

# **CERTIFICATION IN TOURISM BETWEEN EXPECTATIONS AND EFFECTIVENESS. A QUANTITATIVE EVALUATION ON ROMANIAN COMPANIES**

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## **Abstract**

Starting from a survey-based research conducted among representatives of ventures operating in tourism and hospitality industry, we are investigating how they understand and actually use certification as means of promoting and developing sustainability related actions, and as opportunity to consolidate their ventures. After briefly reviewing the main relevant aspects and contributions on the complex relation certification-protection of the environment-sustainability, we launched and tested several hypotheses related to the perception of tourism operators on the necessity and use of environmental and management quality certification. Our results indicate that more than a half of the respondents are not aware of any institutions effectively dealing with the environment protection or with standards' certification. The majority of the companies holds no such certificate or is not interested in the process of certification. Moreover, even companies holding such certificates do not use them as an advantage to attract new clients. However, we find a positive correlation between the segment of consumers addressed by tourism ventures and the venture's perception on the necessity of certification.

## **Keywords**

Tourism ventures, business certification, environment protection, sustainability

## **JEL Classification**

L83, Q56.

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## **Introduction**

Tourism has become one of the world's largest and most dynamic industries due to its generated profits as well as its stimulating role in investments and in creating jobs.

Touristic industries and top companies representatives, but also experts, professional associations and civic organizations have always maintained that the very existence of tourism relies on the protection of the environment and of the specificity of human culture. On the other hand, it's rather difficult to assess, control and regulate the impact the small (but very numerous) touristic ventures and the circulation of individual visitors have.

However, one way in which ventures can be oriented in this direction and even given the feeling of reward for their efforts towards a sustainable tourism is giving them credible outside recognition through certification.

In this paper we intend to examine how tourism ventures understand certification as an instrument of sustainability, in relation to both the environment and the local community, and as a possibility to consolidate the venture, but also how the advantages and disadvantages of certification are perceived in daily business. The research enables us to draw some conclusions, identify implications and suggestions for certain policies, in order to foster certification as a strategy for sustainable tourism businesses.

### **1. The literature on tourism certification: some insights**

According to Honey (2002, pp. 5-6) certification in tourism industry is defined as a "process by which a logo or seal is awarded to those who meet or exceed a set of criteria that have been set forth by the certification body". Certification programs are especially meant to encourage the industry to improve its performances (Font, 2002), (Honey, 2002), (Conaghan & Hanrahan, 2010) and to constantly adapt them to the consumers' needs, in terms of protection of the environment, sustainability (Hansen, 2008) or influencing markets (Font & Buckley, 2001), (Buckley, 2002).

According to Center on Ecotourism and Sustainable Development (CESD) & The International Ecotourism Society (TIES) (2005), the last 20 years witnessed the emergence and development of over 80 "green" certification programs, most of them in Europe, but also in other countries from Latin America, Asia, and, to a lesser extent, Africa. Most of the respective programs operate nation-wide and only account for the accommodation, however, there are also programs destined to other aspects of the tourism industry – such as parks, beaches, guides, transport and tour operators – which are developing.

All certification programs within the tourism industry are voluntary initiatives, triggered by the market, which means that companies choose to be certified whereas consumers choose labeled products (Hansen, 2008). Researchers underline three main groups of certification programs: conventional (focused on certain aspects of the ventures, although not indifferent to eco-efficiency and savings objectives as well), sustainable (focused on the minimization of the impact of touristic activities, taking into account environmental, socio-economic and cultural criteria), and ecotouristic (certifying businesses that operate in protected areas) (Honey, 2002).

However, the fast growth of the number of ecotourism certifiers, each with its own norms and practices, has not lend more credit to the direction of sustainable tourism, but has often brought even more confusion about the credibility of the different certification programs (Hansen, 2008) as well as a considerable number of cases of "green washing" of touristic locations.

Costs are also an obstacle in the way of turning the certification into an accessible, efficient and equitable instrument (Font, 2002, p. 4) of enduring tourism. They include not only amounts paid for an audit or for running an eventual accreditation program, but also subsequent expenses with activation and maintenance of standards in accordance with the certification. Even if subvention opportunities are present, the hope that results (at the level of the firm) would surpass required expenses is still far-fetched.

The functioning of certification as a voluntary mechanism meant to assert the reach of certain performance standards beyond the level imposed by regulations and law wasn't triggered just by the desire to provide a competitive advantage for a small number of ventures to stand out from the average. Certification is a valid instrument generated by the

interest and the chance of local, national or international stakeholders getting together (Byrd, et al., 2009) with the view of defining standards through which tourism can reach a long-lasting development. Therefore, the supply has identified the following as stakeholders: governments, at central or local levels (Font, 2002), NGOs (Murphy & Bendell, 1999), financial institutions (Font, 2002), while the demand identifies the following as stakeholders: the industry (providers) of tourism at destination, tour-operators (Clarkson, et al., 2001), and, of course, tourists themselves (Font & Buckley, 2001), (Font, 2002).

Certification itself is not, nor is it expected to be in a foreseeable future, a major element in the decision of acquiring a product or a touristic service. Certification is meant to provide additional comfort and guarantee that expectancies regarding the quality and components of the touristic package are met at desired standards.

#### *The touristic demand and certification*

A European Commission survey (1998) pointed out that although some segments of the population are more interested in sustainable tourism, less than 9% of the respondents declared actual interest in the environmental impact and problems related to the chosen touristic destinations. According to Kirk's research (1996), while some tourists are willing to pay more for environmentally less damaging products, about 71% of them considered that the choice of an environmentally conscious hotel was enough to prove their support for that type of ventures. Lupu et al (2013) reach similar conclusions for the Romanian hotel market: the rather poor notoriety of ecological brands, the very small number of touristic units included in these programs and the clients' reluctance to pay additional sums for the certified products are factors that strongly determine the purchasing behavior. Hjalager (2000) cites Björk's researches (1996) in support of the idea that the great majority of Finnish tourists chose a hotel certified in sustainable tourism, given the conditions of equal prices. However, the emergence of a price reduction for a non-eco destination exerted a significant influence on the tourists' choice, which would eventually rely on the cheaper alternative.

There is, however, growing interest in favor of the existence and role of certifications for a sustainable, responsible tourism. Thus, studies published by the CESD & TIES (2005) reveal that a significant majority of German tourists (between 53% and 71%) consider themselves aware of the importance and use of certifications, and about 46% of them would choose for their external travels an ecological brand, if available. The majority of Australian tourists was interested in choosing a certified touristic product and would even pay for such a product by over 5% more than the price of an uncertified similar product (Enhance Management, 2000). Similarly, two thirds of the Danish tourists accommodated in ecologically certified hotels were willing to pay more (some of them even by 25-30% more) for such services (CESD & TIES, 2005).

Even if familiar with the existence of sustainable tourism certifications, less than a quarter of tourists are able to grasp the actual efficiency of certifications or understand what part of the touristic venture has actually been certified. For instance, only 20% of the Australian tourists recalled a logo having seen it before, while "61% of tourists said that tourism accreditation or certification had no meaning for them" (Foster, 2003). To sum up, the degree of awareness and assertion of information seems to be rather low, a fact which is determined, among others, by ineffective marketing (Enhance Management, 2000).

### *The touristic supply and certification*

The other side of the market, namely the supply side, relies on the attitudes and motivations of tour operators regarding certification, as well as on the degree of satisfaction resulted from the implementation of the respective standards.

Thus, Australia operators saw certification as a way to assess their own business and to achieve satisfactory ecotourism practices, but also as a marketing and competitively boosting opportunity (Enhance Management, 2000). Although agreeing that the CST (Certification for Sustainable Tourism, Costa Rica's 'green' certification program) might enable them to improve their environment credit, managers of Costa Rica hotel ventures considered the process of obtaining the certification to be too expensive. The respective managers were not convinced of the impact the "green" credit had for business tourists, who were their main clients (Rivera, 2002).

At the level of the European Union, the great majority of tour operators were willing to implement ecological standards for their products, obviously favoring the generally agreed upon European standard certifications (CESD & TIES, 2005). Most of the UK operators interviewed confirmed that the national consumers' obvious preference for socially and environmentally involved ventures cannot be ignored, as it constitutes "both a warning and a positive opportunity to companies who are expecting to lead the way in the UK tourism industry" (CESD & TIES, 2005).

## **2. Research methodology**

Our research about the perception of tour operators towards the necessity and use of environmental or management quality certification has been conducted transversely, by using the inquiry (survey) as a method of research, and the questionnaire as an instrument of research. The objectives of our research regard the identification of factors that influence the achievement of certification by hospitality industry ventures, factors which could be both external, exogenous to the venture, and endogenous, as well as the identification of correlations between answers given by the sample respondents. We will support this line of inquiry with a descriptive analysis, while also testing certain research hypotheses. They are, synthetically, as follows:

**H1:** The segment of consumers addressed by the tourism companies, respectively the profile of clients influence their perception on the necessity of certification;

**H2:** The perception of tourism companies towards the environmental impact of this industry is in positive correlation with the company holding either an environmental standard certificate or a management quality certificate;

**H3:** Most of the companies holding environmental or management quality standard certification highlight this aspect in their advertising campaigns, in order to attract new clients;

**H4:** The age of the company is in direct correlation with its holding of an environmental standard or management quality certificate.

The survey was conducted during March 2013, among 82 ventures operating in tourism and hospitality industry in Bihor County, Romania. The sample was selected by using the random stratified proportional sampling procedure.

The questionnaire consisted of 23 questions, both closed and open. They were divided into two sections: general questions related to the profile of respondents and specific questions regarding awareness, attitudes and behaviors related to certification. We used Cronbach's Alpha method for the analysis and confirmation of the reliability of the survey and of the measurement scale.

We grouped the questions referring to their perception about environment protection, getting  $\alpha = 0.804$  coefficient, which indicates a reliable scale. The elimination of any item leads to a lower Alpha.

Regarding the sample, almost a third of the ventures in our sample are guest houses, 32.9% are clubs and restaurants while 18.3% of them are hotels. The size of the companies was evaluated using both the number of employees and the annual turnover.

The majority of our sample consists of small sized companies, with less than 49 employees (86%), only 2% of them with more than 250 employees; most of the companies had an age between 10 and 15 years. Meanwhile, most ventures have an annual turnover under 35,000 EUR (60.5% of them), 32.6% having an annual turnover between 35,000 and 7,300,000 EUR.

### 3. Results and discussion

One of the questions addressed to our sample respondents regarded the extent to which they were aware of the existence of national or international institutions effectively dealing with the protection of the environment or the environmental standards certification. More than half (57.31%) of the respondents have no knowledge of such an organism or institution.

A percentage of 40% of the sample companies did not consider the achievement of an environmental standard or quality certificate a priority, while only 11% of respondents considered the high cost as an obstacle against this certification. On being asked whether they were required by certain entities to own a certificate or whether they were recommended or felt pressured to do that, 30.5% of the sample respondents answered that the authorities, by effective regulations required the obtaining of a certificate, a similar percentage (29.3%) answered that tourists were the reason for obtaining it.

Only 34 (namely a 41.46%) of the 82 respondents considered that holding an environmental standard or management quality certificate would contribute to attracting new clients.

*Research Hypothesis H1.* The segment of consumers addressed by tourism ventures influences the venture's perception towards the necessity of certification and the possession of an environmental standard or management quality certificate.

We start from the premise that there is a positive correlation between the segment of consumers addressed by tourism ventures and the venture's perception towards the necessity of certification. We assigned 1 point to ventures addressing to low-budget consumers, 2 points to those addressing to average consumers and 3 points to those addressing to luxury consumers, after which we determined the mean values for each respondent.

The majority of our sample companies address to average consumers (67.07%) and only 13.41% to luxury or to luxury and average consumers. An extent of 57.31% of the sample companies holds at least one environmental standard or management quality certificate.

Companies whose offer addresses to luxury consumers hold to a 100% extent at least one environmental or management quality certificate. Instead, 3 of the 4 companies addressing to average consumers (namely 75% of the total) hold no certificate whatsoever. This fact entitles us to assert the existence of a direct correlation between the two above mentioned variables.

As  $\chi^2 = 16.22$ , i.e. much higher than 0, there is a strong correlation between the above mentioned variables. As the calculated value is much higher than the critical one (9.48 for 4 degrees of freedom and a 5% significance level), the null hypothesis is rejected, therefore

there is a strong correlation between the two variables not only in the sample but also for the total population.

Therefore, the H1 research hypothesis is validated at the sample level and the total population level. In consequence, we can assert that the companies whose offer addresses luxury or luxury and average consumers hold to a greater extent that the other companies environmental standards or management quality certificates.

*Research Hypothesis H2.* The perception of tourism companies towards the impact of the industry upon the environment is in positive correlation with the company holding an environmental standard or a management quality certificate.

In order to validate this hypothesis we start from the idea that awareness of the impact the hospitality industry ventures have upon the environment led their managers to initiate the process of certification (also considering the fact that only 11% of the respondents regard the cost of certification as an impediment, respectively the fact that only 2 companies confirmed they are in the process of obtaining such a certificate).

As  $\chi^2$  associated to the bi-dimensional distribution of the answers to the two questions is 1.005, a value which is close enough to 0, we cannot assert for the sample level that there is a correlation between the answers to the two questions. As the calculated value is smaller than the critical one (5.99 for 2 degrees of freedom and a 5% significance level), the null hypothesis cannot be rejected; therefore there is no correlation between the two variables.

In conclusion, the research hypothesis H2 is not validated at the level of either the sample or the total population. The companies holding environmental standard or management quality certificate made steps to obtain them probably in order to attract clients or by imitating other companies, but not having been aware of the impact the industry has upon the environment.

*Research Hypothesis H3.* Most of the companies holding environmental standard or management quality certificates highlight this aspect in their advertising campaigns, in order to attract new clients.

We drew the table of correlation between the answers to the two questions involved in the validation of the research hypothesis. Only 16 (namely an extent of just 34%) of our 47 sample companies holding environmental standard or management quality certificates usually highlight this detail in their advertising campaigns.

In order to test the validity of this hypothesis we are going to apply a test of proportion signification. We will thus ascertain whether the number of companies using environmental standard or management quality certificates in order to attract clients is higher than 50%. The application of the unidirectional Z test enables us to obtain a calculated value of the test equal to -3.08. As this value is smaller than -1.96, which represents the critical value for the Z test for this volume of the sample, in order to assess a 95% probability to guarantee the results, the hypothesis that the extent of companies using environmental standard or management quality certificates in order to attract clients is more than 50%, is rejected, moreover, the above mentioned probability can actually guarantee the respective extent is less than 50%. *In conclusion, Research Hypothesis H3 is not validated at the level of either the sample or the total population.*

*Research Hypothesis H4.* The age of the company is in direct correlation with the company holding an environmental standard or management quality certificate.

Our analysis starts from the hypothesis that older ventures hold at least one environmental standard or management quality certificate.

In order to validate this empirical hypothesis, we applied the  $\chi^2$  test and obtained a calculated value at the level of the sample equal to  $\chi^2 = 3.17$ , which is higher than 0, so at the level of the sample we can assert there is a certain – however, not too strong – correlation between the answers to the two questions. As the calculated value is smaller than the critical one (15.52 for 8 degrees of freedom and a 5% significance level), the null hypothesis cannot be rejected, therefore between the two variables there is no correlation. *Therefore research Hypothesis H4 is validated at the level of the sample, but not also at the level of the total population. Although a correlation between the age of the company and certification has been pointed out at the level of the sample, it is still not strong enough to generalize the result for all tourism ventures.*

## Conclusions

Certification is a way of ensuring tourism sustainability, as it rewards and motivates those ventures that make efforts to improve their environmental, social and economic performance. Certification is not a means in itself, and the fact that rewards are sometimes immediate and sometimes delayed, sometimes tangible and sometimes not, suggests the difficulty faced by the touristic demand and supply in finding an authentic way towards sustainable tourism. The survey-based research we carried out regarding the perception of tourism operators towards the necessity and use of environment or management quality certification provided interesting results and revealed a troubling situation. More than a half of the respondents are not aware of (national or international) institutions effectively dealing with the protection of the environment or the environmental standards certification. There is no exogenous, external reason why the majority of companies hold no such certificate. Awareness of the impact the hospitality industry ventures have upon the environment has not led their managers to initiating the process of certification. Moreover, companies holding such certificates don't use them as an advantage to attract new clients. However, the analysis of the distribution of questionnaire answers enabled us to conclude there is a positive correlation between the segments of consumers addressed by tourism ventures and the latter's perception towards the necessity of certification. Thus, ventures addressing to luxury consumers hold at least one environmental standard or management quality certificate.

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