

Exploring Branding Opportunities for the Ecolodge Market

by

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Author's Declaration

I hereby declare that I am the sole author of this thesis. This is a true copy of the thesis, including any required final revisions, as accepted by my examiners. I understand that my thesis may be made electronically available to the public.

Abstract

The focus of this thesis is on the development of a brand strategy for mid-scale ecolodge businesses. This is an important area of concern within the ecolodge industry as there is no system in place to recognize quality evaluation standards and owners conduct their business according to what their own judgment. For this purpose, 12 ecolodge owners and managers in Costa Rica were interviewed on their perceptions of ecolodge branding importance, and the challenges foreseen with operating under an ecolodge branding model. Ten semi-structured interview questions tapped into participant's feelings towards the current situation of ecolodge branding in Costa Rica, as well as their interest in developing a brand. As a result of completing the interviews and analyzing the interview responses using Thematic Analysis, this study found the following.

- 1) The current level of ecolodge branding in Costa Rica is represented by the country's sustainable tourism certification program (CST).
- 2) The ecolodge branding idea was welcomed with both enthusiasm and some concern from participants, although overall there was a desire to consider this new brand.
- 3) Undesirable new branding conditions include lack of flexibility and aggressive marketing.
- 4) Desirable new branding conditions include a positive cost-benefit program, less government involvement, a new marketing training program, and a more stable operating environment.

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Chapter 1 Introduction and Study Background

This chapter starts with an introduction on ecotourism and ecolodge businesses, followed by a short discussion on why ecolodge branding is an important research area. Next, there is a review of the concepts that interconnect both theoretically and practically with the idea of branding. The end of the chapter addresses the research framework of the study including primary research objectives, as well as the academic and industry value of the study.

1.1 Introduction

Economic, demographic, and social changes can significantly influence the tourism industry. In particular, the effects of an aging population, the growing general sensitivity with respect to environmental issues amongst people, and the demand for nature-oriented leisure have resulted in increasing nature-based travel (Wood, 2003). Nature-based tourism, according to Kuenzi and McNelly (2008) is the largest travel trend of the 21st Century, with experiences that take place in natural areas where elements of culture and physical adventure are combined to create travel experiences of deeper significance (Diamantis & Ladkin, 1999; Wight, 1993). With this idea in mind, nature-based tourism relies on the natural environment for the basis of the experiences it provides, and it can include almost any form of outdoor activity that involves a natural element (Ceballos-Lascurain, 1996).

As part of this trend, ecotourism, which focuses on natural surroundings, environmental programs and activities, and generally small-scale operations (Kimmel, 1999; Weaver, 2008), has grown into an important tourism sub-sector. Ecotourism is defined by the International Ecotourism Society (TIES) as *“responsible travel to natural areas that conserves the environment and improves the welfare of local people”* (TIES, 2013). It has emerged due to factors such as the environmental degradation and the socio-cultural impacts caused by the effects of mass tourism on its specific sites. It therefore has development

guidelines that place emphasis on the environmental quality at destinations, recognizing that without proper environmental practices and management this form of tourism can not exist.

Ecotourism aims at building environmental and cultural awareness through interpretation, encouraging conservation efforts in areas in which it develops and minimizes negative environmental and social impacts to ensure long-term sustainability. These aims form the core criteria for ecotourism and have influenced the development of the ecotourism operations into small-scale, locally-oriented operations that are expected to provide revenue for the national and nature reserves at destinations, and contribute to the local society with employment for and education of its residents.

The ecolodge concept relates to accommodations based on measurements of environmental patterns at destinations with the aim to minimize destructive environmental impacts (Blanghy and Mehta, 2006; Mehta, 2007; Mehta et al., 2002). As specialized ecotourism accommodation, ecolodges have been defined as *“nature dependent lodges that meet the philosophy and principles of ecotourism”* (Russell, Bottrill, and Meredith, 1995, p. 147). According to Mehta et al., (2002), ecolodge business initiatives focus on caring for the destination’s natural assets, respecting the destination’s human population, enhancing the cultural and environmental destination-related education, and democratizing economic participation for the destination’s domestic entrepreneurs and marginalized people.

Demand for these establishments are driven in part by ecotourists, in part by mass tourists (IFC, 2004; Wood, 2003). In 2005, the Center on Ecotourism & Sustainable Development (CESD) and The International Tourism Society (TIES) analyzed a range of recent studies from the US, Europe, Costa Rica and Australia, and concluded that demand for responsible tourism is on the rise (Chafe and Honey, 2005). Chafe and Honey (2005), in their study *“Consumer demand and operator support for socially and environmentally responsible tourism”*, summarizes people’s views on the environment as follows:

- In Germany, 65% of travelers expect environmental quality, and 42% find eco-friendly accommodations of great importance.
- 70% of Australian, US and British tourists would pay up to US\$150 more for a 2-week stay in a hotel accommodation that engages in sustainable environmental practices.
- In the UK, 87% said their holiday should not damage the environment, and 39% said they were prepared to pay 5% extra for guaranteed ethical accommodation services.
- Nearly half of the travelers surveyed in Britain expressed interest in accommodation companies that guarantee “good working conditions and protect the environment”.
- In Europe, 20% to 30% of travelers reported their awareness of the needs and values of sustainable tourism; 10% to 20% look for “green” accommodation options; and 5% to 10% demand “green” holidays.

In 2014, with help from travel agents and tourism companies, the Center for Responsible Travel gathered views on tourist’s opinions with regard to sustainability. Some of the highlights of their 2014 report are presented below (p. 2):

- A 2013 Travel Guard survey of travel agents concluded “green travel is here to stay.” The survey found “24% of those who responded noted that interest in green travel is currently the highest it’s ever been in the last 10 years, and 51% reported that interest has remained constant throughout this time period.
- About 50% of global consumers are willing to pay more for goods and services from companies that have implemented programs to give back to society, according to a 2013 Nielsen Global Survey on Corporate Social Responsibility poll of more than 29,000 online consumers in 58 countries. This represents a 5% increase over a similar poll in 2011.

- More than 90% of U.S. travelers surveyed by the online travel publisher Travel Zoo in 2010 said that they would choose a ‘green,’ environmentally conscious hotel if the price and amenities were comparable to those at a non-sustainable, non-green hotel.
- A very high 93% of Conde Nast Traveler readers surveyed in 2011 said that travel companies should be responsible for protecting the environment, and 58% said their hotel choice is influenced by the support the hotel gives to the local community.
- In 2012, 35% of adults said they would like to try a holiday involving a volunteerism component, and 6% said they had already done so.
- A 2013 TripAdvisor.com survey of 1,300 U.S. travelers shows that nearly two-thirds “often” or “always” consider the environment when choosing hotels, transportation and meals.

It can be argued, in light of the above, that from a demand perspective, the ecolodge accommodation sector comes with many opportunities. From an operational perspective, however, the ecolodge sector has challenging limitations, the most noteworthy being the lack of quality standards (Sanders & Halpenny, 2001), ineffective marketing strategies (Best & Stein, 2007), and low profit (Weaver & Lawton, 2007).

At present, voluntary certification programs are among the most credible tools available to guarantee ecotourism services for customers (Black and Crabtree, 2007), and to ensure marketing competency and economic success for ecotourism businesses (Font and Buckley, 2001; Ecotourism Australia, 2015). Despite the numerous benefits, however, certification also has disadvantages. Certification disadvantages include increased cost, complexity and rigor, which are especially problematic for smaller ecotourism operators.

This research is motivated by the idea that a cooperative ecolodge brand strategy can be a key asset for the future economic success of the ecolodge sector. Cooperative marketing involves various operations working together to share the costs of market development. The research focuses on a strategy approach aimed at contributing to the ecolodge marketing field by adding to the body of knowledge on a

branding strategy that could act as alternative template for ecolodge marketing. To achieve this goal, branding is characterized to assess its potential as a marketing strategy with direct application in the ecolodge business context. This thesis also incorporates economic, business, hospitality, industry and marketing cues essential to delineate the relevance of branding for the ecolodge industry, and how such a strategy could be implemented to benefit the ecolodge sector.

1.2 Rationale for the Study

Through their dedication to environmental standards and their attractiveness to ecotourists, ecolodges represent an authentic product of the ecotourism industry, and are believed to be one pillar of the ecotourism business portfolio (Weaver, 2002; 2008). It is therefore imperative that ecolodge businesses be given further attention in the growing ecotourism market, as they represent a potential good source of income.

At present, ecolodges' strength lies in the ability to connect with tourists on an emotional level (Erdem & Tetik, 2013). Through their carefully-chosen locations and their small, intimate look, ecolodges motivate tourists to emotionally connect to nature which in turn inspires them to take a genuine interest in ecotourism, and engage at a deeper level in ecotourism practices (Erdem & Tetik, 2013). It is important for the ecotourism industry to concentrate on creative strategies that will help ecolodge businesses cater to both ecotourist and conventional tourist groups, and capture a greater share of the tourism market.

The industry focus should be directed towards midscale ecolodge establishments as both ecotourists and conventional tourists have shown interest in spending at least a portion of their holiday at mid-scale ecolodge accommodations (Wight, 1997; Weaver, 2002). The ecotourism market is growing, as more conventional tourists become interested in nature-derived sightseeing. This growth has led to increased demand for ecolodge accommodation, and has raised the bar in terms of the service delivered by these facilities (IFC, 2004), and the marketing strategies used to capture the current market additions. However, a number of issues related to the way in which ecolodges were developed over the years, the increasingly

competitive tourism environment, as well as changes in consumer behavior prevent ecolodges from reaching their potential. Thus, the main incentive for considering cooperative branding strategies as an alternative to address the current situation of ecolodge businesses lies in the pressing demand for better marketing strategies to promote this field.

At present, eco-tourism businesses that hope to attract tourists need to appeal to them emotionally. One way of doing this is by advertising eco-friendly products, products certified by one of the few eco-certification programs now in operation such as Australia's Nature and Ecotourism Accreditation Programme (NEAP), (Ecotourism Australia, 2015), or Costa Rica's Certification for Sustainable Tourism (CTS), (CTS, 2016) are attractive. By adopting eco-certification as their marketing tool, businesses expect to gain the reputation of an environmentally friendly operation, attract customers, and hence, increase profits (Honey, 2002). However, issues of green-washing and limited consumer interest interfere with such programs (Bien, 2004). Furthermore, there is a complex internal architecture built around sophisticated acceptance criteria, which emphasizes environmental quality performance as opposed to service quality performance. However, most countries do not have an eco-certification program. These are just some of the factors indicating that the current midscale ecolodge market is in need of a pluralistic yet transparent business strategy that addresses matters such as international marketing of small businesses, matches consumer needs, and enhances the quality assurance of ecolodge services.

Unlike other market segments, there are no branding initiatives to support the mid-scale ecolodge segment. The midscale market segment is believed to comprise a major portion of the ecolodge market (IFC, 2004), and it is therefore important to address the current lack of branding for this market segment.

1.3 Introduction to Branding

Branding has been defined as *“an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which matter their needs most closely”* (Chernatony & McDonald, 1998, p. 18) and is a popular marketing tool for both local and global

companies. A corporate brand (i.e. chain brand) is a *“product of an organization's corporate strategy, mission, image, and activities”*. The role of corporate brands is to *“distinguish organizations from their competitors, orient the organization in the minds of customers and employees, and create a perception of what an organization stands for”* (Matrix, 2016). A branding organization is therefore in charge of overlooking all the different aspects that come into play in terms of its culture.

Statistical data regarding the proportion of branded hotels across the globe indicates that branded accommodation properties are a strong element in the accommodation industry. Several highlights are presented next:

- A 2010 study of Hospitality, Leisure and Tourism Advisory Inc. (HLTA), on the Canadian hospitality industry shows the distribution of branded hotels as 43.7% (HLTA, 2010).
- A 2012 report on the European chain hotel market by the Otus Hotel Company that took into consideration all the major international chains found that hotel chains form 37% of the market (Otus Analytics, 2012).
- According BBC Travel, 2012, international hotelier brands like Hilton, Westin and Sheraton have gained an increased market share in the Asia-Pacific region. The news forecasted a growth of 300 Hilton hotel properties between 2012 and 2018, and the opening of 50 new Westin and Sheraton hotel properties for 2012 (BBC, 2012).
- In a 2013 study on China's hospitality industry, branding and loyalty programs were found to be “a key to winning visitors” and an opportunity to “increase revenues by 20% or more”.

According to the study, loyalty programs are the reasoning behind selecting a particular type of accommodation for half of upper-middle class Chinese (AT Kearney, 2013). In the same study, branding and loyalty programs were found to be “a key to winning visitors” and an opportunity to “increase revenues by 20% or more”. According to the study, loyalty programs associated with

market chains are the reasoning behind selecting a particular type of accommodation for half of upper-middle class Chinese.

1.3.1 Benefits and Challenges of Brand Benefits

Studies identified a range of customer and owner benefits associated with the concept of branding.

Customer benefits can be summarized thus (Kayaman and Arasly, 2007):

- Reduces time and energy spent in the process of search cost;
- Provides quality standard assurance; and,
- Guarantees a good buying decision.

By contrast, owner benefits are summarized as follows (Kayaman and Arasly, 2007):

- Provides a recognizable professional image that positions a hotel to overprice its services;
- Increases marketplace segment through brand loyalty; and,
- Lowers marketing costs through the advantage of repeated business.

Alternatively, studies have also identified a range of possible negative brand effects. These can be summarized thus (Fox and Camp, 2009; Onkvisit and Shaw, 2004):

- Lack of specificity at the individual level;
- Limited flexibility in extending a company's line of products and services; and,
- High operating and legal costs;
- Negative exposure associated with the brand company.

In light of the above benefits and disbenefits, branding can be understood as a strategy designed to help companies gain market power and popular support. Although several shortcomings in the handling of branding exist, it is reasonable to assume that branding could contribute with its common advantages to the midscale ecolodge industry. A distinctive ecolodge brand is the National Geographic brand, which

focuses on high-end ecolodges. Support in this way applies less to midscale ecolodge business who to this date benefit of no branding strategies. An approach to support midscale ecolodges would cast a different light on their image in the world, and would help them better respond to the increasing demand for midscale ecolodge accommodation. Hence, this study focuses on the midscale ecolodge market and addresses the lack of a cooperative brand to support these businesses worldwide. In doing so, it gives consideration to large hotel brands and the literature existent on this topic.

1.4 Problem Statement

Competition for recognition in hotel accommodations is fierce, and just as there is a need to provide brands for hotel accommodations, there is a need to provide brands for ecolodge accommodations. Branding dominates across all tourism accommodation whether hotels, motels, and bed and breakfasts; however, no brands have been developed for the midscale ecolodge accommodation business. Also, there is no certification system in place to recognize the quality of services offered by these accommodations, except in a couple of countries.

As ecotourism grows in popularity and demand, it is important for ecolodge owners and managers to have an understanding of ecolodge branding. Since ecotourism, like all tourism, is heavily reliant upon marketing, developing a cooperative ecolodge branding strategy could provide ecotourists the opportunity to find the same ecolodge standards around the world, a major element in all branding marketing strategies. This strategy is likely to impact the ecolodge accommodation industry by positively influencing the buying behavior of ecotourists, and help grow ecolodge accommodation businesses. With this perspective in mind, this study has taken advantage of the Best Western Model to explore Costa Rican ecolodge owners' perspectives of ecolodge brand importance. The Best Western Model involves individually-owned properties working together with a cooperative marketing strategy.

1.5 Objective Statement

The aim of this study was to explore the viability of cooperative branding for the independent midscale ecolodges. Such branding might allow midscale ecolodge owners to use a standardized trade name and standards. Hence, the objective was to discover if a cooperative ecolodge branding strategy is associated with perceptions of importance to aid in the future marketing of ecolodges by interviewing ecolodge owners and managers from Costa Rica, chosen for its status as a leader in ecolodge business development.

Costa Rica, as discussed in Chapter 3, is a country that became famous in the world of ecotourism due to its abundant natural resources, and the initiative to direct its economy towards sustainable tourism. Therefore, Costa Rica became an example to follow for many countries interested in developing sustainable tourism, and is one of the countries with the most diversified record in ecolodge development. This could be the result of the country's focus on ecotourism and ecological sustainability, and the initiative to develop one of the first certification systems for sustainable tourism, a national program whose goal is to support the development of environmentally friendly accommodations.

According to the country's Institute of Tourism web page (CST, 2015), Costa Rica's ecolodge industry has hundreds of ecolodge businesses all over the country. For the purposes of this thesis, such a country with a mature ecolodge business sector was chosen to ensure that this research reflects the views of a genuine ecolodge population.

1.6 Research Questions

In light of the ineffective marketing strategy used and the potential for improvement through cooperative marketing strategy, three research questions were developed in addressing the aim aforementioned. The three research questions were designed to explore cooperative ecolodge branding, and help sketch recommendations for future research:

- Research Objective 1 (RO1): What are owner's perceptions of ecolodge branding?
- Research Objective 2 (RO2): What is the level of ecolodge owners' interest in adopting a cooperative ecolodge branding strategy?
- Research Objective 3 (RO3): What future challenges do ecolodge owners foresee in implementing cooperative ecolodge branding strategy?

Chapter 2 Literature Review

This chapter 2 discusses the ecolodge industry in a relevant way by summarizing supply and demand sides of the industry while conveying perspectives on cooperative branding and the need for such a strategy to elevate ecolodge businesses. It also provides a more thorough characterization of the concept of branding, and its applicability in the ecolodge industry.

2.1 The Ecotourism Industry *Demand Side Perspective*

2.1.1 Industry Components

Weaver (2008) sums up the ecotourism industry as “businesses that directly interact with the ecotourist to facilitate the ecotourism experience from the planning stage through to completion” (p. 151). However, it is difficult to give a coherent overall picture of the ecotourism businesses and how they work, largely because of overlap and fragmentation of services. Basically, there are two main groups of players: the traditional mass tourism providers and the newer ecotourist-only businesses. The first provides conventional transportation and vacation packages, and includes tour wholesalers and chain hoteliers (Weaver, 2008; Weaver & Lawton, 2007). The second functions more at a small-scale level, providing localized transportation, ecolodge accommodation, and options that are site or activity specific such as nature tours and backpacking with professional guides, with the majority being privately-owned (Weaver, 2008; Weaver & Lawton, 2007).

Generally, ecotourists must access both industry sectors to get the trips and services the tourists need. The degree to which the tourists do so depends usually on the type of eco-experience they hope to take part in, soft or hard.

2.1.2 Ecotourist Classifications and Travel Preferences

Soft ecotourists desire a sort of cushioning between themselves and the rigors of travel in the natural world and thus prefer formal travel packages and a higher service standard (Weaver, 2002, Weaver and Lawton, 2002). In contrast, hard ecotourists are generally known as the free and independent ecotravellers, sometimes with some degree of contempt of softer travel options (Weaver, 2002, Weaver and Lawton, 2002).

A trip, for the purpose of this discussion, can generally be seen as comprised of three stages. The beginning of the trip involves the help of formal package travel mediators like tourism agencies, tour wholesalers, and airline companies (Weaver, 2008). Regardless of the preference, both soft and hard ecotourists arrange travel details through general travel mediators (although to different extents), whether the whole spectrum of it, like soft ecotourists do, or just the transportation-related travel arrangements, like hard ecotourists (Weaver, 2008). The trips and activities undertaken while at destinations, account for the middle part of the vacation. While soft ecotourists often opt for and are sometimes shepherded through a range of non-specialized ecotourism services that are not necessarily locally-owned, hard ecotourists prefer specialized ecotourism services, which usually involve accommodation, trips and activities arranged by local tour operators (Weaver, 2008). The last stage, the end of the vacation, represents the trip back, much like the first but in reverse (Weaver, 2008).

Although other classifications of ecotourists exist, for example Lindberg's (1991) classification of nature-based and ecotourism travellers presented in Table 1, the industry is generally subdivided to accommodate these two main types of travellers (hard and soft), and their expectations and competencies.

Table 1 Eco Tourism and Nature-Based Traveler Typologies

Eco-tourist Traveller Typology	Nature-Based Traveller Typology
<p>Hard core ecotourists:</p> <p>Scientific researchers or members of tours specifically designed for education, environmental restoration, or similar purposes.</p>	<p>Mainstream nature-based tourists:</p> <p>Tourists who visit the Amazon, the Rwandan gorilla park, or other such destinations primarily to experience nature; the equivalent for Weaver (2001) structured eco-tourists.</p>
<p>Dedicated ecotourists:</p> <p>Tourists who take trips specifically to see protected areas and want to learn about their natural and cultural history; the equivalent for Weaver (2001) hard eco-tourists.</p>	<p>Casual nature-based tourists:</p> <p>Tourists who partake of nature incidentally, such as through a day trip during a broader vacation; the equivalent for Weaver (2001) soft eco-tourists.</p>

Source: Lindberg (1991). "Policies for Maximizing Nature Tourism's Ecological and Economical Benefits".

2.1.3 Soft and Hard Ecotourism

Over time, these opposing styles of hard and soft travel has merged somewhat, with a growth in “soft” ecotourism, aka mass ecotourism (Weaver, 2001). This growth is driven in part by more conventional tourists becoming interested in nature-derived sightseeing. This has led the ecotourism industry to increased expansion as more and more tourists like the idea of spending either their whole trip or just a part of it in nature. This increased interest in nature-based tourism is shifting ecotourism from its roots in small-scale nature-tourism to encompass a much broader scope, aligned with a set of sustainable principles applicable to any nature related tourism (as cited in Lindberg and Hawkins, 1993, p. 10).

This shift is also driven by market forces as larger players see a chance to gain a share of a profitable growing eco-market. This shift explains the complex character of today’s tourists, who are changing their interest in tourism and challenging the dominant holiday sector to diversify its vacation offerings to allow them to engage in different experiences. Weaver’s (2002) classification of hard, structured and soft

ecotourist travellers is particularly relevant to this point as structured and soft ecotourists were both found to enjoy hybrid ecotourism holidays made up of part ecotourism activities, part relaxation, and part adventure tourism.

Some mass tourism destinations and operators have started to capitalize on tourists' nature-based and ecotourism interests by partnering with specialized operators to include such experiences in their offerings and attract the interested consumer. Relevant studies argue that mass tourism, like any other tourism that focuses on sustainable practices can actually support the ecotourism industry and its operations, which can in turn inspire and influence mass tourists towards a more environmentally-friendly behavior at their destinations (Ayala, 1996; Higham and Lück 2002; Kontogeorgopoulos, 2004; Kontogeorgopoulos, 2005; Weaver, 2005; Weaver, 2001).

A perfect example of how these opposing types of tourism are connected and supportive of each other is illustrated in Kontogeorgopoulos' study from 2004 that examined the conceptual, operational and spatial links between Phuket's island, one of Thailand's most famous mass tourism destinations, and the close-by ecotourism destinations. It was found that Phuket's ecotourism operators depend on the island's mass tourism intermediates like hotels, airline companies, tour operator and travel agencies to promote and sell their packages. On the other hand, some mass tourism operators rely on ecotourism operators to stay competitive on the market by offering their mass tourism clientele the possibility to engage in and learn about eco-tourism during their vacation. However, the level of dependency is greater for ecotourism operators as they cannot function unless they enter into long-term partnerships with group stakeholders from across mass tourism sectors. These relationships tend to be stressful on the hard ecotourism providers who have generally entered the business driven by idealism and a desire for a green lifestyle (Best & Stein, 2007; Bustam & Stein, 2010), but often lack the professional experience and financial acumen of the mass operators needed to run their businesses on their own. As cited by Kontogeorgopoulos (2004, p. 105), Phuket's mass tourism infrastructure is critical to the success of the

ecotourism around the island as “The flow of tourism transactions among eco-tourism businesses derives from the existent mass tourism networks on and off the island”.

With this idea in mind, the claim that ecotourism requires active tourists who make it a goal to conserve natural environments and improve the overall well-being of an ecosystems’ flora, fauna and people is being challenged through the research of Kontogeorgopoulos (2004), Kontogeorgopoulos (2005), Ayala (1996), and Weaver (2005; 2001). These authors dispute these tourists’ contribution to the development of the ecotourism industry, given the small market size involved. From these researchers’ perspective, a more realistic approach to the development and the benefits expected from ecotourism is needed, an approach aimed at facilitating a symbiotic relationship between ecotourism and mass tourism, and ecotourists and mass tourists respectively, without changing the guidelines for ecotourism.

In light of the aforementioned, it is likely that the ecotourism industry will grow along with mass tourism. Encouraging the opportunity for mass tourism to support ecotourism interests is therefore important for ecotourism to achieve its goals, due to the less favorable development conditions pertaining to this industry and to the communities in which it operates. This support is important for the ecolodge accommodation sector as mass tourists’ interest in environmentally-friendly accommodations is growing, creating therefore the opportunity to introduce these accommodations to the increasingly expanding ecotourism market. This could in turn assist in the long-term viability of ecolodge businesses and thus ensure that they are sustained. Capitalizing on the increasingly diverse ecotourist market, however, will mean increased pressure on the small scale, intimate ecotourism industry and ecolodge operations. In order to attract a larger part of the current ecotourist market, ecolodge businesses should embrace the diverse accommodation needs and preferences of ecotourists, and find ways to deliver on those differences to increase their competitiveness versus the traditional hotel accommodation market. This requires consideration of the general tourism business environment and what enhances the competitiveness and proliferation of a tourism accommodation business at the global level.

2.1.4 Service Quality Competition and the Ecolodge Market

As an industry that does not limit its portfolio to a particular kind of activity, a specific geographic location or a certain segment of the population, the tourism industry has an incredibly competitive business environment. Moreover, current demographic, social and technological changes are influencing the tourism business environment to a point where the survival and prosperity of enterprises rely on managers' ability to know and to anticipate customer desires and needs (Aksu, 2000; Lu and Stepchenkova, 2012). Managers must also be able to correlate activities with the frequent and important changes that have become a norm in the global hospitality marketing environment. Tourism enterprises, as noted by Aksu (2000), and Lu and Stepchenkova (2012), need to be highly efficient in differentiating themselves from competition if they want to stay in business. One way of doing so is to achieve a level of service quality that pleases the modern customer. However, this is not an easy task, as tourism, out of all industries, is known to be a service industry that differentiates itself through service.

In a decade of rapid growth and increased competition within the service sector, delivering service quality to guests is more important than ever. Today's consumers are increasingly more aware of the value of their business, and customer satisfaction holds a crucial role in helping businesses differentiate themselves from other businesses (Eggert & Ulaga, 2002). Service quality has been defined as "*the service level that customers think they should get from the service provider*" (Khan, 2003, p. 112). It is perceived as an ultimate characteristic to achieve customer satisfaction, and thus a deal breaker in creating, retaining, or losing customers (Bustam & Stein, 2010).

As tourists spend a substantial amount of time at accommodation facilities, it is important for accommodation businesses to deliver high quality service that positively influences their clients' experiences, and establishes a connection for repetitive business and financial profit. The hotel sector is known for planning and developing services at a macro level, and therefore has various classification systems for quality control that include ratings by public or private standards indicating the quality of the

hotel itself and its services like the five-star rating system (Narangajavana & Hu, 2008). Although rating systems help in informing tourists on the quality of the facility and serve as points of differentiation for competitors, they are not present in all sectors of tourism. Among the sectors lacking such a service rating system is the ecolodge sector.

Unlike hotels, which focus on marketing management and service strategies (Narangajavana & Hu, 2008), ecolodges focus more on ecological and social aspects of development. Voluntary, public certification systems like UNEP and CTS, and many others were “established to rate and recognize the overall competence of individual businesses” (Honey, 2003, p.11), and focus on corroborating the sustainability and ecological performance of businesses. Ecolodges have no international rating systems in place to specifically recognize the quality of services offered (Ingribelli, 2013; Mehta, 2007). Ecolodge owners use their own judgment in developing service standards for their business (Ingribelli, 2013). This could be the case partly because ecolodges represent an attraction on their own because of their location, and ecotourists seem to choose them more for their proximity to natural attractions and their spectacular views, rather than the quality of the services offered.

Some studies support the idea that ecotourists cherish scenic quality more than service quality in their accommodation (Nepal, 2007), and this focus on nature quality versus service quality has probably contributed to the overall poor representation of the later in the ecotourism industry. Although nature quality at ecolodge accommodation is important to the interested consumer, the service quality dimension is growing as an element of importance in the ecotourism – ecotourist equation.

When examining ecotourists accommodation preferences, studies have found that although many express a preference for middle-scale ecofriendly facilities, they spend at least half of their vacation time at traditional accommodation like hotels for example (Kwan et al. 2008; IFC, 2004; Weaver, 2002). This has to do with a weak supply on the end of midscale ecolodges, as a result of the ecotourism market taking a widely inclusive view of ecolodge accommodations as something that takes full responsibility for

the environment and therefore has the obligations to limit development to basic facilities (e.g., cabins, local guest houses).

In contrast, the conventional tourism market adopts a more exclusive stance on ecolodges, as exceptional accommodation that provides a luxurious experience while linking that experience to sustainable environmental practices. Such an example would be the Mashpi Lodge in Ecuador, member of the National Geographic Unique Lodges of the World, which is a brand for upscale ecolodges in extraordinary places around the world that aim at offering outstanding guest experiences while supporting the protection of cultural and natural heritage, and embracing sustainable tourism practices. Many ecolodges have moved into the luxury segment of the market, as illustrated by the National Geographic list of luxury ecolodges (National Geographic Lodges of the World, 2015). Aside from the exquisite architecture at Mashpi as shown in Figure 1, the lodge is known for offering world class services which are worth mentioning here as they are so at odds with what less expensive lodges can offer. For example, a research station and vivarium with a vast collection of rare butterflies, indoor hot tubs, a spa with rainforest inspired treatments, a boutique with exploring essentials, and free Wi-Fi throughout the hotel (National Geographic Lodges of the World, 2015). However, given the large-size of the middle income ecotourist market, only a portion of the ecotourist market can afford this kind of luxurious accommodations. This means that midcost ecolodges have a market niche.



Figure 1 Mashpi Lodge, Ecuador

In light of the aforementioned, it can be observed that the ecolodge market is under-resourced to cater to the needs of the middle income ecotourist. Apart from the demand-supply discrepancy, the existing middle end ecolodges do not offer enough guarantees on the services provided due to lack of service quality standards. A middle-income ecotourist therefore is likely to alternate ecolodge accommodation choices with traditional accommodation like hotels because, first, they can be found worldwide, and second, their infrastructure in terms of price and services is closer to its needs and expectations.

2.1.5 Factors Influencing Service Quality Demand in Ecotourism

The factors driving service quality demand in ecotourism vary greatly, from increased competitiveness, to the desire for quality of the travel experience, with people wanting more value for their money, to easy access to travel information which is encouraging tourists to direct booking, as it gives them the freedom to customize their vacation plans and include several types of activities and travel accommodations in one vacation, rather than just focusing on one (IFC, 2004). A critical factor in this equation is the demographic factor; in particular, age, income, and the quality of life of consumers.

2.1.5.1 The Age Factor

By 2025, approximately 1.2 billion people will be over the age of 60, approaching or within retirement (Kinsella and Phillips, 2005; Sengupta et al., 2005). They are the wealthiest generation alive, and are referred to as the baby boomers: with powerful purchasing power controlling up to two thirds of all consumer spending (Freedman, 2002). Because they have time available, money to spend, good health, an altruistic spirit, and a keen interest in learning about the environment, many focus on travel to achieve personal fulfillment (Cleaver and Muller, 2002), and are thus considered important ecotourism consumers.

They are generally interested in staying at nature-based accommodation, and exploring a whole range of recreational activities from soft ecotourism activities like walking and admiring the scenery, to hard eco-tourism activities like hiking to canoeing and bird watching (Erdem and Tetik, 2013; Hawkins et al., 1995). Thus, they represent an important share of the ecolodge accommodation market; as yet however, there may be insufficient facilities to service this market. Although the quality of the service received at accommodation will probably never be valued above the quality of the environment at the ecolodge location, service will be strongly connected to the satisfaction dimensions of their experience.

2.1.5.2 The Income Factor

Despite the lack of studies that directly segment ecotourists based on demographic characteristics, the income characteristics of ecotourists have applicability in providing more insight into their ecolodge service preferences. With ecolodge research receiving increased interest from academia, studies focused on ecolodge consumers found that middle income ecotourists are particularly hard to satisfy with regard to the quality of the services at location (Kwan et al. 2008; Weaver, 2002). These people often are only willing and able to pay for midrange accommodation, but desire the high service levels normally found in higher priced venues. This creates a major service challenge for mid-priced ecolodge managers.

Past ecotourist segmentation studies focused on hard versus soft ecotourists (i.e., young, low income tourists, happy to rough it when it comes travelling the world, versus old, high income tourists), with little representation of the structured ecotourists (i.e., middle income ecotourists). Weaver's 2002 consumer survey study involving eco tourists who had stayed at two ecolodges in Lamington Park, Australia, found that the middle income ecotourists represent a unique combination between low and high income ecotourists in terms of their environmental views, and the comfort and service levels desired. The study was based on 1800 ecotourists, with 40% (roughly 700 tourists) of the sample represented by middle income ecotourists, identified as "structured" ecotourists. Unlike high income ecotourists, who are known for their relaxed stance in regard to the level of environmental commitment undertaken at destination, and a preference for upper scale services, middle income ecotourists show a level of interest in this matter similar to the low income ecotourists. That is they are environmentally conscious and aware of the overall impact of travel on the natural world, but prefer greater service than the low-range preferred by low income ecotourists (e.g., local houses that provide basic amenities).

Expanding on Weaver's 2002 hard, structured and soft market segmentation, a comprehensive income based segmentation was conducted by Kwan, Eagles and Gebhardt in 2008 in Belize, to determine the differences among ecolodge patrons that stayed at differently priced ecolodges: budgeted,

mid-price and upscale. The middle income ecotourists were represented mostly by retirement-age couples who travelled for quality time with their spouse. They had higher quality and service expectations than they were willing to pay for. Particularly, they looked for upper-scale ecolodge amenities, including “variety of food selections, cleanliness, and comfort of bed, sanitary conditions, dining and bar services, private sleeping room with private washroom, and the reputation of the ecolodge” (Kwan et al. 2008, p. 713). However, they were drawn to the idea of value for money and expected these services, but were not willing to pay upper-scale prices.

Although only a few studies have analyzed the reasoning behind selecting a particular type of accommodation, and even fewer studies addressed whether or not ecotourists favor viewing components of the natural environment more than enjoying accommodation services offered at a destination, the ones that performed income based evaluations, like Kwan’s et al. (2008) study, have documented middle income ecotourists’ need for physical comfort. This could be an indicator that because of their middle to elderly age, and their idea of a vacation as a time to carry out adventurous activities during the day and return to an enjoyable, relaxing accommodation space, ensuring a quality service standard at their accommodations will likely add great value to their experience.

With the ecotourist market expected to expand in the future, and demand-related observations with respect to ecolodge accommodations predicting an increase of about 10% in the years to come (IFC, 2004), demand for quality service at ecolodges will most likely grow in the future. The perspective of offering guarantees on the quality of ecolodge accommodations will attract ecotourists, and create more business for the ecolodge sector. Enhancing this opportunity could bring a significant contribution to the ecotourist satisfaction context and to the eco-lodge development context respectively.

Nevertheless, there are challenges that stand against enhancing their profile on the global ecotourism market as well as their financial stability, and that have to do with the operational framework of these businesses. However, for the purposes of this paper, only the marketing challenge will be explored.

Generally, ecolodge business frameworks take a product stance and focus on the exquisiteness of the location of the ecolodge and the activities provided at the location. Service quality occupies a tertiary position in ecolodge operations, with no clearly identified standards for these businesses to date (Mehta, 2007). Therefore, the benefit to ecolodges of offering their clients valuable accommodation experiences lies largely in their product offerings. Consequently, the marketing and advertising strategies of these businesses focus on product marketing, while service marketing is largely absent. This limited offering reduces ecolodge businesses marketing power, especially as many potential customers' comparison shop for amenities. In addition, ecolodge tourism tends to have a rather "no frills" character, with their products being advertised less effectively seeming less attractive than the sophisticated offerings of the major chains. Herein lays the main motivation for this research, namely employing a branding service strategy to attract ecotourists and create demand for such a strategy.

Failure to employ a suitable spectrum of marketing strategies can affect the operating conditions of a business by diminishing its performance and placing a prolonged financial burden on an owner's shoulders (Kotler et al., 2014). This failure equates directly with difficulty in attracting clients, and is the result of owners failing to understand and respond to the increasingly changing consumer environment (Kotler et al., 2014), especially owners of small scale, independent businesses. This finding holds true when it comes to the ecolodge business sector as ecolodges have a low return on investment, and that with all their attractiveness to tourists, are prone to business failure (Weaver and Lawton, 2007). The reasons are sometimes complicated, and it is not always clear to what limits ecolodge accommodation businesses; however, poor marketing management, (Weaver, 2001) often translated into poor advertising and lack of supply familiarity (Wight, 1997), are common traits that weaken ecolodge business success.

The following section will briefly analyze the marketing environment of the ecolodge sector, focusing on the marketing mechanisms like accreditation and certification, with focus on the later. However, it is not the purpose of this paper to give a comprehensive account of the history and evolution of these

mechanisms, but to briefly evaluate the effectiveness of these methodologies in the ecolodge marketing context. The benefits and limitations of certification programs will be examined. Eventually, consumer awareness for certified products will be addressed, as well as the confusion within the industry due to concerns of green washing and today's proliferation of eco-certifications and inconsistent standards.

2.2 The Ecotourism Industry Supply Side Perspective

2.2.1 General Structure of Ecotourism Marketing Plans

Although an increasing number of marketing-related ecotourism studies appeared in recent years (Donohoe & Needham, 2008; Hassangholipoor et al., 2014; Sangpikul, 2008), few studies directly address the marketing planning aspects of ecotourism products and services, including ecolodge accommodations. Therefore, this section of the thesis takes great advantage of the short and concise piece of research on the principles for developing ecotourism plans published by Bustam and Stein (2010), at the University of Florida's School of Forest Resources and Conservation, Institute of Food and Agricultural Sciences. According to Goeldner and Ritchie (2009), as cited in Bustam and Stein (2013), a comprehensive ecotourism marketing plan unfolds on two levels: business-level marketing and tourism-level marketing; this mix of marketing falls under the 7 Ps of ecotourism business marketing namely product, price, promotion, place, programming, people and partnerships (Bustam and Stein, 2013).

2.2.1.1 Business-level marketing: customer focused marketing strategy

Business-level marketing consists of factors drawn upon a business's close environment such as its product, price, promotion and place (Goeldner & Ritchie, 2009, as cited in Bustam & Stein, 2013), factors directly controlled by the owners or the managers of the business (Bustam & Stein, 2013). Also known as business-to-consumer marketing (B2C), (Zinkhan, 2002), business-level marketing factors affect businesses ability to convince their customers into buying their advertised product or service (Bustam & Stein, 2013) and therefore, influences their customer market success. Thus, business-level marketing gives careful consideration to the overall factors that make up the business like the types of services

offered (e.g., recreational activities, accommodation facilities); the packaging of amenities; the service quality imaging of the business and how it is represented to the potential customer; the pricing strategies used to create offers for the customers; the promotional strategies used to create demand for the business, like brand marketing, paid promotions and personal selling; distribution channels such as travel agents, tour operators and the internet; and last but not least, the geographic area of the business and the marketing area covered (Bustam & Stein, 2013).

2.2.1.2 Tourism level marketing: business focused marketing strategy

Tourism marketing, on the other hand, consists of factors drawn upon a business's industry environment and the factors that influence that industry such as demographic, environmental, technological, socio-cultural and economic factors that affect the way in which the industry evolves over time. It is a strategy that focuses on increasing a business's ability to be competitive on the business market by strengthening its products and service offerings through special activity programs like environmental educational programs in the case of ecotourism, and focused marketing programs targeted at a particular type of consumer (Bustam & Stein, 2013). A distinctive characteristic of this type of marketing, however, is the cooperative approach to marketing which allows private businesses with weak resources to collaborate with local public or other private eco-tourism suppliers in delivering eco-tourism experiences (Bustam & Stein, 2013). This strategy is also known as business-to-business marketing (B2B), as it involves collaboration between two suppliers before a product or a service can be sold (Zinkhan, 2002).

In light of the above, an argument about the complexity of developing and implementing an integrated ecotourism marketing plan, like any other tourism marketing plan can be made. This is even more challenging when it comes to the ecolodge sector because of the way its businesses structures have developed over time.

2.2.2 Ecolodge Marketing

2.2.2.1 Ecolodge Business Structures

Ecolodge businesses can be briefly characterized as innovative, scaled-down, and owner-focused (Hawkins et. al., 1995). However, what appears to be such a neat division is not really so, as ecolodges have highly variable structures in terms of size, development, tenure and operational arrangements. For example, a limited characterization will look like this: ecolodges varying from one to 300 rooms, \$2 to \$1000 daily rates, from no land title to 10. 000 acres of land (Sanders and Halpenny, pp. 23-24, 2001). Thus, despite them being known as small businesses, it is clear that there is great diversity in terms of their scale. Their ownership structure, therefore, as well as their operating functions and product and service features, can vary from sole proprietorship to partnerships arranged between various public and private parties, and from basic to luxurious features, respectively.

Sanders and Halpenny (2001) along with Hawkins et. al., (1995), and others, also found that ecolodge facilities are unequally distributed among developed and underdeveloped countries. The latter seems to have a better and greater supply of large-scale ecolodges, with key areas including Central Latin America and South-East Africa. By comparison, the former has a better but weaker supply of small-scale ecolodges within key areas, including Northern Europe and North America. Given these uneven supply conditions, one can argue that ecolodges are a business of extremes, a situation reflected in an uneven marketing landscape.

2.2.2.2 External Marketing Resources

Based on their market target, ecolodge businesses rely on different resources to produce and operate their marketing plans. Generally, high-end ecolodge businesses stand on a solid marketing ground, both from a business-level as well as from a tourism-level perspective, by employing the help of established brands outside the ecotourism industry. Such a brand has been developed by the National Geographic, in its *Unique Lodges of the World* affiliation program, which aims at “offering distribution

and marketing services for world-class hotel accommodations that match with a commitment to sustainability” (National Geographic, 2015). The brand targets customers for upscale lodges, and already has “24 properties from six continents that range in size from eight to 45 guestrooms as part of the program, National Geographic (2015). By 2017, this number has increased to 51. A good example of such a lodge is the Mashpi ecolodge as seen in Figure 2; located in the Choco rain forest in Ecuador, and that was previously mentioned with regard to its high-end quality standards. By joining the *Unique Lodges of the World* brand program, ecolodge businesses “receive National Geographic marketing and distribution assistance through the National Geographic distribution channel, and are able to display signage on-property” (National Geographic, 2015). The brand promotes the environmental, but more so, the service excellence of these businesses. Further details can be obtained at <http://www.nationalgeographiclodges.com>.



Figure 2 Mashpi Lodge Dining Room (Photo by Paul Eagles)

Therefore, a high-level ecolodge brand has recently developed, revealing that the market need for an ecolodge brand has been recognized. However, this brand has only 51 ecolodges scattered over the entire world. There is therefore a market opportunity for a midrange ecolodge brand.

2.2.2.3 Internal Marketing Resources

With the growth of the ecotourism sector, businesses are pressured to perform environmentally. Inevitably, accusations of green washing have emerged, and threaten the legitimacy of some members of the industry. This term refers to the growing trend of businesses that are not sustainable, green, ecofriendly, but advertise that they are (Bien, 2004). The effects of ‘green washing ‘are twofold. First, actual green businesses are viewed with distrust, and their market is diminished as some of their customers go to these non-green competitors. In the meantime, the legitimate businesses have the expense of trying to comply with green standards which costs money not incurred that the green washing sites. Thus, environmental standards are needed to ensure tourists are getting what they are paying for, and businesses that go to the trouble of being green, are rewarded for their efforts.

2.2.2.3.1 Environmental Certification

Honey (2002, p.4) stated that certification refers to a procedure that audits and gives written assurance that a facility, product, process, service or management systems meets specific standards. “A marketable logo or seal is then awarded to those that meet or exceed baseline criteria or standards that are prescribed by the program” (Honey, 2002, pp. 4-5). The first step in this procedure is for certification organizations to be recognized by an accreditation organization with the authority to do so, that is, one that is recognized as qualified to “assess other businesses, products, services, and processes against established standards” (Honey, 2002, p.5). The terms certification and accreditation have both been used in discussions of eco-tourism and nature-based tourism (Honey, 2002), but for the purposes of this paper the focus is on certification.

As mechanisms to assess adherence to established standards and criteria, certification programs are crucial to the eco-tourism and nature-based tourism industries (Honey, 2002). Ecolodge businesses, like any other tourism businesses, need the certification label as a guarantee of best business practices, and to appeal to ecotourist audiences. There are two types of certification criteria that any ecotourism businesses can apply for: process and performance-based criteria (Honey, 2002). Process-based criteria “help management conduct baseline studies, train staff and set up systems for ongoing monitoring and attainment of environmental targets such as pollution, water and electricity reduction” (Honey, 2003, p. 15). Major hotels are a better fit for this type of certification criteria, and therefore a discussion on this criterion is beyond the scope of this paper. Of particular interest, however, are the performance-based certification criteria, which contain environmental standards that businesses must comply with, if they are to be certified and receive assistance and permission to use the certification logo. These certification programs “focus on businesses’ environmental, socio-cultural, and economic activities” (Honey, 2003, p.16).

From a performance-based certification perspective, the ecotourism field has some experience. Tourism professionals, NGOs and governments have set in place numerous criteria, best practices, and voluntary certification programs meant to both improve and prove the social and environmental performance of ecotourism businesses. However, only two programs have achieved wide-spread recognition, leaving a vast void in most countries. Highly reputable are Costa Rica’s Certification for Sustainable Tourism (CTS): a well-regarded certification program designated specifically for ecotourism practices (Matysek & Kriwoken, 2013), and Australia’s Nature and Ecotourism Accreditation Programme (NEAP): a collaborative effort of the Australian Tour Operators Network and Ecotourism Association of Australia (EAA). NEAP combines both process and performance based criteria in order to “encourage businesses to establish comprehensive environmental management systems and invest in technology that delivers the greatest economic and environmental benefits within a specific region” (Honey, 2003, p. 16).

Businesses are motivated to join such programs due to the environmental education that comes with the process (Bien, 2004), the increased efficiency that is felt throughout the entire industry as standards rise, as well as rise in consumer confidence and industry credibility (TICT, 2013). However, such programs are not always within a business's reach. This has to do with increased costs, complexity and rigor, which are problematic for smaller operators. Moreover, certification is no guarantee of greater profits and market share (Honey, 2002), and not all standards can be applied to small-scale enterprises, which are unable to meet the criteria. Finally, there is another problem, specifically relevant to this paper. That is, few certification programs focus on certifying eco-tourism accommodation services, and instead on certify eco-tourism products. It seems that even the programs that do focus on certifying ecotourism accommodation services, like the CTS one, aim at certifying the environmental performance of hotels rather than eco lodges. The next section focuses on Costa Rica's certification situation, and outlines how the CST program works.

2.2.2.3.1.1 CST Program

Developed in the late 90's by the Costa Rican Tourism Board (ICT), the Costa Rican Certification system (CST) focuses on organizing and supporting sustainability efforts of accommodation businesses within the country. The criterion for CST focuses on social, environmental and economic aspects. The operational components of the program are the (1) physical-biological, (2) service infrastructure, (3) external clients, and (4) socio-economic environment (CST, 2015). Within each of the components, various questions are addressed and scored (160 in total) to evaluate their degree of impact on the natural and socio-economic resources of the country.

The physical-biological component looks at a company's impact on its surrounding natural environment (ICT, 2015). The service-infrastructure component looks at a company's management policies and operational systems (ICT, 2015). The socio-economic component assesses the level of

engagement with local communities while the external clients' component evaluates a company's interaction with its clients, and how good it is at engaging guests with its sustainable policies (ICT, 2015).

Based on the aforementioned components, CST uses a 0 to 5 scale rating system that reflects the quality of the experience a guest can have at a CST certified accommodation, 1 being basic and 5 being outstanding. The quality of the experience translates into the type of nature-services (i.e. trails, tours), and educational services being provided (i.e. research or educational facilities, pre-arrival online courses regarding the local natural surroundings) as well as the products and consumer goods purchased locally, and the company's respect for the local culture. The percentage of sustainability met by companies can be anywhere from 20 to 100. A property that meets Level 1 sustainability has scored between 20 to 40% of the criteria, and a Level 3 property has scored between 60 to 80 % of the criteria while a Level 5 property means it meets around 90 % of the criteria.

Although CST is a comprehensive, well-regarded, eco-tourism certification program that has served as an example for other certification initiatives, the program has its share of criticism partly because what started as a sustainable tourism initiative ended up being a machine for certifying businesses of all categories and sizes, especially luxury hotels and car rental companies. A reason for this could be the government's vision of having an "inclusive tool that covers the entire value chain from small businesses to large tourism corporations" (ICT, 2015), which has influenced CST into an umbrella program that covers a broad range of accommodation businesses. There are approximately 300 establishments managing their operations under CST, currently (CST, 2015) with one single criterion for all accommodation categories.

Developing outside the scope of small-scale ecolodge businesses has drawn some inevitable attention from both industry, as well as academia. The program has been portrayed as bureaucratic and profit-driven instead of focusing on having a positive impact on the environment and the community. While investigating the strengths and weaknesses of CTS, Nowakowski (2014, p. 64-68) believes CST needs to

“(1) provide more financing options, (2) develop standards to measure hotel’s impacts, (3) conduct frequent audits to verify compliance, (4) offer marketing support, (5) develop the ability to improve knowledge regarding sustainability, (6) publicize information, enabling consumer input and increasing market demand, and last but not least (7) incentivize businesses”.

Another in-depth analysis of the CST program was conducted by Lepree in 2009. The analysis was based on the program’s 4 main components and draw upon an extensive review of government documents and academic research on sustainable tourism. The study found several structural inadequacies about CST. Similar to Nowakowski (2014), Lapree (2009) concluded that the Costa Rican tourism government should invest more efforts into creating a more competitive environment for businesses interested in the program, or that already joined it. Of particular interest are the incentives to motivate enrollment in the program as well as the marketing resources used to help with the promotion of these businesses such as advertising programs.

From an industry perspective, interesting blogging pieces have appeared, providing feedback about the program. An important aspect is that, although such sources can hardly be considered primary sources, the feedback comes from industry operators who manage accommodation businesses in Cost Rica, and have adhered to the CST program. For example, a leader in the Sustainable Tourism Hospitality industry in Latin America, the Cayuga Collection (<http://www.cayugaonline.com>), takes up its frustration with the program online. Interested in how to take sustainability in tourism to the next level, the company has discussed CST in the context of what needs to be improved in order to make the program functional for everybody. While praising the program for being a great initiative in the broad aspect of things, similar challenges to the ones described by Nowakowski (2014) and Lapree (2009) seemed to be of great concern in this case as well. The blogging pieces “Our Struggles with the CST Sustainability Certification Program includes the following notes (<http://www.cayugaonline.com/blog/our-struggles-with-the-cst-sustainability-certification-in-costa-rica/>):

For years, we have been following with great concern the development of the CST in Costa Rica. What began as an excellent concept for the sustainability of tourism businesses has developed into a bureaucratic apparatus that has blown out of proportion and is mainly serving as a new source of income for local companies. It is hardly possible for a hotel to fill out the questionnaire without the help of a highly-paid consultant who is employed permanently for the sole purpose of helping the business with the CST. A hotel with a gross income of millions can afford this with ease, but this is not possible for a small eco lodge. During the past half year, our manager has dedicated more than half of her working hours to the CST certification, resulting in a neglecting of her job as manager of a hotel. It is our opinion that ICT should create a fairer classification system that depends on the size and yearly income of a business. There should be stricter criteria and more questions for large business, and more basic questions for small hotels that emphasis sustainability but omits less important criteria. Otherwise, I am afraid that in a few years only a few expensive luxury hotels will be part of the CST, which will have become an elite program for businesses that can afford the certification. The small hotels will give up. This cannot have been the original intention of the ICT when it created the CST program.

Judging from the program's website (www.visitcostarica.com), the accommodation information structure (indicating the quality of the accommodation and its services) is not very clear as to which of the CST businesses are indeed green businesses. The accommodation information is categorized by geographical location, size and type (i.e. city hotel, beach hotel, ecolodge etc.). Hotels predominate in both geographical and level rating categories (around 50% of the accommodations is 3 to 4 level hotels) and are listed together, without any mention of their performance ratings.

Another interesting aspect is that around 25% to 30% of the certified businesses have answered no to 50 to 70 % of the survey questions (Level 1 and sometimes Level 2), yet are listed right next to 3 or 4 Level hotels). This lack of quality differentiation can create confusion as one can mistake chain hotels,

which are all CST certified, for ecotourism businesses. Such a ranking system can decrease Level 1 and 2 companies' motivation to constantly improve their social and environmental sustainability as even without improvement they are listed next to environmentally sound hotels. Also, this ranking approach could easily discourage Level 4 and 5 companies in their journey towards sustainability as they are listed next to Level 1 and Level 2 hotels (CST, 2016). It is therefore difficult to assess the effectiveness of the CST program and whether or not this programs gives enough consideration to the development and implementation of sustainable accommodation standards.

With regard to quality assurance, CST lacks a mid-range ecolodge standard, or way of measuring ecolodge service quality. The CST website lists the amenities each establishment offers, but these amenities differ from property to property regardless of their CST level, the category or size of the business. Hence, CST is still to develop an ecolodge service-quality index to complement the sustainability index of the program, and draw a correlation between the two.

2.3 Branding

Missing an ecolodge service standard requires finding a reasonable middle ground to help ecolodges exploit the service component of their businesses and thus cater to the interested market. Branding is a highly-regarded marketing strategy that has proved to be successful across various industries, particularly in the service industries. With demand for ecolodge accommodation increasing, a holistic marketing plan is needed to maximize ecolodge consumers' and owners' benefits. This section 2.3 introduces general branding fundamentals, including business concepts that interconnect both theoretically as well as practically with the idea of branding. It establishes an overview of the current specificities of branding approaches, with the further purpose of providing a discussion on what the brand should emphasize, and anticipating the benefits and consequences of implementing such a strategy in the ecolodge industry.

2.3.1 The Role of Business Strategies and Models in Business Development

The term business strategy has often been interchangeably used with the term business model (Magretta, 2002). For the purposes of this study, a brief explanation of the two terms is needed. The term business strategy refers to a company's long term planning to achieve its business goals. In particular, business strategy is "an umbrella term to denote the broad range of strategic options opens to a firm, including both organizational and functional management strategies, product/market strategies, and diversification strategies" (Bell et al., 2004, p. 24). In the field of business models, Teece (2010) describes business models as "the design or architecture of the value creation, delivery, and mechanisms a business employs" (p. 172). He further explains business models as "the manner by which the enterprise delivers value to customers, entices customers to pay for value, and converts those payments to profit" Teece (2010, p. 172).

The difference between business strategy and business model is that the former focuses on market competition while the latter focuses on the overall mechanism of operation, and therefore encompasses all of a business's dimensions, including value creation, competition, marketing, and profit (Magretta, 2002). Or, as Osterwalder et al. (2005, p.12) suggest, business models focus "on a firm's logic for creating and commercializing value" while business strategies focus on value "execution and implementation" Osterwalder et al. (2005, p. 13). In light of the above definitions, and as argued by Stahler (2002), the primary role of business strategies and business models is to increase an organization's competitive advantage on the market. While other approaches to understanding business strategy and business model concepts have been suggested, this thesis uses the approach of Osterwalder et al. (2005).

2.3.2 Branding as a Strategy

With hotels trying to explore differences from each other, the accommodation business sector has become incredibly competitive. The Business Dictionary defines the term business competition as the *"rivalry in which every seller tries to get what other sellers are seeking at the same time: sales, profit,*

and market share by offering the best practicable combination of price, quality, and service” (Business Dictionary, 2015). Companies use marketing strategies to position themselves on the market and distinguish themselves from competitors. Marketing strategies are defined as *“an organization's strategy that combines all of its marketing goals into one comprehensive plan”* (Business Dictionary, 2015). Marketing strategies have an important scope in that they influence a company's profitability by building its market share, and by growing its business. A popular marketing strategy proven to be successful across multiple industries is branding.

2.3.2.1 Definition of Branding

Contemporary branding theories are acknowledged since the 1920s. There is now a vast amount of research on branding, especially in service industries like tourism (Gartner & Munar, 2009; Gnoth, 2015; Lee et. al., 2015; Rabbiosi, 2016), the fashion industry (Choi, 2014; Kim & Hall, 2014; Oeppen & Jamal, 2014), brand leadership (Aaker & Joachimsthaler, 2012), and brand management (Lane & Anderson, 2015; Kelley et al., 2015). However, a generally-accepted definition of branding is missing but some definitions have been adopted as bases for academic research and industry discussions.

From an academic perspective, a popular definition of branding provided by Chernatony and McDonald (1998, p. 18), is: *“An identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely”*.

A further definition is given by Kotler (2001), one of the pioneers of the marketing management field, who describes branding as: *“A seller's promise to deliver a specific set of features, benefits and services consistently to the buyers”* Kotler (2001, p. 188).

From an industry perspective, the American Marketing Association (AMA, 2015) defines branding as: *“A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers”*.

In light of the above definitions, branding can be generally summed up as a holistic approach to marketing a company. However, there is no clear guidance as to how the concept should be used.

2.3.2.2 Brand Development and Implementation Guidelines

Chernatony and Dall’Olmo Riley (2010) analyzed studies that address the complicated theoretical nature of branding and concluded that a brand system can effectively achieve its market objective if it:

- Matches consumer needs;
- Facilitates a durable and flexible brand strategy approach, that can accommodate future market trends; and,
- Promotes extended dialog and creative thinking among the different parties involved in the process of brand strategy development.

Table 2 reproduces verbatim the spectrum of branding roles in the industry taken from “Defining a brand: Beyond the literature with experts' interpretations”, by Chernatony and Dall’Olmo Riley (1998).

Table 2: Brand Concept Spectrum

-
- Brand as a legal instrument: concerns brand ownership aspects
 - Brand as a logo: addresses the visual and verbal expression of a brand
 - Brand as a company: targets corporate individuality as the brand
 - Brand as shorthand: approach that emphasized on the recall of brand benefits
 - Brand as a risk reducer: aims at less time and energy spent by costumers in search cost
 - Brand as an identity system: a top-down initiative that is suitable especially for new branding ideas
 - Brand as image in consumers' minds: an approach that enhances the power of symbols
 - Brand as a value system: targets audiences through the development and implementation of a straightforward, central promise
 - Brand as a personality: approach that focuses on people's perceptions of brand personality
 - Brand as a relationship: emphasizes the relationships between the consumers and the nature of the brand
 - Brand as adding value: uses new market trends as a resource for adding constant value to the brand
 - Brand as an evolving entity: an approach that regards brand as an entity that constantly evolves
 - Brand as a legal instrument: concerns brand ownership aspects
-

Source: Chernatony and Dall'Olmo Riley (1998, pp. 417-443).

Although the literature acknowledges the lack of an integrated brand system, branding is often understood as the identity of a company, and this element is particularly emphasized in branding research.

2.3.2.3 Brand Concept Characterization

2.3.2.3.1 Brand Identity, Brand Loyalty and Brand Success

Hankinson (2001, p. 128) states that the purpose of branding is to “build an image “, while Rainisto (2003, p. 47) sees brand identity as “an active part of image-building”. Brand identity encompasses all the visible elements chosen to create a company’s image, including name, logo, symbol, value, color and design (Aaker, 1996). These together form a company’s brand identity, and hold great importance in the eye of customers, who use this identity to form an opinion about the brand (Aaker, 1996). Brand identity has been frequently cited as critical to brand success (de Chernatony, 1999; Danciu, 2010; Kapferer 2008; Saaksjarvi, & Samiee, 2011). Brand success is usually measured by brand loyalty. Based on the idea that “loyal customers will consistently purchase products from their preferred brands, regardless of convenience or price”, brand loyalty is defined as “a result of consumer behavior ...” and “...it is affected by a person’s preferences” (Investopedia, 2015).

Aside from the identity element, and as can be seen in the previous table, various other elements like the company’s vision, mission, culture and relationships form part of the brand (Kapferer, 2008), which can influence consumer’s opinion about the brand. However, brand identity is the first aspect of the business that consumers come across with, and gives the first impression they make of the brand and its story. It is therefore important for companies to successfully deliver their story to the market, as a misrepresentation will lead to misinterpretation of the brand on the consumers’ end and will affect the company’s equity (Kapferer, 2008; Omar & Ali, 2010).

2.3.2.3.2 Brand Equity

Brand equity has been defined as “a set of assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or that firm’s customers” (Aaker, 1991, p.15). Generally, brand equity refers to a company’s financial gain from operating a product on the market. Companies try to have full control on developing and controlling their identity on the market (Madhavaram et al., 2005), positively or negatively influencing their brand equity by how well they communicate the brand into the markets. However, internet-based evaluation programs,

such as those operated by TripAdvisor, provides a strong indicator of quality evaluations that are beyond the control of the service providers. Brand equity can be broadly divided into consumer-based and firm-based brand equity. The first term refers to a brand's ability to connect with consumers (Leone et al., 2006) and can have profound consequences on company-based equity, whose outcome is directly proportional to the value that consumers attribute to a brand (Farquhar, 1989).

Although there is a degree of uncertainty around how consumer-based brand equity is measured (Christodoulides & de Chernatony, 2010; Mackey, 2001; Veloutsou et al., 2013), brand recognition, perceived quality, brand loyalty and brand associations have long been reported as measurable consumer market variables for brands (Aaker, 1991; Berry, 2000; Netemeyer et al., 2004; Pappu et al., 2005; de Chernatony et al., 2004; Im et al., 2012). Kapferer (2008), for example, believes that a company acquires positive brand equity when it has a well-known brand that allows for the successful expansion of new products or services on the market. Consequently, a company operating a less popular brand on the market is less likely to succeed at positioning a new product or service on the market, as people will inevitably associate it with an already existing product or service of that brand.

In other words, brand equity is determined by a company's ability to deliver credibly on its brand image. For example, a company's brand image can stimulate consumer demand for the brand depending on how well its image resonates with its target market. Once clients are interested in the brand, it is up to the company to measure up to its standards and draw market appreciation for the product or service provided. If the company is successful at delivering its product or service while maintaining brand standards, customers will use the brand more often, which in return will drive sales and give the company the platform it needs to build a stronger financial portfolio.

In conclusion, a brand is the influence that results from products or services that are popular or not so popular. It is what people think of the product or the service, and the parent company. It helps businesses connect with customers by tapping into their need and expectations for a certain product or a service, and

persuading them into buying the brand by focusing on providing quality, good prices and value for money (O'Neill and Xiao 2006). Brands have been proven to be successful at positioning new companies on the market, and reinforcing the position of existing ones (O'Neill & Carlbäck, 2011); and are argued to be amongst a company's most valuable assets (Aaker, 1996).

2.3.3 Branding as a Business Model

The brand literature acknowledges various reasons for which businesses generally tap into branding, such as increased market share. However, managing a brand is a challenging task for any business, especially for independent ones. Businesses today are under constant pressure due to an increasingly globalized market, competition, and constantly evolving technology. Consumer research suggests businesses conduct their operations under great uncertainty because of constant changes around consumer behavior patterns, technology, globalization, and their effects on business competitiveness (Shocker et al. 1994). This has opened the possibility of self-governing marketing distribution channels as opposed to agency controlled channels, and has paved the way for companies to compete in price offerings, instigating product blurriness and “affecting buyer's expectations and opportunities” (Shocker et al. 1994, p. 150), the driving wheel behind market changes. Business owners and managers need to tackle today's competitive business environment and succeed at positioning themselves on the market in the most creative ways in order to stay relevant.

As previously discussed, branding is a unique tool used to showcase business originality, and represents a good source of resources for promotion of businesses. There are various business models for independent companies to choose from, if they decide to engage in branding but do not have enough experience or resources to succeed at developing, implementing and operating a brand on their own. Franchises are currently one of the most common branding business models on the market. Franchising is defined as “a method of structuring a productive relationship between two parties”, (e.g. the franchisor, and the franchisee), “in which both contribute to the production or distribution of the product or service”

(Hadfield, 1990, p. 3). It is regarded as an “important and stable governance choice for international growth and expansion” of businesses (Fladmoe-Lindquist, 1996, p. 421), used to “implement hybrid strategies in which some elements of the marketing mix are standardized across global markets by the franchisor” and “other elements are locally determined by franchisees” (Sashi & Karuppur, 2002, p. 501).

Franchises are popular in almost any type of business, not just hotels, and one of the reasons lies in their popularity in “developing and transferring product and service ideas’ as well as” brand names, marketing skills, and operating procedures” (Sashi & Karuppur, 2002, p. 501). Therefore, entrepreneurs that lack the ability to build and operate a brand on their own often turn to franchising systems to coach them in this direction.

Branding and franchising are strongly-related concepts both in theory as in practice. Dnes (1992) argues that the essence of franchising is to “sell a branded service or a branded product” (p. 3). In other words, the franchise protects the marketing power of the brand. The concept of franchising is believed to complement the concept of branding (Zachary et. all, 2011), and the terms are often used interchangeably. Franchise branding refers to a model of operation between the franchisor and the franchisee where the latter buys its brand (name), and operations (business) system (IFC, 2016). Simply put, the brand is developed and managed by the main operation, the franchisor, with the purpose to sell it to potentially interested business owners, the franchisees.

Hotel businesses tap into franchises to increase their access to the market and strengthen their economic performance. Franchises, often referred to as chain businesses, cover the full spectrum of hotels, from low budget to mid budget, to high end. Successful examples include Crowne Plaza Hotels and Resorts, Comfort Inn, Hilton Hotels and Resorts, and Starwood Hotels and Resorts to name a few (IFC, 2016). The following sub section attempts to convey an important aspect of chain businesses namely the economic impact in the global market.

2.3.3.1 Chain Businesses and the Global Market

While empirical research on the economic impact of chain brands on the global market is limited, some industry reports have been published. Although limited in geographic scope, the 2015 Franchise Business Economic Outlook, a yearly forecast report on the US chain sector prepared for the International Franchise Association Educational Foundation by the Information Handling Services (IHS), a company that provides analytical reports on various industries, among others, investigated the economic impact of chain businesses on the US economy from across 10 industries, including the lodging industry. The chain businesses that formed the base for analysis of the 2015 Franchise Business Economic Outlook were selected from across 10 different industries, presented in Table 3, as follows:

Table 3: Composition of Franchise Business Lines

Automotive:	motor-vehicle parts and supply stores, tire dealers automotive equipment
Commercial and Residential Services	building developing general contracting
Quick Service Restaurants	limited-service eating places cafeterias fast-food restaurants beverage bars
Table/Full Service Restaurants	establishments primarily engaged in providing food services to patrons who order and are served while seated

Retail Food	<ul style="list-style-type: none"> food and beverage stores convenience stores food-service contractors caterers retail bakeries
Lodging	<ul style="list-style-type: none"> hotels motels and other accommodations
Real Estate	<ul style="list-style-type: none"> buildings self-storage units other real estates real estate agents and broker
Retail Products	<ul style="list-style-type: none"> furniture and home furnishings stores electronics stores appliance stores
Business Services	<ul style="list-style-type: none"> printing business transportation warehousing and storage data processing services insurance
Personal Services	<ul style="list-style-type: none"> educational services health care entertainment and recreation laundry service

Source: IHS, (2015, p. 23). *Franchise Business Economic Outlook for 2015*.

The analysis reported on the number of chain brands per each business line, and how fast they grow, their impact on the labor market, and their overall economic output. Some of the general findings for 2015 are compared with findings of the 2014 report, and are presented as follows:

- Compared to the previous year's GDP estimates, 2015's estimates on economic output from chain businesses suggested an increase by 5.2 % over last year to \$521 billion (IHS, 2015);
- 2015 projections on chain establishments are at 781,991 compared to the previous year's projections of 770,368 indicated a growth of 1.6 or approximately 12,000 (IHS, 2015);
- Employment estimates project 248,000 new direct jobs for 2015, compared to 239,000 chain jobs added in 2014, a 2.9 % increase to 8.8 million direct jobs (IHS, 2015); and,
- Lodging industry projections included an increase of 2.8% in employment with an expectancy of a 6.6% gain on economic output, identifying lodging the most rapidly growing sector among the 10 business sectors in 2015 (IHS, 2015).

According to the economic analysis within this market report, the chain business sector had an overall positive economic impact across all 10 business lines and on all three different dimensions' studies (e.g. business growth, employment rate, and economic output). Taken together, these results suggest that chain businesses represent a dynamic and valuable economic sector, which places emphasis on critical aspects of businesses like labor market impact and output growth. The purpose of the next section is to provide a more detailed overview of the context in which chain and independent businesses operate, and a comparison between branded and independent hotel performance drawn upon a 2011 market study.

2.3.3.2 Chain businesses and the Hotel Industry

As previously discussed, branding is a popular business strategy in all tourism sectors, especially the hotel sector. Several reasons have been attributed to the importance of branding in the hotel industry. These reasons were best exemplified in a 2011 hypothesis study conducted by O'Neill and Carlback. The investigation involved over 50,000 chains and independent US-based hotels, whose information was

obtained through the Smith Travel Research Organization, a US independent company that investigates hotel market data, and prepares hotel market analysis for popular hotel brands in the US, Canada, Latin America, Middle East and Asia/Pacific. The study offered insights into the economies of scale (ES) of these businesses, and whether production scale influenced their performance. For the purposes of discussing the results of this study, a brief overview of the term economy of scale is needed.

The economic literature acknowledges internal and external economies of scale as, respectively, business and industry-related concepts. For example, internal economies of scale refer to the collective support between a number of businesses, and the advantages that these businesses enjoy from cooperating professionally. In other words, internal economies of scale occur when companies manage to reduce costs and increase profit by working together as a team (Business Dictionary, 2016). External economies of scale, on the other hand, refer to an industry's infrastructure and its capability to support its businesses (Business Dictionary, 2016). Infrastructure in this context refers to the support structures (e.g. transportation, investors) that an industry disposes of, and that its businesses can use in order to decrease the cost of their operations. Simply put, an industry achieves external economies of scale when it has a good enough mechanism of operation to generate support for all the businesses that operate within it.

Although both concepts are equally important for business success, the focus of this section of this thesis is on internal economies of scale, defined as "reduction in average cost when all outputs are increased proportionally, holding all other input prices constant" (Ogundari et al. p. 133). Explained more practically, internal economy of scale advocates for business branding on the premise that connecting businesses of the same category through the share of resources (e.g. best practices, marketing systems, and technology), will lower their costs of doing business and present them with more opportunity to maximize their production than if they operated individually.

Generally, independent businesses are believed to have fewer dimensions of support in marketing, technology, finances, merchandising and so on, as they often work using an independent system of

resources with each business depending entirely on its own resources to manage operations. This supports the assumption that independent businesses face difficulties in achieving internal economies of scale, evident in the case of O’Neill and Carlback’s 2011 study, presented next.

Of the study sample, 56.6% (29, 418) of the businesses were represented by branded hotels and 43.4% (22,572) by independent hotels. Their economic performance was examined over an entire economic cycle, from 2002 to 2008, with the specific purpose to analyze and compare the two hotel categories over both economic expansion (2002 to 2008) and economic recession times (2003 to 2007). Due to confidentiality matters, no indications as to what brands were included in the study were provided. First, the variables used to calculate the performance of hotels included in the study are presented in

Table 4. The hypotheses generated by the authors (based on previous specialized research) against whom they compared the results are presented in Table 5. The summary findings (presented in Appendix B, Table 8) are discussed below to provide more contexts on the overall performance of chain versus independent hotels.

Table 4: Key Indicators Selected for Hotel Performance Evaluation

Occupancy	Percentage of all rooms in a hotel that are occupied at a given time.
ADR	Average rate at which a hotel books every day: average daily rate.
RevPAR	“Room revenue per available room”
NOI	“Net operating income: return to investment percentage”

Source: John O’Neill & Mats Carlback (2011, p. 517). “Do brands matter? *A comparison of branded and independent hotels ‘performance during a full economic cycle’*”

Table 5 Study Hypothesis

Hypothesis 1	Branded hotels will have significantly higher occupancy levels than independent hotels under all economic conditions.
Hypothesis 2	Independent hotels will have significantly higher ADR and RevPAR levels than branded hotels under all economic conditions.
Hypothesis 3	Branded hotels will have significantly higher NOI levels than independent hotels during economic recessions.
Hypothesis 4	Independent hotels will have greater variation in occupancy, ADR, RevPAR, and NOI than branded hotels during economic recessions.

Source: John O'Neill & Mats Carlbäck (2011, p. 517). "Do brands matter? *A comparison of branded and independent hotels 'performance during a full economic cycle'*"

Findings of the study suggest that independent hotels operated differently than chain hotels during 2002 to 2008, in a number of aspects. As illustrated in the summary findings table, independent hotels tend to operate at a higher average daily (ADR) rate, but lower occupancy rate than chain hotels, which decreased their final output. A probable explanation is that their operations income was affected by less spending across hotel areas such as restaurants, business rooms, recreation and fitness centers, and so on. Due to their isolating operating system, independent hotels were also found to have higher operating costs than chain hotels. Chain hotels are at an advantage particularly because of their operating structure, which implies sharing of resources needed for conducting operations, especially those of marketing and booking. For example, high occupancy rates on the end of chain hotels are believed to be the result of guests' loyalty towards brands.

Unlike chain hotels, independent hotels cannot afford to offer rooms at lower prices, because their marketing is less sophisticated and generally attracts fewer clients. Their ADR may be higher than the chain hotels' but occupancy is considerably lower, and although this was not found to be a problem

during economically favorable times (when both hotel categories scored well on income), it affected the financial performance of independent hotels during recession times, when their revenues were estimated much below chain hotels' (see Table 4). A likely explanation is that people generally spend more on room taxes at times of good economy, as this will give them the opportunity to experience hotels that are unique on the market, and not associated with big chain names, however, the lower ADR of chain hotels is more attractive to tourists during economic recession due to the need to save on spending is more acute.

Fixed marketing spending, fixed purchase spending (because of wholesale purchases of products necessary to operate), and financial and technical support received from the main operation were other elements that contributed to the economic performance of chain hotels, especially during recessions, and help achieve a larger economy of scale compared to independent hotels. On the other hand, fluctuating marketing spending, fluctuating purchase spending, and no external managerial support in conducting their operations were factors that weakened the economic performance of independent hotels. Although this category of hotels saves the marketing fees and other operating fees that chain hotels are subject to, their decentralized operating system, characterized by the above-mentioned elements tends to leave these businesses with fluctuating revenues, affecting their financial stability on the long run, and especially during hard economic times when is even harder to survive on the market.

The study concluded that independent hotels carry a higher risk of performing under low economies of scale due to "greater variance across ADR, occupancy, RevPAR and NOI business variables during both economic periods" resulting in unsecure flow of capital, and leading independent businesses to a situation of financial inconsistency with economies of scale being difficult to achieve especially during recession.

Nevertheless, the researchers articulated that joining a brand will not necessarily have a positive result in increased market share or profit gains for interested independent owners. Other similar studies have found the financial performance of independent hotels to be similar or not far off that of chain hotels (Enz

& Canina, 2011), or concluded that branding is not necessarily a must have marketing tool for independent hotels who benefit from great market locations (e.g. next to busy surroundings, or famous tourism destinations). The operating premise is that they will always enjoy good business due to the large percentage of people visiting such places, and could even score higher profit than chain hotels. A possible explanation for this might be the generally rigid system on which some chain brands work, which can often disadvantage the smaller operators from a number of perspectives which will be later discussed. However, O'Neill & Carlbäck (2011) support the idea that independent hotels stand a good chance at achieving economies of scale if they join the increasingly more practical process of doing business under a main brand company. This seems possible even with the costs paid to be associated with the respective brand due to the power of operating collectively which in this study was proven to result in lower operating costs and increased occupancy.

2.4 Ecolodge Branding

In light of the above, ecolodge businesses, like any other independent accommodation businesses that do not benefit from identifiable brand could benefit from a strategy that will bring more brand recognition in the market, as opposed to working alone. In developing a brand in cooperative fashion, the incorporation of a franchise model with a stable and consistent structure is highly desirable. The reason for considering franchising over other business formats for this study lies in its popularity in developing and 'transferring product and service ideas' as well as 'brand names, marketing skills, and operating procedures' (Sashi & Karuppur, 2002, p. 501). The concept of branding complements the concept of franchising (Zachary et al., 2011), and literature supporting this thesis suggests that a branding strategy complemented by franchising to promote and grow the former, will help create a consistent value, image and identity for participant eco-lodges across the globe, and therefore contribute to the overall success of the brand.

However, careful consideration needs to be given on how exactly the cooperative ecolodge brand strategy should be implemented in order to maximize ecolodge owners' chance to profit under the same brand, as franchising agreements are marketing strategies with complex business architecture with some limitations. A number of problems may make business owners wary of entering into a cooperative agreement or diminish their economic success once they are in. For instance, the owners' autonomy can be reduced as many decisions and policies will be made by the branding organization (Sashi & Karuppur, 2002). Furthermore, the reputation of the owner and his or her business can suffer if other owners or the organization have lower standards (Sashi & Karuppur, 2002). Contractual and legal issues may also arise (Sashi & Karuppur, 2002). For example, developed entirely at the initiative of the owner, and therefore individually-owned, a branding organization often has the authority to dissolve contracts with their clients without having to consult them about their decision. It is due to these shortcomings that branding models are not always viable business models, especially in the case of entrepreneurs with little business experience. Nevertheless, the cooperative ecolodge brand strategy can be optimized in order to maximize its benefits through a business model that addresses the above-mentioned shortcomings through a more flexible contract structure than has traditionally been available. One such model is the cooperative model.

2.5 Cooperative Branding

Although the term cooperative branding still needs to be academically defined, there are plenty of industry related definitions regarding cooperative marketing and advertising. The Business Dictionary (2017), for example, defines cooperative marketing as "Agreement between a manufacturer and a member distribution chain (distributor, wholesaler, or retailer) under which the manufacturer shares a certain percentage of the member's advertising and promotion costs, or contributes a fixed sum". In essence, cooperative branding refers to 2 or more businesses coming together to create a new identity mark either regarding a product or a service, or both. Cooperative branding is therefore an agreement between several parties on setting up a certain product and/or service standard, and creating a connection between the brand and their customers. Compared to corporate branding (e.i. franchising), the structure

and the process involved in cooperative branding are somewhat different in that it is stakeholders' focused.

In the marketing literature, research on cooperative branding within a tourism context is limited. The majority of existent studies have looked at the concept of cooperative branding from a destination perspective, and how various businesses supporting the local tourism infrastructure of a destination come together as community players in aligning their branding efforts with the goal to enhance their consistency on the market and increase the profitability of businesses.

Park and Nunkoo (2013) have examined the effect of cooperative branding on the relationship between destination image and loyalty. The study focused on multiple rural destinations in South Korea and it investigated different image dimensions like attractions, natural landscape and service quality, and found that "cooperative branding across multiple rural communities builds a stronger destination identity than an individual community" (p. 13).

Another study that advocates for cooperative branding at a destination level is that of Hanna and Rowley (2011), although in a slightly different context. The study looked at ways to help managers' better deal with destination brand management, and developed a multi-level conceptual model of strategic place brand-management. The branding process includes 8 components like brand identity, stakeholder engagement, brand architecture, brand articulation, brand communication and brand experience amongst other. The model is "intended to act both as a framework and to inform and support the destination marketing and brand managers" (p. 471). The model emphasizes the importance of cooperation across all parties involved in a destination's brand including the stakeholder engagement component, which is a characteristic of cooperative branding models only (Hanna and Rowley, 2011).

Daniels (2007) discussed cooperative branding from a sports tourism perspective while looking at the economic impact of a sport event "held in adjacent counties in two different states namely Mecklenburg (in south-central North Carolina) and York County (in north-central South Caroline)" (p. 335). In

measuring the economic impact generated by the event in both cities, the study included variables like primary purpose of the visit, number of days and nights spent at the event, and expenditure patterns. The expenditure patterns measured included lodging, restaurants, entertainment, sports other than the event fees, and other services. The study argued that the local resources available to host sport events are as well as any other events are key for tourism destinations to generate profit. In doing so, the author emphasized the importance of cooperative branding amongst businesses of the same type.

In comparing the two counties, for example, Mecklenburg had better return on investment than York, as the “higher-order area in terms of urbanization” (p. 336), and the area with more lodging and eating local businesses and better marketing. Inevitably, the majority of tourists travelling to the two cities ended up staying in Mecklenburg overnight. York, on the other hand, scored a low profit during the event due to lack of marketing resources and limited lodging and restaurant infrastructure. Instead, the county “had to bear most of the environmental and opportunity costs of the event” (p. 341).). In the case of this study, the author referred to cooperative branding as a strategy to strengthen small businesses, and help them compete with larger ones. It also builds the case for cooperative branding between geographically close destinations, whether large or small, to attract more tourists.

A similar situation was also reflected in Gonzales and Falcon’s 2003 study on deep sea sports fishing, where tourists visiting a destination for a fishing event scored “suitable accommodation” as the most important variable to them, even more so than the fishing resources (Daniels, 2007).

In light of the above, cooperative branding has been recognized as an important strategy especially for remote destinations that do not benefit from the advantages of a well-developed destination like a strong infrastructure in terms of quality and marketing service. Ecolodge destinations are somewhat similar to the remote destinations subject to the studies discussed above. As Daniels (2007) found, when two destinations compete against each other, it is the quality of service and marketing that differentiates them. Judging from CST website, accommodation offers in Costa Rica include both ecolodges and hotels as options, sometimes within close proximity to each other. Given the gap between the quality service

offered at a midscale ecolodge and a chain hotel, ecolodge businesses in Costa Rica are more prone to lose businesses to hotels than the other way around.

2.5.1.1 The Best Western Best Branding Model

This informative section illustrates the case of Best Western Model. However, the literature available on this branding model is very scarce. For example, no empirical or industry research exists regarding the disadvantages of operating a Best Western brand. Nevertheless, Best Western is often times referred to as an association or affiliation (i.e. cooperative) brand model. Disadvantages of affiliate marketing are similar to chain models and include payment and “neglecting of the process activities that take place within the organization and lead to the effective and efficient use of resources, and the stakeholders that shape the organization’s decision” (Ivanova et al., 2016, pg. 73). Since most studies have examined the Best Western Model from a purely informative, descriptive perspective with emphasis on the benefits of the brand and the company’s future strategy, a summary is presented next.

The Best Western Model has been selected as an example for this study as it’s the largest accommodation group that focuses on a system of independently-owned and operated hotels. The reasons for looking at the Best Western are summarized as follows (Best Western, 2015):

- Flexible membership assures entrepreneurial independence and the democratic freedom to determine the organization’s strategic growth;
- Owner focused, unlike other hotel franchise concepts, the Best Western concept offers members the advantage of retaining independence while providing the benefits of a full-service lodging affiliation.

There are also the advantages of:

- Yearly renewable contracts;
- Worldwide reservations/online booking channels;

- Global, national and regional marketing services

2.5.1.2 Best Western Company Structure

With 4000 properties around the world and 55 years of experience (Brymer, 2003), Best Western has been celebrated as a leader in the field of individual hotel chains. Best Western does not offer franchises in the traditional way, but acts as a non-profit association where each franchise acts and votes as a member of the association (Brymer, 2003). Companies are allowed to maintain and elevate their individuality as businesses while sharing marketing resources and reservations system (Brymer, 2003). Best Western puts members into decision-making positions by “allowing them to decide everything that happens within the company’s structure” (Brymer, 2003, p. 103). For example, quality assurance is managed by members. For each hotel, 7 other Best Western hotels are elected to ensure standards compliance and regulations. These hotels also benefit from assistance from governors located across Canada, United States and the Caribbean; however, the task of conducting and supervising quality assurance evaluations falls on the members’ shoulders.

Best Western focuses on the success of its members, as the model implemented a flexible membership fee structure, to allow properties to save money (Brymer, 2003). Another special characteristic of the brand is the flexible contact structure. Unlike franchising systems, that require members to sign long-term agreements, Best Western’s model was developed with a short-term commitment in mind (Brymer, 2003). Members sign up yearly contracts, which give them the opportunity to easily opt out if not happy with the brand. Last, Best Western is a dynamic company looking into expanding especially in markets where the brand is under-represented. This makes the ecolodge market even more suitable for Best Western as there is no competition in regards to branding. A Best Western inspired brand would mean less financial obligations for ecolodge owners and less rigidity regarding management and more decision-making freedom.

Chapter 3 Methodology

Chapter 3 describes the methods used to accomplish the objectives of this study including the research framework, study design, research instrument, the data analysis process, and a discussion on study limitations and bias.

3.1 Study Framework and Research Objectives

This research sought to identify insights into cooperative ecolodge branding. These insights are based on the opinions of mid-scale ecolodge owners and managers in Costa Rica. As mentioned earlier in the first chapter, the study is based on the following qualitative research objectives:

- Research Objective 1 (RO1): What are owners and managers' perceptions of ecolodge branding?
- Research Objective 2 (RO2): What is the level of ecolodge owners and managers interest in adopting a cooperative ecolodge branding strategy?
- Research Objective 3 (RO3): What future challenges do ecolodge owners and managers foresee in implementing cooperative ecolodge branding strategy?

3.2 Study Design

3.2.1 Study Sample

The sample for this study is made up of 12 owners and managers of mid-price ecolodges in Costa Rica. The ecolodges were identified from the website of the Costa Rican Institute of Tourism (CST) containing information for approximately 500 accommodations, including ecolodges. To recruit ecolodges, this study first made use of social networking tools such as Facebook and Twitter. An English-language/Spanish-language flyer was posted on the active Facebook and/or Twitter account(s) of each ecolodge, explaining the purpose of the study and the benefits to their ecolodge should they choose to participate. To increase rate of response, 40 ecolodges from all over Costa Rica were selected based on

the study criteria, and flyer invitations were posted on their social media accounts. The selected ecolodges were given one week to respond to the invitation. Since the target of receiving a minimum of 10 responses was not achieved within the time frame of a week, the bilingual Spanish speaking researcher followed up the flyer invitations by telephone calls, and tried to obtain consent from desired number of ecolodges. Over the course of 2 weeks during the beginning of December 2015, 12 participants were recruited for the study.

The researcher's fluency in Spanish was advantageous in the recruiting process. Although this study involved bilingual recruiting materials, for example, after the first few recruiting telephone calls following the posting of flyers on social media, it became clear that the primary language of the potential participants was Spanish, and the tendency to accept the study invitation was therefore greater whenever the first language of the participants was used. Although a total of 18 participants were first recruited, only 12 of these participants were interviewed as 6 participants were not interested in participating in the interview during the month of December, and asked for a time period extension to beginning of February. Because the target of 10 participants was reached, however, and because of time, and other limitations that will later be discussed, it was considered best to stop the recruiting process.

3.2.2 Site of Survey

The initial plan was to interview ecolodge owners and managers from Australia, Costa Rica and Mexico to compare their opinions on cooperative ecolodge branding in order to get a broader perspective on the topic. However, due to time and resource restrictions which will be later discussed, Costa Rica was chosen as the only country to recruit for this study.

3.2.2.1 Costa Rica

There are several reasons for looking only into Costa Rican ecolodges. First, Costa Rica is famous for its efforts to develop ecotourism. The country's effort in developing sound ecotourism lies in its certification for sustainable tourism program (CST). CST serves as a code of conduct to ecotourism and

nature-based tourism based businesses and has been used as a prototype for developing various other environmental programs throughout the world (Honey, 2002).

The third reason is that Costa Rica is rich in midscale ecolodges, the subject of this study. Although little is known with regard to ecolodge markets around the world, the studies that have looked into the specificities of how these markets have evolved over time acknowledge Costa Rica as a midprice ecolodge market. For example, the market report undertaken by the International Finance Corporation in 2004 to “examine the market for and business characteristics of ecolodges operating in developing countries” conducted a survey analysis of 6515 ecolodges in 60 developing countries and found that “18% of the sample or 1180 of the ecolodges were midscale ecolodges, and that only the Caribbean island survey and Costa Rica have a significantly large percentage of midrange ecolodges” (p. 8).

However, this study does not aim to compare owner’s perceptions on ecolodge branding based on their certification status. Therefore, the ecolodge sample for this study was made up from both certified and non-certified ecolodges.

3.2.3 Ecolodge Selection Criteria

The purpose of this study is to explore perceptions of brand importance of mid-scale ecolodge owners and managers in Costa Rica. While selecting sample ecolodges, two things were kept in mind: (1) the lack of generally-accepted definition and guidelines on ecolodge development; and, (2) market segmentation of ecolodges. However, Kwan (2008) conducted an extensive review of relevant literature on hotel and ecolodge studies, and came up with a list of characteristics of ecolodges based on four criteria, namely: Operational, Pre-design, Social/Community and Other, as mentioned in Table 6. Moreover, she also conducted relevant market research and classified ecolodges based on three different price categories- mid-priced, budget and upper-scale. However, for the purpose of this paper, only mid-priced ecolodges were employed using the above-mentioned criteria by Kwan (2008) in the pre-screening process.

Table 6 Classification of Ecolodge Market Segments

Category range	Description	Price
Mid-price	<ul style="list-style-type: none">• Have comparatively lower room rates than upscale ecolodges.• Provide full service but with fewer amenities than upscale ecolodges. Have reduced food and beverage, bar and meeting facilities. Less luxurious than upscale ecolodges.• Have an education component that usually includes a library, a trail system and organized ecotourism or nature tours, and shared equipment's for wildlife viewing. Some lodges may include an interpretation center.• Benefit the local community through local employment and purchases of local products and services• Engage in conservation efforts such as protection of neighboring lands through sustainable design and minimal impact on the natural environment.	Average \$40 USD - \$100 USD per person per night

Classification of Ecolodge Market Segments. Source: *A comparison of ecolodge patrons' characteristics and motivations based on price levels: A case study of Belize* (Kwan, 2008).

Since Kwan's ecolodge classification criteria was partially market-centric, and included only nature-based educational component, the current study added two more ecotourism components, namely Social and Environmental, taken from Kwan's *table* of characteristics of ecolodges.

3.3 Research Approach

A semi-structured interview method consisting of open-ended questions was the research approach used for this study. This approach consisted of two parts (1) Pre-screening questions and (2) Interview questions. Following the posting of flyers on social media and getting corresponding responses from

desired number of ecolodges the researcher meant to ask participants to complete a short pre-screening questionnaire prior to the study. The questions designed for the pre-screening process are based on the ecolodge selection criteria mentioned earlier in this Chapter namely price range of ecolodge categories, level of service offered and adherence to social, environmental and educational ecotourism principles, and are presented in Appendix A. However, it was later decided to ask the pre-screening questions during the telephone calls following up the flyer invitations as opposed to contact participants again in order to simplify the recruitment process for participants. After clearing the screening process, the selected ecolodge owners were sent a one-page research document explaining the purpose of this study, following which they were invited to schedule a Skype interview with the researcher, and answer a series of 10 interview questions, presented in Appendix B.

3.4 Methodology, Data Collection and Data Analysis Process

3.4.1 Thematic Analysis Concept

Thematic Analysis (TA) is a common qualitative research process that seeks to examining patterns within data (Boyatzis, 1998). TA advocates exploratory research questions like *why* and *how*, as answered through the eyes of people, and uses rich descriptions for interpreting in-depth presentations of context. As Boyatzis (1998) implies, this method manages to keep researchers interacting with data, their respondents and emerging analyses. When referring to the process of interviews, thematic annalists have the possibility to build further research questions as they go into their interview guides, and they also use their emerging ideas to develop further patterns.

3.4.2 Data Collection

The purpose of this study was to discover if branding is associated with perceptions of importance to aid in the future marketing of ecolodges by interviewing 12 ecolodge owners and managers from Costa Rica. Exploring ecolodge owners and managers' perceptions of ecolodge branding is important for both businesses and the academic research field. These perceptions define and describe ecolodge owners and

managers' opinions about, and interest in ecolodge branding based on which the concept will be validated or not. Therefore, the objective was to explore and analyse ecolodge owners and managers' perspectives with regard to the following aspects of branding:

- What are owners and managers' perceptions of ecolodge branding?
- What is the level of ecolodge owners and managers interest in adopting a cooperative ecolodge branding strategy?
- What future challenges do ecolodge owners and managers foresee in implementing cooperative ecolodge branding strategy?

In doing so, 11 English and Spanish interviews of 1 to 2 hours were conducted in December, 2015. One of the interviews benefited from 2 participants, as both the manager and the owner of the ecolodge decided to interview, making for a total of 12 participants. Two of the 12 participants answered in written form and thus had a shorter, nonetheless succinct contribution to the study. From a total of 12 participants, 9 were native Spanish-speaking, and 3 spoke English, with Spanish as second language. Hence, 7 interviews were conducted in Spanish and the rest of them in English. The limitations resulted from this dynamic language context are acknowledged and discussed in the bias section.

Interviews were recorded using Pamela Skype, a software application designed to record Skype conversations while Spanish to English translations were performed by the researcher. Participants' names were randomly replaced with pseudonyms ranging from Ecolodge 1 to Ecolodge 12 as well as any other names or places they mentioned during the interviews to respect their identity. As per the transcript appendix, a similar structure was used for all 12 interviews including the consent and advising on the interview, the main interview questions and the resulted conversations. To ensure the interview information is coherent, only information that was accurately recorded was transcribed. As data was collected electronically, some parts of the conversation were not accurately recorded as interviews were

subject to good WI-FI connections. Social conversations were also left out for lack of relevance to research questions.

The 10 interview questions were designed to reflect the thinking behind ecolodge owners and managers with respect to branding and its ramifications for the ecolodge businesses (Appendix A). Through these questions, participants were expected to comment on Costa Rica's ecolodge branding situation, express their interest in joining a cooperative ecolodge brand, opinion on the market performance of such a brand and evoke preoccupations related to the future implementation of such a brand. Thus, the kind of answers looked for included but were not limited to brand associations, brand adoption, market predictions, and implementation concerns. Although not always complete, answers on the above-mentioned aspects were collected. As interviews progressed, insights on brand obligations and brand expectations were also collected as a result of discussions on participant's willingness to financially contribute to the brand and the value expected in return. While these two aspects held a symbolic role for the majority of participants, some participants found it particularly important for the overall success of the brand, and are discussed in Chapter 4.

From a knowledge perspective, not all participants exhibited a thorough understanding of the concept of branding and its applicability in marketing. Throughout the interviews, it was discovered that none of the participants benefited from professional marketing training, with the majority being amateurs driven by their love for environment and not necessarily profit. As discussed in Chapter 2, this is in line with the majority of the literature characteristics on lodge owners and managers. Hence, the majority of participants showed a keen interest in the ecolodge branding strategy and its applicability.

3.4.3 Data Analysis Approach

Overview

With TA methodology, there is a hierarchical approach to data analysis. Interview data is analyzed through the process of simplifying, conceptualizing and transforming data into codes, to identify major patterns (Strauss & Corbin, 1998). It is a process that generally involves 6 phases like data familiarization, initial coding, searching for themes among codes, reviewing themes, defining and naming themes and writing the final report. A code is a label attached to data units of the same meaning be they words, sentences, phrases, or paragraphs (Strauss & Corbin, 1998), and can be performed either electronically or on paper. From the different kinds of data codes and concepts generated, various themes are assembled, and conclusions are elaborated.

Coding Scheme

As mentioned on numerous occasions, the scope of this study was to explore and analyze perceptions of branding importance in a systematic way. An open-ended, but theoretically oriented coding approach was thus desirable, to allow for all the information to be covered and explored in developing the final analysis. As such, data analysis was based on a coding scheme built in parallel with the actual coding which involved (Strauss & Corbin, 1998):

- Line- by-line coding: in which data is broke down in codes and concepts. In doing so, interview transcripts were read in full for an overall understanding of participants' individual perspectives on branding, text units were coded, and similar content codes were grouped;
- Incident-by-incident coding: in which similar content codes are combined in coding categories; and,
- Focused coding: in which themes are identified across the coding categories and branded them for final analysis.

Coding was performed electronically using text lines as main coding units, and where more than one or no codes were found, text lines were separated or gathered together. Line-by-line coding involved a

high number of codes which for the purposes of this paper would be overwhelming to discuss. The interviews lasted between 1 to 2 hours, with a total of 177 transcription pages of simple to complex paragraphs and a code for almost each text line. However, incident-by-incident and focused codes were reduced to a total of 8, respectively 3 codes.

The decision to reduce the number of focused codes was made by constantly comparing line-by-line codes to insure consistency in the way they were coded and grouped in categories, adding new coding categories only when necessary. In doing so, responses for each interview question were grouped and coded together to allow for a better understanding and systemization of data across the 12 responses. Depending on the length of the responses, data was divided into 2 to 3 paragraphs, to help with incident coding.

A succinct representation of the coding categories and themes discovered upon analyzing interview transcripts is presented before Chapter 4.

3.4.4 Study Limitations

Recruiting during Costa Rica's high season for tourism, using a limited recruiting period of two weeks only, and expensive phone-service between Canada and Costa Rica, this study used a rather limited recruitment format than if more time and resources to recruit a more diverse pool of participants were available. Also, 2 of the interviews were collected in written form, due to ecolodges being located at high altitudes and limited to poor Wi-Fi connections. One of the ecolodges provided limited input on questions, adding to this study's limitations.

The majority of data was obtained in Spanish (7 out of 12 participants responded in Spanish), with transcripts translated into English without using professional interpretation services. This may have caused limitations in creating additional opportunity for reflection about meaning. Last but not least, the researcher's limited experience in categorizing and coding interview data needs to be acknowledged as

possible restriction in providing considerable detail and generating a complete theory with respect to participants' perceptions of ecolodge branding.

Chapter 4 Results

This chapter provides the findings of this study. Three research questions were raised in the introductory chapter, which are answered here. The chapter has one section, which focuses on the data collected from the interviews, and provides a summary of results in the end.

4.1 Research Questions

This section answers the three research questions presented in Chapter 1. This information will help contribute to a better understanding of ecolodge owners' perceptions of branding importance. Table 8 illustrates the most important points that influenced ecolodge owners' perceptions of branding importance.

Table 7 Classification of Findings

Themes	Categories
RQ1: Alternatives Unsatisfactory	<ul style="list-style-type: none">• Lacking awareness on ecolodge branding• Praise and Criticism of CST
RQ2: Perceived Interest	<ul style="list-style-type: none">• Self-Marketing• Competitive Advantage• Willingness to Pay
RQ3: Proof of Potential Success	<ul style="list-style-type: none">• Standardization and Quality Assurance• Credibility• Marketing Orientation

Classification of Findings Source: Exploring Branding Opportunities for Ecolodge Businesses (Mic, 2016).

4.2 Research Question 1

What are owner's perceptions of ecolodge branding?

To answer research question 1, participants were asked about the current situation of ecolodge branding in Costa Rica. Figure 3 presents the distribution of answers received from the 12 participants.

4.2.1 Theme I Alternatives Unsatisfactory

CST seemed to be the first response of most of the participants when describing the current situation of ecolodge branding in Costa Rica and what they know about it, with 8 out of 12 participants mentioning the country's sustainable tourism program. The majority shared the same perspective on the role and purpose of the program in assisting ecolodge businesses. One participant disagreed passionately on how the program is being managed; attributing the country's declining ecology and high rate of small business failure to CST being supportive of large hotel business, and mass tourism in general. Other participants used a softer tone in describing the pros and cons of the program, giving it credit for making the country famous for its focus on sustainability, while acknowledging its lack of support on marketing issues.

This theme is divided into 2 sections. The first one stands somewhat true to the current characterization of ecolodge businesses as being less organized compared to their fellow hotels. This was reflected by some participants such as Ecolodge 2, Ecolodge 6 and Ecolodge 3 who claimed to have entered the business field motivated by environmental aspirations and a desire for tranquil lifestyle. Hence, confusion surrounding branding was demonstrated amongst some participants when asked particular questions about branding or its applicability to the ecolodge industry as no precise answers were given regarding the current ecolodge branding situation in Costa Rica, or the viability of an ecolodge brand on the market. The second section distinguishes CST as a system for filtering customers, drawing a clearer line between marketing strategies and their role in supporting businesses, and CST. It then goes into a deeper characterization of the program, based on participants past experience with CST, and government involvement in ecolodge development.

4.2.1.1 Lacking awareness on ecolodge branding

When asked about the current situation of ecolodge branding in Costa Rica, some participants admitted to having little or no knowledge on the matter, while others gave a characterization of the concept of ecolodges, reflecting a lack of understanding of the question. Ecolodge 8, for example, says: *“Many companies use the term ‘ecolodge’ to promote their business as sustainable and nature-friendly, but that she is “not aware of the current situation of ecolodge as a branding strategy”* indicating she knows the term is overused for commercial purposes, but has not heard about any ecolodge branding strategies. A similar, but more complex answer was given by Ecolodge 4. He gave a detailed account on the philosophy of ecolodge businesses, without making any connections to ecolodge branding, but later discussed the advantages of branding in much detail. For this part, he saw ecolodges as an achievement of the country’s efforts towards sustainability, saying:

Ecolodge means a business where the accommodation service meets the environment in that the property for example is in the mountains; it has sustainable practices that seeks to preserve the environment that is both flora and fauna. Besides that, it also includes other types of services like restaurant services, activities that go hand in hand with nature like nature tours for example, demonstrating the natural diversity of the area, basically embracing all that part the environment, nature. This would be the concept that we currently have in Costa Rica.

When asked about ecolodge marketing specifically, Ecolodge 4 explained the reasoning behind tourists choosing ecolodges, and their expectations, stating:

From a client perspective, for example, what stands as Ecolodge attracts a lot of attention, that part of tourism that focuses heavily on the environment concept? They seek lodging places that go hand in hand with the environment. It is people who like nature and all that, people who prefer a hotel which is surrounded by mountains and which goes in line with conservation practices rather than visit for example an all-inclusive hotel where people are handled volumes. They prefer something smaller,

where they feel in touch with nature. Because it's not worth selling a business that's hand in hand with nature and they arrive and it's a different reality: they arrive and they see a lot of people around and that the environment is impacted, all that stuff does not draw attention to people so to speak.

The above answer describes the type of experience people expect from an ecolodge while the previous one describes the concept of ecolodge. The participant emphasizes the importance of respecting the rules that come with operating an ecolodge, and making sure that tourists are given the chance to experience true ecotourism. This indicates good knowledge on the environmental aspect of ecolodge businesses. However, this also indicates that branding, at least from his perspective, does not seem to form part of the relationship between ecolodges and tourists. The focus is on the surrounding nature, and the ability to provide guests with a less crowded, intimate experience, rather than branding or service quality standards. This shows that the participant is well-educated on the operational aspect of ecolodge businesses; however, it also shows lack of awareness regarding branding and its role in business.

On a similar note, Ecolodge 3 discusses the country's current situation separate from branding, saying:

Well, people around the world know that CR has a very special relationship with nature. People are very careful about nature here. One of the best values that we have is our nature which is probably one of the best in the world. The value of CR is due to a wide variety of natural life, and then many like us, like the Liberty Lodge people, wish that others learn to take care of what we have. We try to educate our neighborhood and the people from around here to be more careful and not throw out garbage, we try to clean the mangroves and the rivers regularly, but there's still a lot for people to learn. Honestly, this is a cultural habit that goes back to the Spaniards, who didn't care that much about the environment. However, Costa Rica is making environmental progress every day.

Making no reference to branding as a marketing strategy, this participant also discusses the current situation of ecolodge branding in Costa Rica from a nature-based perspective. Emphasizing Costa Rica's relationship with the natural environment holds a great deal of importance to the country, he supports Ecolodge 4's point in that the country's brand has been shaped by its environment. When asked to expand on ecolodge branding initiatives in Costa Rica, Ecolodge 3 confirmed not knowing anything about ecolodge branding, or how it's being used. He stated: *"No idea. I have no idea if ecolodge branding is being used that much. I don't know how exactly is used, if it's used. I don't think I understand very well the question because I have literally no knowledge about this"*. This answer also illustrates lack of awareness on ecolodge branding and how it's being used, a factor that influenced this participant's answers throughout the interview. For example, when asked about viability, implementation challenges, and willingness to pay, Ecolodge 3 emphasized the novelty of the topic and his lack of knowledge as a result.

Regarding viability, he said: *"You are one of the first people who do such a study, and honestly, I can't tell. I regret not having an answer to your question. I would love for it to work, and it could work, what you are doing is very interesting"*, and that he doesn't *"know how many ecolodges would join"*. Having a difficult time discussing the chance of success of ecolodge branding, and regretting for not knowing more shows that the interest is there, although education on the topic is missing.

Not having enough background on the strategy was emphasized again by Ecolodge 3, when asked to discuss future implementation challenges. He stated: *"It's very hard for me to answer because I have no idea...the strategy sounds great, this is something we could do but I don't know what's going to be the result of this strategy. As far as challenges go, I don't know what will happen, but I like it, I like the idea, and it would be interesting to try it"*. Responding to whether or not he would pay for branding, he said: *"I would have to study the matter better because I have no idea what the benefit of the investment would be, that is something that's not clear to me...But I would join because we support sustainability, [its] our*

doctrine". In his account of the current ecolodge branding situation in Costa Rica, Ecolodge 3 illustrated lack of knowledge on the matter, but showed clear interest in ecolodge branding so long it supports sustainability. As it can be seen from these responses, hoping for the strategy to work is a reoccurring theme. This indicates that the practice of ecolodge branding is still new in some ecolodge business circles, but there is openness to consideration of the idea.

In total, 3 participants out of 11 reported not knowing anything about ecolodge branding in Costa Rica. While these results cannot be regarded as a clear indication of respondents lacking marketing knowledge, they are somewhat reflective of their inability to picture how such a model i.e. ecolodge branding, would function. Ecolodge businesses focus on sustainability, a concept very few times discussed in a marketing perspective. Only 2 out of 12 participants gave a more valid assessment of the country's current branding situation, sharing insights onto Costa Rica's existent ecolodge branding strategies.

Ecolodge 10, for example says, *"Well, ecolodge branding there is practically none, not like big hotel chains like Hilton or Best Western for example. From this point of view, you have the 5-star rating system depending on your amenities. In the area of lodging, what you call specifically lodge as a definition, you can get maximum three stars"*. He traces Costa Rica's current branding situation to exclusivist brands operated by *"chains of small, distinctive hotels that are not open to everybody"*, acting like a *"closed society"* to which a *"certain standard on room and service quality"* has to be maintained in order to gain access to it, and to CST. Contrary to the previous respondents, Ecolodge 10 demonstrated a thorough understanding of the concept of branding, providing a simple yet accurate answer to the *"What's the current situation of ecolodge branding in Costa Rica?"* question.

Another participant who acknowledged the presence of exclusivist branding initiatives while emphasizing the lack of mid-scale ones was Ecolodge 7, who said: *"There are some initiatives of grouping ecolodges under the same brand, but it is for luxury eco-lodges and hotels; an example is*

"Cayuga" <http://www.cayugaonline.com>, and I'm sure there is more of this type but I don't know of any brand that brings together hotels and lodges of medium or basic range". Similar to Ecolodge 10, Ecolodge 7 discusses current ecolodge branding solutions in Costa Rica to be out of reach to mid-scale ecolodges. This means that mid-range ecolodge businesses of Costa Rica are missing out on branding, and one has still yet to be developed.

Mentioned in relation to the country's current ecolodge branding situation by Ecolodge 10, CST has been at the forefront of discussions regarding the aforementioned.

4.2.1.2 Pros and Cons of CST

Eight out of 12 participants believed that CST is the closest ecolodge branding program that Costa Rica has so far, and shared insights on how it works. An interesting aspect is that the majority of these participants, except for one, had previous contact with CTS. Hence, the display and magnitude of participant's feelings towards CTS seemed to differ based on situation or individual specific. Six out of 8 participants shared similar opinions on the pros and cons of the program, the highlight being the loss of direction of the program. Five out of these 6 participants (except for Ecolodge 1) had previous contact with CST. The remaining 2 participants had no previous contact with CST, discussed the program from an environmental perspective only, and expressed their interest in achieving CST status.

Ecolodge 2, for example, explains: *"The Costa Rican Institute of Tourism regulates everything that has to do with tourist accommodations, and there is a brand accreditation for environmentally friendly accommodations where one has to abide by the rules and regulations in order to qualify as an environmentally friendly hotel"* while Ecolodge 11 said: *"CST promotes the physical, biological and environmental quality as much as possible because the tourists who come down here ask always more of this"*.

Expressing interest in achieving CST status, Ecolodge 2 showed a sense of pride in being part of CST. He explained:

Currently, I do not have the CST brand because the place I run is new. What we first did was to accredit our business with ICT's international standards. Now that we gained international standards, we are preparing ourselves to apply for CST accreditation. Why? Because we have many things to participate with, we have the conditions to get certified and we'll start doing that in 2016.

This was also the case with Ecolodge 11, who expressed interest in CST, and Ecolodge 1, who was amongst the ones who criticized the program. He says: *"Of course we would like very much to be featured on the CST catalog, so that people also know about us, I mean for people to know that they will come to a rustic place so to speak, a place that cares for the environment"*. Hence, it is clear the importance of environmental recognition to these participants as part of their philosophy. It is also clear that these participants see CST as a guarantee of sustainable practices, with no mentions on the program's marketing. This means that ecolodge branding requires environmental component to be taken into account.

Related to this, an interesting account was given by Ecolodge 6, who talked about his plans to include social and environmental aspects into the future marketing of his business. He sees a great deal of advantage in doing so, saying,

We don't have a specific branding strategy as previous management focused on what Medina was doing in the academic area, but we have now worked on constructing one. What we want to do through this strategy is show people all the work we do for the environment. Because that will give us an advantage! That will make people think, and I can tell them: every single dollar you put in Medina goes for conservation that is our main objective. Showing that to people would help us brand this place as the place that you could pay for without thinking that employees are not being well paid,

or that resources are misused. That's basically what we do, and that's what we want to get to the people: to let them know that all the money they're getting us is money to invest in conservation, on the ways we use to preserve the natural resources.

What's interesting about this answer is the idea of sustainable marketing strategies that will incorporate environmental efforts into the advertising content. As pictured by Ecolodge 6, ecolodge businesses could take advantage of a brand that will incorporate their environmental aspect. This means that ecolodge branding needs a strategy development that is sensitive to sustainability.

The 6 participants who provided a more detailed characterization of the CST program were Ecolodge 6, Ecolodge 1, Ecolodge 10, Ecolodge 9a and 9b, as well as Ecolodge 5. All of them portrayed CST as a system for filtering tourists that match their business philosophy. Ecolodge 6 stated: *"CST is the perfect example of what ecotourism and ecolodge branding means in Costa Rica, it gives us a lot of exposure to all the clients that are buying our stuff..."* while Ecolodge 1 believes *"CST serves the type of customer who wants and seeks ecologically sustainable experiences and that helps us a lot because it's not the same to go online to find a hotel in Costa Rica than to go online and say: I am going to find something that is environmentally friendly"*. Ecolodge 6 and Ecolodge 1, like the rest of the participant's see CST as a tool to attract customers interested in sustainable businesses, and credit the program for it.

Ecolodge 10 supports this point by saying, *"CST is more on what the word says, on sustainable ecological issues, not on the quality of service but more on what you do to help or not to disturb the environment as business"*. Ecolodge 9a and 9b also made a clear cut-distinction between the purpose of marketing tools and environmental programs. Ecolodge 9a feels that *"through the Costa Rican Tourism Institute (ICT) ecolodges have a presence and a verification of their commitment to ecological tourism. I think there is a good system here, it has some problems, some political things but all in all it's a fair system that is hard to corrupt in any way"*. He then goes into advocating CST to be *"a prerequisite for the higher tier branding, because what happens is that a lot of people call themselves ecolodge but how*

does a client know that is a real ecolodge? It's one of those words that have been taken over by the industry” and an element of support for ecolodge businesses while Ecolodge 9b explained, “CST is not a marketing tool, but rather a competitive advantage in that foreign tourists have a certificate to rely on to see if the ecolodge actually complies with the sustainable practices mentioned in this program”.

Hence, these responses classify CST as an environmental tool, rather than a branding one. While there is no question that, by working as a system for filtering tourists, CST helps in targeting a specific market, little has been discussed about its marketing aptitudes. More so, criticism relating the program's current direction has been mentioned by all 6 participants.

Ecolodge 1 believes that CST now has a state completely different from what it started, with government approaching tourism development from both sustainable and mass-tourism angles. He gives the following account on CST and what the intention of the program in the beginning:

CST started as a very attractive initiative and we can say that part of this initiative was created here, in our hotel. What happened is that for the past few years, CST has been declining gradually because of the country's focus on creating more and more jobs no matter what. The government devoted large investments to big hotels and they don't quite agree with ecological policies, and so it's a bit paradoxical: on one hand the government is encouraging an ecofriendly behavior, but on the other hand they provide a lot of benefits to these large hotel companies.

Confirming feelings of vulnerability and impotence to compete with hotel businesses, Ecolodge 1 continues,

Small hotels like us are a bit vulnerable in the sense that we cannot compete with big hotels. They're more profitable than us because they have better marketing, their prices are better. For example, I can't compare an offer from us, meaning a simple room with no TV and no air conditioning, with an offer from Marriot, who includes all of the above. And so many people are saying: How is it possible

that your prices are equal to theirs, when you don't offer a lot of services? So, on one hand CST is good for filtering customers, but on the other hand, competition has become more difficult.

Hence, a challenge posed by the current CST direction is the loss of competitive advantage compared to hotel businesses, in that while they had an ally and an advantage in being part of the CST family, that is disappearing now with hotels being increasingly more interested in becoming environmentally certified, and CST, supporting them. Since hotels benefit from certification and offer standard quality at competitive prices, ecolodge businesses are left with much less to offer by comparison, which is an unsatisfactory alternative to many, as discussed next. Building on Ecolodge 1's answer, Ecolodge 10 touches base on the bureaucratic nature of the program. He says,

Well let's say with all its plus and minuses we are now in the process of renewing it, we have to renew it every year. We have some issues where we do not agree, so I try to ... our point of view, and all the lodge members agree with us is that it's very hard to work sometimes with a government institution that is a little bit stubborn and bureaucratically.

This is somewhat similar to Ecolodge 5's response, which took things to a more personal level and addressed harsh criticism to the program, confirming feelings of disappointment over a downgrade in ranking, saying,

We started collaborating with ICT several years ago, as promoters of the CST program. We began with 2 leaves, and decided to reach a third leave for which we work hard for a whole year, gathering evidence... Well, what was our surprise? They lost our papers, and not only they lost our papers but downgraded us to one star in the end.

The disappointment was so great that he described it as "*something that made us lose so much credibility that I no longer want anything to do with this or the Costa Rican Tourism Institute and with those responsible for the CST project*". He then goes into calling CST "*The national program for*

discouraging small and medium enterprises” and notes, “If it was true that our government supports ecology, where is the help? They never helped us in 20 years...”

Feeling in charge over his business, feeds back into having his business validated and recognized by tourists themselves, and builds a healthy sense of confidence as he says:

The best example of what sustainable tourism is, is what tourists see at our hotel: how we handle garbage, water, how we care for the environment and carry the word. In terms of bureaucracy, I'd rather not spend my time nor my energy in things that should be implemented and instead implement them myself.

Hence, Ecolodge 5's account on CST is much more dramatic than that of his fellow respondents, based on the experience he had with the program. He deems CST unsuitable of representing ecolodge businesses and an unsatisfactory alternative in the grand scheme of things, due to its lack of support for environmentally friendly businesses. This suggests that a new cooperative marketing approach might be a viable alternative.

The abovementioned perspectives on CST resume one of conflict of interest. Their interest as ecolodge owners is to ensure their business is environmentally sound and their efforts are being acknowledged through environmental certification programs. Such programs should support them in their journey to achieve sustainability, yet some find themselves in competition with hotel chains, due to government supporting such businesses out of need to create employment and sustain the economy.

4.2.2 Summary Results for Research Question 1 (Theme I)

Aside of CST and exclusivist branding initiatives, no other ecolodge branding options were discussed. With CST as point of differentiation between environmental and non-environmental businesses, and current branding initiatives targeting high-end ecolodges, this study finds that there are no

brands to represent the mid-range ecolodge market in Costa Rica. Hence, the development of new brand is desirable.

4.3 Research Question 2

What is the level of ecolodge owners' interest in adopting a cooperative ecolodge branding strategy?

To answer this question, participants were asked about their interest in ecolodge branding. This theme also incorporates insights on the benefits associated with ecolodge branding and the market viability of such strategy. First, however, findings regarding current branding strategies used, and the marketing training programs offered are presented in order to justify participant's interest in adopting an ecolodge branding strategy.

4.3.1 Theme II Perceived Interest

4.3.1.1 Self-Marketing

Upon inquiring about their market environment, most participants responded similarly regarding branding strategies, market target, as well as their marketing training programs. When asked if using any branding strategies, all 12 participants mentioned non-traditional advertising strategies. Hence, all participants mentioned self-marketing advertising strategies like word-of-mouth, official websites, and social media. Relying on local brand strategies drawn upon attribute location, surrounding nature and activities offered was another indication of self-marketing advertising.

Ecolodge 9a and 9b for example, tapped into the organic food concept, an opportunity provided by the land upon which they based their property. They said,

Well, what we do here more than anything is we use social media. Our concept is based primarily on the nature, and it's called "from farm to table". The idea is that all people visiting the lodge

experience the farm, and eat in the restaurant later, as we keep all the food within the estate. We have about 70 or 80% of what we eat in the restaurant coming from the property land and its fresh and healthy organic food, so that's our concept in broad lines, apart from the other concepts that we have, right? Like the nature concept, the fact that we are an ecolodge, we have no TV, we have sustainable practices, and that's what we try to communicate to the client, right?

Ecolodge 4, for example, was inspired to create a brand on the beauty of their surrounding forests, and the naturalness and the serenity that people usually perceive in forests. He says:

The brand we have is the same as the company name "The Hidden Forest". So, we basically sell the idea that you are living a dream; you are in a quiet place surrounded by forests, and close to the flora and wildlife. After all, we are small and so we sell this part of our business, the privacy; the fact that you get here and you will not see other people. Same as with the advertising material, we advertise brochures where we explain tourists that they can visit our trails, and that we can arrange some tours for them as well. For example, we have a bird tour in San Martin because there are about two hundred species of birds in San Martin; we also offer a quetzal bird tour which is like an icon bird of the area. There is a tour of fruits as well, because here in the area we are harvesting apples and peaches and so we also sell this kind of experiences so that people get to know these plantations, because many of them buy apples in the supermarket, but don't know the processes they're put through, and then we also sell that part of agriculture.

These responses are a good illustration of the efforts made to be different, and to build an image on which to gain advantage over others. Similar, simple strategies were used by Ecolodge 3, Ecolodge 7 and Ecolodge 10. Ecolodge 3 for example, specializes in kayaking activities and used this concept to distinguish them from competition. Confining himself to rely on a single branding attribute, Ecolodge 3 says, *"We have a web page called Liberty Lodge, our logo is Liberty Lodge, is a logo representing the kayak activity; we don't create much illusion on our website, only with what we have available at the*

property". Ecolodge 7 also talks about a local marketing approach, saying, "*Our ecolodge is called Blanca Azul Medina. Blanca Azul is the brand and Medina is the name of the town. Our strategy is focused on the local market, and aside of lodging and food, we are also promoting our eco tours, nature trails, wildlife and our forests*". Ecolodge 10 supports this point by using a branding strategy as simple as their name and word-of-mouth advertising, stating:

A brand itself we don't have. It's only our name which is in the business for almost 25 years now so what distinguishes us is the name, and so people know us and rate us according to word of mouth propaganda. But a brand like Best Western, that we belong to a chain, or that we belong to a certain association no, we do not have.

The rest of the participants provided similar content answers while 1 answered this question with a simple no (i.e. Ecolodge 11). The above answers illustrate several findings. First, no ecolodge participants used any branding organization nor did they benefit from a global brand. Second, they all market themselves using similar elements like location, natural surroundings and local foods, respecting the concept of sustainability in order to appeal to their customers. While each ecolodge businesses represent a unique product through location, quality of service and activities offered, they all share a similar identity in that they all try to establish themselves in the same way, in a sustainable way. Hence, any brand looking to represent them needs to capture the diverse yet similar nature of these businesses.

4.3.1.2 Missing out marketing training

Upon inquiring about professional marketing training programs, none of the ecolodges benefit from such programs. Different reasons like size of business, personal interest, or not prioritizing marketing efforts until recently, were invoked which stand true to the structure of ecolodge businesses. To provide some examples, Ecolodge 10 said:

“We are a family business and the marketing side is run by me. So, the staff receives training but not especially in marketing and branding and all these issues. It’s more like on the operative part of the business, like customer service and day by day business running”.

Similar to this, Ecolodge 4 discusses marketing training from a small-business perspective but educating himself on current marketing trends is important to him. He says:

Well, because of the type of business we have, it’s just me and the owner as management staff and I am entrusted with all the parts of the administration. That being the situation, we do not have a formal training program but outside the company I always try to stay updated on current marketing trends and what is the surest way to sell. Like, right now the trend is social media and that’s what we use a lot to market ourselves.

Similarly, Ecolodge 3 says, *“Not really, we give courses but we do not have a specific Ecolodge marketing course, we just offer training on how we work here”*. Ecolodge 5 is more succinct on the matter, stating: *“My hotel is so small that I am a multifunctional person, and so I do most of things”*. Ecolodge 7 and Ecolodge 6 also admit of having no hands-on marketing experience, reason for which they provide offhand marketing training to their staff. Ecolodge 7 explains,

“We have a training program for operational workers but it’s an off-hand program. Yes, it does include marketing strategies and also information on the business characteristics of our brand, but not within a formal framework”. On a similar note, Ecolodge 6 says, *“If we want to name it professional training, then no, it doesn't. I mean, we haven’t even moved to having a branding strategy yet, so I don't think that we could have a training program right now. It sounds really bad but we don't know yet what we're doing, so we can't teach someone else to do it”*.

For Ecolodge 9a, however, is a matter of priorities: *“No, we don't offer marketing training yet because we haven't been concentrating on that, and this year we are starting to concentrate on a brand*

and a marketing department. Interested in building the marketing portfolio of their business, Ecolodge 9b adds: “We’ve just focused on working off of social media and starting this year we are going to set aside funds to be able to market better”.

These results show simple training tactics like operational and offhand marketing training. This highlights that ecolodge businesses could benefit from professional marketing training in order to run their business effectively.

4.3.1.3 Competitive Advantage

It is no surprise that, in light of the above, 10 out of 11 participants responded positively when asked if ecolodge branding is of interest to them. Only one participant expressed no interest in the brand and without elaborating, Ecolodge 8 said, *“No, we wouldn’t be interested in conforming to a set of standards developed by a larger organization, even if we were included in the process”*. Two participants, Ecolodge 9 and Ecolodge 5 simply stated their interest in the strategy without providing an explanation as to their interest. The rest of the participants highlighted the need to have a brand representative of their true identity and values, anticipating a series of advantages that could help them being more competitive on the market.

4.3.1.3.1 Service standard and sustainable marketing opportunity

Five out of 12 participants discussed their interest in the brand, in relation to service quality standards. Ecolodge 10 acknowledged the issue of service discrepancy between what lodges are supposed to offer and what people actually expect of them, and believes a branding category would help establish an ecolodge service standard. He says:

Yes, of course! But there’s a lot of “if’s” and “what’s”. The problem is that there is some mixture now between hotels and lodges, tourists now do not understand the difference between a lodge and a hotel. So, some tourists now rate you or expect the same services like in a hotel, but of course a lodge

is more basic, it implies a different kind of services and expectations so it would be of very much importance that tourists know when they read or see the word lodge what to expect.

Ecolodge 1 shows excitement about the brand, as he could need some motivation to improve his service and tap into other markets, saying:

Of course, I mean if you come down here see how we operate ... We are trying to use all the nature that's around, especially because of the area where we are located in, and if we are given an incentive to use it as a brand, that is going to promote us to a type of client or provide us access to a different type of market, a stronger market than the ecological one, which can benefit us, and I mean there is no doubt that we will say yes. Yes, of course.

While discussing the ecolodge branding situation in Costa Rica in relation to CST and hotels, he also gave the following example showing how lack of service standards impacts guest's experience:

...Today, for example, we have a lady who is totally disappointed because she imagined something else. The first thing she told me when she saw the room yesterday was: [and how do I call to the restaurant?], and I said: [there's no telephone in the room, if you need anything you have to come to the restaurant]. And so, this customer does not really understand our way, right?

Ecolodge 3 confesses he holds Best Western in a high regard, and believes a similar brand would help meet ecotourist expectations, saying *"Best Western is of course, a brand that people know very well. If it's a Best Western, they know what to expect. Yes, we would be interested in having a similar brand for sure"*. Ecolodge 7 sees the brand as an opportunity to create an ecolodge group that will share the same standards with the goal of achieving market share, saying: *"Yes, we are very interested in the brand, it would be a good way to complement different ecolodges in a single product which would have more market access and would promote more easily"*, while Ecolodge 2 emphasizes the importance of having standards, however, does not offer an explanation as what standards she is referring, saying: *"Yes, yes, of*

course I would be interested. I would be interested because since we started the concept everything is focused on standards. And so yes; I would love to “.

Hence, these examples underline a discrepancy between ecolodge and hotel services. This can often lead to guest complains, which are expecting more. The struggle lies in meeting 2 ends: sustainability and guest satisfaction regarding service quality. Like Ecolodge 10, Ecolodge 1 also discussed guests' lack of awareness on ecolodge service standards. This means that an ecolodge brand could serve as point of differentiation between ecolodge and hotel service standards and increase their competitiveness on the market.

Ecolodge 4 was happy to show his interest in engaging with a cooperative ecolodge branding strategy, as this would help ecolodge businesses share challenges and opportunities. He said: *“Sure, of course that the cooperative marketing strategy interests me a lot as one thinks that a cooperative is an association, a group of people pursuing the same interest, I mean gathering several people, or various companies in the same industry to market a brand is different than one person marketing it”*. Similarly, Ecolodge 11 believes that a global brand could help ecolodge businesses penetrate the global market and the online travel space, saying: *“Well it might work; it could be something like Booking.com just under a different name. Instead of Booking.com its Ecolodge.com, you know”*. Hence, these results underline the lack of operational support and marketing resources. Working independently means ecolodge businesses are less equipped to perform on the global market as compared to hotels, which means they should engage in cooperative branding. Ecolodge 6 discussed his interest in the strategy from a sustainable marketing perspective. He said:

Yes; definitely. That's what every single ecolodge needs to do because we cannot be investing money, time, and work for someone to come in, buy a chocolate tour and go out without knowing we invested 150.000 dollars in a bio digester, right? That's not something that people are going to see, or that people are going to directly use. You need to tell them. So, I do believe that there needs to be a

brand for Eco lodges; every single ecolodge in Costa Rica that is making an environmental effort needs to have a brand to show people they are eco, because CST is general, right? It's for all establishments, it can be a hotel, or whatever, and anyone can have CST. And CST is a branding of the Public Institute of Costa Rica, but as far as I know, the private efforts in Costa Rica sometimes are bigger than then the public efforts. So, I think that it could be a smart effort to establishing a brand. There could be something like "the ecolodge", all the lodges together, create an association that is going to qualify the Eco lodges.

This finding shows that ecolodge businesses are in need of a brand that will not only address the lack of service quality standards but also lack of a sustainable marketing support. Ecolodge businesses are part of the sustainable tourism market, and it's important to capture that in their marketing by promoting them in a way that speaks about their efforts to benefit the natural environment. This means that a branding strategy that will focus on representing the true nature of ecolodge businesses in terms of sustainability is need. As discussed earlier in this chapter, this is a reoccurring theme.

4.3.1.3.2 Market Positioning

Four out of 12 discussed competitive advantage in relation to achieving market positioning. Ecolodge 11 said: *"Yes, because you organize them all together. If someone's looking for an ecolodge, it doesn't need to see other hotels and see which one is eco and which one is not; if there's a straight ecolodge website, you compete them out by reducing the search for the people"*. Similarly, Ecolodge 1 says:

Without a doubt, I mean, it's not the same thing. We already belong to several associations such as the Costa Rican Chamber of Hotels (CCH) that help us a little, advertise us, but they're focusing on hotels... you go on their website and on one hand you see a beautiful picture of a lodge like ours but on the other hand you see a photo of the corporate hotel brand, Rio. I am not saying that CCH is not doing a good job; they help us with advertising and everything but it's not just us, they're helping all the hotels, and they put us all in the same category and it's not fair.

This finding highlights the need for ecolodge businesses to have their own identity and online space in the travel industry, in order to represent themselves truly, and address competition.

Believing that a well-established brand could help them position on the market, Ecolodge 4 said:

Yes, of course it would be a competitive advantage, because if a brand succeeds at positioning itself, it's going to bring in more advantage, compared to a brand that has no name, so to speak. For example, if you compare Coca Cola, a brand which everyone knows with an ordinary brand that no one knows about, obviously, people will think first Coca Cola because it is established already, and is very well positioned.

This means that what ecolodge businesses miss, is a well-established branding strategy to present them on the market. Ecolodge 9a relates this answer to the ecolodge industry, saying: *“I think it will help, by all means. I mean some ecolodges have a fabulous reputation and they're the stars in Central and South America. They're world famous for the quality of their stay, what can be seen, and how they promote what can be seen and I think many small eco lodges could benefit from a brand”*, underlying the need for a *similar* brand that will represent mid-scale ecolodge businesses.

In light of the above answers, lacking a competitive presence on the market is acknowledged. This is an issue particularly in today's competitive tourism business environment, where quality of service and market positioning are key to attracting and retaining customers. Ecolodge businesses do not benefit from a quality standard, nor from an online market space, and therefore are unable to take advantage of certain brand benefits like positioning and differentiating itself on the global market.

4.3.1.3.3 Operational Support and Increased Market Share

Operational support and increased market share were the essence of market viability discussions. Other answers relating standardization, cost and credibility were also mentioned during this interview question, however, for organizational reasons these aspects are discussed under the third theme, Proof of Potential Success, which focuses on implantation challenges. Hence, 3 participants (i.e. Ecolodge 7,

Ecolodge 11 and Ecolodge 10) mentioned standardization and cost as possible barriers to market viability while Ecolodge 5 sees credibility as an obstacle that can slow down the brand. Ecolodge 3 (as discussed in the Lack of awareness section) and Ecolodge 8 were the only participants who did not provide any insight into the viability of the strategy due to lacking awareness on the topic.

Ecolodge 4 and Ecolodge 1 discussed viability from a market positioning perspective in that people need a brand to identify with, which will help ecolodges better position themselves on the market. For example, Ecolodge 1 says:

It makes sense to believe that if a cooperative system would exist, I'm telling you, you can at least position yourself as a brand so that people can identify with it, and they'll identify easier if there's a system like the Marriot for example, they identify themselves as international hotel chains. Imagine a brand that represents more or less that...of course people will see it more from a market perspective, will see it as better positioned, of course.

On a lengthier note, Ecolodge 4 supports the aforementioned saying: *“Gathering several people or various companies on the same industry to market a brand is different than one person marketing it. Developing a cooperative strategy for ecolodge industry would help quite a lot because, as I said, getting us all together will ensure things get done better.* Believing that in the alternative of an unbranded destination, a branded one will enjoy more credibility and have more opportunity, he continues,

A lot of people associate the concept of cooperatives with that of solidarity, with that of various people who support themselves; so, they know that by going to businesses like these they will be helping more people than if they would probably go to a hotel where there is a bit of unfair treatment with respect to the collaborators, or something along those lines.

Understanding cooperation as sharing practices and stand in solidarity, he sees branding as an opportunity to better coordinate ecolodge businesses, and foster collaboration amongst them. He also sees

branding as a way to attract people's sympathy, and believes that once branded they will be given more credit, and will benefit from more support from the public.

Using the Rio Alegre Destination example: a local, cooperative branding initiative created and implemented by communities from different parts of the Rio Alegre area Ecolodge 4 strengthens his point saying:

They did not have the resources to market their businesses, they didn't have a lot of marketing knowledge, and so they created a cooperative. That really helped these communities in the sense that many communities received more visits, and also with the pace of development in the area. Now, judging from the cooperative ecolodge branding view, same thing will happen: if it's a brand that's already positioned or is already on the market, it will be more viable and people are going more for this than for destinations who have no specific brands as a lot of people associate the concept of cooperatives with that of solidarity, with that of various people who support themselves.

These results indicate little or no collaboration amongst the ecolodges of the same category in achieving operational support. This means that a cooperative ecolodge brand would provide the perfect opportunity for ecolodges to connect, and share day-to-day operational challenges as well as knowledge in addressing those challenges.

Ecolodge 7 feels that in terms of service quality, they don't have what it takes to attract service-oriented markets and believes a brand could represent *"a further step in accessing market segments that currently don't know us but could be very interested in our product if we standardize it to their particular interests, and has a quality of its own"*. To him, it makes sense the viability of ecolodge branding as there is a need for it. Suggesting that viability will depend on whether or not the brand will meet tourist expectations, Ecolodge 10 said, *"Yes, if what's behind the brand is true, tourists will meet their expectations, and I think this would definitely give a plus to the business"*. Ecolodge 9a also believes that

as long as the brand is matching consumer needs, it will work just fine saying: *“Yes, I think so; I think it depends on the type of branding and who your target audience would be, but I think it’s another way to get more exposure to independent eco lodges out into public, so yes”*. Hence, the emphasis is to develop a brand that matches ecolodge patron’s needs, and not only, allowing ecolodges to increase market share by tapping into other markets as well. Last but not least, Ecolodge 2 says: *“Yes, I think so because, for example many Europeans, Canadians and so on come here and all they come looking for is that, but there is no information on the web page of many hotels to describe them as eco-lodges”*. She believes in the viability of an ecolodge branding strategy simply because there is demand for such a brand, and suggests the brand will have a purpose on the market.

4.3.2 Summary Results for Research Question 2 (Theme II)

These results show that participant ecolodges share a similar business structure and engage in similar marketing efforts. For example, 12 out of 12 participants described their business to be small scale, and emphasized the environmental component of it. Similarly, all lodges benefit from an online website, use social media and word-of-mouth marketing to advertise themselves, and provide little or no professional marketing support. Hence, except for one ecolodge, all other ecolodges manifested interest in adopting an ecolodge branding strategy. In doing so, several competitive advantages were associated with ecolodge branding such as service quality, operational support and increased market share as well as the reputation of a global brand like Best Western.

4.4 Research Question 3

What future challenges do ecolodge owners foresee in implementing cooperative ecolodge branding strategy?

4.4.1 Theme III Proof of Potential Success

Proof of potential success is the most prominent theme of the study. This theme revolves around implementation challenges, and provides important insights regarding the barriers that can hinder brand success.

4.4.1.1 Standardization and Quality Assurance

While supportive of the implementation of ecolodge branding and the idea of using the same marketing strategy for ecolodge businesses around the world, most participants believe that it is important to adopt an integrated management approach to service standards compliance. Hence, 8 out of 12 mentioned standardization as the most important implementation challenge. While for some it's a question of qualifications, for others is more a question of compliance, or a question of remaining unique while using the same means of identification.

4.4.1.1.1 Qualifications and Compliance Issues

Ecolodge 7 believes that involving owners in the process of designing and implementing the brand will help chose standards that are to everyone's reach, positioning the brand for success. He said:

Yes, it is possible to work to the extent to which the cooperative brand meets ecolodge particularities. Each establishment has its own challenges that often mean nothing to others. It could be done from scratch if the ecolodges themselves are involved in the process of establishing the standards under which they must operate. They must be sensible to ecolodge limitations but able to highlight their strengths. The criteria should be established by technicians and operators together.

Underlying the uniqueness of each ecolodge, this answers supports the diversity that characterizes the ecolodge industry. Hence, this means that ecolodge owners are to be involved in the standardization process.

On a similar note, Ecolodge 11 believes that a brand category *“could help”* but that he is not a fan of *“providing the same product in different parts of the world”*. Raising awareness on the diversity of the ecolodge industry, he discusses standardization from a nature-based perspective, by stating that *“it’s impossible”* to have same standards for each ecolodge, and that *“depending on the geographical area of each ecolodge you can provide something different”*. Ecolodge 10 also shares similar concerns, asking,

How you will put all the lodges more or less in the same equal container or pocket or basket? What are the standards that you will choose? Are they viable? Are they for everybody within their possibilities? You have to put together a list of standards and you have to see if everybody can comply. Then the second thing is how will the organization check that everybody commits with the standards?

These findings suggest that developing sound ecolodge standards and allowing each property to retain its uniqueness while branding them all under the same umbrella, it critical to the success of the brand amongst owners.

Drawing upon his experience with CST, Ecolodge 5 articulated the importance of qualifications while discussing his interest in the strategy, stating:

I would be interested in the brand but you really need to see about qualifying because unfortunately the environment is less cared for when money is involved. You have to see how you are going to qualify for the rating to be true, because you mentioned Best Western but if you ask me about the Best Western I know here in Costa Rica, environmentally speaking, they don’t do much, do they?

Fearing an unfair qualification system, Ecolodge 7 draws attention to the importance of having a good qualification system.

Supportive of the above statement, Ecolodge 9a believes that ensuring the authenticity of lodges joining the brand is critical because “...*the worst thing to do is to have a slick organization up front that attracts people, and their experience no matter where they go in the world for their ecolodge will be less than positive to them because the branding standards weren't met*”.

These participants emphasize the importance of having a fair quality evaluation system in place in order to ensure quality standards. Contradicting opinions regarding mutual versus external quality evaluation systems were also part of the discussion on standardization, and are presented below.

4.4.1.1.1.1 Mutual versus external quality evaluations

An important aspect that emerged from the data analysis is respondents believing that quality evaluations should take place at the organization level. While 7 out of 11 participants agreed to mutual evaluations, the rest disagreed strongly with the concept. Various reasons were provided as to supporting or not to competition and are discussed next. Ecolodge 6 showed to be very enthusiastic about mutual quality evaluation systems, saying:

Yeah. I would definitely agree with that. I have no problem with any manager coming to Medina and assess and trying to know about what we're doing. I would invite all of them to see what we are doing. And I would agree to evaluate them, definitely. That would be an experience, something to learn from.

However, Ecolodge 5 explains,

It's not a smart thing for competition to qualify competition. I think that this has to be managed by neutral people otherwise it could happen what we call “sawing someone's business”. Let's be honest: if I have to go to the hotel across the street and I know what they are doing, it's not in my advantage to make them look good. More so when there are economic interests at stake, the economic interests are above that rating. No, what he will be interested in is to be left off better than others and I think

that this way of cooperation between businesses of the same would only open a fountain of information that is not reliable. I really believe that for an evaluation to be true, it has to be totally neutral.

This respondent fears that mutual quality evaluations will result in massive amounts of unreliable information, as members will sabotage each other's reputation. This means that a better understanding of the ecolodge business environment is needed in order to decide the type of quality system that would work best.

Building on Ecolodge 6's point, Ecolodge 4 believes that internal evaluations can be a source of constructive criticism, criticism received from someone who knows and understands the nature of their business. He says,

Yes, of course I am interested because for example sometimes one believes that his business is ok, but you lack an opinion from another person. For example, if another person, with a business in the same industry as mine came, he can be like [Look, it's better to do this this way, it's better to change this]. So, it's important to have a second opinion.

Ecolodge 9a also shares a positive thought on internal quality evaluations, encouraging the use of such systems by saying,

Yes, that would work. In organic food certification that's where the movement is heading. You need to have members of certification rather than outside inspectors; it's like having a group of farmers come to a farm and say [okay let's look at your farm, let's see what you are doing] because we know the standards. We've been involved in the industry for many years, right? And, we also know about the certified sustainable tourism industry, we are familiar with it so we can take that experience and be part of the judging of the standards.

Contrary to Ecolodge 5's point, Ecolodge 7 feels that internal quality evaluations will give them a certain level of control over quality compliance, and will ensure a uniform standard across all ecolodges, therefore enabling them to achieve internal quality consistency. He says,

We are willing to evaluate and assess others so long it's under the same standards as us. It's a way to ensure that there is uniformity in the services offered so the brand doesn't lose credibility, affecting us, the ones who comply with the standards because of the non-compliant ones. It would be very important for us to work together with others that operate under the same brand.

Contrary to Ecolodge 9a, Ecolodge 1 believes that as owners with little or no business training whatsoever, providing reliable and trustworthy evaluations would be a challenge. He says,

"No, I don't much agree, it's not the same thing for me to tell you that I comply with all the norms that someone else evaluates me. Quality control assessments must always be external, and a little more objective than that I can say". When asked about his thoughts on competition and how that might affect the effectiveness of internal quality evaluations, he explained that a multi-step evaluation scheme (with each step handled by a different evaluator) is needed to ensure the fairness of the system,

The main thing is this: assuming this is a cooperative organization, quality control has to be external; we don't have the authority to say [everything is fine]. Now, someone will evaluate me and that assessment would have to go to a board member of the cooperative and say [well, you have to improve in these areas] and if after a while these aspects do not improve then I will not be evaluated by the same person again, it will be another person who will evaluate me and say [well, you already doing better]. I don't know, but we would have to find a way, a system let's say that incorporates a pre-assessment and then recommendations, and then another assessment to see if it complies with the requirements but this process has to be done with different people so the person who is evaluated can't say [Look, I am complying but they want me out of business].

This participant makes a case for not having the authority to evaluate, and similar to Ecolodge 5 fears that internal quality evaluations will be a source of inadequate information. For other participants, like Ecolodge 2 and Ecolodge 3, internal evaluations are a concern only to the point of receiving proper training to assess other lodges on quality standards. *“Yes, if you guide me I could collaborate, I could help”* says Ecolodge 3, or as Ecolodge 2 articulates, *“I agree as long as we know what the points and issues evaluated are. With CST, they gave me a guide with everything they evaluate, and one can review and see what can be improved and cannot be improved based on what they're going to evaluate”*.

On the other hand, Ecolodge 11 strongly disagrees on the idea of internal evaluations. For him, is more of an issue of time management and money, expecting the brand organization to step up to the quality game, and ensure that everybody respects the brand standards and are worthy of carrying the brand's name. After a short but succinct: *“No, absolutely not. I mean it's not my job to see over that. It would mean another job”* he explains,

I understand the idea but that's something that should do who manages the brand because they're winning something anyway with my reservation percentage. And not just with my percent, we're talking about many others and I guess that that's something they should pay for. I mean I have my job, and that's managing my place. So, if somebody would work for the brand then they're job is to see if all the lodges are complying with the standards. If someone's going to put all this together, they have to see what each lodge is promoting because if I have a tourist that comes here and he didn't like something, they're problem is not going to be with me, but with the brand. And then he's going to say *“the ABC brand it's cheap”*. He won't say *“the X lodge is bad”* you know, so, the interest is on the brand to see that all fits in what they are promoting.

Similar to Ecolodge 11 and Ecolodge 1, Ecolodge 10 regards internal quality evaluations to be a challenge, saying:

Well this sounds very nice, of course on the budget savings it could help but it will not work. The problem is that the lodges are pretty much far away. Since most of the lodges here are small, most of them are run by families. That I have the time, or another lodge has the time to visit X number of lodges to see if they are doing the same, this would most definitely not succeed. And if somebody commits themselves for going here and there, he will take the issue [well you didn't comply] but he will not follow through properly and say [okay you did not comply] and send a small email to the board organization saying listen, x lodge did not comply on points 1 2 3, and [...] You have to have an outside person that goes there and checks and say: listen: if you do not comply you will be kicked out of the organization, but the owners controlling themselves... that will not work.

This answer speaks about an organization challenge, and indicates that owners might miss the mind set to thoroughly implement and manage the system, as one can easily get distracted with their own responsibilities.

In light of the above, opinions in favor of mutual branding evaluations outnumber the ones in favor of external quality evaluations. This speaks about owner's openness to learn new ways of conducting business, and cooperating and that they are ready to take on a new challenge.

4.4.1.2 Credibility

As discussed at the beginning of the theme, almost all participants believed that in order for the brand to be successful, it must be credible, and presented specific factors that may inhibit or enable the brand's credibility on the market.

4.4.1.2.1 Trust Issues

Worrying about trusting the brand enough to pay for it, Ecolodge 10 says,

The main challenge that you will have is how do you come to Costa Rica and make yourself trustworthy??" Listen, I am Monica and I have this super brand and it costs this much, join me! How

will you do this???

The question that everyone will ask is the question of trust: what will happen with my money? People here in Costa Rica are not so credulous. Let's say: [Who are you? I pay you \$1000-\$2000, or whatever, and what happens with my money???] Especially if all these activities are run abroad, there's no legal guarantee that somebody won't run away with your money and just put a brand "Mena Lodge" and you appear in a website or on Face book and nothing happens after that.

This is also an area of concern for Ecolodge 7, who believes that convincing owners of the value of the brand and why they should be investing money will also be a challenge. He says,

How do you convince the people that the return on the investment will be profitable? Of course, Best Western has a tradition but I don't know your brand, which name it will have? Who's behind it? This would be your biggest problem. You see now with the internet you get a bunch of people, organizations and this and that, and join me and join me, and you never know. The problem with the Internet is everything seems and looks very nice, but you never know who's behind the computer. You can have a big office with air conditioning or you can be sitting in a shack. This cyber technology also leads to a lot of people being not very confident.

Hence, careful consideration needs to be given to how the brand is represented to owners, and the organization strategy used to build industry credibility. Throughout the interview, 10 out of 12 participants mentioned they partnered with pay-per-booking travel websites like Expedia and Booking.com due to payment flexibility. Amidst discussing credibility from a risk assessment perspective, some owners took the opportunity to suggest such a paying system for the ecolodge branding strategy. Ecolodge 10, for example, said:

What could work, I don't know if you know these new travel websites like Booking or Expedia that you join and you pay by effective booking, so there is practically no risk. Previously, you paid a flat fee, and then they post you in a picture on their website, and you didn't know what happened. With

the new ones, you join but you pay a commission only on effective bookings so it makes it more trust worthy. You say okay: if they don't do anything, you pay nothing; if a booking comes in, you pay a commission according to the number of bookings they made. So, in the beginning, until the brand makes its name, until you know its effectiveness, perhaps your strategy of charging should be something similar to Expedia and Booking.com but put a name like Green Ecolodges or something like that as the brand name; if you have it as a reservation center in the beginning I think you will have more success and you will know how many bookings came in and this is what I need to charge.

This point ties into concern over small and large size ecolodges paying the same amount of money for branding services. Another participant that made a reference to what he considers to be unfair towards small size ecolodges, is Ecolodge 10, who supported pay-per-booking systems with the following argument,

I think pay-per-booking is good idea because some private marketing organizations charge flat rates regardless how big. Sometimes you have a 100-room hotel and in the same category you have a 20-room hotel and both pay the same for participating in the organization, and this has led especially the small ones after a while say “well it’s too much” and they discontinue the participation. So, if it’s based on occupancy and also depending on how much this would be, this could work.

Upon inquiring about participant’s willingness-to-pay for the brand, almost all reflected on the cost of such a service. Responses seemed to be again, situational or individual specific. Only two participants rejected the idea of contributing financially to a brand: Ecolodge 8, as mentioned in the previous theme, Perceived Interest, and Ecolodge 5. For Ecolodge 5, however, it’s more a question of prioritizing day-to-day operational costs instead of investing financial efforts in supporting such a program. The rest of the participants assessed the situation from two perspectives. From a business perspective, they are willing to make contributions based on company profit and size. From a brand perspective, however, they are

mostly interested in the benefits offered, and the bureaucratic procedures necessary to join and represent the brand.

While Ecolodge 11 believes the fairest way to determine the pricing of the brand is based on the size and profitability of each business, saying:

Yes, depending on what is asked. Everything can have a price, and it depends on a lot of things: if you have a big or small place, profit. There are some ecolodges that are just 4 bungalows, and that's enough to survive with family here and have a peaceful life. Then there are others that maybe have something bigger in terms of rooms and more movement around the year and it is more business but lots of people come just to have their own way of living. It's different. So, it will depend because if you ask for example \$1000 in a year, that's a lot of money, that's the same price for someone who has 30 rooms.

Ecolodge 9a would be happy to assist financially, so long the brand will not involve large amounts of bureaucratic work:

Yes, based of course, on how much it would be. We are going through quality assurance every year with CST, which by the way, how many hours does that take a year? Hundreds and hundreds and hundreds of hours to fill that out, lots of paperwork. The cost of work with our team to increase the awareness of what and why we are doing it... we have a part time (one of our receptionists) dedicates x hours per week to maintenance so that when inspection comes we are up to date. So, we don't look forward to a bunch of paperwork. If we can pass that data to you or to your organization, but to generate another hundreds of hours of data and dissemination, isn't something I look forward to".

It is clear that financial requirements must be decent, and sensitive to business size and profit, and the amount of paperwork to join and maintain membership will have an impact on how the brand is being seen on the supply market.

Ecolodge 7 also says yes to contributing financially to the brand, *“provided it’s a scaled and transparent program, and that we can observe and measure the results we obtained from contributing to the program”* while Ecolodge 3 feels they have yet to learn the benefits of the program but they would join because they see it as a sustainable project and it is both their passion as well as duty to support sustainable projects. For Ecolodge 2 is a matter of moving forward with her business by using a high-profile brand, saying, *“I don’t know what the costs are going to be, but yes, I would agree. Just as I pay for example these travel websites, I would agree to contribute to a program like this and pay”*.

Last but not least, Ecolodge 4 believes that working after a shared-cost association model would reduce the pressure of bearing with day-to-day operational costs on their own and says:

Yes of course, the truth is that it helps a lot in reducing quality control costs because, I can see it this way assimilating it to the part of franchises like McDonald's or Subway that practically have their own quality standards, their costs etc. So, if we got a couple of businesses we can all contribute financially [...] to have quality control. That payment would be shared between several people and not just one person. It's different to pay a thousand dollars from my pocket than to have to pay \$ 200. So, from this perspective yes, it is very favorable to create this alliance from a point of view of reducing costs.

In light of the above, the need to advance ecolodge business practices is obvious. Ecolodge 4 believes he could take great advantage of a cost-reduction strategy like branding, while Ecolodge 2 seems ready to collaborate with a branding organization that will charge her per booking. Ecolodge 7 discusses financial contributions from a results perspective, indicating that as long as he understands the program and he sees results, he is more than willing to pitch in.

4.4.1.2.2 Government support and competition issues

A second area of concern is market competition. According to Ecolodge 5, lack of government support and market competition will challenge the implementation and successful coordination of the brand. Questioning the brand's chance to succeed on the current market circumstances, he says,

It remains to be seen to what point, because currently there are a lot of foreigners with projects like the CST but at an international level and I think that to introduce a new brand on a market full of similar brands you would need a lot of money and government support to achieve international credibility and I don't see this as a very easy thing to do because there are already programs like that. You will have to see.

The feelings projected through this statement resemble Ecolodge 5's distrust regarding government efforts to support national marketing programs.

Drawing upon the issue of CST losing credibility due to current direction, issue acknowledged by majority of participants (i.e. Ecolodge 10, Ecolodge 6, Ecolodge 1, Ecolodge 9a, Ecolodge 9b and Ecolodge 11) although in a softer manner, Ecolodge 5 and others believe that obtaining endorsements from highly reputable environmental associations is one way to build credibility on the market. Ecolodge 5 says,

I think the most important thing is that this program receives credibility. This kind of credibility I think you could get through internationally recognized environmentalists that support this kind of initiatives for the program to acquire that degree of importance and credibility, so that businesses like mine follow. Because what happened with this program is that as I said, I had a bad experience with CST and I the degree of disappointment I had with the Ministry of Tourism was terrible. Me and my collaborators who worked for more than a year to see if we win an extra leaf and instead, they took us one. I mean things like these mark you.

Mentioning Green Peace and See Sheppard as organizations worth collaborating with, he says:

I would say Green Peace is the most well recognized organization in the world. The other one is called Sea Sheppard. They already have a name that is revolutionary, because the point here is that I think for marketing to be credible it has to be revolutionary and that will cause impact. How and where will it cause impact?! in larger hotels. You see, here there are plenty of large hotels that have even golf courses and have all the sustainable tourism leaves, the program is not for real. More so, they sell it to you. It is a questionnaire that you have to complete and collect evidence and everything can be obtained, you pay the people who come to your business they bring with them the CST manual, you know where and how to get the evidence from to earn points and what changes to make and in the end, is no longer done from the heart, no. It's for sale, the CST is for sale and can be manipulated and because of that people like me have lost credibility in this program.

Emphasizing that, by associating the brand with organizations like the ones aforementioned, the brand will land more credibility than if associated with CST, this participant indicates that partnering with a certification program to ensure environmental standards is a must, and setting the goal as high as possible in terms of environmental endorsements will benefit the brand. Another participant who shared a similar opinion on this matter was Ecolodge 10. When asked to give his opinion on using environmental endorsements to gain market credibility, Ecolodge 4 shared a similar thought to Ecolodge 10 saying,

It does help because they already have credibility; being affiliated with them is as a stepping stone because it's different to enter the market on your own or entering the market by forming an alliance with a company that was not very credible. Then the process would be a bit easier if you get on your side someone who is already a veteran in this field, it simplifies things a lot, practically.

In light of the above, consideration needs to be given to the creation of environmental partnerships in order to gain recognition on the market. It is not enough to focus only on the service quality aspect, but ensure that the environmental aspect is also taken into consideration.

4.4.1.2.3 Changing directions' issues

A third area of concern is commitment, or as Ecolodge 10 puts it, *“How do you convince the people that the return on investment will be profitable”*. Ecolodge 7 also sees participants' commitment to ecolodges to be a problem, saying: *“The time required to position the brand before it produces returns for eco-lodges should not be too large, because of the participant's weak ability to bear with the associated costs”*. Ecolodge 4, as well as Ecolodge 1, however, believe that positioning the brand on the market will take time, and understand this is something that owners need to consider if looking at investing in a brand. Giving 2 of the most accurate accounts on how brand positioning happens, Ecolodge 1 says:

The problem is that these days anything requires a positioning process. One knows that when you are creating something new, it is not done overnight, with everyone deciding to go for it; you know that things are not like that. It is likely that the process will last several years but you have to have patience and be persistent, meaning maintaining the idea knowing the results, because this is how you begin and because it's something new a lot of people will not believe in it, others will not know of it. But once positioning starts to happen, in time you get to see the results.

Showing knowledge on brand positioning and the key factor required in making room for a new product or service on the market (i.e. time), Ecolodge 1 seems more than willing to invest the time needed in the brand in order to benefit from it. Similarly, Ecolodge 4 says:

Well, everything has a start so I'm open to new ideas; at least here we are open to new ideas. It stands to reason to think that entering a new brand on the market is a bit difficult. To be able to gain access on the market there should be an organization and start with some lodges, this way others can see how they work together and how things are evolving and that's when you might get more people interested in joining the program as well as people who might say no, I am not interested because what they offer I do it myself.

Seeing the branding organization key in positioning the brand on the market, Ecolodge 4 shares similar thoughts with Ecolodge 1 in that time and patience in building market credibility is needed it before others will join the brand and help expand it.

Other participants fear that owners may not be interested in forming an alliance of this kind. This is due to an individualistic business perspective that perpetuates a competitive state of mind, with little or no room for connecting with other people in the industry. Ecolodge 4, for example, said:

What happens is that in today's world people no longer believe in partnerships or in working together, so as time passes by, people distance themselves and so it may be the case that a future challenge would be how to implement and execute the idea because of how people think; it's like the barrier which can create the most problems.

However, he does share a positive side of the story, believing that should the brand be authentic enough, things will move in the right direction, saying:

But I feel like everything will be ok. For example, to create a cooperative brand, it's all in not coinciding with someone else's idea because it wouldn't help us at all offering something that already exists. However, if it's something new, it will attract people's attention and they can even get excited [about it] so it's important to try to not coincide with other brand strategies. We have to offer something different, new, because people look for that part, for something, that is less common.

Ecolodge 2, on the other hand, argues that maintaining a partnership like this would be difficult because it will require adopting a different strategy other than the one that the country's is focusing on, CST. In other words, it will require ecolodge businesses to reconsider their marketing orientation and think of themselves in a more commercial way than they usually do. She says,

Yeah, well I don't know what the challenge would really be because I keep focusing on the same thing here, complying with the environmental standards that our country follows so that we can continue on the same direction, and so the challenges I think it would be something to do with commitment and something to do with change, but since I am not in that line, I wouldn't know what new challenge to tell you.

Another response indicating commitment issues pertains to Ecolodge 6, which aside of people's mentality also mentions internal quality evaluations and geographical proximity of the lodges as possible turn off. He says,

So first of all, I think it could be the people. Not all the managers are open to something like this. But for start, you could start with some of the largest, not all of them. If it works than maybe the other ones are going to come by themselves but I think that that will be something that you are going to see in the process. And second, having all of them open to have some other manager to assess their ecolodge right? Because not all of them are open to that. Most likely when they're owned by someone. Like, I'm the owner of Medina and I don't want people to come and see the secrets I'm running here to get my business on, right? I don't want them know how I'm doing my chocolate tour really spectacular and I'm getting a lot of money with that.

These findings bring into question several implementation challenges. First, the lack of commitment to get involved with the brand, and stay involved seems to be the result of ecolodge owners not being faced with such an opportunity before. Hence, it will require a change of directions on owner's end and, time will be needed to produce results in order to increase interest in the brand. Creating a unique, ecolodge brand that will combine service quality standards, global marketing strategies and possibly environmental certification in a product that will represent ecolodges at their best, will definitely put ecolodge businesses on a new direction.

4.4.1.3 Marketing Orientation

This last section discusses credibility from a customer-based perspective, by looking at the market orientation of ecolodge businesses, and describing their views and approach of doing business, what motivates them to be in the business, and what they think their market needs.

4.4.1.3.1 Prioritizing Marketplace above Service Product

While all participants believe that a set of standards will open the way to global markets, not all are on the same page regarding the future direction of their business. Some participants embraced the idea of tapping into new markets without expressing any concerns related to the marketing orientation of their business, while others raised the issue of attracting undesired markets through inappropriate marketing. Hence, the challenge of designing a brand that will retain their current market while attracting new ones was mentioned by 6 out of 11 participants.

Among the first round of participants was Ecolodge 7, who said: *“Under certain set of standards, we could take advantage of other markets more effectively. The USA segment is zero at this time for us, and is the largest for Costa Rica so it would be very useful to access other markets”*. Ecolodge 6, on the other hand, is hoping to tap into cultural markets and said:

What I think this strategy could attract is people interested in culture. We haven't shown people we have actually a strong tourism line working with culture. We have chocolate tours which are cultural tours, we work with the community's cultural groups for example, right? That could be one of the markets that we could attract.

Ecolodge 2 believes that people will respond to the brand due to the high demand for service standards saying, *“Yes, I think it will because there are many people that come looking for that kind of brand, and I think it would help a lot”*, while Ecolodge 1 shares similar thought saying:

Well the first [thing] I will say is that I hope the brand will bring more tourists, and tourists from different market segments, at least so that they know what we are about. Because, for example, a client once told me “I am always surrounded by people, even on the bottom of the pool, and here it’s all about being in front of the sea and hearing only the sea. This place gives me a nostalgic feeling”. So, people get surprised, and these different types of markets can get bored of hotels at some point. It’s just like when you are in a business, it comes a time when you get sick of it, and you want to look for something new, and well, those are our deals.

While the above-mentioned participants are thinking about new ventures like cultural tourism, the responses received from the rest of the participants on this subject are more complex, and involve need for ecological, ethical, and effective marketing strategy that will attract the right markets for their service. Ecologde 1 stresses the importance of keeping a low market profile as part of their environmental business philosophy, and not being interpreted as hotels, saying:

In terms of marketing, the only agency that contacted us was Expedia ... Expedia offered us a lot of information and marketing strategies but the truth is that as I talked with the owner that does not interest us. What I am trying to tell you is that our marketing strategy has been to keep a low profile in general, and that people who visit us advertise us. For example, today, 90 percent of the people who we are hosting is because a friend of a friend. So, for now we are not interested in Expedia’s help because we cannot categorize ourselves as a hotel to compete with others. I mean, we have to compete to please our customers and that’s it, that is the fundamental strategy of our hotel; meaning that, people who come here, enjoy, and when they leave, they feel that this was like second home for them, nothing more. That does not mean we cannot cooperate, I mean to put it in simpler words: ¿I cannot associate me with a hotel, right? With a large hotel chain. I mean that would not be fair marketing, it would be something like [You say to be this way but you are associated with these

people, so you are accepting that...]. You understand? We can cooperate with them but we cannot associate with these people.

Feeling responsible for maintaining an environmentally friendly image, and taking care of his clients without jeopardizing his reputation affected the course of the business from a marketing perspective. Refusing to leverage Expedia's marketing help on the premise of not wanting to compete with hotels nor to be associated with them underlines the lack of ecolodge marketing strategies.

Ecolodge 3, on the other hand, takes a more emotional approach to describe his disinterest in leveraging the marketing support received from various online travel companies, saying:

People see us as 'Well, since you are doing more business why don't you let us advertise you?' Says Trip Advisor or others who seek to promote our business, but no, it's not worth it. We have enough resources on our own, maybe not enough but it's not like we're interested in making money. I am at peace with myself; the hotel is not for profit but rather for meeting nice tourists and serving them with love. Especially Canadians, who are wonderful people and I really like them, as well as I like German people. Others are more difficult but we serve them with just as much affection.

With money, not of interest, Ecolodge 3 refused to elevate marketing support from online travel websites. Controlling their marketing behavior out of respect for their clients, Ecolodge 5 is also very protective of his business and its clients. Protecting his business from too much marketing helped him attract a type of market suitable to what he has to offer, and says:

We avoid gays and party people as this is a very relaxed and quiet place that celebrates 20 years of operation this year. The marketing budget that we invested was minimal during this time. We get most of our customers by word of mouth, and this has been the result of 20 years of effort. We really try to avoid advertisements like the ones in newspapers and other mass media channels because it will attract people that we don't want; not because I am homophobic or anything like that but I wouldn't

really like to see a couple of men kissing in my restaurant in front of a family with children and these are traditions we try to keep; we try to go with what we have achieved in 20 years and we are careful about being exposed in mass media.

Similar to previous responses, marketing to him was never really that important as there is a limit to how he can behave, and to what he can attract. A similar yet more positive response was given by Ecolodge 4, who identified the honeymoon segment as a segment they did not want to attract, but they inevitably attract because of the intimate nature of their business. Showing a more flexible attitude towards attracting customers from a different market, he says:

Well yes, it can reflect that effect, because for example our weak market point (a market segment that is not strong within our business that we don't focus on) is honeymoons, all that part of people looking to take a trip with their partner in a romantic way. They are not a market goal for us but what happens is that in offering a place to quite place to rest we also attract a bit that segment; then indirectly we are attracting tourists from other segments, segments that do not interest us, but obviously, they are still our customers and we must receive them and serve them in the best way possible.

Ecolodge 10 believes that proper promotion of the brand will attract the right clients, saying: *"If I subscribe my business to a brand the result will depend on how you promote it. I think yes, if you promote the brand accordingly, it will of course bring other segments of tourists that are interested in our services"*. Hence, careful consideration needs to be given to how the brand will be promoted and what the target market will be, as the above-mentioned responses are a clear indication that in the case of adopting an ecolodge brand, that brand will have to attract audiences suitable for what ecolodges have to offer.

In summary, all participants emphasized the importance of keeping their authenticity as an environmental business, either by showing interest in acquiring environmental certification or by

discussing the ecolodge brand from an environmental stance. Meeting the needs and wants of their target customers is an important aspect of their business and a brand should not affect that. Ecolodge 1 makes a clear distinction between what he believes to be a decent approach to an ecolodge-brand marketing strategy, and what would hinder their reputation. He says,

For a local hotel to be managed with a minimum of profit advertising must be not too high but maybe just enough for people to know us. It took us almost 15 years for people to get to know us and we did this through our customers. It wouldn't be fair to have an aggressive advertising towards customers when I want to call myself an ecological hotel, don't you think?) So, you have to be very careful about how you will project the idea to the clients. From a business to business perspective it is very clear how you want to do it: you want to make it look like a strong cooperative organization where everyone will respect certain standards, and the standards are implemented in order to have a standard mark of what ecolodge is. That part I think I understand it very clear, but the public is what I am worried about. I have no doubt about the intention or anything else, it all sounds very well, the only thing that worries me is that I am still not a hundred percent sure how the customer will see this strategy because what scares me right now is that this strategy is a market strategy, and you can understand Monica, it's not the same for people to see us as something advertised a lot...

Unfortunately, this is the big problem that small ecological hotels have. If I have economic power to market myself a lot, people will immediately think "well this is not really a green hotel. So, I imagine that in all this issue of market and marketing, the first question is: what does the customer need, right? Then the matter is that we are your clients but we have our own clients and so we have two types of clients, right? So ... I would say that a good advice is to think like the owner of the hotel and like the customer as well. And also, think of how you want to spend your holiday, how you want to enjoy it, where and what you'd want to do?

Sharing the opinions of other participants, Ecolodge 1 believes that meeting the needs of both owners and tourists is important to the success of the brand.

Another relevant factor that emerged from the data as a critical market aspect is the age of clientele. As mentioned previously, the majority of the participants indicated a mature market between the ages of 30 to 60. Four participants discussed whether they see the brand attracting other younger markets, and believe that attracting new markets depends on age. Seeing unmotivated to engage in this particular market segment as their characteristics tend to focus on a different type of service, Ecolodge 11 says:

I don't know because young people in their 20s are mostly students. So, what they're looking for is not if it's an ecolodge or not but if it's expensive or not. That's the first problem. I remember when I was 20 I was travelling around Europe, and I was trying to get the cheapest tickets to ride all over Europe by train; and we travel by night so we didn't have to pay for accommodation and you could travel for 4 weeks for the same budget as a normal person for 2 weeks. But I was interested in staying longer, not in best quality. Then comes a moment when you have a job have more money independence, and you want something better, and then you can choose. So, I guess quality is for 60 – 70 years old, they look for more service quality. Not only room service but they don't run around you know, they just want to come out from their room and sit by the pool. A different interest I mean.

Emphasizing the country's current tourism laws and their environmental approach to tourism, Ecolodge 9a shares a similar thought with Ecolodge 11 saying:

Yes, but I think that attracting other markets depends a lot on age. Let's say that here in Costa Rica we have some tourism policies that at least young Costa Rican's are not very pleased with. For example, we don't sell liquor and don't have TV, and Costa Ricans usually love watching TV. In general, young people look for hotels with entertaining activities that gives them more adrenaline. Adults look for more peace, nature, relaxing in a hammock, see trees, and do not look much for liquor

or walk with their cell phone. Personally, I feel that at a national level maybe that's what inhibits young tourists to stay with us. Although they still come, right? We have all types of tourists; there are young people that do like coming here, students for example, but it's more like research based. They come to do some research and maybe not to spend money on us like a normal client would. We have a segment of young people, who come to learn about organic farming, but their looking for more parties and adrenaline in general, zip lining, canoeing, etc. We have other types of tours like chocolate, farm and the fruit tours. They are educational tours, not so much adrenaline and that's where we are headed as business. So, it all depends on the direction of the brand, and maybe yes then; the branding part could help us quite a lot.

Ecolodge 3, on the other hand, discussed the effect of attracting new markets from a length of trip perspective rather than type of tourist. He said,

I don't think so, not necessarily. Tourists that come here come just for two, three days. It's possible that university students who come here to study about our mangroves come for longer periods of time but they're just a few. They're minority. Usually tourists come here just to experience the beach, tour the mangroves, and then they go to the South or to some other places. It could be but I don't know, as I said in the beginning: is very difficult for me to decide whether will have a positive result.

These last results can be regarded as a continuation of the target market challenge in that these participants do not necessarily see young markets being interested in the brand.

4.4.2 Summary Results for Research Question 3 (Theme III)

The implementation challenges summarized under this last theme are: (1) Quality evaluations and standardization with environmental certification playing an important role in ensuring that member ecolodges respect without exception, ecolodge principles and are environmentally friendly. (2) Establishing a system for quality evaluations (3) Building credibility on the market while benefiting little

or no support from the government (4) Inspiring owners and managers to give the brand a chance (5)

Promoting the brand in a way that will keep the industry and consumers interested.

Chapter 5 Findings and Conclusion

The purpose of this study was to investigate perceptions of branding importance by ecolodge owners and managers through interviewing 12 ecolodge owners from Costa Rica. Objectives included: (1) to explore the current situation of ecolodge branding in Costa Rica, (2) to determine the level of interest in adopting a cooperative ecolodge branding strategy, and (3) to anticipate future implementation challenges. The three research questions are answered and show interest in adopting ecolodge branding strategy. The findings of this study indicate that a cooperative ecolodge branding strategy can create a consistent value, image and identity for midscale ecolodges in Costa Rica, and can contribute to the overall success of ecolodge businesses in the country. The findings also indicate that the CST certification program has influenced ecolodge owner's perception of ecolodge branding importance, often negatively. Market characteristics were also found to have an influence on ecolodge owner's perception of branding importance. Costa Rica has many ecolodges and this study provides a better understanding of the importance of branding to ecolodge businesses. These results are valuable to individual lodge management and the ecolodge industry, both from a theoretical and a business perspective. From a business perspective, the information gained can be used as indicator of the marketing tools needed to improve the success of the ecolodge business sector. These results may also encourage other ecolodge businesses to consider branding in future-decision making. This research also benefits the ecolodge literature by providing an understanding of ecolodge owners' perceptions of cooperative branding importance to the future management of ecolodge businesses. This will contribute with knowledge about cooperative ecolodge branding as a marketing strategy.

This chapter 5 summarizes the findings and provides recommendations for future implementation of ecolodge branding, and conclusions.

5.1 Summary Findings

5.1.1 Branding Situation in Costa Rica

This study shows divergent answers regarding Costa Rica's ecolodge branding situation. The most concurrent branding answer was CST (8 out of 12 responses) followed by high end branding initiatives (2 out of 12 responses), while 3 out of the 12 responses indicated lack of knowledge on the topic. The national program for sustainable tourism dominates the ecolodge landscape in Costa Rica and similar opinions regarding the purpose and role of the program were shared. The most frequent category is CST working after an environmental sustainable criterion that requires ecolodges and hotel businesses to adhere to certain environmental standards (Honey, 2003). There are advantages and disadvantages to the CST program. The most common advantage cited was guaranteeing environmentally sustainable products and services to industry and consumers. Regarding disadvantages, the most frequent mentions were lack of marketing support, with 11 out of 12 participants discussing CST as a filtering system for tourists interested in sustainable travel. Previous research regarding certification programs has also acknowledged the lack of marketing programs offered to support the sustainable tourism sector (Font, 2002; Honey, 2002; Sanabria, 2002). Expansion of CST into hotel business, and failure to protect the identity of ecolodge businesses from that of hotels by using the same qualification system for both, affected participant's credibility in the program and was considered another drawback of the program. To a certain extent, this supports the findings of many in the ecotourism literature, in assessing the CST initiative, its impact and influence in Costa Rica and not only (Nowakowski, 2014; Lapree, 2009; Rivera, 2002).

Regarding high end ecolodge branding initiatives, considerably less insights were provided. Cayuga, a sustainable luxury ecolodge brand was given as an example by one of the participants. Another similar brand strategy was developed by National Geographic brand, briefly discussed in the beginning of the study, which blends luxury with sustainability (National Geographic, 2015). This research found that

unlike the high-scale ecolodge market segment, there are no branding initiatives to support the midscale ecolodge segment in Costa Rica.

In terms of branding strategies used, and marketing training programs offered, 12 out of 12 participants handled marketing on their own, with little or no help from outside organizations. Regarding marketing training programs, different reasons like scaled-down operations, owner-focused, and environmentally oriented were invoked. The characteristics which ones found in this study have been found in other ecotourism research (Hawkins et. al., 1995; Sanders and Halpenny, 2001). However, operation's training, and off-hand marketing support is provided based on the resources available. Regarding branding strategies, 12 out of 12 responses indicated lack of global branding strategies, describing their marketing to be local, and relying on individual websites, location, a certain activity and name.

5.1.2 Ecolodge Branding Interest

Eleven positive responses were given in regard to adopting a cooperative ecolodge branding strategy. The majority of participants saw branding as an opportunity to sharing a system that will provide marketing, training and development support (Font, 2002; Honey, 2002; Sanabria, 2002). In doing so, participants associated 3 main advantages with the idea of branding namely; quality standards assurance, operational support, increased market share, and market positioning (Kayaman and Arasly, 2007). Managing service quality without having a standard to guide them, an aspect acknowledged by Ingribelli, (2013), revealed issues related to service discrepancy and inability to compete with other businesses. Competing with hotels in terms of service is critical, as ecolodge patrons were found to spend at least half of their vacation time at traditional accommodation like hotels for example (Kwan et al. 2008; IFC, 2004; Weaver, 2002) and have higher service expectations. Hence, the majority of participants saw branding as an opportunity to exploit the service component of their businesses and thus cater to interested markets

(Chernatony & McDonald, 1998) they spend at least half of their vacation time at traditional accommodation like hotels for example (Kwan et al. 2008; IFC, 2004; Weaver, 2002).

Wanting to occupy a more advantageous position on the market, market positioning and increased market share was discussed by 10 out of 12 participants. While some participants expressed concerns related to going global (discussed in the next section), the majority showed great interest in updating their situation by associating themselves with a brand that will help them achieve economies of scale.

Working after an independent system of resources, this study shows that participant ecolodges had fewer dimensions of support in marketing, training, and operation costs, facing difficulties in elevating their economic performance. This was also evident in O'Neill and Carlback's (2011) comparison study, who looked at the economic performance of branded and non-branded hotel businesses over a period of 6 years. Although discussed less, the Best Western Brand was received well, with some respondents mentioning the admiration they have for the brand and expressing their interest in being part of a similar program. This, therefore, is a reasonable model for future action.

5.1.3 Future Implementation Challenges Proof of Potential Success

Future implementation challenges regard issues of standardization and quality assurance, credibility, and market orientation of ecolodge business. While branding represents a feasible resource for ecolodge businesses, certain aspects regarding their current business environment need to be addressed beforehand. Choosing between mutual – external quality evaluations will be a first step towards the development of the brand. Although ecolodge businesses are unique in many ways, they share similar challenges to those of small-scale businesses. As emphasized in Chapter 5, pro and contra opinions about quality systems were expressed, with a majority of participants considering mutual evaluations a good fit for the industry. This finding is supported by Gunasekaran et. al., (1996) in that small-scale businesses with global characters work better after a mutual quality evaluations system.

Credibility and Marketing Orientation can be grouped in (1) industry motivation (2) consumer's needs and wants (3) and commitment issues. Industry motivation regarding issues of trust, with several participants believing that industry credibility is needed before the brand can be successful and see endorsements from reputable environmental organizations as solution to this particular challenge. This finding draws participants' (6 at number) distrusting the CST program and its intentions. Another credibility-related challenge is financial responsibility towards the brand. Although 10 out of 12 participants expressed their interest in supporting the brand financially, all 10 addressed the question of numbers: How much will it cost us? In addressing this issue, 6 out 10 participants flirted with the idea of pay-per-booking systems, and suggested it would be a great start for the branding organization to charge this way in order to have control over what they're contributions. Pay-per-booking systems are the most common used financial agreement between online travel accommodation websites and accommodation businesses due to the low risk implied compared to franchises (Olsen & Moore, 1998). This cost-related concern is to be expected in any cooperative branding program. Of particular importance in addressing this issue relates to the current structure of ecolodge businesses.

As discussed in section 2.2.1.1 ecolodge business structures can vary dramatically and what can be manageable for one in terms of costs, can be overwhelming for others. Ecolodge Manager 11 articulated the importance of developing a proper scheme for charging, based on the size and profit of the property. Other participants also acknowledged the importance of recognizing that not all ecolodges share the same structure, which influences their financial stability and determines their budget and whether or not they are viable enough to participate in marketing or any other kind of programs. For example, 3 of the 11 ecolodge properties included in this study had more than 25 rooms while the rest were between 5 to 12 rooms. Automatically, it is reasonable to assume that their financial situation differs based on their capacity to receive and serve clients.

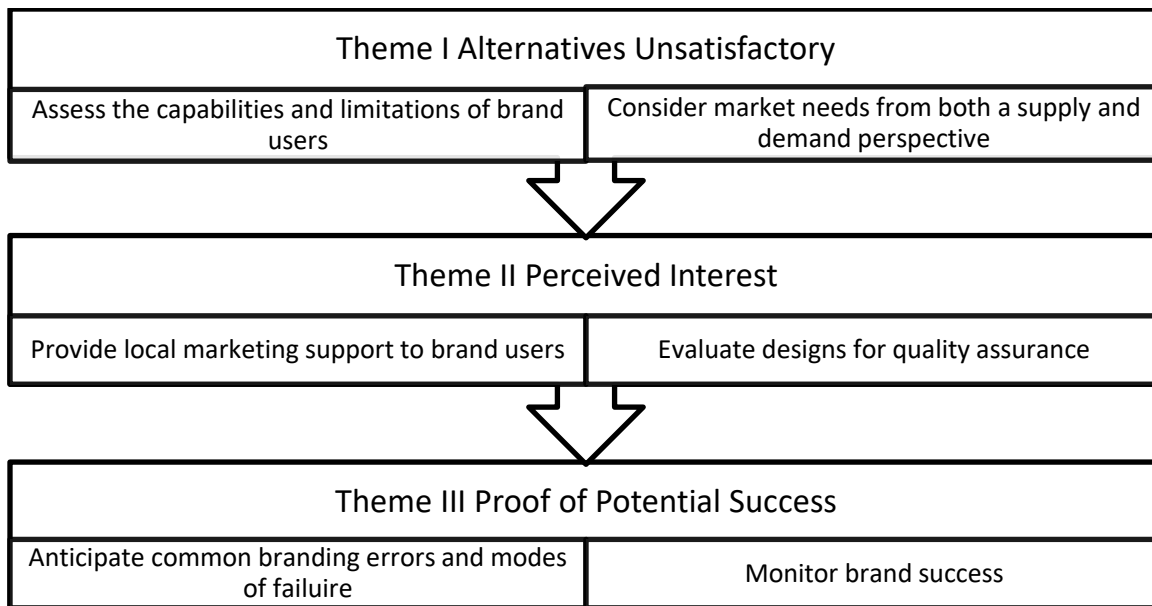
Regarding consumer’s needs and wants, the majority of owners described their market target in familiar characteristics for ecotourists’ as found in other studies (Weaver, 2002, Weaver and Lawton, 2002; Lindberg, 1991). Hence, special consideration was given to customer relationships and the issue of losing their current market to new ones. The emotional connection between ecolodges and ecolodge patrons has been acknowledged by Erdem and Tetik, 2013, and requires a market-oriented approach to branding.

Regarding committing to the brand, various answers were given, however they are all related to changing directions from thinking and acting locally to thinking and acting global. The results provided were related to their comfort zone, and what they are already used to and having to try a new strategy that raises questions in terms of (1) return to investment (2) collaboration (3) market positioning.

5.2 Recommendations for Future Implementation of Ecolodge Branding

Table 8 maps out recommendations for future implementation of ecolodge branding based on the findings of the study.

Table 9 Recommendation for Future Implementation of Ecolodge Branding



The following is an outline of a basic sequence of steps for brand implementation. This section provides insight into the implications of the study findings.

1. Assess the capabilities and limitations of brand users. This first recommendation relates to Costa Rica's high end ecolodge branding situation, and the urgency to develop a brand alternative for midscale ecolodge businesses that will allow them to operate a brand in their current condition. Ecolodge businesses can have wide variation in abilities and designing a general set of interchangeable standards that can be adopted by any ecolodge and adapted to the best of its abilities is important in order for the brand not to include only highly select ecolodges.
2. Consider market needs from both a supply and a demand perspective. Based on the structure of ecolodge businesses, certain aspects should be considered in ensuring brand viability on the supply market. Some of these aspects have already been discussed like standardization and the need to ensure a good evaluation program, location of ecolodges and ability to make financial contributions to the brand. From a demand perspective, the most important aspect would be marketing the brand in a way that is considered fit by consumers and will render authenticity on the market as this was highly emphasized by all participants during various stages of the interview and discussed in Section
3. Provide local marketing support to brand users. Many times, small-business failures are traced to lack of marketing training. As discussed in section 5.1.3, participant ecolodges benefited from less marketing support and training, facing difficulties in elevating their economic performance. Hence, when training content is prepared, marketing specialists should consider who will be using their content and tailor it accordingly. As mentioned by Ecolodge 6 when discussing financial contributions to the brand, online training workshops should be offered every 3 months at least to help businesses tap into their local market and keep them engaged with the brand.
4. Evaluate designs for quality assurance. Quality assurance evaluations are by far one of the most important challenges of brand implementation as they can help considerably in the elimination of non-compliant ecolodges. They also play an important role in the eye of the consumer, as ecolodge

businesses need to demonstrate their environmental commitment and undertake a series of steps in this direction, which can nurture a fair competition environment between businesses across the industry. Hence, it is important to decide on an evaluation system that makes most of sense to brand users. One way to evaluate would be to select a larger sample of lodges and survey them on the issue as not all participants were on the same page with regards to adopting an internal evaluation model.

5. Anticipate common branding errors and modes of failure. In order to take ecolodge businesses to the next level, the branding organization in partnership with potential brand users must try to anticipate what can go wrong with the brand and then modify the model to prevent any issues that can be prevented, or if this is not possible, at least to minimize their consequences and warn of the challenges. In general, this means asking a series of questions like the ones participants were presented to during the interview, but to a more thorough scale. A good way to start would be the challenges presented in the last theme, proof of success: standardization, credibility and marketing orientation.
6. Monitor brand success. The final step is monitoring the brand success as a result of recognizing a real or potential barrier after the brand has been launched on the market. Action needs to be taken to prevent a potential barrier from hindering the brand's success. Possible scenarios that require attention in this regard are:
 - a) Standards or brand regulations have been violated
 - b) The brand does not live up to its advertised claims with regard to service quality
 - c) Lack of businesses' involvement to ensure quality standards
 - d) Brand users reveal unforeseen training challenges

Monitoring the brand's success is crucial to ensure a healthy and fair business environment for brand users and its position on the consumer market. As previously discussed, Costa Rica's current branding situation is less than ideal with CST perceived as a high end environmental tool that does not provide the necessary marketing infrastructure to bring midscale ecolodge businesses together on

the global market. Beyond this, controversy regarding standards compliance and the bureaucratic nature of the program were recognized as drawbacks by several participants. In order for cooperative brand strategy to enhance the economic performance of participant ecolodges, monitoring the aforementioned aspects of the brand is recommendable.

5.3 Conclusions

This study suggests that the cooperative ecolodge branding idea has considerable potential for mid-priced ecolodges in Costa Rica. The Best Western Model of cooperative branding is a good model that has potential. The results of this research needs to be communicated to the cooperating ecolodges, so that they can move forward with the idea. Other possible implementation approaches are (a) a Best Western Ecolodge Brand (b) a Review of CST to include ecolodge as a sub brand. Depending on the avenue taken for the application and implementation of the cooperative branding concept, the focus will need to be on branding and business without shifting from ecolodge. The distinct types of business structures that make up the industry need to be taken into consideration as the brand ecolodges need to be brought together under the same identity and market positioning without losing their own personalities. The results of the study depict the application of cooperative ecolodge branding in a generic manner from which guidance for the specific application of cooperative ecolodge branding can be developed.

5.4 Future Research

Given that cooperative branding is a new research topic within the ecolodge literature, future research opportunities can be articulated. Developing an improved understanding of ecolodge branding concept for example, especially focusing on ecotourism principles will help improve the overall understanding of the relationship between ecolodge and branding and how these two relate. Addressing the development and testing of the ecolodge brand can help improve the practicality of the model and how likely it is to succeed on the global market. Developing brand standards to support the quality design and operation of ecolodge facilities and systems is also an important part of future research. Whether this

is done separate from the quality standards put forth by CST or not, without specific standards, it will be difficult for ecolodge businesses to develop an identity of their own. Evaluating ecolodge operators' ability to act as ambassadors for the ecolodge brand standard is another interesting avenue for future research. Last but not least, assessing CST's quality certification system on whether or not it's practical and approachable enough for ecolodge businesses. As the main ecotourism certification program, CST plays and will continue to play an important role in the country's ecotourism infrastructure and it's important to address the current structure of the program and how ecolodge fits within.

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Appendix A Interview Questions

Interview questions for the study of Exploring Branding Opportunities for Ecolodge Businesses (English)

1. What is the current situation of ecolodge branding in Costa Rica?
2. Is your ecolodge currently branded? If so, then what is the branding strategy? Does it involve advertising of nature services such as tour guides, nature trails or wildlife access, etc.?
3. This study is about an ecolodge brand strategy similar to the Best Western that enables ecolodge owners to cooperatively brand using a set of facility, service and environmental set of standards. Would that be of interest to you?
4. Do you think such a cooperative branding strategy is viable within the ecolodge industry? Please elaborate.
5. Does your ecolodge provide a training program to the management staff? If so, then does it include information on branding or marketing strategies?
6. What is your current target market? Since this model will provide a certain set of standards, do you think it will attract tourists from different market segments?
7. Do you think a cooperative ecolodge brand would give your business a competitive edge over non-branded ecolodges?
8. Provided this cooperative branding strategy leads to cost reduction on quality control, would you agree to financially contribute to a central branding organisation that looks over the effective advertising and quality assurance of your business?
9. Provided that you agree to adopt this cooperative branding strategy, would you agree to assess other ecolodges based on quality assurance standards defined by the central branding organisation?
10. What future challenges do you foresee in implementing this cooperative branding strategy?

Interview questions for the study of Exploring Branding Opportunities for Ecolodge Businesses (Spanish)

1. ¿Cuál es la situación actual de ecolodge branding (la marca ecolodge) en Costa Rica?
2. ¿Está usted usando una marca para su ecolodge? Si es así, entonces ¿cuál es la estrategia de la marca que usted está usando? ¿Implica la publicidad de los servicios de la naturaleza, tales como guías turísticos, senderos naturales o el acceso de la fauna, etc.?
3. Este estudio habla de una estrategia de marca similar al Best Western, que permite a los propietarios de albergues usar una marca de forma cooperativa utilizando un conjunto de comodidades, servicio y normas ambientales. ¿Sería esto algo de interés para usted? Le interesaría esta estrategia?
4. ¿Crees que una tal estrategia como la de la marca cooperativa sería viable dentro de la industria del ecolodge? Por favor elabora.
5. ¿Es su ecolodge ofreciendo un programa de capacitación para el personal de la gerencia? Si es así, ¿incluye información sobre branding, o estrategias de marketing en general?
6. ¿Cuál es su mercado objetivo actual? Puesto que este modelo proveerá un cierto conjunto de normas, ¿crees que va a atraer a turistas de diferentes segmentos de mercado?
7. ¿Crees que una marca ecolodge cooperativa daría a su empresa una ventaja competitiva sobre hoteles ecológicos sin marca?
8. Provee que la estrategia de (alberques de) marca cooperativa lleva a la reducción de costes en el control de calidad, ¿estaría usted de acuerdo en contribuir financieramente a una organización central de marca que vela por la publicidad efectiva y aseguramiento de la calidad de su negocio?
9. Siempre que usted se compromete a adoptar esta estrategia de marca cooperativa, ¿estaría de acuerdo en evaluar otros albergues en base a las normas de garantía de calidad definidos por la organización central de la marca?
10. ¿Qué desafíos futuros ¿prevé la implementación de esta estrategia de marca cooperativa?

Appendix B Study Findings for Occupancy

Table 8 Study Findings for Occupancy

Year	Variable	All hotels	Branded hotels	Independent hotels	Significant difference
2002	Occupancy	57.40%	58.20%	52.40%	*
2003	Occupancy	57.30%	58.10%	52.20%	*
2004	Occupancy	60.00%	60.70%	54.30%	*
2005	Occupancy	61.90%	62.50%	56.30%	*
2006	Occupancy	62.20%	62.80%	57.10%	*
2007	Occupancy	61.80%	62.20%	57.80%	*
2008	Occupancy	58.90%	59.10%	56.20%	*
2002	ADR	\$71.77	\$69.44	\$86.39	*
2003	ADR	\$72.16	\$69.56	\$89.75	*
2004	ADR	\$73.58	\$70.76	\$96.50	*
2005	ADR	\$78.32	\$75.18	\$105.58	*
2006	ADR	\$84.12	\$80.52	\$117.78	*
2007	ADR	\$89.47	\$85.45	\$129.39	*
2008	ADR	\$91.88	\$87.63	\$139.36	*
2002	RevPAR	\$42.38	\$41.47	\$48.13	*
2003	RevPAR	\$42.61	\$41.53	\$49.91	*
2004	RevPAR	\$45.54	\$44.26	\$55.95	*
2005	RevPAR	\$49.99	\$48.48	\$63.15	*
2006	RevPAR	\$53.99	\$52.16	\$71.11	*
2007	RevPAR	\$57.16	\$54.91	\$79.58	*

2008	RevPAR	\$55.97	\$53.59	\$82.51	*
2002	NOI	\$2,00,888	\$2,070,979	\$1,305,267	*
2004	NOI	\$1,802,547	\$1,820,775	\$1,584,909	
2005	NOI	\$2,175,745	\$2,192,124	\$1,976,732	
2006	NOI	\$2,512,873	\$2,540,689	\$2,163,657	
2007	NOI	\$2,759,977	\$2,754,747	\$2,819,842	
2008	NOI	\$2,524,991	\$2,528,029	\$2,491,519	*

Source: John O'Neill & Mats Carlbäck (2011, p. 517). "Do brands matter? A comparison of branded and

independent hotels 'performance during a full economic cycle'"