

Co-Creation of Sustainable Tourism and Hospitality Experiences

Subjects: Hospitality, Leisure, Sport & Tourism

Contributor: Ricardo Jorge da Costa Guerra, Eduardo Cândido Cordeiro Gonçalves

Sustainability is and will be very closely linked to the development of tourism in the future. It is the most important trend shaping the sector, and it will continue to determine travelers' preferences and motivations in the period after COVID-19.

Keywords: co-creation ; tourism ; sustainability ; hospitality ; restaurant ; wellness ; hotel

1. Introduction

Given the challenges facing the tourism and hospitality sector today, it is important that hotels and tour operators implement corporate social responsibility policies by ensuring good working conditions for employees, promoting ethical business practices, and supporting social projects in their communities ^[1]. Sustainability in tourism and hospitality not only protects the environment and local culture, but can also bring long-term economic benefits, such as attracting sustainability-conscious tourists, reducing operating costs through energy efficiency, and improving a company's reputation and image.

Sustainable business practices are rapidly gaining visibility and importance in the hospitality industry. Guests and regulations increasingly demand that hotels share their commitment to the environment ^[2]. While implementing sustainability initiatives can be challenging, it also brings great benefits. According to the World Tourism Organization ^[3], innovation and sustainability are considered a new normal in order to recover tourism from the COVID-19 crisis. The hospitality industry is evolving to trends like health, well-being, harmony, environment protection, and integration in the surrounding community.

According to the Fundação para a Ciência e a Tecnologia (FCT), that is a Portuguese national public agency that supports research in science, technology and innovation in all areas of knowledge, under responsibility of the Ministry of Science, Technology and Higher Education of the Portuguese Government, in its Agenda for the Investigation in Tourism and Hospitality ^[4], the concept of co-creation is very present, emphasized by its importance in the challenges of innovation as well as the difficulties faced by small- and medium-sized companies and individual operators in the process of creating new products and processes and in innovation. It is said that these challenges should be identified in a formulation of policies that should obligatorily involve the actors of the 'Tourism, Leisure and Hospitality ecosystem from the perspective of the "quadruple helix", including (i) academia and intermediary bodies; (ii) economic agents; (iii) citizens; (iv) as well as political decision makers.

Despite the existence of some studies on the subject ^{[5][6][7]}, a gap in the literature and case studies can be highlighted that is linked to the co-creation process associated with the tourism and hospitality sector ^{[8][9][10][11][12]}, particularly in the current Portuguese reality ^{[13][14][15]}. It is important to analyse case studies where this strategy has been implemented in order to better understand its benefits. In the tourism and hospitality sector, not all entrepreneurs are aware of the need for closer collaboration with higher education institutions, so this article seeks, through a specific case, to show the added value of co-creation in this sector.

The transfer of knowledge from the academic area to the competent entities and to the entrepreneurial fabric itself embodies the mission of higher education and the so-called entrepreneurial university ^[16]. The correlation between the university and the market economy, with the intersection of fundamental and applied research, is undergoing profound changes today as the connections between science, industry, the market, and politics are coming closer together ^[17]. In its origins, the university was a transmitter of knowledge, later becoming a knowledge-generating institution (a second mission). Today, the university has a third mission: to contribute to social and economic development, which has transformed it into an "entrepreneurial" university ^{[18][19][20][21]}. An entrepreneurial university is open to change, innovation, and the creation of opportunities, becoming part of an entrepreneurial ecosystem.

2. Co-Creation: Industry and Academia

Co-creation in the business sense is associated with consumption when the customer adds a variety of resources to adapt the product to the specific environment in which it is used ^{[22][23]}. Moreover, it reflects the option the customer takes when interacting with the company ^[24] to represent the desired value ^[25]. This results in a balance of “service production” in the corresponding “value creation” ^[26], which represents a mutual benefit ^{[22][27]}. This idea of creating proximity between the parties provides companies with a better knowledge of the customer’s “motivations” or needs or “wants” ^[28]. Such a relationship between the parties provides a more refined response to the customers’ motivations and desires ^[29]. This highlights the contribution of co-creation to value creation in service delivery that also involves customers ^{[30][31][32]}.

The creation of shared value thus takes on a neuralgic dimension, with “actors” and the “integration of resources” standing out. This last “axiom” is fundamental to the whole logic of “co-creation of value”, since the networking of actors is completed through resources. Often, “information” and “knowledge” are the nodal resources to be integrated ^[33]. This model, therefore, considers the interaction of the institution with the so-called “service ecosystem”, i.e., the social context is now also important as a “determinant” of real value creation ^[23].

Also, according to Prahalad and Ramaswamy ^[25], the origin of value creation is shifting from the product to the “experience”, where the value is created by the consumers themselves ^[33], which is related to their level of “satisfaction” ^[34]. This consumer involvement can occur in certain contexts in which co-creation takes place ^[23], namely (i) “use” or consumption of a product or service; (ii) “role” that the customer takes according to their “lifestyle”; (iii) level of use of “technological tools”; (iv) clarity of the “benefit” that the customer’s contribution to co-creation has; (v) “heterogeneity” of customers involved in the co-creation process ^[35].

Co-creation is now considered an innovation-driven “approach” from which participatory “commercialization” models emerge. These co-creation processes are also a “learning” tool” that connects academia and industry. A good example is the project carried out by the Finnish company Demola Global ^{[36][37]}.

In Portugal, under the Human Capital Operational Program (POCH), in the component dedicated to the empowerment of teachers in co-creation processes (COMPETE 2020 Co-creation Portugal—Link Me Up 1000 ideas), a series of initiatives are being considered from the polytechnics in collaboration with different public and private entities to develop “innovative solutions to real problems” ^[37]. Moreover, this process is structured in a triple-helix model, i.e., it involves companies, higher education institutions, and society, and embodies “active learning” aimed at solving specific problems through co-creation ^{[37][38]}. This project is based on multidisciplinary groups of students who experience solutions with the ballast of business in different areas of action, namely “business concepts”; “new product development”; structuring “prototypes” applied to the topic under study ^[39].

According to Ahmed et al. ^[40] this collaboration can bring productive changes to both sectors, academia and industry, namely, (a) industrial professionals share their expertise and work behavior with students, giving them a comprehensive understanding of professional working; (b) help students find relevancy between theoretical and practical approaches; (c) they can conduct academic research and suggest its practical implications in an organizational environment; (d) ideas can be made possible if they are backed by expertise; (e) instead of sending their employees on expensive training, industries can increase the professionalism of their employees through their personal learning experiences by communicating and expressing their ideas with students and gathering feedback from their perspectives; (f) they can cut short their recruitment process by hiring the students they are already working in collaboration with; (g) both sides can quickly conduct a mutual consensus; (h) and when both partners work together and adhere to the same standards, problems are faced and resolved more effectively.

3. Challenges of Sustainable Tourism and Hospitality Experiences

Sustainability in tourism is now unavoidable, with an awareness of the multiplicity of its agents, oriented to the needs of visitors, but also to the host communities and the environmental, economic, and social impacts of tourism activity ^[41].

When, in 2015, the United Nations validated the 2030 agenda and its 17 Sustainable Development Goals (SDGs), tourism was included in this desideratum, especially in Goal 8, related to sustainable economic growth, in Goal 12, concerning sustainable consumption and production, and in Goal 14, related to the sustainable use of oceans and marine resources. On a European scale, the European Ecological Pact should be remembered, for a more “efficient” and “competitive” Europe in terms of resources, also including the tourism segment. In Portugal, the Tourism Strategy 2027 is being developed, pointing to tourism as a hub of “economic, social and environmental development” and defining a “quality” tourist destination as shaped by sustainability values, with a segmented, distinctive, and environmentally aware offer. It is

in this sense that we have to understand the Plan “Turismo + Sustentável 2020–2030”, or the association to the Global Sustainable Tourism Council, and also the Glasgow Declaration on climate issues in tourism ^[42].

According to Silva ^[43], tourist accommodations have six steps to follow during the implementation of sustainability strategies, which will allow the accommodation unit to achieve a balance of the three pillars of sustainability, which in turn will generate competitive advantages and increase its performance in the market.

- Recognition of the importance of sustainable development: before embarking on sustainability, they should recognize the importance of sustainability for the accommodation, study the possible advantages to be gained from its adoption, and seek to acquire the know-how of the whole process.
- Making the commitment: After establishing the recognition and acquiring the know-how for sustainable development, the accommodation unit should make a commitment to sustainability. In case it is still in the project concession, this is an issue that should be thought about before, during, and after the development and implementation of the project.
- Fitting in with the destination: The accommodation unit should try to align its concept with local culture and traditions. Any business should be based on its cultural roots, and, in the case of tourist accommodation, it should be a translation of what is the surrounding community/destination. They should seek to offer a different experience, an innovative and unforgettable experience, based on the principles of sustainability and emphasizing the importance of the cultural aspects of the region.
- Sustainable management: Involves the planned and organized development of the commitment established in point 3. This commitment must be translated into measurable actions, goals, and objectives, which must be documented in an action plan. There must be leadership in ensuring that the objectives are met and the verification that those that are not are immediately redefined and their deadline for completion renewed. Also, in terms of leadership, there must be a constant monitoring of consumption and spending through daily records, and there should be established a preventive plan of action in order to prevent events and stipulate procedures for action in case they happen. You must ensure an annual control of all goals achieved, consumption, expenses, nights overnight stays, number of guests and employees, through an annual report, which should be analyzed using the administrative management so that there is an overall balance of the performance of the of the unit and you can identify areas for improvement.
- Sustainability policy: The actions and goals established, referred to in point 4, must be translated into strategic actions and changes to be implemented over the course of a year, in order to achieve the established objectives. These strategic actions must be defined in the sustainability policy, which should be based on three major general axes of action: creation of value for stakeholders; environmental conservation; and management of consumption and expenses.
- Certification: Certification is not a mandatory element for sustainability, but it can be a supporting tool. It can be a way to facilitate the process of implementing implementation of sustainability in the lodging unit, or it can just be a recognition of the unit's good practices. However, whatever the certification, it will bring benefits such as external recognition, publicity, competitiveness, and increase in revenue.

The challenges of sustainable tourism and hospitality experiences in current days enhance the following considerations:

(a) Through reducing consumption. Guests do not want to be deprived of any element of their experience, and yet to meet sustainability goals, hotels must reduce consumption. (b) Monitoring demand. Usage within the hotel environment is variable and depends on guest behavior. (c) Verifying effectiveness. Programs and their effectiveness vary widely, and it is difficult to determine which standards are most effective for measuring greenness. (d) Evaluating opportunities. Although sustainability programs frequently save money in the long run, they require an initial investment, meaning hotels must justify them through selecting programs that most affect the bottom line and are aligned with organizational goals. (e) Removing barriers. Sustainability programs tend to be siloed when they should be the entire organization's responsibility ^{[43][44][45][46][47]}.

References

1. UNWTO. World Tourism Organization and United Nations Development Programme. In *Tourism and the Sustainable Development Goals—Journey to 2030*; UNWTO: Madrid, Spain, 2017.

2. Sima, V.; Gheorghe, I. Green Customer Satisfaction. In *Green Business: Concepts, Methodologies, Tools, and Applications*; IGI Global: Hershey, PA, USA, 2019; pp. 153–180.
3. UNWTO. UNWTO Website—Tourism Trends 2022. Available online: <https://www.unwto-tourismacademy.ie.edu/2021/08/tourism-trends-2022> (accessed on 23 May 2023).
4. FCT. The Fundação Para a Ciência e a Tecnologia Website. Available online: <https://www.fct.pt/sobre/politicas-e-estrategias/agendas-tematicas/> (accessed on 2 November 2023).
5. Barakat, S. *Capacidades Organizacionais e a Sinergia na Criação de Valor Para Stakeholders*; Universidade de São Paulo: São Paulo, Brazil, 2016.
6. Kazadi, K.; Lievens, A.; Mahr, D. Stakeholder co-creation during the innovation process: Identifying capabilities for knowledge creation among multiple stakeholders. *J. Bus. Res.* 2016, 69, 525–540.
7. Prebensen, N.; Vittersø, J.; Dahl, T. Value co-creation significance of tourist resources. *Ann. Tour. Res.* 2013, 42, 240–261.
8. Baggio, R.; Cooper, C. Knowledge transfer in a tourism destination: The effects of a network structure. *Serv. Ind. J.* 2010, 30, 1757–1771.
9. Cabiddu, F.; Lui, T.; Piccoli, G. Managing value co-creation in the tourism Industry. *Ann. Tour. Res.* 2013, 42, 86–107.
10. Espinosa, M.D.; Martín, A.C.; Dobón, S.R. The transmission of knowledge by means of strategic alliances: An application in the hotel industry. *J. Transnatl. Manag. Dev.* 2003, 8, 19–34.
11. Sambyal, R.; Rishi, B.; Mavi, A.K.; Marwaha, A. Value network partners' perception of co-creation and its impact on their satisfaction. *J. Hosp. Tour. Insights* 2023. ahead-of-print.
12. Weidenfeld, A.; Williams, A.M.; Butler, R. Knowledge transfer and innovation among attractions. *Ann. Tour. Res.* 2010, 37, 604–626.
13. Campos, A. *Co-Creation of Tourist Experience: Attention, Involvement and Memorability*; Universidade do Algarve: Faro, Portugal, 2016; Available online: <http://hdl.handle.net/10400.1/8678> (accessed on 26 October 2023).
14. Carvalho, M.; Lima, J.; Kastenholz, E.; Sousa, A. Co-creative rural tourism experiences: Connecting tourists, community and local resources. In *Meeting Challenges for Rural Tourism Through Co-Creation of Sustainable Tourist Experiences*; Kastenholz, E., Carneiro, M.J., Eusébio, C., Figueiredo, E., Eds.; Cambridge Scholars Publishing: Cambridge, UK, 2016; pp. 79–101.
15. Ribeiro, T.; Costa, B.; Ferreira, M.; Freire, O. Value co-creation in tourism and hospitality: A systematic literature review. *Eur. Manag. J.* 2023.
16. Audy, J.; Morosini, M. *Inovação e Empreendedorismo na Universidade*; EDIPUCRS: Porto Alegre, Brazil, 2006.
17. Barnes, T.; Pashby, I.; Gibbons, A. Effective university—Industry interaction: A multi-case evaluation of collaborative R&D projects. *Eur. Manag. J.* 2002, 20, 272–285.
18. Etzkowitz, H. Research groups as “quasi-firms”: The invention of the entrepreneurial university. *Res. Policy* 2003, 32, 109–121.
19. Etzkowitz, H. Anatomy of the entrepreneurial university. *Soc. Sci. Inf.* 2013, 2, 486–511.
20. Guerrero, M.; Kirby, D.; Urbano, D. A literature review on entrepreneurial universities: An institutional approach. In *The Entrepreneurship Ecosystem Strategy as a New Paradigm for Economy Policy: Principles for Cultivating Entrepreneurship*; Babson College: Babson Park, FL, USA, 2011.
21. Kirby, D. Creating Entrepreneurial Universities in the UK: Applying Entrepreneurship Theory to Practice. *J. Technol. Transf.* 2006, 31, 599–603.
22. Figueiredo, V.; Guerra, R.; Gonçalves, E. Cooperation networks in tourism and hospitality: An analysis applied to health and wellness tourism product in Portugal. In *Tourism Innovation in Spain and Portugal—New Trends and Developments*; Leitão, J., Ratten, V., Braga, V., Eds.; Springer: Berlin/Heidelberg, Germany, 2021; pp. 27–41. ISBN 978-3-030-80733-7.
23. Kristensson, P.; Matthing, J.; Johansson, N. Key strategies for the successful involvement of customers in the co-creation of new technology-based services. *Int. J. Serv. Ind. Manag.* 2008, 19, 475.
24. Aggarwal, P. The effects of brand relationship norms on consumer attitudes and behavior. *J. Consum. Res.* 2004, 31, 87–101.
25. Prahalad, C.K.; Ramaswamy, V. Co-creation experiences: The next practice in value creation. *J. Interact. Mark.* 2004, 18, 5–14.

26. Vargo, S.L.; Maglio, P.P.; Akaka, M.A. On value and value co-creation: A service systems and service logic perspective. *Eur. Manag. J.* 2008, 26, 145–152.
27. Kambil, A.; Friesen, G.B.; Sundaram, A. Co-creation: A New Source of Value. Accent. Outlook 1999. Available online: <http://kambil.com/wp-content/uploads/PDF/accnture/cocreation2.pdf> (accessed on 26 October 2023).
28. Bitner, M.J.; Faranda, W.; Hubbert, A.; Zeithaml, V. Customer contributions and roles in service delivery. *Int. J. Serv. Ind. Manag.* 1997, 8, 193.
29. Boswijk, A.; Thijssen, T.; Peelen, E. The experience economy—A new perspective, Pearson Education Benelux, Amsterdam. *Bus. Rev.* 2007, 76, 96–104.
30. Lusch, R.F.; Vargo, S.L. Service-dominant logic: Reactions, reflections and refinements. *Mark. Theory* 2006, 6, 281–288.
31. Spohrer, J.; Maglio, P.P. The emergence of service science: Toward systematic service innovations to accelerate co-creation of value. *Prod. Oper. Manag.* 2008, 17, 238–246.
32. Chathoth, P.K.; Altinay, L.; Harrington, R.J.; Okumus, F.; Chan, E.S.W. Co-production versus co-creation: A process based continuum in the hotel service context. *Int. J. Hosp. Manag.* 2013, 32, 11–20.
33. Vargo, S.L.; Lusch, R.F. Institutions and axioms: An extension and update of service dominant logic. *J. Acad. Mark. Sci.* 2016, 44, 5–23.
34. Zhang, X.; Chen, R. Examining the mechanism of the value co-creation with customers. *Int. J. Prod. Econ.* 2008, 116, 242–250.
35. Prahalad, C.K.; Ramaswamy, V. Co-creating unique value with customers. *Strategy Leadersh.* 2004, 32, 4–9.
36. IPB. Demola Promove Co-Criação de Soluções Inovadoras Entre Alunos e Empresas. 2017. Available online: <http://recortes.ipb.pt/?cat=78> (accessed on 26 October 2023).
37. Costa, J.; Gonçalves, V.; Lebres, V.F. Co-creation and collaboration processes in the Demola project through the Miro platform. In VIII Conferência Ibérica de Inovação na Educação com TIC: ieTIC2022; IPB: Bragança, Portugal, 2022.
38. Catalá-Pérez, D.; Rask, M.; de-Miguel-Molina, M. The Demola model as a public policy tool boosting collaboration in innovation: A comparative study between Finland and Spain. *Technol. Soc.* 2020, 63, 101358.
39. Gonçalves, V. Criatividade, inovação e processo de co-criação. In International Conference on Innovation, Documentation and Education: INNODOCT/21: Livro de Atas; Simón, F.G., Miguél, S.E., Lengua, I.L., Eds.; Universitat Politècnica de València: València, Spain, 2021; pp. 848–855.
40. Ahmed, F.; Fattani, M.T.; Ali, S.R.; Enam, R.N. Strengthening the Bridge Between Academic and the Industry Through the Academia-Industry Collaboration Plan Design Model. *Front. Psychol.* 2022, 13, 875940.
41. Gonçalves, E.C.C.; Guerra, R.J.D.C.; Figueiredo, V.M.P.D. Green Tourism and Sustainability: The Paiva Walkways Case in the Post-Pandemic Period (Portugal). *Sustainability* 2023, 15, 13969.
42. Guerra, R.; Santos, N.; Gonçalves, E. Health and Wellness Tourism: Contribution for a local sustainable development strategy. In Cultural Sustainable Tourism; Chapter 19. Springer Book Series titled Advances in Science, Technology & Innovation; Springer International Publishing: Cham, Switzerland, 2022; ISBN 978-3-031-07818-7.
43. Silva, R. Gestão Para a Sustentabilidade no Alojamento Turístico: Estudos de Caso de Sucesso. Master's Thesis, Polytechnic University of Guarda, Guarda, Portugal, 2020.
44. Almeida, J. Sustentabilidade em Hotelaria. Ph.D. Thesis, Universidade Europeia, Lisbon, Portugal, 2016.
45. do Nascimento, B.F.; Wada, E.K.; Rodrigues, V.B. Sustentabilidade na hotelaria. *Tur. Soc.* 2017, 10, 1–22.
46. Laasch, O.; Conaway, R. Management: Basics and Processes. In Principles of Responsible Management: Global Sustainability Responsibility, Ethics; Cengage Learning: Boston, MA, USA, 2018; pp. 24–51.
47. Aqua Village Health Resort & Spa. Aqua Village Health Resort & Spa Website. Available online: <https://www.aquavillage.pt/EN/home.html> (accessed on 2 November 2023).