

## GREEN MARKETING STRATEGIES WITHIN ROMANIAN TOURISM ENTERPRISES

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### **Abstract**

*The present trends in the tourism sector reveal a constant pressure to implement sustainable development practices. The reduced number of eco-certified accommodation units in our country is an element which shows, on the one hand, the reluctance of owners to introduce environmental management practices and specific green marketing tools, and on the other hand, the lack of tourists' interest to consume green accommodation services. At the same time, tourism intermediaries show reduced interest in promoting eco-certified tourism products. This article aims to identify through a comparative analysis which is the actual status of Romanian eco-certified accommodation units, the extent to which Romanian intermediaries promote eco-certified tourism products and, also, to evaluate the perspectives of Romanian tourism enterprises to apply green marketing strategies.*

**Keywords:** Sustainable development, green marketing, eco-certification in tourism, accommodation units, tourism intermediaries.

**Clasificare JEL:** M31, Q50, Z33

### **1. Introduction**

The United Nations 70th General Assembly has designated 2017 as the International Year of Sustainable Tourism for Development. Sustainable tourism is understood as "the development of a tourist product that is more respectful – or less harmful – of the environment, and which at the same time can offer a competitive advantage in the tourism market and ensure its long term economic viability" [2].

Green marketing is a strategic issue, and institutional and stakeholder pressures drive the adoption of green marketing strategies [6]. Menon and Menon (1997) proposed that an effective green marketing strategy should be endorsed by the principles of enviropreneurial marketing, which refers to "the process for formulating and implementing entrepreneurial and environmentally beneficial marketing activities with the goal of creating revenue by providing exchanges that satisfy a firm's economic and social performance objectives". Hotels are more concerned with the environmental policies and practices, and pursue official certifications for their initiatives [11].

The main objectives of this article aim the analysis of green marketing strategies within the eco-certified hotels from Romania and also the assessment of tourism intermediaries' approaches for developing and promoting sustainable tourism.

### **2. Literature review**

Driven by environmental concerns, more and more customers are inclined to purchasing green products and even willingly pay comparatively higher prices for these products [8]. Before developing green products and pursuing market opportunities after producing them, firms are urged to take both environmental sustainability and profit into consideration [1]. The main focuses of the green marketing literature in the late 1980s and early 1990s came almost exclusively to be the size of the green market and the 'profile' of the green consumer. Some scholars even say that the consumer profile was the only area of interest in studying the greening of the consumer [14].

Green marketing is considered as the management process responsible for identifying, anticipating and satisfying the requirements of customers and society in a profitable and sustainable way [25]. There are several approaches regarding green marketing which vary from one author to another. Mathur and Mathur (2000) used four categories of green marketing—green products, recycling, green promotions and the appointment of environmental-policy managers—to analyse the wealth effects of green marketing strategies [18].

Ginsberg and Bloom (2004) used the primary marketing-mix tools of product, price, place and promotion to divide green marketing into four main strategies [12]:

- (1) the lean green strategy,
- (2) the defensive green strategy,
- (3) the shaded green strategy and
- (4) the extreme green strategy.

Rex and Baumann (2007) analyzed two contrasting perspectives on green marketing: on one hand informing green consumers (by the use of ecolabels), on the other a co-evolution of supply and demand for products offered [22]. The first perspective seems to have been the dominant one in green marketing research. The second is derived from the general marketing literature and is seen to having a potential for developing green marketing [22]. There are numerous studies which have concentrated on targeting green customers with an aim to promoting the sales of green products. Yet, despite the scholarly attention paid to green issues, the market shares of many green products have not increased significantly in accordance with academic interest and pursuit over the past decade [21-22-23]. A major reason for this lies in the fact that many green products in the market place cannot fulfill customers' expectations and get their purchase because gaps exist between customers' expectations and their perceptions of green products [9]. For the purpose of providing green products to fulfill customers' demands, the green products suppliers have to know which kinds of attributes customers are concerned with, what their expectations for and perceptions of every attribute are, and the gaps existing between their expectations and perceptions [24].

Actually there is no consensus on what exactly is green. However based on different definitions of green marketing, some common characteristics of products generally accepted as green, including the products are [3]:

- energy efficient (both in use and in production);
- water efficient (both in use and in production);
- low emitting (low on hazardous emissions);
- safe and/or healthy products;
- recyclable and/or with recycled content;
- durable (long-lasting);
- biodegradable;
- renewable;
- reused products;
- third party certified to public or transport standard (e.g., organic, certified wood);
- locally produced.

Ottman et al. (2006) in his *green marketing myopia research* precisely rationalized the facts by posing a very general question- if I use green products, what's in it for me? and through the question he indicated that green products failed to attract mainstream consumer due to absence of consumer value position elements that creates ultimate consumer satisfaction. Due to excessive attention of green claims (toxic free ingredients, recyclable, biodegradable and strict certification) green marketing failed to balance the green value ingredients and 'non green' consumer value ingredients (efficiency, cost effectiveness, convenience, performance, symbolism and status and health and safety) to attract and satisfy mainstream consumer [20]. From the consumers point of view green marketing is a set of management process which effectively and efficiently combine the

green value elements in a product to save the planet along with fundamental consumer value ingredients (termed non-green) to serve the actual need, want or interest [4].

In the hotel industry many hoteliers use the label “green hotel” as a marketing instrument to attract customers. Manaktola and Jauhari (2007) stated that marketing a hotel’s environmentally friendly practices can increase its competitiveness by helping to position it differently in the competitive arena [16]. At the same time, a green image is believed to play a critical role in customers’ decisions and intentions to purchase [13, 15] in addition to other desired hotel attributes such as security, dependability, service quality, reputation, staff behaviour, price, the appearance of facilities, and location [7]. There are also differences in the evaluations made by hotel managers regarding the green marketing strategies which imply that hotel manager perceptions of green marketing strategies play an important role in the success of hotel campaigns [5].

### 3. Analysis of Romanian accommodation establishments and tourism intermediaries in 2016-2017

In recent years Romanian tourist market has witnessed a remarkable evolution that has resulted in the increase in the number and the typological diversification of both accommodation establishments and tourism intermediaries. The situation of the accommodation establishments at national level in 2016 is presented in table no.1.

Tabel no. 1. **Establishments of touristic reception with functions of tourists’ accommodation by type of establishments**

Types of accommodation establishments	2016	%
Hotels	1530	22
Hostels	266	3,8
Apartament hotels	21	0,3
Motels	218	3,1
Inns	3	-
Touristic villas	635	9,1
Touristic chalets	194	2,8
Bungalows	288	4,2
Holiday villages	7	0,1
Campings	61	0,9
Touristic halting places	38	0,5
Houselet type units	59	0,9
School and pre-school camps	58	0,9
Touristic boarding houses	1530	22
Agrotouristic boarding houses	2028	29,2
Ships accommodation spaces	10	0,1
Other collective accommodation establishments	7	0,1
<b>TOTAL</b>	<b>6946</b>	<b>100</b>

Source: National Institute of Statistics, Tempo-online Base, available at: <http://statistici.insse.ro/shop/index.jsp?page=tempo3&lang=en&ind=TUR101A>

The best represented types of accommodation units at national level are the agrotouristic boarding houses, with a total percentage of 29,2% out of the total accommodation units, followed by hotels and touristic boarding houses with the same number and percentage, i.e. 22%. It is important to highlight the fact that the boarding houses and agrotouristic boarding houses represent more than half, respectively 51,2% out of the total accommodation units in our country.

Within the EU countries the total number of eco-certified accommodation units is of 525 hotels and campsites, out of which 449 hotels and 76 campsites [27]. In this catalogue, the best represented countries are Italy and France which together list 60% of these lodging units, while Romania has only two hotels, respectively Crowne Plaza from Bucharest and Saturn from Mangalia, on the Romanian Black Sea coast.

As for the tourism intermediaries situation, the official data highlight the fact that, in Romania, the total number of these units is of 2639, as it was made available by the Romanian Ministry of Tourism [28] at 19.05.2017 (Table no. 2).

Table no. 2. **Romanian travel intermediaries at 19.05.2017**

<b>Types of tourism intermediaries</b>	<b>Number</b>	<b>%</b>
Touoperators	1908	72,3
Travel agencies	546	20,7
Online travel agencies (both touoperators and travel agencies)	185	7
<b>TOTAL</b>	<b>2639</b>	<b>100</b>

Source: Romanian Ministry of Tourism: List of licenced travel intermediaries, available at: <http://turism.gov.ro/agentii-de-turism-si-structuri-autorizate/#>

The majority of the tourism intermediaries is represented by touoperators, with a percentage of 72,3%, followed by the travel agencies with 20,7%, while 185 companies are licenced as online travel agencies, representing 7% of the total number of these Romanian tourism enterprises.

#### **4. Analysis of green marketing strategies within Romanian accommodation establishments and tourism intermediaries**

The only two Romanian hotels which voluntarily adopted the EU ecolabel certification are Crowne Plaza Hotel from Bucharest and the five stars hotel from Mangalia, namely Hotel Saturn.

The Crowne Plaza Hotel from Bucharest, as a member of the InterContinental Hotels Group (IHG) uses the IHG Green Engage™ system, an innovative online environmental sustainability system that gives the means to measure and manage the hotel's impact on the environment. The member hotels can choose from over 200 'Green Solutions' that are designed to help them reduce their energy, water and waste, and improve their impact on the environment. The IHG Green Engage™ system has four levels of certification that hotels can achieve: level 1 is a requirement for all IHG hotels and those achieving level 3 certification or above can reduce energy use by up to 25% [29]. The system [30]:

- sets and tracks property specific reduction goals for carbon, energy, water and waste;
- uses actual data to provide customised environmental performance benchmarking, taking into account hotel location, brand and outfitting;
- recommends over 200 Green Solutions and provides case studies and implementation plans to reduce the impact of IHG hotels on the environment. This aligns to the UN Sustainable Development goal of Responsible Consumption and production. The tool also demonstrates the cost savings that can be achieved by hotels when they implement the solutions;
- supports hotels to create environmental action plans and targets;
- can achieve energy savings of up to 25% on average for those hotels achieving level 3 certification; making the IHG hotels more cost-effective to operate and ultimately allowing them to improve the value of service offered to guests;

- automatically feeds sustainability information about the IHG hotels to the clients. In 2016, 54% of IHG business accounts asked for this information – such as carbon footprint and waste;
- allows guests to make better informed purchasing decisions. By linking to the hotel booking sites, guests can see what level (1-4) of certification in the IHG Green Engage system the hotel has achieved.

Hotel Saturn is a five star hotel located in the city of Mangalia and is the first hotel in Romania to receive the eco-label for tourist accommodation services. The management team identified specific tourism product strategies in order to enable sustainable development and implemented “Quality Management System” SR EN ISO 9001:2001 and “Environmental Management System” SR EN ISO 14001:2005 in accordance with the requirements of reference standard [31].

It is important to highlight that both hotels support measures to promote sustainable development using the Internet communication strategies, mainly through the website. In order to ensure the efficiency of this communication marketing strategy, the website should be checked up and updated frequently [17].

Two hotels in Brasov (Cubix and Kolping) and one in Balvanyos (Grand Hotel Balvanyos) have become in 2016 part in a program with European funding to open the road for the implementing the concept of almost zero energy buildings in Romania. These three hotels will be an important source of inspiration for the European hospitality industry, being examples of good practice in achieving the Near Zero Energy Building (nZEB) standard [32]. Each major renovation plan include both energy efficiency and renewable energy measures, as well as actions to drive changes in attitudes both for the management and employees of these hotels as well as to guests hosted by hotels. Expected performance is primarily aimed at lowering maintenance costs by significantly reducing the energy losses registered at the present moment.

Competitive advantage derived from the measures applied by these hotels is obvious. First of all there are intangible benefits such as: promotion campaigns reinforced by the adoption of sustainable practices in tourism businesses, their staff is better informed and trained in this respect, image improvement, etc. At the same time, the competitive advantage is also related to increase efficiency, as the environmental practices facilitate improvement and optimization of operational costs, mainly through control and reduction of resource consumption.

An important role in the success of tourism enterprises in the direction of environmental protection is played by the tourism intermediaries, as they allow information exchanges between producers and tourists. Unfortunately, the Romanian most important tourism intermediaries do not express willingness to promote eco-certified tourism units (Eximtur, Marshall Turism, TUI TravelCenter, Paralela 45), unlike major touroperators (i.e. TUI Group) which developed their own green marketing strategy [33].

## 5. Conclusions

The reduced number of tourism companies in Romania which implemented voluntary environmental tools, such as eco-labels, environmental management systems (EMS), environmental performance indicators, codes or conduct or best environmental practices, highlights the existence of limited and incipient concerns about the use of green marketing strategies. Starting from the fact that these two hotels are considered representative accommodation units for the hotel market in our country, their actions in this direction are highly relevant and an important starting point for extending the sustainable development in the entire tourism industry. The involvement of a growing number of tourism enterprises in environmental protection will contribute to awareness and educating consumers for responsible behavior. In this sense, good practices and previous experiences are valuable. On the other hand, innovation and going forward are essential. Marketing

3.0, for example, will enable future organic growth, as marketing of sustainable tourism will involve not only the tourists' expectations but also those of communities [10].

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