business, but also other social issues in different level. According to the empirical data, that all the research companies have a close relationship with the Danish Travel Association (DTA). Except *Kipling Travel*, the main motivation for the other three companies to engage with the Travelife certification is the influence of DTA, as it is the funding body for the three applicant companies to implement the certification program, and awarded as the partner. From this point of view, that research companies have a comparable advantage in terms of competing with the other travel agencies and tour operators in the Danish market. Thus the competitive advantage of the companies is slightly enhanced by the engagement with the Travelife certification.

Sub-conclusion

The above analysis have tried to explore the competitive environment of the research companies by examine the different competitive context around the companies. It can be concluded, that by engaging with the Travelife Certification program, the competitive advantage of the companies has been enhanced in certain level. Firstly from the aspect of conditions factor, that the Travelife certification provide the knowledge and database, as well as sharing the networking in the industry. The companies therefore have opportunities to gain essential knowledge about the CSR, and the tools provided by Travelife will help the companies to practice the CSR issues from an easy-to-start step, refers to the internal changes such as energy saving. Moreover, the companies are encouraged to dealing with more employees issues, and by this process to motivate the employees to work and perform better during their daily life.

Secondly from the aspect of related and supporting industries, that the competitive advantage of the research companies have been enhanced. This finding can be supported from the following two reasons:

- Travelife certification enables the research companies to pay more attention to the suppliers and business partners that are dealing with CSR and tourism sustainability. By this means, the products and service level of the company can be improved, thus to gain advantage to compete within the Danish travel market.

- By focusing more on the sustainable tourism and the CSR practices, the research companies intend to have a bigger influence on the destination, to encourage the service and product providers on the destination to care more about the CSR issues. This process can help to improve the quality of the tourism products and enhance the customers' satisfaction, hence to enhance the competitive advantage of the companies.

The third aspect deals with the demand factors, referred to customers in the above analysis. The Travelife certification has slightly influenced on the customer aspects in terms of CSR. It is because the research companies have not seen the benefits such as gain more customers by being a Travelife partner. However, the customers become more and more aware about the green and sustainable travel, even though the competitive advantage of the company has not been enhanced in compare with the two arguments above.

The last aspect is to examine the Context for Strategy and Rivalry of the research companies. According to the data collected, there is very less evidence to show that there is a link between the context for strategy and rivalry and the Travelife certification. However, as the member of Danish Travel association, all the research companies gain more opportunities in terms of sharing information and knowledge.

4.3.3 Other Benefits

The above section has already identified some of the benefits when engaging with the Travelife certification, such as reducing environmental impact and saving costs. This section will focus only on the benefits that are not indicated from analysis and findings of last section.

Brand Recognition

Image improving is one of the important motivations of joining a CSR certification scheme (D'Souza, 2004; Harris, 2007). It will help the company to gain opportunities to remarketing its products and increase the brand recognition. *Kipling Travel* stated that by receiving the certification, they are improving their image.

"It is a way to prove that we care. And a way that we show our clients and suppliers, and the stakeholders around, that we have at least been evaluated by the third party, that working with CSR is not only saying something about it, but taking the actions from different aspects, to practice the issues." (Appendix 3)

Jesper Hannibal also proves that the image of the company has been enhanced, as it is a good way to show the customers that, they care more than generating profit.

Strategically working with CSR

As the only certified company, *Kipling Travel* is more mature to deal with the CSR issues from different aspects. But it was still a challengeable process to get finally certified. However, the auditor from the Travelife certification program visited the companies and helped them to work out some of the issues, hence to help them to work CSR more strategically. *Untias Rejser* emphasized that the working process is the biggest of gain

when engaging with the Travelife certification

"It is a good way to start the CSR. The planning and reporting tool are very good. Once you work though you will be able to cover all aspects of the company. By then you can make action plan, and go further, such as to work with the customers and the leadership. After all, the process is very valuable." (Appendix 5)

Jesper Hannibal and *Holsterbro Rejsercenter* mentioned that they are satisfied with the program in general, and it helped, especially from the internal aspect of the companies. But the strategy toward CSR for this two companies are comparable fragile. It is due to that *Jesper Hannibal* has always empowered the Travelife certification issues to one individual employee, and *Holsterbro Rejsercenter* has no intention to engage more CSR issues externally.

4.3.4 The Challenges and Issues

The Based on the empirical data, this sections aims to discuss the challenges and issues that have been identified in terms of engaging with Travelife certification.

Cost and Time consumption

From the internal perspective, time consumption and the cost is one of the challenges when trying to engage with the Travelife certification. During the first stage, that the applicant has to conduct a report according to the tools provided. Lack of knowledge will cause the company to spend longer time to work on it. *Jesper Hannibal* mentioned during the interview that

"One of the things is that when engaging in a program like this, you need to employ a person and spending all that time to deal with the certificate." (Appendix 4)

Unitas Rejser explained that other costs have been increased when practice some of the CSR issues in relation to Travelife certification.

"There are always two sides of the case. Because when we print the paper on both sides, then we firstly have to pay for a printer that can print on both sides." (Appendix 5)

According to *Unitas Rejser*, that Travelife offers free courses to the partners. However, the company needs to pay the other consumptions, for example the flight tickets and hotel rooms for participating with the course. *Kipling Travel* specified that the time and consumption and the costs would be more in compare with the stage of Travelife partner.

"it is much easier to be a partner of Travelife, as you just have to finish an online report. However, being certified is a longer process. It took us almost half a year into 8 months to work on it. It was serious issue and the external auditor came twice to visit the company, and discuss with us about the issues we were dealing with." (Appendix 3)

It is necessary to stress that, none of the single company from the four Travelife partners are entirely sure that they will continue with the engagement with Travelife to get finally certified as Travelife Excellence and Sustainability. Cost and the time consumption could be one of the reasons.

Lack of communication between Travelife and the companies

It is noticeable that during the process of engaging with Travelife certification program, the communication between Travelife and the companies is comparable low. Kipling Travel indicated that after being certified, the only communication maintained between the Travelife is by email, but not frequent. For the Travelife partners, the companies have to update a report every two years. *Unitas Rejser* emphasized that the company could benefit more if Travelife consciously communicate and share knowledge and networking with the companies. By this means it will motivate the companies to work further to reach the stages of certifying as the Travelife Excellence in Sustainability.

4.4 Suggestions

According to the previously analysis, the researcher would give the following suggestions to the research companies on how they could maximize the benefit by engaging with the Travelife certification.

Firstly, the research companies should focus more on the knowledge perspective, especially for the Travelife partners. This is because that, those companies have already started to implement the internal CSR issues. And it will be a good idea to continue to work from this perspective. For example, the company could provide courses and training opportunities to the employees on how to practice the internal CSR issues.

Secondly, the company should allow all the employees to be involved in the process, by this to motivate them to make better performance to enhance the overall human resources.

Thirdly, the companies should use different channels to speak with both the suppliers and the business partners, to build up a better relationship and enhance the overall ability to influence the travel market.

Last but not least, the company should work more to communicate with the customers, to draw their attention in regarding to CSR and sustainable travel. Customers' awareness about the CSR issues will help the company to improve the quality of the product and service by providing more green products. The companies should try to generate guidelines into the specific destination, on what they should take care of when they travel to the place where environment should be paid extra attention.

Chapter V Conclusion

5.1 Conclusion

This thesis researched on the small and medium sized travel agencies and tour operators in Denmark that are engaged with Travelife certification program. The study intended to explore on how a CSR certificate can help to enhance the competitive advantage of the tourism companies.

In order to approach the thesis, both the theoretical and the empirical perspectives have to be examined. From the theoretical perspective, the researchers firstly reviewed the concept of corporate social responsibility and the CSR issues in related to Tourism industry. Secondly, the research discussed theory about the competitive advantage and tried to identify its link to CSR. Thirdly, the researchers studied the CSR certification program and specifically the Travelife certification. The ultimate goal for reviewing the literature is to identify a theoretical framework, by which to guide the empirical research, hence to collect the most essential data to answer the main problem formulation of the thesis.

The empirical perspective refers to the process of collecting data from the research objects. To be more specific, this thesis tried to conduct qualitative research focusing on five tourism SMEs in Denmark. It is necessary to emphasize that, the researchers of this thesis decided to follow Social Constructivism as the philosophy to conduct the research, and the main methods applied is qualitative semi-structured interview. Only four of four interviews have been completed.

According to the data collected, there is certain link between the competitive advantage and the Travelife certification. This means, if the companies can practice the CSR issues more strategically, and by the help of Travelife certification, it is possible to enhance the competitive advantages, as there are several issues that can be focused on for the purpose of enhancing the competitive advantage. For example, the internal aspect such as the energy use of the office and the CSR practices in relation to employees. Externally, the company could work more closely with suppliers and business partners, especially the ones that have already been engaged with CSR. By this means it gives the company opportunities to improve the quality of the product and service provided to the clients and customers. Furthermore, it will have the ability to influence the whole tourism industry both from the destination and the demand sides.

However, there are also benefits and challenges the research companies can face in terms of engaging with CSR certification. One of the significant benefits is gaining knowledge by the tools provided by the certification program. On the other hand, the cost and time consumption could be increased due to the practice of the CSR issues, which is considered as one of the main issues that the CSR certificate is facing.

Last but not least, the researchers give suggestion to the companies on how they could maximize the benefits by engaging with a CSR certification.

5.2 Further Research

One of the perspective has been identified during the process of this research, that it is interesting to conduct the research by investigating the Travelife certification program, to explore their expectation in regarding to the companies that have been engaged with the certification programs, to find out how they can do better to help the companies during the process, by this means to provide opportunities for the companies to gain more, not just a paper proof.

On the other hand, it could also being interesting to continue to work with the perspective of strategic CSR, to examine how a company adopt the concept of CSR and add it as part of their business model. By this kind of research it is possible to explore a case that has nothing to do with the certification program, on how they can work through the process.

The third perspective identified during the research is to focus only on the Tourism SMES, to research and suggest how they could make bigger impact on the stakeholders such as the customers, suppliers and on the destination, by this to enhance the development or engagement of CSR in the tourism industry

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