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Driving Business Models Toward Sustainability in Arctic Nature Tourism

Direcionamento de Modelos de Negócio para a Sustentabilidade no Turismo de Natureza do Ártico

Abstract

Context: research into sustainability as a highly debated concept has become widespread and given rise to a diverse and interesting arena in the management literature in which the relevance of business models is extensively acknowledged. Objective: by integrating sustainability into the business model concept, this study attempts to determine how business models are driven toward sustainability. Methods: a qualitative multiple-case approach is applied to scrutinize five small/micro companies offering nature-based activities in Arctic Norway. Results: four internal and six external drivers are found crucial to incorporating sustainability in business models. Conclusion: the findings contribute to the field of sustainable business models by deepening the understanding of how specific internal and external drivers operate across different business models. Moreover, business models are driven toward sustainability differently, depending on the extent to which sustainability is embedded into them.

Keywords: business models; sustainability; drivers; Arctic nature tourism.

Resumo

Contexto: cresce cada vez mais o número de pesquisas que se voltam para a sustentabilidade como um conceito de grande destaque, dando origem a uma arena diversa e interessante na literatura gerencial, na qual é amplamente reconhecida a relevância dos modelos de negócios. Objetivo: ao integrar a sustentabilidade ao conceito de modelo de negócios, este estudo tenta determinar como se direcionam os modelos de negócios com vistas à sustentabilidade. Métodos: aplica-se uma abordagem qualitativa de casos múltiplos para examinar cinco pequenas/microempresas que oferecem atividades de turismo de natureza na Noruega ártica. Resultados: identificaram-se quatro direcionadores internos e seis externos considerados essenciais para a incorporação da sustentabilidade nos modelos de negócio. Conclusão: os resultados contribuem para o campo dos modelos de negócio sustentáveis, aprofundando a compreensão de como direcionadores internos e externos específicos operam em diferentes modelos de negócio. Além disso, os modelos de negócios se voltam à sustentabilidade de formas distintas, dependendo do grau com que a incorporam.

Palavras-chave: modelos de negócio; sustentabilidade; direcionadores; turismo de natureza no Ártico.
INTRODUCTION

“There is perhaps no conceptual theme so dominant in the contemporary tourism literature as sustainability” (Weaver, 2012, p. 28). Sustainability is adopted by numerous tourism scholars (Bramwell, Higham, Lane, & Miller, 2017; Coles, Warren, Borden, & Dinan, 2017), and is central within management science: enterprises are assumed as “the most powerful potential sources of the solutions to sustainability issues” (Zollo, Cennamo, & Neumann, 2013, p. 254). Therefore, this study focuses on companies in tourism, a fast-growing sector characterized by very limited sustainable practices (Gössling, Hall, Ekström, Engeset, & Aall, 2012). The research into Arctic tourism as a new trend has intensified since the mid-1990s (Maher et al., 2014) as the rapid change in guests’ interest and number as well as community-based businesses, demands for systematically obtaining knowledge on micro-level sustainability issues in Arctic (Lee, Weaver, & Prebensen, 2017), for instance, a lack of trained human resource, very vulnerable context, and high seasonality (Maher et al., 2014). Moreover, the sustainable use of the natural environment in Arctic is highly debated, which makes the sustainability its ‘main theme’ (Lyngnes & Prebensen, 2014; Lee et al., 2017), as tourism companies are more likely to be driven by a short-term financial horizon (Bramwell & Lane, 2013). To foster sustainable Arctic tourism, more research is required to highlight various aspects of this vulnerable context with a great dependence on nature specially in peripheral rural areas where nature tourism is boosting considerably and has a great potential to contribute to sustainable development (SD) (Lyngnes & Prebensen, 2014).

The concept of business model (BM) is broadly used to indicate “the design or architecture of the value creation, delivery and capture mechanisms employed” (Teece, 2010, p. 179), and is considered “a key initiating component of corporate sustainability” (Schaltegger, Hansen, & Lüdeke-Freund, 2015, p. 3). The latter is defined by Dyllick and Hockerts (2002) as “meeting the needs of a firm’s direct and indirect stakeholders …, without compromising its ability to meet the needs of future stakeholders as well” (Dyllick & Hockerts, 2002, p. 131). As such, a business model for sustainability is defined by Schaltegger, Lüdeke-Freund and Hansen (2012) as “supporting voluntary, or mainly voluntary, activities which solve or moderate social and/ or environmental problems” (Schaltegger, Lüdeke-Freund, & Hansen, 2012, p. 21). Likewise, Zott and Amit (2010) define BM concept as “a system of interdependent activities that transcends the focal firm and spans its boundaries” (Zott & Amit, 2010, p. 216). In this sense, the development of sustainable business models (SBM) is argued to facilitate the existing interactions between the focal company and the stakeholders along integrating their activities (Breuer, Fichter, Lüdeke-Freund, & Tiemann, 2018).

Hence, this research strives to analyze existing BMs in Arctic nature tourism to discover how they are driven toward sustainability. Acquiring insights into the BM concept can assist tourism researchers and practitioners in assessing ongoing business practices to make changes toward sustainability (Reinhold, Zach, & Krizaj, 2017). Thus, the SBM concept has been introduced to incorporate sustainability in business strategies (Bocken, Short, Rana, & Evans, 2014). However, this concept has been addressed by few scholars investigating the tourism sector (Coles et al., 2017; Reinhold et al., 2017; Sahebalzamani & Bertella, 2018), and it is not entirely exposed how companies incorporate sustainability into the BMs, and what the motivations are for them to change the BMs for sustainability (Bossle, Barcellos, Vieira, & Sauvee, 2016; Rauter, Jonker, & Baumgartner, 2017; Sommer, 2012). Zollo, Cennamo and Neumann (2013) emphasize that the answer to the question of “why (should companies embrace sustainability?)” generated the central and by far the largest empirical effort in the corporate sustainability knowledge domain” (Zollo et al., 2013, p. 242). Although grappling with the drivers underlying transformation is crucial (Stampfl, 2016), and can help companies to change BMs for sustainability more successfully (Sommer, 2012), only few studies addressed the drivers (Foss & Saebi, 2017) and mostly pursued conceptual or review approach (Andreini & Bettinelli, 2017; Bossle et al., 2016; Foss & Saebi, 2017; Zollo et al., 2013) rather than empirical (Rauter et al., 2017; Stampfl, 2016).

Inspired by Dyllick and Muff (2016), this study seeks to differentiate BMs based on embedded sustainability aspects and extends the previous traditional value creation perspective (business-as-usual) that is focused on consumers and shareholders by considering various stakeholders and including sustainability relevant factors in BMs (BM for sustainability). By applying a case study approach, this research focuses on the drivers, and analyzes empirically BMs to address: How are BMs driven toward sustainability in Arctic nature tourism? By going deep into the drivers for SBM development (Breuer et al., 2018) and exhibiting how these drivers operate in practice within various BMs, the findings will extend the prior classification of drivers from internal and external to the way that each driver contributes to develop a SBM and allow us to give practical insights into SBM literature. This article is structured as follows: The drivers underlying transformation in BMs and applied theoretical framework are discussed within the next part. Following this, the methodological choice of this research is elaborated on. Furthermore, data analysis is presented, and the main findings are discussed considering prior literature.
Finally, some suggestions and implications will be outlined for future studies, practitioners and decision-makers.

THEORETICAL BACKGROUND

Drivers underlying transformations in BMs

Drawing upon the recent management literature, drivers toward transformation in BMs are classified into two main categories: internal drivers based within the focal company and external drivers stemming from outside the company (Andreini & Bettinelli, 2017; Bossle et al., 2016; Foss & Saebi, 2017; Rauter et al., 2017; Stampfl, 2016; Zollo et al., 2013). With the notion of business model innovation (BMI) being driven by the need for sustainability, Andreini and Bettinelli (2017) point to the sustainability opportunities and corporate social responsibility (CSR) activities that drive the transformation toward a new BM.

Sustainability concerns stem from the personal values and perceptions of entrepreneurs as decision-makers conducting change within BMs (Bossle et al., 2016; Foss & Saebi, 2017; Rauter et al., 2017). Motivations and aspirations (Zollo et al., 2013), organizational culture, human resource, employee satisfaction, and commitment (Bossle et al., 2016; Foss & Saebi, 2017; Rauter et al., 2017; Stampfl, 2016) are emphasized as internal drivers as well. Furthermore, the leaders are playing the central role to facilitate employee commitment and collaboration (Rauter et al., 2017; Stampfl, 2016).

Likewise, organizational capabilities such as environmental capabilities (Bossle et al., 2016) and dynamic capabilities (Andreini & Bettinelli, 2017; Foss & Saebi, 2017) are stressed as internal drivers. Corporate strategies are also claimed to be capable of driving change in BMs (Bossle et al., 2016; Foss & Saebi, 2017; Rauter et al., 2017). Moreover, Bossle, Barcellos, Vieira and Sauvee (2016) highlight the practices linked to environmental certifications as well as encouraging and ‘greening’ the suppliers as driving factors toward eco-innovations.

Whereas customers and economic pressures are regarded as the most important external drivers constituting change in BMs (Stampfl, 2016), Rauter, Jonker and Baumgartner (2017) conclude that customer preference and competition do not trigger change in BMs toward sustainability. Additionally, policy-makers and legal regulations can contribute to transformation in BMs (Bossle et al., 2016; Foss & Saebi, 2017; Rauter et al., 2017; Zollo et al., 2013). Researchers also claim that competitors, cooperation within the network on one hand, and change in competition, stakeholders, and market demand on the other hand (Andreini & Bettinelli, 2017; Bossle et al., 2016; Foss & Saebi, 2017; Stampfl, 2016; Zollo et al., 2013), are relevant external drivers. Finally, change in technologies is mentioned as being the antecedent to eco-innovations and BMIs (Bossle et al., 2016; Foss & Saebi, 2017). In Table 1, the findings from the most recent literature are summarized in terms of internal and external drivers underlying the transformation in BMs as well as the papers' methodology.

Table 1. Potential external and internal drivers toward transformation in BMs.

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Methodology</th>
<th>External drivers</th>
<th>Internal drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andreini and Bettinelli (2017)</td>
<td>Literature review</td>
<td>Networking, cooperation, and sustainability opportunities</td>
<td>Activities, organizational capabilities, and managerial cognitive processes</td>
</tr>
<tr>
<td>Rauter et al., 2017</td>
<td>Case study</td>
<td>Legal regulation</td>
<td>Employee satisfaction, commitment, organizational culture, leaders and their values, and corporate strategies</td>
</tr>
<tr>
<td>Foss and Saebi (2017)</td>
<td>Literature review</td>
<td>Change in competition, network stakeholders demand, technologies, and regulations</td>
<td>Change in strategies, dynamic capabilities, organizational values, culture, leadership, and managerial cognition</td>
</tr>
<tr>
<td>Bosse et al., 2016</td>
<td>Literature review</td>
<td>Change in technology, regulatory and normative pressures, market demand, and cooperation with external stakeholders</td>
<td>Efficiency, managers’ concerns, leadership, human resource, culture, encouraging the suppliers, and corporate environmental strategies</td>
</tr>
<tr>
<td>Stampfl (2016)</td>
<td>Case study</td>
<td>Customers, economic pressures, stakeholders, and context</td>
<td>Top management involvement, commitment, culture, processes, and employees</td>
</tr>
<tr>
<td>Zollo et al. (2013)</td>
<td>Conceptual study</td>
<td>Competitors, policy makers, stakeholders, and broader society</td>
<td>Motivations and aspirations</td>
</tr>
</tbody>
</table>
This study’s theoretical framework

This study’s approach integrates the general BM framework by Teece (2010) with the SBM Guiding Principles by Breuer, Fichter, Lüdeke-Freund and Tiemann (2018) (Figure 1). The research also applies the measures and indicators of the Standard for Sustainable Destinations by Innovation Norway (Innovation Norway, 2017) as it analyzes BMs in Arctic Norway to configure the research theoretical framework. The triangle in Figure 1 illustrates the general BM framework by Teece (2010) that specifies the BM based on three main areas: value proposition, value network, value creation and capturing. Additionally, overlapping circles (Figure 1) display the SBM principles that include ‘sustainability orientation,’ ‘extended value creation,’ ‘systematic thinking’ and ‘stakeholder integration’ (Breuer et al., 2018). These principles are undertaken as the basis to design the research as well as to conduct the analysis, as they provide both researchers and practitioners with a checklist of various issues linked to a SBM (Breuer et al., 2018). Essentially, this study’s perspective is built on the following shifts (Breuer et al., 2018): from a focus on shareholders and customers to the inclusion of various stakeholders, from a priority given to monetary values to the extension to non-monetary values, and from an approach centered on an organization to the network approach comprising several actors. As Zollo et al. (2013) assert that there is always a reason for transformation toward sustainability, the drivers underlying each of four SBM principles are examined through applying the concept of ‘motivational factors’ or ‘external and internal stimuli’ (Zollo et al., 2013).

METHODS

Research design

This study is designed as a qualitative multiple-case study to develop the theory based on the empirical data (Eisenhardt, 1989; Yin, 2014) to answer “how BMs are driven toward sustainability in Arctic nature tourism?” Case study design enables us to address the inherent complication of sustainability issues (van Kerkhoff, 2014) as it is a powerful approach in explaining complex phenomena, which cannot be manipulated by the researcher (Yin, 2014).
Sampling and case selection

A multiple-case study design provides cross-case comparisons to uncover the emergent patterns related to the ‘drivers’ both within and across the companies (Yin, 2014), because this paper aims to run a comparative analysis across various BMs in terms of embedded sustainability. Such design relies on careful selection of cases that are most likely to contribute to theory development; hence, purposeful theoretical sampling strategy was pursued to identify the potential cases (Eisenhardt, 1989). The selected cases are tourism companies offering nature-based activities in Finnmark, the northernmost Norwegian county located above the Arctic Circle. Two industries of petroleum and tourism have the potential to contribute in both economic and social growth of this county; however, the tourism industry is perceived as a good solution to preserve the nature and simultaneously create sustainable value (Chen, 2015). According to the Norwegian Ministry of Trade and Fisheries, “nature is an important part of the Norwegian tourism product. Large parts of the tourism industry use nature as a starting point for their products” (Det Kongelige Nærings- og Fiskeridépartement, 2017, p. 7). Among different nature-based products, the northern lights phenomenon led to a significant growth in the number of nights that foreign tourists stayed in Arctic regions, an increase of duration of almost five times over the last 10 years (Det Kongelige Nærings- og Fiskeridépartement, 2017).

To identify cases and come to grips with the context, pre-fieldwork meetings were arranged with local researchers (from UiT/The Arctic University of Norway), and the organizations Kunnskapsparken Origo (knowledge park) and Innovasjon Norge (Innovation Norway). These two organizations are responsible for supporting companies by offering consultancy and funding at different stages of BM development. Simultaneously, the online content underlying the tourism sector in the area was explored to gain an overview of the existing tourism companies and their online profile, as well as promotional materials.

A total of 42 potential tourism companies were recognized and were classified into four groups. Group 1 includes the companies that are most likely to have an SBM, while group 4 encompasses the ones that are least likely to have strong concerns regarding sustainability issues. This classification is fundamentally built upon: insights gained from the pre-fieldwork meetings and the company’s online profile; how the company is promoted publicly in terms of sustainability. The selected companies belong to groups 1 and 2 as they reflect this paper’s theoretical perspective on SBMs (Yin, 2014). Group 1 includes the companies that are certified by Norwegian Ecotourism, as they “offer nature and cultural experiences with local roots and real meetings with people and nature” (https://norsk-okoturisme.hanen.no retrieved and translated in March 04, 2019). Group 2 do not hold an eco-certificate, but they are either promoting themselves online as a sustainable business with concerns regarding nature and society or recommended by pre-fieldwork. A total of 10 companies are assumed to provide the best fit for the main concern of this research as give rise to analytic generalization (Miles, Huberman, & Saldaña, 2014).

Data collection and analysis

Semi-structured interviews were carried out in person with key informants who are the founders/CEOs of the companies (in two cases, as suggested by the company’s main informant, also a tour guide and marketing manager were interviewed; see Table 2). Key informants have had the central role in designing the cases’ BM. Each interview lasted between 1 and 2 hours and was conducted by using an interview guide based on the theoretical framework. A minimum of five cases gives an account of a convincing ‘empirical grounding’ (Eisenhardt, 1989; Miles et al., 2014). The process of interviewing has stopped after data collection from five cases, as ‘theoretical saturation’ through ‘diversity of data’ has been achieved (Glaser & Strauss, 1967). Among the final five cases, two are in group 1, and the other three are in group 2. The cases are from two destinations, the city of Alta and Varanger region. Alta has been known as the city of northern lights since 2000, and many tourists consider this city a gateway to Finnmark County (http://www.visitalta.no/en/facts/gatewaytofinnmark retrieved in December 12, 2018). The Varanger region is located in the eastern part of Finnmark. This region has started to become known in recent years as one of the best Arctic bird-watching destinations in the world1. Table 2 presents some characteristics of the cases in terms of their year of establishment, location, activities, interviewees, and eco-certification.

The interviews were recorded and transcribed prior to coding for analysis. Nvivo12 was applied to facilitate the process of categorizing and coding the data (Yin, 2014). The interviews were coded through two phases: first, initial coding was conducted mostly inductively as they emerged from the data while the interview guide, the theoretical framework, and the research question guide the coding process (Zhang & Wildemuth, 2005). Initial coding is mainly comparative and provisional to shape and conceptualize the main analytic directions (Charmaz, 2014). Thus, within the second coding phase, the patterns and emerging themes across ‘drivers’ of sustainable value creation were coded through a focused coding procedure to shed light on theoretical perspective of current study (Charmaz, 2014). Thus, some of subcategories were merged, and some were removed. Such way of content analysis is applied when a research intends to extend a theory or conceptual framework (Zhang & Wildemuth, 2005).
RESULTS

The data analysis suggests four internal drivers, ‘founder,’ ‘internal resource,’ ‘organizational culture,’ and ‘certificate.’ The significance of the founder’s role stems from the founder’s personal values, perceptions, and educational and cultural background. Although the interviewer did not ask any questions to directly assess the culture construct as a driver, the cases point to a deliberate attempt to promote and endorse a responsible organizational culture due to its significant role in defining their sustainable performance. Companies also undertake sustainable practices to preserve the natural resources by efficient usage of them. The intention to conduct cost savings (e.g., eco-efficiency or resource efficiency) drives the companies to conserve their resources whether natural or financial. However, two cases believe that eco-efficient practices did not result in cost savings as a motivation toward performing more of such practices. Furthermore, one of the case selection criteria was checking whether the companies have eco-certificates, as the primary assumption was that the eco-certified companies have stronger intentions for SBM development. However, the data suggests that the certificate cannot be regarded as a significant driver toward sustainability.

Moreover, six external drivers are distilled, ‘tourist,’ ‘external resources,’ ‘actors-stakeholders,’ ‘challenges and issues,’ ‘state and regulation,’ and ‘market incentives.’ Three themes are realized through data analysis in relation to the tourist’s impact as a driver. The most important emerging theme is tourist segments a company serves. Throughout the current research, the tourist segment with a positive effect (driver) is labeled as responsible tourist. Indeed, attracting them may perform in two ways: increasing tourist satisfaction and strengthening the sustainable performance. However, the companies refer to the tourists’ demands for particular activities that are understood as unsustainable and not eco-friendly, thus, a barrier toward performing sustainable. This type can be either a common tourist or irresponsible tourist; a common tourist is referred to by the cases as a tourist without any specific concern toward nature and sustainability, while an irresponsible tourist may try to deliberately destroy the attraction and nature. Besides, a common tourist neither is responsible nor destroys the nature deliberately; they may make the companies offering activities known as less eco-friendly. Therefore, ‘tourist’ can be regarded as a double-edged sword; Archart claims that “you need to decide what kind of tourism you want.”

Moreover, external resources can make the companies become oriented toward sustainability. The most notable external resource highlighted by the cases is the fragile natural environment in which the companies perform. Another component that is recognized as an external driver is making contribution into the scientific knowledge pool about nature and animals that is perceived as a scientific resource for both contemporary society and the next generations in terms of how animals and birds breed, live, and migrate.

Furthermore, companies may become oriented in a sustainable way, as long as they are seeking a cooperative mechanism due to different reasons. The initiative may either come from the company to provoke effective cooperation or the company is pushed toward sustainability by other partners and does not take the initiative itself. However, Auro perceives a gap in the supply chain and network and asserts that to secure sustainable performance across the industry, it is not enough that one company pursues a sustainable orientation; rather, all the actors are required to prioritize sustainable practices. Thus, cooperation among the actors who are seeking a sustainable performance can secure effective contributions.
Among others, a challenge or an issue existing in a company's surrounding can be a driver, which leads the company to tackle this problem with a solution that drives their BMs toward sustainability and, accordingly, creates sustainable value. Additionally, government and regulations as well as market incentives are recognized as external drivers. To illustrate how the drivers function across five BMs, the drivers together with the relevant emerging themes and examples from cases with regard to SBM principles (Breuer et al., 2018) are featured in Tables 3 and 4. Unlike the prior literature that mainly focuses on sorting the drivers into internal and external, through these two tables, current research seeks to extend such classification based on how each driver’s theme contribute to four SBM principles of 'sustainability orientation,' ‘extended value creation,’ ‘systematic thinking,’ and ‘stakeholder integration.’ As such, several statements are derived from the interviews: these citations are examples that address various constructs in terms of drivers and SBM principles.

Table 3. Internal drivers, their themes, and examples in terms of SBM principles.

<table>
<thead>
<tr>
<th>Internal driver</th>
<th>Related theme</th>
<th>Examples (quotes)</th>
<th>SBM principles</th>
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</thead>
<tbody>
<tr>
<td>Founder</td>
<td>Founder’s sense of responsibility toward nature, animals, society, and partners; Engaging with the local community as well as supporting other actors and partners.</td>
<td>“When new companies come you shouldn’t just sit back, …. you need to meet them and engage with them” (Archart) “It is a MUST that we have to be sustainable with a society around us.” (Auro)</td>
<td>×</td>
</tr>
<tr>
<td>Founder</td>
<td>Founder’s time perspective depending on different attitudes toward sustainability, whether pursuing long-run approach albeit it seems costly in the short-run. It also determines how employment policies are formed to inspire employees.</td>
<td>“If you have short term financial perspective, you just want to grab as much as you can by acting not sustainable, …. but not economically clever, …. and not just for the sustainability but also the financial perspective.” (Archart)</td>
<td>×</td>
</tr>
<tr>
<td>Founder</td>
<td>Founder’s perspective in communicating the company’s values and performance to the public through an open and transparent approach.</td>
<td>Pursuit of such approach leads to attract individuals who are eager to cooperate, as they have similar (sustainability) concerns and personal values. Such open practices can provide the local community with clear information regarding the company’s green profile.</td>
<td>×</td>
</tr>
<tr>
<td>Commitment</td>
<td>Commitment toward the necessities of the certificate.</td>
<td>The founders who have their businesses eco-certified try to remain dedicated to the label liabilities.+</td>
<td>×</td>
</tr>
<tr>
<td>Organizational culture</td>
<td>A responsible culture, as this study realized, is defined as stimulating an organizational culture that not only inspires the organization internally but can also contribute to building up awareness surrounding the company, namely, among tourists, public, and partners.</td>
<td>Such a culture results in active contribution of Archart in playing the role of a destination development company.</td>
<td>×</td>
</tr>
<tr>
<td>Organizational culture</td>
<td>An open and transparent approach to seek the individuals who have the best fit with their culture and organizational values.</td>
<td>Hunder and Auro define their culture as one that attempts to cherish and inspire employees to enhance their contribution in defining a company’s sustainable performance. “Every fall, …. we have new staff, …. I explain to them like a full day, …. their behavior, …. important that they feel that they are ‘Hunder,’ a business that thinks about sustainability so they have to do it, …. for me it is a way of living, …. so it doesn’t make any difference to think like that.” (Hunder)</td>
<td>×</td>
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<tr>
<td>Flat structure.</td>
<td>“It is in our bones, it is a culture in ‘Auro.’ If you should be working here, you should have this under your hood, …. we will be stronger together, it is a big team.” (Auro)</td>
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## Table 3 (continuation)

<table>
<thead>
<tr>
<th>Internal driver</th>
<th>Related theme</th>
<th>Examples (quotes)</th>
<th>SBM principles</th>
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</thead>
<tbody>
<tr>
<td><em>Internal</em></td>
<td>resources</td>
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<td></td>
<td></td>
<td>“I’d like to employ people that appreciate the whole thinking we have; ... we are attracting the people we want to hire, so it is not so much job for us going out searching for the right person.” (Archart)</td>
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<tr>
<td></td>
<td></td>
<td>“That is the uniqueness we have in our staff, ... they are locals, and we don’t have to carry them by airplanes and pay them high salaries.” (Auro)</td>
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<td></td>
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<td>“All of our guides should have arctic education from UiT” (Vegex, the founder), “my education is Arctic Nature Guide focusing on taking care of the nature.” (Vegex, the tour guide)</td>
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<td></td>
<td></td>
<td>“We don’t want to hire seasonal workers who have better skills than people from Alta, we prefer the locals.” (Auro) “It costs more money, but in the long run that’s worth it, ... we use our employees more than anybody else.” (Hunder)</td>
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<td></td>
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<td>The reliance on particular knowledge to develop the activities.</td>
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<td></td>
<td></td>
<td>Such knowledge is internalized through hiring the right people from local community. (Auro)</td>
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<td></td>
<td></td>
<td>The natural resources and the efficient usage of them.</td>
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<tr>
<td></td>
<td></td>
<td>Efficient usage of water and electricity, eco-efficient engines with less pollution, and short-distance traveling perspectives associated with procurement and employees.</td>
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<tr>
<td>Certificate</td>
<td>Being certified is not perceived as a significant driver toward sustainability.</td>
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<td></td>
<td></td>
<td>Out of the two certified companies (Hunder and Øya), one believes that holding this certificate is a means to evaluate and review the performance and resulted in making improvements, while the other states that this certificate did not impact their business significantly, as the procedures dealing with certificate and renewing it are more bureaucratic than a driver.</td>
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<td>Based on the other three companies not holding this certificate, two (Auro and Archart) do not believe that being certified can assist the businesses to transform toward sustainability. They argue that the certificate is more about formalities, a ‘bureaucratic exercise’ (Archart), and built upon definitions and assumptions that do not seem sound and solid (Auro). Additionally, Vegex postpones the certificate for the future to satisfy the upcoming customers who will demand such certificates since certificate would become increasingly crucial for the customers when choosing their tour operator (Vegex); thus, the founder does not point to the certificate as a driver.</td>
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</table>
Table 4. External drivers, their themes, and examples in terms of SBM principles.

<table>
<thead>
<tr>
<th>External driver</th>
<th>Related theme</th>
<th>Examples (quotes)</th>
<th>SBM principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourist segments can perform as either a driver or barrier. Three tourist segments are recognized as responsible, common, and irresponsible tourists.</td>
<td>Educating and increasing awareness.</td>
<td>‘Responsible tourists’ have serious concerns regarding sustainability, thus they require the company to operate in an eco-friendly manner. ‘Irresponsible tourists’ are described by Archart as the tourists who are actively seeking to take photos of very rare and endangered birds and animal species. This company tries not to expose these habitats, as it can cause animal and bird disturbance, forcing them to leave their habitats in which they have been living for hundreds of years. Vegex reflects upon ‘common tourists’ demands, saying that “the RIB boat is not eco-friendly compared to kayaking, but people still ask for such activities, …, [customers] don’t care about CO2 engines produce.”</td>
<td>×</td>
</tr>
<tr>
<td>The companies create sustainable value through educating the tourists about nature, animals, and the local community and shaping their behavior through increasing their awareness. In contrast, Vegex, which is not integrating relatively strong sustainability practices into its BM, explicitly mentions that the company does not have intention to educate the tourists.</td>
<td>Providing information and knowledge.</td>
<td>The purpose of the company is limited to keeping the tourists informed of different aspects without any educational purpose in the form of stories behind the places, nature, animals, local culture, the company’s sustainable approach, and activities to ensure a more authentic experience.</td>
<td>×</td>
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<td>Purposeful pursuit of practices focusing on nature and animal protection enables a company to present these habitats every year, as quite untouched. “It is a fragile habitat that has a bird life, …, we have chosen not to tell you about it and having that consciousness about where we advise people to go, that’s a huge part of the sustainability.” (Archart)</td>
<td>The natural environment.</td>
<td>Companies highly depend on establishing long-term relationships with local suppliers to make effective partnerships, although they could have the opportunity to receive the same materials with a higher quality from other suppliers (not local).</td>
<td>×</td>
</tr>
<tr>
<td>The key materials for developing activities and conducting the business in the long run.</td>
<td>Make contribution into the scientific knowledge pool.</td>
<td>Such contribution creates value for both society and environment via either initiating projects or active collaboration within the external research projects. Archart has launched a project focusing on bird conservation through establishing regional bird-ringing stations to both increase awareness across the community and contribute to the scientific knowledge.</td>
<td>×</td>
</tr>
</tbody>
</table>
### Table 4 (continuation)

<table>
<thead>
<tr>
<th>External driver</th>
<th>Related theme</th>
<th>Examples (quotes)</th>
<th>SBM principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actors-stakeholders</td>
<td>Cooperating with stakeholders to benefit them, engage with them, and encourage them to contribute to the SD of the destination.</td>
<td>“The sustainability is about how we are setting up the whole tourism scene to benefit the whole local community, and not just economically by supporting one big company.” (Archart) Auro also affirms that they follow a strategy in which newly established companies receive support as they have all the settlements and supply chain already in place in order to assist these newcomers in establishing their own networks.</td>
<td>× × × ×</td>
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<td></td>
<td>Companies are forced to adopt a sustainable orientation as receiving pressure from the partners with strong concerns.</td>
<td>Company has to adjust its perspective according to those partners to establish a continuous partnership; otherwise, the company might lose those partners.</td>
<td>× × × ×</td>
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<td></td>
<td>Company might decline some partnerships to maintain its sustainable performance or it may keep such a performance to attract the partners with mutual concerns.</td>
<td>Hunder and Øya, both have been certified, express the notion of being selective in terms of various stakeholders.</td>
<td>× × × ×</td>
</tr>
<tr>
<td></td>
<td>Arctic context raises the concern over the possible environmental degradation, harm, disturbance of animal and bird habitats.</td>
<td>Solutions that a company figures out to manage the negative impacts can create sustainable value for both the environment and upcoming businesses that may offer the same natural context.</td>
<td>×</td>
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<td></td>
<td>Carbon footprint of some activities and vehicles, thus the company is expected to seek ways to make the least amount of pollution as possible.</td>
<td>Archart strives to place the wind shelters at certain locations to guide birdwatchers through specific tracks in nature to make their patterns of moving predictable for birds. Archart also highlights that previously, they withdrew some of their wind shelters at particular locations after assessing the risk and harm. Auro stopped offering an activity that would cause harm: “we had one special product that we haven't started yet and probably will not, …, and it is ATV tours, …, doing trips in the nature, …, but we don't want to use those engines because they are destroying the nature, they make tracks that will not grow.”</td>
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<td></td>
<td>A lack of municipality support.</td>
<td>This challenge is expressed by two cases, as it puts the burden on the actors to enhance the sustainable performance of the destination (Archart). Auro commented that a lack of destination management organization (DMO) in Alta increases the actors’ responsibility to collaborate with each other and develop strategies for the region to establish a sustainable destination.</td>
<td>× ×</td>
</tr>
<tr>
<td></td>
<td>A lack of the specific knowledge required in developing an activity.</td>
<td>Auro overcame such a challenge through applying competencies from local partners and artists, because no competitor was willing to share such crucial expertise. Hence, a sustainable solution (social sustainability) to this problem resulted in hiring local artists to generate an authentic experience instead of employing art professionals from other parts of the world.</td>
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Driving Business Models Toward Sustainability in Arctic Nature Tourism

State and regulation

Regulatory pressure is underlined as a significant driver making the companies align their performance toward sustainability.

To keep operating, companies are obliged to consider all aspects of their business, as directed by regulations. Auro argues that the State has to approve related supplementary regulations to secure the sustainable performance of the whole supply chain, and the lack of such a regulatory system is thus emphasized.

Extended value creation

Three cases (Auro, Øya, and Archart) confirm the critical role of government in the SD of various destinations through launching various projects.

Sustainability orientation

Stakeholder integration

Systematic thinking

External driver

Related theme

Examples (quotes)

SBM principles

DISCUSSION

The results highlight the crucial role of the company’s founder as the salient driver. This is in alignment with what prior literature suggests (Andreini & Bettinelli, 2017; Bossle et al., 2016; Foss & Saebi, 2017; Rauter et al., 2017; Stampfl, 2016). Data analysis indicates that for a potential driver to be effective for developing a SBM, it needs to be accompanied by the founder’s cognition. Thus, how a founder interprets potential drivers influences decision-making in terms of the organizational response to the drivers and accordingly contributes to integrating sustainability in BMs (Foss & Saebi, 2017; Rauter et al., 2017).

Moreover, the significance of employee engagement and commitment is claimed by the interviewees, as is also confirmed by previous studies (Bossle et al., 2016; Rauter et al., 2017). In addition to the employees’ role as the foremost internal resource, the data highlight the practices related to efficient resource consumption as an internal driver, which is noted by Bossle et al. (2016) as well. Besides, the founders emphasize the supportive and responsible culture, which can markedly drive BMs toward sustainability and being internalized across the company to increase the employees’ awareness and inspire them to align their performance with the sustainable goals of the company. The organizational culture as an internal driver was similarly underlined by several scholars (Bossle et al., 2016; Foss & Saebi, 2017; Rauter et al., 2017).

As data analysis suggests, the certificate is not crucial as an effective internal driver because merely one case points to it as such. Thus, our findings are in contrary to the study by Bossle et al. (2016) stressing environmental certifications as an antecedent of eco-innovations. Not certificate, but founder, internal resources, and organizational culture are the salient internal drivers toward SBM. The findings also suggest that the founder’s time perspective defines how a company cooperates with various stakeholders including local community, how the founder perceives long-time relationships and issues that are to be tackled, and how a company deals with the tourists as an external driver.
Younger companies thrive on surviving and attracting as many tourists as possible to increase their market share in the short run; therefore, they are more prone to satisfy the tourists’ demands for desired activities, although it might be against the company’s sustainable goals. However, the companies with more explicitly sustainable goals do not mean to satisfy any tourists’ request, instead they remain committed to their sustainable orientation. In addition, such companies with stronger concerns prefer fewer tourists, who are responsible.

Additionally, through this research, different profiles of tourist segments are outlined, as well as how different segments can give us the ground to consider them as drivers; consequently, targeting responsible tourists can be perceived as a driver. Besides, Stampfl (2016) highlights that “the power of important customers can lead to business model changes” (Stampfl, 2016, p. 133), which is opposed to the study by Rauter et al. (2017). Similar to what Andreini and Bettinelli (2017) note about customer knowledge management that lead to transformations in BMs, current research concludes that increasing the tourist’s knowledge and awareness can result in creating sustainable value. Among all six external drivers obtained from the data, the tourist role has been emphasized substantially compared with other external drivers.

As prior research suggests (Bossle et al., 2016; Foss & Saebi, 2017; Rauter et al., 2017; Zollo et al., 2013), this study confirms that regulatory pressures can drive companies toward sustainability. However, as noted by two companies, a lack of support from the government leads them to take initiative toward sustainable orientation, as they have strong concerns regarding society and nature that make them go beyond obligations. Alternatively, other cases emphasize the crucial role of the government as both facilitator and promoter.

In addition to the aforementioned findings either confirmed or contrasted by prior literature, this study's findings point to some new external drivers. Among others, external resources can be perceived as drivers and encompass three different resources. The natural surrounding is stressed by most of the companies as the most significant resource that they rely on to generate activities. Additionally, the material, as the second important external resource underlying value creation for local partners, is contested by four cases. Contribution into the scientific pool of knowledge about animals and birds can also be regarded as an external driver toward sustainability. Furthermore, issues and challenges are understood as external drivers based on how a company strives to tackle such challenges through innovative solutions. Finally, market incentives as external drivers can underlie the sustainable performance of the companies.

The SBM principles have been applied as the theoretical framework to both design the research and analyze the data as they address minimum requirements of a SBM (Breuer et al., 2018). As portrayed earlier within Tables 3 and 4, various drivers depending on their role in meeting these four principles contribute differently in terms of integrating sustainability into BMs. Not all the drivers can contribute to all four principles. The more a driver can be applied to define a SBM through these principles, the more crucial it is. Furthermore, this research extends the previous classification of drivers from internal and external to the way that each driver contributes to meet the principles being deemed as the prerequisites of a SBM.

Most importantly, the data analysis suggests that BMs are driven toward sustainability differently depending on the sustainability concerns being integrated within them. The five cases show different extents to which sustainability can be integrated in BMs, and can be located on a continuum (Dyllick & Muff, 2016). Vegex is at the beginning of this continuum and very basic sustainability-related practices are embedded in its BM value logic as the main focus is on revenue maximization. This approach is called by Dyllick and Muff (2016) as “Refined Shareholder Value Management,” as the company is mainly driven by the factors that either provide economic value or originated from regulatory pressures, hence being more prone to pursuing short-run financial objectives because sustainability practices are perceived as costly and not as beneficial as such short-term objectives (Dyllick & Muff, 2016, p. 156).

Proceeding through the presumed sustainability continuum, Hunder and Øya can be considered together in next higher place that is named ‘Managing for the Triple Bottom Line’ by (Dyllick & Muff, 2016, p. 156). They integrate sustainability more deliberately into their practices more than Vegex does, both are certified and expected to adjust their performance in terms of determined indicators. They have specified stronger concerns regarding nature and society, and hence are driven by objectives beyond pure economic value such as the intention to educate tourists and being selective when building their networks.

Finally, placed at the end of this continuum, both Auro and Archart are understood to be ‘true’ SBMs, as they convert the sustainability issues into opportunities to make positive contributions to the nature and society (Dyllick & Muff, 2016, p. 156). Auro is occupied with the social aspects of sustainability more than the previous cases; in particular, social value creation is mentioned as the most important contribution of Auro to sustainability and its main competitive advantage. Therefore, creating value for the society and stakeholders within the network is deemed as the most dominant driving factor for Auro. This company mostly takes the initiative in creating sustainable value rather
than being oriented by external pressures. In addition, the main concern of Archart is developing products in the form of solutions to overcome sustainability-related challenges. Archart was established to grapple with a sustainability-related challenge within the community (lack of prosperity) with a solution (nature-based architecture) that is built upon the opportunities at the bird-watching destination. Apart from that, this company is organized based on the founder's strong concerns in a way that sustainability is embedded within all aspects of the BM, and consequently driven toward sustainability mostly through the drivers that are not inherently economic-based.

Indeed, it can be concluded that some drivers are mostly linked to BMs with stronger concerns; e.g., the more a company has stronger sustainability concerns, the more the tourists and the intention to increase awareness can result in driving BMs. In addition, contributing in determining solutions to the challenges is associated with the stronger concerns that were reported by Auro and Archart (‘true’ SBMs), which also demonstrated high consciousness over their activities and possible harms. All the companies were asked to reflect upon whether they have realized any potential negative effect resulting from the activities that led to withdraw them. Such issue was admitted only by Auro and Archart that tackled it previously by terminating a product or activity; the rest of the companies believed that their activities have no unwanted footprint on the nature and community.

Furthermore, each single driver can perform differently within several BMs, depending on whether pursuing proactive or reactive strategies. For instance, concerning the findings about ‘cooperation’ with stakeholders, as an external driver, when either companies (inside-out) or their partners (outside-in) take initiative, it can generate the stimulus for creating sustainable value. In the former stance, mostly companies with stronger concerns indicate such initiatives, whereas the latter is affirmed by the companies that have to respond reactively to the pressures. Earlier studies (Andreini & Bettinelli, 2017; Bossle et al., 2016) acknowledge the relevance of cooperation through network that can drive BMs; nevertheless, the relevance of this component with regard to different BMs and how they are stimulated from either inside or outside was not clarified.

**CONCLUSIONS**

This qualitative research was conducted within Arctic nature tourism through exploring five BMs located in northern Norway and aimed to thoroughly investigate the drivers underlying the development of SBMs to determine how BMs are driven toward sustainability.

Based on data analysis, four internal and six external drivers are identified as significant regarding transforming BMs toward sustainability. However, all five BMs are not driven toward sustainability through all 10 (internal and external) drivers; the companies are driven toward incorporating sustainability into BMs differently. BMs with stronger embedded sustainability are driven mostly by their founder's initiatives following the proactive perspective, whereas the BMs with weaker focus on sustainability respond reactively to the external pressures that can also result in generating economic value. Consequently, the latter BMs are stimulated by the drivers that are either perceived as an external pressure or guarantee financial value in short-run, whereas the former BMs are driven beyond the creation of financial benefits.

The current study is limited to five cases in Arctic. Considering that these small companies mostly attempt to survive by primarily offering winter tourism and not confronting mass tourism in rural peripheral areas, the whole tourism scene, strategies, and BMs might be different in larger sectors or other locations not known as peripheral. Therefore, the distinguished drivers and how they can transform BMs toward sustainability would be regarded as context-dependent. Thus, more research is demanded to shed light on larger sectors across the hospitality industry, with more involved actors, higher competition, and specific regulations.

Finally, this research has not found enough convincing evidence regarding certificate as a driver, which could be due to the small sample that are performed within a very particular context. Considering that there is a growing interest both among the policy-makers and companies for such labels, more research is required to clarify different aspects of these certificates, and how they can be employed and defined to ensure that sustainable performance will be delivered.

**Managerial and practical implications**

Managers can apply this research's findings to comprehend better the drivers either internal or external behind SBM development. Considering that the SBM principles are minimum necessities of establishing a SBM, a focus on the drivers that reach greater number of principles might facilitate the shifting toward development of the BMs, which make effective contributions in SD.

The findings also suggest that a company should think strategically to ensure resource viability in the long run. Although companies are under financial market pressure to make their horizon shorter, all business aspects have to be contemplated beyond pure financial goals to make an...
effective contribution to SD, which demands integration of short- and long-term goals (Dyllick & Muff, 2016).

The results reflect practical implications for governmental organizations and policy-makers. Considering that various eco-labels are designed to enhance sustainable performance of businesses and destinations, the current study does not find enough decisive evidence to account for its significance to be perceived as a driver. Thus, more attention should be dedicated to the eco-labels, their definitions and requirements. Furthermore, the government’s role was referred by the cases as both facilitator and promoter; this means that the BMs with weaker internal motivations require the government to take action in facilitating their sustainable orientation.

ENDNOTE
1. Retrieved from one of the interviews.

REFERENCES


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