

Fact Sheet #2: Consumer Demand and Industry Response

Competitive and Sustainable Tourism in Sinaloa Sur



What's the issue?

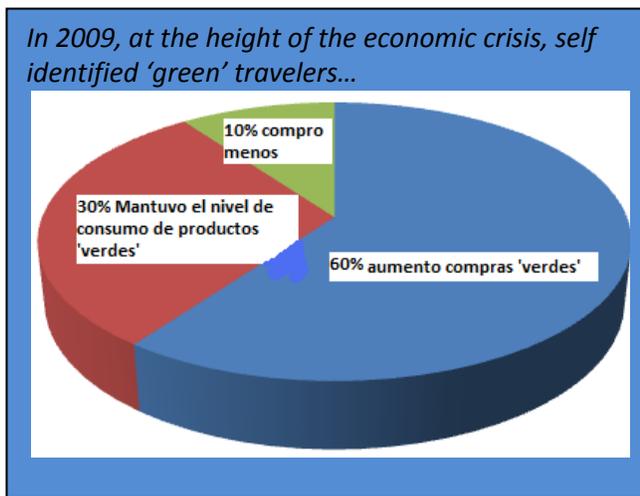
The market for tourism products and experiences has been undergoing significant changes. Any businesses or destinations that do not respond to these changes will be left behind, while those that pay attention to market trends have a competitive advantage.

In the past, Mexico's coastal tourism centered on large scale, all inclusive beach resorts. However, since about 2000, sun-and-sand resort tourism appears to be losing its luster. According to the United Nations' World Tourism Organization (UNWTO), sun-and-sand resort tourism has now "matured as a market" and its growth is projected to remain flat.¹

At the same time, demand for high quality "sustainable" and responsible tourism that benefits the environment and local communities is growing. Indeed, trends show that international and Mexican travelers are increasingly seeking authentic tourism experiences that minimize negative impacts, bring economic benefits to host communities, and preserve the cultural and natural resources of the destinations they visit. Fortunately for travel businesses and destinations, there is strong evidence that responsible travel is also good for the economic bottom line.

Consumer Demand...

- 93% of *Conde Nast Traveler* readers surveyed in 2011 said that travel companies should be responsible for protecting the environment, and 58% said their hotel choice is influenced by the support the hotel gives to the local community.²
- More than 90% of U.S. travelers surveyed by the online travel publisher TravelZoo in 2010 said that they would choose a 'green,' environmentally conscious hotel if the price and amenities were comparable to those at a non-sustainable, non-green hotel.³
- The CMI Green Traveler Study Report 2010 asked responsible travelers how the global economic crisis had affected their travel plans: 54% reported taking a "greener" vacation within the last 12 months, "43% of survey respondents say they would be willing to pay up to 5% more to decrease their 'ecological footprint' on their next trip; almost as many say they would pay more than that."⁴
- 42% of Mexican consumers say that environmental sustainability has significant influence on their purchasing decisions when it comes to food, a general indicator of consumer preferences.⁵
- The growth of consumer demand for responsible tourism is being driven by a confluence of lifestyle trends, all of which are likely to remain strong into the future. These trends include:⁶
- *Emergence of experiential tourism* - tourists prioritizing authentic experiences over amenities or conspicuous consumption



CMI Green, 2010



- *Generational shifts* - Baby Boomers applying personal values to travel, Gen X-ers ‘buying’ their way to a greener planet; Millennials who have grown up with *Need to connect with nature* - increasingly stressed-out urbanized societies seek natural escapes. More than ½ the world’s population now lives in cities, and urban populations are expected to grow by 84% by 2050⁷
- *Search for fulfillment* - demand for authenticity and meaningful connections during travel is linked to spikes in demand for volunteer vacations and travel giving

Industry Response...

Tourism businesses are responding to consumer interest in sustainability with new investments, products and internal policies. For instance:

- Many leading hoteliers have created senior management positions in sustainability, recognizing its importance to their business. These include: Marriott, Hilton, IHG, Fairmont, Wyndham, Accor, Starwood and Kimpton, among hoteliers, as well as Royal Caribbean Cruise Lines, TUI Travel, and Vail Resorts.
- Marriott International has developed a ‘green’ hotel prototype pre-certified by the U.S. Green Building Council as part of its LEED Volume Program. This prototype saves Marriott’s hotel owners an average of \$100,000 in development costs, six months in design time, and up to 25% in terms of energy and water consumption.⁸
- Trip Advisor, the world’s #1 travel website with 260 million unique monthly visitors per month, has added a prominent “Green” filter for hotels in the US.⁹

Luigi Cabrini, UNWTO Director of Sustainable Development states that “The tourism sector is embracing responsible tourism not as an option, but as a condition for its continuous growth. Recent United Nations research highlights that investing in sustainability reduces costs of energy, water, and waste and enhances the value of biodiversity, ecosystems, and cultural heritage, while responding to increasing demand from travelers for greener tourism.”

How does this apply to Sinaloa Sur?

The people, business community, and government of Sinaloa have an opportunity to choose which model of tourism to pursue in the southern part of the state. Understanding that market trends indicate a long-term shift among consumers in favor of sustainable tourism can help decision makers position Sinaloa Sur for future growth. By pursuing sustainable tourism in Sinaloa Sur, the area will not only tap into consumer trends, it will differentiate itself from other coastal tourism destinations in Mexico and the broader region. Ignoring these trends and pursuing conventional coastal tourism development, on the other hand, could mean that Sinaloa Sur enters the international tourism marketplace with a product that the most desirable consumers are already walking away from.

Ways to Move forward:

- Sinaloa Sur should develop tourism products that appeal to the market’s demand for social and environmental sustainability.
- Applying rigorous sustainability criteria to new construction and operations will allow Sinaloa Sur to earn credibility among consumers as a sustainable destination.
- Each new conventional sun & sand resort will detract from Sinaloa Sur’s initiative to position it as a leader in high quality sustainable tourism.



¹ World Travel and Tourism Council. London, UK (2003). Blueprint for New Tourism.

² PR News Wire. 2011. "Conde Nast Traveler Announces Winners of the 2011 World Savers Awards."

<http://www.prnewswire.com/news-releases/conde-nast-traveler-announces-winners-of-the-2011-world-savers-awards-127886823.html>.

³ Christa Romano. 2010. "Hotels Are Going Green: From the Ritz to the Sands, It's Catching On." May 9, 2010.

<http://christaromano.wordpress.com/2010/05/09/hotels-are-going-green-from-the-ritz-to-the-sands-its-catching-on/>.

⁴ CMIGreen Community Marketing Inc. 2010. *The CMI Green Traveler Study Report 2010*. Vol. 1, pp. 5, 6.

<http://www.greenlodgingnews.com/downloads/cmigreentraveler2010v1.pdf>.

⁵ IntraEmprendador.com, "Cinco tendencias verdes para emprender en México," May 12, 2011.

⁶ Center for Responsible Travel (CREST). 2009. *The Market for Responsible Tourism Products: With Special Focus on Latin America and Nepal*. SNV Netherlands Development Organisation. 2009. pp. 25-30.

<http://www.responsibletravel.org/resources/documents/reports/The%20Market%20for%20Responsible%20Tourism%20Products.pdf>

⁷ United Nations Department of Economic and Social Affairs, Population Division, "Urban and Rural Areas," 2009.

<http://www.un.org/en/development/desa/population/publications/urbanization/urban-rural.shtml>

⁸ Marriott International. 2011. "Environmental Initiatives." <http://news.marriott.com/environmental-fact-sheet.html>

⁹ www.tripadvisor.com/greenleaders

