

Sustainable TOURISM



A Marketing Perspective

Victor T. C. Middleton

with Rebecca Hawkins



Sustainable Tourism: A Marketing Perspective

By the same author

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Sustainable Tourism: A Marketing Perspective

**Victor T. C. Middleton
with Rebecca Hawkins**

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About the authors

Professor Victor T. C. Middleton has had some thirty years' international experience of marketing practice covering most of the private and public sectors of travel and tourism. With a commercial background prior to involvement in the tourism industry, his career spans marketing planning and research for a national tourist board (British Tourist Authority), research and teaching as a full-time academic (University of Surrey to 1984), and independent international management consultancy in tourism since then. He was appointed Visiting Professor at Oxford Brookes University in 1990 and at the University of Central Lancashire in 1997. At Oxford he was the first Director of the World Travel and Tourism Environment Research Centre funded by the World Travel and Tourism Council, where he developed and communicated best practice analyses of sustainable tourism with Rebecca Hawkins. Widely known as an author and lecturer on the international conference circuit, he has produced nearly one hundred published articles, reports and books over the last two decades. His interests link visitor management, sustainability and heritage issues from a thoroughly practical industry and marketing perspective.

Rebecca Hawkins completed her PhD at Bournemouth University in 1992, analysing tourism

management in the coastal zone, and went on to work in the regional tourist boards in the UK. She was subsequently appointed as Senior Researcher and later Deputy Director of the World Travel and Tourism Environment Research Centre where she played a key role in the development of good practice guidance for the travel and tourism industry. She also played a primary role in the development of WTTC's Green Globe environmental management programme for travel and tourism companies. Recently she established her own business specializing in environmental aspects of tourism projects and has undertaken a number of pioneering programmes in this role. In 1997 she completed a major research programme to enable the International Hotels Environment Initiative and British Airways Holidays establish benchmarks for the environmental performance of hotels. Rebecca has written a wide range of technical and academic papers and publications, including most of the Green Globe series of environmental management guides (with Jo Lloyd), HCIMA technical briefs, Inter-Continental Hotels and Resorts Environmental Review and the WTO/WTTC/Earth Council interpretation of the implications of AGENDA 21 for travel and tourism companies.

Foreword

Over the last twenty-five years, as this book reveals, travel and tourism has been a remarkable economic success story driven largely by marketing initiative and energy working in favourable market conditions. On the other hand, despite the many obvious warning signs that poorly managed tourism around the world damages the environment and undermines business prosperity, most businesses in what can now be identified as the world's largest industry have yet to come to terms with the environmental consequences of their actions.

Since 1990, however, in common with leading players in other sectors of the world economy, enlightened companies in travel and tourism have formally adopted environmental ethics at the core of their business interests and future prosperity. As an industry leader with some 40 000 staff in 200 properties in over seventy countries around the world, Inter-Continental Hotels and Resorts has positioned itself with the World Travel & Tourism Council at the forefront of implementing the principles of sustainable development.

Inter-Continental launched a major environmental initiative in 1990 to ensure that each of our hotels makes a positive contribution to improving the quality of the environment in its locality. That initiative led to a comprehensive environmental manual providing detailed guidelines on environmentally sound products and procedures which we shared with our

competitors in 1991 to form the International Hotels Environment Initiative (IHEI). By the late 1990s eleven international hotel companies controlling some 2 million rooms (approaching 1 billion guest nights a year by the new millennium) were being operated in accordance with guidelines pioneered by Inter-Continental. This is just the beginning of new corporate attitudes to the environment.

Looking ahead, to achieve the goals of sustainable development we must have the right mix of private sector initiative, economic tools, incentives and regulation. This means we need new public sector-private sector delivery mechanisms and we must have industry participation in order to translate global principles into local action. I recommend this important new book to practitioners as well as students, and commend its authors for their contribution to a better understanding of environmental impacts and the new partnership delivery mechanisms that are needed. In particular they have stripped the subject of many of the myths and prejudices that continue to surround it, setting out practical proposals for achieving local solutions within a marketing perspective that are at the leading edge of industry thinking.

Robert Collier

*Vice-Chairman, Saison Overseas Holdings B.V.
(The parent Company of Inter-Continental Hotels
and Resorts)*

Preface

In the run-up to the United Nations Earth Summit at Rio de Janeiro in 1992, general public and industry awareness of the ideas of *sustainable development* were fuelled by massive media coverage and doomsday/eco-disaster scenarios that coincided with the late 1980s economic boom in many countries. *Sustainable tourism* subsequently became a buzzword for many in travel and tourism. It is a useful sound-bite; a mantra for politicians, NGOs and many academics around the world; an aspiration with which all can agree – until aspiration has to be turned into practice. The aim of this book is to communicate meaning to three overall concepts relevant to tourism and to outline methods of implementation, illustrated by international good practice involving partnerships between the private and public sectors:

- Sustainable tourism means achieving a particular combination of numbers and types of visitors, the cumulative effect of whose activities at a given destination, together with the actions of the servicing businesses, can continue into the foreseeable future without damaging the quality of the environment on which the activities are based.
- For all practical decisions in tourism, environment means the 'quality of natural resources such as landscape, air, sea water, fresh water, flora and fauna; and the quality of built and cultural resources judged to have intrinsic value and be worthy of conservation' (Middleton and Hawkins, 1994).
- Sustainability for tourism requires that 'the cumulative volume of visitor usage of a destination and the associated activities and impacts of servicing businesses should be managed below the threshold level at which the *regenerative resources* available locally be-

come incapable of maintain the environment' (Middleton and Hawkins, 1994). Regenerative resources are part natural and part managed by human intervention.

The balances implied between environmental quality and tourism activity in each of these linked concepts are never static. They are infinitely susceptible to the influence of human behaviour and management decisions as well as to the natural processes of ecology and the emerging science and technology of measuring environmental impacts and responding to them. Although the words are modern, there is nothing new in the concepts; in principle they have been relevant in tourism for at least a century. What gives the debate its modern context is the increasing awareness of tourism impacts as part of the overall pressure on the quality of the global environment exerted by a combination of a growing world population, growing expectations for economic development, and the industrial and other technology used to supply population needs. From farming and fishing to the extraction of minerals and other finite resources such as timber, the impact of human economic activity generally, and the many forms of pollution to which it gives rise, has been pushing the limits of environmental tolerance at an accelerating rate. Defined in *Beyond the Limits* (Meadows *et al.*, 1992) as 'exponential growth' leading to 'overshoot', the process has been lurching out of control, since the 1950s.

The Rio Earth Summit brought to a head influential global environmental processes, such as the United Nations Environment Programme (UNEP – established in 1972), and concerns such as the Club of Rome's *Limits to Growth* (1972), and the Brundtland Report, *Our Common Future* (1987). The main international action follow-up

programme was drawn up and published as AGENDA 21. Often perceived as an agenda for governments, what is implied in the follow-up is far more than a regulatory programme to be enacted and implemented by governments and their agencies. It is a global action plan laying out the requirements for achieving more sustainable forms of living in the twenty-first century for all nations. Changing individual behaviour and consumption patterns for all types of product is the first aim of AGENDA 21, but in practice this has usually to be initiated by government agreements in developed countries where the major environmental problems lie. It also requires a fundamental change in corporate behaviour in the private sector, especially multinational companies, recognizing the environmental mistakes that have been made in the last fifty years in all sectors of economic activity. Companies' economic rationale for this is to protect their resource or asset based in the short run, and ensure profitability in the long run.

International shifts in behaviour of this magnitude do not occur in a matter of months or even a decade. This is a long-term agenda. It has already begun with a growing understanding and continuous media exposure of the impacts of human actions on the environment and a shift in the attitudes influencing corporate and personal behaviour. However long it takes to convince the majority of businesses and the general public, environmental recognition is growing strongly now and it is reflected in the emergence of more sustainable policies around the world by governments, local authorities and public sector agencies, by commercial organizations and their trade associations, and in the development of *green policies* by political parties and pressure groups dedicated to sustainable environmental goals. Whatever the rights or wrongs of the case, when a major multinational oil corporation such as The Royal Dutch Shell Group can be obliged by pressure groups (1995) to abandon its declared policy for disposing of an oil platform, negotiated in agreement with governments over a two-year period, neither governments nor their agencies can consider themselves immune

from a process which already commands widespread public backing. The BSE crisis for British beef arising from ecologically unsound feeding practices for cattle is another clear indication of massive consumer backlash against perceived environmental risks. It is a major international task to persuade more businesses, customers/users and local authorities to recognize that the quality of the environment is a core part of product quality created by producing all types of manufactured and service products. But the signs of progress are already clear in direction if not yet in adequate volume.

In the early 1990s there were high but implausible hopes that the politics of exhortation backed by media campaigns would shift attitudes towards sustainability. By 1996 it was clear that entrenched attitudes, economic systems and human behaviour patterns, will not change solely as a result of appeals to common sense. The threats appear too remote and the science of environmental monitoring and prediction, on global warming for example, remains imprecise. So much depends on scientific interpretation and media reporting. Economic recession in Europe and elsewhere pushes economic growth and employment up the political agenda, and environmental concerns go down. Sustainability also requires seriously unpopular decisions, for example on personal mobility and levels of energy consumption, and partial denial of traditionally free access to attractive destinations. There is little evidence that politicians in government have the resolve to pursue such measures in any country until disaster appears imminent, when it may be too late. Interestingly, while concepts of sustainability have apparently lost popular appeal in the 1990s, issues of personal health and safety, especially through air and water quality and when cancer risks and other diseases seem likely, have gained enormously in perceived importance. The tunes of public health and safety are far more powerful and immediate and force governments and businesses into urgent action. Deaths from asthma, for example, are quantifiable and may be directly linked to measurement of air

pollution, while sanctimonious appeals to 'safeguard the birthright of future generations' can safely be ignored as sound-bite claptrap. Sustainable programmes generally appear more likely to be achieved on the back of health and safety lawsuits and associated financial and political penalties, than by appeals to care for the Earth.

Compared with most other large industries, the consumers and the products of travel and tourism, increasingly identified as the 'world's largest industry', are highly visible. In democratic societies the products created and their impacts on the environment can only continue with the support or acceptance of the residents of visited destinations. Most leisure tourism is about visiting places with residents who are, or could be, vocal and proactive about the quality of their environment as they perceive it. Commercial operators in the tourism industry are, therefore, more vulnerable to changes in attitudes and perceptions of impact and damage than most industries.

Few doubt that international, national and especially local regulations for environmental protection will set the overall climate for attitude change in travel and tourism, as for all other forms of industry. In many popular destinations the introduction of controls to limit the scale of tourism activity and set quotas for development are inevitable over the next decade. But tourism is a highly competitive industry and consumers have many choices as to how and where they allocate time and money to their preferences. Many tourism businesses also have a wide choice of location. The process of understanding and managing voluntary transactions for consumers and businesses with choices in a rapidly developing international market, such as tourism, cannot safely be left to lawyers and civil servants; they do not understand it. It is the business primarily of private sector management, especially marketing management. Regulation can, at best, establish the ground rules for competition and aim to penalize individuals and organizations flouting the rules. But it is a blunt instrument for persuasion in a free market and it can be bypassed, especially where the points of

sale and consumption may be thousands of miles apart.

Modern marketing, which is as much concerned with communicating the benefits of ideas, people and places as about selling products in the high street, is the only proven set of continuously developing management techniques for influencing behaviour, designing and communicating product benefits, and ensuring high quality and value for money in the delivery of products. These techniques are global and they represent a massive, continuous outpouring of management energy that can be harnessed to achieve environmental goals. This energy can also be used to help regulators understand, formulate and monitor ground rules that are sensitive to changing demand.

International and domestic travel and tourism has a quite remarkable record of successful economic growth over the last thirty years, and excellent prospects for further development into the twenty-first century. Historically much of this growth has been achieved at an increasing cost to the environment of popular destinations that is now undermining the quality of life of resident populations in some areas, and jeopardizing the future profitability of tourism businesses. We believe that encouraging, analysing, and communicating best practice in visitor management techniques developed especially for local destinations provides the logical focus and practical way forward for achieving sustainability in tourism. Overall, in all forms of destination, tourism management is always likely to comprise a mix of regulatory and self-regulatory techniques. Our experience and judgement lead us to believe, however, that innovative marketing, not regulation, provides the vital *management insight and knowledge* for understanding, communicating, and delivering sustainable tourism in visitor destinations over the coming decades. Marketing is the business of asset management for the long run as well as designing and delivering products of increasing quality to targeted customers in the 'world's largest industry'. That energy can, and it must, be harnessed to sustainable goals.

The aim of the book and its intended market

This book aims to provide, using illustrations and case material drawn from recent practice:

- A basic text about the particular environmental threats and opportunities arising from global travel and tourism, as part of the overall impact of human population growth and economic activity.
- A cohesive set of international management principles and techniques available specifically for controlling the negative impacts of travel and tourism and achieving its benefits, set within an underlying theme of marketing and the principles of AGENDA 21.
- A particular focus on the growing role of partnerships between the private and public sectors in tourism, especially at local destinations, and especially to manage the environmental problems resulting from the very high ratio of small to large businesses in tourism –

the dominant supply-side characteristic of a highly diverse and fragmented 'industry'.

The authors are well aware of the extensive outpouring of books on all issues of sustainability and of marketing in the last five years and we make no attempt to replicate them. Our aim is to provide a structured way of thinking about the impacts of travel and tourism, and how in practice to harness the energy that exists in the industry to achieve more sustainable economic growth in all parts of the world. This book is written to meet the needs both of students and teachers on tourism, hospitality and leisure management courses, and of managers at all levels in the private and public sectors of tourism. Of all the issues on which existing and potential managers in the world's largest industry need knowledge and support for the next decade, a better understanding of how to manage visitors to achieve more sustainable futures is surely the primary concern. They cannot afford to fail.

*Victor T.C. Middleton
Rebecca Hawkins*

The structure of the book

Part One

The six chapters in Part One introduce the key environmental issues and aspects of travel and tourism addressed in this book. It is assumed that all readers, whether practitioners or students, will be at least broadly familiar with the concepts of tourism, on the one hand, and of marketing, on the other. To establish the authors' view, and because their stance is not the same as that of the majority of writers on sustainability in tourism, the world's largest industry is defined with reference to internationally agreed concepts, not restricted solely to holidays and leisure. These chapters identify tourism issues for the environment in an overall context of global threats from all sources of human activity. They introduce our view that sustainability must be approached from two different but related dimensions. The first is *tourism management* at local destinations and the second is the *management of business operations* by commercial and other enterprises.

Part Two

The four chapters in Part Two deal with the processes of managing tourism to achieve sustainable development at local destinations. Sustainable policies and management approaches operate on supply and demand and involve the public and private sector both separately and especially in partnership. We stress that such policies can best be understood and effectively targeted at the local level rather than the national or regional level, but that existing levels

of management information for supply and demand are woefully inadequate.

Part Three

The five chapters in Part Three switch the focus from tourism management at the destination to the management of business operations in the sectors of the tourism industry that provide, market, or otherwise facilitate visitor activity at destinations. Some of these business operations are destination based, for example hotels and attractions; others are not, for example much of transport and tour operation. Part Three is introduced by our view of the well-known *Three Rs* of sustainability, developed into *Ten Rs* relevant to all sectors. The chapters include current industry examples of leading-edge practice from around the world.

Part Four

There are five specific cases in Part Four indicating how destinations and businesses around the world are addressing the issues of sustainability covered in this book. Each case has been contributed by a senior person directly concerned and they serve to illustrate in practice the themes developed in Parts Two and Three of the book.

Epilogue

In contrast to the doom-laden future scenarios portrayed in most books on the issues of sustain-

able tourism, this contribution, based on the intentions of AGENDA 21, offers seven positive visions for the future. It reflects the real opportunities to harness and target the global energy

of marketing management in proactive partnerships at the leading edge of change for a more sustainable future.

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Although much of the writing and the editing of this book is the work of Victor Middleton, the inspiration for the book and the thinking that has gone into it has been a joint enterprise throughout with Rebecca Hawkins. Thanks to an initiative by Geoffrey Lipman, President of the World Travel & Tourism Council (WTTC), it was agreed to establish the World Travel & Tourism Environment Research Centre (WTTERC) at Oxford Brookes University in 1991. Victor Middleton was the first Director of WTTERC and Rebecca Hawkins joined the Centre in 1992, subsequently becoming Deputy Director. We were proud to be associated with the Centre and the work it did, and our first debt of gratitude is to Geoffrey Lipman for the breadth of his vision and his active encouragement of many of the ideas that find expression in this book. Thanks also to colleagues at Oxford Brookes University which provided facilities and support for the Centre. Professor John Glasson in particular was most helpful and supportive. Although WTTERC ceased to exist in its original form in 1995, its work and databases were absorbed in *Green Globe*, the WTTC global scheme for promoting and recognizing environmental good practice in the private and public sector, for which Rebecca designed and wrote the first set of industry guidelines for sustainability.

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Part One

The Context; the Issues; a Global Overview

1

Environment; tourism; a marketing perspective

... Probably the single greatest concern for every country is the impact tourism will have on its environment (Naisbitt, 1994: p. 140).

So far, the travel and tourism industry has taken little active part in framing the environmental policies so vital to its own interests (Economist Intelligence Unit, 1992).

This book records extensive activity and many examples of international *good practice* in various sectors of travel and tourism since 1992. The judgement expressed in the Economist Intelligence Unit (EIU) Review nevertheless remains fair comment for the bulk of the world-wide international and domestic tourism industry in the late 1990s. Stimulated by the Earth Summit at Rio (1992) and the associated publication of AGENDA 21, there has been a remarkable outpouring of academic contributions and conferences on the issues of sustainability and many exhortations from governments, NGOs, business leaders and from trade associations. At some destinations, among both large and small commercial businesses, there is now real progress to cite. But to turn around the EIU view will require a much greater level of energy and activity within the industry than is evident in 1997/8. As this book goes to print, there is no consensus on where that energy and activity will come from and it is our object to outline practical ways and means to make progress.

To some extent the environmental inertia in the tourism industry noted in the EIU report reflects a traditional view common in many businesses that tourism is not a smokestack industry of the heavy industrial era, and therefore does not create pollution in the same way as manufacturing and other industries. More importantly it also reflects the structure and business economics of a highly diverse and complex industry comprising many different sectors that typically recognize no community of interest with each other. From airlines to zoos, the sectors of travel and tourism are mutually competitive rather than cooperative (see Chapter 5) and they are only an 'industry' in the collective sense that the population of a multi-ethnic town or city can be termed a 'community'. The component sectors typically recognize no common strategy for environmental or any other purposes, either nationally or locally.

This chapter introduces the three themes that are woven into every chapter of this book. It deals first with global environment issues and the concepts of sustainability which are developed with specific examples in Chapter 2-4. It deals, second, with travel and tourism as a global industry, establishing an overview developed in more detail in Chapters 5 and 6. Third, this chapter introduces the role of marketing as a management attitude and process which the authors believe provides the essential manage-

ment insight and a practical way forward for achieving sustainability in travel and tourism. The marketing approach is further developed in Chapters 9 and 10 and Part Three of the book.

Global environmental issues

The first point to make is that recognition of particular environmental damage resulting from human economic activity is not new. Most people behave now, as they always have, to maximize their personal position by whatever means are most easily to hand and are permissible within social and legal constraints. Small businesses behave in exactly the same way. For example, 2400 years ago, Plato wrote of soil erosion and deforestation caused by overgrazing and tree felling for fuel in the hills of Attica (Chapter 2). The reasons would have been identical to those now driving developing countries to cut down rain forests; those which created the dust bowls in America in the 1930s; and those currently destroying ocean life through overfishing. The difference in the late twentieth century is the environmentally lethal combination of growing population size, universal demand for economic development, and global access to rapid developments in science and technology. For the first time in history economic activity in one part of the world can have an immediate and massive impact on other parts. Acid rain across Europe and overfishing off the coasts of Europe are examples. The fallout and future implications from the Chernobyl nuclear reactor disaster in Russia in 1986 starkly illustrates modern forms of international pollution.

Travel and tourism has developed into a major international 'industry' only over the last twenty-five years or so. It has many critics who believe that tourism is a primary cause of environmental pollution and degradation. Such critics, promoted internationally by the British Broadcasting Corporation, for example (*The Tourist* 1996: p. 13), would have students of

tourism and the public believe that 'tourism packages entire cultures and environments ... producing an emergent culture of tourism made from the fragments of the local cultures which tourism destroyed ... 'Tourism has ended up representing the final stages of colonialism and Empire.'

Away from the heady world of sociological myths, however, practical progress toward sustainability depends on world travel and tourism being understood as just one aspect of the total impact of world-wide human economic activity on the environment. We believe it to be an economic activity which is potentially not only more beneficial to the environment than any other major global industry but also more amenable to management action.

Using the estimates calculated for the World Travel & Tourism Council (WTTC), which include allowance for day and staying visits for all purposes as well as investment in tourism infrastructure, tourism already accounts for over 10 per cent of World GDP (see below). It is nevertheless only one of many players in the global issues of economic development and the associated environmental impact. The principal causes of global environmental pollution and degradation, reviewed in Chapter 2, can be briefly summarized as:

- **Exponential population growth** (2.5 billion in 1950, 5 billion in 1990 to a projected 10–12 billion by 2030).
- **Subsidized/mechanized/chemical assisted agriculture, or 'slash and burn' survival tactics** in many of the economically developing countries.
- **Waste discharges** including outflow of toxic wastes and human effluent into rivers and seas.
- **Overfishing; mineral extraction industries; industrial production processes and waste.**
- **Destruction of species consequent on these economic practices.**
- **Use of non-renewable energy sources for public and private transport – emission of**

carbon dioxide and other gases affecting air quality and global warming.

- Leisure and holiday pursuits, especially by residents of the economically developed countries of the world.

Leisure tourism, a consequence of the free world's achievement of greater affluence, most notably demonstrated at present by tourism trends in the Asia-Pacific Region, is adding to overall pollution in many environmentally fragile areas. As the world's 'largest industry' collectively, and the dominant economic sector in parts of the world such as the Caribbean, South Pacific Islands, and Hawaii, it is essential that environmental impacts are recognized, adequately defined and measured, and tackled urgently.

Travel and tourism – a composite market of global significance

Although travel and tourism is invariably identified as an 'industry' it is best understood as a total market. This market reflects the cumulative demand and consumption patterns of visitors for a very wide range of travel-related products that fall within the internationally adopted definitions of tourism activity (see Chapter 5). In practice, travel and tourism is not one market, however, but literally hundreds of separate international and domestic market segments, mostly with little in common, but usually lumped together for convenience. The total market is serviced by a range of large and small organizations which, depending on definitions used, can now be estimated collectively to represent the world's 'largest industry' (WTTC, 1995).

The main sectors involved in providing services to visitors are noted below for the purpose of introduction and developed in Chapter 5.

Directly involved	Indirectly involved
Airlines	Cafés
Airports	Clubs

Car rental	Discos
Coaches and buses	Casinos
Conference centres	Exhibition centres
Guest houses/pensions	Fast-food outlets
Heritage sites/buildings	Golf courses
Hotels/motels	Museums and galleries
Holiday cottages	Night clubs
Holiday villages/ condominia	Pubs
Railways	Restaurants
Resorts	Retail shops
Theme parks	Sports stadia
Time share	Theatres
Tour operators	Taxis
Travel agencies	University accommodation
Tourist offices (national/regional)	Yacht harbours
Sea ferries	Zoos
Visitor attractions	

In this context, *directly* involved means provided primarily for the purpose of tourism; *indirectly* means that visitors are welcomed and may be essential to business prosperity and survival, but typically are not the primary reason for provision. The list above is illustrative of the range of sectors covered, but it does not pretend to be comprehensive.

Treating travel and tourism as a global industry, with a prediction that the industry turnover could double in size in little over a decade, the WTTC estimated that tourism in all its forms accounted in 1995 for:

- 10.9% of world total GDP
- 10.7% of the global workforce – 212 million jobs (equivalent to 1 in every 9 jobs), and
- 11.4% of global capital expenditure
- 11.1% of total corporate and personal taxes paid
- 12.6% of global export earnings.

(Source: WTTC/WEFA, 1995)

Caveat: It needs to be understood that these are not the same figures as those published by the World Tourism Organization, which estimates the direct expenditure of international tourism involving overnight stays. Nor are they comparable with tourism

estimates produced by OECD or the European Commission. WTTC estimates are based on satellite accounting procedures and allow for domestic as well as international travel, for day visits, and for capital expenditure on investment in all types of tourism related infrastructure such as airports and aircraft manufacture. With these additional allowances the WTTC percentages are roughly twice the size of traditional estimates based solely on the direct expenditure of visitors.

World-wide economic activity on this massive scale and growth potential has created powerful multinational major business corporations, some with global interests, and there are close similarities in business operations from Acapulco to Zimbabwe. These large businesses are now under increasing pressure to operate in more sustainable ways and many are responding. But uncounted millions of small businesses around the world are also involved and they dominate numerically in all destinations which are not enclosed resorts. It is a major structural problem in tourism that small businesses located at destinations, such as hotels or attractions, and tour operators negotiating down the prices of product components from distant bases in markets of origin, have not needed to accept responsibility individually for what is happening overall to the local environment. There are typically few constraints on them other than appeals to altruism. The owner of a small travel agency in Iowa or of a guesthouse in the Peak District or the Lake District in the UK, struggling to survive, is unlikely to perceive himself as personally responsible for traffic congestion and the erosion of hills and mountains by too many cars and feet. This deep-seated myopia has to be tackled but it is understandable and a major issue in an industry in which small businesses outweigh larger ones, in some countries by up to 1000:1. It is not a tenable position for the twenty-first century, however, and strategies for change are obviously needed. Such strategies are not going to emerge spontaneously from an 'industry' which in practice is just a convenient label or statistical concept used to embrace a

highly disparate combination of thousands of small businesses in many sectors, plus local government and numerous public sector agencies. The numerical dominance of small businesses at most destinations is a key issue for sustainability and addressed later in Chapter 5.

The attraction of tourism for governments

Given the size and growth potential noted above, travel and tourism is a logical target for intensive marketing by all the commercial players within it. It is especially attractive to governments in the economically developing world because of the opportunities inherent in the industry; specifically its:

- Massive size, recent growth and widely forecasted potential for future development.
- Ubiquity – there are few areas in the world in which travel and tourism is irrelevant either as a region of origin or destination for visitors – or both.
- Significance for the economic, foreign currency and employment needs of most, if not all countries of the world – especially for many smaller developing countries with otherwise limited resources to sustain the economic demands of their growing populations.
- Conferment of potential economic values to natural, cultural and other heritage resources such as scenery, wilderness, historic structures, biodiversity in flora and fauna and environmental quality, all of which have intrinsic values measured in world environment terms, but typically have no obvious trading value to most resident populations. Environmental values, with important exceptions in certain cultures, are largely irrelevant to subsistence level or starving populations.
- Contribution to the quality of the lives of virtually all residents, especially in economically developed countries.

- Relatively low pollution output of servicing organizations, compared with other major global sectors of the economy, such as intensive agriculture, fisheries, chemical industries, much of manufacturing, and extractive industries.

Two main directions for sustainable tourism

Readers should note that in practice there are two separate dimensions for the sustainability argument applied to travel and tourism. They are reflected in the structure of this book. The first and in the long run the most important dimension lies in improving sustainable practice at the destinations chosen by visitors, where the impact of tourists can have widely recognized negative effects on:

- *The physical environment*

For example, erosion of coral reefs for construction and leisure activities, or of mountains through walking and skiing, excessive use of fresh water for bathing, swimming, watering gardens and golf courses, pollution of both sea water and freshwater through discharge of untreated sewage, and the creation of carbon dioxide through use of cars for leisure purposes.

- *The social and cultural environment;*

For example, turning traditional arts and rituals into a form of entertainment and profit for hotels; by disrupting traditional wage patterns which favour males and perhaps causing the abandonment of traditional ways of earning a living; by encouraging prostitution; and by 'force feeding' generally the cultural and behavioural norms of affluent, especially Western, societies into cultures unfamiliar with such ways, through a process often dubbed 'neo-colonialism'.

In contrast with other industries of compar-

able scale and relevance in all parts of the world, however, travel and tourism also carries the potential to make major positive contributions to the physical, cultural and social environments of visited destinations. It is the opportunity to harness these positive, sustainable contributions that makes travel and tourism so vital a concern for the twenty-first century. (See also Chapter 6.)

The second dimension for improving sustainable practice focuses on the way that businesses within the travel and tourism industry conduct their development and operational decisions. Some business operations take place at the destination – for example those of resort hotels, inns, or holiday villages, attractions and car rental. Others take place away from the destination, for example operations by airlines, ferries and other transport operators and the activities of tour operators and travel agents. Tourism businesses have much the same reasons for controlling pollution and managing waste as any other form of industry. They bear a heightened responsibility, however, recognizing that they are often operating in areas selected for business purposes precisely because they are attractive and environmentally sensitive. The logical focus of business operations is on implementing programmes for saving energy; controlling noise pollution and emissions; reducing demands for fresh water; reducing the use of toxic chemicals, and recycling or re-using materials necessary for the conduct of trade. (See Part Three of the book.)

In addition, tourism businesses have a particular responsibility for the type and scale of development imposed on environmentally sensitive areas. This is an issue for design and construction techniques, for example in the building and landscaping of resort hotel complexes, swimming pools, golf courses, airport runways and terminals. Good design of modern buildings and plant can greatly reduce the level of pollution produced for a given number of visitor days, for example using heat exchange systems and waste water treatments.

A marketing perspective

Developed in Chapters 9 and 10, a marketing perspective is still associated in many minds with commercial enterprises selling the maximum volume of products for short-run profits. This book stresses that a *marketing perspective* means a particular set of corporate attitudes toward the conduct of operations involving the public as targeted customers or users – the way in which an organization is conducted by its owners and managers. Modern marketing is certainly concerned with delivering products that meet customer expectations, securing additional sales, extra revenue yield per sale, and defending and gaining market share in a highly competitive world. But that is too simple a view. A marketing perspective is essentially an overall management orientation reflecting corporate attitudes that, in the case of travel and tourism, must balance the interests of shareholders/owners with the long-run environmental interests of a destination and at the same time meet the demands and expectations of customers.

As Middleton (1994) puts it, 'Above all, marketing reflects a particular set of strongly held attitudes, and a sense of commitment on the part of directors and senior managers – not just marketing managers – which are common to all marketing-led organizations There are four key elements as follows:

- A positive, innovative, and highly competitive attitude toward the conduct of exchange transactions (in commercial and non-commercial organizations).
- A continuous recognition that the conduct of an organization's business must revolve around the long-run interests of both customers and stakeholders.
- An outward looking, responsive (and responsible) attitude to events in the external business environment within which a business operates.
- An understanding of the balance to be achieved between the need to earn profits

from existing assets and the equally important need to adapt an organization to secure future profits, recognizing social and environmental constraints.'

As defined above, the corporate attitudes implicit in a marketing perspective are as relevant to many public sector operations as to private sector enterprises, provided that the former operate to defined service quality standards and treat their publics as valued users or customers, whether or not money is charged directly for the services provided. Museums, state-owned heritage attractions and national parks are examples of public sector operations to which a marketing perspective is increasingly relevant. The only real difference is that many public sector operations are actual or quasi-monopolies whereas commercial operations are mostly directly competitive. Achieving marketing excellence and forging relationships for co-operation with other destination stakeholders are increasingly conditions of business survival.

Within an overall appreciation of the need to recognize and protect the value of assets or resources on which business survival depends, including environmental resources, there is ample evidence that success in a competitive world lies in rethinking and adapting the whole of business operations from the customers' standpoint. Because customers' interests, attitudes, and market conditions, are in a state of constant change, the involvement of managers with marketing also has to be continuous. Identifying, responding, and adapting to changes ahead of competitors is the essence of a marketing perspective. Identifying and targeting specific groups or segments of prospective customers or users whom an organization wishes to serve is the practical expression of that perspective.

If businesses in travel and tourism are convinced that powerful global changes are at work on the physical, social and cultural environment of destinations, affecting the buying habits of current and prospective customer segments, those changes will be fully reflected in decisions taken from a marketing perspective. The con-

tinuing prosperity of business investments requires such a response. This does not mean always giving customers what they want, however, it could also mean persuading and influencing them to choose products which meet the long-run sustainable interests of the assets and resources on which products and profits are based. It will be argued (see Chapters 9 and 10) that the travel and tourism industry is uniquely positioned globally to use marketing to achieve sustainable goals.

Characteristics of a marketing perspective

Drawing on the sources noted at the end of the chapter one may introduce the characteristics of a marketing perspective as follows:

- Outward-looking to interpret trends among customer segments, competitors and the overall business environment (including the physical, social and cultural environment).
- Customer-responsive based on detailed knowledge of current and prospective customers – especially repeat customers – increasingly held on computerized databases.
- Research and information based as an integral part of modern decision making.
- Focused on product quality and business operations that reflect the growing expectations of targeted customers and their perceptions of value for money, with close monitoring of customer satisfaction.
- Forward-looking and innovative in terms of product development and delivering added value.
- Concerned to balance the long-run requirements of sustaining the asset base with short-run needs to satisfy customers and generate profit. In travel and tourism the quality of the environment at visited destinations is a vital part of the asset base.
- Focused primarily on the perceived needs of customer groups or segments rather than on

the operational convenience of service providers.

On the evidence presented in Chapter 2 there can be no doubt that the environmental concerns that emerged and focused since the Brundtland Report in 1987 will have a major impact over the next decade on the way that all businesses, including travel and tourism, will be conducted. The key question is not *if* business will be affected, but *to what extent*, and *how quickly*. Much will also depend on the activities of environmental lobby groups, and especially on shifts in the attitudes and purchasing behaviour of the travelling public which marketing managers are paid to interpret.

As stated in the Preface for this book, few doubt that the scale of environmental problems is now such that a combination of international, national and local regulations for environmental protection will influence attitude change in travel and tourism, as in all other forms of industry. In particular, the introduction of controls to limit the scale of tourism activity and set quotas for local capacity and development appear inevitable over the next decade. But tourism is an increasingly competitive industry and consumers have many choices in how to allocate time and money to their preferences. The process of understanding and managing voluntary transactions for consumers with choices in a rapidly developing sector such as tourism is not a matter for lawyers and regulators; it is the business primarily of marketing management. Regulation can, at best, establish the ground rules for competition, and penalize individuals and organizations that flout the rules. But is a blunt instrument for persuasion in a free market. Modern marketing, which is as much concerned with communicating the benefits of ideas, people and places as about selling products in the high street, is the only proven set of management skills for influencing customer behaviour, designing and communicating product benefits, and ensuring high quality and value for money in the delivery of products. These skills

can be harnessed to achieve environmental goals.

A key element of our approach is that analysing and communicating best practice in private sector business enterprises, and in visitor management techniques developed specifically for destinations, provides the most practical way to shift toward sustainable tourism. In all types of destination, visitor management is always likely to comprise a mix of regulatory and self-regulatory techniques. Our experience and judgement lead us to believe that marketing will be the primary management tool for interpreting, communicating, and achieving sustainability in visitor destinations over the coming decades, as part of the day-to-day business of designing and delivering products of acceptable quality to targeted customers in the world's largest industry. The knowledge developed in that process will also be a primary input to the development and monitoring of workable regulatory procedures.

In summary:

- A marketing, not a regulatory perspective, provides the vital *management insight* for achieving sustainable development in travel and tourism.
- Marketing strategies can provide a coordinating framework in which the interests of destinations and the powerful energy of business operations can be harnessed to pull in the same direction.
- Marketing management holds the most efficient tools for understanding and influencing what visitors buy; and the techniques for designing and delivering product quality also designed to sustain a local environment.
- Marketing management will have to target, involve, and work jointly with regulators and elected representatives of residents' interests.
- Marketing strategies provide a practical agenda both for proactive new forms of partnership between the private and public sector, and for an equally important partnership between large and small businesses.

Evidence of European demand for environmentally sustainable tourism

There is widespread agreement in the industry that tourism businesses will market more environmentally sustainable products as soon as customers demand them and are willing to pay what it costs, and not before. In an industry generally accustomed to sell its leisure products on the lowest available price and to compete on that basis, there is a great deal of cynicism that the majority of customers will in practice pay more than lip service to environmental benefits. We believe this attitude is too simplistic.

A major difficulty in tracing evidence of customer attitudes is that most people do not use words such as *environment* and *sustainable* to describe their product expectations and satisfactions. These are technical labels for a particular set of management decisions, not the language of the general public, and not the language of holiday brochures. Yet we believe the evidence of demand is perfectly clear if businesses are willing to read between the lines of what people do say, and think through the full implications of customer perceptions. It is not easy to discover up-to-date, comparable survey data covering holiday vacation motivations but in 1995/6 a major series of personal interview surveys comprising a total of over 56 000 interviews were carried out in fifteen of the most important tourism-generating countries in Europe. The surveys were a follow-up of earlier work (1994/5) comprising some 30 000 interviews undertaken for eight countries, and were designed and organized for the Danish Tourist Board by Dr Peter Aderhold of the Bureau for Tourism Research and Planning in Copenhagen. These surveys contain detailed and comparable information about holiday vacation motivations measured as relative agreement/disagreement (5-point scale) in responses to twenty-six motivational statements. The surveys cover holidays defined as of at least 5 days duration and this information is clearly most relevant to attitudes

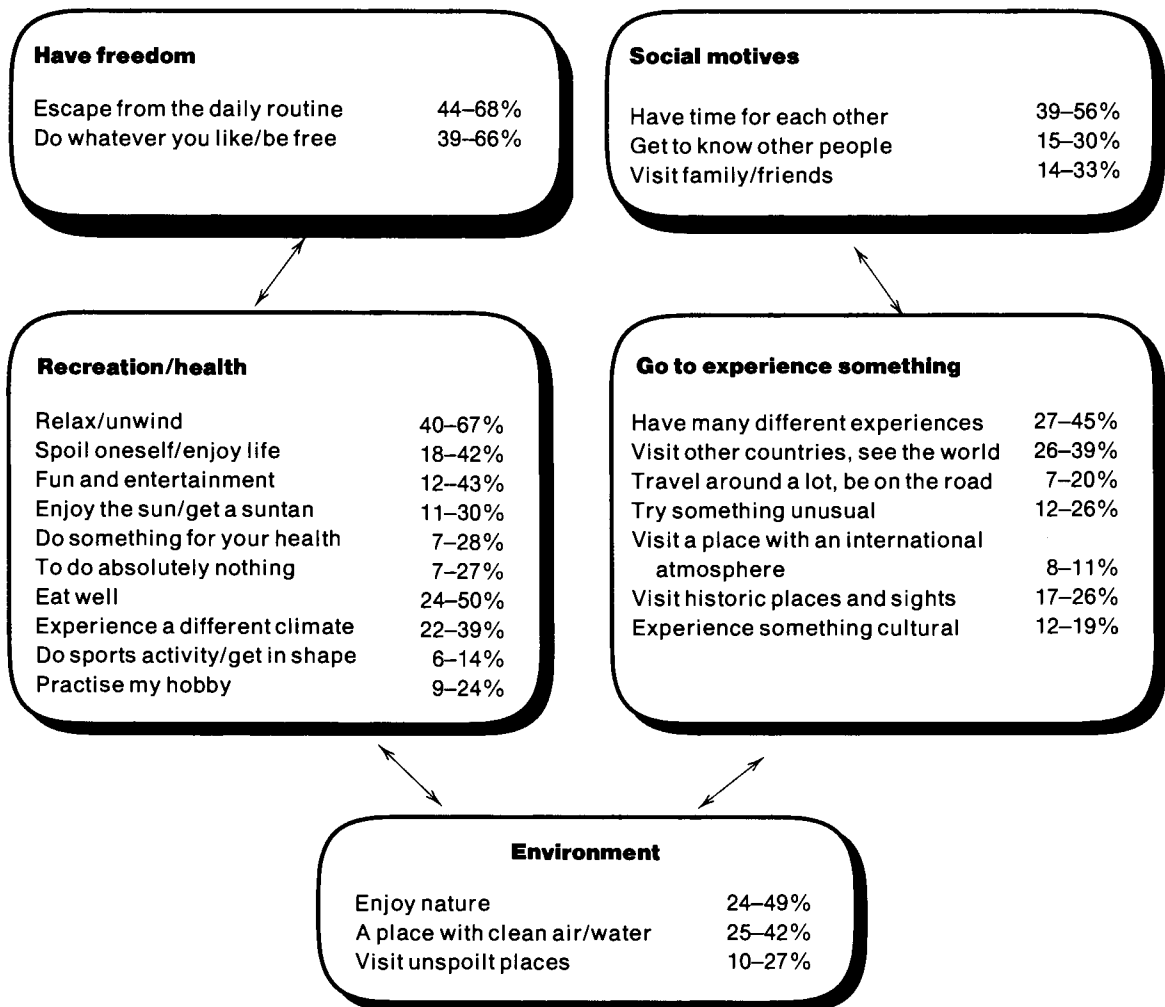


Figure 1.1 *Holiday motivations of main European countries. Representative survey in eight European countries based on more than 30 000 face-to-face interviews in 1995 (only those completely agreeing with the statements are shown in the figure). © Danmarks Turistrad. Source: Dr Peter Aderhold, Institute for Tourism Research and Planning, Denmark (reproduced with permission)*

to the main holidays of the year. The Bureau's database is capable of comprehensive analysis, including detailed segmentation, but the overall figures shown above clearly demonstrate the importance to European consumers of motivations reflecting quality of the environment, especially among more experienced travellers and those visiting or planning to holiday in develop-

ing countries. The pattern is remarkably consistent over different surveys in the series.

Figure 1.1 indicates the general holiday motivations for residents of eight of the main holiday-generating countries in Europe (the 1994/5 study). The range of percentages indicates respondents in countries at the top and bottom end of those *completely agreeing* with the state-

ments shown. We stress that the word 'environment' does not appear in one of the statements and is only shown in the chart as a researcher's classification. It is obvious, however, that if allowance is made also for personal and socio-cultural dimensions, the environment as outlined in this book is the single dominant underlying motivation. *Environment* to travellers is perceived as quality of experience sought, such as:

- Relax/unwind (40–67 per cent).
- Do something for your health (7–28 per cent).
- Have many different experiences (27–45 per cent).
- Visit historic places and sights (17–26 per cent).
- Experience something cultural (12–19 per cent).

These motivations clearly overlap (some people are likely to agree with all of them), and an unduplicated figure is not available from the published data. But we believe it is realistic to conclude that aspects of the destination environment influence at least half and perhaps up to two thirds of all European holiday visitors in the late 1990s. From the 1995/6 survey (not shown), the motivations of visitors specifically planning to visit developing countries can be judged by the percentages of those agreeing that *places with clean air and water* are 'very important', ranging from 22 per cent to 48 per cent, and *experience an unspoilt area*, ranging from 19 per cent to 43 per cent.

Increasing travel experience and interest in developing countries heightens attitudes

Even more important when looking ahead, although published figures are only available for the German market based on questions asked in 1989 (see Figure 1.2), the influence of travel experience on selected environmental mo-

tivations for those contemplating holidays to long-haul destinations is quite remarkably strong. If equivalent data were available for the UK, Scandinavian, or USA/Canada markets we would expect them to reveal broadly equivalent information.

Massive and growing demand for environmental quality at destinations?

Clearly there is an issue of interpretation and judgement involved in these figures, but we believe there is overwhelming evidence of customer preference for product qualities that are unambiguously concerned with environmental quality at chosen destinations. Even more interesting is the clear evidence of growing preference among experienced travellers, for this is the best indication of trends. The fact that the word *environment* does not appear is just an indication of the vital communication opportunity that marketing managers need to tackle.

Chapter summary

This chapter commences with a quotation from 1992 that businesses in travel and tourism collectively have not done sufficient to frame the environmental policies which are crucial to long-run survival and prosperity. We believe it is partly because the environment has been traditionally viewed as a 'free' resource and something that is mainly the responsibility of central or local government. It is also a consequence of a highly diverse multi-sectoral 'industry' dominated numerically at destinations by small businesses with no common perceptions of environmental issues or any acceptance of their responsibility to respond. The review of sustainability issues developed in the next chapter should make it clear that, however understandable this current position is, it is misguided and will be self-defeating. Fortunately travel and tourism is an industry built intuitively on marketing ideas and it is modern marketing management processes that provide the vital knowledge