

## **THE ROLE OF TOUR OPERATORS AND HOTELS IN THE SUSTAINABLE TOURISM DEVELOPMENT**

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### **ABSTRACT**

The issue of environmental protection is becoming an integral part of living an environmentally conscious citizens, who expect to travel product meets the standards of "extra" quality that relates to compliance with environmental standards. Implementation of the strategy of sustainable development in the business practice demand harmony with the law and continuous improvement of the environmental performances. The aim of the paper is to define the Role and Importance of Tour Operators and Hotels, as the most important destination stakeholders in the tourists destination sustainable supply chain. For the purpose of this paper the secondary and primary data have been used. According to the results of the research it is visible that the implementation of the sustainable business practice brings significant benefits to the hotels and tour operators, such as a better image, positive impact on the environment and improving competitive advantage on the market. The damage caused by the tour operators who do not care about socially responsible behavior is primarily reflected in the destruction of natural beauty and to a lower level of residents' quality of life. Tour operators who create travel arrangements, travel agencies and all the other stakeholders are responsible for raising the level of tourists' environmental awareness. The implementation of the sustainable principles is not important only for realizing business cooperation between hotels and mass tour operators, but also with tour operators specialist.

**Keywords:** Sustainable Development, Hotels, Tour Operators, Tourism, Destination.

### **INTRODUCTION**

Business entities that offer new technological solutions in accordance with the preservation of the environment, health and improving the quality of life in a practice is called "environmentally friendly business." Tourism product that is not dangerous for the environment becomes a means of differentiation in the tourism market and is expected from eco-conscious travel consumers. Given that studies indicate an increase environmental awareness among customers of the tourism product, the participants in the destination supply chain are challenging to introduce new strategies in their business.

Responsibility for ensuring sustainable tourism is largely in the hands of all stakeholders in tourist destination of which are extremely important hotels and tour operators. About 50% of tourists who want to buy sustainable tourism product are individual tourists and about 50% of clients using packages (Peng, 2005). Cooperation between the companies with tour operators is significant considering that tour operators are the main link in the chain of distribution packages. Tour operators as business partners, demand from hotel companies responsible environmental policy and creating development plans, regardless of regulations, which oblige them to it. It improves the quality of products and leads to long-term conservation of natural resources and environmental protection. The movement of international tourism demand from major generating markets to foreign tourist destinations are under the influence of very large leading tour operators. Tour operators are often held responsible for the most intense and irrational tourism development. Of course, tourism does not damage the environment as such is the case with heavy industry. However, tourism is still touching the most interesting, beautiful and most valuable parts of the environment.

Tour Operators play important role in satisfying clients' requirements (Čavlek, 2000) and have strong influence on tourists' behavior (Čavlek, 1998). The discrepancy between the large number of people and space can not pass without effect on the environment. Tour Operators and Travel Agencies are the most important stakeholders in sustainable tourism development. Mass-market operators offering mainstream packages have traditionally not considered sustainability in business processes. In the same way specialist operators sell „authentic“ products. Although mass-market industry is characterized by more standardized product, the growth of niche market has led to purchase of specialist brands by mass-market operators (Schwart, Tapper, & Font, 2008). A strong positive reputation as a destination that cares about sustainability, coupled with improvements to the quality of tourism experience provided to clients, can result in increased customer satisfaction and loyalty, strengthened brand value, enhanced publicity and marketing opportunities (Font, & Cochrane, 2005).

With the overall environment in which the tourist is resting, culture, health, safety and ecology is now one of the determining factors underlying the contemporary tourist flows. Consumers are becoming more aware and more critical to the phenomena that surround us. The issue of environmental protection is becoming an integral part of living an environmentally conscious citizens who expect to travel product meets the standards of "extra" quality that relates to compliance with environmental standards. The aim of the paper is to examine the meaning of sustainable development strategies in the hotel companies and tour operators business practice.

### **THE DESTINATION SUSTAINABLE SUPPLY CHAIN**

In recent years the area of Supply Chain Management (SCM) has become very popular. Supply chain management is defined as the systematic, strategic coordination of traditional business functions and the tactics across these business functions within a particular company and across business within the supply chain, for the purpose of improving the long-term performance of individual companies and supply chain as a whole (Mentzer et al., 2001).

The concept of sustainable development includes businesses interact with local residents and businesses take an active role in such a way that protects the environment. When the international community in Rio de Janeiro in 1992. adopted the Declaration on the Environment in accordance with the principles of sustainable development has become clear that sustainability means long-term changes in technology and the adaptation of an existing technology may not be satisfactory (Tour Operators Initiative, 2021). Eco-innovation has become necessary to improve environmental performances (Rennings, Ziegler, Ankele, & Hoffmann, 2006).

Among the most important instruments in implementing the environmental policy is EMS Management System and EMAS that is Environment Management Auditing Scheme Implementation of EMS improves environmental quality and reduce costs, and indirectly stimulate product innovation in the direction of environmentally friendly products and services. An important role has also implementation of environmental management system according to ISO 14001 standard. The implementation of two the most important environmental management system and cooperation between companies and participants involved in tourism could be of great importance for reducing production costs. It is necessary to involve cooperation between hotels, tour operators, environmental organizations, industrial sector and governmental organizations (Chan, & Ho, 2006).

Hotels in Greece belonging to the chain hotels in the Grecotel Grupotel chain in Spain are certified according to ISO 14001 standard. Thus we can say that hoteliers still becoming aware of the need to introduce new strategies in business since it leads to environmental protection (Chan, & Ho, 2006). A survey was conducted in Malaysia points out that all the hotels included in the study implemented an environmental management system according to ISO 14001, achieve benefits that are reflected in better control of operations, reducing costs, reducing the incidents in terms of environmental protection, improve the working culture and improve the image of the hotel. Even 94% of respondents in the same study agree with the statement that the hotel's image improved after the implementation of the ISO 14001 standard (Peng, 2005).

The implementation of the environmental management systems, often leads to problems of excessive creation of solid waste from the use of materials that are not organic origin. For example, purchase plastic bags that are not of organic origin is an important item in the annual budget hotel, and after use it is necessary to pay the costs of waste disposal. In fact it often does not take into account that the organic waste from kitchen hotel consists of 50% of solid waste which can easily make compost useful hotel unit with purity of landscape policies.

Application of environmental management systems according to ISO 14001 it is possible to sanitary facilities reduce water consumption by 30% (Meade, & Del Monaco, 2008). Most water, about 33% of total expenditure, is spent in a hotel room. Controlled discharge of water by saving taps, periodic cleaning and re-routing of water flow can be achieved about 30% saving in hotel room. The hotel's laundry consumes about 20% water. The savings can be achieved also by using the washing machine in which the laundry is placed at the front instead of machines in which the laundry is inserted vertically, sorting laundry by dirt and water recycling (Meade, & Gonzales-Morel, 2008).

The involvement of employees is imperative to success in implementing environmental management systems according to ISO 14001 standard. The introduction of monetary rewards may encourage the use of organic products and the development of innovative technologies that achieve energy savings and water. It is necessary to continuously educate and train all personnel policies, including management. The knowledge workers need to transfer customers to raise awareness on environmental protection and to inform clients about organic products that are used in the hotel and energy savings.

For implementing the principles of sustainable development is a very important participants tender cooperation in supply chain and their individual commitment to the business based on the principles of sustainable development. Of course, the introduction of EMS through the implementation of international standards ISO 14001 requires additional costs to enterprises (Chin, Chiu, & Pun, 1998; Chan, 2008). In addition to the cost of introducing the problems are lack of professional advice and the knowledge and skills necessary for the implementation of and compliance with conditions set by the certification company (Chan, 2008).

Implementation of environmental management systems according to ISO 14001 is also becoming an important factor in realization of business cooperation between the hotel with the tour operators. This is supported by research conducted in hotels in Croatia at that hotel managers were involved in hotels with implemented standard ISO 14001. The results suggest that hotel managers find out that implementation of the environmental management systems according to the standard 14 001 is significant for realizing business cooperation between hotel companies and tour operators (Dragicevic, Krzelj-Colovic, & Letunic, 2010).

The example of good business practices is tour operator TUI, which collaborates with various national and international organizations, encouraging and promoting a policy of sustainable development. At the First International Conference of the World Tourism Organization, which referred to climate change, TUI has presented its own measures that could positively affect climate change. The measures were related to reducing CO2 emissions, and included all the stakeholders in the tourism supply chain. By accepting the implementation of various quality and environmental system standards hotel companies and business partners could have a significant impact on increasing product quality, customer safety and environmental protection. TUI is the owner, or owner of a minority shareholder in a hotel in Germany, Spain, Egypt, Turkey and the Caribbean who have implemented the ISO 14001 standard (TUI Group, 2021).

In a study of attitudes of package holidays ABTA's in February 2001. in which respondents were asked to answer a question about the role of packages in a harmful impact on the environment The responses show that it important for them that not negatively impact on the environment. Even 40% of respondents believe that it is very important, 45% fairly important, 10% that it is not very important, and 3% said that it does not matter. In the same survey 81% of respondents expressed that they are willing to pay financial compensation to guarantee this (Malta tourism authority, 2021).

Čavlek states that the analysis of research survey of German tourists showed that 57% of respondents have noticed serious damage to the natural surroundings on the spot, while 49% said that this experience will be kept in mind before making a decision about their future place of rest (Čavlek, 1993). Also, over 80% of respondents involved in research in the UK said they just tour operators have a responsibility to protect the environment and culture and ensuring that local community benefits from tourism. The same respondents would prefer to buy package that are created from company's takes care of responsible development.

The Tearfund reported that 55% of consumers believe that travel agents are obliged to provide information on the responsibilities of the tourism industry, while 48% of consumers believe that they are required to tour operators. Buying a holiday organized by a company that has a written code of conduct to guarantee good working conditions, environmental protection and supports the benefit of the local tourist destination is becoming increasingly important in modern tourism market (Dodds, & Joppe, 2005). This is proved by research conducted by Goodwin and Francis (2003).

Practice and effort of renowned leading European tour operators TUI and Thomson, for instance, shows that large tour operators are the main force that can change the practice of other market participants. These tour operators choose as their business partners just those hotels that do not distort the picture of a harmonious environment.

Tour operators enhance control policies not only in terms of quality control and service standards, but increasingly in the direction of compliance with environmental and health conditions. For example, in the TUI brochures that promote their products there are those hotels that do not disturb the harmony of the environment. TUI is also the first tour operator in the world to set up its own Department of Environmental Protection 1990th and one of the founders of Tour Operators Initiative for Sustainable Development of Tourism (Tour Operators Initiative for Sustainable Tourism Development) within the United Nations Environment Programme, UNEP.

TUI makes efforts in terms of promoting sustainable tourism, but have certain repercussions in the tourist destinations that are involved in its programs. British tour operator Thomson also follows the practice of TUI, which promotes the protection of the environment in the destinations in which they bring their clients. Thomson in 1990. released a program called "World Aware", which contains two separate recommendations. The first the for the hotel managers and other participants who provide services and second for tourists who are asked to develop and enhance their own initiative to protect the environment and to behave in accordance with the principles of environmental protection. Part of the program called "behavior" was intended for those who have realized business agreements with Thomson in Greece, Spain, Portugal and Italy. In the second part, the tourists were also asked to examine their behavior. This is related to rational use of water, electricity, respect animals, plants, etc. (Čavlek, 2002). Association of Independent Tour Operators relies on the certification, not only on sustainable tourism as a result of the experience of tourists and benefit the local community (Font, Tapper, Schwartz, & Kornilaki, 2008).

## **IMPLEMENTATION OF PRINCIPLES OF SUSTIANABLE DEVELOPMENT BASED ON INTERNATIONAL STANDARD ISO 14001 –RESULTS OF EMPIRICAL RESEARCH**

### **Research Methodology**

The empirical research has been based on studying the experience of twenty hotels in Croatia that had implemented Environment managing System ISO 14001. Empirical research has been carried out by interviewing hotel managers of the hotels that have implemented International Standard ISO 14001. Method of measuring that we used in our research was four-point Likert scale. Number 1 signifies the lowest level of influence and number 4 the most intensive influence of Environmental Managing System ISO 14001 implementation on the included indicators. The descriptive statistic has been used for analyze the data.

### **The results of the research**

As it is visible via table 1. the managers find out that implementation of ISO 14001 has strong and partial influence on all variables. From the managers' responses it is viisible that the

influence of the Environmental Managing System ISO 14001 on improving business hotel performances is positive. The share of 60% of them consider that the influence of iSO 14001 on hotel performances is significant and very significant in the area of improving the customers' health. They mostly consider (60% of them), it is significant for reducing the water and energy consumption, and the rest of them think it is partially important. They have different opinion referring to the recycling, but the data show that 40% of them consider it is significant and very significant, 50% think it is partially important, and only 10% of them consider that it has small importance.

Table 1. The influence of ISO 14001 on hotel performances.

<b>The factors</b>	<b>Very significant (%)</b>	<b>Sign. (%)</b>	<b>Partially (%)</b>	<b>Small (%)</b>	<b>Total</b>
Concern for the customers health	20	40	40	-	100
Using of recycling materials	10	30	0	10	100
Energy saving	-	60	40	-	100
Water saving	-	60	40	-	100

All the managers in the hotels that have implemented ISO 14001 consider that the implementation of ISO 14001 has a significant and very significant influence on better hotels and tour operators image. Most of the managers (50%) think that the implementation of ISO14001 has significant and very significant influence on reducing the number of clients' complains, but 40% of them think it is partially important and 10% think that it has small level of importance. Forty percent of the managers consider this influence of ISO 14001 is significant for improving the level of workers' satisfaction with work and 60% think it is partially important, but 80 % of managers consider that it is very significant and significant for improving the level of guests' satisfaction and 20% think it is partially important for improving the level of guests' satisfaction with services.

Table 2. The influence of ISO 14001 on the factors improving business cooperation between Hotels and Tour Operators.

<b>The factors</b>	<b>Very signif. (%)</b>	<b>Signif. (%)</b>	<b>Partially (%)</b>	<b>Small (%)</b>	<b>Total</b>
Improving hotels' and tourperators' image	30	70	-	-	100
Less guests' complaints	20	30	40	10	100
Higher level of workers' satisfaction	-	40	60	-	100
Higher level of guests' satisfaction	30	50	20	-	100

According to the results of the primary research it is visible that experiences of the hotel managers confirm the findings of similar studies.

## CONCLUSIONS

For implementing the principles of sustainable development very important factor is participant tender for cooperating in supply chain and their individual commitment to the business based on the principles of sustainable development. An example of good business practices such is the case of tour operator TUI which collaborates with various national and international organizations, encouraging and other business partners such as clients to support and develop a policy of sustainable development. Buying a holiday organized by a company that has a written code of conduct to guarantee good working conditions, environmental protection and supports the benefit of the local tourist destination is becoming increasingly important in modern tourism

market. It is necessary to educate the managers about the benefits and necessity of implementing the principles of sustainable development and socially responsible behavior. The above leads to the conclusion that it is necessary to encourage the implementation in companies that are not mentioned so far introduced the strategy and help managers to do so in the near future.

The implementation of the sustainable business practice brings significant benefits to the hotels and tour operators, such as a better image of the tourism market, then a positive impact on the environment and improving competitive advantage on the market. The damage caused by the tour operators who do not care about socially responsible behavior is primarily reflected in the destruction of natural beauty, and then to a lower level of quality of life of local people.

For raising the environmental awareness of tourists responsible are tour operators who create travel arrangements but and travel agencies that sell their package-tour and all the other stakeholders in the tourist destination. The implementation of the sustainable principles is not important only for realizing business cooperation between hotels and mass tour operators, but and with tour operators specialist.

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