# BACHELOR THESIS


## CORPORATE SOCIAL RESPONSIBILITY IN TOURISM
## CASE STUDY OF TRAVEL AGENCY "APOLLO"


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# ABSTRACT

Travel is one of the world's biggest industries, which is directly affected by social and environmental changes. The negative impact of the travel industry became largely discussed and this has led to an increased focus on CSR and the impact of CSR implication for travel industry businesses. The objective of this thesis is to find out how sustainable travel agencies as mediators between consumers and hotels can influence their stakeholders to engage in social responsibility. The theoretical framework is established by conceptualizing travel agency and CSR combined with stakeholders. The competitive environmental strategies are subsequently presented, following by the conceptualization of green advertising. Based on a theoretical framework, hermeneutics philosophy of sciences and a methodology focusing on qualitative single case study approach and secondary data collection the research is carried out. It is concluded that analyzed travel agency "Apollo" implements CSR in a triple bottom line, including social, economic and environmental actions, both internally and externally. It is found that a travel agency can influence hotels' and customers' engagement in social responsibility through a clearly defined process of hotels' selection, green advertisement, communication using strong arguments and education.

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# 1. Introduction

Travel is one of the largest world's industries, which is contributing to a global economy significantly. Global travel and tourism involve different segments, such as accommodation, transportation, attraction places etc. The tourism industry has experienced growth for almost every year recently. The number of international tourist arrivals increased from 528 million in 2005 to 1.4 billion in 2018. Additionally, it is expected for the industry to grow further and reach approximately 1.8 billion by 2030. Europe in the global context by 2018 is seen as both most visited, and most travellers produced continent. (Unwto.org, 2020, Lock, 2020) With the growth of international tourism revenue in this industry have grown as well, in 2015 international tourism revenue almost doubled since 2005. (Lock, 2020)

Travel agencies are a big part of tourism. Even though due to the rise of internet and technology many thought the era of travel agents and travel companies will be over, it is now seen that travel agencies are still used by many customers globally. Even though travel agencies have changed to fit the changing market. The most used marketing channel by travel agencies now is social media, including different platforms, such as Facebook, Instagram, LinkedIn etc. Travel management is mostly web-based, meaning that digital travel sales make up a large proportion of all sales made. (Lock, 2018) Despite the improvements, travel agencies need to face various challenges, especially by looking for ways how to reduce the negative impact created by the travel industry.

Tourism has both positive and negative impact on society and the environment. The negative impact of tourism is diverse, including different social, environmental and economic issues. According to Unwto.org (2020) air is the most used mode of transportation in Europe, in 2018 consisted of 53% of all travel, followed by road transportation, including 40% of all travels. Thus, air pollution and carbon emission footprint to climate change are one of the negative contribution tourism causes. Air pollution results in threats such as extreme weather conditions, water shortages, loss of biodiversity and attractions at destinations etc. (Unwto.org, n.d., a) Plastic pollution is another problem, which is seen as one of the major environmental challenges in the tourism industry (Unwto.org, n.d., b) Followed by mass or over tourism, which can have a negative impact to the social and cultural authenticity of host communities, socio-economic conditions of local communities, pollution, etc. Thus, UNWTO (United Nations' World Tourism Organization) emphasizes the importance of sustainably developed tourism,

which addresses not only the needs of the industry but also needs of visitors, the environment and the host communities. (unwto.org, n.d., c)

Given the growth of worldwide tourism, the issue of sustainability became more and more discussed in the travel industry. Sustainable tourism practices appear to be key to balancing the advantages and disadvantages of tourism. However, in order to reduce the negative impact of tourism, both travel agencies and travellers have to invest more and change their travel habits. Even though people believe the travel industry should be more environmentally friendly, only a small percentage of people are willing to pay more or change their travel destinations to reduce the negative impact of tourism. (Luty, 2018)

Despite higher awareness and demand, there are only a few travel agencies that have a comprehensive approach to sustainable practices. The travel agencies just starting to address social, economic and environmental changes. The European travel agents' and tour operators' associations support the travel industry in order to make it more sustainable. Travelife is a leading training, management and certification initiative for tour operators and travel agencies. According to travelife.info (n.d.), there are only 4 tour operators in Denmark, which are certificated with Travelife, as being excellent in sustainability. Travelife certification standard includes the full range of sustainability issues, such as energy efficiency, water and waste management, gas emissions, human rights and labour practices, animal welfare and ecosystem conservation. Thus, Travelife certification let for the travel agencies to communicate their given importance to corporate social responsibility issues both to clients and other stakeholders.

### 1.1. Purpose of the research

Having established the need for travel agencies to respond to the demands of society, sustainability and environment, this study aims to look into how sustainable travel agencies can influence others, meaning customers and hotels to engage in social responsibility. This thesis was initially inspired by an interest in CSR and its application in the tourism industry. Specifically, looking at the travel agency's strategic perspective, trying to find out how the implication of CSR in the tour operating industry can contribute to the spread of CSR importance in the eyes of accommodation providers and customers. The research

will focus on the single case study of Danish travel agency "Apollo", which is awarded by Travelife certification program as being excellent in sustainability. Therefore, this thesis aims to answer the following research question:

**RQ - How can travel agency influence its stakeholders to engage in social responsibility?**

This paper aims to address the above defined problem of how travel agency can implement corporate social responsibility and use its influence in order to encourage hotels and customers to engage in the sustainability process. Hence, the argument throughout the paper is that travel agencies need to have tools of how to not only organize corporate social responsibility within the company but also within their stakeholders.

**Sub-questions:**
The following sub-questions were developed to guide the analysis and reach valid findings that can answer the main research question. Each sub-question has a theory that guides the analytical part, seeking to find out ways of how travel agencies can influence stakeholders, meaning customers and hotels to be more engaged in social responsibility.

1. **How does Apollo implement CSR in its actions?**
2. **How does Apollo influence hotels to be more socially responsible?**
3. **How does Apollo influence customers towards more sustainable travel decisions?**

The focus is on two groups of stakeholders, namely hotels and customers, however, it is recognizable that analysis of other stakeholders, such as airlines, would have some impact on the findings. This is, however, not part of the research and could be analyzed in further researches.

### 1.2.Key definitions

**Stakeholders.** Stakeholders can be described as *individuals or groups of individuals that depend on an organization to fulfil their own goals and on whom, in turn, the organization depends*. (Johnson, 2018,

p. 114) Throughout this thesis, stakeholders refer to only customers of travel agencies and hotels travel agencies are cooperating with.

**Influence.** In this thesis, influence is understood as a power to have an effect on people or things, in order to cause change on someone's behavior, belief or opinion. (Cambridge Dictionary, 2019)

**Corporate social responsibility (CSR).** CSR is defined as a *voluntary contribution by companies to improving the environment, society and economy, either for altruistic reasons and/or to improve their competitive position.* (Tamajon, i Aulet, 2013)

**Social responsibility.** *Social responsibility is the practice of producing goods and services in a way that is not harmful to society or/and the environmental.* (Cambridge Dictionary, 2019)

**Sustainable travel decisions.** In this thesis understood as those *causing little or no damage to the environment.* (Cambridge Dictionary, 2019)

**Engagement.** In this thesis, engagement refers to the action of making *someone interested in something and keep them thinking about it.* (Cambridge Dictionary, 2019)

## 2. Literature review

The chosen theme for this paper is an analysis of how sustainable travel agencies can influence their stakeholders to engage in corporate social responsibility. As this topic is complex and includes diverse aspects, this review will be divided into three parts. First, looking at CSR literature regarding the concept's perspective and reasons as to why companies decide to be sustainable. Second, the relationship between travel agencies and hotels as well as between travel agencies and consumers. Looking at how can stakeholders' affect each other and what are the reasons as to why both hotels and customers have a relationship with travel agencies. And finally, the future of travel agencies and reasons why they are important players in the travel industry. The literature review will help to reveal whether there is a linkage between travel agencies and stakeholders and whether the influence of travel agencies can be used for the foundation of a conceptual framework. In the process of data searching, electronic research database "Ebsco" was mostly used. "Ebsco" is one of the leading electronic providers for e-journals, magazines, e-books from various research fields. (www.ebsco.com, 2019) In the searching process filters were applied, such as for data to be peer-review and to have full accessibility to the papers. For the search of the literature, different keywords were used, such as hotels and sustainability, travel agencies and sustainability, sustainability and competitiveness, travel agencies and consumers, etc.

### 2.1. Corporate social responsibility effects to company's performance

Researches analyzing how environmental strategy affect company's performance, have found different positive aspects, such as increased profit (Bagur-Femenias, Perramon, Amat, 2015), increased level of competitiveness (Sitawati, Winata, Mia, 2015) and ability to differentiate a company and have a better positioning in an industry (Reyes, Ulhoj, Madsen, 2016). Sitawati, Winata, Mia (2015) found out, that hotels, which are willing to differentiate from competitors, are likely to have greater performance in sustainability. Meaning that sustainability differentiation strategy is effective in order to increase competitiveness. Additionally, authors found out that employees, who are working in sustainable hotels, are more likely to improve their performance in a certain position. As employees then tend to have a better social and environmental image of the company, resulting in confidence and belief in a

company's activity. Thus, it also has a positive impact on the good impression of hotels' customers. (ibid., 2015)

Reyes, Ulhoj, Madsen (2016) were also seeking to know motivators as to why small and medium enterprises in Scandinavia implement sustainability to their strategy as well as what is the perceived effect of this initiative. Analysis of the research was done over 14 years, by making 4 repeated surveys during the time. The results of the study revealed that there has been an increase in environmental initiatives adoption over the years. The main motivator as to why company's implement sustainability is a willingness to improve their competitive position. The study found out, that there was a positive effect on a company's competitive advantage, especially on the differentiation and positioning levels. Furthermore, competitive benefits found out to be applicable for all analyzed enterprises, regardless of the size of the company.

There are many authors analyzing environmental strategy and how can it affect a company's performance, including competitiveness, profitability, etc. However, the majority of studies have focused on the impact for a different kind of business, but there is a little empirical research that analyzes sustainability practices implementation for travel agencies. Bagur-Femenias, Perramon, Amat (2015) have looked at how a combination of quality and environmental investment affects small travel agencies. Authors analysed 198 travel agencies in Spain, by conducting surveys with managers of travel agencies. The results of the study do not found evidence that quality and environmental implications have a direct relationship with the financial performance of travel agencies. However, authors found an indirect relationship between them, thus, authors believed that the commitment to sustainability and quality can be used as a strategy to improve the financial performance of the travel agency. Hence, this research provides evidence of sustainability practices to have a positive effect to travel agencies.

Even though the positive effects of environmental strategy are shown, there are researches emphasizing the need and importance of advertising in order for these positive effects to be achieved. Walsh and Dodds (2017) analysis of how sustainability differentiation strategy affects hotels' competitiveness found out that sustainability strategy has a significant impact on the number of visitors at the hotels in North America. However, authors emphasized the importance of how hotels are communicating their

sustainable strategy, as an advertisement of environmentally friendly products hotels use, communication with hotels' consumers emphasizing the sustainability aspect has a significant impact to a competitive advantage. Also, the involvement of additional sustainability promotion, such as sustainability partnerships or consumers' education of how they can be environmentally sustainable have a positive effect while seeking to advertise sustainability to consumers. Therefore, the authors found out a necessity for hotels to overcome scepticism regarding the trustworthiness of promoting sustainability, by finding more effective ways to communicate with all stakeholders.

While Malcheva (2019) analyzed what are marketing approaches while talking about green-practices in boutique hotels. The analysis revealed that effective advertisement of green practices is a powerful tool to achieve a competitive advantage, especially between millennials generation, as they are likely to support and choose brands which are socially responsible. Implementation of new technologies and online marketing campaigns are also seen as important in order for the potential consumer to show the company's attitude towards the environment. The research of Bagur-Femenias, Perramon, Amat (2015) also revealed, that quality and sustainability strategy could be beneficial while differentiating a firm from competitors, thus, there is an increase of company's competitiveness. However, environmental management practices, according to the authors, are usually adopted on internal measures, such as a reduction in electricity and water consumption and, therefore, it can be hardly noticed by the external customers. Meaning that environmental investment has a bigger impact on economic results of a travel agency and there is a little or no impact on competitiveness, because of the lack of communication. While Moisescu (2015) have looked at how travel agencies in Romania adopt and implement social responsibility policies. The research was conducted by collecting online survey answers from 20 largest Romania travel agencies in terms of net turnover. The results of the research revealed, that a majority of companies are adopting policies in relation to the marketplace, including honesty in advertising and giving information about products, ensuring feedbacks from customers and partners, etc.

To summarize, we have gone through CSR's positive features to the companies and reasons as to why companies decide to become sustainable. What could be said is that, according to the recent empirical evidence conducted by social scientists, there has been an increase in environmental initiatives adoption over the years. The majority of companies get into CSR activities because of 1) differentiation and strengthened competitive position 2) better employees' performance 3) strengthened companies'

reputation and brand image 4) improvement of financial performance. However, the literature review has also shown, that lack of communication can limit positive effects. In order to achieve positive company's results, it is crucial to include sustainability promotion, such as communication of sustainable actions and stakeholder's education of how they can be environmentally sustainable.

## 2.2. Relationship between travel agencies and their stakeholders

The research of Ozturk et. al. (2016) showed that the relationship between travel agencies and accommodation providers is crucial not only for travel agencies but also for accommodation providers. The research found out 5 main factors, according to which accommodation managers decide to collaborate with travel agencies. These factors are namely increased sales, communication, promotion, market differentiation and the ability to meet of the market demand. Additionally, authors find out that seasonal accommodation managers compared to all year accommodation managers see bigger importance of travel agency's ability to introduce accommodations to customers. Meaning that for seasonal hotels travel agencies play a vital role as an advertisement tool. Generally, authors found out that hotels collaborate with travel agencies because of sales and in advanced received payments. Especially for seasonal hotels, one-night vacancy in their accommodation is considerate as a loss, therefore, travel agencies can ensure that all rooms will be sold.

Zhu, Sun and Leung (2014) analysis of how corporate social responsibility of travel agencies in China can enhance firm performance in relation to their stakeholders found out moderating role and ethical leadership to be important and beneficial for travel agencies in various ways. Leadership while implementing CSR found out to positively affect a firm's reputation and performance. However, for a travel agency to be an ethical leader to its stakeholders, it is crucial to tell a compelling and morally rich story, to show commitment to corporate social responsibility values. Only in this way a travel agency can be seen by stakeholders as a role model of socially responsible behaviour.

According to Sustainable brand index Denmark official report (2020), consumers' awareness and willingness to engage in sustainability increased during the years. The research showed that in 2013 42% of consumers in Denmark were discussing sustainability issues either sometimes or often, while in 2020 the percentage already increased to 66% of consumers taking part in the research. (ibid., p. 13)

However, the percentage of consumers for who sustainability is an influential factor while making purchasing decisions have only increased from 65% in 2014 to 67% in 2020. Even though the increase is not significant, still a majority of respondents perceive sustainability as an important aspect while making buying decisions.

According to the report of the sustainable brand index consumers' awareness development is closely related to brands performance on sustainability. (Denmark Official report, 2020) As the more brands will talk about sustainability, the more consumers and other stakeholders will know and care about sustainability issues and accordingly demand some actions. (ibid., p. 5) According to the study, Danes in comparison to other Nordic countries, have always been the least positive consumers. Although they are not negative towards sustainability, but not interested enough. One reason why Danes are least positive could be the fatigue of inefficient sustainability communication. (ibid., p. 14) Danish consumers perceive travel industry, meaning travel agencies, to be one of the last industries in sustainable industries ranking position, taking 22nd position out of 23 industries involved. It means that Danish consumers do not perceive travel agencies as ones taking enough action to be sustainably responsible. (ibid., p. 28-31)

Above, it is argued, that travel agencies and hotels are interested to have a cooperation. Hotels cooperate with travel agencies as it is seen as the cost-efficient way to increase the sells, by using travel agencies as the mediator for communication and promotion. The relationship between travel agencies and customers is also crucial, especially while talking about CSR implementation. Customers in Denmark are aware of sustainability issues and believe that travel agencies should implement CSR to a greater extent. Scholars are talking about the importance of ethical leadership while implementing CSR, however, best results can only be achieved with consistent communication and sharing of values with companies' stakeholders.

## 2.3. Future of travel agencies

Iulia et. al. (2019) analysis of Romanian tourism travel agencies found out that from 2012 to 2016 both internal and external number of tourists, taking part in touristic actions organized by tourism agencies decreased. However, authors found out differences in a number of tourists for various destinations.

Meaning that even though the number of tourists travelling with travel agencies decreased, the increase was observed for some destinations, namely Bulgaria, Greece and Italy. While, Devece, Garcia-Agreda, Ribeiro-Navarrete (2015) analysis of reasons as to why Spanish customers continue to choose travel agencies' services instead of booking trips online, revealed that the value of travel agencies for customers is a direct face-to-face relationship, with a professional expert in the travel industry. Thus, for customers, it is important to see trust, honesty, professionalism and responsibility from the travel agency and its employees. Additionally, researchers believe that travel agencies will still be used, just need to adapt to the e-commerce environment by building on a foundation of honesty and responsibility. Similarly, Armaitiene and Bockus (2016) analysis of how travel agencies in Lithuania changed their business profiles, found out that even though travel agencies have faced challenges because of the rise of the internet, they still have advantages over online booking pages. According to the authors, main advantages are namely lower prices, flexible payment conditions (for instance possibility to postpone or split payment), a wide variety of services (various hotels, trips), technical conditions (to change cancelled or delayed flight, to order additional services during the flight), face-to-face communication and reachability even during not working hours. Similarly, to above analyzed researchers, human interaction and professional personal experience are seen as the main advantage of travel agencies.

The findings above lead to the conclusion, that even though travel agencies face difficulties because of the rise of the internet, they are still important players in the travel industry. Even though the number of people travelling to a certain destination decreases, some destinations attract more travellers, who are choosing travel agencies' services. There are different reasons, why customers still choose travel agencies upon booking online, where face-to-face communication, trust and professionalism are the most important ones.

Taken together, the literature review, regarding corporate social responsibility, has revealed the reasons why companies implement CSR, the relationship between travel agencies and their stakeholders as well as the advantages and reasons why customers choose travel agencies upon online booking. As stated by our research question, our main point of interests of this thesis is to look at influence travel agencies have upon their stakeholders to engage them in sustainability actions. The literature review has also highlighted the problem of communication. Meaning that even though the implementation of CSR can

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have positive effects on a company's performance, it is crucial to communicate CSR values openly to the company's stakeholders. Therefore, we will analyze how do travel agency Apollo understand the CSR and what actions they represent publicly in order to possess themselves as a sustainable travel agency. And consequently, how can these actions influence stakeholders to engage in corporate social responsibility. Additionally, this problem of travel agency's influence on stakeholder's engagement in CSR has received limited attention in the literature, so the gap for the additional research can be seen.

# 3. Methodology

This chapter aims to explain the reasons behind the chosen research design and methods. First, the chosen philosophy of sciences is described, following by an explanation of chosen data collection and analysis methods. This chapter will give an understanding of the worldview the researchers of the paper belong to, and thus, it will help the reader to understand the aim and results of the paper.

## 3.1. Philosophy of sciences

Philosophy of sciences is necessary in order to gain an understanding of the worldview the researcher belongs to, as it also leads to the reasoned choices of methods and research design for the paper. This paper is built upon hermeneutics approach, reasons and motives why hermeneutics was chosen will be given further in this chapter.

In broad terms, hermeneutics argue that texts are used in order to transmit the meaning, expertise, beliefs or values. Texts are used as a tool to share meanings from one person or community to another. However, the emphasis is given not to the text itself, but to understandings and interpretations, of how can text give meaning to certain phenomena and in this way deeper author's own understanding. (Crotty, 1998). The definition given above shows the connection between hermeneutics and research paper, as the objective of the research is to create an understanding of how can travel agencies influence stakeholders to engage in corporate social responsibility through written documents, e.g. annual reports, official web pages, press releases.

In order to choose a certain philosophy of sciences reasonably, it is crucial for the researcher to understand what that choice will require of him. In hermeneutics meanings of texts are closely related with the researcher and different features, such as the intentions and texts relevance for the reader, the relationship between authors and researcher etc. Thus, the understanding and interpretation of texts can only be realized to its full potential when the researcher has a certain understanding of the phenomena but is not arbitrary. The notion of the hermeneutic circle is usually used in literature in order to explain the nature of hermeneutics. Hermeneutic circle refers to the claim that understanding of something is a development of what is already understood, with the more developed understanding returning to the

starting point. (Crotty, 1998) In other words, preunderstanding of the phenomena can be only changed with experience and new knowledge, which naturally form a new preunderstanding of a phenomenon. Therefore, the researcher has to be aware of how can prejudices and biases influence the final results. In order to increase the validity of the findings of the research, it is important to understand that there is no absolute foundation of truth and the interpretation is never final. (Crotty, 1998)

The hermeneutic philosophy of sciences was used throughout the paper. The hermeneutic circle was used during the stage of selecting the research topic and formulating the research question for the thesis. The initial topic for the research was to look at corporate social responsibility and its appliance in the tourism industry. However, this topic was too broad and needed to be narrowed down to a specific direction and unit of analysis. During this stage, the hermeneutical cycle was applied, as we looked at the topic back and forth in order to deepen the knowledge and identify the most interesting and not fully analyzed problem, which consequently helped to formulate the research question. Therefore, this thesis aims to investigate how can travel agency influence stakeholders to engage in CSR.

Another example of the hermeneutic approach appliance for the thesis is the process of methods selection. In the first step, we intended to analyze four different Danish travel agencies, which are certified as being excellent in sustainability. However, after the theoretical framework was developed and analysis was started, doubt raised whether analysis of the multi-case study will be deep enough in order to answer the research question. Moreover, after the start of analysis of Apollo travel agency, it was detected that one travel agency has many different aspects of analysis and therefore it was decided to choose a single case study research approach.

Hence, the hermeneutic approach allowed to adjust each part of the analysis as the preunderstandings have changed along the process of the thesis building. Authors of the paper, in the beginning, have not had a full-scale knowledge about CSR and especially its implementation in the tourism industry. Therefore, the understanding of the phenomenon was developed during the time of the research as before the thesis there were no prejudices in relation to the research question.

### 3.2.Research design

As a research design for this paper case study research was chosen. A case study can be described as a detailed examination of a single example of a class of phenomena. (Flyvbjerg, 2006, p. 220) The research question, which was proposed for the paper, has also led to adapt a case study design, as the form of the research question for a case study is how or why. Meaning that case study approach is usually used for descriptive or explanatory research (Yin, 2003, p. 5, Rowley, 2002, p. 16) Therefore, case study approach is right in order to answer the proposed research question, which looks at how can travel agencies influence their stakeholder's participation in social responsibility.

There is a certain critique of case study design application. Firstly, it is believed that case studies usually allow for the researcher's subjective perspective and arbitrary judgment to take place, especially in comparison with other qualitative methods one might apply. Even though it is important for the researcher to be aware of that, the case study still holds the advantage of making close and directly with phenomena related research. The intensive and in-depth case study can challenge a researcher's view, as it was discussed in hermeneutics approach, and in this way develop new views, assumptions or concepts. Additionally, Flyvbjerg (2006, p. 235) argued that proximity to the case can, on the contrary, generate a possibility for an advanced understanding of the phenomenon. Therefore, by choosing a case study for this paper, we seek to get in-depth information of how can travel agencies influence their stakeholders and develop an advanced understanding of travel agencies' power to contribute to wider application of corporate social responsibility in the travel industry.

Another critical idea is stating that the case study cannot provide reliable information about the broader class and thus, only can be used as a preliminary stage of an investigation. However, the generalizability of case studies usually depends on strategic selection of cases to be analyzed. To achieve the best information on a given problem or phenomena, the random case study selection may not be the most appropriate strategy to use. Typically, randomly chosen cases are not richest in information, and thus, reasoned choice of cases should be done. (Flyvbjerg, 2006, p. 229) In this paper, the information-oriented selection was done, by selecting a representative or typical case. According to Bryman (2012, p. 70) typical cases are chosen as those seen as exemplifies of a category it is a member of. Meaning that typical cases are not extreme or unusual, but rather they provide for the researcher an

epitomized information about the broader category of cases. The chosen case for this paper will be further explained.

### 3.3. A chosen case for analysis

As it was mentioned above, in this paper typical selection of cases was done. As the aim of the paper is to look at how can travel agencies influence their stakeholders' contribution to corporate social responsibility, travel agency, which is socially responsible was chosen. It is most likely that socially responsible travel agency can have some influence on its stakeholders, while analysis of extreme or unique cases would not give answers.

The research entails a secondary analysis of one travel agency, which could thus be considered as an analysis of a single organization of the phenomena. The single-case study analysis was chosen in order to be able to do an intensive examination of the settings, where detailed information about the case is gathered. (Bryman, 2012, p. 68) The research design when one case study is analyzed is usually discussed in terms of external validity and generalizability. (ibid., 69) It is believed, that multi-case study research can give a broader answer in comparison to research where one case is examined. However, it is not a purpose of the research to reach external validity, but rather understand the phenomena of CSR in the travel agencies' strategy. Additionally, as a representative case was selected, it is believed that the results of the thesis can be applied to similar organizations, meaning other travel agencies which are committed to CSR.

In order to choose a travel agency, which is socially responsible, we decided to look at the certification companies' hold. The number of credible eco-labelling and certification programs is growing, including initiatives in different industries, such as Germany's Blue Eagle program, the ISO 14000 environmental standards, the EPA's energy start program etc. Eco-labeling and certification effort allow having a set of criteria, which companies, products or management systems need to meet, in order to prove a company's superiority in environmental strategy. (Rosen, 2001, p. 9) One of the main worldwide know certification system for travel agencies is Travelife certification. Launched in 2007 in the Netherlands, Travelife is not only certification initiative, but also training and management platform for travel agencies, which are committed to reaching sustainability. The goal of Travelife is to

support a common approach and promote sustainable practices within the travel and tourism industry. (Manente et al., 2014, p. 80-82)

For the research, we decided to analyze travel agency Apollo, which is operating in Denmark and in other Scandinavian countries, namely Sweden, Norway and Finland. According to the Travelife official webpage, now where are four travel agencies in Denmark, which are certified with Travelife as being excellent in sustainability, namely Apollo, Kipling travel, BDP and Gvidi. (travelife.info, n.d.) We decided to choose Apollo as this travel agency was the first one to receive certification as being excellent in sustainability. Thus, we believe that Apollo case study analysis will provide for the research detailed information, as this travel agency is positioning itself as socially responsible for the longest period of time. General information about the company's tourism products is given in the table below.

Table 1**. General information about the travel agency "Apollo"** (self-sourced, using www.apollorejser.dk, n.d.)

| Name of tour operator/ travel agency | General information |
|---|---|
| Apollo | **Tourism products:** all-inclusive holidays, city vacations/weekend getaways, training packages, cruises. Both summer and winter destinations. **Website:** https://www.apollorejser.dk/ **Working in** Denmark, Sweden, Norway and Finland |

The Travelife certification integrates both management and performance criteria. Guides for corporate social responsibility, include issues such as energy efficiency and conversation, labour practices, ecosystem conservation, cultural impacts etc. (travelife.info, n.d.) Between main goals travel agencies' need to meet in order to be certified, supply chain management and customers are included. Companies need to manage accommodations as well as raise customers' awareness and motivation to sustainability

issues. Therefore, the goal of this paper is to look at how selected travel agency influence their stakeholders, meaning accommodation providers and customers, to be engaged in social responsibility.

### 3.4. Data processing and analyzing

There are two main groups of information, which can be used for the research project. Namely primary data, including observations, interviews and surveys, and secondary data, including different types of documents, such as earlier researches, newspapers, personal records, interviews etc. The main difference between primary and secondary data is that secondary data was gathered for the different purpose and the researcher has not participated in the process. However, secondary data can still be used for qualitative research purposes, as already existing resources can be interpreted and analyzed by giving meaning to the materials that have been uncovered before. (Bryman, 2012)

Even though in order to do qualitative research interviews are usually seen as a main and primary source of information, because of limited possibilities to access travel agency and do interviews, the approach this paper will take is qualitative documents and archival records collection and analysis. There are certain limitations authors have to consider while choosing a certain methodology for the research. Content analysis of secondary qualitative data suffers from a limitation to assure that collected data meet three main criteria, namely authenticity, credibility and representativeness. (Bryman, 2012, p. 306) In order to get reliable results, it is crucial to make sure that data analyzed is what it purposed to be, and authors can be sure that data used for analysis is credible and represents the analyzed phenomena or company. For this reason, in our analysis, we have only included information from official company's webpage and documents. Press releases included in the analysis were released by the company itself. Additional information, if needed, were only collected through official pages of various organizations. Therefore, authors can be sure that the collected information is reliable and represents the chosen case company.

For the secondary qualitative data analysis, the process of coding was chosen. The analysis was split into two major processes of how data can be organized and analyzed in order to gain the most insight into the case company's situation. The first step in the analytical process was open coding, meaning a process of breaking all information down into concepts and categories, that had information on CSR

agenda of the analyzed company itself as well as that had information of how it can influence company's stakeholders. (Bryman, 2012, p. 569) First, the company's official website was analyzed, following by analysis of the company's documents in relation to CSR and management of its relationship with stakeholders. Lastly, the company's press releases during the time from 2015 to 2020 were analyzed. Through the process of open coding, memos were used, as a reminder about what is meant by the concepts being split. Memos were a helpful tool in order not to lose track of the analysis and not to forget ideas authors came up with on various topics. (Bryman, 2012, p. 573) After the data was gathered, a theoretical framework of the paper was used, in order to interpreted data and answer questions of the thesis. Throughout the interpretation of the information, the indicators and concepts recognized during open coding process were revised, looking at whether they give information which helps to analyze the question of the paper, or there are better indicators which can be used. Lastly, axial coding was used, when data were put together by making connections between categories in order to have a structural overview of the case company's analysis and interpretations. (ibid., p. 569)

A certain criticism of coding approach usage is that it results in fragmentation of data, where the narrative flow is lost and the context of what being said is not given. However, for this thesis, it is not seen as a limitation, as data can be divided into categories without losing the beneath meaning of the context of what being said. As the data is not including long interviews or feelings, which can be harder to code and find thematic elements. On the contrary, for this paper, mostly documents and statements on the company's website or by press releases were analyzed. (Bryman, 2012, p. 578)

# 4. Theoretical framework

The objective of the following chapter is to present already published theories which are related to the established problem of the thesis and which will be used as the basis for analysis. A clarified theoretical framework is needed in order to structure the analysis of the collected data in the way, which help to answer the research question and sub-questions of thesis properly. The theoretical framework is based on problem formulation and is divided into four parts. Part one aims to discuss the definition of the travel agency and the link between consumers and hotels. Part two intends to discuss the theoretical perspective of stakeholders and how can they be included in the company's CSR actions. Part three tries to elaborate on competitive environmental strategies a company might employ. And lastly, green advertising is discussed, through the consumer theory and marketing strategy of argument.

## 4.1. Travel agency definition

A travel agency is a wholesaler, which sells tourism products to consumers. Travel agencies are also called tour operators, which provides for the customer a travel package, including different needed services from the beginning to the end of the journey. Even though nowadays consumers are able to form the same travel package by themselves, they might not be able to make it for the same price as well as it might be less convenient, as consumers would need to spend extra time and put efforts. Travel agencies have an advantage of buying services in a bulk, which helps to agencies to propose for consumers the better price as well as expertise in a field. Thus, a tour operator or travel agency is a business that combines two or more travel services (see figure 1). As it is seen in the figure, the tour operator is a mediator between different travel services (such as carriers, for instance, airlines or accommodation suppliers, such as hotels) and consumers. (Holloway, Christopher, Taylor, 2006, p. 468)

Figure 1. **Tour operator's place in the tourism system** (Holloway, Christopher, Taylor, 2006, p. 468)
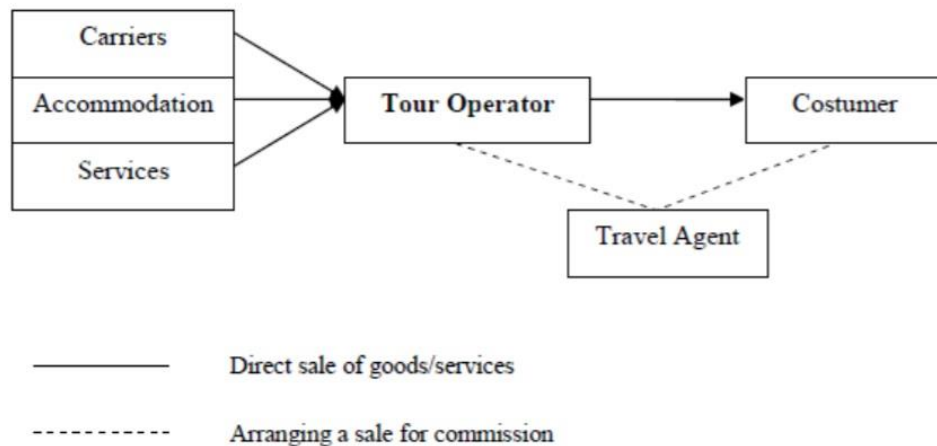


Even though travel services providers, such as hotels can sell their services directly to the customers, the cooperation with travel agencies is still crucial in order to sell unsold bedrooms. Travel agencies' ability to buy in a bulk ensures hotels they will have the bigger part of the hotel filled and therefore hotels are willing to provide substantial discounts for tour operators. It is even more important during the off-season periods, when people are not likely to travel, but travel agencies can offer a lower price and, in this way, provide hotels with guests. (ibid., p. 471)

## 4.2. Stakeholders and corporate social responsibility

The stakeholder's perspective was firstly introduced by Freeman in 1984, as a way to understand how companies and people trade with each other and create value. (Freeman et al, 2018) Stakeholders can be described as *individuals or groups of individuals that depend on an organization to fulfil their own goals and on whom, in turn, the organization depends*. (Johnson, 2018, p. 114) These stakeholders can be very diverse, such as suppliers, customers, employees etc. Stakeholders can be divided into two main groups: external and internal. External stakeholders' group is diverse, and thus can be divided into four main groups, depending on the relationship between the stakeholders and a company. These four groups are economic stakeholders (suppliers, consumers), social/political stakeholders (policy makers, local councils), technological stakeholders (key technological providers) and community

stakeholders (those, who live close to the factors). While internal stakeholders are those, who are the part of the company, usually employees or specialized departments. (ibid., p. 114-116)

The paradigm of sustainable development importance has gained increasing attention since 1987, as various scholars started to emphasize an approach where different economic, social and environmental expectations and needs of stakeholders have to be met in order to ensure a company's success. (Harrison, 2019, p. 133) Environmentalism and sustainability become to be integrated into stakeholder's theory, as a shared valued of stakeholders. (ibid., p. 136) However, environmental aspects were not well met without stakeholder's awareness, interest and engagement. Therefore, education, regulation and value creation were suggested as three key approaches in order to achieve sustainability aims. Education is used in order to strengthen the sustainability interests of stakeholders. Regulation is used in order to ensure the framework with all stakeholders' collaboration. While value creation is crucial in order to identify ways in which different stakeholders benefit from integration to sustainability. (ibid., p. 137) Sustainable aspects of a company's activity were later defined as corporate social responsibility (CSR). CSR is as a *voluntary contribution by companies to improving the environment, society and economy, either for altruistic reasons and/or to improve their competitive position.* (Tamajon, i Aulet, 2013).

CSR understanding is related with the concept of three bottom line (TBL), which was developed by Elkington in 1997, as a means towards an understanding of socially responsible business development, which included three main fields – economic development, environmental protection and sustainable society. TBL was created as a framework, which can be used in order to measure corporate performance against economic, social and environmental parameters, which capture the whole set of values companies need to address in order to minimize negative effects coming from companies' activities. (Boley, Uysal, 2013)

According to Johnson (2018) there are four different ways of how a firm stance in regard to corporate social responsibility and their stakeholders. Four corporate social responsibility stances define the ways of how a company acts, and to which extend company is willing to include stakeholders in CSR activities. (see table 2) (Johnson, 2018, p. 125)

Table 2. **Corporate social responsibility stances** (Johnson, 2018, p. 126)

| | Laissez-faire | Enlightened self-interest | Forum for stakeholder interaction | Shaper of society |
|---|---|---|---|---|
| **Rationale** | Legal compliance: make a profit, pay taxes and provide jobs | Sound business sense | Sustainability or triple bottom line | Social and market change |
| **Leadership** | Peripheral | Supportive | Champion | Visionary |
| **Management** | Middle-management responsibility | Systems to ensure good practice | Board-level issue; organisation-wide monitoring | Individual responsibility throughout the organisation |
| **Mode** | Defensive to outside pressures | Reactive to outside pressures | Proactive | Defining |
| **Stakeholder relationships** | Unilateral | Interactive | Partnership | Multi-organisation alliances |

The first position company might imply is laissez-faire. In this stance, the company believes that the main goal is to make a profit and corporate social responsibility actions can only introduce additional costs without giving additional benefits. The second position is enlightened self-interest, where company believe CSR actions can bring both long-term financial benefits and good reputation. The third position, called forum for stakeholder interaction incorporates CSR to a greater extent, by adopting all three dimensions (sustainability or triple bottom line) – environmental protection, social responsibility and economic welfare. The main difference between the second position and this position is that here a company can choose to reduce profitability for social goods. Meaning that, for instance, a company can avoid selling not green or anti-social products or services, even though it might lower profit. The last stance company might imply is sharpers of society. In this position company's goal is to change society and social norms and thus, financial considerations are of secondary importance. (ibid. p. 126-127)

### 4.3. Competitive environmental strategies

Business and environment are a heated debate nowadays, however, questions how and when business should become green are discussed for many years. Environmental policy is a wide sphere, which includes different aspects of corporate's strategy. In order to implement sustainability, the company needs to consider organizational capabilities as well as the structure of the industry in which the

company operates. In order for a company to get a competitive advantage, strategic and proactive environmental management is needed. (Orsato, 2006) Competitive strategy, in general, is a way how a company achieve competitive advantage in its industry, in comparison with other similar companies. The competitive strategy includes different aspects, such as cost, product or service features, branding. While the competitive advantage is described as a way in which a company creates value for its consumers. (Johnson, 2018, p. 144)

According to Porter (1980) there are two main types of competitive advantage. Low-cost strategy, when competitive advantage is obtained by selling products or services with the lowest cost in comparison with competitors in the industry. And differentiation strategy, where the firm has unique features for its products or services, thus, is different from competitors in its industry. Differentiation strategy is usually attached with quality, as the company provides additional features for its consumers. (Orsato, 2006) Companies, which have implemented sustainability are seen as those using differentiation competitive advantage strategy. (Orsato, 2006) As in this paper, we seek to analyze sustainability, the low-cost type of competitiveness will not be analyzed.

There are different types of competitive environmental strategies a company might employ. (see picture 1) For the company to choose which of them to employ it is important to evaluate the potential of how it will be used as a competitive advantage.



Picture 1. **Competitive environmental strategies** (Orsato, 2006)

The first strategy company might employ is eco-efficiency. This strategy mainly focusses on waste reduction. Meaning that the company is seeking to achieve resource productivity, by saving materials, focusing on sustainable utilization, implementation of new technologies etc. The main goal for the company while using this strategy is to develop capabilities to increase company's productivity while at the same time decreasing the environmental impact. The second one – beyond compliance leadership differs from the previous one, as here the company also seek customers and other stakeholders to acknowledge their efforts. It can be achieved by getting certifications, which prove the company's environmental awareness. Eventually, in this way company can differentiate themselves from competitors, as well as improve the company's image in the eyes of consumers. The third strategy – eco-branding, focuses on marketing. Marketing differentiation here is the key, as the company which implements this strategy offers products or services with a label stating that it is ecological or sustainable. Thus, here the focus is given directly to the products and services, then eco-branding helps to differentiate and sell products or services with the premium price. The last competitive environmental strategy is environmental cost leadership. Even though this strategy is very similar to eco-branding, here companies are not able to ask for a premium price. This strategy is usually employed by companies, which are working in a competitive industry, where the price is one of the most important features. Meaning that companies are trying to make products or services sustainable, but at the same time offer an attractive price. (Orsato, 2006)

### 4.4. Green advertising

Green advertising, according to Zinkhan and Carlson (1995) is defined as a promotional message that is released in order to meet consumers' needs and desires in relation to the environment. Mishra and Sharma, (2012) put it simply and defined green advertising as advertising of services or products that are supposed to be environmentally safe. Green advertising is a part of the overall company's marketing strategy, which can help the company to gain competitive advantage and achieve better performance. Green advertising is used in order to promote the company's products, services or activities, which are more environmentally friendlier than competitors. In order for green marketing to be effective, the company should include the maximum information about the particular product or service. (Kao, Du, 2020) Green advertising is a vital part of marketing, especially for industries, which

directly depend on the environmental conditions. Changes in environmental conditions can have a direct impact and threat for such companies. (Mishra, Sharma, 2012)

There are no theories analyzing green products marketing strategies, however, green marketing can be explored by using general marketing strategies. Thus, green advertising concept will be analyzed through two general marketing strategies: the consumer theory and marketing strategy of argument quality.

The consumer theory holds that people often accept and better understand advertisement which is related to themselves and represents the same values and beliefs as consumers do. Self-reference in the marketing process is important, as it can make product or service advertisement more powerful to consumers. Meaning that, according to consumer theory, people will more likely to have more positive attitudes toward advertisement with self-reference, and thus, it increases the possibility for the advertisement to be effective and reach consumer's willingness to buy the product or service. Those consumers, who are highly concerned about environmental problems, tend to be more attentive to the ad and understand the company's message to a greater extent. Contrary, for those consumers who are not worried about environmental issues, a green advertisement is not only less relevant but also unappealing. It results in possible scepticism towards truthfulness of green advertisement and generally denial of environmental impact importance. (Kao, Du, 2020; Chang, Zhang, Xie, 2015, p. 162)

Marketing strategy of argument quality is divided into two different categories: strong argument and weak argument. The main difference between these two categories is clearness and credibility. Meaning that marketing statement, which includes statistical data, credible information sources is seen as a good quality statement. While a weak argument is seen as an opposite one, where marketing statements are unproven and thus, it can have a negative impact on consumer's assessment. In order for the company to make strong marketing arguments, brand consistency is also crucial. The more consistent is a brand with their marketing message and quality of argument, the more company is able to reach consumers' needs for information. The company need to be transparent in their messages and actually do what they claim to be doing. Here company's policies are also important and have to consistently claim the importance of environmentally friendly actions. Green advertising is effective when consumers are aware of the issues the company is trying to address. Thus, it is crucial to educate

consumers and give information on why the company's environmental actions matter and how it contributes to the general welfare. (Kao, Du, 2020; Mishra, Sharma, 2012)

## 4.5. Application of the theoretical framework

This section will clarify the application of the theoretical framework, by explaining how every element of the theoretical framework will be used in order to answer the research question and sub-questions of the thesis. The first sub-question of the thesis is how does Apollo implement CSR in its actions? In order to answer this question, the concept of CSR, competitive environmental strategies and stakeholder's inclusion in CSR stances will be used. It will help to identify how the researched company implement CSR actions and what was its motivation to engage in corporate social responsibility.

In order to find out how does Apollo influence hotels to be more socially responsible, the first task is to understand which actions does Apollo imply itself and how can it affect hotels. In this step, stances of stakeholder's inclusion to CSR and the concept of green advertising will be applied. This information will not only help to understand how the travel agency can influence hotels but also deepen the knowledge about the travel agency's CSR strategy.

The third sub-question of the thesis is how does Apollo influence customers towards more sustainable travel decisions? In order to answer this sub-question, the concept of green advertising will be applied, looking at both marketing strategy of argument and the consumer theory.

The last part of the analysis will be used to conclude findings of the three sub-questions, consequently, it will help to answer the research question - how can travel agency influence its stakeholders to engage in social responsibility? Additionally, it will let the researchers to give suggestions to the researched company Apollo, on how it could increase the influence on stakeholders.

## 5. Analysis

In the following chapter, the analysis of the gathered data is given. The findings from the secondary data collected through travel agency's official web page, documents, press releases are applied to the analytical framework and thus the analysis results address the research question and 3 sub-questions given in the introduction chapter. Firstly, Apollo's perception of CSR and ways how Apollo engages in CSR are analyzed. Secondly, we examine how can travel agency's CSR actions influence hotels and thirdly, travel agency's influence on customers to become more socially responsible is investigated. Lastly, the findings of the analysis are summarized, and suggestions on how can analyzed travel agency improve their CSR implication in terms of influence on stakeholders is given. We apply the definition of travel agency by Holloway, Christopher and Taylor (2006) and Tamajon, i Aulet (2013) definitions of stakeholders and CSR as a frame for all analytical parts.

### 5.1.Travel agency Apollo

In the following sub-chapter, data gathered through secondary resources are presented and analyzed in order to understand how Apollo implements CSR actions and how does Apollo perceive engagement in sustainability. Apollo was founded in 1982, by Fotios Costoulas, as a small tour operator which offers trips to four Greece destinations. During the years company has grown and in 1996 already sold trips to various destinations around the world. Since 2000, Apollo has grown significantly, expanded its services in Denmark, Norway, Sweden and Finland markets. By 2015, Apollo was sold to the German REWE group and has changed its advertising strategy, by elaborating the concept of a sustainable travel agency. (www.apollo.se, n.d.) Now, Apollo is one of the Nordic's leading travel agency, with around 900 employees and around 1 million travellers per year. Apollo suggests a wide variety of trips, including cruises, all-inclusive trips, active vacations etc. Apollo offers trips to 17 countries in Europe, 8 countries in Asia, 3 countries in Africa and 4 countries in the USA. Among the most popular tourist destinations are Greece, Spain, Albania, United Arab Emirates. (www.apollorejser.dk, n.d., c)

### 5.1.1. Sustainability strategy creation at Apollo

Travel agency which seeks to gain competitive advantage can implement social responsibility actions as a tool for differentiation. Apollo highlights their engagement in sustainable and socially responsible travel. Apollo was the first travel agency among the other Nordic tour operators, which in 2015 received sustainability certification from Travelife, as being excellent in sustainability. Travelife certification includes over 200 criteria which the travel agency needs to meet, including both internal and external social responsibility actions. Apollo has started the partnership with Travelife since 2009, as Apollo used Travelife certification program for hotels, in order to encourage them to gain a label of sustainability. Besides the partnership with Travelife, Apollo collaborates with various other organizations, which helps to implement CSR to their actions. Other companies Apollo collaborates with are namely Animal Protection (since 2014), ECAPT, GreenSeat (since 2007), SOS Children's Villages, Green Key (since 2018), Skoleglaede.nu (since 2015) and Ark of the world (since 2019). (www.apollorejser.dk, n.d., d)

Hotels and customers are external economic stakeholders of Apollo and thus, it is crucial for the travel agency to meet the demands of them in order to successfully operate in the market. However, it appears that the initiative to represent Apollo as a sustainable travel agency has come not from the demand of the customers, but rather from the company's side understanding of how important CSR is today and especially will be in the future.  It can be stated as in 2015 Apollo has made a survey of 1000 Danes around the country in order to find out why do Danes choose to book holidays through travel agencies and how important they see CSR actions in travel agencies' strategy. The results of the research showed that only 4 per cent of travellers found it important for the holidays to be as sustainable as possible and only 3 per cent of travellers found it important to ensure animal protection and rights. While the most important factors as to why people choose to travel with a travel agency were found to be the feeling of being secured (for 20 per cent of respondents) and the good value for money Apollo can offer (for 17 per cent of respondents). It is seen that Apollo understands itself as a mediator between customers and suppliers which can initiate changes in the travel industry. The travel agency is a wholesaler, which suggests for the customers a full holiday package and thus, changes in the travel agency's strategy can be influential for both customers and hotels. It was also highlighted by the communication manager of Apollo, that travel agency should be the one that initiates changes in the

travel industry and only then the inclusion of other partners and customers can be expected. (Mynewsdesk, 2016)

Even though back in 2015 Apollo found out sustainability not to be the main criteria for consumers in the travel agency selection process, green company's advertising position is vital for industries, which are directly dependent on the environmental conditions. Thus, Apollo might have implemented an advertising strategy of a sustainable travel agency because of threats company foresaw in the future, as changes in environmental conditions would have a direct impact on the travel agency's success. As it was pointed out by Glenn Bisgaard, customer and communication manager at Apollo: *In the Apollo group, we strongly believe that sustainable travel is the future and we work for it every day… Because now we all travel more than ever, and thus it is important that the product we (Apollo) offer puts as little negative print as possible - globally and locally, "* (Mynewsdesk, 2019) Additionally, as it was mentioned before, back in 2015, Apollo was the first travel agency in the Nordic region, which was certificated as being excellent in sustainability. It indicates that Apollo was seeking to gain a competitive advantage in relation to its competitors, as Apollo for its customers suggested a different service and employed a unique branding strategy, where sustainability was the main focus. It could also show that Apollo started to engage in CSR not because of altruistic reasons but rather because of the willingness to improve its competitive position.

As can be seen, Apollo implemented CSR responsibility to its actions in order to overcome threats coming from changing environmental conditions and at the same time to strengthen its competitive positioning, especially in differentiation level.

### 5.1.2. Apollo's sustainability strategy

The travel agency can implement social responsibility actions to its strategy in various ways. Corporate social responsibility is a wide sphere, which includes different aspects of how can travel agency become more socially responsible. Sustainability implementation requires considerations which capabilities organization have and can use in order to create strategic and proactive sustainability structure. In this subchapter, we will analyze documents Apollo follows in order to implement CSR to its strategy. Following by analysis of Apollo official webpage and information included in relation to

sustainability actions. In table 3 the list of the main documents travel agency uses is given. Further, the essence of documents will be described, in order to understand Apollo's social responsibility strategy.

Table 3. **Summary of documents in Apollo's CSR agenda** (sourced by authors, using www.apollorejser.dk, n.d.)

| Name of the document | Social responsibility components included |
|---|---|
| Code of Conduct | CSR values at Apollo |
| Terms and conditions for hotel procurement contract | CSR values Apollo follows while making a collaboration with hotels |
| Process of hotels and partners selection | Process of selection and collaboration with hotels and other partners |
| Sustainability report 2018 | Actions made in order to implement CSR |

In order for the travel agency to represent itself as socially responsible, it is crucial to point out the vision travel agency follows. As social responsibility includes various aspects, the vision of the agency makes it clear for both the hotels and customers what is the goal travel agency seeks to meet in regard to social responsibility. According to 2018 sustainability report, the vision of the travel agency is:

*"minimizing the negative effects and maximizing the positive effects of tourism"*.

(Sustainability Report 2018 for Apollo, 2019, p. 2)

Travel agency sees pollution, exploitation and extensive use of common resources as main negative effects, while positive effects according to Apollo can be achieved by reducing unemployment and contributing to welfare and diversity increase. (Sustainability Report 2018 for Apollo, 2019, p. 2) From the statement, it is clear that Apollo seeks to meet environmental issues (pollution and extensive use of common resources) and social issue of exploitation. The economic factors are not mentioned as main negative effects Apollo tries to meet with its CSR actions. It indicates that environmental issues are the main travel agency seeks to address which might be caused by the fact that changes in the environmental conditions would affect the travel agency's success.

Further findings of how Apollo understands the implementation of CSR in its strategy is taken from the travel agency's official website. In the front of official Apollo's webpage label called "read more about sustainable travel" is included. Here, the information regarding the travel agency's CSR actions can be

found. In the sustainability section, it is also stated that travel agency is focusing on reduction of negative tourism effects, by creating a sustainable journey for their customers. Main focus according to Apollo's webpage is to 1) increase sustainability requirements to suppliers and partners 2) minimize negative effects to climate 3) co-operate with other travel industry stakeholders to develop sustainable tourism. (www.apollorejser.dk, n.d.) Here, similarly as in the sustainability report, the emphasis is given to the reduction of negative effects, especially to climate. However, further, the importance of co-operation with various stakeholders is underlined. It indicates, that travel agency understands the need of stakeholders' inclusion to its CSR actions as it needed in order to implement CSR externally and be able to communicate with external stakeholders. CSR implementation to only internal level would limit the positive effects of CSR implementation and possibility to communicate travel agency's actions.

To develop its corporate social responsibility actions, Apollo has established the *Code of Conduct* document, which is used to integrate CSR into the travel agency's strategy internally and externally, as it includes principles and values that not only agency's employees but also stakeholders need to follow. The document mainly includes a social aspect of CSR, such as attention to employees working conditions, the importance of trusted and not corrupted business etc., also including sustainability as one of the core values of the Apollo. In the document, it is stated that: *"as an interface between manufactures, service providers and consumers, we see it as our task to work together for a better life". (*Code of conduct, 2019, *p. 12)* The essence of the document alike to sustainability report and travel agency's webpage highlights social and environmental issues, while economic issues are not mentioned. The importance of travel agency's social responsibility actions is highlighted emphasizing travel agency's mediator role.

In Apollo's website, the additional document is available, called *"Terms and conditions for hotel procurement contract",* which is an additional document to codes of conduct. In this document, Apollo aims to maintain an ethical leader's reputation by means of transparency in its communication. There are different ways as to how can travel agency position itself regarding corporate social responsibility implementation. The data collected in order to understand how Apollo understands corporate social responsibility implication to its actions revealed that Apollo includes CSR in a triple bottom line, as it includes 3 main dimensions, namely social, economic and environmental. Document of Apollo

highlights main corporate social responsibility values: social and ethical (such as anti-corruption and anti-child labor attitude), economical (such as wages, which meet industry standards) and environmental (such as reduction of energy and water consumption). (Terms and Conditions for Hotel Procurement Contracts, 2016) However, as it was mentioned before, social and environmental issues are the main ones the travel agency seeks to address, while economic issues are only mentioned once, in regard to fair wages for employees.

Hence, it is seen that Apollo seeks to differentiate their travel agency, by implementing sustainability to a greater extent than competitors in the industry. The goal of working with only sustainable hotels can be seen as a unique feature of Apollo services (read in 5.2 sub-chapter) as well as continuous improvement of services provided. From the data collected, it could be said that Apollo is implementing eco-branding strategy. As Apollo directs its competitive focus to products and services, by choice of an eco-branding differentiation strategy. As it is stated in travel agency's code of conduct, the goal of the agency is to *"promote ever more sustainable product ranges…expand offering of more sustainable products and services" (*Code of conduct, 2019, *p. 12).* Additionally, the commitment to meet social and environmental challenges can be reached by also *"taking a detailed look at entire supply chain"* (Code of conduct, 2019, p. 12) Eco-branding strategy is mainly used in order to differentiate travel agency from its competitors by using marketing as the way to spread knowledge about sustainable products or services company offers. Apollo's intention to represent a travel agency as a company which is committed to social responsibility can be seen not only from the collaboration with various charities, socially responsible company's etc. but also through various press releases. Apollo informs their customers about hotels which have regained Travelife golden certification (Mynewsdesk, 2019), about cooperation with a small, sustainable local business company (Mynewsdesk, 2019a). And generally, Apollo branding itself as the travel agency, which actively engages and looks for ways as to how extent the suggestion of more sustainable travel decisions for their customers.

## 5.2. Travel agency's influence on hotels

In the following sub-chapter, the focus will be given to the activities related to CSR that Apollo undertakes, which consequently can have an influence on hotels engagement in social responsibility.

And hence, the second research sub-question will be answered: *How does Apollo influence hotels to be more socially responsible?* Throughout the first part of the analysis, the first sub-question was answered, as a better understanding of Apollo's engagement in CSR was developed. Particularly, explaining the travel agency's perception to social responsibility, by separating main types of CSR activities and the process of CSR strategy creation. This understanding cannot be perceived as a comprehensive view of all actions travel agency takes to engage in CSR, but rather the main characteristics travel agency introduces publicly. It provides the reader as well as the researchers with insights about how Apollo engages in CSR.

In the process of gathering the data from the Apollo official webpage and documents published, it became clear that travel agency can influence hotels through a clearly defined process of hotels' selection. Travel agency's policies and consistency are seen as important features in order to position the travel agency as sustainable. In Apollo's website, the document including 5 steps the travel agency takes is given, named *"Process of hotels and partners selection"* (Process of hotels and partners selection, n.d.) The document includes the travel agency's values and commitment to sustainability. According to the document, before selecting a hotel to cooperate with, Apollo's team does a visit to selected hotels, where in the form of interview hotel's commitment to sustainability and CSR is discussed. Hotels which cooperate with the travel agency have to sign a *Code of Conduct* agreement, which was described above. Additionally, the travel agency takes a leader's role and initiates annual seminars and workshops discussing both sustainability and social values. Finally, Apollo encourages hotels to become certificated with Travelife certification program for accommodation suppliers and supports hotels during the process. These hotels which achieve sustainability certification are promoted through various travel agency's channels. From statements in Apollo's documents, it is noticeable that the agency sees the importance of its mediator role between hotels and customers. Meaning that Apollo understands the significance of not only their actions, but also cooperation with both hotels and other partners. Apollo's document and strict rules as to how they decide with which hotels they are going to collaborate, indicate that company is taking a leadership position and is seeking to influence hotels to engage in CSR actions.

Additionally, it can be seen that Apollo is committed to increasing the number of sustainable hotels it collaborates with. In the sustainability report Apollo highlights the increase of sustainably certified

hotels travel agency is collaborating with, from 10% in 2017 to 15% in 2018. Additionally, Apollo continues to sharpen their criteria for hotels, by determining goal within 3-5 years to cooperate only with hotels, which have secured their sustainability by eco-label or certificate. According to Apollo, the third-party confirmation can ensure hotels will work with sustainability in a structured way (Sustainability Report 2018 for Apollo, 2019, p. 4-5) The plan in the time of three to five years only collaborate with hotels, which have eco-label from Travelife or Green Key certification programs can be considered as a big influence towards hotels. Especially having in mind the size of the Apollo travel agency and the big number of hotels Apollo offers to their customers. Also, it is influential because of the importance of cooperation between travel agencies and hotels. As cooperation brings benefits to both parties, hotels which are interested to collaborate with Apollo in the future should be influenced to engage in social responsibility in order to continue cooperation.

Taking into consideration all actions travel agency took from 2015, it is seen that Apollo engaged in social responsibility and created a systematic approach as to how travel agency should ensure social responsibility values are being followed not only by employees of the company but also by external partners. Information collected indicates that Apollo takes forum for stakeholder interaction stance while implementing CSR (according to table 2). As Apollo is a proactive player, which encourages hotels to engage in sustainability processes and build a partnership with Apollo in order to make the travel industry more socially responsible. Also, it is noticeable that Apollo takes a leadership position as hotels can be assisted by Apollo in order to become sustainable. Apollo is responsible for management and monitoring in order to ensure that hotels are following terms and conditions of Apollo while implementing CSR. As it is stated in Terms and Conditions for Hotel Procurement Contracts (2016) hotels agree that Apollo can inspect hotels' compliance of CSR values and rules. In case if hotels do not meet Apollo's CSR rules, Apollo is able to terminate any contract and cooperation with the accommodation supplier. Without the possibility to access employees and stakeholders of Apollo, it is difficult to argue how well they are aware and strict to the philosophy given in the documents. However, the fact of well introduced and easily accessible document emphasizing value systems can be regarded as actions travel agency takes towards influence upon their stakeholders in order to integrate CSR activities not only to Apollo's but also to other's agenda.

Green advertising is the other way how Apollo can have an influence on hotels engagement in social responsibility. One of the channels, which travel agency uses in order to promote sustainable hotels is Apollo's official web page. As Apollo stated in their 2018 Sustainability report:

*"Hotels that can provide a certificate from for instance Travelife hotels or Green Key are rewarded with extra focus and promotion on the Apollo web sites where clear information is given to customers on hotels sustainability work and efforts."*

(Sustainability Report 2018 for Apollo, 2019, p. 5)

The green advertising the travel agency suggests for the sustainable hotels can be considered as a way of value creation. By means of green advertising, the travel agency shows for the hotels that engagement in social responsibility gives for the hotels additional value through advertisement, bigger visibility and potentially bigger sales. In Apollo's official webpage there is a possibility to go to the section, where all sustainable hotels which travel agency collaborates with are listed (see picture 2).
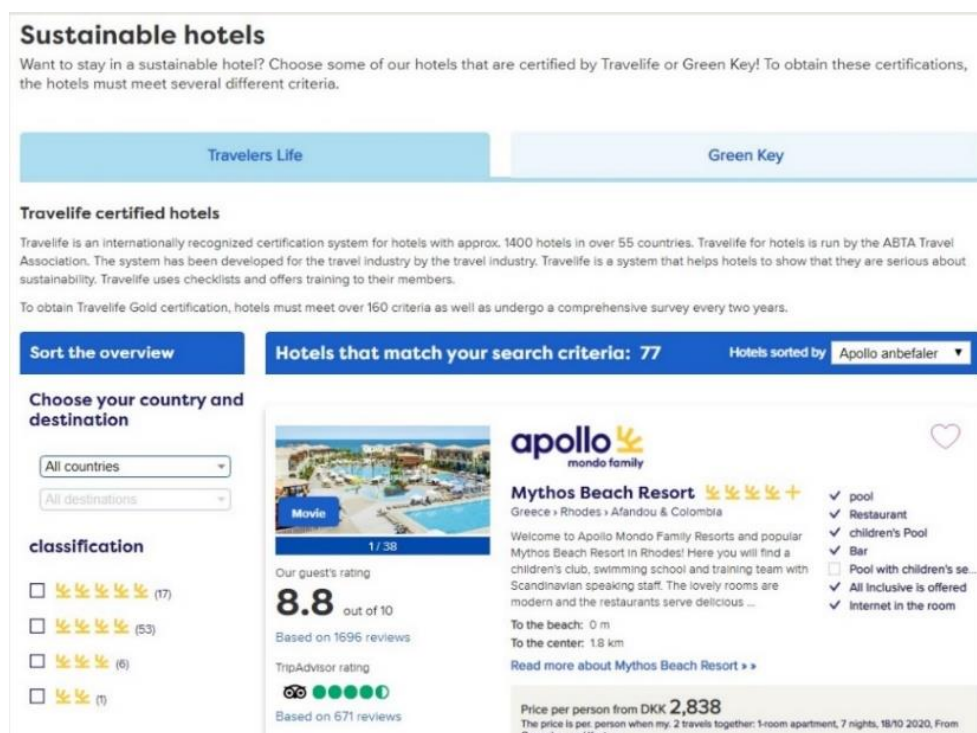


Picture 2. **Screenshot of Apollo's official webpage** (www.apollorejser.dk, n.d., a)

As discussed in the theory chapter, hotels collaborate with travel agencies in order to increase sales and reachability to consumers. Therefore, hotels should be influenced by Apollo to have sustainability certification, in order to be promoted through a special section of sustainable hotels. However, this thesis does not include the perspective of the hotels, so it is hard to claim whether the hotels find it important and beneficial to pursue themselves towards socially responsible business. However, the fact that the travel agency name advertisement as a benefit for the hotels and the discussion of how important it is for the hotels to collaborate with travel agencies and receive bigger noticeability in the eyes of customers, let to emphasize green advertising as influential tool travel agency uses in order to influence hotels to engage in social responsibility.

As it is seen in the screenshot the list of sustainable hotels in Apollo website, includes hotels which have either one certification: Travelife or Green Key. There are 71 hotels awarded with green key and 77 hotels awarded with Travelife. However, it is noticeable that some hotels have both eco-labels, and thus, according to Apollo's website in total the travel agency collaborates with around 100 hotels, which are working systematically towards sustainability issues. (www.apollorejser.dk, n.d., a) However, the travel agency does not include an accurate number of hotels, which can be seen as a limited information customer can get if she or he is interested in choosing a sustainable hotel. We were interested to find out accurate number of eco-labeled hotels Apollo suggests to its customers. Also, we were about to clarify how many of them have both certificates and in which destinations sustainable hotels are placed. (see figure 2) Thus, we have found out that during the time of the research, Apollo, all in all, collaborated with 123 hotels, which have either Travelife or Green Key sustainability certificate, while 18 hotels out of 123 were having both certificates.
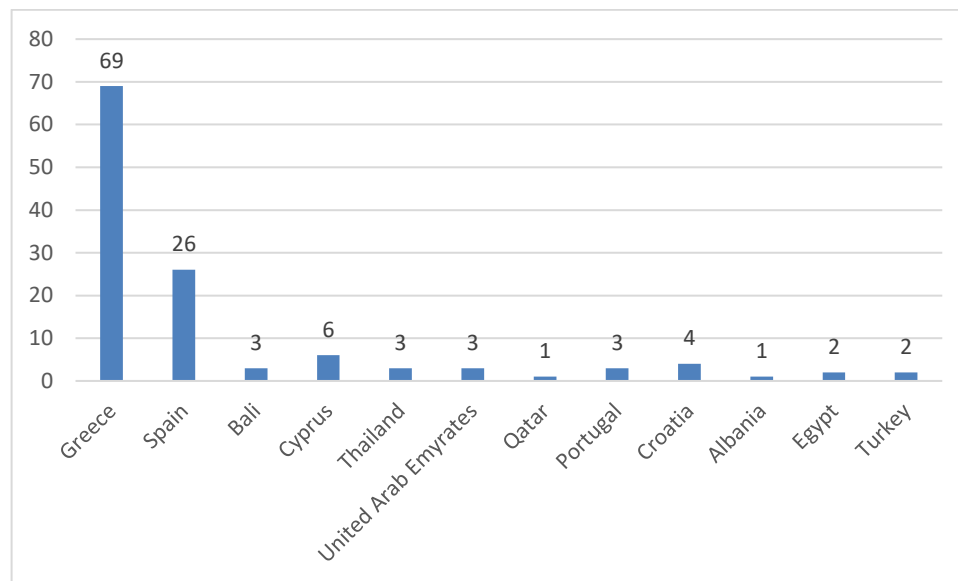
Figure 2**. The number of sustainable hotels (certified by Travelife or Green Key) Apollo collaborates with divided by destination** (sourced by authors, using www.apollorejser.dk, n.d., a)

(n=123)

As it is seen in figure 2, the majority of sustainable hotels are in Greece (count 69), following by Spain (count 26). All in all, Apollo offers the possibility to choose a sustainable hotel in 12 travel destinations. (see figure 2) In order to advertise a company as a sustainable one, the travel agency needs to offer and advertise products which are more environmentally friendly than competitors. Even though Apollo collaborates with various sustainable hotels, the limitation to choose hotels in all destinations is noticeable. As it was mentioned before, all in all, Apollo offers travel services to 32 countries worldwide, while the selection of sustainable hotels is possible on average in half of all travel destinations. The fact that Apollo suggests the biggest number of sustainable hotels in Greece, can be explained by the circumstance that Apollo started as a travel agency mainly focused to Greece destinations, and has till now kept and extended holiday offers in various destinations in Greece. (www.apollorejser.dk, n.d., a) However, in order to have a bigger influence on not only hotels but also customers, Apollo should focus their attention to the destinations where none sustainable hotels are available. In the document process of hotels and partners selection (n.d.) Apollo highlighted its focus during the years of 2018 to three destinations, namely Dubai, Thailand and Goa, to carry out annual seminars in hotels in order to underline the importance of social responsibility. It indicates that Apollo seeks to extend sustainable hotels selection also, none European countries might be less aware of the

CSR importance. Therefore, the travel agency uses education in order to inform hotels about the importance of social responsibility and in this way influence them to act according to social responsibility values. However, neither in sustainability report nor in other documents Apollo does not include any additional information whether attention to the specific destinations has contributed to the hotels' commitment to CSR.

To sum up, after analysing the data gathered it is seen that a travel agency can influence hotels to engage in social responsibility through a defined process of hotels selection, education and value creation in the means of additional green advertising. However, Apollo's analysis revealed a shortage of visibility, sustainable hotels selection in all travel destinations and the spread of the information about sustainable hotels, which could limit the influence on hotels engagement in social responsibility.

### 5.3. Travel agency's influence on customers

In this sub-chapter, the focus will be given to Apollo's CSR actions which could have an influence on travel agency's customers' engagement in social responsibility. This sub-chapter will help to answer third sub-question of the thesis: *How does Apollo influence customers towards more sustainable travel decisions?* Without having access to question customers of Apollo, the understanding of how Apollo influence customers are potentially not as comprehensive as it could be. However, analysis of Apollo's online materials collected by the authors did give good insights as to what actions travel agency take and thus it allowed to make interpretations as to how it can have an influence on customers.

From the data collected, it is noticeable that Apollo seeks to influence customers to choose sustainable travel decisions through education. As it was discussed in theory part, green advertising is only effective when customers are aware of the problems travel agency is seeking to address and also know ways how she or he can contribute to the reduction of the negative impact travel industry creates. In Apollo official website there is a separate section called *"Tips for a sustainable journey"* where customers can find advises how can they adjust their vacations seeking to be more sustainably responsible. To fulfil Apollo's commitment to sustainability, the agency advises customers to reduce the size of suitcases as it will reduce fuel consumption of aircraft, to choose a sustainable hotel, to compensate damage for the climate made by airplane through voluntary fee to Green Seat, to donate for

charity organizations Apollo collaborates with. (www.apollorejser.dk, n.d., b) While Apollo aims to do business in accordance to CSR values, further in their page they have a section called *"Climate compensates your journey"*, where travel agency not only encourage customers to compensate pollution of their journey, but also emphasize its contribution, as Apollo from 2007 pays climate compensation for all its employees business trips. (ibid.)

Viewing Apollo's green advertising through the marketing strategy of argument, it can be argued that Apollo uses brand consistency and strong arguments as the basis of influence. That argument can be supported by various Apollo's CSR actions throughout the time. Since 2014 Apollo contributes to the welfare of animals and since 2014 cooperates with Animal protection organization. The first steps travel agency took in order to ensure animal protection were to stop all excursions, ride tours and other entertainment with elephants. (www.worldanimalprotection.dk, 2014) Since now, Apollo has continued to include animal protection as the part of CSR strategy and has removed all forms of entertainment with animals kept in captivity. (ibid.) Which therefore shows the concrete and consistent actions travel agency took through the time. Another example could be the increased number of sustainable hotels Apollo collaborates with. As well as statistical data travel agency represents, for instance, that Novair (the Apollo owned airline) decreased fuel consumption by 30% over the last 4 years. Apollo managed to decrease fuel consumption by changing planes' model, flight routes etc. (Sustainability Report 2018 for Apollo, 2019) According to the marketing strategy of argument quality theory, strong arguments should include statistical data, as it gives more clearness and credibility in the eyes of customers.

Another argument why Apollo is considered as being consistent in their sustainable marketing strategy is a collaboration with local, sustainable, small business. Since 2019, Apollo has started a collaboration with an entrepreneurial clothing Danish company "Hjemhavn". Apollo bought t-shirts with various notes, such as "make oceans clean again", "life is a beach", "I need vitamin sea", which were worn by Apollo employees during the event where different travel agencies represented themselves and their services. The goal of the cooperation was not only to advertise sustainable holiday idea to the customers, but also contribute to the collection of plastic in oceans, as 5 percent of the profit "Hjemhavn" received was donated for "Plastic change" organization, which works towards the reduction of plastic in the world seas. According to Apollo employee, they are aware that travel services they provide cannot be entirely sustainable, but they seek to spread the importance of

sustainability in the travel industry and encourage travellers to care as much as possible while they make holiday decisions. (www.apollorejser.dk, n.d., e) These actions Apollo takes help for the travel agency to be transparent in the eyes of customers, showing that agency actually does what they claim to be doing in their sustainability statements.

However, consumer theory emphasizes the importance of self-reference customers' have, while they see green advertising. According to consumer theory, only those consumers, who are interested in social responsibility problems are attentive to the advertisement of sustainability made by the company. Therefore, travel agency, which seeks to influence consumers should give as much information as possible and make sustainable travel solutions visible in all parts of the travel selection process. The standard search function on the home Apollo's webpage does not include the filter, which would help to find a sustainable hotel. Thus, it limits the spread of the fact that Apollo suggests a variety of sustainable hotels and in the same time limits influence on customers to choose an eco-labeled hotel against other available in the list. Customers can, however, as mention before, find a list of hotels which are certified by either Travelife or Green Key certification programs, under a special headline "Sustainable hotels". In the description of hotels Apollo includes icons of a certification program hotel has, either Travelife or Green Key or both of them. By pressing the icons customers can find additional information about what both certifications mean in terms of actions to social responsibility. Travelife certification according to Apollo shows that hotel has developed a focus on sustainability, by looking for new ways as to how can hotel improve their ethical and sustainable actions. While Green Key certification according to Apollo indicates that hotel is actively working in order to minimize environmental impact and ensure social responsibility. Additionally, Apollo emphasizes, that: *"By choosing an eco-labeled hotel, you (customer) show that you take responsibility and want to make a difference – for a better environment"*. (www.apollorejser.dk, n.d., f)

Green advertising is effective and can have an influence on customers' buying decisions, if the travel agency includes the maximum information about a particular product or service company offers. However, Apollo does not include any additional information, for how long hotels are being certified as sustainable, what steps have they taken in order to contribute to sustainability. Thus, it makes it challenging for customers to find accurate information on how hotels engage in social responsibility. Also, where is no information on how often Apollo revises the certified hotels included in the list.

Hotels need to renew their Travelife certification every two years, thus, there is a possibility that Apollo gives not up to date information for their customers. During the time thesis was written, Apollo included hotels, such as Green Garden Resort, Barcelo Castillo Beach Resort, Abora Buenaventura, as being certified with Travelife. (www.apollorejser.dk, n.d., a) However, official Travelife page list of sustainable accommodation does not include these hotels as being Travelife certified. (www.travelifecollection.com, n.d.) Therefore, it limits influence on consumer, because it might lower the trust of the agency as being sincere and taking control in order to ensure that costumers get up to date information.

All in all, the third sub-question analysis showed, that the travel agency can influence customers towards more sustainable travel decisions through education and usage of strong arguments in its communication. However, in order to increase the number of socially responsible travellers Apollo should provide as much information as possible about its socially responsible actions, make sure that the information provided is up to date and reliable as well as increase the spread of sustainable travel decisions not only under a specific category of sustainable travel but also in every travel selection step. The analysis revealed the importance of travel agency as a mediator between different stakeholders and its influence to contribute to the change in the travel industry. The more hotels will suggest sustainable staying decisions, the more travellers will be willing to choose sustainable accommodation and vice versa. The travel agency is standing in between those two stakeholders and can influence their change towards social responsibility.

### 5.4. Suggestions

Based on the above made analysis and theoretical framework applied for this thesis, researchers would give the following suggestions to the researched travel agency Apollo, on how could Apollo maximize the benefits by influencing stakeholders to engage in social responsibility.

Firstly, Apollo should focus on the expansion of sustainable hotels selection in all travel destinations. This is important, as it would let for the travel agency to have more influence on customers and hotels. By including sustainable hotels in every travel destination, Apollo could include sustainability as a

searching criterion on their website's home page. It would, therefore, lead to the better visibility of the travel agency's contribution to CSR and additional advertisement of sustainable hotels.

Secondly, Apollo should present the procedure of how often do they review the list of sustainable hotels provided on the official website. By this Apollo would provide customers with detailed information, which would increase credibility. In the same time, travel agency would be able to ensure that hotels renew their certification and stick to the consistent engagement in CSR.

Last but not least, Apollo should focus more on communication with its customers. For instance, the travel agency should include more information about which particular steps sustainable hotels take. Also, all relevant information about CSR actions should be accessible on the agency's official webpage. During the analysis, researchers have noticed that not all information can be found on www.apollorejser.dk page. For instance, sustainability report was only available at apollo.se page, which limits accessibility and thus, can lower customers' engagement and increase scepticism towards Apollo sustainability actions.

## 6. Discussion

After concluding the research and gaining valuable understandings, the following chapter aims to discuss the results of the study, by providing a summary of the major themes that emerged from the findings and how findings of this thesis complement existing literature in the field. Discussion chapter will be split into two parts, first, the research area and findings of the thesis will be summarized, following by relation between findings of this thesis and what was already known in the field. Second, possible methodological limitations of the study will be discussed, followed by the suggestions for further research.

### 6.1. Discussion of existing literature and empirical data

This thesis set out to find out qualitative features how can travel agencies influence their stakeholders to engage in social responsibility. As corporate social responsibility has become a discussed feature regarding the company's differentiation and basis for competitive advantage, we were seeking to examine how can travel agency have an influence on customers and hotels engagement in social responsibility. Moreover, in order to get an understanding of the travel agency's influence, ways how travel agency incorporates CSR were analyzed.

Reyes, Ulhoj and Madsen (2016) found out the increase of environmental initiatives adoption over the years. Similarly, analysis of Apollo actions during the five years (from 2015 to 2020) revealed that travel agency has expanded actions contributing to corporate social responsibility. During the years Apollo started to cooperate with more partners, introduced various documents emphasising their values, created a management system on how to ensure bigger inclusion of stakeholders in social responsibility, etc. Therefore, contribution to social responsibility norms can be seen as further growing, and the main reason for this, according to various scholars is a positive effect on competitive advantage, especially on differentiation level. (Reyes, Ulhoj, Madsen, 2016; Sitawati, Winata, Mia, 2015; Walsh, Dodds, 2017) The results of this study also contribute to this argument, as Apollo founded to implement CSR in order to differentiate its branding strategy by the development of a sustainable travel agency image.

In the literature review, based on the research of Bagur-Fermenias, Perramon and Amat (2015) it was established that company's sustainability strategy can have a positive impact when a company adopt social responsibility not only to internal but also to external measures of the company. The analysis of the thesis brought the results that Apollo implemented sustainability actions both to external measures, such as the possibility to select sustainable hotels, and internal, such as reduction of fuel consumption by Apollo's airplane company. Analysis has also revealed, that Apollo is trying to communicate their actions made in order to contribute to sustainability, which is also similar to Bagur-Femenias, Perramon and Amat (2015) findings. As authors have highlighted the importance of sustainable actions noticeability by the external stakeholders because lack of communication can cause little or no impact on the company's competitiveness. While in our research emphasis was given to the influence travel agency can have on customers and hotels and communication was also found to be one of the major features resulting in the bigger influence on external stakeholders.

The literature review showed that not only travel agencies but also hotels can see a positive impact in competitive advantage by the implementation of CSR (Walsh, Dodds, 2017, Malcheva, 2019). Especially having in mind that hotels are cooperating with travel agencies in order to increase sales, communication and promotion (Ozturk et. al., 2016), findings of our research further contributes that travel agencies can have an influence on hotels engagement to social responsibility through green advertising. Research of the thesis revealed, that travel agency uses green advertisement as an influence for hotels to be certified with Travelife or Green Key certification programs. As those hotels are included in a separate part of the travel agency's page, where customers can find all hotels systematically working in order to ensure negative environmental and social impact reduction.

The importance of customers' education of how they can contribute to a reduction of social and environmental issues travel industry creates, was found out to be crucial in order to advertise sustainable hotels to customers. (Walsh, Dodds, 2017) Our study has also found it to be important for travel agencies, as education and accessibility of all relevant information found out to be a way how can travel agency influence customers towards more sustainable travel decisions. Additionally, honesty and provision of as much information as possible about sustainable products and services Apollo offers were also found to be influential, similarly to Moisescu (2015) results.

Travel agency's moderating and ethical leader's role according to Zhu, Sun and Leung (2014) is important and beneficial for travel agencies. Leadership in CSR implication according to scholars, positively affect the firm's reputation and performance. This thesis further contributed to the importance of leadership, as we found out leaders' position to be also important in order to influence the travel agency's stakeholders. Findings of this thesis revealed that analyzed travel agency is taking leadership, in order to show an example of how can travel industry become more socially responsible and in the same way to have an influence on hotels and customers. The leader's position of travel agency is seen through travel agency's clear procedure how Apollo chooses hotels to cooperate with, also, through management process, as travel agency controls whether hotels systematically contributing to social responsibility.

## 6.2. Discussion of limitations of the study and suggestions for further research

The limitations we have found doing the research are crucial to be mentioned as they might have influenced the results of the thesis. Limitations were mostly related to methodological challenges. Firstly, researchers were not able to access to the travel agency and its employees. Application of interviews would have potentially brought deeper insights into how travel agency itself sees their role as mediator between consumers and hotels and how they are trying to influence stakeholders. However, as the option of interviews was not available, we decided to analyze the agency's influence by analysis of the public representation of the Apollo and secondary resources available. In the analysis press releases were also included and that helped the researchers to access some insights about how Apollo's employees see the phenomena of CSR and its implementation to the travel agency.

Another considerable limitation is that customers of the travel agency were also not included in the analysis. The perspective of consumers would have given us another angle of how actually actions taken by a travel agency are perceived by customers and whether they are influential to choose more sustainable travel. However, we noticed consumers' point of view to be a complementary and different topic of analysis. As in this thesis, we aimed to analyze influence from a travel agency's perspective, looking at what strategy travel agency uses to influence stakeholders. Therefore, for further research, the perspective of the travel agency's customers would be interesting to analyze. By investigating customers of travel agency, in order to explore their expectation regarding the travel agency's

engagement in CSR, to find out how can travel agencies do better to influence consumers towards more sustainable travel decisions. On the other hand, it could also be interesting to continue to work with the travel agency's influence on stakeholders and to examine how accommodation providers adopt the concept of CSR and what role travel agencies play from their perspective.

## Conclusion

This thesis aimed to answer the research question: "How can travel agency influence its stakeholders to engage in social responsibility?". To fully explore travel agency's influence on stakeholders, firstly an analysis of how travel agency itself understand and implement CSR was done, following by analysis of how can travel agency influence hotels and customers to engage in social responsibility. The analysis took a qualitative single case study research approach and followed the hermeneutics philosophy of sciences. To conduct the research, the main method applied was qualitative secondary data collection and interpretation.

The literature review showed the positive effects of CSR implementation in travel agencies and hotels strategy. CSR implementation can strengthen companies' reputation and brand image, improve financial performance, help to achieve differentiation and strengthen competitive advantage. However, the lack of communication is seen as the main feature which can limit the positive effects company receives. The literature review also showed the importance of travel agencies for both hotels and consumers. Hotels cooperate with travel agencies in order to increase sells and promotion, while consumers choose travel agencies' services because of face-to-face communication, trust and professionalism.

This thesis focused on the travel agency's strategy in CSR implementation and influence on stakeholders. The theoretical framework was built and applied in order to make interpretations and analyze data. Findings of the thesis revealed that Apollo implements social responsibility in three bottom line, including social, economic and environmental actions. Corporate social responsibility was implemented in the travel agency from 2015 and was used as a basis for differentiation and branding. The analysis also showed that Apollo employs CSR actions both internally and externally and seeks to inform its stakeholders about actions the travel agency undertake. After the analysis, we defined four main qualitative aspects as to how travel agency is influencing its stakeholders. Analysis of how Apollo influence hotels to engage in social responsibility concluded that Apollo uses a clearly defined process of hotels' selection, education and green advertising of sustainable hotels. Apollo introduced various documents emphasizing CSR values and highlighted the necessity for its suppliers to follow the same rules. Also, if hotels are certified as being sustainable, Apollo provides additional advertising through

its webpage, and by this creates value for the hotels and influence the increase of sustainable hotels. Apollo also uses education as a source of influence, by the implementation of annual seminars, where the importance of social responsibility is presented to the hotels. Analysis of how Apollo influence customers towards more sustainable travel decisions concluded that travel agency uses education and strong argumentation in the communication process. For example, Apollo introduces tips on how customers can contribute to a decrease of negative environmental impact flights creates, encourages to choose sustainable hotels and contribute to various non-profit organizations. Usage of strong argumentation, such as statistical data and reports of Apollo CSR actions, gives for the travel agency trust in the eyes of customers. Additionally, after the analysis, ways how can the travel agency can increase influence on stakeholders in terms of engaging in social responsibility were determined. Firstly, Apollo should expand sustainable hotels selection in all 32 travel destinations. Secondly, procedure how often Apollo review a list of sustainable hotels should be visible for customers. And lastly, the travel agency should focus on the spread and accessibility of all relevant information about CSR actions. By this means, Apollo would increase the visibility of its action, strengthen green advertising and influence on its stakeholders.

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