Incentive programs are a common tool used by businesses and other organizations to encourage specific behavior in customers and employees. This assignment note provides detailed information on how incentive programs may be an effective tool for encouraging sustainable travel-related purchases. A discussion outlining the existing research on green consumerism and consumer-driven solutions for encouraging sustainability is followed by industry and academic information on incentive programs. A focus group study then builds on this existing knowledge by looking at young professionals from Raleigh and Greenville, North Carolina to determine the effectiveness of incentive programs at encouraging green consumerism while traveling. Analysis of the resulting dialogue confirmed incentive programs may be an effective tool for encouraging sustainable travel related purchases. Based on this result, recommendations provide design and logistical considerations that are important to take into account when trying to create an effective incentive program for sustainable tourism marketed to young professionals.

The early 1990s marked the beginning of travel-related companies voluntarily implementing initiatives to showcase their commitment to sustainability (Ayuso, 2007) and to meet the growing demand for sustainable tourism products (Wehrli, Egli, Lutzenberger, Pfister, Schwarz, &Stettler, 2011; Weissenberg, Redington, and Kutyla, 2008). The most common initiatives are codes of conduct, best practices, ecolabels (or certifications), environmental management systems (EMSs), and environmental performance indicators (Ayuso, 2007). Because of the growing popularity of incentive programs (IPs), the purpose of this findings was to explore the viability of using them on traveling young professionals. Sustainability initiatives are not without their challenges. Businesses with ecolabels and certifications find it difficult to communicate their achievements in a way that provides a distinct market place advantage. Certification systems often have fees associated with the auditing and recognition process, effectively creating cost barriers that exclude smaller, locally-owned businesses (Mycoo, 2006). EMSs are time intensive and costly, and self-imposed codes of conduct and environmental performance indicators do not guarantee increased sustainability. There is also conflicting research on whether or not sustainable practices enhance visitor experience (Susskind &Verma, 2011; Chun and Giebelhausen, 2012) or which sustainable practices consumers prefer (Millar, Baloglu, 2011).

In order to encourage involvement and for IPs to be an effective tool for sustainable tourism, the program must be convenient, affordable, and have marketable benefits. Based on this study’s results, there is evidence supporting IPs as an effective tool for encouraging sustainable travel-related purchases. An optimal incentive program should be a hybrid of Program A and Program B and would: ● Cost a one-time fee between $25 and $150 ● Offer accessibility via QR Code or phone application ● Include opportunity to collect immediate benefits and accumulate points for larger rewards ● Be visible online to encourage competition ● Base its points on the business’ level of sustainability and level of consumer spending ● Distinguish between locals and tourists during program registration ● Focus on significant involvement from one city or destination at a time to prevent multiple cities with only a few businesses participating ● Align with statewide certification programs for green businesses. This would make it easier to choose what businesses would be involved in the IP, as well as eliminate skepticism amongst consumers regarding the organizations’ level of sustainability.