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Editorial

Tourism in all its shapes reflects the world we live in with all its increasingly brisk changes and unpredictability. Changes are present in the area of demand as well as supply. In the former area, the process of intensive segmentation together with the appearance of new segments of tourists can be noticed. Customers are becoming increasingly demanding as well as environmentally and socially conscious. The area of supply has been boosted by the fast technological progress, which has opened new opportunities for the development of previously unimaginable tourist offer. Inability to move forward from the old-fashioned tourist offer and the failure to respond to challenges cannot lead to successful and sustainable development of tourism businesses and destinations. Innovations in a broad sense of the word in the area of tourism and the activities related to it are thus not only a tool for differentiation and competitive advantage increase, but a cornerstone of a long-term survival of tourism suppliers.

In the present issue of *Academica Turistica - Tourism & Innovation Journal*, we offer you creative approaches and solutions in the fields of rural tourism, environmental ethics and increasing destination competitiveness with the levers of economic policy. In addition, we touch upon responsible and professional tourism valorisation in ecologically sensitive environments, as well as understanding and managing the motivation of those employed in tourism industry.

DR. GORAZD SEDMAK

Editorial committee member

Rural Tourism, Rural Economy Diversification, and Sustainable Development

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Abstract

This paper provides an overview of patterns in farm, agro and rural tourism development in a way of farm, agro and rural economy diversification to achieve economic and environmental sustainability. The importance of rural tourism in the rural economy is increasing by farm, agro and rural economy diversification addressing its multifunctional development. The European Union policies are targeting both, farm and agro diversification as well as rural economy diversification. Farm, agro and rural entrepreneurship are seen as an effective means promoting rural economy development and its long-term sustainability.

Key words: European Union policies, rural tourism, farm diversification, multifunctional development, entrepreneurship, destination marketing

1 Introduction

Rural and farm-based tourism in Europe has a long-tradition (e.g. Sharpley and Vass, 2006). During the last fifteen years rural tourism development and farm diversification into tourism have been strengthened by few factors. Firstly, with the decline of the direct relative economic importance of agriculture in the economy, agriculture is on one side becoming more specialized to gains efficiency and competitiveness from economies of scale, but inter-sector diversified to gains efficiency and additional incomes from economies of scope in providing multifunctional activities on the other. Among the latter diversified and multifunctional activities is tourism on farm, which gains in the importance in locations with several natural, cultural and some other attractions endowed rural areas. However, rural tourism in most European Union (EU) countries is seen in a broader context of rural economy diversification rather than farm diversification to generate additional employment and incomes (e.g. Peña and Jiménez, 2004 for Spain as well as for some other EU countries). In most of developed EU countries, the importance of rural tourism in the rural economy employment and incomes is greater than the role of agriculture (e.g. Hill *et al.*, 2005 for the United Kingdom - UK). Secondly, with transition from a central planning to a market economy and associated farm and agricultural restructuring, in most of the New Member States of the EU from Central and Eastern Europe, rural and farm tourism have become a new market niche, which was underdeveloped during the previous system (e.g. Bojnec, 2004; Rozman *et al.*, 2009). The supply of rural- and farm-based tourism in most of these countries is determined by demand-side factors, but also by entrepreneurial spirits in rural areas, farm diversification and even farm specialization into farm or agro tourism due to new marketing opportunities, farm-employment, income and similar reasons. Thirdly, the reform of the Common Agricultural Policy (CAP) of the EU has stipulated shifts from market-price support measures towards direct payments and rural development providing new opportunities and challenges for more environmentally friendly and bio-production, but jointly with the new

rural development policies supporting multifunctional development, particularly rural and farm tourism development. Finally, development of rural tourism is a priority for most of governments of the enlarged EU. In an absence of a specific sector policy for tourism development in the EU, this is a challenge for policy makers to encourage, complement and support local actions in tourism development, investment and similar activities in the tourist sector development, activities associated with culture, sports and other hospitality and leisure activities in rural areas where in the world tourist markets there is a continues increase in demand for recreation, leisure and tourism (e.g. Tribe, 2005).

The paper focuses on private entrepreneurship in rural areas with examples of good practices in entrepreneurial investment and business activities, marketing and quality in product diversified tourism development in the rural areas. To promote development of ideas and good practices is only initial steps in some remote and less developed EU countries in a way to develop rural capacities by promoting cooperation between EU member states and exchanges of good practices (e.g. Armstrong and Taylor, 2000). However, the most important is the development of rural service economy, where tourism in several rural areas can be an engine of recovery to tackle rural incomes decline and depopulation in rural areas. The paper draws attention to rural tourist destination development applying advance managerial, entrepreneurship and marketing activities with brand product development, joint promotion and marketing activities in rural areas where are rural tourist attractions and rural tourists' strengths to be developed in more diversified rural tourism based economy, which part of it is a farm or agro tourism development. Issues of entrepreneurship underlying innovative approaches in farm and rural tourism development are examined with respect to the segmented rural tourist products such as wine tourism development as opportunity and challenge in product diversification and product mix in rural development, which require developing new managerial and entrepreneurial knowledge and skills in rural areas. These issues are also related to environmental

policies, protection of rural identity, and landscape in rural development and sustainability goals in the context of rural communities for tourism development (Jurinčič and Bojnec, 2009).

2 What is rural tourism and how important it is?

Rural tourism in its long tradition in Europe occurred in reach naturally endowed environment such as in the Alpine and Mediterranean parts of Europe as well as most recently all over the rural areas in Europe (e.g. Hummelbrunner and Miglbauer, 1994; Oppermann, 1996; Sharpley and Vass, 2006). There is some confusion in literature on use of terminology and meaning of rural, agro and farm tourism. Most of theoretical and empirical work on rural tourism has been conducted so far among specialists and scholars dealing with subjects on recreation, leisure and tourism (e.g. Nillson, 2002; Sharpley and Roberts, 2004; Sharpley and Vass, 2006), but recently also by agricultural economists (e.g. Snowdon, 2005). Whereas in literature there is much clearer distinguish among much broader rural tourism and more narrow tourism on farm, the terminology and practical meaning among EU countries vary considerably due to different tradition, nature of rural, agro and farm tourism, and different associated tourist supply, social events and their providers (see also European Commission, 2006). Rural tourism is a broader term and differs from agriculture, forestry and fishery. Rural tourism as a diversification of rural economy provides opportunities for expanding rural economic activities, generates an influx of money from urban areas and from abroad, and maintains the service base in the region. Farm tourism is a part of rural tourism, which is often based on tradition, nature and social tourism. As it is illustrated in Figure 1 below, rural tourism covers much more than only farm or agro tourism. Tourism on farm is limited to the existing declining number of farms that have seen its farm diversification efforts into tourist activities as employment and income opportunity. Agro-tourism besides tourism on farm covers also other tourist activities that are related to activities of agriculture,

food processing, forestry, and similar. Rural tourism captures tourism on farm and other agro-tourist activities, but particularly the most significant part of rural tourism are tourist rural recreational, leisure and other tourist service economy activities with significant multiplicative effects on the other rural economy activities. In several places around Europe and the world, rural tourist recreational, leisure, and other tourism activities such as business tourism, religious, health and some segmented tourist supply represent the most significant part of the rural economy that provides not only tourist accommodation facilities, but particularly different opportunities for health, leisure, sport, culture, business and similar activities and tourist events for domestic and foreign tourists, visitors and residents from urban and rural areas.

Figure 1: Farm, Agro and Rural Tourism



Rural tourism, agro tourism and farm tourism differ in territory characteristics, in service provider characteristics, main offered product, and additional offered products. According to the territory characteristics, rural tourism is situated on rural territories with natural and cultural attractions such beautiful lakes, mountainous, natural forestry parks and similar, whereas agro-tourism is situated on agricultural territories such agricultural land, meadows, pastures and forest land, and farm tourism is situated on farmer's farm and its environment. Similar, differences are in the service providers. Rural tourism is supplied by different profit enterprises and non-profit oriented organizations in rural community and rural areas. Suppliers of agro-tourism are farmers and their organizations, whereas tourism on farm is supplied by owners of tourist farms and their associations. Flescher and Tchetchnik (2005) for Israel argue that rural tourism enterprises are an alternative to agriculture as rural tourism enterprises on working farms differ from such enterprises without agricultural activity. More

specifically, according to them, the farm activities on a working farm are of no value to the visitors, but farmers are likely to benefit from farm diversification into tourism at such farm by using labour more efficiently. More rural than farm diversification is important for rural tourism development where important is concentration of tourist suppliers and attractions that create positive beneficial externalities for a single supplier and for rural tourist destination. Therefore, there are also differences in main tourist attractions and associated main offered tourist products and services. Main offered product of rural tourism is rural environment with natural and cultural tourist attractions, sports and recreational activity that are basis for rural holidays. In agro-tourism, main products are those of farms, rural way of life, rural holidays, and trades of agro-food products. Main distinguish product of farm tourism has been life in farmer's farm, but has been changing over time as several farms are recently offering only accommodation and some of them specialized in wellness tourism. As the additional products that are offered and promoted in rural tourism there are holiday villages, rural hotels, private houses, camping sites, eating places, tourist and other shops, interesting places, and providing tourist information and similar tourist services. In agro-tourism, additional offered products and particularly tourist places are lodging at active farms, agricultural companies, meal places, and shops of recreational goods. Among additional products on tourist farms are lodging at active or traditional farm, board of farm products and different recreational activities as well as some other social and cultural events. Rozman *et al.* (2009) assessed tourist farm service quality for a sample of seven tourist farms in Slovenia. They employed a multi-criteria modelling methodology for ranking tourist farms to assess service quality. They found that farm tourism is a significant source of supplementing farmers' incomes.

According to the statistical definition of economic activities, which is based on the Eurostat's NACE (in French: Nomenclature Generale des activites economiques dans les Communautes Europeenes) classification, rural tourism activities are mostly included into H-activity covering hotels and restaurants,

including all kind hotels and restaurants in rural areas. On the other hand, a part of rural tourism, which represents tourism on farm as well as agro-tourism as a supplementary farm activity, is mostly included into A-activity covering agriculture, hunting and forestry, and B-activity covering fishing. The NACE classification provides possible statistical comparisons between urban and rural areas, comparisons between countries, and comparisons over time. Besides statistical nature and comparison purposes, the NACE classification of economic activities has served as a basis for different taxation policies within countries, different investment and some other economic policies across NACE activities. According to EU specific sector policies, greater preferences so far have been granted to the activities A and B from CAP than to other rural economic activities (*e.g.* Hill *et al.*, 2005). However, to achieve greater synergies and efficiency in rural economy development there is a greater need for interdisciplinary work and cooperation in rural tourist destination development as well as in general rural development and local employment development.

Therefore, diversification efforts of rural economies and creation of new jobs in rural areas have been supported by EU policies. Hill *et al.* (2005) argue that greater or majority of EU financial flows to rural areas have been directed towards agriculture. Such development streams have been questioned by several researchers as agriculture represent minor role in the rural economy, whereas most recently, for example rural tourism and service economy represent the most significant part of rural economy in most of developed parts of the EU. Rural tourism development is based on different factors of local development and thus has become one of the most significant factors of rural employment development. These rural factors of tourism development include various natural endowments, landscape and spa tourism, rural heritage and cultural factors, social events, green and eco-tourism. Besides this, rural areas and villages are becoming favourable place for living, demanding different tourist offers and thus providing opportunities for rural tourist supply development. As can be seen from Table 1, the occupational composition by the industry sectors between urban and rural

areas in developed EU countries such as England is rather similar. The most significant single sector in the rural economy is branch distribution, hotels and restaurants, followed by public administration, education and health; manufacturing; and banking, finance, insurance and similar. It is interesting to note that agriculture and fishing are among the least significant branches in the rural economy in England. Only in energy and water supply are employed less people than in agriculture. In the primary sectors, manufacturing and construction there is employed less than one-fifth in urban areas and less than a quarter in rural areas. The majority of employed in urban and rural areas in England are in services where rural distribution, hotels and restaurants play a considerable direct role in the economy as well as indirect multiplicative role on other sectors such as transport and communications, banking finance and insurance as well as on agro-food sector, which supplies food, but might supply also environmental and similar services to health, leisure, and tourist activities.

Table 1: Rural-urban employment by sectors in England, 2002 (%)

	Urban	Rural
Agriculture and fishing	0.3	2.6
Energy and water	0.6	0.8
Manufacturing	12.7	15.4
Construction	4.2	5.1
Distribution, hotels and restaurants	24.1	26.7
Transport and communications	6.5	5.2
Banking, finance and insurance, etc.	21.9	15.1
Public administration, education and health	24.3	24.1
Other services	5.3	5.1
All	100.0	100.0

Source: Hill (2005, p. 62).

3 Farm, agricultural, and rural economy diversification into tourism

Rural tourism represents primarily rural economy diversification where rural tourist and associated service activities create jobs for redundant labour on agricultural farms and for rural and other jobs' seekers. These new jobs require different knowledge and skills than agriculture, thus creating new demands in rural economy for education in changing rural economy structures. Agricultural and farm diversification is often a process, which follows the overall process of rural economy diversification. Multiple-job holding in rural communities, part-time farming, forestry, fishery and aquaculture occupations, and other multifunctional activities on farms diversify farm employment and incomes (e.g. Dickey and Theodossiou, 2006; Rozman *et al.*, 2009). If a farm is situated close to rich endowed natural, cultural and similar attractions, this often provides opportunities for farm diversification in tourism on farm. Besides supply side factors and entrepreneurial spirits in rural areas, rural, agro and farm tourism developments are associated with demand-side factors of emerging new market demand niches. Farm, agro and rural tourism development are also promoted with the CAP reform with a shift of supports from market-price supports toward rural development, environmentally friendly and bio-production. Multifunctional rural and farm development go in line with rural and farm tourism development. Rural, agro and farm tourism are on one side important for rural and farm employment and incomes, but on another side they are important for leisure and tourist activities of tourists. Rural tourism is also a priority for most of national governments in EU. Local development requires local actions, investment and similar activities. Therefore, promotion of rural, agro and farm tourism is becoming a part of national wide promotion campaigns related to culture, sports and other hospitality and leisure activities in rural areas.

However, farm, agro and rural tourism activities vary considerably across EU countries. In general farm

tourism is as an alternative to mass tourism where important are local conditions for rural tourism development and farm locations. There is evolution in trends in rural and farm tourism developments. Rural tourism is becoming global and thus there are similar patterns in development as in tourism in general, but with much greater preference on environmental and ecological issues. Tourism on farm is also losing its ideological background. Most recent developments are that there are not necessary special activities for the guests at the farm and development of wellness tourism. This means that also tourism on farm tries to imitate from some general patterns in tourism development or even offer some innovative approaches related to farm and village life. In most of EU countries different categorization of tourist farms are introduced, making quality categories and quality price differentiation. In general, they might still provide (inexpensive) accommodation in the farmhouse or in farm apartments, which is often the responsibility of the “farmer’s wife”. However, there is an ongoing quality market segmentation as well as specialization among tourist farms towards specific market niches.

Networking between the tourist farms and between tourist farms with the tourist economy is organized differently by EU countries and tourist destinations due to differences in importance of tourist farms and rural tourism, and organizational features by EU countries. Among major determinants of demands for rural and farm tourism are richness of attractions and locations as well as value of money for quality of tourist services. Except of some attractive locations, tourist farms experience less than average length of visitors’ overnight stays and lower occupancy rate of tourist beds (*e.g.* Peña and Jiménez, 2004; Bojnec, 2004). Farm tourism is also less widespread and important in world-known tourist destinations, but there is an opportunity to be better integrated with them. Tourist farms aim to explore advantages in a wider tourist destination as a reason for their rapid growth in different forms such as excursion farms (warm and cold meals and beverages), tourist farms with accommodations, self-catering homes with tourist beds, wellness, and similar. They are investing in physical tourist capacities, but also in

a staff education (knowledge of languages, computer and Internet knowledge), product development, quality upgrading and classification scheme, and promotion. Nevertheless, farm tourism is growing also due to favourable economic policy and government support measures towards its development such as preferable taxation, other fiscal and investment treatments. Farm tourism businesses is often defined as a supplementary farm activity (and less often as an independent entrepreneur as in any other economic activity) with crucial importance of different sales channels, particularly sales to tourists and visitors at the farm. However, such policy measures may discriminate farm and agro tourism from other rural tourism and small tourism businesses in villages: inns, small family-run hotels and village restaurants. Rural tourism is considered widely as thermal spas and health resorts, natural environment and natural attractions, cultural and historical attractions, heritage and crafts, but also related to agricultural products, various agricultural and sport activities in the countryside. Rural, agro and farm tourism are promoted by individual businesses, by joint promotional, marketing, advertising and information activities of their national or international associations as well as by a country-wide tourist campaign, the Internet, intra- and cross-border cooperation.

4 Rural, agro, and farm tourism entrepreneurship, and sustainability

The growth of rural, agro and farm tourism is related significantly to entrepreneurship and innovative approaches in enhancing tourism development attracting particular tourist segments and visitors spending for rural tourist markets (*e.g.* Kastenholz, 2005). There are many examples of good practices across EU countries. We are referring to the surveys conducted using written questionnaires in wine tourism development in Slovenia (Bojnec and Jurinčič, 2006a, 2006b; Jurinčič and Bojnec, 2006) as well as in comparison of Slovenia and Croatia, which is a candidate country for EU membership (*e.g.* Bojnec, Jurinčič and Tomljenović, 2006, 2007). Farm and agro tourism are an opportunity and

challenge in product diversification that require developing new managerial and entrepreneurial knowledge and skills in rural areas. Rural tourism is a challenge for rural diversification and broader rural economic development.

Examples of good practices are often used to present analysis and disseminate exchanges of good practices in rural, agro and farm tourism within and between EU members as well as candidates for EU membership promoting cooperation between EU member states (e.g. Bojnec, 2004). Whereas in developed part of the EU private business is very familiar and keen operating in a competitive market environment and efficient in internalization of EU and other policies, there is less so in some less developed rural areas, particularly in some new members states of the EU. In the latter might be some needs for awareness among policy makers to encourage entrepreneurial activities in rural areas. However, setting up of private business and its operation in product diversified rural tourism development is solely a decision by private businesses and other similar business organizations.

The enlarged EU provides opportunities for growth in tourism demand. So it is also a challenge for rural, agro and farm tourism to take a part in this increasing cross country tourist flows. On rural tourism business is to apply proper managerial, entrepreneurship and marketing activities as well as recognized brand products that can be promoted and marketed for the benefits of rural areas.

Finally, farm, agro and rural tourism development are in cohesion and synergy of EU policies, which are broader importance for sustainable long-term development: environmental policies, protection of rural identity and ways of life, landscape in rural development and heritage, and sustainability goals in the context of rural communities.

5 Conclusion

Farm tourism pluractivity is seen as an opportunity for farm employment and income diversification. Often in behind of these processes have been seen gender issues within the farm business providing employment for women on the farm, but most recently farm tourism specialization is becoming a family farm business. Farm tourism is a part of agro-tourism, but both of farm and agro tourism represent only a part of rural tourism, which in several rural places in Europe as well as in some part of Australia, New Zealand, the United States of America and Canada is becoming one of the most significant single economic activities in the rural economy. Therefore, rural tourism is much more than farm or agricultural diversification, but more specifically, it is the rural economy diversification efforts to develop rural economy from primary-manufacturing based into the service-based economy.

The paper contributes to the conceptualization of the framework to investigate causalities and synergies between rural tourism, rural economy diversification, and sustainable development. This can be further developed by empirical survey studies, which are indicated in the paper. This can be important for further development of rural tourism science as well as for practice. The EU structural, cohesion, rural development and other territorial development policies have played significant role in rural economy diversification towards service based economy. The strengthening of territorial factor endowments to establish more efficient productive system in rural areas and the role of knowledge based economy in the local economic development are ongoing processes of the EU rural economies transformation from agrarian-based into tourism and service-based economy. The crucial role of knowledge institutions is seen similar as in urban areas as rural economy and remote villages have become part of a global competition and virtual economy using advanced information and communication technologies in every day businesses, marketing, promotion and similar activities. However, peripheral areas and their problems such as scarcity of the resources, both material and immaterial, are still more widespread in rural

areas. Therefore, local in global space and innovation in periphery require targeted investments and other policy approaches where local entrepreneurial spirit and initiative from farmers, local entrepreneurs and people living in rural areas remain the most crucial in local development, including in farm, agro and rural tourism, which attractive locations and businesses are also becoming in an interest of global business investments. These are also issues for future in-depth research on rural tourism, rural economy diversification, and sustainable development.

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Strategic Management of Cultural-Tourism Resources

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Abstract

Cultural tourism comprehends physical visit to a cultural institution and incorporates the dimension of social contact with local residents. Cultural tourists are in their traveling motivated by cultural-tourism resources including culture of a particular population and destination, their tradition, meeting different lifestyles, and visiting material cultural heritage ...

Within cultural tourism, tourists search for authentic experiences affecting cultural-tourism resources. Cultural resources represent potential tourist resources. With transformation of cultural resources from potential into real ones, cultural resources become tourist resources, with positive and negative impact both of tourism and tourists. Therefore strategic management of cultural-tourism development is indispensable, as non-planned use can generate irreparable damages to cultural resources.

This work emphasizes general characteristics of cultural tourists, their differences and motivations in visits to cultural locations and sights. The impact intensity effect of host-tourist relation is stated according to the economic development, social structure aspect, and cultural aspect of population.

Key words: cultural tourism, cultural resources, sustainable development, strategic management

Introduction

Culture has been recognized as the ideal means of leisure destination tourism offer differentiation in all countries, particularly in those rich in cultural resources.

The key element of cultural tourism development can be observed in high demand grow in cultural contents during tourist traveling. According to the United Nations World Tourism Organization (UNWTO),¹ 37% of international traveling include some forms of cultural activities, with the annual growth of 15%. Furthermore, cultural tourism development encourages the growing interest in authentic cultural experiences both in domicile and in tourist’s traveling.

The very essence of cultural tourism consists in the growth of the key demand element – tourists that, inspired by culture, accumulate new adventures, experiences, and knowledge. The decline in mass tourism popularity by means of cultural tourism development promotes and intensifies the growth of individual traveling oriented towards selective tourism segments.

1 Impact of Cultural Tourism Development on Cultural-Tourism Resources

In addition to the classical 3S (sun, sea & sand) model offered by mass tourism, cultural tourism enables successful implementation of the 3E (entertainment, excitement & education) model. Cultural tourism enables introduction of tourists to customs, tradition, gastronomy, i.e. to all cultural resources of local inhabitants. Various forms of cultural resources reflect one or more local inhabitants’ lifestyles.

Table 1: *Typology of tourists and their impact on cultural-tourism resources*

Types of Cultural Tourists	Cultural Tourists’ Impact on Cultural-Tourism Resources
General	Strong
Specialized	Weak

Source: author’s individual elaboration

¹ www.unwto.org , 06.12.2009.

Cultural tourists’ typology can comprehend both general cultural tourist and specialized cultural tourist.² When characterizing the general cultural tourist, we could describe him/her as a type of tourist that visits various towns, geographic regions, and engages in various already mentioned forms of cultural experience within a tourist destination. With curious visits to particular forms of cultural life he becomes introduced to cultural heritage of a certain community. When visiting various sights, general cultural tourist compares already obtained experience and knowledge with formerly visited sights. Specialized cultural tourist is defined as the one that commits to and visits regularly the chosen sight or a cultural resource. Motivation for cultural tourists’ visits to a culturally rich destination can also be differentiated. Casual or accidental cultural motivation of tourists occurs in cases his/her visit to a destination is primarily motivated by other interest rather than culture and its resources. Culturally motivated tourist places cultural heritage of the destination in the centre of his primarily traveling motivation. Beside the already stated diversities of cultural tourists and their cultural motivation, they affect the destination with their arriving into, i.e. they “impact” either positively or negatively the cultural resources. Cultural tourism includes physical visit to a cultural institution and consists of a social contact dimension with local residents. Early in the 70s both socio-cultural benefits and damages were accentuated and anticipated by various authors (Table 2.).

Every form of tourism economic development collides with their influence on social aspects of structural and cultural population aspects. The consequences of the host-tourist contacts result both in social and cultural changes. The importance of direct socio-cultural impact associated to the cultural tourism development will be also determined by the difference in socio-cultural characteristics between residents and guests.

Intensity impact mutual activities host- tourist, according to Inskeep, depends on their socio-cultural differences, which are reflected in the following aspects.³

² Jelinčić, D. A., (2008): *Abeceda kulturnog turizma*, Meandar, Zagreb, p.47
³ Magaš, D., *Menadžment turističke organizacije i destinacije*, Sveučilište u Rijeci, Fakultet za turistički i hotelski menadžment Opatija, Adamić, Rijeka, 2003

Table 2: *Socio-cultural tourism benefits and damages*

Socio-Cultural	
Benefits	Damages
<ul style="list-style-type: none"> - growth in general educational level - promotion of peace and understanding <p>Abolishes:</p> <ul style="list-style-type: none"> - language bearers - socio-cultural bearers - class differences - race prejudice - political differences - religious differences - sexual differences <p>Promotes:</p> <ul style="list-style-type: none"> - protection of heritage and tradition - value of proper and other cultures 	<ul style="list-style-type: none"> - lack of understanding and conflicts - generates stereotypes - xenophobia - social pollution - culture, religion, and art commercialization - demonstrational effects - brakes families - prostitution, conflicts, criminal

Source: Jokić, B., *Turizam u sociokulturološkoj perspektivi: čitanka s izborom tekstova, Mikrorad d.o.o., Zagreb 1997, p. 26*

- basic values and logical system
- religiosity
- custom lifestyle
- behaviour patterns
- dressing modes
- free-time use
- attitude towards strangers.

The greater the socio-cultural tourist-host differences, the higher become the possibilities of impacts on cultural resources of local inhabitants. The positive socio-cultural impact comprehends the preservation of antique monuments, historical sights and structures, and can, if cultural heritage of the destination is appreciated by tourists, result in more developed local community activities for better relations regarding its heritage. On the contrary, negative socio-cultural impact can result as the consequence of incorrect strategic managing of the destination cultural tourism development.⁴

Along with socio-cultural differences, tourist impact on local inhabitants largely depends on the number of tourists present within the destination, and on tourism seasonality. The greater the number of tourist within the destination, the greater becomes their impact on local inhabitants, culminating during the high season when their pressure on the chosen destination becomes

4 Author's elaboration according to ibidem, p.38

greatest which all increases the danger of demonstration effect.⁵ Effect of demonstration is resulting from close interaction of persons from different cultures, which, consequently, brings to various changes in social values. In order to avoid social value disturbances, the number of tourists must not surmount the tolerance level of each particular destination. In this context the capacity limit for any particular area must be established. Capacity limit represents the level of tourist presence with positive impacts on domicile inhabitants, surroundings, economy and tourists, and is also sustainable in the future.⁶ It should be taken into account the length of stay and the characteristics of tourists, geographical concentration of visitors, and level of sensibility.

When two different cultures meet, conflicts emerge easily. The following typology of conflicts is differentiated by Robinson:⁷

1. tourist – host conflict
2. international tourism operators – receptive country conflict
3. conflict emerging from false marketing

5 Lickorish, L. J. and Jenkins, C. L., *Uvod u turizam*, Ekokon, Split, 2006, p. 108

6 Magaš, D., *Management turističke organizacije i destinacije*, Sveučilište u Rijeci, Fakultet za turistički i hotelski menadžment Opatija, Adamić, 2003, p. 32

7 Jelinčić, D. A., *Turizam vs. identitet – Globalizacija i tradicija*, Etnološka istraživanja, Vol. 1, No. 11, Etnografski muzej Zagreb, Zagreb, January 2006, p. 162

4. conflict between different receptive country sectors.

The most significant among them is the conflict between the tourist and his host, as it depends on various factors: number of tourists, length of stay within the destination, willingness of tourists to adopt to the lifestyle of local inhabitants, as well as on the development level of the tourism destination, as the more developed tourist destination is prepared to accept tourists more willingly and with less resistance. Conflict originating in contacts of tourists with their hosts was originally measured in 1975 by Doxey, who developed the scale of following relation indexes:⁸

1. euphoria level resulting from tourism development and in welcoming tourists
2. apathy level originating when tourists are taken for granted, and only as the source of income
3. irritation level growing out of a number of tourists which exceeds the point of saturation and burdens their hosts
4. antagonism level resulting from hosts regarding tourists as the carriers of everything bad
5. final level originating as the result of tourism development resulting in all former levels.

In order to avoid the conflict between tourists and hosts, or at least to reduce it to the minimal possible level, tourists must be informed and educated. In this context, in year 1988 A Code of Ethics for Tourist (Table 2) was proclaimed by Ecumenical Coalition for Third World Tourism (ECTWT), consisting of 11 rules of behavior, in order to get acquainted with different cultures during traveling but consequently not to interfere with local inhabitants and not to reduce cultural value different from their.

With adequate tourists' behavior within a specific tourist destination, which includes implicitly introduction of local inhabitants' culture, together with adaptation to and consideration of their ways of life, the possibility of host-guest conflicts will diminish, and therefore the impact of tourists' behavior on the overall culture will minimize.

⁸ Cooper, C., Fletcher, J., Fyall, A., Gilbert, D., Wanhill, S., Ekonomija turizma: načela i praksa, Ekokon d.o.o., Split, 2008, p. 179

Table 3: A Code of Ethics for Tourists

A Code of Ethics for Tourists	
1.	Travel in the spirit of humiliti and with a genuine desire to learn more about people of your host country. Be sensitively aware of the feelings of other people, thus preventing what might be offensive behavior on your part. This applies very much to photography.
2.	Cultivate the habit of listening and observing, rather than merely hearing and seeing.
3.	Realize than often the people in the country you visit have time concepts and thought patterns different from your own. This does not make them inferior, only different.
4.	Instead of looking for that "beach paradise", discover the enrichment of seeing a different way of life, through other eyes.
5.	Acquaint yourself with local customs. What is courteous in one country may be quite the reverse in another – people will be happy to help you.
6.	Instead of the Western practice of "knowing all the answers", cultivate the habit of asking questions.
7.	Remember that you are only one of thousands of tourists visiting this country and do not expect special privileges.
8.	If you really want your experience to be a "home away from home", it is foolish to waste money on travelling.
9.	When you are shopping, remember that the "bargain" you obtained was only because of the low wages paid to the maker.
10.	Do not make promise to the people in your host country unless you can carry them through.
11.	Spend time reflecting on your daily experience in an attempt to deepen your understanding. It has been said that "what enriches you may rob and violate others".

Source: Weiler, B. and Hall, C. M., *Sopecial Interest tourism*, Halsted Press, Great Britain, 1992, p. 89.

Various impacts on cultural resources are almost impossible to avoid, but with strategic planning of cultural-tourism development the most can be made of its positive impacts, while negative ones can be avoided or reduced to a minimum. It is of utmost importance for negative impacts to be detected in time, which is much more difficult for socio-cultural impacts and requests a longer period of time, in distinction from the measurable economic effects. Therefore cultural tourism development strategy must indispensably be

defined, as unplanned development which slips out of control can cause incorrigible damage to cultural resources.

2 Principles of Sustainable Development Designed to Preserve non-Renewable Cultural Resources

In order to accentuate cultural tourism of a tourism destination rich in cultural heritage, tourists' preferences must originally be established by research of cultural tourism market, after which the cultural tourism product can be shaped according to their needs. Therefore, it could be pointed out that cultural tourism market consists of cultural-tourism supply and of cultural-tourism demand. In order to obtain the offer-demand balance, cultural-tourism supply stakeholders must respond to various tourists' demands and wishes. In order to form the cultural-tourism product in proportion with the tourist needs, their preferences must be established by cultural-tourism market research.

On the supply side, it is necessary to create such a cultural-tourism product that will satisfy tourists, but with strict adherence to the principles of sustainable tourism in order to avoid negative effects of impact on the local population, natural and cultural resources. According to the World Commission on Environmental and Development Report, also known as the Brundtland Report, sustainable tourism implies development that meets the needs of the present without compromising the ability of future generations to meet their own needs.⁹

Cultural tourism sustainable development is indispensable in order to preserve non-restorable cultural resources.

When transforming cultural attractions into cultural-tourism attractions, we must not forget that cultural resources represent local inhabitants' heritage, which should not be disturbed by their tourism valorization

⁹ Weaver, D., *Sustainable Tourism: Theory and Practice*, Elsevier Ltd., UK, 2006, p.10

in order to obtain higher economic benefits but, on the contrary, based on the principles of sustainable development cultural-historical heritage must be preserved for the future generations.

In order to secure cultural tourism sustainable development on the side of tourism supply, the following principles must be respected:

- inclusion of all cultural tourism supply stakeholders on all levels (local, regional, and state)
- obtaining the co-ordination between cultural and tourism sectors
- inclusion of local inhabitants
- informing and notifying local inhabitants
- education of tourism workers
- preservation of cultural resources
- elaboration and coordination of the strategic plan concept on all levels.

Every tourism destination must first evaluate profitability of its possible cultural tourism development, after which strategic development goals should be set and prerogatives shaped consequently for cultural tourism development. Standard conditions enabling tourism accessibility and tourism utilization of cultural resources must be created. Tourism and cultural sectors and local inhabitants must all be integrated into cultural tourism sustainable development.

The demand side consists of tourists which wish to satisfy their need for culture. By their arrival into the destination, tourists leave their real identities behind and temporarily take over strange an identity, which is called "transformed frame of mind" by J. Jafari.¹⁰ Tourists are most often compared to carnival part-takers, hiding their identities behind strange new ones. This allows tourists to rest and forget their every-day life. This "new identity" within the destination they are strange to everyone allows them different and unshackled behaviour influencing both environment and destination they are staying in.

Consequently, by forming such cultural-tourism product which can satisfy the tourism market demands

¹⁰ Jelinčić, D. A., *Turizam vs. identitet – Globalizacija i tradicija*, *Etnološka istraživanja*, Vol. 1, No. 11, Etnografski muzej Zagreb, Zagreb, January 2006, pp. 161–207

by optimal use of cultural resources with strict adherence to sustainable development principle, the competitive product will be formed on the supply side by which the competitive advantages and the satisfaction of guests will be realized. By informing and advising tourists on the destination they have chosen, timely education of tourists on local inhabitants' culture will be enabled, in order for them not to disturb the balance of their destination and reduce their impact on local inhabitants and on their culture to the least possible measure. In such a way both supply and demand sides will enable cultural tourism sustainable development and preservation of cultural resources.

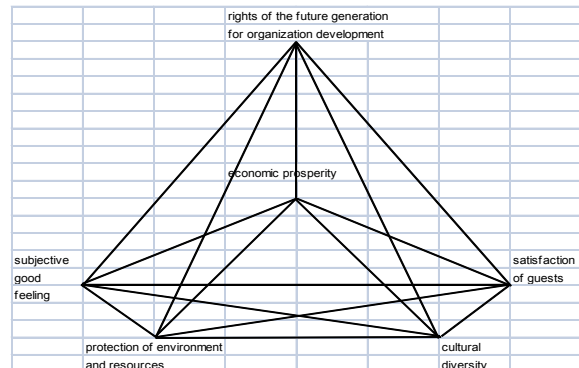
3 Sustainability of Cultural-Tourism Resources Based on Strategic Planing

Sustainability represents a complex concept which is not easily inserted into tourism development. Cultural-tourism resource sustainability represents “wise” use of cultural resources in a way of satisfying guests on one hand, and in obtaining economic profit with no damage to cultural resources on the other hand. Within this context, Müller presented the following definition stressing natural resources, but attaching importance to cultural resources as well: “under sustainable development growth in life quality is intended – i.e. economic prosperity and subjective good feeling – obtainable by lower investments of non-restorable natural resources and by even less encumbrance of environment and persons, aiming at no restricting options for the future generations.”¹¹ His tourism development was represented by the “magic pentagonal pyramid”, which with its five peak development points brings to the economic wellbeing: economic prosperity, subjective good feeling, and satisfied guests, protection of environment and resources, and cultural diversity (Picture 1.).

Starting from the first peak development point, economic wellbeing refers to individual income, creation of value and disparity. Subjective good feeling is

¹¹ Müller, H., Turizam i ekologija, Masmedia, Zagreb 2004, p. 44

Picture 1: *Magical pentagonal pyramid of sustainable tourism development*



Source: Müller, H., Turizam i ekologija, Masmedia, Zagreb 2004, p. 45

reflected in identity, freedom, cultural identity and adaptability. Satisfaction of guests deals with optimal satisfaction of their various needs, i.e. with guest segmentation. Protection of nature and its resources form part of biological diversity and protection of natural resources, and cultural diversities concentrated by sustainable development on, for instance, cultural creation, nursing of local culture, protection of cultural heritage and goods.¹²

Within cultural tourism, cultural resources represent quite vulnerable resource, with incorrigible damages easily inflicted. Tourists are mostly directed by satisfaction of their own needs, which means responsibility lies with the tourism supply stakeholders. Within this frame the cultural tourism sustainable development is centered on three key questions:¹³

1. control of tourism experience obtained by control of tourists' activities
2. consideration of tourist potential localities and management of plans within already existing cultural-tourism environments
3. unobtrusiveness of tourism to local community.

In destinations rich with cultural sights, the unfavourable tourism impacts on cultural heritage must be, as the means of sustainable development implementation, constrained through the control of tourists. In

¹² Author's elaboration according to: Müller, H., Turizam i ekologija, Masmedia, Zagreb, 2004, p. 46

¹³ Jelinčić, D. A., Abeceda kulturnog turizma, Meandar, Zagreb 2008, pp. 38–39

cultural resources control of tourists is mostly obtained through standardization, adaptation, and commodification of experience.¹⁴ Consequently, the controlled movement of tourists through the cultural location is obtained and also the maximal benefits for tourists within the offered experience. Even culturally aware tourists wish for experience based on standardization and modification, thus participating in protection of cultural resources in the best possible way, while in the second segment standardization provides them high-level services based on sustainable development.

Shaping of cultural-tourism product must be led by tourists' desired experience. In such way tourists will be offered what they wish for, and their activities will be "controllable". The impact of tourist's activity on the destination can be established by analyzing the destination before and after the tourist's activity. In order to fulfill their needs, tourist can leave negative consequence on cultural resources. Similarly, it must be established whether certain locality represents tourism potential transformable into cultural-tourism product, which will, on one hand, correspond to market wishes,

and, on the other hand, assessments must be carried out whether the locality, i.e. the local community can be benefited or damaged by such product.

Instead of imposing tourism to the local community, one of the ways to minimize negative tourism impact consists in pursuing the local community to share the sense of ownership of cultural resources. The development of cultural tourism should not represent the burden to the local community. In order to avoid it, local community must be informed and engaged in such a development, with their every-day activities transformed into specific cultural-tourism product. Both measurements of and impact assessments on local community and their culture are much more difficult to evaluate, as complicated measurable variables must be taken into account within the longer time period.

World Tourism Organization (WTO) suggested supplementary measures for particular areas, with special review for cultural areas and traditional communities in order to effect the tourism impact calculation (Table 4.).

Table 4: Sample WTO supplementary indicators of sustainable tourism for selected environments

Environment	Indicator	Suggest measures
Coastal zones	Level of beach erosion Beach use intensity	% of beach eroded Persons per metre of accessible beach
Mountains	Extent of erosion caused by tourists	% of surface in eroded state
Managed wildlife parks	Human population in park and surrounding area Level of poaching in park	Number of people within 10 km of boundary
Urban environments	Air pollution measurements Use intensity	Number of days exceeding specified pollutant standards Traffic congestion
Cultural sites	Restoration costs Measures of disruptive behaviour	Estimated costs of maintain/restore site per annum Traffic vibration, number of vandalism incidents per year
Unique ecological sites	Changes in flora mix and concentration	Primary flora species as a % of total plant cover
Traditional communities	Social impacts	Average net income of tourists/average net income of local population
Small islands	Measures of capital flight Fresh water availability	% of exchange leakage from total tourism revenues Volume of water used by tourists/volume used by local population on a per capita basis

Source: Weaver, D., *Sustainable Tourism: Theory and Practice*, Elsevier Ltd., UK, 2006, p. 30

¹⁴ ibidem

Every local community has its own specific cultural resources, which aggravate the forming of standard indicators in calculating the cultural tourism development impact on cultural resources. To establish the impacts is therefore essential, as not all cultural resources can simultaneously become tourism resources if incorrigible damages are caused by tourism valorization.

Cultural tourism of a specific destination must be developed according to the long-term strategic plan based on analysis comprehending all possible advantages and damages, based on sustainable development principle as the only possible option in protecting cultural resources. Only the strategy based on sustainable development will succeed in protecting cultural resources. This plan must encircle all cultural specific qualities of a particular destination, and decide on which cultural resources to use in tourism valorization. The elaboration process of the cultural-tourism plan based on sustainable, integral, and implemented approach can be defined as the procedure implemented in several steps. Inskeep¹⁵ advocates the following steps: preparation, determination of goals, and analysis of all elements, analysis and synthesis, plan and policy formulation, formulation of other recommendations, implementation, monitoring, and implementation control. Sustainable development application is particularly important for cultural tourism, as it development depends mostly on activities associated with natural surroundings, cultural and historical heritage. One of the distinguished benefits of cultural tourism development is that, if properly developed and respecting the sustainable development concept, it can help obtain the means for preservation of cultural resources which contrarily could not be provided by the local community.

Two aspects in cultural tourism and sustainable development planing must be particularly emphasized:¹⁶

- aspect pointed towards the local community
- quality concept in tourism.

¹⁵ Author's elaboration according to: Magaš, D., Management turističke organizacije i destinacije, Sveučilište u Rijeci, Fakultet za turistički i hotelski menadžment Opatija, Adamić, 2003, p.106–107

¹⁶ ibidem, p. 104

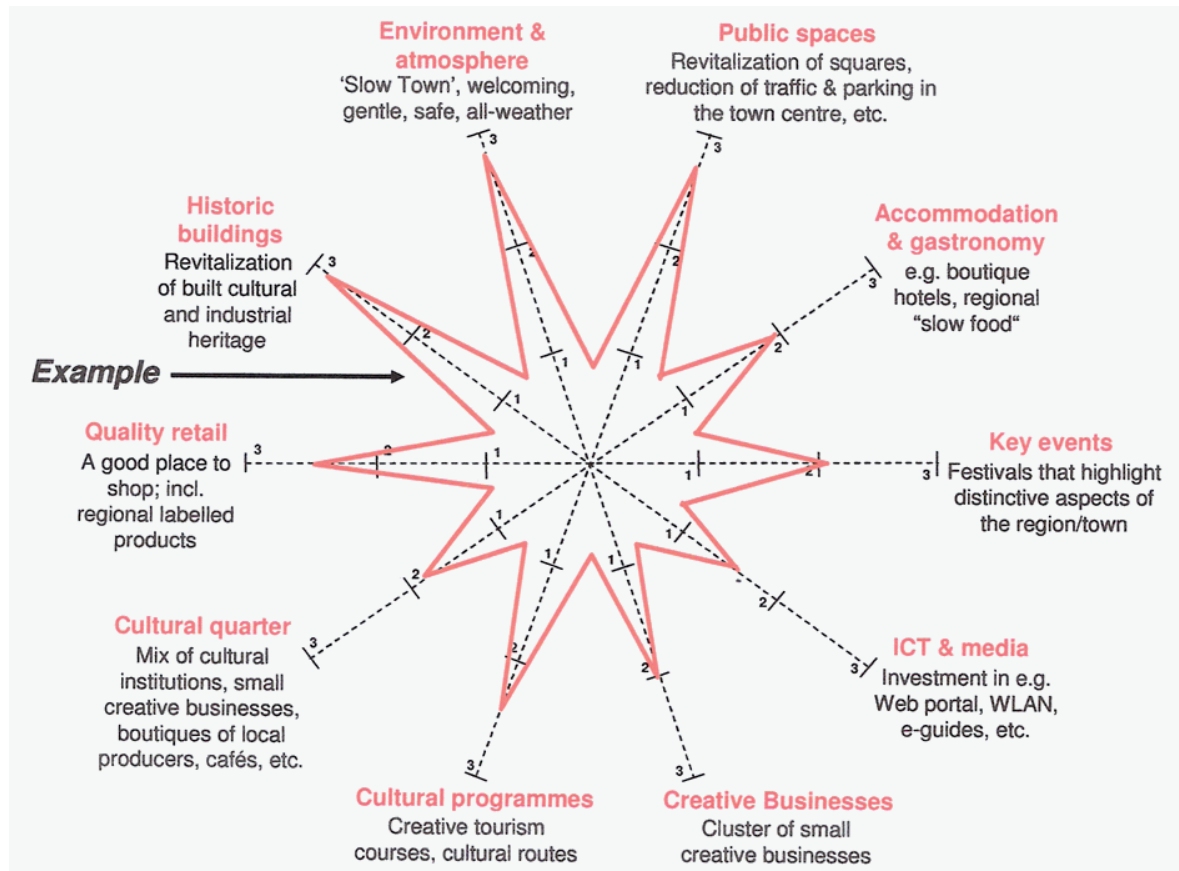
Local community must be engaged in the proces of planing and developing its cultural resources. Local inhabitants as co-stakeholders of a cultural supply must be informed and engaged, and their education ensured. Development of cultural tourism must ensure local community their normal, every-day life. The quality concept of cultural tourism implies successful development from the marketing aspect, which favoures local inhabitants and cultural resources based on sustainable development. Quality tourism does not necessarily imply expensive tourism, but good “value for money” ratio, preservation, care, and respect for the destination rich in cultural heritage.

4 An Example of Managing Sustainable Development of Cultural-Tourism Resources by Revitalization of Historical Towns

Considerable growth in demands for inducement and development of cultural tourism, together with the corresponding attention paid to the development and promotion of cultural heritage has been shown in formed decades. This aspect of tourism demand has been recognized as the tourism development potential within formerly less known localities. Cultural tourism affects rapidly the revitalization of, for instance, urban environments and image forming of towns as cultural tourism destinations. Contemporary social trends condition the engagement of one or more cultural contents within the tourism arrangement structure.

In further work an example (Chart 1.) is presented on sustainability and on development of new and adequate benefits by developing the cultural heritage of historical towns.

The increased growth exists in rich adventure experiences, offered by package-arrangements as visits to various national and thematic parks, historic localities, *etc.* In order to develop various and high-quality cultural-tourism offers, historical towns must incorporate integrated strategy which includes sustainable development. In their positioning in the tourism market, historical towns should take into consideration

Chart 1: An example of sustainable development managing by revitalization of historical towns

Source: <http://www.histurban.net>, 06.10.2009.

the existing competition and the strategy of sustainable development, thus forming their own brand as the product based on various experience values important to tourists, with exclusive implementation of sustainable development strategy. This is equally important for tourists interested in culture and for the potential investors, which can help revitalize and profit from the particular cultural resource, with implementation of sustainable development. Of course, properly maintained cultural heritage buildings represent a crucial point of the historical town, and particularly considering cultural tourism. If the revitalization of the historical nucleus is carried out correctly and with implementation of sustainable development, such localities have multiple values encircling historical characteristics, architectural particularities, *etc.* Historical towns should aim at obtaining the "slow town" char-

acteristics, with pronounced life quality and local specificity enabling the "escape" from monotony and mass attendance induced by mass tourism. Within the strategies of historical towns such hotel development should be encouraged which would be ecologically oriented, yet poses particular charm and attraction. A good example is set by Scandic Hotel, which works on the principles of sustainability and environmental preservation. Furthermore, creative interpretation of regional gastronomy should be encouraged, focused on quality use of local and seasonal ingredients and hospitality. Key events as festivals which strengthen long-lasting development and position within the tourism market, must stress the importance and reflect the sustainable development aspect location decided upon. With use of information and communication technology (ICT) and Internet which will improve layout and

attraction of the town, historical town will obtain competitive advantage. Cultural resource accessibility by web portals and web-sights ads a new dimension to the locality image, and, with help of such media, brings to faster incorporation of messages on contents dealing with emphasizing the sustainable development strategy and regional culture events. Accessibility and engagement of creative, ecologically conscious highly-qualified persons, can contribute to easier and quicker revitalization of the historical nucleus with accent on sustainability as the prerogative of competitiveness and innovations.

The previously stated examples of historical towns must be observed in their development strategy of cultural districts. This calls for integration, support, and encouragement of synergy between various cultural institutions and small and middle size businesses on local levels, with use of sustainable development strategy in town areas, which can result in attractive and dynamic blend of cultural institutions. Help in revitalization and promotion of old historical nuclei can be facilitated by products inspired in regional cultural heritage, i.e. ecological products, color, material, *etc.* Thus shaped products can be branded as historical nucleus product brands, and help protect from cheap imported frequently sold products.

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Conclusion

Cultural tourism of any particular destination must be developed on long-term strategic plan based on the analysis enclosing all possible benefits and damages, and on sustainable development principles as the only possible option. Plan adoption must include all cultural-tourism supply stakeholders and the local community. By mutual efforts of both cultural and tourism sectors the use rather than taking advantage of cultural resources must be ensured. In order to direct its development and thus avoid unfavourable impacts which can leave irreparable damages on cultural resources, cultural tourism development must be monitored and controlled constantly.

The presented example indicates the need for integration of several areas of activities combined into the sustainable development strategy for historical towns. Such integrated approach brings benefits to local inhabitants, to local economic subjects, and, naturally, to the sight visitors. The stated example cannot represent the ideal solution for each particular historical town to be valorized in tourism, as specific characteristics of each town must be taken into consideration.

However, cultural resources can be protected only if the strategy based on sustainable development is applied, which will enable sustainable development of the tourism destination cultural tourism.

Tourism as a Vehicle of Sustainability

An Interdisciplinary Perspective

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Abstract

In sustainability debate tourism is usually seen as presenting an ecological threat and its impacts are mainly considered to stand in need of eradication or at least minimization. In contrast to this view present paper tries to develop a perspective from which specific form of educational tourism can be perceived as an important contribution to environmental ethics and, consequently, to efforts in achieving sustainability. Paper shows that proper implementation of environmental ethics should be considered as the best way how to achieve sustainability and that in education for this environmental ethics tourism should be used as an important tool because of its ability to provide situational experience needed in this educational process, as is show with an interdisciplinary study, connecting insights gained in the areas of social psychology, consumer behavior, ethics, tourism studies, history of leisure and philosophy. Special attention is paid to contemporary studies in alternative tourism, ecotourism and tourism history research in order to envisage a framework out of which appropriate tourism products could be developed for education in environmental ethics. Findings of this paper are of special interest not only for tourism industry but also for environmental curricula and educational institutions which see achieving sustainability as their primary goal.

Key words: ecotourism, educational tourism, environmental ethics, education for environmental ethics, sustainability, sustainable development

1 Introduction

In general, tourism is viewed as a phenomenon that represents potential ecological threat to the environment: increased numbers of tourists inevitably mean increased demands on environment and thus also increased bad impacts [Butler 1993: 33–34]. From 1950 to 2004 international tourist arrivals only have skyrocketed from 25.3 million to 765.1 million with an average annual growth of 6.8% [WTO 2006], reaching 922 million in 2008 [WTO 2009a: 2]. Such increase in tourist numbers inevitably means high pressure on resources needed to support travelling community.¹ Next to its bad impact on destination's environment, mass tourism also represents a threat of socially disturbing local culture and way of life [Fennell 2006a: 4]. Moreover, conventional mass tourism on the long run affects tourism industry itself by minimizing the worth of 'pristine' or 'natural' experience worth paying for [Eadington & Smith 1992: 7; for a detailed discussion on authenticity and the ethics of tourism cf. Smith & Duffy 2003: 114–134]. A. Leopold has succinctly observed this phenomenon in as early as first part of the twentieth century:

".../ the very scarcity of wild places, reacting with the mores of advertising and promotion, tends to defeat any deliberate effort to prevent their growing still more scarce.

It is clear without further discussion that mass-use involves a direct dilution of the opportunity for solitude; that when we speak of roads, campgrounds, trails, and toilets as 'development' of recreational resources, we speak falsely in respect of this component. Such accommodations for the crowd are not developing (in the sense of adding or creating) anything. On the contrary, they are merely water poured into the already-thin soup." [Leopold 1949: 172–173]

If we take these observations into account we cannot but agree with Fennell that "From the perspective of financial prosperity and growth, there is an economic rationale for sustainability." [Fennell 2006a: 9].

¹ One of the most severe negative impacts of tourism on environment can be accounted to transportation: 91% of all inbound tourists in 2008 used air or road – the biggest pollutants – as their means of transport [Ibid.: 3]. Among environmental impacts of tourism Mowforth and Munt include pollution of the (Mediterranean) sea, deforestation and consequent soil erosion, littering and wildlife disturbance [Mowforth & Munt 1998: 95]. For a whole very telling list of negative impacts of tourism industry on host community see also: Fennell 2006b: 3.

In face of at least three malignant side-effects of conventional intensive tourism – ecological, social and tourist-experience-related – as outlined above, researchers and tourism industry itself were fast to point out that change in tourism practice is desired. This change gradually came to be known under the name 'alternative tourism,' (AT) of which ecotourism (with its related, almost synonymous 'soft', 'responsible', 'people to people', 'controlled', 'small-scale', 'cottage' and 'green' varieties [cf. Ibid.: 5]) became probably the most widespread form. Even though the term as such doesn't have a clear-cut definition (what might, as Donohoe and Needham argue, represent a potential threat for its ethical, environmental and legitimating underpinnings [Donohoe & Needham 2006: 192]), what usually counts as 'ecotourism' must satisfy at least following conditions (in ranked order from the most to the less important): 1/ nature-based, 2/ preservation/conservation, 3/ education, 4/ sustainability, 5/distribution of benefits, 6/ ethics/responsibility/awareness [Ibid.: 199]. Clearly, emphasis is here put on "avoiding or reducing negative impacts upon the natural and socio-cultural environments," as part of the WTO Sustainable Development for Tourism Mission Statement states [WTO 2009b].

Even though, as Fennell points out, we are these days ".../ more prone to vilify or characterise conventional mass tourism as a beast, a monstrosity which has few redeeming qualities for the destination region, their people and their natural resource base," [Fennell 2006a: 4] beneficial consequences of tourism are, of course, recognized. This element is partly mentioned in *Global Code of Ethics for Tourism*, in the resolution adopted by UN General Assembly on December 21st, 2001 [A/RES/56/212] by "Recognizing the important dimension and role of tourism as a positive instrument towards the alleviation of poverty and the improvement of the quality of life for all people ..." [Global Code of Ethics for Tourism 2001] where important stress is also put on "promotion of a responsible and sustainable tourism." [Ibid.] In this statement – and in related literature – stress is, however, usually put on economic aspects of development and tourism's impact on nature is still considered to be predominately negative or at

best ambivalent and the same – with little differences – holds true for tourism’s impact on hosting community. Even in ecotourism studies, research mainly focuses on economic benefits of ecotourism to local communities, socio-economic profile and motivations of ecotourists, ecotourism planning and development, ecotourism business and marketing, ecotourism impacts and estimation of the value of wildlife in protected areas [outlined with relevant literature in: Lee *et al.*: 2009: 583]. Given the fact that ‘ethics,’ ‘responsibility,’ ‘awareness’ and most of all ‘education’ are recognized as being one of the main constantly recurring themes in ecotourism definitions, as we have seen above, the relative lack of tourism and ecotourism literature focusing on these topics (and predominantly on its potential educational component) tries to be compensated for in this paper.

The main idea presented here is that tourism with properly designed and managed specific products could be used as a powerful educational tool in extending (environmental) ethical consciousness which might result in less human-caused environmental degradation. Thus viewed, tourism might become an important vehicle for achieving sustainability via its educational potential. Tourism could therefore be seen also as a promoter of sustainable behaviors, not just as a problem that has to have its consequences only minimized.

To properly understand and represent this idea it is necessary to take a look into motivations for achieving sustainability and, consequently, into environmental ethics that, if it is promoted and properly spread, is capable of bringing about a much desired change in human behavior towards natural environment. One of the main tenets of this paper is that such ethics could use environmental tourism products as its main tools; in other words: ethical education could be more successfully implemented if adequate tourism products would be integrated into it as its constituent educating parts. It is worth noting here that forms of tourism that could serve this purpose do not include exclusively ecotourism: for example, landfill viewing, mine or stone-pit visit could produce a desired educational effect although they can scarcely be counted under ‘ecotourism’ category. Ideas for further research on tourist ‘attractions’ and related issues that could be

included in this idea of environmental-educational tourism will be given at the end of the paper, but it is still worth pointing out right at the start that prevalent idea that in tourism only ecotourism can be considered as beneficial for environment might be misleading as well and prevent us from seeing tourism’s potential for ethics and society in general; in the same way as the idea that tourism’s impacts on environment should mostly be managed and minimized only.

2 Environmental Ethics And Sustainability

Human-caused environmental degradation is a long known fact and has been described already by Plato in his *Critias* (111 a–d) in 4th century BCE in ancient Greece. Nonetheless, it wasn’t before the outbreak of full-fledged industrial revolution that first concerns were raised about conserving natural resources and practical conservation attempts were undertaken by figures such as Gifford Pinchot. However, it wasn’t until second half of the twentieth century that the debate on ‘sustainability’ has become widespread. Sustainability, defined as

“The Sustainability of human populations involving the persistence through time of the diversity of human communities and ethical ideals of human flourishing, the dynamically balanced development of economic enterprise, and the preservation and regeneration of ecological systems and resources that sustain that development.” [Carpenter 1998: 276]

has become central in environmental debate since *Our Common Future* or *Brundtland Report* of 1987 of World Commission on Environment and Development. Today the pressing need for sustainability is evident from the scale of environmental degradation. Only a brief look at a Global Footprint indicator shows that humanity today lives beyond planet’s carrying capacity² and that environmental situation is *serious*. And such a serious state of environmental affairs requires

² Ecological footprint is an indicator based on data collected by UN of how much land a society needs in order to support its life-style; i.e. it shows how much area is needed for a society in order to provide for its resources and absorb its waste. Current global footprint (that takes into account humanity as a whole) is 1.4, and “This means it now takes the Earth one year and five months to regenerate what we use in a year.” [Global Footprint Network 2009]

immediate action; at least here scientists and laity are practically unanimous.

However, there seem to be different strategies how to achieve sustainability. Whereas some would say that present-day economic structure only needs redefining [Hawken et al. 1999], others would argue that a much more radical change of world economic system is what should be called for [for instance Bookchin 2004]. But virtually no-one would argue that consumption as a consequence of economic system(s) has to be reshaped, if environment is to be preserved and that *ethics* is crucial to sustainability is by now also widely recognized.³ Carpenter, for instance, outlines its three main contributions in this area: 1/ “Ethical discussion can contribute positively to sustainability discussions by addressing the tradeoffs between intergenerational human interests and intragenerational requirements that human populations are faced with in a world of scarce resources.” 2/ “Ethics can also provide methods of articulating current values reflective of the human/nature interaction.” 3/ “Additionally, ethics can draw attention to unsustainable human practices by formulating systematic sanctions for anthropogenic activities directly implicated in a loss of human cultures, nonhuman flora and fauna, as well as geological

³ In the past the answer to environmental problem has usually been ‘better and more efficient technology.’ By now it has become clear that this obviously cannot be a sufficient strategy: technology may be our best means in achieving sustainability, but without proper stance towards environmental problems, and without adequate awareness, even the best tools turn out to be useless. What is required as urgently as technology and science are also adequate societal institutions which can properly develop and utilize technological and scientific instruments so as to produce desired environmental change. At least few intertwined points could be stated in favor of this assumption: first, society, including its products and its ways of manipulating them, is a part of an ecosystem; some scientists have carried this thought so far as to suggest that society is a form of symbiosis and human agriculture not intrinsically different from an ant colony that cultivates fungi [Sallares 1991: 11–12; Leopold 1949: 202]. Therefore the *modus operandi* of a society cannot be separated from its position in the ecosystem, or, to put it in other words, in tackling environmental problems considerations about society are of equal importance as its technology and science. This last statement ties in well with the work of Kleinman who shows (second point) that what he calls ‘technoscience’ is inevitably social and political in its nature [Kleinman 2005: 5–14]; scientific methodology depends on ‘structures of knowledge’ and broader social phenomena [Lee & Wallerstein 2001], as well as ‘paradigm shifts’ on a par with political revolutions, as Th. Kuhn has observed in his well known work *The Structure of Scientific Revolutions* [Kuhn 1962 [1986]]. Moreover, T. Sasaki observes that difficulties arise when scientists try to address environmental problems because of coordination of scientific activity in this field due to high specialization of disciplines which represents an ‘important intellectual challenge.’ [Sasaki 2004: ix] Needless to say, recognizing this point of intertwining of society, communication, science and ecology is highly important when looking for workable solutions in achieving sustainability.

processes and cycles.” [Carpenter 1998: 277]. But if we go even more down to the base, the role of ethics in guiding and coordinating human activity (in general, not only in regard to sustainability) lies predominantly in its ability to shape *values*. Values – and beliefs – are namely considered to be primary guidelines for action. This idea is not only predominant in philosophical tradition of pragmatism, it also shapes basic theories of consumer behavior studies:

“Although for most people being a consumer may not be central to their identity, many of their consumer decisions are nevertheless highly identity-relevant insofar as they correspond to a larger set of values and beliefs and express important aspects of the self.” [Wänke 2009: 7]

More specifically in tourism studies and sustainability, values are considered to be of central importance [Fennell 2006a: 8]. Because values play such a big role in human conduct, it is not surprising that we will find ethical considerations emerge as soon as issues in a specific domain become pressing; what regards environment and environmental ethics, ethical statements were surfacing throughout Western intellectual history,⁴ but they became louder especially in twentieth century with A. Leopold, and later with *Deep Ecology* of A. Naess, G. Sessions and B. Devall.

To say that ethics is important is, however, still not saying much: the real question of course lies in the *kind* of ethics we want to envisage. Broadly speaking, there are two kinds of ethical approaches: a deontological ones (focusing on moral obligation and duty) and numerous versions of utilitarian ethics (focusing on consequences of conduct). Ethics could, further, be approached either from a metaphysical perspective (for instance looking for a common property that makes all individuals as morally relevant subjects (i.e. subjects to which we are morally obliged) – usually this property comes in a form of ‘reason’ (German idealism) or ‘feeling-ability to perceive pain and pleasure’ (Buddhism)) or they could be based on a theory of ‘moral sentiment’ which is responsible for our moral

⁴ One of the first environmental ethic statements was envisaged already by a French renaissance philosopher Michel de Montaigne in 16. century, by stating in his essay *On Cruelty* that “/.../ there is a kind respect and a duty in a man as genus which links us not merely to the beasts, which have life and feelings, but even to trees and plants.” Cf. Montaigne 2004: 185.

judgment (first proposed by Scottish enlightenment philosophers). The second idea found its contemporary advocate in an intellectual figure of Richard Rorty, highly influential American pragmatist thinker.

Rorty's pragmatist ethics is important because of the fact that it isn't based on any specific metaphysical view, i.e. it does not presuppose a common property, or substance, for morally relevant subjects which would have to be discovered, agreed upon and acknowledged. This has very important tangible practical consequences for ethics: we shouldn't look for any specific natural property but should instead cultivate our sentiments. This is so because, for Rorty, there is *no* such 'thing', such demarcating property, waiting outside to be discovered:⁵

"The relevant similarities are not a matter of sharing a deep true self that instantiates true humanity, but are such little, superficial similarities as cherishing our parents and our children – similarities that do not distinguish us in any interesting way from many nonhuman animals." [Rorty 1998: 181]

Therefore, 'moral progress' for Rorty consists ".../ in an increasing ability to see the similarities between ourselves and people very unlike us as outweighing the differences." [Ibid.] Instead of wasting time by trying to discover nonexistent hidden reality, philosophers in general and ethicists in particular should, in Rorty's view, rather focus on evoking feelings of solidarity among different people (and, we may add, among *living beings* and *nature* in general).⁶ For such an undertaking Rorty espoused literature: drawing from M. Kundera's *The Art of Novel* which opposes novel to rigid scientific discovery, bound up with Cartesian certainty [Kundera 1988], Rorty held that solidarity could be best spread with disseminating inspiring stories, but also accounts of human misery that evoke feelings of sympathy [Rorty 1998: 185].

It might be said that Rorty's idea of listening to stories is too optimistic for a world in which majority of people scarcely find time, or will, to read novels: what is need-

ed in environmental ethics is mass change and such a change can – *if* it can be brought about – be achieved only with mass media: TV with films, advertising, *etc.* In fact, Shrum [Shrum 2009: 251] has shown that TV does have an underlying narrative or storytelling effect and Cialdini and Goldstein [Cialdini & Goldstein 2009] have verified that norm-advertising may successfully result in pro-environmental behavior and shown also how vocabulary in it plays a significant role. Research in social psychology thus seem to support, if not actually extend, Rorty's intuitive idea and Wapner's text on transnational environmental activism only seems to give it additional credibility when recognizing the role of the civil society movements and their campaigns in shaping international pro-environmental policies (state as well as corporate) including Greenpeace's success with 'performances' connected to organized media broadcasting [Wapner 2003].

There is, however, an unpleasant consequence for advertising, TV and web media for education. Firstly, TV commercials with purportedly 'green' content (if we speak about education for environmental ethics in particular) are highly prone to abuse: as J. Corbett shows, 'green' media campaigns are *very likely* to be usurped by corporate interests which has a rather bizarre set of data as a result: in Corbett's quoted research only 2% of TV and 9% of print ads with purportedly 'green content' were truly 'deeply green' in the sense of Naess's Deep Ecology [Corbett 2006: 155]; Corbett thus cites the words of W.E. Kilbourne, drawing a conclusion that ".../ a truly Green ad is indeed an oxymoron: 'the only green product is the one that is not produced.'" [Corbett 2006: 157]. Secondly, it could also be argued that experience mediated by TV, internet or other forms of mass communication is not a genuine experience and is thus insufficient for learning, true personal growth and actual personal change; that it is, in other words, diminished experience: referring to internet's supposed 'tele-presence,' H. Dreyfus emphasizes that the crucial element of 'real experience' needed for learning is the element of *readiness for risky surprises* (or: seriousness of situation) that is absent from cyber-experience [Dreyfus 2009: 54, 70–71]. If genuine empathy and solidarity are to be achieved,

⁵ For Rorty namely there is no reality independent from human practices and vocabularies which are ultimately contingent; this is a feature of his philosophy largely borrowed from L. Wittgenstein.

⁶ Such extension of Rortyan ethics was attempted in my presentation at the colloquium Education For Sustainable development and University at Faculty of Humanities Koper [Grušovnik 2009].

obviously something more substantial and thoroughgoing will be needed than TV programs.⁷ And this is exactly the point where tourism could enter the stage and be conceived as an important factor in Rorty's idea of 'sentimental education' in the sense of filling-in the empty space of more 'pristine experience' that cannot be achieved by media: on trips, excursions, museum visits, cultural and natural endeavors abroad, and other activities connected with tourism, people are, to be sure, brought closer to real, even personal, experience than through media.

Before proceeding to tourism in environmental ethics let us quickly overview the most important topics arrived at in present chapter: we have seen that in order to minimize environmental degradation that threatens the existence of civilization as we know it it is not enough to develop adequate technology but also to implement environmental values; this is so because values and beliefs shape our conduct. One of the most interesting ways to do this is via ethics that employs Rortian idea of 'manipulating sentiments' and we have also seen that empirical research supports this idea as a viable and credible way how to achieve sustainability if only we substitute Rorty's novels as means of spreading solidarity with media that have larger range. Nevertheless, the idea of using media in environmental ethics education can raise certain issues: firstly, environmental messages in media are often abused, and secondly, experience transmitted through media does not necessarily carry enough potential for personal ethical change (because of its 'shallowness'). Tourism as a means of transmitting more adequate and thoroughgoing experience could thus be used to fill-in this blank spot. In next chapter we turn more specifically to this idea.

⁷ for instance, social psychology has observed that norms that hit subjects as salient must be obtained from the reference group with which they are able to successfully identify themselves (usually peers and friends) and that situational perception plays greater role than cognition [Cialdini & Goldstein 2009: 276]. Note also that this last research statement seems to additionally confirm Rorty's idea of 'sentimental education,' in the sense that norms are obtained from reference group(s) and not arrived at through moral consideration.

3 Tourism in Environmental Ethics

When the topics of tourism and ethics are combined, they are usually viewed in an one-directional perspective: how tourism should incorporate ethics and become more responsible. What is usually examined are tourism impacts "as the traditional root of ethical issues in tourism." [Fennell 2006b: 1]. This is not surprising given the fact observed above that tourism is usually seen as something that has to be 'managed' and not also as something that could contribute to ethics in its own right.

Educational component in itself, however, does play an important role in ecotourism as we have also observed above. When Fennell traces first ecotourism practices in mid-1970s, it is clear that back then in Canadian Forestry Service's 'ecotour guides' precisely *understanding* landscape was a primary aim to which travelers should dedicate their time:

"Ecotours are prepared by the Canadian Forestry Service to help you, as a traveller, understand the features of the landscape you see as you cross the country. Both natural and human history are described and interpreted." [Fennell 2006a: 19]

Education is also being recognized as one of the main features of European national parks and includes, as is well known, strolling and hiking on waymarked paths and interpretive trails [Heukemes *et al.* 1992: 12]. What is needed, then, is to connect the idea of education in tourism and the idea of enlarging experience-related solidarity in ethics, which is either still lacking or is not consciously articulated.⁸

To be sure: tourism's potential in education for environmental ethics is big. Some research in the area which can be connected to environmental ethics (in particular to its 'personal growth' component described already by *Deep Ecology*) has already been carried out where education, experience and learning has

⁸ That the second scenario is more likely to hold true is due to the fact that most educational waymarked paths do in fact stress the importance of nature conservation for further generations. The same is the case in museums in nature exhibits. However, outside of museums and interpretive trails this ideas in their relation to environmental ethics do not seem to be pronounced enough: this could be perhaps ascribed to the fact that we still mostly consider ethics as being something more related to cognitive processes than to experience-sharing and on-site learning. Outside of tourism studies virtually no-one considers tourism as an important factor of ethical education.

been combined into a holistic ‘wilderness education’ [Bachert 1990]. The importance of education, especially of cultivation of ‘perceptive quality’ for environmental ethics, has also been pointed out long ago [Leopold 1949]. The distinctive mark of tourism’s experience and its quality for the kind of environmental ethics that was outlined above is its relative immediacy and relatedness to concrete practical situation in comparison to experience as is shared through mass media or literature. This feature cannot be overestimated when it comes to providing motivation and means for shaping human conduct: we have seen above that in obtaining norms that are considered to be salient for subjects, situational perception plays greater role than cognition [Cialdini & Goldstein 2009: 276]. Even in general it has been proposed that what can be considered as one of the most serious issues contemporary consumer societies are facing is subjects’ detachment from resource-use and manufacturing techniques that are used to provide products for consumption – i.e., people aren’t aware how costly in terms of energy and resource use contemporary production is (which is an important – if not the most important – cause of environmental degradation), a fact which can also be considered as being responsible for our often non-appreciative attitudes towards products and further results into meaningless lives which lack ‘focal practice’ which “.../ disclose the world about us – our time, our place, our heritage, our hopes – and center our lives.” [Borgmann 2000: 421]⁹

Thus it could be considered that tourism with adequate products could provide more substantial experience in educating for environmental ethics: because of the situational experience one has from taking part in an excursion, or wildlife area visit, or related tourist activities, one would have certainly greater motivation to follow specific ethical norms in comparison to being solely confronted with TV programs, brochures, lectures, or classes.

The role of learning in (eco)tourism has, on the other hand, also been recognized as an attractive research

field by leading researchers in the area: again, Fennell states that:

“Further research in this area might endeavour to understand the differences or similarities between novelty and curiosity, and learning. /.../ In addition, further research may wish to examine the relationship between knowledge and learning in nature tourism. Knowledge can be thought of as information one applies to a situation, whereas learning is something that results from participation. There is little question that nature tourists learn from the experience, but it is important to view learning in terms of the primary motivation for the tourist.” [Fennell 2006a: 26]

Fennell here, in addition, clearly recognizes the importance of *learning* (participation; more ‘situational experience’) in contrast to mere knowledge; but he also points out that the motivation of (eco)tourist here might represent a problem – are people generally motivated to go learning when they go on an ecotrip? Or is gathering new learning-experience rather just mere side-effect of their travels? It is hard to answer this question from contemporary perspective without additional research, as Fennell points out, but at least from tourism history we know that the first scenario has been the case in the past.

That precisely learning was one of the most important causes of first European travelers is a known fact: Grand Tour’s first aim was to “finish off their [young noblemen’s] education /.../” [Loefgren 2002: 158]. Moreover, what first drew English Victorian families to the seaside was precisely education, and nature education more specifically:

“There was a tremendous enthusiasm for natural history in early Victorian Britain, and seaside offered particularly good opportunities for collecting and examining specimens. /.../ The writer of one of these [guides to natural history], W.H. Harvey, stressed that there was no excuse for boredom on a seaside holiday: ‘There is no need to import the winter resources of cities – balls, parties, and theatrical representations – to a watering-place ... There is so much to be enjoyed by the sea-shore when the mind is once opened to the pleasure afforded by the study of Natural History, that no other stimulus is wanted to keep the interest of the visitor constantly awake.’” [Payne 2002: 95–96]

It is worth noting here that the idea of a seaside visit was perceived negatively by British Victorian public

⁹ An example of ‘focal practice’ is for Borgmann a dinner: “The preparation of the meal, the gathering around the table, and the customs of serving, eating and conversing /.../” [Ibid.] in opposition to, for instance, meal at the fast food restaurant.

in 19th century and that seaside was synonymous with a place of boredom, vanity and trivial pursuits and that precisely education in natural history was one of the lures for tourists which helped transform seaside into a place for holidays [Ibid.: 88ff].¹⁰

Next to interest in natural history, Payne points out two other motives that gradually reshaped the views of Vicotiran British population on seaside: religious meditation on infinity but also considering it as a place of reverence for home, family, landscape and truth [Ibid. 92]. One of new emerging perceptions of the beach was certainly something we could call a place where families could count on having a lot of – if we use the term from above – ‘focal practice.’ But despite this historical facts the question that Fennell raises – if similar motives could be found in *contemporary* tourists and travelers – nevertheless remains and since it seems vital for the idea of educational nature tourism it will be addressed immediately in the next chapter. After a brief overview of the present chapter we will also try to portray some of the consequences of present discussion for educational tourism for environmental ethics in practice.

We have seen that when the topics of tourism and (environmental) ethics are presented together, they are usually viewed in an one-directional perspective which stresses the importance of ethics in tourism but somewhat neglects the idea that tourism could help in achieving greater environmental awareness as well, by providing necessary situational experience needed for environmental ethical education. We have also seen that educational potential of tourism is recognized by tourism researchers and that precisely education and ‘focal practices’ were main motives for first seaside tourists in Victorian Britain, but we nevertheless face a lack of interest in the role of tourism when education in ethics is reflected upon, and this is especially the case outside of tourism studies. It is, however, as Fennell points out, questionable to what degree

contemporary tourists and travelers would state ‘education’ and ‘learning’ as their primary vacationing motives. This might affect proper implementation of tourism products which would enhance (environmental) ethical norms and this is going to be the main topic of interest in the next chapter.

4 Tourism as a Component In Education for Environmental Ethics in Practice

We have seen that tourism bears fruitful potential for education in environmental ethics and that motive to learn about nature has been an important factor for tourism (seaside visits and Grand Tour) in the past. But if it is to be considered as a serious component in education for environmental ethics it should also be pointed out how viable such a strategy would be in practical terms: here we will thus consider the option of educational tourism being an important motive for tourists and travelers and, secondly, touch on the nature of tourism products and ‘attractions’ that could be offered in this respect.

If any substantial change in our environmental attitudes is to be achieved, such a change will have to be a massive one, as pointed out above. But is it realistic to expect that people will start traveling because of their desire to learn, as this seems to be necessary if tourism should start playing an important role in education for environmental ethics? This is, frankly put, not too realistic an expectation: because of their busy schedules, or other reasons, we may expect that people by themselves will continue to go on vacations to rest, not to engage in additional work. As Butler pointed out:

“.../ many people seem to enjoy being a mass tourist. They actually like not having to make their own travel arrangements, not having to find accommodation when they arrive at a destination, being able to obtain goods and services without

¹⁰ Similarly later well known resort Nice was first conceived as boring, minimally attractive place: “During the eighteenth century Nice was an obscure town, an unpopular stopover on the Grand Tour to Italy. The sandy and rocky Riviera did not constitute a pleasing scenery. The British writer John Fielding longed for green England, when passing through this barren coast.” [Loefgren 2002: 163]

learning a foreign language, being able to stay in reasonable, in some cases considerable comfort, /.../." [Butler 1990: 40]¹¹

Does this mean that the idea of tourism as an important component of education in environmental ethics is too utopian? Such a conclusion would be made too hastily as it does not consider special nature of the present proposal: we have to remind ourselves that the idea of environmental ethics in general is needed because we humans do not act responsibly when it comes to our environment; that we do not act so when it comes to picking our holidays can be viewed as a special case in our otherwise already unsustainable consumer behavior, and that is precisely why we need environmental ethics and education. To say that people will not choose environmental educational tourism as their way of vacationing seems to put the cart before the horse: of course – tourism as a part of education for environmental ethics should not be viewed as just one of the options from which tourists can choose, but instead as a method of education that only consequently shapes consumer's preferences. Therefore, stressing the fact that people's motives for vacationing lie elsewhere than in educational tourism is in a sense irrelevant, as this kind of tourism is envisaged for the

11 In general, ecotourism, and alternative tourism (AT) as such, have been viewed as a two-sided phenomena: it has been argued that eco-tourism initiatives have doubtful effect on local communities, for instance on Maya community in Belize [cf. Smith & Duffy 2003: 142–143]. Also, because of their specific appeal to ecotourists, some most unique and fragile resources could be under heavy demand-pressure which would, on the other hand, be of no particular appeal to mass-tourists [Butler 1993: 39]; similarly ecotourism could also 'invade' areas that would otherwise not experience tourism because they aren't in general interest of mass-tourist industry and would thus in reality only add to general bad impacts of tourism. [Butler 1993: 43]. And so 'the 'cure' may be even worse than symptoms.' [Butler 1993: 32] Similarly as Corbett above in case of a 'green ad,' Swarbrooke & Horner seem to say that thus the only 'totally green' tourist is the one that stays at home [Swarbrooke & Horner 1999: 202 (figure 14.4)] and that 'green' as an adjective in tourism is invented by marketers to sell trips to people that want to feel good about themselves [Swarbrooke & Horner 1999: 197, 202]. (Moreover, there is also an issue regarding true 'uniqueness' and 'authenticity' of thus gained experience [Smith & Duffy 2003: 114–134], the supposedly strong point of tourism in comparison to media for which we argued in previous chapter, if the tourism products aren't devised carefully and aren't properly managed). Moreover, Zimbabwe's CAMPFIRE (Communal Areas Management Plan for Indigenous Resources), supposedly a remarkable example of a responsible tourism project that wants to reconcile the needs of development on the one hand and conservation on the other (especially conservation of wildlife such as elephants), has to resort to animal sport hunting in order to provide funds for the preservation of larger herd which led to many criticisms from environmentally conscious lobbies [Smith & Duffy 2003: 154–155]. Thus it is clear that ecotourism and AT need more careful planning in the future if they are to be seen as a viable alternatives to mass tourism. Maybe re-orientation of ecotourism towards 'well-being and socio-cultural paradigm based on participatory democracy and equitable, meaningful relationships with the biophysical world' are what is needed [cf. Jamal 2006].

task of precisely altering those motives.

This ascertainment raises the question of who should then, in turn, be viewed as promoting tourism as a means for educating in environmental ethics. The answer to this question is not simple but it should nevertheless be pointed out that if stopping environmental degradation is one of the main society's political tasks, it seems reasonable that state's educational policy should be the first to endorse it in the sense of incorporating it into ethical curricula. Next could come NGOs that deal with environmental protection and conservation education, and so on. Actually, some educational policies have already long ago embraced similar tourist projects in their curricula.¹² We have to constantly bear in mind that reflections about educational nature tourism in this paper are relevant for the tourism studies in at least the same degree as they are for education in ethics and thus also for institutions that are responsible for the latter. However, even if the help of institutions to shape consumer preferences of tourists is left aside – although in the present paper this is considered to be of vital importance for the future of our environment –, it is clear from the research that educational tourism and ecotourism are gaining in importance in regard to their tourism market share: 'serious leisure' and volunteerism, which justly qualify as ecotourism [Wearing & Neil 2001: 241] as well as edu-tourism [Wearing & Neil 2001: 239] as a form of holiday experience has seen a 400% growth in investment in volunteers from 1976 to 1991 [Wearing & Neil 2001: 242]. Moreover, 'volunteer vacations' and 'ethical holiday' were predicted to experience growth in popularity in future [Swarbrooke & Horner 1999: 257].

In the second part of this chapter let us now turn to the question of tourism product that could be considered as a part of tourism offers in education for environmental ethics, or – in other words –: how should an 'attraction' in such a tourism look like? Waymarked

12 Slovenian 'School-in-nature' projects in elementary schools could be viewed as a kind of such tourism, albeit not fully articulate in terms of environmental ethics specifically. The idea of educating children in nature about nature could not be more in line with Louv's findings that children should spend more time outdoors if we want to avoid the emergence of Nature Deficit Disorder (NDD) and estrangement from nature leads to occurrence of NDD symptoms which include severe psychological disturbances [Louv 2005]. There is still a lack of such programs for adult and senior citizen, though, and this could be viewed as an important niche for tourism product developers.

paths and interpretive trails have already been mentioned, but if we want to consider a more holistic tourism experience for visitors, something more engaging will be needed, as, for instance, visiting conservation sights or even participating in conservation, organic food producing, farming, *etc.*¹³ However, it seems important to stress the fact that tourism for education in environmental ethics is not simply coextensive with 'ecotourism.' This can easily be seen when we consider such sites as landfills and large industrial areas abundant with heavy industry 'memorials' (such as old and even new factories, but also harbors, airports, *etc.*) as 'attractions' in the kind of tourism this paper is portraying: such sites could efficiently be used to educate about the large scale of present day production and its environmental impacts, as they have been used in the past in order to foster national pride because of human domination over nature.¹⁴

Next to attractions come also appropriate tour guides which are desired in ecotourism in general and in educational tourism in particular. Educating those in order to provide personnel for tourism in education for environmental ethics could be seen as a greater obstacle than finding appropriate sites. Further research should definitively take this issue as one of the most important problems to tackle with. Some work in the area of ecotourism has been carried out though, and the idea of (Eco)Tour Guide Certification developed by R. Black and S. Ham could be considered as one of the means how to take care of this problem [Black & Ham 2005].

In this chapter we have seen that tourist motives in themselves might not be enough to endorse educational tourism in environmental ethics; but it should

¹³ The list here is long and those practices overlap to the considerable amount with general ecotourism offers.

¹⁴ Regular visits of power plants and various production facilities in Slovenian elementary schools could be again viewed as such tourist phenomenon. Here it might be argued that people will never be interested in such sites as factories, power plants and landfills. This may again be too rash a conclusion as people are obviously very much interested in sites such as nazi concentration camps, for instance in Auschwitz, and in war museums in general (maybe here proposed tourism attractions bear ample resemblance to those sites inasmuch as they also want to serve as an ethical reminder for future generations; for instance a landfill could be viewed as a reminder about human overconsumption). Moreover, sights of environmental degradation arise curiosity, as can clearly be observed in the figure of photographer Edward Burtynsky whose large-scale devastated landscape photos have become extremely famous (here philosophers such as Kant were far ahead of their time when they stressed – broadly speaking – that 'the disgusting' can be an object of aesthetic contemplation in the same way as 'the sublime').

be stressed that tourism as a part of education for environmental ethics should not be viewed as just one of the options from which tourists can choose, but instead as a method of education that shapes consumer's preferences. Therefore, stressing the fact that people's motives for vacationing lie elsewhere than in educational tourism is in a sense irrelevant, as this kind of tourism is envisaged for the task of precisely altering those motives and consumer behavior in general in order to achieve greater sustainability. Next, we have seen how adequate tourism products could be envisaged and also, that appropriate tour guides might represent additional problem for proper educational nature tourism, an issue which might be dealt with with the model of Tour Guide Certification. In conclusion we turn to a general remark about who and why should endorse tourism as a component in education for environmental ethics and to ideas for further research.

5 Conclusion

As we have seen, tourism as a vehicle of achieving sustainability can be viewed in terms of its great educational component for environmental ethics. Proper attitude towards nature is even more important in achieving sustainability than better and greener technology, because it is ultimately human conduct that is responsible for environmental preservation. Since tourism can provide much valuable experience that is seen as cornerstone in education for environmental ethics, it should be viewed as a necessary part of the latter. Thus, primary interest in such a tourism should lie in institutions and NGOs that view achieving sustainability as their primary goal. But as the market for volunteer- and eco- tourism grows, such tourism could also be viewed as one of the priorities for responsible tourism industry.

However, in order to more fully implement here presented ideas in practice, further research would be desired in following fields: education of suitable tour guides, ecotourist's motivation for learning, and design of proper products that could be available in tourism as a component in education for environmental ethics.

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Tax Competitiveness of Croatia and Slovenia as Tourist Destinations

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Abstract

The increasing competition in the tourism sector forces tourist destination countries to search for ways to improve their competitiveness. One way is cutting non-cost element of prices such as taxes. The paper examines and analyses the most relevant types of taxes in the tourism sector and presents the corresponding tax rates for Croatia, Slovenia and their rivals in the Mediterranean region. The most significant tax on tourist consumption is value added tax (VAT), which is considered in great detail. Within a certain country different VAT rates apply to different goods and services consumed by tourists. The overall level of direct taxation of tourists' consumption is computed as the weighted average VAT rates for each European Mediterranean country and the results are compared. Businesses engaged in labor intensive hospitality industry face large share of labor costs and thus considerable payroll taxes. Since a part of taxes can be passed on to tourists through higher prices, we briefly present also overall tax rates on labor incomes and tax rates applied to business earnings.

Key words: tourism, taxation, value added tax, Mediterranean

Introduction

International tourism is often in more favorable position regarding taxation than the commodity trade, which is subject to tariffs, quotas and generally higher taxes (Yarcan, 2007, p. 5). Nevertheless, due to relatively high importance of tourism sector for the Mediterranean countries and due to price sensitive demand for tourist services (see De Mello *et al.*, 2004, p. 517; Copenhagen Economics, 2007, p. 43), taxes can be an important tool of enhancing international price competitiveness. Namely, due to increasing living standard the importance of the tourism sector is rising in Europe and the rest of the world. Since living standard is rising faster in less developed European countries than in the old European Union (EU) member states, the demand for tourist services is expected to grow faster in the former (Leidner, 2007, p. 1–3). Croatia and Slovenia could gain prosperous developments from this trend. The traditional Mediterranean tourist destinations (Spain, France, Italy, Greece, and Turkey) are challenged by the emerging Mediterranean countries, especially Croatia, Tunisia, Egypt, Romania, and Morocco. Especially Egypt with its Mediterranean and Red Sea coastline has excellent price competitiveness and chartered flights directly from Europe (see Blanke and Chiesa, 2007, p. xx–xxiv). One of the measures that can help to improve other country's price competitiveness is cutting non-cost element of prices such as taxes. Contrary, high taxation lowers international price competitiveness of a tourist destination and can negatively affect tourist demand. The latter is likely to happen especially if neighboring countries improve their competitive position. That is argued by De Mello, Pack and Sinclair (2002), who have analyzed UK demand for tourism in the neighboring destinations, France, Spain and Portugal. During the period under consideration Spain and Portugal had a similar position as Croatia has today, experiencing a process of transition from “developing” to “developed” status (considering World Bank's classification). Their estimates of cross-price elasticities indicate substitutability of tourist services between the immediate neighbors. They also suggest that tourists could be more price-sensitive when they demand for tourist

services in less developed tourist destinations but that is not necessarily the rule.

The paper examines and analyses most relevant types of taxes in the tourism sector and represents the corresponding tax rates in Croatia, Slovenia and their rivals in the Mediterranean region. The aim of the paper is to provide ranking of European Mediterranean countries due to tax burden directly levied on tourist consumption and estimate relative tax competitiveness of Croatia and Slovenia as tourist destinations.

Tourism taxation

The main taxes affecting tourism sector can be classified into two groups. The first group consists of general taxes that apply not only to tourism but to different industries generally. The second group consists of specific taxes, which are related explicitly to the tourism industry. The majorities of taxes that affect the tourism industry fall into the first category and are not a source of discrimination among sectors and are thus justified (NTA, 2003, p. 4). In the following table we summarize the main general and specific taxes levied on tourism activities. There are also taxes, which are according to upper definition general but are levied on tourism activities at special rates (usually more favorable). These types of taxes are classified as a subgroup of general taxes.

The most significant tax on tourism activities is *value added tax* (VAT). The role of this type of tax is to capture revenue from the final consumption of certain goods and services in the home market what means that the VAT is designed to be borne by the end consumer. It is collected partly at every stage of production and distribution chain, since it would be technically infeasible to collect it from the end consumer. Nevertheless, the tax is after all at least partly passed on to consumer by its inclusion in the price charged for the goods or services at every stage. The fact that VAT is a tax on domestic consumption raises a question whether international tourists, who consume goods and services on the spot in foreign country, should be liable to pay VAT to this foreign country (NTA, 2003, p. 5). Considering

Table 1: *Main types of tourism (direct and indirect) taxes*

General taxes		Specific taxes
<i>Fall on residents and tourists; apply to tourism on the same basis as applies to other industries.</i>		<i>Fall mainly on tourists; apply specifically to tourism industry.</i>
Standard tax rates	Special tax rates for tourism activities	
Standard VAT on goods and services	VAT on tour packages	International transport taxes (air travel taxes and duties, airports/seaports/road borders taxes)
Transportation taxes (fuel tax, car rental taxes and duties)	VAT on (hotel) accommodation	Visitor attractions taxes
Corporate income tax	VAT on services in restaurants and bars	Entry/exit taxes and permits (visa fees and arrival and departure taxes)
Labor income taxes (personal income tax, social security contributions, payroll taxes)	Other taxes (<i>e.g.</i> local taxes on consumption of drinks <i>etc.</i>)	Bed taxes / Lodging taxes (local)
Import duties		Taxes on games of chance (<i>e.g.</i> gambling)
Land and property taxes		
Other taxes		

Note:

Similar classifications are provided by World Tourism Organization (WTO, 1998), Australian National Tourism Alliance (NTA, 2003, p. 4–7), Goorochurn and Sinclair (2003, p. 4–7), and Durbarry and Sinclair (2001).

Source: Own compilation.

consumption of international tourists we could draw some parallels to export of goods, which is VAT free, but it would in fact be discriminatory to treat domestic tourist differently from international tourists (though Croatia did for some time). Therefore, also international tourists pay prices higher due to the collection of VAT in the tourist destination country. In this subsection we represent a short analysis of VAT imposed on the consumption of tourists in Mediterranean Europe.

Under current arrangements, the EU Member States apply a standard VAT rate on goods and services of at least 15 percent and have the option of applying reduced rates (which may not be less than 5 percent) to certain goods or services of a cultural or social nature and temporarily or exceptionally also zero or super reduce rates (might be below 5 percent). Several EU countries apply reduced VAT rates also to some tourism sector activities. Namely, Directive 2006/112/EC¹ (hereinafter referred to as the EU VAT Directive), gives

¹ Council Directive 2006/112/EC is a recast of the 6th VAT Directive (77/388/ECC) on the common system of value added tax.

the EU Member States the choice of applying a reduced rate to accommodation provided in hotels and similar establishments, including the provision of holiday accommodation and the letting of places on camping or caravan sites. Other goods and services commonly consumed by tourists that are in several countries entitled to the reduced VAT rate are (see Annex X of the EU VAT Directive) the following:

- transport of passengers and their accompanying luggage;
- foodstuffs (including beverages but excluding alcoholic beverages) for consumption;
- admission to shows, theatres, circuses, fairs, amusement parks, concerts, museums, zoos, cinemas, exhibitions and similar cultural events and facilities;
- the use of sporting facilities and admission to sporting events.

According to the EU VAT Directive neither restaurants, holiday packages nor car rental companies are eligible for a reduced VAT rate as neither is

specified in Annex III of the Directive. However, the EU member states, which were applying a reduced rate to restaurants and bars in January 1991, have the option of continuing to apply such a rate to these supplies. There are also temporary or exceptionally derogations allowed for some new EU member states. Bulgaria, for example, retains preferential VAT rate only for accommodation provided by the hotelier as part of a tourist package tour (Vatahov, 2006a).

Croatia, a non-EU Mediterranean country, applies reduced VAT rate not only on hotel accommodation, but also on travel agent's admission on supply of such services (the second paragraph of Article 10a of Croatian VAT Act, known as ZPDV for short). Turkey, on the other hand, retains mostly a uniform VAT rate for hotel and hospitality services.

Taxes and excise duties on transport

Most of foreign tourists come to the Mediterranean tourist destination from other parts of Europe, mostly from northern and western countries. Especially in long haul destinations international transport occupies a major part in the total cost of holiday packages (except for low cost air travel carriers) and hence taxing this sector is in principle very important from tourist's perspective. Tax on transport, which is directly calculated to a tourist as a consumer, is VAT on plane/rail/bus ticket or ticket for sea transport. As international transport is mostly exempt from VAT, is not an element of international tax competitiveness of tourist destinations. Namely, international air travel and sea transport are VAT exempt in all EU countries. In most considered countries the same is valid also for international rail transport, while some countries (France, Spain, and Slovenia) apply a reduced VAT rate on international bus transport. In Slovenia international air, sea and rail transport of passengers are VAT exempt, while international road transport is liable to VAT. In Croatia international passenger transport is VAT exempt only in part that refers to foreign country. Part of all kinds of trips taking place in the territory of Croatia is liable to VAT payment. VAT rates for different means of domestic and international transport in European Mediterranean countries are shown in Appendix 1.

Inland or domestic transport is, contrary, taxed in great majority of countries. Many different VAT rates apply to inland passenger transport across the EU with some member states offering VAT exemptions or applying zero VAT rates. Among considered countries, the inland transport taxed by zero VAT rate only in Malta. Half of the considered countries apply reduced VAT rates (Portugal 5 percent, Spain 7 percent, Slovenia 8.5 percent, Greece 9 percent, and Italy mostly 10 percent), while the rest, including Croatia, apply standard VAT rates (see Appendix 1). Croatia with 22-percent VAT rate on tickets imposes the heaviest direct tax burden on tickets for inland transport.

Tourists also face several types of entry and exit taxes. These include taxes and charges on airport departure, which are fixed amounts that have to be paid when leaving the country, taxes on airport embarkation, which is paid on entering the country, and possible the visa fee. These taxes are usually levied at a flat rate or in nominal terms and are relatively small in amount (Gooroochurn and Sinclair, 2003).

Aviation is currently exempt also from fuel taxes; while in the EU taxes on road fuel amount on average about 0.65 euros per litre (T & E, 2006, p. 12). Road fuel excise duties adopted by Croatia are much lower than in EU countries. Petrol and diesel excise duties in Slovenia are above the minimum amounts prescribed by the EU and are close to the average levels for considered Mediterranean countries (see Appendix 2).

Taxation of hotel and hospitality services

Beside transport costs most of tourists' expenditures represent costs of accommodation and hospitality services. VAT rates for *hotel accommodation services* in considered countries vary between 5 and 18 percent, with Malta, Portugal and France having the lowest VAT rates (5 and 5.5 percent, respectively) and Turkey imposing the highest VAT rate for accommodation services (18 percent). VAT rate for hotel accommodation in Slovenia is on the average level of analyzed countries. In Croatia it is 1.5 percentage points above the average rate. With an exception of Slovenia all countries apply the same VAT rate to *food in*

restaurants and non-alcoholic beverages in bars and cafes. This VAT rate is the highest in Croatia (22 percent)² and the lowest in the Aegean Sea area (6 percent) and Spain (7 percent). Slovenia applies 8.5 percent VAT rate to food in restaurants and 20 percent VAT rate to all kind of beverages in restaurants, bars and cafes. In all countries, except in Cyprus and Greece, where higher VAT rates apply to alcoholic drinks, VAT rates for *alcoholic beverages* do not differ from VAT rates for non-alcoholic beverages in bars and cafes. Only Italy, Portugal and Spain apply reduced VAT rates to alcoholic drinks supplied in restaurants, bars and cafes. *Night club services* are mostly subject to standard VAT rates – where exceptions are Spain (applying 7 percent VAT rate) and Portugal (applying 12 percent VAT rate).

Beside government VAT on tourist accommodation tourists also face *local tourist taxes* related to overnight stay of nonresidents. First type of these taxes is a tourist tax/fee, which is set at fixed, usually smaller amount (*e.g.* 1 Euro per person per night). Revenue acquired by this type of tax is mostly allocated to local tourism development. In some countries/cities tourists are beside VAT on tourist accommodation subject to local tax that is set in percent of a lodging selling price. Here we refer to it as a bed tax or local lodging tax. Rates of this tax are usually beside VAT applied to the net price of a hotel accommodation (*e.g.* in hotels in Athens a tourist pays 6 percent community tax for the overnight stay).³

Value added tax on other tourist goods and services

Tourists also spend some income on clothes and alcoholic and soft drinks in stores, artisan products and souvenirs. Some of them also engage in sport activities, visit museums, concerts and other cultural activities. Most of these goods and services are standard-rated but to some of them reduced VAT rate applies. Among the latter, they are often different cultural, sport or

social activities, newspapers and magazines and food bought in stores.

Among all considered Mediterranean countries (see Table 1) Croatia has the *highest standard VAT rate* (22 percent). Slovenia's standard VAT rate of 20 percent is ranked (as the VAT rate in Bulgaria and Italy) at third place after the VAT rates in Croatia and Portugal. The lowest standard VAT rates are levied in the Aegean Sea area (13 percent), Cyprus (15 percent) and Spain (16 percent).

VAT rates for *food sold in shops* vary from 0 percent in Malta to 22 percent in Croatia (except on all types of bread and milk). VAT rates for *soft drinks sold in shops* vary from 5.5 percent in France to 22 percent in Croatia. The VAT rate for food and soft drinks sold in shops in Slovenia is 8.5 percent. Thus, it is below the average VAT rate for considered countries.

Table 2 shows that the category of products facing the largest VAT rate variation among the analyzed countries is food and soft drinks sold in shops. Though services supplied by restaurants, bars, cafes and night clubs also face significant variation. However, range is a bit lower but still considerable in the case of hotel services, where only Turkey persists with standard VAT rate. All other 11 analyzed countries have adopted the option of applying reduced VAT rate on hotel services. According to WTTTC (2007), there is a widespread agreement that economies benefit from a reduced VAT rate for the hospitality sector.

Value added tax on holiday packages

Significant share of international tourists come to the Mediterranean tourist destinations through tour operators/travel agencies. This share varies from country to country. In Bulgaria⁴ and Antalya⁵ (Turkey), for example, it reaches around 80 percent, while the share was only 38 percent in Spain⁶, around 35 percent in Croatia⁷, and 32 percent in Slovenia⁸.

² Beside government VAT Croatia also implies local tax on consumption of alcoholic and non-alcoholic drinks, which is up to 3 percent (Kesner-Škreb in Kuliš, 2008, 58).

³ Butler, 2007

⁴ Data is for 2006 (Vatahov, 2006a)

⁵ Data is for 2000 (Anadolu Agency, 2000).

⁶ Data is for 2005 (Galdiano, 2005).

⁷ Data is for 2006 (UHPA, 2008).

⁸ Data is for 2003 (Arnež *et al.*, 2004, p. 23).

Table 2: VAT rates in chosen Mediterranean European countries as of 1st January 2007

Country	Standard VAT rate	Reduced VAT rate	Super reduced or zero VAT rate	HOTEL room***	Restau-rant (food)	Bars and cafes (beverages)		Night clubs	Sold in shops:	
						Non-alcoholic	Alco-holic		Food	Soft drinks
Bulgaria	20	7		7,0 ¹ / 20 (9,6)	20	20	20	20	20	20
Cyprus	15	5/8	/	8	8	8	15	15	0/5/15	15
France	19.6	5.5	2.1	5.5	19.6	19.6	19.6	19.6	5.5	5.5
Greece**	19/13	9/6	4.5/3	9/6	9/6	9/6	19/13	19/13	9/6	9/6
Italy	20	10	4	10	10	10	10	20	4/10	4/20
Malta	18	5	/	5	18	18	18	18	0	18
Portugal	21	5/12	/	5	12	12	12	12	5/12/21 1	5/12
Romania	19	9	/	9	19	19	19	19	19	19
Slovenia	20	8.5	/	8.5	8.5 ²	20	20	20	8.5	8.5
Spain	16	7	4	7	7	7	7	7	4/7	7
Turkey	18	/	/	18	18	18	18	18	0 ³ /18	18
Croatia	22	/	0	10	22	22	22	22	0 ⁴ /22	22
Average*	18.5	7.5	2.6	8.6	14	15	16.1	17	10.7	13.3
Range	9	5	4	13	16	16	15	15	22	16.5
Standard Deviation	2.6	1.6	1.7	3.4	5.9	5.9	4.7	4.4	7.3	6

Notes:

1 When organized by tour operators (just on hotel accommodation services provided as part of an organized trip).

2 The date until Slovenia may apply 8.5 percent VAT rate to the preparation of meals was after the negotiations in December 2007 prolonged to the end of 2010.

3 Only for basic food items like milk, macaroni, oil, and similar (Revenue Administration of Turkey, 2006).

4 Only for all types of bread and milk.

* We calculate the average hotel VAT rate using the weighted average VAT rate for the hotel services in Bulgaria. Thus, the average VAT rate for the hotel services in Bulgaria amounts 9.6 (0.8*7+0.2*20), since about 80 percent of foreign tourists come to Bulgaria through foreign tour operators/travel agencies, which are taxed at only seven percent VAT rate (Vatahov, 2006a). When we have different tax rates for the same category of goods/services, we usually calculate the average VAT rates by taking simple average, unless this is not appropriate (e.g. for food VAT rate sold in shops in Croatia, where we take just 22 percent, since the zero rate is applied only to bread and milk). For Greece, we use data for the islands of Aegean Sea and some other islands (lower VAT rates).

** Greece: All tax rates are 30 percent lower for the islands in the Aegean Sea and certain other islands (the second rate).

***Some counties/cities also charge special bed taxes, which are not included here, e.g., 6 percent tax on overnight stays at hotels and motels in Ocone county – Athens (Butler, 2007).

Similar classifications are provided by World Tourism Organization (WTO, 1998), Australian National Tourism Alliance (NTA, 2003, p. 4–7), Gooroochurn and Sinclair (2003, p. 4–7), and Durberry and Sinclair (2001).

Source: HOTREC, 2007; for Croatia: VAT Act (ZPDV) and IJF, 2007.

The EU member states tax tour operators' (travel agencies)⁹ services in accordance with the EU VAT Directive, which contains a special margin scheme

⁹ Tours operator and travel agencies are here regarded as businesses that buy-in and resell travel, accommodation and certain other services as a principal or undisclosed agent, which is acting in their own name (Pooley, 2005).

for tour operators (so called tour operators' margin scheme – TOMS). Tour operators that buy in a hotel accommodation, passenger transport, organize trips, excursions or other activities in their own name to provide these services in a package to a customer are regarded as making a single supply of services for VAT

purposes. Tour operators do not pay VAT on the whole selling price of a holiday package, but only on the margin on resale of this bunch of services. To the relevant margin standard VAT rate should apply. Tour operators are taxed only in the country where their business is established and therefore do not have to register for VAT in other countries. Since VAT is charged only on the margin of transactions, tour operators cannot deduct input VAT on the corresponding costs of sale (Pooley, 2005; Articles 306–311 of the EU VAT Directive). For

example, a tour operator established in Slovenia, selling a holiday package (e.g. accommodation) in Italy, registers for VAT only in Slovenia. It is liable to pay 20-percent VAT rate on the difference between the total amount (exclusive of VAT) to be paid by the traveler and its actual cost of accommodation provided by a certain hotel in Italy. It cannot deduct VAT on hotel accommodation paid in Italy to lower its corporate income tax base and therefore its tax liability to the Slovenian Tax Authority.

Table 3: VAT rates generally applied to travel agencies in considered Mediterranean countries, situation as at 1st May 2007

	Bulgaria	Cyprus	France	Greece	Italy	Malta	Portugal	Romania	Slovenia	Spain	Croatia
VAT rate	20	15	19.6	19	20	18	21	19	20	16	10/22*
TOMS		[m]	[m]	[m]	[m]	[m]	[m]	[m]	[m]	[m]	

Notes:

[m] = taxation on the margin; TOMS = tour operators' margin scheme.

Source: European Commission, 2007b; Slovenian VAT Act (ZDDV-1, Article 98).

The EU VAT Directive appoints standard VAT rate on tourist packages. Even if an EU country could exceptionally apply a reduced VAT rate on holiday packages, the VAT rate is an element of competition between tourist destinations only if a tourist buy a package directly in the country, which is his/her final tourist destination. From the perspective of foreign tourist agencies (and in the final instance also tourists) not only VAT rate on margin is important, but also a non-refundable VAT on accommodation and other services bought in order to provide holiday packages to tourists. After the EU accession, Bulgaria was not allowed to retain lower VAT rate on accommodation for all taxable persons. Nevertheless, it has made every effort to negotiate at least for reduced VAT rate for hotel accommodation services provided as part of an organized trip (Vatahov, 2006b). It was successful and Bulgaria can regarding VAT rate for accommodation compete with Greece and Spain (that holds only for tourists with holiday package).

The only among considered Mediterranean countries that offers preferential tax treatment of tour operator's margin is Croatia. Since January 2006 Croatia applies 10-percent VAT not only on accommodation with or without breakfast, and half-board and full-board in

hotels and similar establishments, but also on tour operator's margin on these services (Porezna uprava Republike Hrvatske, 2006). Since reduced VAT rate on tour operator's margin and hospitality services for guests staying in hotels are not in compliance with the EU VAT Directive, Croatia will probably try to negotiate for certain exceptions on its way to the EU. It should also have to introduce the necessary legislative provisions for tour operators into its domestic legislation.

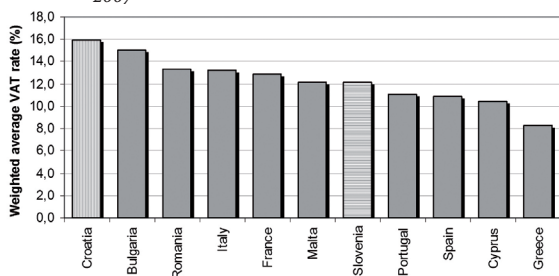
Weighted average VAT rate levied on tourist consumption

We have examined VAT rates for different groups of goods and services. Generally, if we would like to get a quick picture of how a particular country performs in comparison to others in a certain area, we rank countries up to suitable index. Though rankings are often being criticized that they oversimplify the picture, they are very convenient for the use and give quick information about country's relative position in certain area. Due to lack of internationally comparable data on consumption patterns of tourists, we calculate weighted average VAT rate levied on tourist goods and services. A weight attached to each category of tourist

consumption determines the impact of its VAT rate on the average VAT rate. Since it is difficult to obtain comparable international data on the breakdown of tourist expenditures by main item groups, we will assign weights to the components of a so called tourist's market basket arbitrarily (although taking into the consideration data for some countries, *e.g.* Arnež *et al.* 2004, Srivastava, 2000, Durbarry and Sinclair, 2001, Dunlop, 2003). Primary groups of tourism expenditures proposed by WTO and the corresponding, arbitrarily assigned weights are: package travel/holidays/tours (0.10); accommodation (0.45); food and drinks (0.15 and 0.05, respectively), inland transport (0.05), recreation, culture and sporting activities (0.06), shopping and miscellaneous (0.14). International transport is not included here, since it partly refers to the country of origin.

Figure below shows weighted average VAT rate faced by a hypothetical tourist in the European Mediterranean countries. It clearly shows that a tourist visiting Croatia face higher average VAT rate than those visiting the competing tourist destinations. Greece, Cyprus and Spain are the most competitive regarding VAT on tourist consumption. Slovenia's average VAT rate for tourists is in comparison to other destinations quite favorable. Since in reality tourist's market basket differs among tourist destinations, our indicator of average VAT rate is not reliable. But also by changing weights assigned to groups of expenditures, ranks mostly do not change (if they do, a country mostly switches the place with the closest neighbor).

Figure 1: Weighted average VAT on tourist consumption (in %), 2007



Note:

For item groups of tourist expenditures, their VAT rates and the corresponding weights, see Appendix 3.

Source: Own compilation.

There future of preferential tax treatment of the hospitality sector and other tourist services depends on the ongoing political debate on VAT rate structures, which should be closed by the end of 2008. Then the European Commission should put forward concrete legislative proposals for a revision of the reduced rates. The starting point of the debate is the Commission's assessment report on the impact of reduced rates applied to locally supplied services (including restaurant services), notably in terms of job creation, economic growth and the proper functioning of the internal market (Copenhagen Economics, 2007, p. 9). The report concludes that from economic perspective a uniform VAT rate per member state is the best policy choice. Nevertheless, there may be specific economic benefits from operating a reduced rate in carefully targeted sectors. The report suggest that it might be justified to apply reduced VAT rates to locally supplied services and some parts of the hospitality sector, respectively hotels and restaurants (Copenhagen Economics, 2007, p. 4). But there is no explicit argument to extend reduced VAT rate to tour operator's services. On the other hand the report warns that the option to apply reduced VAT rates to part of hospitality industry may affect distribution of tourism between EU member states and may have a non-negligible impact in border regions (Copenhagen Economics, 2007, p. 89). Since reduced VAT rates serve as a tool for promoting international price competitiveness of certain sectors, different interest groups are still seeking reduced VAT rates for their sectors or products.

Business taxation

No matter on which side of the market taxes are legally levied, part of taxes can be passed on to tourists through higher prices. How much of a particular tax is actually paid by business and how much by the end consumer depends according to economic theory on the price elasticity of demand and supply (Musgrave and Musgrave, 1989, p. 251–253). Since surveys show that tourism demand is relatively price sensitive (see De Mello *et al.*, 2004, p. 517; Copenhagen Economics, 2007, p. 43), businesses have limited possibilities to shift tax burden to consumers through higher prices.

We briefly present overall tax rates on income from employment and tax rates applied to business earnings.

The hospitality sector is a labor intensive service sector that has, after the business service sector, second highest share of personnel costs in total operating costs (European Commission, 2007c, p. 19–21). Thus, heavy taxation of labor income can impose considerable costs to this sector. Organization for Economic Cooperation and Development (OECD) has established a micro indicator of total tax burden on labor income, called tax wedge¹⁰. It can be calculated for various examples of households' types and representative wage levels. Since wages in the hospitality sector are usually lower than average wages in the economy (see European Commission, 2007c, p. 21; ILO, 2001, p. 53), we will use tax wedge on low paid workers¹¹ as a proxy for tax wedge in the hospitality sector. As can be seen from Appendix 4, tax wedge is among all considered Mediterranean countries the lowest in Malta and Cyprus and the highest France, Romania, Turkey, Italy and Slovenia. In the last five countries it exceeds 40 percents, what simply means that an amount that worker receives on personal bank account is less than 60 percent of an amount paid for his/her work by the employer. The calculated tax wedge for low paid worker in Croatia was in 2006 about 38.4 percent, what places Croatia right behind the leading group of five countries with the highest tax burden on labor (see Appendix 4). Tax wedge on labor income is significant in most of the EU member states and in Turkey and can harm the price competitiveness of these countries relative to non-European tourist destination.

The tourism sector is characterized by a large number of small businesses (European Commission, 2007c, p. 324). They can choose between different legal forms in which to operate what affects their liability to tax. Depending on the legal form, their profits are taxed either under the personal income tax or the corporation tax system. Since effective tax rates on corporate

income are not available for the tourism sector, we compare adjusted top statutory corporate income tax rates. It is up to individual company to optimize its effective tax burden and carry out possible tax credits, deductions and other tax relieves. Among the considered Mediterranean countries the corporate income tax (CIT) rates are most favorable in Bulgaria and Cyprus (10 percent on corporate earnings), while they are the highest in France (34.4 percent), Malta (35 percent), and Italy (37.3 percent). Slovenia and Croatia have the CIT rates below the average CIT rate for the considered countries (see Appendix 5).

Many small businesses (mostly sole proprietors) are taxed within the personal income tax (PIT) scheme. At the moment Romania is the only amongst the European Mediterranean countries having flat-rate PIT. Bulgaria has announced flat PIT rate for 2008 (Beekman, 2007). All other countries levy taxes according to tax brackets, though the number of brackets is reducing in the last years. Top statutory PIT rates differ substantially between the Mediterranean countries, ranging from 16 percent in Romania to 45 percent in Croatia. The top statutory PIT rate in Slovenia is above the average in the Mediterranean Europe (see Appendix 6).

Conclusion

During their stay in a foreign country tourists face several general and specific taxes, which make traveling more expensive. Losing price competitiveness due to high taxes under fierce competition can motivate potential guests to move to rivalry tourist destinations with more favorable prices. The most important tax levied directly on tourists is value added tax (VAT). The most competitive European Mediterranean tourist destinations according to VAT are Spain, Cyprus, and Greece. VAT rates in Croatia are the highest amongst considered countries and several of these countries are better ranked than Croatia according to price competitiveness. The main VAT derogations in the Croatian tax system concerning tourism are reduced VAT rate for accommodation that includes different meals and reduced VAT for tour operator's margin on

¹⁰ Total tax wedge considering OECD methodology is calculated as the sum of personal income tax, employee plus employer social contributions and any payroll tax, expressed as a percentage of labor costs. Labor costs are defined as gross wage earnings plus employers' social security contributions and payroll taxes (OECD, 2004).

¹¹ Tax wedge on low paid worker represents tax wedge for single individuals without children at the income level (gross earnings) of two thirds of an average worker (AW).

these services. Since the latter is not in compliance with the EU VAT Directive, Croatia should try to negotiate for certain exceptions on its way to the EU.

Slovenia is quite competitive according to VAT rates but is on disadvantage especially regarding taxation of labor. In Slovenia as well as in Croatia labor income is taxed heavily relative to several competing tourist destinations (Bulgaria, Cyprus, Malta, Greece and Spain). While Croatia sticks to high top personal income tax rate, Slovenia makes rather small steps in reducing marginal income tax rates. Their close rivals, Bulgaria and Romania, are making quick steps towards

extremely tax friendly environment. By simplifying their tax regimes they attract foreign investors that modernize their capacities and attract tourist from abroad. Beside that we should be aware that Europe is at the time being of a strong Euro a relatively expensive tourist destination and is gradually losing its market share in the world. As non-European Mediterranean and Middle Eastern countries have relatively low unit cost base compared to their European counterparts and thus low price levels, labor taxes could be an appropriate element to target when removing price level as competitive disadvantage in tourism.

Appendices

Appendix 1: VAT rates generally applied in the considered Mediterranean countries to passenger transport, situation at 1st May 2007

	Bulgaria	Cyprus	France	Greece	Italy	Malta	Portugal	Romania	Slovenia	Spain	Croatia
Domestic transport:											
Air	20	15	5.5	9	10	0	5	19	8.5	7	22
Sea	20	8	5.5	9	10	0	5	19	8.5	7	22
Inland waterway	20	15	5.5	9	10	n/a	5	19	8.5	7	22
Rail	20	n/a	5.5	9	10 [ex]	n/a	5	19	8.5	7	22
Road	20	5/15	5.5	9	20 [ex]	n/a	5	19	8.5	7	22
Intra-community and international transport:											
Air	0	0	0	0	0	0	0	0	0	0	0*
Sea	0	0	0	0	0	0	0	0	0	0	0*
Inland waterway	n/a	n/a	5.5	0	0	n/a	0	0	0	7	0*
Rail	n/a	n/a	0	0	0	n/a	0	0	0	7	0*
Road	n/a	0	5.5 [ex]	9	0	n/a	0	0	8.5	7	0*

Notes:

0 = zero rate (exemption with refund of tax paid at preceding stage); [ex] = exemption; N/A = not applicable; [ex] = exemption.
Croatia: Standard VAT rate applies on part of a trip taking place in the territory of Croatia.

Source: European Commission, (2007b); VAT Act for Croatia and information from Tax Administration of Republic of Croatia.

Appendix 2: Excise duties imposed on unleaded petrol and diesel fuel in the considered Mediterranean countries (in euros), situation as at 1st July 2007

	Unleaded Petrol	Diesel fuel
<i>Minimum excise duty adopted by the Council on 27-10-2003 (Dir. 2003/96/EEC)</i>	<i>359 EUR per 1000 litres</i>	<i>302 EUR per 1000 litres</i>
Bulgaria	322.12	273.55
Greece	331.00	276.00
Spain	395.69	302.00
France	606.90	428.400
Italy	564.00	423.00
Cyprus	303.10	247.96
Malta	474.26	332.40
Portugal	582.95	364.41
Romania	327.29	259.91
Slovenia	400.03	323.30
Croatia	227.59	137.93
Average	412.27	306.26

Source: European Commission, 2007a; for Croatia IJF, 2008.

Appendix 3: VAT rates by item groups of tourist expenditures and weighted average VAT rate on tourist consumption (in %), 2007

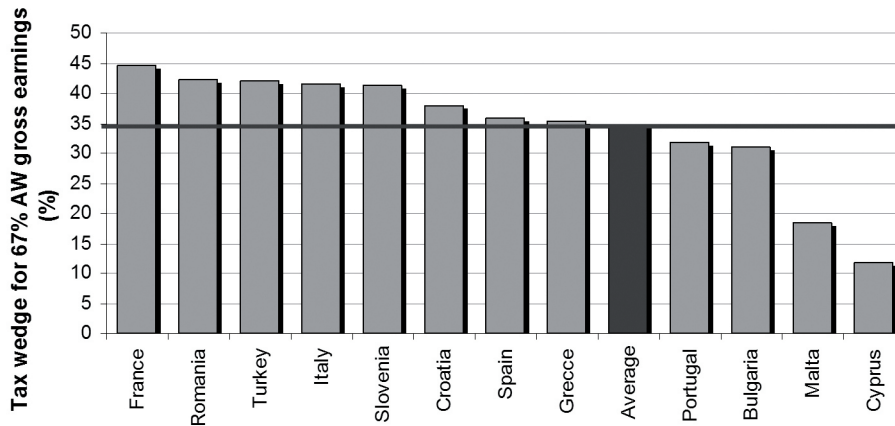
Item group and corresponding weight	Bulgaria	Cyprus	France	Greece	Italy	Malta	Portugal	Romania	Slovenia	Spain	Croatia
Package tours 0.15	20	15	19.6	13	20	18	21	16	19	20	22
Accommodation 0.45	9.6	8	5.5	6	10	5	5	9	8.5	7	10
Food 0.15	20	8	19.6	6	10	18	12	19	8.5	7	22
Drinks 0.05	20	11.5	19.6	9.5	10	18	12	19	20	7	22
Inland transport 0.05	20	15	19.6	13	20	18	21	16	19	20	22
Cultural events 0.03	9.6	7.5	5.5	4.5	10	18	5	9	8.5	7	0
Recreation and sporting activities 0.03	20	15	19.6	9	20	18	5	19	8.5	11.5	22
Shopping and miscellaneous 0.09	20	15	19.6	13	20	18	21	16	19	20	22
Weighted average VAT	14.8	10.3	12.6	8.1	13.0	12.0	10.8	13.2	11.9	10.7	15.7

Note:

VAT rates for cultural events and sport activities are obtained from European Commission, 2007b and VAT Act for Croatia. When different rates apply for different kinds of cultural events or sport activities, simple an average rate is used.

Source: Own compilation

Appendix 4: Tax wedge at income level of two thirds of average worker's (AW) gross earnings, 2006

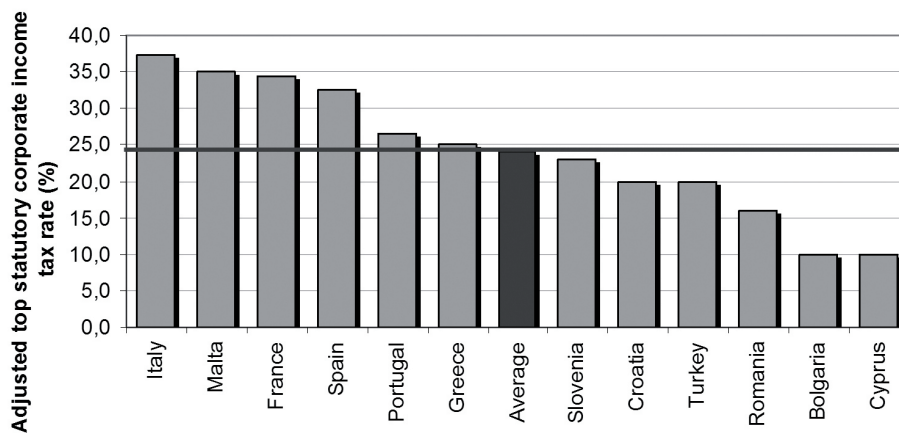


Notes:

The tax wedge for Croatia is calculated on the basis of tax legislation in force for a single worker from Zagreb without children with gross wage of 2/3 of average earnings in Croatia in 2006. Data on average monthly gross earnings (6.634 Kuna in 2006) have been obtained from Statistical Yearbook 2007, Republic of Croatia (2007, p. 150). Important source of information for wage taxation: Porezna uprava Republike Hrvatske (2005, p. 34).

Source: Eurostat, 2007; own calculation for Croatia.

Appendix 5: Adjusted top statutory tax rate on corporate income (in %), 2007



Notes:

Only the "basic" (non-targeted) top rate is presented here. Existing surcharges and averages of local taxes are included. Some countries also apply small profits rates or special rates, e.g., in case the investment is financed through issuing new equity, or alternative rates for different sectors. Such targeted tax rates can be substantially lower than the effective top rate.

France: Medium and small enterprises are taxed at a reduced rate of 15 percent on the first 38.120 euros of the profits.

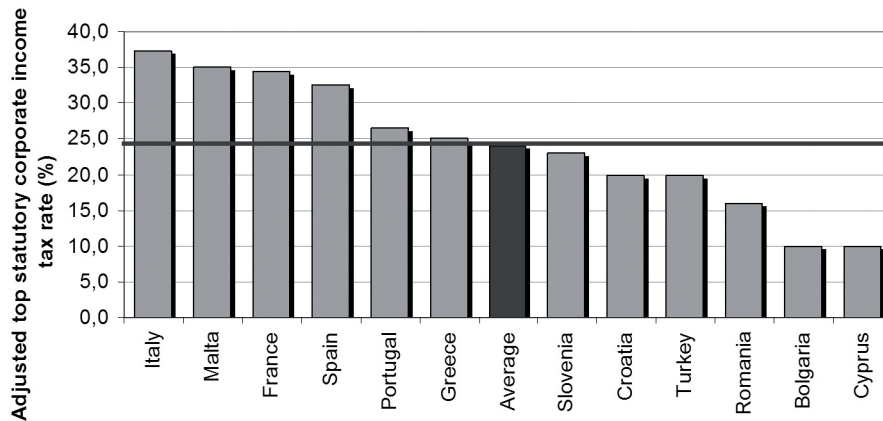
Italy: Rates for Italy include IRAP (rate 4.25 percent), a local tax levied on a tax base broader than corporate income. The rate may vary up to 1 percentage point.

Portugal: For small companies taxed under the simplified scheme a reduced rate of 20 percent applies. As from 2007 the rate for Portugal includes the maximum 1.5 percent rate of a municipal surcharge, which municipalities may levy at a non deductible rate of the taxable profit. The municipal surcharge base corresponds to the taxable profit before the deduction of tax losses and tax benefits.

Romania: Micro-enterprises may opt for taxation at a rate of 2 percent of the turnover instead of the general corporate income tax (the rate will be 2.5 percent in 2008 and 3 percent as of 2009).

Spain: For small companies, a 25 percent tax rate applies.

Source: European Commission, 2007d, p. 319–359; for Croatia IJF, 2007.

Appendix 6: Top statutory personal income tax rate (in %), 2007

Source: European Commission, 2007d, p. 319–359; for Croatia: IJF, 2007, for Turkey: HLB International, 2007, p. 30.

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The Issue of Coastal Zone Management in Croatia – Beach Managing

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Abstract

Croatia is well known for its sun, clear sea, many islets and peninsulas; these are the key elements in its tourism development. Beaches in Croatia are specific among its touristic resources, in particularly because natural beaches are scarce. In coastal areas, beaches are mostly rocky or artificial; this makes natural beaches even more important.

This paper analyzes beach management in Croatia, and gives beach definition by content and classification.

The aim of paper is emphasizing the necessity for the sustainable management of coastal areas, especially beaches.

The authors advocate a systematic approach through stable legislation and public institutions and suggest activities to be undertaken in order to improve the system of efficient beach management, by introducing quality criteria (efficiency level), including business communication. They underline the necessity of implementing a Decision Support System (DSS), as a solution for making beach management more efficient, together with the use of Geographic Information Systems (GIS), and beach registration and evaluation (Beach Area Registration and Evaluation, BARE).

Key words: Beach management, Decision Support System, Geographic Information System, BARE, sustainable development.

Topic Groups: Economics and business, Research methods

Introduction

Public management has specific characteristics and organization in any society and thus in Croatian transitional society as well.

Therefore, it is important to create a new model of public management, especially in coastal area management and beach management. Logically, this model should be realized in accordance with society needs, based on modern methodology and the principles of sustainable development. In order to achieve these goals it is necessary to educate the management, gather sufficient information in order to establish a relevant data base, (beach cadastre), classify beaches, evaluate and monitor them.

1 The Legal Frame for Beach Management in Croatia

In Croatia there is currently only one institution that governs coastal areas, including beaches. That's the department for sea and earth protection of the Ministry of environment. When it was first established, it was the first of its kind in the Mediterranean. The department was not conceived as a leading national body for beach management, it operates on administrative level. Its principal tasks are:

- Coordination of sea quality measurements,
- Propositions for improving the condition of coastal areas and waters,
- Preparation of evaluating and proposing measures for removal of on- and offshore pollution,
- Participating actively in Mediterranean Action Plan (MAP) in Croatia.

The Legal frame for coastal area management in Croatia is characterized by divided jurisdictions regarding on - and offshore management and the lack of special legal form dealing with managing coastal areas as a whole. The most important laws on this are: The law on physical planning and construction (NN 2007), the law on nature protection (NN 2005), the law on environment protection (NN 2007) and the

law on islands (NN 1999). The remaining regulations important in coastal area management are connected with local physical development plans. These are included in Strategic physical regulations of Croatia and Physical planning programme of Croatia (1999), as well as regional physical plans, all relevant for particular area development. Beside the law on physical planning and construction two other regulations are important for beach management: The regulation on the quality of the sea for bathing (NN 2008) and the law on maritime domain and sea harbors (NN 2003). It can be pointed out that these regulations treat beaches as public goods available for everyone under same conditions. This should be kept in mind especially regarding the use of instruments for improved beach management such as charging beach entrance.

2 Theory

The beaches are a part of the maritime domain; this means they cannot, under any circumstance, be private property. However they can be given in concession. Concession for a shorter period of up to 5 years is given by a Council for concessions formed locally as a part of maritime domain management. Concession however, is a legal right that, either partially or totally, excludes the public use of such beaches.

2.1 Definition and division of beaches

In Croatian legal literature there are very few documents dealing with beaches, as an integral part of the maritime domain and the seaside as well (Capar, 2000). Nowadays, the coastal areas and thus beaches as well, are particularly endangered by:

- Ever increasing industrialization,
- Ever increasing number of apartment buildings and tourism development,
- (Il)legal devastation of the coast by constructing concrete piers.

According to leading Croatian dictionary (Anic, 1998) the beach is *"the area next to a river, lake or sea suitable for bathing"*. The beaches by the rivers or lakes

are different than sea-beaches especially because they can be owned privately, which is not the case with sea-beaches, as they are always a part of maritime domain. The maritime domain is a public good, therefore it is not, and it cannot be a matter of commercial transaction, *res extra commercium* (Kundih 2005). Bathing area is, according to Anic (Anic 1998), “*a place on the shore suitable for bathing*”. Although the definitions of the beach and bathing area are similar, it is logical to conclude that the beach is a wider term than bathing area. A beach can exist even without a bathing area, whereas it would be hardly conceivable to imagine a bathing area without a beach. All sorts of different definitions of beaches can be found in different physical plans as there are no clear regulations on this matter. It is possible to divide beach by types in the following criteria:

- The way of formation
 - Natural – the beaches that evolved naturally, without any influence by man.
 - Artificial – the beaches that were made or formed by man in order to fit in the natural surroundings.
- The degree of beach adaptation
 - Non-adapted – natural or artificial beaches that have no beach equipment that people who are on the beach might use.
 - Semi-adapted – those beaches who have some beach equipment that that people who are on the beach might use.
 - Fully-adapted – those beaches who have such equipment as: w.c.s, showers, cabins, deck-chairs, sunshades, various sports equipment, bars and restaurants, slot-machines, recreation areas, children playgrounds, adequate approach to sea, adequate seafloor cleared of sharp objects for up to 2m of depth, buoys marking the sea part of the beach, buoys marking the vessel access for small boats, scooters, rowboats, pedal boats, *etc.*, defined and marked anchorage points, protective subsurface nets, *etc.*
- The beach purpose
 - Opened – these beaches are open to everyone and no permit or entrance ticket has to be obtained to access them.
 - Semi – closed - the access is granted only to a certain group of people, or only a certain group of people has to pay the entrance fee. For instance, *hotel or spa beaches* are designed for hotel guests or patients, nudist beaches are for nudists. Access to these beaches can be granted even to others, providing they pay the entrance fee or bath naked. If the basis is entrance fee, then it does not buy you entrance permit, it buys the possibility to use special services which can be obtained only there. For instance, supervised by a certified physician you can have a healing mud-bath or on a hotel beach you can enjoy the services of a hotel bar or beach equipment such as sunshades, deck-chairs, which belong to hotel guests as a part of the service guests, are offered. *Or they can be beaches for handicapped persons.*
 - Closed – access to such beaches is granted to an exclusive number of persons. No other person can use them under any circumstance. It could be asked ourselves why there are exceptions to the rule that beaches are common good. There are two reasons. Restricted access can exist for reasons of public safety (i.e. defensive reasons) such as restriction of access to Brijuni archipelago. Brijuni islands will some day be an exclusive tourist resort and perhaps these security reasons will cease to exist. Except for security reasons the beaches can be closed for all users for reasons of public interest. Here such beaches which cannot be accessed except via private property must be excluded. Theoretically, such beaches can be accessed from sea or air; thus they would be semi – closed. Private owners who have access should be charged extra local tax by the local authorities for having such a property.
- Beach access
 - Beach access from land and sea - easy access.
 - Beach access from sea only – no land access due to rock formation or thick vegetation – characteristic for Croatian islands.
- Possibility of vehicle access
 - Access possible for land vehicles – cars, motor-bikes, bicycles.

- Access possible by boats - in general this should be the case for every beach. Not all beaches have the possibility to accommodate boats on shore or buoy, but in most cases, at least anchorage is possible.
- Access possible for pedestrians only – some beaches are virtually inaccessible by any means of transport. Only capable pedestrians access such beaches; this doesn't mean they are less valuable than other beaches.

2.2 Classification and evaluation of beaches

In the former paragraph the beaches were divided according to all possible criteria and then classified and evaluated. The authors suggest such a classification which would take into consideration the similarities of the Mediterranean countries, but also their particularities.

It is logical to conclude that the beaches can be divided by different criteria, but, before doing so, it is needed to classify them primarily assessing how useful to customers and how well equipped they are. Categories can be formed (A, B, C, D, *etc.* ...) or one, two or three stars like in hotels and other touristic facilities. To determine beach types or quality, it is important to apply standards, introduced by the guidelines for capacity assessment in Mediterranean coastal touristic areas (PPA/CRA, 1997) such as:

- beach length - ... meters per person
- nudist beach length - ... meters per person
- length of the riding course - ... meters per rider
- length of coach course - ... meters per coach
- length of bicycle course - ... meters per bicycle rider
- length of the jogging track - ... meters per person
- length of the promenade - ... meters per person
- rowing space - ... acres per rowing boat
- Sailing space - ... acres per sailing boat or surfboard.

It is easy to agree with authors who advocate the criteria of the European Blue flag as an example of

excellent ecology and economy in tourism concept. Those four criteria are:

- shore and water quality,
- education in ecology and public information,
- beach management and
- Safety and beach services.

Beach evaluation procedures and awards (Blue flag or similar) are usually focused on one or only few elements interesting for their users, either they totally disregard the nature and requirements of different beach types.

In order to make beach assessment in Croatia more applicable and realistic the authors propose the basic criteria for beach evaluation:

- safety,
- sea quality,
- equipment,
- location and surroundings (city beach, beach on an island, *etc.* ...), and
- Organized waste disposal.

The field research has so far shown that tourists in Croatia find, among all criteria, these criteria the most important ones.

Acknowledging similarities and differences of the Mediterranean countries, the proposed criteria for beach evaluation are applicable to other countries.

3 Beach Management – Different Approaches

By definition, beach management “aims for improving or at least maintaining the recreational resource and, as a mean of beach preservation, provides content for people who use beaches”. In this context, proper beach management can be considered as an efficient use of ever more valuable national resource (in social, economic and ecologic respect) primarily used for recreation. It can also lead to stimulation of international tourism, improvement of local recreational facilities, and improvement of surrounding settlements. On the other hand, beach management can be defined as a process of nature preservation, beach maintenance,

public goods protection, with financial means at hand. This definition is the reflection of the importance of the sustainable management that provides for efficient use of this ever more valuable natural, social and economic resource. One can state that beach management deals with social, economic, ecologic and technical issues that affect the sediment dynamics.

The beach is of primary interest for most tourists. This fact is particularly important in domestic literature and pointed out by numerous authors. Then beaches bring tourists, i.e. the money. For instance, the city of Houston points out that the city of Miami Beach spends 70 million \$ for heaping up beaches, that make the revenue of 2 billion \$ per year from foreign tourists. One similar example is the Micaloff survey, where he and his co-authors claim that heaping up sand on St. George beach (Island of Malta) will raise the value of the nearby public goods by 13% and the surrounding hotels by 1%. Translated into money language that's a 6 million \$ increase. A calculation in the US has it, that the beaches alone could make 170 billion \$ per year. Furthermore, gross income from beach and recreational tourism is estimated to be around 637 million \$ or 57% of the gross income from tourism and recreation on the shores of New South Wales. Spain is one of the most important tourist destinations in the Mediterranean and in the whole world. In 2003 tourism accounted for 11,4% of the Spanish GDP, with growing tendency. Taking into consideration that the predominant tourist concept in Spain is still Sun, Sea and Sand, it can be concluded that beaches are among the most important resources of that country. Beach tourism in Spain accounts for approximately 74% of foreign tourism. The same conclusion can be made for Croatia.

The great importance people attribute to beaches is reflected in increased urbanization of such areas; nowadays over 70% of the world population lives in coastal areas. In Auckland region, in New Zealand, beaches are considered to contribute the most to life quality, whereas traffic and tourism in the US are the largest economic branches that employ the majority of people and make the most profit. Beaches are the most important factor in both. As the possibilities for

vacation increased beach surroundings have influenced the public evaluation of coastal recreation, where such places are considered to safe for all age groups (individual visits by children and adults, couples, families, foreigners and locals).

When it is talking of the award system it is important to mention the significance of the European Blue flag in Croatia. In 2005 80 beaches were awarded the Blue flag, and in 2009 as much as 115. These beaches were promoted as the beaches with highest safety ecological and tourist standards. However, the Blue flag beaches were not always the cleanest, safest and with best sea-water quality. For instance the beach Laguna in northern Croatia has the Blue flag, but the water quality checked in several occasions in 2005 was graded orange/red (EU scale), and in 2009 it was satisfactory.

Beach awards are used for promotional purposes around the world, but it can be only guess how well the users are informed. A survey in the resorts of Barry i Weston-super-Mare in Great Britain showed that, although the users consider such awards important for beach selection (72% of total of 700 participants in the survey), only 18,6% of the users fully understand what the flag on the beach (Blue flag, for instance) really represents, and as much as 16,9% beach users in Wales thought it was a warning sign. On the basis of the first-hand experience formed in 2005/2006 field survey the authors concluded that neither locals nor tourists were aware of the meaning of that flag on the beach. There are no measurable data to support this theory, and therefore in 2009 additional field survey was conducted.

4 Methods and Findings

The efficient beach management should and must be one of the key factors of the economic growth and development in Croatia, which is currently not the case for a number of reasons. Resource management in the coastal area by awarding concessions means they will be used in a sustainable way (Kovacic *et al.*, 2009). In that respect it is clearly that the need for Decision Support System (DSS) increases, as it offers solutions for increase in functionality of all the subsystems on operative level (middle management) in this area (Kovacic *et al.*, 2008). Highly dynamic surroundings sets pace for creation of an open system capable of accepting the quick changes in spatial and other data, the system of resource evaluation and adapt quickly to changes in management policy. Understandably, the needed for connecting systems applied in the area, i.e. Geographic Information Systems (GIS), and the methodology of multi-criteria analysis.

4.1 Cartographic presentation sea-beaches profile in the Primorsko Goranska County

In order to establish a cartographic profile of the beaches in the Croatian Adriatic in 2009 the regional Institute for sustainable development defined the goals and activities to realize the task at hand. The purpose of this project was to point out to beaches and their great significance for Croatia and tourism as the leading economy branch. The goal of the research was to establish a database on beach resources in order to establish the value of every single beach, its possibilities and limits to be able to manage it sustainably. It is important to use database more and more in order to determine how to use beaches. Defined activities are:

- existing data analysis,
- processing the data on on sea-quality,
- creating data model for cartographic profile of beaches,
- determining beach boundaries where sea samples are taken,
- creating the foundation for field research of beaches,

- gathering information from municipal services on possible pollution (pumps, drains, waste dumps),
- field work, gathering and processing data obtained on site,
- creating the GIS database,
- Creating the cartographic profile of the beaches.

While gathering data it was used the existing beach studies (surface, type and other), field recordings were made, and it is gathered data from local authorities following the specified model. Then it was established GIS database containing beach charts; it is a solution in the graphic profile display.

Project methodology in Primorsko – Goranska County proved successful regardless of the time and money spent. Based on defining beach boundaries, all beaches subject to water sampling were checked and visited, all of this was made according to the specified data model. It was visited 180 beaches, listed 1722 buildings, and established a photography database (2745 photos). Then it was asked local municipal services to provide information on possible pollution (pumps, drains, waste water quantity, safety flow valves). Once it was obtained all data it is possible to create a GIS database containing the following data:

- 95 possible polluters
- 134 drains
- 155 flow
- 128 anchorage buoys
- Overall length of beaches - 84.4 km
- Surface of beaches on shore - 163 acres

These processed data will be taken over for further processing by The Institute for oceanography and fishing, a national Institution in Croatia. There, a unified database for Croatian Adriatic will be made.

It is conclude that the survey Cartographic profile display of beaches in Primorsko – goranska County enabled us to, for the first time ever, for the beaches subject to research:

- Define beach surface,
- Determine and record all the beach buildings.

As it is continue this research project in 2010 it is expect to:

- Complete the established database with sea quality readings –
- Transfer the data to the Ministry for sea database
- Make the study Cartographic profile of beaches in Primorsko – goranska county.

4.2 The results of the research by using beach registration and evaluation approach

By using beach registration and evaluation approach (Bathing Area Registration and Evaluation System, BARE) during 2005 and 2006 it was rated a large number of Croatian beaches, but this work is far from over. We expect to, when this cartographic project is over, database at hand will have an entry for every single beach. BARE methodology is fairly new and since 2001 it is being applied ever more in the wider European/Mediterranean area. The center for regional priority activities (PAP/RAC) in Split, as an integral part of their shore management programme, conducted a research in 2004 by using the BARE methodology in several Mediterranean countries such as Croatia, Malta, Tunisia, Turkey and Spain.

In Croatian research, it was evaluated the beaches in Splitsko-dalmatinska and Dubrovačko-neretvanska counties, in coordination with Sunce society. PAP/RAC is just beginning to define the guidelines to for application of the BARE evaluation system, which could be applied in the entire Mediterranean region. BARE methodology classifies every beach in one of five possible categories: *remote* (wild beaches with hardly an access), *rural* (beaches outside populated areas), *village* (in smaller settlements), *urban* (in towns) and *resort* (these beaches are en essential part of a tourist resort). All the evaluation criteria cannot be applied to all beach types, to be more precise, *rural* and *remote* beaches are evaluated on the basis of sea quality, attractive environment, beach cleanliness, whereas are apply, all criteria for all other beach types. Taking these criteria and beach types into consideration, a single beach is rated on the scale from one to five stars. BARE

technique was used to analyze some beaches, in order to adjust it to Croatian particularities, and in order to advise this method for evaluation of Croatian beaches.

The BARE method suggests beach evaluation based on five different criteria and marked applicable for, in descending order: safety aspects, sea quality, beach content, environmental value and waste disposal. According to this method it was evaluated and analyzed five different beach types, and they were rated accordingly and respectively. Project was conducted in two phases. In the first one (July – October 2005) it was rated beaches in Zadarska, Ličko-senjska, Primorsko-goranska and Istarska counties. In the second phase (June – September 2006) it was rated beaches in Šibensko-kninska, Splitsko-dalmatinska and Dubrovačko-neretvanska counties.

BARE beach evaluation method actually gives an insight to the necessary measures which have to undertake in order to improve the not so satisfying parts of beaches and in order to ensure the efficient beach management.

The cartographic display is a logical continuation of the classification and evaluation process, since it enables evaluation of the beaches in following phases as a part of beach management.

4.3 Proposals for beach classification and evaluation

The fact is that Croatia is a country with more than a thousand islands; therefore, island beaches have a special significance and value. This is why the authors suggest two main categories for beaches in Croatia:

- island (island beaches), divided into four categories: remote, rural, village & resort and
- Mainland (beaches in coastal areas, as a part of the mainland), divided into 5 BARE categories.

There are no larger settlements on islands; therefore there is no need to classify island beaches into urban category.

Although there is a will to unify beach classification and evaluation in the Mediterranean region, the authors feel that geographic diversities should be respected. This is why authors propose that in Croatia the evaluation method should be based on five specific criteria and grades. The evaluation system is different than the BARE system, and is also applicable to other countries with large number of islands (particularly Greece as a country with the most islands). According to their significance they are:

- safety,
- sea-water quality,
- beach equipment,
- accommodation and environment (shore, island, etc.) and
- Cleanliness (organized waste disposal).

The proposed classification and evaluation enables sustainable management of beach resources and makes decision-making process easier.

5 Discussion

Beach management in Croatia is performed by local authorities that, more or less successfully, understand development depends on ever increasing tourist demands. The function of beach management and decision making is definitely important, but in Croatia public institutions is not very efficient due to a large number of hierarchy levels. In Croatia management is fairly traditional, which means that informational are usually kept on higher levels, and the jurisdiction is not precisely defined. Formal matters are often given priority and practical problems are put aside. There is also a problem of crucial influence by influential local individuals. The increasing tourist demand for naturally attractive destinations with quality offer ask for unified approach in beach management. It is a fact that this approach is present in all less developed countries and particularly in the transition ones.

5.1 The current situation and measures for efficiency increase

Efficiency in Croatian public governance can be described the plutocratic system making simple things complex, lacking the use of up-to-date informational technologies, no elaborate human resource management where professional competence gives ground to political influence. It is easy to conclude that changes are necessary and that expert skills as well as skilled workers in public offices should be more appreciated. Human resources, if applied properly, are the key condition for application of high technology and up-to-date working methods and techniques.

The efficiency of beach management as an integral part of the maritime domain depends on skills and education of both management and workers as well as on the professionals in public offices. This requirement for the management means that they will be the key of the communication process and informational technologies. The main question for most of international experts is how to determine the best management strategy for different beach types (linear, pocket, resort, urban, village, rural and remote) as well as how to include user preferences and priorities in effective management plans (Williams *et al.*, 2009). It is logical to conclude that the management is expected to:

- Quit the traditional way of thinking and enable the management to become an intelligent organization based on the intellectual capital (Kovacic *et al.*, 2008), thus encouraging development and defining individual goals:
 - Economic – the systematic evaluation of on- and offshore resources on the basis of sustainable development that makes the use of maritime domain more efficient
 - Social – the increase in coastal population standard of living with special regard to the aspect of space organization and population needs
 - Ecologic – the sustainable development of on- and offshore resources, where these should be used in a rational manner and protected fully and in all phases; this implies integral approach;

the volume and dynamics of the productive and consuming activities should match the volume and dynamics in the on- and offshore environment

- Seek to archive efficient on- and offshore management as a specific goal, particularly by applying the functional and organizational model based on the up-to-date decision-making theories and feasible models based on modern informational platforms.

Contrary to legal procedures that usually prolong procedures, efficient decision-making includes optimum decisions in optimal timeframe. By using rational decision methods, understandable procedures and clearly displayed cause-consequence relations, it is possible to make an optimal decision in the shortest possible time (Brajdić, 1998). Taking too long to solve a problem can cause multiple negative effects on the whole system, primarily lower income, poor management performance, stagnation and slower development.

In some areas of public service on regional levels a positive change in management can be seen, bringing public benefit. This is particularly important because of the size and significance of the maritime domain and beaches in Croatia. Maritime domain and beaches are highly significant resources; they are to be managed properly in order to create a greater good for the society as a result of team work and efficient management (Kovacic *et al.*, 2008).

This request should be the main guideline for beach management not only in Croatia but in all other countries that have on their disposal this highly valuable resource.

5.2 Sustainable beach management

Sustainable beach management asks for clearly defined short-term goals within long-term goals of the sustainable development. The main goals of the sustainable beach management in Croatia can be summed up as follows:

- The possibility of safe and pleasant bathing for both visitors and locals,
- Maximum capacity of persons should never be exceeded,

- Clean sea and bathing environment,
- The pollution and littering on and around the beach should be kept at minimum,
- Establish the ecological capacity limit,
- Establish the social capacity limit.
- Place adequate recreational facilities on all beaches as well as meet sanitary requirements.

On regional level it is important to define an action plan for managing beach resources actively. In order to apply it is necessary to establish an agency specialized in beach management. This action plan for development of the sustainable beach management takes place in a shorter period of time, three years. With this plan the goals set for sustainable beach management, this is also a contribution to the long-term goals of the sustainable tourism in Croatia. The agency is responsible for definition and implementation of the beach management strategy. It looks after all the facilities in the beach area and establishes the adequate economic criteria for beach use. The agency should employ two people full time to begin with, 5 employees maximum. During the season the agency can employ seasonal workers, mainly for beach maintenance. The authors recommend the agency should be a public institution. However, in the long run, the agency should work off government budget on free market. The basic concept of the action plan can be summed up as follows:

- Establishing one single state-owned agency for beach management,
- Broadening of the existing beach capacity with the aim of servicing the increasing number of beach users in the region and their need for safe and comfortable stay on the beaches,
- Limiting (putting under control) beach users on the beaches,
- Improving sanitary and recreational facilities on the beaches.

Theoretical and practical use of experiences of researchers from all countries is in the centre of this plan.

5.3 The application of decision support and informational system

The trend of decentralization currently means that resource management is passed onto counties/towns, a large number of current and future resource users, different levels of political system, the increasing number of information of disputable value, more detailed information, especially in physical planning (Favro, Kovacic, 2005), the need to optimize the system of financing, *etc.* speak in favor of implementation of the system for support in decision-making. The preceding experiences gathered by researchers showed that processes of resource evaluation (rating, search for compromise solutions, establishing priority systems for a certain activity) in complex systems belong to the sphere of multi-criteria decision-making. The experience shows that systematic analysis of these complex systems such as costal areas and its characteristics, prove they belong to the class of poorly structured issues; making it fundamental to use the methodology of multi-criteria decision-making. The physical aspects of natural and other resources advocate the use of GIS model in management process and DSS in the process of beach resources management. The cartographic display of beach profiles is the optimal beginning of the implementation of these methods.

All further studies and efforts contribute to new understandings and ideas and good practice. Experience exchange among world researchers is necessary to avoid incorrect approaches and to accept good solu-

tions. Use of modern methodology is necessary for all counties. Developed countries should provide this and to help countries that can't do it on their own because they don't have necessary knowledge or they don't dispose of sufficient funds.

Conclusion

The growing demand on the tourist market for destinations abundant in natural beauty and the large number of attractive destinations demand that public services take an integral approach to beach management. On the basis of scientific research in this field it is expected that such an approach with corresponding methodology can contribute to a more realistic process of resource evaluation, and more efficient resource management. As an integral part of the natural resource management, environment protection and sustainable development, and particularly in beach management, it is necessary, along with the use GIS, to use remote research, digital photogrammetric and internet technology and adequate database organization for data storing. The management managing the beach resources has the outstanding responsibility toward resources they are entrusted with since these require integral approach. The proposed beach classification and rating by using DSS can help the management in decisions on beach concessions, and particularly in beach management.

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Importance of Organizational Commitment, Job Motivation and Front Liners Self Efficacy Towards the Marketability of Hotel Industry in Kuala Lumpur Malaysia

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Abstract

In most parts of the world, the hotel industry has become one of the prominent players that contribute substantially to a nation's economic growth and employment. As other service industry, hoteliers are highly relying on their contact employees known as front liners to deliver services to the customers. Therefore, the attitudes and behaviours of front liners can influence customers' perceptions of the service given by the hotel. In the context of hotel industry in particular, one way to improve the quality of services is through prompt and courteous service quality given by the front liners– i.e. by customer-orientation behaviour. Customer-orientation behaviour, which refers to an employee's tendency or predisposition to meet guest's need in the job context, has become a prime variable of interest for organizations wishing to market their products. Therefore, customer-orientation behaviour has been aggressively promoted by hotelier to enhance customer satisfaction. However, previous researches on this subject has stressed the need for a better understanding of the process customer orientation behaviour and its influencing factors. This paper investigates the influence of three personal factors on customer-orientation behaviour: organizational commitment, self-efficacy, job motivation. Hypothesized relationships are tested using survey responses from a sample of 148 hotel front liners in Malaysia. Results revealed positive relationships between each of the three factors and customer-orientation behaviour. Results are compared with earlier findings, and implications for future research are discussed.

Key words: customer-orientation, organizational commitment, self efficacy, job motivation hotel industry, Malaysia

1 Introduction

In the 21st century, most parts of the world have witnessed the domination of service industry as one of the key contributors to a nation's economic growth and the trend is predicted to continue in the future. Compared to the manufacturing industry, service industry exhibits distinct features. Due to the fact that the service industry hotel and hospitality is often perceived as the most "global" sector relative to others, substantial investment is made in designing and improving the hotels services continuously (Paryani, Masoudi and Cudney, 2010). At the same time, the main challenge for hoteliers is to ensure maximum level of customer satisfaction in an increasingly competitive market environment (Shahin and Dabestani, 2010). Thus, the hotel and hospitality industry have witnessed more competition for high service quality as well as getting and keeping customers. In hotel industry, customer-contact employees (hereafter referred to as front liners) are the first and primary contact that customers deal with throughout their service encounters. The front liners can therefore be considered as the "image maker" for the organization (Wang, 2009). Due to the nature of intangibility of service, customers normally rely on employee behavior to form judgments about the service that is being offered (Wang, 2009). Therefore, the way employees behave in a service setting actually become part of the service and consequently influences customer perception of the service organization.

Another key characteristic in service industry is inseparability where there is an implicit connection between service providers and their customers (Paswan, Pelton and True, 2005). Since inseparability is essential to customer service quality, the relationship between front line employees and customers is a prevailing concern across service organizations. In delivering services to customers, service organizations such as hotels entrust their front-line personnel with the responsibility of managing customer transactions. As front line employees is concerned, they are the "face people" for service organizations; they have direct, influential customer contact that may ultimately impact customers' perceptions of service quality (Daniel and

Miller, 1996). Consequently, it becomes crucial to the service organization to hire front-line personnel that able to deliver good quality of service to customers.

Consistent with the economic growth, the hotel industry nowadays has become very competitive and hoteliers are fighting intensely to get more guests. This creates a constant pressure on hoteliers to continuously innovate and develop new ways to improve the number of their guests (Poon and Low, 2005).

In the hotel industry, dependence on customer-contact employees or front liners to deliver service to their customers is probably the highest compared to other service providers. Apart from clean, comfortable, spacious and well-maintained room, safety, security and room facilities, prompt and courteous service of the front line employees is another contributor that guest considered when making hotel choice decision (Poon and Low, 2005; LeBlanc and Nguyen, 1996). It means that front line employees play an important role in building relationships between a hotel and its guests. Therefore, hotels must find ways to effectively manage their front liners in order to ensure that their behaviour is conducive to the delivery of quality service. One of the various ways which has been emphasized by hoteliers to improve quality of service is the adoption of customer-orientation among their front liners (Kim and Cha, 2002).

A review of work in the area of customer-orientation indicates only limited research has examined the influencing factors of this behaviour, particularly in service organization. To date, previous researches have focused on situational and organizational variables which have been shown to influence the adoption of a customer-oriented approach. For example, market-orientation of the organization in a business-to-business setting is positively related to customer-oriented behaviour (Boles *et al.*, 2001; Siguaw *et al.*, 1994). Unfortunately, managers do not yet have clear understanding of which, if any, personal factors that may influence customer-orientation behaviour among employees (O'Hara *et al.*, 1991). This is important because identifying this factors affecting customer-oriented behaviour can help managers in the recruiting and training of employees.

2 Literature Review

One of the influencing factors which have been frequently cited in customer-orientation behaviour studies is personal related factors. According to Brown and Peterson (1994), personal related factors include both demographic and personality variables related to individual employees. As customer-orientation behaviour involves individual employees, there are substantial number of studies that have examined the influence of personal-related factors such as gender (Busch and Bush, 1978; Levy and Sharma, 1994; Palmer and Bejou, 1995; Siguaw and Honeycutt, 1995), job tenure (O'Hara *et al.*, 1991; Shoemaker and Johlke, 2002; Widmier, 2002), level of education (Boles *et al.*, 2000; Lamber *et al.*, 1990), job satisfaction (Hoffman and Ingram, 1992; Pettijohn and Pettijohn, 2002; Stock and Hoyer, 2002), motivational levels (Boles *et al.*, 2000; Deci and Ryan, 1985; Hoffman and Ingram, 1992; Kelly, 1992; Pullins *et al.* 2000; Sujan, 1986) and various types of personality factors (Brown *et al.*, 2002; Davis, 1983; Hogan *et al.*, 1984; Hurley, 1998; Spivey *et al.*, 1979) as factors that influencing customer-orientation behaviour.

From demographic perspective, Busch and Bush (1978) for instance have shown that women when compared to their male counterparts place greater value on their relationships with customers. Women are regarded to be better listeners and better at developing interdependent and ongoing relationship (Levy and Sharma, 1994) and are found more likely to serve as problem-solving consultants and to assist their customers in achieving their goals rather than just attempting to make the sale regardless of customers' needs (Siguaw and Honeycutt, 1995). Beside gender, job tenure defined as the length of time one has worked for his or her current company (Ingram and Bellenger, 1983) has also been linked with customer-orientation. They found that the longer the employee's job tenure, the more experienced the employee has with the company. With such experience, they are better able to "read" the working environment and adjust their behaviour and developed greater product-related knowledge that they can utilize with customers.

Compared to gender and job tenure, studies that examined the educational level and customer-orientation behaviour relationship have received less attention. Boles *et al.* (2000) have shown that employee who were university graduates develop better interaction with customers, frequently exchanged information with buyers, adopt cooperative style, and gain more respect and trust from customers. However, the study by Lamber *et al.* (1990) found that highly educated employees tend to be frustrated with repetitive work procedures, which therefore reduce their focus on customers. Overall, the influence of demographic factors such as gender, job tenure and education level has been under-research and therefore not much evidence can be used to support the demographic factors and customer-orientation behaviour linkage. Demographic factors seem to be discounted because previous studies have not found consistent relationship between these factors and performance of the employees (Busch and Bush, 1978; Dubinsky and Hartley, 1986; Dwyer *et al.*, 1998).

Other studies on personal factors concern with the influence of personality on customer-orientation behaviour. Studies such as Brown *et al.* (2002); Frei and McDaniel (1998); Hogan *et al.* (1984); Hurley (1998) and Spivey *et al.* (1979) have explored the relationship between several personality traits such as emotional stability, extroversion, agreeability and need for activity and customer-orientation behaviour. For example, Spivey *et al.* (1979) and Hurley (1998) found that service workers who are high in emotional stability were found to perform higher customer-orientation behaviour and willing to spend time dealing with customers' needs and satisfaction. Beside that, employees who are extrovert are also reported to reveal higher customer-orientation behaviour (Brown *et al.*, 2002; Hogan *et al.*, 1984; Hurley, 1998; Spivey *et al.*, 1979). Such employees enjoy working with customers and are willing to work with customers long enough to identify and satisfy their needs.

Apart from the variables discussed above, this paper focuses on other personal factors such as organizational commitment, self-efficacy and job motivation as potential factors influencing customer-orientation behaviour.

Organizational commitment is defined as an individual belief in and acceptance of the organization's goals and values and his or her willingness to exert considerable effort on behalf of the organization (Porter *et al.*, 1974). It is a global and stable in nature (Hartanian, Hadaway and Badovick, 1994) and is regarded as individual attitudinal component. Considerable work has shown that commitment to one's organization is usually accompanied by greater work motivation (Lee, 1971) and a desire to make the firm more effective and prosperous (Lawless, 1979), as well as to exert visible effort beyond what is traditionally expected in their jobs (Mowday, Porter and Steers, 1982). In particular, highly committed members of the organization work harder to achieve goals (Angle and Perry, 1981; DeCotiis and Summers, 1987). Consistent with company practices that actively encourage employees to focus on customer service (Dubinsky and Staples, 1981; Dunlap *et al.*, 1988), studies undertaken have found that those who are committed provide greater effort to satisfy their customers. For example, in a study among business-to-business salespeople, Siguaw *et al.* (1994) demonstrated that the degree of organizational commitment salespeople exhibits influence his/her orientation toward the customer. Similarly, O'Hara *et al.* (1991) found increased level of organizational commitment among the salespeople working in industrial and advertising setting led them to embrace customer orientation in their day-to-day dealings with customers.

In general, the above studies suggest that in retail setting, business-to-business organization and banking institution, greater efforts to engage in customer-orientation behaviour are shown by employees who are committed to the organization. One plausible reason is because those who value organizational membership are willing to exert considerable effort, which in turn translates into high level of focus more on meeting customers' needs. Hence, based on the literature above, this study investigates further the impact of organizational commitment as one of the predictor variables for employee's customer-orientation behaviour by looking into the hotel industry environment. Therefore, we hypothesized that:

H1: Organizational commitment is positively related to customer-orientation behaviour of hotel front liners.

The motivational factor of the employees has also been conducted with respect to customer-orientation behaviour. Kelly (1990) in his study among bank personnel found that employees that exhibit higher levels of motivation provide more customer-oriented service. Deci and Ryan (1985) noted that individuals with motivational orientations toward their jobs initiate and regulate job-related activities autonomously. They select job tasks and strategies that are consistent with their own, personal conceptions or how to do a job well rather than being controlled by outside forces (Condry and Chambers, 1978). By this definition, the level of motivation orientation in employees is related to the extent to which they perceive their work, inherently interesting and rewarding and the extent which they treat their work as a means for obtaining rewards, such as money, recognition and promotion. Given these findings, greater levels of motivation can be expected to lead to behaviour emphasizing a greater customer orientation. Therefore, it is hypothesized that:

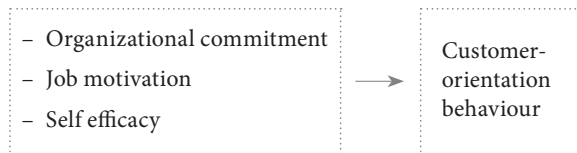
H2: Job motivation is positively related to customer-orientation behaviour of front liners.

As a key part of Bandura's (1977) social learning theory, self efficacy refers to an employee's belief in his or her ability to perform job-related tasks. Self efficacy grows stronger over time as the employee successfully performs tasks and builds confidence necessary to fulfil his or her role in the organization (Hartline and Ferrel, 1996). As self efficacy among the employees increase, they exert more effort, become more persistent and learn to cope with task-related obstacle (Bandura, 1977; Gist, 1987; Hartline and Ferrel, 1996). It is therefore reasonable to predict that employees with high self efficacy are more likely to create favourable service delivery and able to cope with demanding situations that arise during the service encounter. Therefore, we hypothesize that:

H3: Self efficacy is positively related to customer-orientation behaviour of front liners.

From the discussions in the literature review, the following framework has been constructed. Figure 1 shows that organizational commitment, job-related motivation and self efficacy will lead to greater front liner's customer-orientation behaviour.

Figure 1: Theoretical Framework



3 Research methodology and data

Our sample consists of full-time front liners working in various 4 star hotels in Kuala Lumpur, Malaysia. Twenty major 4 stars hotels were sent a brief explanation of the study. This was followed up by a telephone call to obtain their cooperation with the research. Of the hotel contacted, eleven were willing to participate in the study. The 400 questionnaires, along with a cover letter were sent to front liners through each hotel. Of these, 154 were returned representing a response rate of 39 percent. In total, 148 questionnaires were deemed useful for data analysis. The front liners were primarily female (72.0%), less than 40 years old (66.4%), acquired the Malaysian Education Certificate (SPM) (83.2%), and have had working experience of less than 3 years in the hotel industry (60.2%).

4 Measuring Instruments

The operationalization of each construct consisted of multi-item scales based on scales typically used in the past studies. Cronbach's alpha is most used to test the reliability of a multi-item scale (Kim and Cha, 2002). The cut off point is generally 0.6 (Hair *et al.*, 1998).

For the purpose of this study, a customer-orientation scale by Thomas *et al.* (2001) consisting of 10 items was used, but with minor modification in order to fit with the front liners and local setting. The Cronbach alpha (α) of 0.65 was found in the present study, confirming its reliability for this study. Organizational

commitment was assessed through the use of nine-item scale developed by Porter *et al.* (1974). In our study, scale reliability for the instrument, as measured by coefficient alpha was found to be .77 and reliable for use in this study. Job motivation was measured using a six-item scale developed by Paswan *et al.* (2005). The alpha coefficient obtained in this study (.83) demonstrates that the scale is reliable for use in this study. The self efficacy is measured by eight item scale developed by Jones (1986). A reliability coefficient alpha of .87 was found in the present study. To ensure consistency, all the measurements used 5-point Likert scale. The means, standard deviation and reliabilities of these scales are reported in Table 1 below.

Table 1: Means (M), Standard Deviations (SD) and Reliabilities of Measures (RM)

Variable	M	SD	RM
Customer-orientation behaviour	4.45	.45	.65
Organizational commitment	4.30	.41	.77
Self efficacy	3.58	.57	.87
Job motivation	4.61	.43	.83

Note: N=148

5 Results

The stated hypotheses regarding the impact of independent factors on customer-orientation behaviour were tested using multiple regressions following the guidelines established by Hair *et al.* (1998). Prior performing the actual hypotheses tests, correlations between the constructs were derived. Table 2 below shows the correlation structure of the data used in this study.

As the Table 2 shows, a significant correlation exists between customer-orientation behaviour and organizational commitment ($r = .24$; $p < .01$), job motivation ($r = .37$; $p < .01$) and self-efficacy ($r = .47$; $p < .01$), suggesting supports for all the hypothesized relationship. The individual hypotheses were then tested using a multiple regression prediction model (Hair *et al.*, 1998) with customer-orientation behaviour as the dependent variable.

Table 2: Construct Correlation Matrix

Factors	Customer-orientation behaviour	Organizational commitment	Self-efficacy	Job motivation
Customer-orientation behaviour	1.0			
Organizational commitment	.24**	1.0		
Self efficacy	.47**	.22**	1.0	
Job motivation	.37**	.44**	.16**	1.0

Note: ** $p < 0.01$

The results obtained as shown in Table 3 revealed that all the three constructs were found to be significant in the prediction model. The results provide support for hypothesis H₁, H₂ and H₃, that is the relationship between organizational commitment ($\beta = .14$; $p < .01$), job motivation ($\beta = .25$; $p < .01$) and self efficacy ($\beta = .20$; $p < .01$) and customer-orientation behaviour.

F value of 17.93 indicates that all the three independent variables significantly influence customer-orientation behaviour. However, the model is weak with all the independent variables explaining only 27 percent of the variation in customer-orientation behaviour.

Table 3: The influence of individual differences factors on Customer-orientation behaviour (N=148)

Antecedents	B	SEB	B
Organizational commitment	.15	.56	.14**
Self efficacy	.19	.04	.20**
Job motivation	.27	.05	.25**

Note: $R^2 = .27$; $F = 17.93$; Sig. $F = .00$; ** $p < .01$

6 Discussions

Several important conclusions emerge from these findings. First, it can be concluded that the factors influencing customer-orientation behaviour are diverse in their nature. In this study, level of customer-orientation behaviour among front liners is influenced by the level of organizational commitment, job motivation and self efficacy. The increased level of organizational commitment is significantly related to more customer-oriented approach. This supports earlier study by O'Hara *et al.* (1991); Kelly (1991) and Darby and Daniel (1999). This indicates that managers hoping to increase the customer-orientation behaviour of their employees should strive to increase the level of organizational commitment among them. As noted by Darby and Daniel (1999), without attention given to develop

commitment to the organization among employees, programs related to developing customer-orientation behaviour may fail.

The present study found that job motivation is positively related to the adoption of customer-orientation behaviour. This indicates that front liners with job motivational orientation have higher tendency to adopt customer-orientation behaviour in their jobs. This supports Weitz *et al.* (1986) and Boles *et al.* (2000) that people with motivational orientation reported somewhat higher tendency to learn more about customer's needs by varying their behaviour from customer to customer in an attempt to adapt effectively to customer needs. This is an important finding for organization that aims to promote customer-orientation approach. Employing only such people would be beneficial for companies to represent them. Therefore, there is an

important implication for the managers acting in hospitality industry: they should consider differences in desired rewards, compensation structure, career advancement, recognition, conducive work environment and other motivational factors that may influence motivational orientation.

This study also found significant relationship between self efficacy with customer-orientation behaviour. This means that front liner with high self efficacy tends to perform high customer-orientation behaviour. This is probably because those with high self efficacy tend to become more confident in their ability to serve customers, they become more proactive and persistent, and they put forth greater effort (Hartline and Ferrel, 1996). Consequently, those with high self efficacious may be better able to face the difficulties inherent in their daily jobs, fact which leads to better performance in delivering services to customers.

7 Limitations of the Study

From a methodological standpoint, data in this study were obtained from full time front liners in selected hotels in Kuala Lumpur. Future studies would benefit from a nationwide sample of front liners which also include part-timers. This would minimise any potential bias in the data. Furthermore, this study did not control the characteristics of the job. O'Hara *et al.* (1991) suggest that customer-orientation behaviour may vary based on other characteristics of the job. Although limitations clearly exist, this study does provide insight into some of the relationships that may predict the predisposition of front liners to engage in customer-orientation behaviour. The findings also provide insight for hotel managers regarding the ways to encourage their front liners to adopt customer-oriented approach in their job. This study employed a cross-sectional design to test the relationships in the research model. In future research, longitudinal design is recommended to be used to determine the causal relationships among the variables.

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Marketing and Environment Management for Tourism: Croatian Experiences

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Abstract

The coastal area stands out with the uniqueness of the environment and hydrology. Concentration of economic activities and population in the coastal areas is resulting with conflict between man and environment. Larger Croatian islands are devastated specificities with uncontrolled tourist development, thereby losing recognition and a former identity. Therefore it is necessary to introduce new criteria in the future tourist valorization of natural resources in the eastern part of the Adriatic sea. Continuity of diverse tourist offer consolidation on the global market presumes specialized tourist's offer of every small country. Demands for ecological areas and personal safety are criteria that contribute to the choice of tourist destinations. Tourist will be offered to be the explorer of the nature, historical and cultural heritage as well as the identity of the destination he is visiting. Croatian touristic offer has all necessary predispositions, and can provide growing trend for the impendent period.

Key words: marketing, environmental management, ecological products.

Topic Groups: Business strategy, Marketing and consumer behavior, Change management and organizational development.

1 Introduction

Marketing is increasingly applied in environmental management in tourism. Lighthouse tourism, diving tourism, nautical tourism, farming tourism and other specialized products in tourism depend on environment quality and preservation. (Luković and Šerić 2008.) For that purpose environmental management marketing models are used. They contribute to the promotion of The national tourism and assume high environmental standards. Such a model has been developed for the project *Stone lights* (tourist valorisation of lighthouses). (Perišić *et al.*, 2009.)

This paper presents the Croatian experiences in environmental management in tourism usable as a *benchmark* model. The role of marketing in environmental management as the function of spatial revalorization assumes the change in our awareness of living environment. Starting from the classic marketing approach, through definition of social and environmental marketing, an adapted marketing scheme is developed in practice aiming at an improved relationship between people and their environment in order to create added value. (Šerić 2003.) An important dilemma research of existing models of environmental management in the project of tourist valorization of the Adriatic lighthouse is related to the pricing policy. Following the introduction of new tourism products in the same market is adequately positioned, and today the average annual occupancy of the apartments at the lighthouse more than 180 days (Plovput Trade Report 2009.). Accommodation prices are not significantly changed since the introduction of products on the market 2001th years. Plovput, a company on behalf of Croatian lighthouses management believes that higher prices of accommodation at lighthouses and assume a new quality content. The goal is to offer a model of environmental management in a specific environment that offers relevant arguments for higher prices of accommodation at light houses. This would be the number of days per year occupancy decreased (because certain segments of the tourism product more affordable would not be attractive), profits would be maintained or even increased (Šerić 2003.), and to reduce the risks of long-

term consequences of tourist valorization of the environment. To make such a tactical approach through appropriate pricing rebranding the targeted market segments without the negative connotations (profit) requires a creative marketing platform. The paper will present a model of environmental management, which in fact justifies the introduction of higher prices of tourist accommodation in lighthouses, primarily for the purpose of long-term preservation of landscape specific microenvironment.

2 Theory: Environment Management In Tourism

Environment management in tourism has recently gained importance due to awareness that the preservation level of natural resources determines the quality of tourist offer. Systematic approach to this issue is a precondition of sustainable development of tourism. As special attention has to be paid to the quality of air, soil, water, energy resources, and the living world, interdisciplinary approach is needed. The traditional approach of *waiting to see what will happen in the environment* has been given up, unfortunately only in response to the damage already inflicted on natural resources. This approach is now completely changed by introduction of the *environmental prudence* principle in environmental preservation. Thus ecological approach assumes research and analysis of the exact scientific facts on which an efficient and rational environment protection policy will be based as part of the national development policy.

The assumption on which environmental economics is based is the commonly accepted awareness that environment is not an entity separated from economy but that all the changes occurring in economy affect the environment and vice versa. Therefore environmental economics analyses the causes of environmental deterioration, the economic consequences of pollution and degradation and the procedures to be applied to prevent them, the benefits that may result from investments in environmental protections, interdependence of economic development and environment protection,

economic instruments of environment protection, as well as the procedures in managing the national natural resources.

Environmental economics overlaps with microeconomics in monitoring the behaviour of all business entities in relation to their natural environment. It also overlaps with macroeconomics by monitoring the consequences of economic development on environment quality. Therefore environmental economics plays a special role in countries developing tourist industry. The contribution of natural resources to development of the national tourist industry depends on a number of economic, institutional, geopolitical, physical and other conditions by which these resources are involved in the tourist trade activities. All this is sublimated in the price of using natural resources as input of tourist service and also in the correlation of the tourist service price and the development effect generated by the use of resource. This was the platform of the new model of management in environment Stone Light project. The books appeal to guests of lighthouses for years recorded their impressions that they admire the unique environment and opportunities of tourist accommodation in the cultural and historical monuments. It is these secondary data base representing the starting point for thinking about introducing a reasonable price barrier which would consequently reduce the number of days of booking the lighthouse where it poses a risk to sustainable environmental management in the context of tourist valorization. That the complaint book, in addition to comments of enthusiasm usually read: '7 days pass so quickly that the lighthouse and stay in this beautiful place is so cheap!'

Given the existing evidence guests (Plovput business records) for the development of future price strategies tourist lighthouses in the fall of 2009 did the exact survey. The survey was carried out via e-mail on a typical sample of tourists in the period 2007th–2009th stayed at the lighthouse. The structure of the sample is as follows:

- 98% of foreign guests; 2% of local visitors,
 - The structure of domestic visitors 70% of the guests from the interior Croatia, 30% tourists from the coastal Croatia
 - The structure of foreign visitors 32% of Italians, 18% of Austrians, 16% Slovenes, Hungarians 12%, 8% of Germans, 3% of the Nordic countries, 2% of French, Swiss 2%, 2% Spanish, 1% Slovaks, the Netherlands 1%, 3% others.
- The poll was dominated open questions in which the guests asked respondents to name the most valuable components of the trait experiences tourism lighthouses. According to their impressions approached designing the model, which is presented in this paper.

3 Findings: Marketing And Environment Management For Tourism In Croatia

The previously described situation makes integrated environment management in Croatia an imperative. Such an environment management model assumes the use of international experience of countries with appropriately developed tourism. Implementation of the model is simpler on the national level rather than within economic integration. On the national level the problems are more evident if there are opposed ideas between the local subjects. Integrated environment management is a continuing activity involving coordination of short-term goals and management instruments at the local level and the long-term goals and development policies at the national and international levels.

In its operational aspect environment management monitors the effects of particular activities to the extent to which they affect natural resources. It is not a substitute for the national project management system. (Lewis 2007.) Therefore the essence of integrated environment management system is defined as managing conflicts and synergy effects in tourism. (OECD 1989.) There are two basic problems in operationalization of this system in Croatia:

1. The formal problem is how to institutionalize the natural resources management. In practice natural resources are most frequently managed either in terms of sectors or centrally, from one

institution. In both cases the problem becomes a complex one when environmental management is conducted on the territory covered by several local administrations.

2. The problem of integrated environment management of sensitive natural resources is the issue of professional *levers* by which it is operationalized.

The management mechanism is faced with development continuity and the need to make short-term decisions and apply them in the context of development with long-term implications for the environment and the community. Management is the process of planning, decision making, organising, leading and controlling human, financial, physical, and information resources of an organization aiming to achieve its goals in an effective and efficient way. (Adair 2007.) Planning defines the goals of the system and the ways to achieve them. Planning is also the *guide* towards future events, and decision making in the planning process appears in the form of selection among the planned alternatives by using various instruments, ways and approaches. When managing natural resources in tourism profit is neither the exclusive goal nor is it irrelevant. Like the motive, the goal is transferred from the sphere of individual benefit to the area of community achievements and preservation of natural resources. Development is not based on performance maximization but rather on its optimization, which is determined by the concept of sustainable development. Due to that, even small investment in integrated environment management reduces harms, which contributes to better achievements in sustainable development. The longer the period of investment and the higher its amount, the larger is the share of net tourism product in the coastal area gross product. The need for economic growth has opened urban agglomerations in many coastal areas. This development is based partly on direct usage of coastal resources and partly on its indirect usage, i.e. on activities that are their precondition (*e.g.* construction of ports, rail network, *etc.*). In each developmental activity that uses natural resources it is traditionally believed that any form of planning and managing of coastal areas resources will provide more benefits than unplanned processes.

4 Discussion: Croatian Experiences in Environment Management in Tourism

Environment management as part of tourism product that can meet various recreational needs has characteristics that may be enhanced by application of marketing. In 1980ies and 90ies ecological problems such as acid rains, global warming, and environmental depletion stimulated interdisciplinary research aiming to improve conditions in all areas of human activities and to develop and promote consumption of ecological tourist products. The awareness of interdependence of economic and environmental goals in business and long-term orientation to enhancement of life quality directed marketing towards a new value system.

In comparison to the marketing approach whose primary aim is to support physical products, environmental management marketing in tourism provides special challenges and additional possibilities in the context of valorisation. Therefore environmental management marketing tends to develop such tourist products that besides satisfactory price, design and quality, do not have any negative consequences on the living environment.

Such products achieve a high quality image through ecological market evaluation in all stages of development and commercialization. Marketing skills applied in solving problems of environmental management in tourism contribute to creation of innovative solutions that as tourist products are eventually easy to position in the global tourist market.

Thus in Croatia the concept of *ecological marketing in tourism* has become customary. It is not primarily directed to the tourist as individual but rather to the tourist as human being worried about the condition of natural environment. The *tourist products* treated by such marketing approach will balance the needs to which they are intended and the natural resources on which their essence and valorisation are based. This results in innovative tourist products which by their features harmonize the man and his environment. (Luković and Šerić 2008.) The primary goal of typical

marketing activities is to understand the essence and genesis of a particular need, to create an adequate product communication to meet that need, and to build an adequate distribution model. Eventually, it is necessary to set an evident profit goal. The activities of ecological marketing present a new conceptual platform assuming the continuity of raising and maintaining special social and ecological awareness not only in those who offer *ecological* products but also in those that want and *consume* them.

The exact example of such a Croatian tourist product is the *Stone Lights* project. Holidays on the Croatian lighthouses have been described in a number of tourist magazines and television programs all over the world. What makes the Project interesting in terms of research is the concrete environment management model. *Stone Lights* as an *ecological tourist product* involving lighthouse holidays is an example of alternative approach to valorisation of environment, sea and submarine world. The receptive capacity for each lighthouse was not assessed on the basis of available accommodation capacity, but it was based on the acceptable *capacity of the micro-location* in terms of bio-environment sensitivity. The accepted sewage disposal standards and standards of behaviour of holiday-makers as well as other details resulted in a concrete environment management model aiming to improve the micro-location landscape. Up-to-date technological solutions in usage of natural energy resources ensure an adequate tourist standard. Marketing communication with the target market on innovative ecological technological solutions in lighthouse accommodation entices interest and demand in the global market. The defined behaviour standards in the natural environment and horticultural *interventions* have allowed revival of indigenous plants and animals. Bio-communities on the islands assume their original form. Environmental preservation and revitalization of indigenous vegetation is the precondition for survival of some species which almost became extinct during the seventies.

The exact parameters of economic valorisation with landscape improvement can be used as a valuable practical model for environment management. The continuation of the project by redevelopment of the

remaining lighthouses will contribute with new ideas and experiences. The *Stone Lights* project is an example of sustainable marketing environment management in the function of specialized tourist offer in sensitive environment. Carefully planned activities have resulted in a concrete marketing management model for the natural environment of lighthouses. The model has been awarded the *Eco Oscar* by the Croatian Ministry of Environment Preservation. This prestigious national award confirms its effectiveness and recognition. Relation of people towards their valuable national natural resources indicates the level of civilization in a society. The complex projects involving sustainable environment management will appropriately present a transitional country to the global community. The task of ecological marketing is to communicate the existing environmental elements and principles to the wider community. This not only creates additional demand for the tourist product but also contributes to a special ecological image of the country. Due to that, adequate promotion is particularly important. Ecological marketing is carried out *through* the ecological product. The starting point in the planning of an ecological product is the minimal impact on the environment. This involves thrift in energy consumption, controlled use of natural resources, and adequate waste elimination.

In the segment of *ecological tourist products* it is advisable to build up a mandatory model of their consumption to minimise its impact on the environment. The price is an efficient and effective way of not only controlling demand but also changing consumers' habits. Price can also incorporate the impact of the tourist product on environment. Some theoretical viewpoints hold that the price of ecological tourist products higher than the standard one is absurd. Economic logic justifies it by the fact that design, commercialization and consumption of these products assume standards that incur additional costs. (Murray 2004.) The existence of *ecological tourist products* is of national interest because it will allow a country in transition to improve its image and upgrade its offer ensuring placement of a recognizable and acceptable product in the global market.

Distribution in terms of setting up a recognizable sales model for ecological tourist product can also contribute to market image and the desired price. In that context exclusive and specialized distribution models are recommended with application of new information technologies and continuing improvement of distribution models in accordance with the best practice in highly developed countries. (Denny 2006.) Eventually, most customers for such products and services come from the highly developed countries. The environmental conditions are monitored and affected by the total sales activities. This segment of sales and distribution is very important for expansion and acceptance of the set ecological standards.

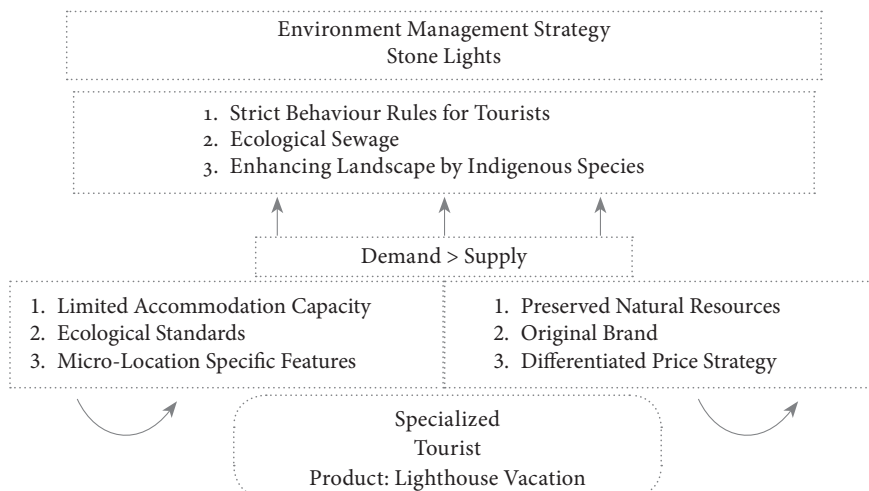
Although the interests of ecological standards and profit are in conflict, their balancing can be seen in the principles applied in the *Stone Lights* project:

1. Transparency – obligatory advising on ecological regulations that affect commercialization of the ecological product.
2. Legitimacy – ecological measures that limit the marketing of the ecological product based on relevant scientific research.
3. Proportionality – the measures limiting the product marketing must not go beyond the absolutely necessary regulations in order to achieve a particular ecological result.

4. Subsidiary – achievement of ecological goals without limiting marketing of ecological products.

In marketing *ecological tourist products* promotion has a special role in the segment of after sales services. Informing the public on the positive consequences of such product marketing enhances the satisfaction of holiday-makers and makes them compare the proportional prices with the typical tourist product aimed at satisfying similar needs. Using the combination of economic and ecological promotion, publicity and public relations it is possible to influence the habits and behaviour of people to enhance their relation to the natural environment. This may result in the desire to create new tourist products which will not only satisfy the needs of modern tourists with quality and price, but will also have minimal impact on the environment and human health. The problem which remains to be solved in transition countries is the lack of mass awareness of the natural environment as the element which in the long run determines the quality of human life. The changes are visible but slow. Environment preservation is being institutionalized in Croatia but often only in response to the positive international publicity in the context of some tourist product. Therefore, it is another area in which marketing may be efficiently used to raise social awareness. In these terms, ecological tourist products involve social responsibility, not only in legal terms, but in general.

Figure 1: Model of environment management in *Stone Lights* project



Source: author, 2010.

5 Conclusion

Marketing in environment management is imperative in preservation of tourist resources. It is a pre-condition for the future national tourist trade. The issue of environment preservation must be considered across various disciplines through combined application of acquired knowledge of nature and society.

By the introduction of the *ecological prudence* principle the approach to ecology as science and its application in tourist practice has to be significantly changed. The basic assumption of environment management in tourism is that environment is not an entity separated from the tourist industry. All the changes occurring in the industry will affect environment and vice versa. This is reflected in the price of usage of natural resources as input and its relation to the developmental effect generated by the tourist valorisation of the natural resources. Duality of natural resources as public and private goods is an exact problem in standardization of their evaluation, which is an additional reason for a scientific approach in environment management. Environment management is particularly sensitive in coastal areas. Integrated management of coastal areas is a continuing activity involving simultaneous coordination of short-term goals and local administration with long-term goals and national administration. Marketing environment management involves planning, decision making, organizing, leading and controlling human, financial, physical and information resources of the national community to achieve aims effectively and efficiently. Unlike the marketing approach whose primary function is to support the physical product, environment management marketing provides special challenges and additional opportunities in valorisation of the tourist product. Thus the established concept of *ecological marketing in tourism* is not directed to the tourist as individual but rather to the tourist as human being worried about the condition of natural environment. Tourist products treated by such approach balance the needs of intended customers and natural resources on which their essence and valorisation are based. Activities of ecological marketing are a new conceptual platform as-

suming the continuity of stimulation and maintenance of special social and ecological awareness in tourist supply and demand. The task of ecological marketing in tourism is to communicate the existing elements and principles in the ecological tourist product to the wider community. Thus it will stimulate demand for such product and also create an ecological image of the entity *associated* with the concrete product. The starting point in planning an ecological tourist product is its minimal impact on the environment and the possibility to enhance environmental quality. Therefore it is advisable to build up a recommended model for consumption of natural resources in order to minimise the environmental impact.

The problem evident in Croatia is the lack of mass awareness of the natural environment as the element which in the long run determines the quality of human life. Therefore it is necessary to institutionalize environment preservation. In this area, marketing can be effectively and efficiently used to alter the awareness of this problem. Such approach is recognized in the *Stone Lights* project which is an example of valorisation of the Adriatic lighthouses. The experiences of that project have eventually provided a pragmatic model of environment management marketing feasible for other specialized tourist products. The parameters of economic valorisation in the *Stone Lights* project prove that human activities in natural environment can result in added value of the environment. It also offers the possibility to develop efficient environment management tactics for creating specialised tourist products, which is an exact scientific contribution.

In the context presented specialized tourist product, which was effectively commercialized by the introduction of the global tourist market, over time, showed an evident problem of pricing strategies implemented in accordance with the level of equipment of the apartment on lighthouses. This neglected the most valuable components of a specific tourist product, which has a relatively low price (considering the perceived value of tourists) resulted in a high number of days per year occupancy (apartment on Rt Zub lighthouse in Istria, 2003. received recognition for the greatest number of booked days per year throughout Istria). The growth

of the number of visitors resulted in a certain negative trends in the natural environment. This encouraged the authors of the paper is to investigate and supply the exact components of tourism stay in a lighthouse can argue that the higher price of the stay, but no negative connotation to the tourist market.

Application of the model presented in practice reduce the risk consequences of tourist valorization of the lighthouse on the sensitive natural environment,

and the profit rate for evaluation, is necessary for the efficient management of valuable lighthouse buildings, natural surroundings and a specialized tourist services will increase. The presented model is usable as a platform, with further elaboration of other specialized tourism products which are competitive elements of the prevailing part based on the sustainable management of specific resources and the environment.

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