Corporate Social Responsibility and Sustainable Tourism

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Abstract

The principal aim of this paper is to study the role of Corporate Social Responsibility in the development of sustainable Tourism in Ho Chi Minh City. Interview sessions of 25 key people in three large tour companies –Vietravel, Fiditour and Festival Travel – seek to clarify these companies' plans, strategies and current activities besides the challenges in developing sustainable tourism.

Keywords: Tourism, Tourism development, Sustainable tourism, Corporate social responsibility (CSR)

1. Introduction

In most countries, especially low income countries, tourism is seen as a viable option for economic growth, but current unsustainable tourism practices can impact the health and well-being of the environment and community as well as tourism itself. Tourism industries often create negative impacts on the environment, society, culture, and sometimes even on the economy. However, few countries are using economic, regulatory or institutional policy instruments for tourism management (Logar, 2010). In most industries, corporate social responsibility (CSR) standards and practices have been developed by the private sector to respond to external pressure. In tourism, however, the use of codes of conduct and certification is not widespread and is not based as yet upon agreed international standards. It is difficult to make generalisations about CSR without first examining the context in which sustainable tourism operates, its demand and also assessing the numerous certification schemes, codes of conduct and best practices within the industry. According to the Ministry of Culture, Sports and Tourism, Viet Nam National Administraton of Tourism, the conservation of our natural, cultural and aesthic resources, the protection of our environment, and a continued welcoming spirit among our enterprises, employees and within host communities, are essential conditions for sustainable tourism.

In the condition of higher living standard, people tend to spend a lot of money for entertainment and travel besides their basic needs for eating, clothing, and living. Occasionally in the Tet Holidays, there are 4.000 tourists from Ho Chi Minh travel abroad, increased 10% than 2010. Many destinations in Ho Chi Minh also attracted over 75.000 domestic tourists (Vinanet). This research is to examine the CSR and sustainable tourism in Ho Chi Minh City.

2. Literature review

2.1 Components of Sustainable Tourism

Sustainable development has been defined as development that meets the needs of present and host regions while protecting and enhancing opportunities for the future. Sustainable tourism, in addition to the criteria of sustainable development requires a holistic, integrated perspective that takes into account all the industries and resources upon which tourism relies. The set of criteria or principles that define the conditions for its achievement comprises:

- Protect and conserve sustainable resources

- Be a multi-stakeholder approach

- Be environmentally responsible

- Maintain the well-being and involvement of the local population or host

- Provide meaningful and fairly remunerated employment for the host population

- Have economic benefit

- Have a long-term view

- Have a triple-bottom line approach (environmental, social and economic)

- Be equitable

- Government must play a leadership role (e.g., impose a 'greater good' approach)

- Obtain optimum guest satisfaction and educate tourists about environmental and social concerns

Simion, Mazilu, Pătruțescu, and Ispas (2010) summarized the fundamental indicators of sustainable tourism as displayed in Table 1.

Table 1. The fundamental indicators of sustainable tourism

1. Site Protection	The category of the site's protection after the index of the International Union for the Preservation of Nature (IUCN)
2. Pressure	The number of tourists who visit the site (year/month with maximum influx)
3. Intensity of use	The intensity of use during peak periods (the number of people and per hectare)
4. Social impact	The report tourists/residents (during the peak period, but also during the rest of the period)
5. Development Control	The existence of a method of study of the environment or specific controls on the planning method of the area and the density of use
6. Waste management	Ratio of treated wastewater of the site (additional indicators may lead to structural limitations of other site infrastructure capacity, such as the water supply)
7. Planning process	The existence of a methodical plan for the tourist destination in question (with a component "tourism")
8. Fragile ecosystems	The number of rare species or endangered ones
9. Customer satisfaction	Visitor satisfaction (using a questionnaire)
10. Satisfaction of the local population	Satisfaction of the local population (using a questionnaire)
11. Contribution of tourism to local economy	How much tourism represents (%) in all the economic activity

The definition of corporate social responsibility (CSR) has many similar elements to sustainable tourism in that both focus on how stakeholders should be identified and engaged and that initiatives should be measured to determine their impact on others. Whereas CSR relates to a company's obligation to be accountable to all of its stakeholders in all its

operations and activities with the aim of achieving sustainable development not only in the economical dimension but also in the social and environmental dimensions, sustainable tourism was first seen mainly from an environmental perspective and has only recently incorporated social and community aspects. Today, it is commonly recognised that sustainable tourism is more than just environmental conservation of a natural area, but that is must also address the quality of life of those visiting it and those being visited.

Sustainable tourism development is about making all tourism more compatible with the needs and resources of a destination area. Tourism needs to take into account a holistic and comprehensive approach that balances tourism development with other activities yet tourism is made up of many sectors and is very fragmented, therefore effects and monitoring processes through one company or mechanism has been difficult. The supply chain of product to end user is not often controlled by solely one party or individual and different elements are often operated by multiple stakeholders. This therefore has led to difficulties in controlling elements of corporate social responsibility.

Miller, Rathouse, Scarles, Holmes, and Tribe's (2010) research paper presents the results of research conducted amongst members of the public in England on their understanding of sustainable tourism; their response to four desired tourism behaviour goals, and expectations about the role of government and the tourism industry in encouraging sustainable tourism. The research shows a lack of awareness of tourism's impact relative to day-to-day behaviour, feelings of disempowerment and an unwillingness to make significant changes to current tourism behaviour. In their research, Erkuş-Öztürk and Eraydın (2010) analysed together governance networks and literature on sustainable development, and provided empirical findings that highlight the importance of governance networks in sustainable tourism development, the importance of different scales of collaborative governance networks and the role of organisation building for environmentally sustainable tourism development in Antalya. Logar's (2010) study explores the potential use of eight such instruments for managing more sustainable tourism in the coastal town of Crikvenica, Croatia.

2.2 Labour standards as part of sustainable tourism

Environmental aspects have been the priority of official certification programmes and voluntary initiatives since the early 1980's and only recently have social or community issues been added. Human rights and labour issues have been more focused upon in developing countries. Additionally, more advanced concepts such as "the triple bottom line" (environmental, social and economic) are just now being incorporated into definitions and initiatives.

There are a number of labour issues which affect the tourism industry. These include women's rights, fair wages, long working hours, qualification and skills requirements for employees, inability to join trade unions, importing of labour and displacement of traditional employment to benefit from tourism dollars. Tourism workers often do not earn a living wage and are dependent on tips and service charges. Many workers have temporary contracts or none at all, work long hours and are employed in low skilled areas such as waitressing and/or house cleaning.

2.3 Demand for Sustainable Tourism/CSR within Tourism

Within the tourism industry it is generally agreed that there are increasing overall societal and environmental concerns, and that this will increase the demand for more sustainable destinations and travel preferences. These will increase the pressure for destination management policies and tour operator responsibility. The destination which were the result of overbuilding, are expected to face severe decline as consumers look for more attractive destinations that feature a clean environment and well preserved natural and cultural attractions. Another trend affecting sustainable tourism is health and wellness. Active or adventure holidays, wellness and spa products and sun destinations are likely to increase in popularity. Authenticity or 'experiential tourism' is another trend. Artificial type destinations (e.g., theme parks), which do not meet higher consumer quality standards, will decrease as the consumer searches for the greater authenticity. Furthermore, there has also been an increase in tourists seeking meaning from their vacation experiences with a resultant noticeable increase in the number of organisations that offer volunteer based travel or educational travel, notably from non-traditional NGO (Non Governmental Organisation)'s such as Volunteer Services Overseas (VSO), etc.

The market share of sustainable tourism is difficult to assess as many consumers do not just purchase one type of holiday. During the same year, they may choose a typical package sun and sand holiday as well as one that specifically caters to nature and adventure. Sustainable tourists are approximately 50% free and independent travellers (FIT) and 50% package tour travellers (those travelling with a tour operator. The majority of tourists seeking nature or adventure type holidays typically travel with niche or small scale operators as mass operators tend to accommodate sun, sea and sand packages.

2.4 Demand for sustainable tourism

The number of foreign tourists came to HCMC in the first five months of 2011 are about 1,4 million times, increased 8% than 2010 and got 40% of plan in 2011. The total revenue is about 19.480 billion VND, increased 20% than 2010 and got 40% of plan in 2011 (The Department of Culture and Tourism Information Vietnam). Overall, the percentage of consumers who consciously look for sustainable travel packages or ecotourism has been estimated to be as high as 5% of the overall market for travel, although up to 30% feel that it would be 'nice to have' but without an accompanying willingness to pay (World Tourism Organisation-WTO). With increased awareness of general societal issues regarding sustainability, this number is expected to increase somewhat.

Sustainable tourism demand is difficult to assess as most figures are anecdotal evidence of market share. A number of surveys have been completed over recent years which have assessed demand for more sustainable forms of travel. A report by the WTO in 1997 presented information to indicate that ecotourism (not sustainable tourism) accounts for 20% of the world tourism market. The International Ecotourism Society Report, whose statistics were cited worldwide in other reports, indicated that ecotourism contributed US$154 billion in receipts for 2000 and was growing at a rate of 20% per year compared with 7% for tourism overall. This number has not been substantiated in any recent reports.

2.5 Consumer motivations

As one industry leader noted, "In several surveys done in the last years, a considerable number of people always affirm they would be ready to pay for sustainable tourism products. But unfortunately the reality shows that the customer's decisions are often dominated by other criteria, and mostly by price. There is obviously a contradiction between intention and behaviour. It is what we call a cognitive dissonance. However, in many destinations, it is common practice that tourists on an excursion in wildlife reserves pay an extra fee for nature protection activities and this is well accepted".

Sustainability issues are also not perceived to be a key factor in the tourist decision making process. A report in 2000 notes that surveys have been unable to conclude that environmental, social or sustainability criteria are a key concern in holiday decision-making by tourists – even so-called ecotourists are not often motivated to travel because of interest in being 'responsible' or 'environmentally concerned. It is clear that marketers need to connect consumer motivations with actual purchasing. As one expert noted, "consumers are willing to make a greener choice if the product comes from a company or destination they already know and trust, it doesn't require any behavioural changes to use, and it's at least as good as what they're already buying in terms of aesthetics, style, taste, etc.".

Price, accommodation quality and personal security rank as the most important considerations of booking holidays. Consumers are susceptible to health and safety issues, however, with cleanliness and quality being major factors in their destination choice. From existing research and interviews with tour operators and other experts, it can be concluded that consumers would change their destination choice as a result of bad press about health (e.g. dirty beaches) or safety issues, but not for lack of environmental or social responsibility on the part of suppliers.

If evidence suggests that consumers are looking for more sustainable product in tourism yet are driven mainly by price or health issues, there is a need to rethink a strategy to shift product and packaging so that product offered to the consumer integrates wider issues of sustainability.

3. Methodology

3.1 Participants

This report is based on both extensive secondary research and a large number of key informant interviews. First, a review of existing research on a review of research on the demand for sustainable tourism. Supplementary interviews with ten managers of Vietravel, seven managers of Fiditour and eight managers of Festival Travel were carried out to assess demand for sustainable tourism. Companies approached to be interviewed included the largest tour operators. From June 1- June 15 2011, the researcher had the arrangements to interview these key people through the relationship with his previous employer "Vietravel" and his friends' companies "Fiditour" and "Festival Travel" through snowball or chain sampling method (Babbie, 2002: 179; Patton, 2002: 237).

3.2 Instrument

For the purpose of studying the role of Corporate Social Responsibility in sustainable tourism, the interview sessions were conducted through these questions:

- What do you think about sustainable tourism?

- Why do we need to care about the sustainable tourism Or what bad influences to the Tourism industry of people don't care about sustainable tourism?

- What do your company have any policy, plans and strategies for developing sustainable tourism?

- What difficulties have your company faced on the way of developing sustainable tourism? (the price of tour is higher, service price is higher…)

- How about your customers behavior? Do they support or go against?

- What do you think about CSR of tour operators, customers, the government and the society to develop sustainable tourism?

4. Findings and discussion

In many low income countries there are problems of lack of tourism planning, established tourism ministries as well as clear roles and objectives. Therefore focusing on public-private partnership to forward the CSR agenda should have a greater overall positive impact and advance sustainable tourism in the industry.

In order to enhance sustainable tourism development in low income countries, there is a need to focus on elements of the tourism industry which can affect a greater number of products and businesses and contribute environmentally, socially and economically to lower income countries.

Initiatives must be industry led as labour standards and other elements of sustainability are not visible to the consumer but crucial nonetheless to the long-term wellbeing of the destination. CSR reporting means a company is more transparent and accountable to external stakeholders, enabling investors to avoid risk and consumers to support more sustainable businesses, therefore having a multiplier effect.

Currently there is low brand loyalty as consumers make decisions primarily based on price; CSR initiatives could potentially lead to increased brand loyalty and product differentiation. As there is currently little consumer support or awareness, information databases need to be linked so that environmental and social criteria can be provided to the client when they are booking their holiday.

To ensure that a more sustainable form of tourism is pursued, there is a need for stricter legislation coupled with joined-up government.

Stricter legislation in low income and developing countries is often fraught with issues of corruption, lack of monitoring and lack of governance, as there are often neither tourism

master plans that incorporate sustainable tourism practices or measures nor incentives for industry to adopt them on their own initiative. To date, few developing countries have imposed social or environmental criteria to foreign investors, seeing only short term economic gains instead of long-term, holistic, sustainable tourism development.

5. Conclusion

Sustainable tourism can help overcome many of the negative impacts associated with tourism development. Based on the interviews conducted, it is clear that guidelines alone are not strong enough to overcome the short-term profit motive of many operators, governments and destinations. At the same time, national certification programs are too numerous, with too many varying criteria, and not enough accredited product to be effective at this point in time.

The conclusion of this research is fourfold. First, there is little overt demand for sustainable tourism in Ho Chi Minh City therefore more research is needed to determine how product can be shifted to include sustainability. If the consumer and the industry are driven by price then there is a need to re-think the strategy of how to include sustainability within current cost structures. Second, there is low awareness and success of certification programs to date. There is a need to further develop the concept of an international certification label for the travel and tourism industry that is inclusive (environmental, social, cultural etc.), affordable, monitored, and reported. As there are already a number of recognised and internationally accepted schemes, these should be promoted to extend their reach rather than developing new schemes which add to the confusion of both the industry and the consumer. Third, in order to achieve more sustainable forms of tourism, it needs to move away from voluntary measures towards reporting where progress can be measured and buyers and suppliers held accountable for their actions. Fourth, CSR could help with a number of issues facing tourism with regard to promoting sustainable tourism practices, however, industry must see government involvement and support if they are to increase their own involvements in CSR. There is a need for governments to step up to the challenge of ensuring more sustainable forms of tourism will be supported and to reassure investors and players in the tourism sector that government will support and encourage sustainable tourism management and development. Practical implication can be recapitulated as follows:

- Governments should focus their capacity-building efforts on suppliers, using such methods as legislated compliance (e.g., environmental, reputation and business probity), ensuring that resources are available for training and learning by suppliers and, where needed, fill resource gaps.

- Increase public-private partnerships of training for environmental and social awareness and mitigation strategies.

- Offer incentives and reporting guidelines to the tourism sector distributed through industry associations. Support training and sharing of best practices.

- Encourage industry associations to make adherence to sustainable or responsible tourism policies a condition of membership and to report on progress.

- Encourage CSR reporting from tour operators, airlines, cruises, hotels and destinations themselves so that they can understand the impact they themselves are having. Reporting will also provide measurable criteria by which companies and destinations can be compared.

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