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# Certification

- possibilities and challenges for obtaining  
sustainable tourism

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## **Executive summary**

**Title:** Certification – possibilities and challenges for obtaining sustainable tourism

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**Purpose:** The purpose of this thesis is to analyze the possibilities and challenges of certification for obtaining sustainable tourism. On the basis of the purpose, I have designed two research questions.

**Research Questions:**

1. Which are the possibilities of certification?
2. Which are the challenges of certification?

**Realization:** My problem approach is descriptive and my aim with the thesis is to explain “how things are” at a certain time and situation. I have chosen to do a case-study on the Costa Rican certification for sustainable tourism. I have been doing interviews with managers of the hotels and guests staying at certified hotels in Costa Rica. I choose an intensive design to investigate a phenomenon deeply, which is to do interviews with few people from different hotels. My questionnaire is made up by mostly open questions, as in a qualitative approach. But I mixed it with some standardized questions as well. I use context knowledge from existing literature and research, and use it for my case- study.

**Results:** The thesis highlights the importance of future sustainable tourism achievements in order to minimal negative tourism impacts worldwide. Some businesses are being social and environmental responsible, others falsely claim to be it and some just doesn't care. Certification has possibilities and challenges for obtaining sustainable tourism. Certification could be a future important strategy, when it comes to helping businesses to

improve themselves. Going through a certification process is by the certified businesses educational and it enables manager to make decisions with confidence, even though they self don't maintain enough knowledge. The study shows that most costumers don't choose a certified hotel due to the certification. Instead motives for business to improve its operation by becoming certified should be promoted as an educational program and to improve the business functional dimension. According to Grönroos (2007) developing the functional dimension would add increasing value for customers and create an important competitive advantage. It is very important as many companies today provide customers with similar technical products. This thesis highlights that the customer's awareness of certification are low but instead their total perceived quality are good. It can be assumed that certification can increase the value for costumers and therefore create competitive advantages for certified businesses.

Keywords: Corporate Social Responsibility, Certification, Sustainability, Tourism Industry, Stakeholders, Customer Management, Costa Rica.

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## **Appendix 1 - 3**

# 1. Introduction

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*In the introduction my aim is to provide the reader with an overall background for my thesis. The problem approach will be presented, following by a purpose and research questions.*

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## 1.1 Sustainable tourism

Travelling in today's westernized society is part of people's life. The tourism industry is the world's fastest growing industry. In the 1950s 25 million travelled to a foreign country, and by 2020 it is counted to be nearly 1.56 billion tourist visiting foreign countries (Blom & Nilsson, 2005). The future growth of the tourism industry will enlarge the pressure on natural, cultural and socio-economic environments of popular destinations. Although tourism is considered a clean industry, a major source of revenue and gives employment, it can have a tremendously negative impact for the environment and community. Due to these trends more intensified efforts to address sustainable tourism are required (Lansing et al. 2007).

The concept of sustainable tourism is a concept that highlights the importance of responsible travelling and where all aspects of tourism (environmental, economic, and socio-cultural impacts) must be taken into consideration to guarantee long-term sustainability. Some argue that sustainability is the solution for many problems arising throughout the world; problems such as environmental pollution, greenhouse gases, climate change, rapid loss of tropical forest, loss of genetic diversity, destruction of ecological capital, water pollution and loss of cultural heritage (Crane & Matten, 2007).

Crane & Matten (2007) & Elkington (2004) argue for social and environmental responsible business practices, which contribute to a more sustainable tourism industry as well as prevent negative environmental, economical and socio-cultural impacts. We may ask ourselves how we can allow businesses to use children as workforce, pollute the environment, destruct the ecological capital, increase waste disposal and so forth. Isn't there laws and regulation to protect the society from malpractice businesses? Ammenberg (2004) argue that it is up to the specific government to enforce laws and regulation which the companies have to follow. The

government should create a society that protects the nature, culture and the people living there. But as we live in a globalized world, companies are widespread and people are moving across national borders. Many companies are beyond national laws and the law can therefore no longer guard labor's interest and protect the environment. If government can't protect the society against malpractice businesses, there is a greater pressure on the companies to integrate social and environmental concerns and to be more responsible for their own business activities. The concept of Corporate Social Responsibility shows this action of responsibility (Crane & Matten, 2007).

## **1.2 Corporate Social Responsibility**

The European Unions define Corporate Social Responsibility as: "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" ([www.ec.europa.eu](http://www.ec.europa.eu)). The concept is voluntary based where the single company can choose, in their own way, how they want to integrate social and environmental business practices in their business operations. However, more commonly companies are being pressured by stakeholders to manage responsibly as well as profitably. Therefore there is a need to include all the stakeholder groups that are being affected by the business activities, such as the customers, employees and investors. Many companies in today's society report on how they respond in a more responsible way. Benefits for working with CSR would be better relationships with stakeholder groups and securing a good environment where the business holds its operation, both which would benefit the company as well as the whole society.

Even though many support the voluntary concept of CSR, there is no guarantee that the companies follow these trends. How can the stakeholders be sure that the companies who work and communicate on responsibility are true and honest, and not just a marketing ploy? To be considered reliable by the stakeholders there is a need for certification programs where an external third party audit the company. Certifications can be described as "the process of assuring consumers and industry that the company being assessed has met a set of minimum standards" (Joppe & Doods, 2005).



### **1.3 Certification for Sustainable Tourism**

In the past years of sustainable tourism debates, many initiatives have been created to address concerns on how to protect environmental, economical and socio-cultural impacts of tourism. Current research highlights socially and environmentally responsible business practice in respect of corporate social responsibility and stakeholder management; however, it lacks focus on certifications importance for obtaining sustainable tourism. Certification programs represent an increasingly important future strategy for encouraging sustainable tourism development (Medina, 2005). Both positive and negative aspects on certifications have been addressed by the researcher and not yet is there a clear view whether it is an important tool for obtaining sustainable tourism development in the future.

Certification programs aim to foster social and environmental responsible business practice and provide the stakeholder with a quality product. Certification can make the tourism industry more sustainable and are an important tool for creating a society that protects natural, cultural and socio-economic environments where tourism activities are held. However, not always are certifications working as they should do for several different reasons. For example, current research shows that consumer awareness is very low and it has not yet reached market success, and if certification programs are to continue successfully, there is a need to increase the demands by the consumer (Joppe & Dodds, 2005).

Current research explains that the certification programs are too many nowadays and with too many varying criteria. This makes it confusing for consumers and other stakeholders. Instead, suggestion is made that there is a need for fewer and more internationally recognized certification programs for the industry. And as it recognises existing certifications these would be promoted instead of developing new ones (Joppe & Dodds, 2005). The best recognised programs are the Costa Rican standard Certification for Sustainable Tourism (CST), Voluntary Initiative for Sustainable Tourism (VISIT), Green Deal (Guatamala), and Scotland's Green Tourism Business Scheme (GTBS) (Joppe & Dodds, 2005). I have chosen to focus my empirical study on one of these programs, namely the Costa Rican standard Certification for Sustainable Tourism, which will be further explained in the methodological viewpoints.

#### **1.4 Purpose and research questions**

The purpose of this thesis is to analyze the possibilities and challenges of certification for obtaining sustainable tourism. On the basis of the purpose, I have designed two research questions:

- Which are the possibilities of certification?
- Which are the challenges of certification?

## **2. Methodological viewpoints**

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*In this chapter I will present the subject for my thesis and why I chose to work with this subject. I will continue by presenting my choice of problem approach and the methods I used in order to achieve my purpose. Furthermore I will describe how I collected my secondary resources and finally present a reflection and criticism on sources and literature.*

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### **2.1 Choice of subject**

During my study at the Department of Service Management I gained valuable knowledge on the Service Sector and its growth. The tourism industry plays an important part of this growth and has got a big influence on places and people around the world. I gained insight into a topic that's changed my thoughts on how to look at businesses in today's society. A course on environmental management presented ethical business and through that course my interests grew on businesses responsibility. Two theories have influenced business ethics, that is, the concept of corporate social responsibility and stakeholder management. The field of corporate social responsibility has received great attention during recent years. This can be seen not only in literature and research, but also at corporate level. Today companies deliver reports on CSR and present these with high presence on the websites.

Current research highlights CSR but lacks focuses on certifications importance for obtaining sustainable tourism. However, certification programs are an increasingly important future strategy for encouraging sustainable tourism development. And the purpose of this thesis is to analyze the possibilities and challenges of certification for obtaining sustainable tourism.

With the help of a scholarship from SIDA (Swedish International Development Cooperation Agency) we (with my field partner Alexandra Wikström) got the opportunity to go to Costa Rica and get insight and important information about this Certification. We visited certified hotels that put a lot of effort into Certification and had the highest scores; four and five. This selection came naturally due to the fact that those hotels have come longest in their work with the CST-program and should be the ones who put most effort into it. There are three different

areas where hotels are certified, these being, the mountains, the beach and the city ([www.turismo-sostenible.co.cr](http://www.turismo-sostenible.co.cr)). We visited all of the areas in Costa Rica for collecting data.

Through the field study in Costa Rica we got the opportunity to interact with the costumers, collect information and gain contacts with the managers of the hotels. We got insight into the hotels work with CST by staying at the certified hotels and talking with employees and costumers. When we came home from Costa Rica we decided to write separate papers. Furthermore, I'am are writing the thesis in English due to requirements from SIDA, but foremost with the aim of presenting it to the hotels studied in Costa Rica and others interested in this subject.

## **2.2 Concretization**

I have chosen to investigate one out of many certification programs. There exist many certification programs even just in Latin America. I have chosen the Certification for Sustainable Tourism in Costa Rica, which has gained recognition by researchers and the industry. I know I delimitate my research by just looking at just one certification. Jacobsen (2002) describes these delimitations as explicit ones when the author knows not to look at certain areas. My intention is not to generalize my investigation, but to point out important aspects of one certification within a certain context. Therefore I have chosen an area and a certification that has gained recognition by researchers and the industry.

Furthermore, I delimitate my research by only interviewing American tourists and therefore I know my thesis can't be generalized for the total guests staying at certified hotels. I do so, due to the total arrivals in Costa Rica are mostly from America and I have limited time in Costa Rica for my investigation.

My recommendation for future studies is to investigate other certification programs and make a comparison with the CST program in order to get a deeper view of certifications possibilities and challenges for obtaining sustainable tourism. I wish my study can work as tool for future important investigation in the area of certification.

I believe every costumer have the power to influence the society to obtain sustainable development. The buying powers of guests are to be continued important and that's why the guest perspective is important to highlight.

## **2.3 Choice of problem approach and methods**

### **➤ My way of answering the purpose and research questions**

To be able to analyze my purpose and answer my research questions I have chosen to go through different theories and one illustration (the Certification for Sustainable Tourism in Costa Rica). Firstly I will present the Certification for Sustainable Tourism in Costa Rica. Thereafter I will go through the tourism industry and see how and why there is need for a more sustainable way of doing business. I will then further analyze sustainable tourism in the area of globalization and where businesses have received more power and influences on society. Theories regarding corporate social responsibility, stakeholder management and laws and regulation will be discussed. Thereafter I will give a presentation on certification, consumer awareness and demands for certification followed by Grönroos total perceived quality theory. The above presented theories and research are used for analyzing the thesis research questions. The theories are a help for give an interpretation of a case and to be able to ask qualitative question whether certification are important or not for achieving sustainable tourism.

During my theory review and illustration presentation I will analyze my two research questions and after each section provide the reader with possibilities and challenges of certification that the chapter highlights. At the end I will give the summarized results and advise to the reader on future achievements for sustainable tourism.

### **➤ Descriptive**

I have chosen a problem approach that is descriptive. Jacobsen describes descriptive problem approaches as theory testing (Jacobsen, 2002). I use existing theories on business ethics, CSR, stakeholder management, laws and regulation, certification and use one case-study in order to analyze my purpose. I have chosen to know much on previous research on theories. A descriptive problem approach is explaining “how things are” at a certain point of time and situation (Jacobsen, 2002). I wish to see how one certification is at a certain point of time, and therefore choose a descriptive problem approach.

### **➤ An intensive design**

I have chosen a strategy that is more intensive, which Jacobsen (2002) argue is good for investigating a phenomenon deeply by interviewing a few people from different contexts. I

have investigated customer's awareness of the certification for sustainable tourism and their expectations of the certified hotel, by talking to a few people at different hotels. The intensive design is good for explaining how things are at a certain time and situation. The investigation gets many details on a phenomenon and the internal validity is big but the result can not be generalized, because I chose to just look at a few entity (people). Therefore my aim is not to generalize, but instead to find aspects that are important to highlight in a certain time and situation.

➤ **Case- study method**

For an intensive strategy Jacobsen (2002) argue that case-study method is suitable. I have chosen to do a case- study on certified hotels in Costa Rica. The intention is to look at a specific context (the certification for sustainable tourism) through a specific phenomenon (social and environmental responsible business practice). The case is certified hotels with the highest scores in Costa Rica. The units of this case are the guests staying at the certified hotels and are interviewed for this thesis. For case-study Bryman & Bell (2005) argues that the specific case is what is most interesting of study for the whole research. For case-study the researcher are specially looking for uniqueness of the case. Furthermore, case-study helps expanding existing theoretical frameworks and the aim of this thesis is to provide with new unique information within the specific phenomenon.

Bryman & Bell (2005) argues for investigating a place or organisation deeply and detailed a case-study is suitable, which is the aim of the presented case. The author intends to provide with a deeply understanding of certified hotels in Costa Rica and the case is used in each theory chapter in order to analyze the theories presented. At the end the author present the summarized conclusion and discussion from each theory chapter. Furthermore, Bryman & Bell (2005) argues for that the results from case-studies can't be generalized. The authors agree that the thesis conclusions can't be representative for every certification world wide but only for the Costa Ricans certification program.

➤ **A qualitative approach**

There are mainly two scientific approaches to research, namely quantitative and qualitative approaches. Jacobsen (2002) argue that a qualitative method should be used when a clearer description about a phenomenon is going to be reached. I have chosen a qualitative approach to be able to describe certifications possibilities and challenges and reach a clearer view on it.

Additionally I want to find aspects, details and uniqueness from each interview and for that I chose an approach that has more openness. By openness I mean questions that don't have already clear answers. Instead we see the real understanding by each interviewer about the subject. Also the qualitative method is more suitable to see the connection between the interviewers and the context. My aim is to interview the guests in its context (at the certified hotels), and for that the qualitative approach suits best.

Jacobsen (2002) argues that these approaches can also be mixed in several ways. For my thesis I have chosen to focus on a qualitative approach, but with additional quantitative questions as well. The questionnaire is mostly made up of open questions (qualitative approach) but some of them are also standardized as for a quantitative approach. Also a qualitative approach is mostly based on the idea that the researcher does not need to start with reviewing existing literature or should avoid it from the start. The qualitative research method is mostly linked to discover new fields of science. Flick argues that this could be rather naive to think, as most areas are already discovered and discussed in science (Flick, 2006). I agree and find that much has been published within the chosen subject or it's connected to neighbouring fields. I have chosen to know a lot about the subject and existing writing before going out in the field. My aim is to use the context knowledge from existing literature and current research and use it for my case-study. Context knowledge is good to use to see statements and observations in the research in their context (Flick, 2006). Through my study in Service Management I have gained much information about the subject before starting the study. After looking deeper into it, and having an understanding on theories and current research, I went out in the field to see it in their context (at certified hotels).

#### ➤ **Semi-structured interviews**

For semi-structured interviews the researcher has got a theme of question that he or she wants to get answered, but the respondent have got the freedom to formulate the answer on her own. Further the question doesn't have to come in a specific order (Bryman & Bell, 2005). We had an interview guide for our questions and mostly the questions did come in the same order. The questions for our interviews were formulated on the basis of our chosen theories and previously research in the area. Sometimes the respondent did not know how to answer the questions, due to low knowledge about environmental and social variables. But we let the respondent answer with free associations. Both partners can gain avail from an interview. It's not only the researcher that gain information from the interview, also the respondent has

something to win (Bryman & Bell, 2005). At the end of our interviews we gave information about the certification to the costumers and all of them had positive view of the program and wanted to learn more about it.

We recorded all our interviews on the computer. We don't find a meaning that we should transcript every detail of the interview. According to Bryman and Bell (2005) there is no necessary to transcript everything if it's not a gain for the research. We decided to choose certain part for transcript, those parts we want to take closer look at what we find interesting for our analyses. We are aware of doing so we could miss certain aspects.

### ➤ **Interview questions**

The use of interviews is a help of gathering valid and reliable data in order to answer the research questions (Saunders et al, 2003). Based on our theoretical framework we conducted a questionnaire (see appendix 3) that would help out to analyze the research questions and the purpose. Below I will highlight the theoretical framework and show which theory used for each theme of questions. And also which question not used for this thesis.

Firstly, we started the interview with general questions about the guest's journey in Costa Rica, for example their planned activities, which transportation they used and for how long they are planning to be in Costa Rica. Thereafter we based the question on existing theories, such as CSR, stakeholder management, certification and total perceived quality. We asked;

1. Why did you choose to stay at this hotel?

We let the guests respond freely what comes in mind. For example we could find out if the trip was booked by a travel agency or booked by the guests.

2. What kind of expectations did you have before you came here?
3. In which way did the hotel meet your expectations/ didn't meet your expectations?

Number two and three were asked in order to analyze Grönroos total perceived quality.

4. What order would you list your priorities in choosing a hotel: Comfort, price, reputation for sustainability, location, size, service to client

Several researches tend to analyze which factors are most important for choosing a sustainable product. As the guest already purchased a sustainable product at the certified hotels, it would be important to know their priorities for choosing the hotel.



5. Do you know that this hotel has a Certification for Sustainable Tourism (CST)?

We asked this as number five as we did not want the interviewer to associate CST with the first question.

Thereafter we focused on sustainability and asked the guest what sustainability is for them and if it's important. The concept of sustainability is the thesis big topic as CST is about sustainable tourism. In order to analyze the research questions we focused on sustainability. At the end we asked about experiences and if it is important factor for choosing a hotel. We started out research with theory on experiences. But it did not fit to our purpose and research question which led to that these question are not important and not considered in this thesis.

#### ➤ **Sample selection**

We choose the hotels regarding their scores and did our interviews at the ones who had the highest scores. We had to cancel one of the hotels with the highest scores, due to the fact that we were not able to go there. To go to Lapa Rios hotel we needed to rent a small airplane and the travel expenses would have been too high for our budget. Instead we focus our time on the other hotels with high leafs in Costa Rica. The selection came natural, due to the fact that these hotels had the highest scores and it would be the most help for answering our purpose and research questions.

After having selected the hotels for our study we choose people to be interviewed. We did 10 semi-structured qualitative interviews with guests from 4 different certified hotels and 2 interviews with managers. The persons we interviewed are presented in appendix 1. Our respondents for the semi-structured interviews were all American tourists. We choose this for three reasons. Firstly, the total tourism arrival in Costa Rica is mostly from America and we believed it would be most easy to find American guests staying at the hotels. During our visit it was low season and we had to secure to get enough interviews. Secondly, previously research on certification is based on American expert's opinions and American consumer's behaviours. Thirdly, the conversation could be in English, which would not create problems with the language as we are familiar with English.

We did not have any problems to find American tourist at the hotel. And we choose our tourist on the basis of convenience and coincidence. We asked tourist who were in the lobby

at the hotel and some of them were interested to be interviewed. Those who were interested we set up a time to have the interview. The place for our interviews was near the entrance and the reception of the hotel. To find a quiet and remote place for the interview can be a difficult task (Bryman & Bell, 2005). Even though we could not find a more remote place than the lobby, it was not a problem for our interview. The hotels we visited were quiet enough to record inside and the surroundings were quiet so nothing could disturb our recording. The costumers were on holidays so they could in a relax place answer our questions with anyone or anything disturbing them.

➤ **Observations at the hotels**

We are not only interviewing at the field. We are also making participant observation. Participant observation can be defined as a strategy that simultaneously combines interviewing with respondents and informants, document analysis and direct participants and observation (Flick, 2006). We are going to observe from guests perspective as well as make interviews with them. We stayed as guests at two of the hotels, the aim to be able to participate as normal guests. Our aim was to view the hotels from a guest perspective as well as from the researcher's eyes.

➤ **Internet contact before the field study**

Our contact and information search was administrated online and we send our questions to the managers through e-mail. We choose internet as a way of collecting information and making appointment instead on telephone, because we can save our documents and therefore have it saved at the computer which we took with us to Costa Rica. E-mails made it easier to send standardize information to all hotels and it also makes it less expensive than talking on the phone.

## **2.4 Secondary resources**

For answering my research questions and achieving my purpose I have used both primary and secondary resources (Jacobsen, 2002). The strategy for collecting the primary data has been discussed in the previous chapter. For collecting secondary resources (produced by other researchers) I used mainly data from literary productions, articles and research reports. One

important tool for finding articles and research reports were databases that the University library provides, such as JSTOR and ProQuest. Many of the articles I found came from the Journal of Business Ethics. The literary production I used came from either the University of Helsingborg or the University of Gävle.

I have collected a comprehensive amount of research and information on my chosen theories. I have collected information about the tourism industry, hotels and developments of tourism and certifications. Important keywords for my search on secondary recourses were:

- Certification
- Business Ethics
- Corporate Social Responsibility
- Stakeholder Management
- Tourism Industry
- Sustainability
- Environmental Management
- Customer Management

## **2.5 Criticism and reflection of Sources and Literature**

To guarantee a fair result it's important to use serious and reliable data. When evaluating the literature I believe there are some risks when using websites as sources. However, I have taken sources from legitimate websites, therefore, minimizing the risk of not being authentic. I mainly used scientific articles and some literature for the study. The published sources come from university libraries and I don't consider these a risk. Furthermore, I have been taking notice what is most updated in the area of the subject so I don't use sources that are written too long ago.

### 3. Presentation of case study

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*In the following chapter I will present information on Costa Rica, the Network for Sustainable Tourism of the Americas and the Certification for Sustainable Tourism.*

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#### 3.1 Network of the Americas

The Network for Sustainable Tourism of the Americas was launched 2003 at a conference organized by the World Tourism Organization. The aim of this Network is to create an international accreditation body for sustainable tourism certification programs, in order to create tourism policies and higher standards for sustainable tourism. There are more than 100 certifications within tourism today. Bringing every certification (that reach high standard) under one umbrella would benefit the certification programs as well as the certified companies. An accreditation body's task is to:

- Help certification programs in developing their schemes, by becoming a clearinghouse for information between industry experts. This would benefit certification schemes and provide them with competitive advantages in marketing, planning and managing their certification in the right direction.
- Develop recognized brands that wake up consumer awareness.
- Protect consumers, the industry and certifiers from false claims.
- Stimulate the production and consumption of certified sustainable products.
- Help to ensure that certification programs are being conducted in an objective and transparent manner.

The Costa Rican certification for sustainable tourism is one certification that would benefit from an accreditation body. It is also highly recognized by the Network and would suit as a model for future development of certification programs. In the next chapter I will present the CST- program and Costa Rica.

### **3.2 Costa Rica**

Costa Rica is a small country in Central America, which only covers 0.03 percent of the planet. Even though the country is small, it proudly represents 6 percent of the world's biodiversity and 25, 58 percent of the surface is composed by protected areas (Tepelus & Córdoba, 2002). The country is a popular tourist destination due to its rich biodiversity and beautiful nature. The tourists have unlimited possibilities of things to do and see in Costa Rica, such as beautiful beaches, hiking in the mountains, visiting protected areas, river travelling and so forth. It is a small country but has lots to offer in order to satisfy the visitors from other countries ([www.visitcostarica.com](http://www.visitcostarica.com)). The population in Costa Rica is about 4100 00, and most of the population lives in the capital city San Jose. Costa Rica is a developing country and is according to OECD presented as an upper middle-income country. It is the richest country in Latin America and in comparison to neighbouring poor countries the income per capita is much higher ([www.oecd.org](http://www.oecd.org)).

Costa Rica has become a popular destination for over a million people annually, and many comes to see what lies within ecotourism; bird watching, mammal species, reptiles, the trees, the plants, the volcanoes etc. Many foreign visitors come to enjoy the nature and help out to protect the areas and learn more from it ([www.parquedellago.com](http://www.parquedellago.com)). The Tourism Industry is an important foreign currency earner in Costa Rica. The Costa Rican's Tourism Board (ICT) has the mission to “promote the wholesome tourism development, with the purpose of improving Costa Ricans' quality of life, by maintaining a balance between the economic and social boundaries, environmental protection, culture, and facilities” ([www.visitcostarica.com](http://www.visitcostarica.com)). To achieve their mission they have developed a Certification for Sustainable Tourism program (CST), in collaboration with other stakeholders. My aim in the following chapter is to present the CST program.

### **3.3 The case of the Costa Rican “Certification for Sustainable Tourism”**

Certification for Sustainable Tourism is a unique way to foster social and environmental responsible business practices and provide the stakeholder with a quality product. It is a voluntary certification program for tourism companies in Costa Rica and the program take into consideration both environmental performance criteria and socio-cultural impacts of tourist activities. As the tourism sector in Costa Rica will increase, the government see the

importance of a long-term commitment to social and environmental concerns and therefore created the voluntary CST-program. The main objective of this certification is to “turn the concept of sustainability into something real, practical and necessary in the context of the country’s tourist competitiveness” ([www.tourism-costarica.com](http://www.tourism-costarica.com)). Attention has been put on the industry and the companies but also on the government to take a responsibility towards a sustainable development. The government has an important part to create a society that protects the nature, culture and social aspects (Ammenberg, 2004). In Costa Rica the government (ICT) is implementing the certification for the tourism industry to protect the natural and cultural impacts from tourism.

The Certification for Sustainable Tourism evaluates tourism companies in Costa Rica on four fundamental aspects: 1) Physical-biological parameters, which focus on the interaction between the businesses and neighboring natural ecosystems; 2) Infrastructure and service, which include management policies and the operational systems within the company; 3) External clients, evaluates the interaction of the business with its clients to see how much the company invites external clients to contribute to their policies regarding sustainability; and 4) Social-economic environment, which evaluates direct and indirect contact and contribution to the community and public in general ([www.turismo-sostenible.co.cr](http://www.turismo-sostenible.co.cr)). Each of these categories are divided into more detailed criteria’s with questions which have to be answered by the companies and out from that the company gets a percentage score. The company thereafter qualifies into one “level” of sustainability, on a scale of zero to five. If the company reach level five it has the highest level of sustainability. This category system is similar to the system for hotels with stars instead of levels. The entity in charge of the program is the Costa Rica Institute for Tourism (ICT). The program is also supported by a National Accreditation Committee, who acts as a third-party audit. The Committee has the responsibility for establishing the CST standards and overseeing the auditing process ([www.turismo-sostenible.co.cr](http://www.turismo-sostenible.co.cr)).

In the following chapters I will go through theories, research and information in order to be able to analyze my purpose and answer my research questions. I will first highlight the tourism industry and analyze sustainable tourism development to see how and why there is a need for a more sustainable way of doing businesses. Further, I will analyze sustainable tourism in the area of globalization and where businesses tend to get more power and

influences on society than ever before. A way of securing a sustainable tourism development focuses on social and environmental responsible business practices. Responsible business will be discussed in respect of corporate social responsibility, stakeholder management and laws and regulations. Thereafter I will give a presentation on certification, consumer awareness and demands for certification followed by Grönroos total perceived quality theory.

During my theory review I will analyze my two research questions and after each section provide the reader with possibilities and challenges of certifications that the specific chapter highlights. At the end I will present the summarized results and give the reader advice on future achievements for sustainable tourism.

## **4. Tourism development: promise or threat**

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*This chapter aims to discuss both the positive and negative impacts of tourism and its development on every plane of influence, such as environment, socio-culture and economic impacts. These three dimensions of tourism must be taken into consideration when planning tourism development (Cooper et al, 2005), and will be further discussed under each category.*

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### **4.1 The economic impact of tourism**

The Tourism Industry is one of the world's fastest growing industries and the international tourist arrivals will increase in the future (Blom 2005). In the 1950s, 25 million travelled to a foreign country, and by 2020 it's counted to be nearly 1.56 billion tourists visiting foreign countries. A main driving force for the Tourism Industry is the economical benefits that come out of it, such as income and employment generation and foreign exchange earnings. Tourism has a big economical importance for both developing countries as industrialized countries (Cooper et al, 2005).

When tourists visiting a destination they spend money on accommodation, food, beverage, transport, communications, entertainment services, goods from retail outlets and tour/travel services. Tourism is good for the countries economy and an important currency earner. The tourists spend a lot of money at the destination but a remaining question is where the money goes. Does the money, earned by the tourism industry, stay in the country and does it go to the locals? A major concern of tourism development is leakages. A leakage is when money doesn't stay in the destination but instead leaks out for different reasons. Firstly, money leaks out when goods and services are purchased in another country and imported to the destination by the tourist. Secondly, if hotels and other tourism companies import goods and services and not buy locally a leakage will occur. Additionally, a leakage will appear if owners of tourism companies repatriation the profits earned in the country instead of spending it in the host country (Lansing and De Vires, 2007 & Cooper et al. 2005). In Costa Rica we found that the certification program would be a tool for preventing leakages. The best scored hotels had at least 95 percent employees from Costa Rica. In order to get high scores they had to employ local people. Additionally, the certified company's suppliers were mostly local producers and



they don't import products from other countries. At Lapa Rios hotel they are supporting local supplier's regional culture and food products ([www.laparios.com](http://www.laparios.com)).

#### **4.2 The environmental impacts of tourism**

“Tourism that focuses on natural environments is a large and growing part of tourism industry. While it can contribute in a positive manner to socio-economic development and environmental protection, uncontrolled tourism growth can also cause environmental degradation, destruction of fragile ecosystems and social and cultural conflict, undermining the basis of tourism” (www.un.org). The environment is a very important ingredient of the tourism product. As the above quote implies it can have both positive and negative effects on the destination. Positive effects of tourism development can be (Cooper et al, 2005):

- environmental protection
- preservation/restoration of monument, sites and historic buildings
- creation on national parks and wildlife parks
- protection of reefs and beaches
- maintenance of forest

According to travel agencies Costa Rica has become a popular destination for many tourists around the globe due to its beautiful nature and its rich biodiversity. The authors asked the guests staying at the certified hotels what their purpose of their visit to Costa Rica was and activities planned to do there. Many find the nature as a main reason to go to Costa Rica and choose activities to see the nature and its rich biodiversity. Elena Sharma (interviewed at Villa Blanca) says; “it is so beautiful here and I came here to see the rainforest”. Costa Rica covers 6 percent of the world's biodiversity, and this is the main attraction for people visiting the country.

The certification has positive effects on the countries economical and environmental development. This can be seen at on of the best scored hotels; Lapas Rios (a five leaf hotel), which started the process of implementing the CST- program in 1999. Since then they have successfully improved its operation. They have ([www.laparios.com](http://www.laparios.com)):

- Lowered water and energy consumption.
- Educated staff and the community on how to plant and promote Costa Rican endemic fruits and vegetables.

- Educate staff as well as guests on sustainability practice.
- Supported local supplier's regional culture and food products.
- Promoted certified organic produced food.

These are some of the changes for Lapa Rios after the implementation of the CST-program. The changes the hotel made have created a lesser impact on the environment in many areas. At a daily basis the staff and management follow detailed system checklists in order to reach the criterias set by the CST-program.

Further tourism development can also have negative effects on the environment (Cooper et al. 2005):

- direct impact on the water, noise and air
- hunting and fishing can have impact on the wildlife environment
- vegetation can be destroyed by walkers
- camp fires can destroy forest
- ancient monuments can be destroyed by tourists
- the construction of real estates may have negative effects on the aesthetics

Negative impact can become a severe problem for the countries future attractiveness and competitiveness on the global market. Where is the limit for the number of visiting people in order to prevent it from overexploiting and keeping its authenticity? The Costa Rica Tourist Board (ICT) realized the increasing flow of tourism and foreign investments in Costa Rica and was concerned over its effect on the environment and the people. Therefore Costa Rica tourism board created the certification for sustainable tourism with the aim of promoting the country's sustainable tourism. At the homepage of the CST-program this phrase is being promoted; "21st century tourism must be sustainable or it will no longer survive" ([www.visitcostarica.com](http://www.visitcostarica.com)).

The construction of big hotel- and resort complexes, especially by the beach, has severe environmental impacts. These beachfront buildings were more common in the 60's and the 70's. Nowadays regulations exist to reduce beachfront developments, such as restricting development to a certain distance back from the beach. Tourist activities, such as swimming and golf, require much water. Water is for many countries a scarce natural resource and

tourists tend to spend much more of it than the locals do. Other tourist activities responsible for air pollution could be air transport pollution which affects the global warming. The coral reefs are affected badly by beachfront developments, divers and cruise ships. These activities will have an effect on the ecological system and may reduce the local diversity and population of species (Cooper et al, 2005).

#### **4.3 The socio-culture impact of tourism**

Economic growth and tourism development will also affect the socio-cultural characteristics of the destination. It's more difficult to see the socio-cultural impact on tourism, than economical and environmental impact (Lansing & De Vries, 2007). Negative effects may be when there is a severe difference in economic power between the tourists and the host. This can lead to tension between these groups. Social tension can also be seen between the local workers, when someone working in the tourism business earns more than one working in the traditional industries. Negative effects for the local workers may also be an increase in taxes because the industry demands better infrastructure. If the locals have to pay these demands there will be an increased social tension. As mentioned, the tourism industry will attract local workers, but they will not get the positions as managers, instead they are limited to a lower level. This is negative for the development as the senior and middle managers are not local workers but instead experienced staff from outside the country. Further, there is a problem with child labour. 5-10 percent of the working force within the tourism industry is under the age of 18 according to The International Labour Organization (ILO) and mostly in developing countries (Cooper et al, 2005). At the certified hotels none of the workers are children and 95 percent of the workers are from Costa Rica and the managers were not experienced staff from outside the country. The CST-program aim to foster that local people gets advantages from tourism development.

Socio-cultural characteristics will change when the tourists come in contact with the local people. Problems arise when a tourist can't adjust to the local culture and there will always be an impact to the socio-culture at the destination. In every country you can find different customs and norms how to behave and for the traveller it might not be clear all the time how to adapt to these, which can lead to social tensions. Tourism development will increase the land prices and may affect price inflation. This can result in the fact that local people can't

afford to stay in their own homes and have to sell it to companies within the tourism industry (Cooper et al, 2005). For example during our stay in Costa Rica we went to several estate agents' offices and were chocked by the high prices for buying a house or an apartment. The prices were much higher than in Sweden and could definitely not be paid by the locals who have very low salaries. We started talking to the local people and found that these houses were for foreign people who wished to have a house in Costa Rica. The locals had to move from attractive tourist places and settle down at places where it was cheaper to live and where the tourism industry was not interested to have their business. I wonder if Costa Rican citizens gain any economical advantages by the increasing flow of people to Costa Rica? Social responsibility is by Willard (2002) referred to as closing the gap between the rich and poor. I would say that in Costa Rica the gap is getting bigger in respect of land prices.

Even if the industry changes to a more sustainable industry there would always be a problem with carrying capacity. Therefore there is also a need to limit the volume of tourist flows to a destination. Carrying capacity defines as "the maximum number of people who can use a site without an unacceptable alteration in the physical environment and without an unacceptable decline in the quality of experience gained by visitors" (Mathieson and Wall, 1982, from Cooper et al, 2005). There are four groups of capacity indicators; economic, environmental, socio-cultural and tourist satisfaction. The capacity at the destination can affect these differently, which doesn't make it easy to count the number of people who can use the site. For example, the ecosystem can be more fragile and be a threat faster than to the socio-cultural structure (Cooper et al, 2005).

Tourism is not only bad for the socio-cultural development and the positive outcome has to be mentioned as well. Firstly, tourism can have positive effect on the destinations pride over its heritage. When tourists give attention to the destination's culture and environment, the locals start looking at it from the tourists eyes and value it as well. The tourism industry helps people broaden their understanding and knowledge for new places and people. This can contribute to better support and sympathy for other societies. Infrastructure can lead to social tensions as discussed earlier, but it can have positive outcome as well. The quality of life can be improved with better water supply sewage treatment (Cooper et al, 2005).

#### **4.4 Sustainable tourism development**

According to World Tourism Organization “sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability ([www.world-tourism.org](http://www.world-tourism.org)). The concept of “sustainable development” was highlighted under the Brundtland report, released 1987 and prepared by World Commission on Environment and Development. Willard (2002) explains sustainable development as a three-legged stool. The three legs are economic prosperity, environmental stewardship and social responsibility. He says “if one leg is missing, the stool is not going to work, so we need to be sure all three legs are in good shape” (Willard, 2002). Economic prosperity is easily accepted by the companies, which is about long term sustainable economic development in global and local markets. The environmental dimension is not only about the companies should do no harm to the environment; it is also about restoring the nature from harm. The company should for example reduce the amount of energy, water and material consumed. Social responsibility is both about the global view of society, where resources are shared among the world’s rich and poor people. There is a need to close the gap between rich and poor. Additionally the social responsibility is about improving the employees working conditions and help out in the community. Working with the stools three legs would benefit the company in many ways; increased value to shareholders, customers, employees and society (rather than adding cost). Sustainability would lead to improved profitability and value; waste reduction, eco-efficiencies, process improvement, enhanced brand value, customer loyalty, job satisfaction and increased creativity and motivation among employees (Willard, 2002).

The Certification for Sustainable Tourism highlights the importance of a long-term commitment to social and environmental concerns. For getting the CST-label all of the three legs of the three ledge stool must be in shape. Managers can get help and inspiration by the CST- program and it works as a manual for reaching more sustainability by the company. Lapa Rios says that sharing information between the certified hotels is the best source for knowing “best practice” and makes the CST program better in the future ([www.laparios.com](http://www.laparios.com)).

Even though the concept of sustainable tourism alleviates many of the problems stemming from tourism, there is still a question whether it is a new form of tourism or just a marketing

ploy? Lansing and De Vries (2007) argues for that Sustainable Tourism might just be a clever marketing tool that just wrap the old product in new design of ethical considerations. It is both conceptual and practical critics of sustainable tourism. First the concept is not generally defined, with unclear sets of standards and criteria. The term is more like a buzzword in today's society and lacks real content. Second the concept lacks practical measurement and policies so it could be controlled. Therefore we might ask our self whether the product or service is sustainable or just a marketing ploy. But to implement a holistic approach to sustainability would not be the case, due the complexity of tourism today (Lansing & De Vries, 2007). A certification for sustainable tourism could be a tool for achieving that the product or service is not just a marketing ploy but instead based on clear sets of standards and criteria's.

#### **4.5 Hotel Industry**

The greatest sub sector within tourism is the hotel industry (Verginis & Wood, 2002). When tourists travel to destinations there is almost, with few exceptions, a need for somewhere to sleep, such as a hotel room. The hotels are often smaller, family-owned and developed alongside the tourism development. But as big hotel complex have better economical power to market their products, these small family owned businesses face a hard competition. Instead these smaller hotels have successfully marketed themselves within a niche that attracts certain kinds of tourists. Another opportunity for the small hotels is to be member of marketing consortium representing similar businesses (Cooper et al, 2005). Marketing consortium can be described as a "grouping of hotels, most of which are single, independently owned hotels. They share corporate costs, such as marketing, while retaining independence of ownership and operation. These organizations can be either location or market specific" (Verginis & Wood, 2002). The CST-program represents such a marketing consortium and would benefit the smaller family owned hotels to compete on the market. The Network of the America help certification programs to develop recognized brands and promote the certification. Further they want to help out on developing the schemes, by becoming a clearinghouse for information between industry experts and the certified hotels. Being a member of the CST consortium would benefit the smaller hotels.

## **4.6 Globalization and tourism**

Today's globalization has in many ways changed the conditions for tourism development. Driving forces for Globalization is falling barriers to trade and investment and technological innovation. A starting point for free trade and investment are 1947 when politician created the General Agreement on Tariffs and Trade (GATT). From thereon, trade between countries increased and tariffs were reduced, which encourage globalization. At the meantime technological innovation became important drivers for Globalization. Information technology, such as e-mailing and videoconferencing, internet and company intranets, made it easier and less costly to move data around the world. Advancement in technology methods helped companies to easier, faster and less costly move goods around the world (Wild et al. 2006).

Travelling has been part of peoples lives for a very long time. However, it wasn't before the 1950's tourism became global, due to aircrafts with capability of transoceanic flights (Williams et al. 2004). The technology change and innovations, such as phone, radio, internet and transportation were the main developments for a global tourism. This made it possible to connect and interact with people, even though they lived in another part of the world. Nowadays, with airplanes, we don't have to bother about distances and can easily travel from one place to another (Crane & Matten, 2007). Airplanes made it easier to fly into Costa Rica and the increasing flow of tourism to Costa Rica is because of the possibility for far distance travelling. The interviewed American guests at the hotels had all flown into Costa Rica.

### **4.6.1 Internet importance**

Internet made it easier for people to find travel information and book trips on their own, instead of going to traditional travel agencies (Hall, 2005). The authors asked why the interviewed American guests choose to stay at the hotels. The author wanted the respondent to have a freedom to formulate the answer on their own way. A few stayed at the hotel, because it was included in the package provided by the travel agency. But mostly the interviewed guests got information at the hotels websites before coming to the hotel, and booked the hotel because of the communication of it at their website. Internet is an important tool for communicating with customers. Most of the certified hotels do not even promote their CST label at the homepage or don't explain its meaning. Only Lapa Rios and Villa Blanca are promoting it and use it for attracting customers. Why implement a costly certification if not

using it in their communication to the customers? Lapa Rios says that promoting the CST-program has resulted in more travel agents interest in doing business with the hotel and they have received a good reputation by increased travel publications, articles about the hotel and environmental organization becoming interested in the hotel ([www.laparios.com](http://www.laparios.com)).

#### **4.6.2 Support and criticism**

The public debate on Globalisation can be seen in many forums. It is both positive outcomes of globalisation as well as criticism that are being debated. The camps seem to be divided between those who support and those who criticise globalisation. Those who argue for “anti-globalisation” think Multinational Corporation are exploiting their workers in developing countries and destroying the environment. They do so by invest their money in the country, which has the best conditions in terms of low tax rates, low level of laws and regulations on environmental issues and low level of workers’ rights (Crane & Matten, 2007). Supporters argue that globalization create jobs and boost wages. In developing countries more jobs, better economies and wealth are outcomes of globalization (Wild et al, 2006).

As the businesses tend to be widespread around the world because of globalization, they loose connection to a certain regional territory, and therefore loose connection to existing laws in the specific regions. The legal framework is diversified through out the world and therefore the businesses are not faced by one national law. Therefore, managers must consider other aspects than just the law for their operations. Global markets are beyond the national laws and therefore the demand for business ethics increase (Crane & Matten, 2007). Laws and regulations can no longer guard labor’s interest and protect the environment. Critics argue that companies often seek out those countries that have the lowest regulations on labor and environmental protection. Therefore nations don’t implement better regulations because of their interest in companies investing in their country. But research also tend to give another side of it and explains that companies don’t think this way. Why would a company want to invest in a nation where the environment is bad and people can’t afford to buy their products? Instead, many companies invest in good conditions for labor and environment, where a future market could be established for their own products or services (Wild et al, 2006).



#### **4.7 Possibilities and challenges of certification**

From chapter four we can see five possibilities and two challenges of certification for obtaining sustainable tourism.

##### **Possibilities of certification:**

- Prevent leakages by supporting local supplier's regional culture and food products and have employees from Costa Rica. Money, earned by the hotels, thereby stays in the country and goes to the local people. The certification aims to foster that local people gets advantages from tourism development.
- Certification can help hotels improve their operation for protecting the environment. Certified hotels have successfully improved its operation in many areas by following detailed system checklists in order to reach the criterias set by the CST-program.
- Becoming a member of a bigger consortium (such as the Network of Americas and CST-program) would help the small-family owned hotels compete on the market. They can share corporate cost, such as marketing, while retaining independence of ownership and operation. The Network of the Americas can help certification programs to develop recognized brands and promote the certification.
- Certification makes the concept of sustainable tourism into something real and not just a marketing ploy. It can be measured and controlled.
- Certification can be used as a communication tool on the internet for attracting guest and travel agents interesting in doing businesses with the hotels.

##### **Challenge of certification:**

- Prevent a raising gap between poor and rich. Certification cannot protect land prices to rise. The result is that local people can't afford to stay in their own homes and have to leave because of tourism development. Therefore, the gap is might getting bigger in Costa Rica between poor and rich.
- Certification doesn't consider carrying capacity, which is very relevant on how the country would be exploited. Even though the hotels are protecting the environment and minimizing the socio-cultural impacts, there is always a risk of overexploiting and loss of authenticity when there are too many visitors at a place.

## 5. Social and environmental responsible business practice

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*In this chapter I will present the importance of social and environmental responsible business practice, which contributes to a more sustainable tourism industry and prevention of negative environmental, economical and socio- cultural impacts. Today businesses have a greater central role in the development towards sustainability and managers around the world have started to realize the importance of sustainability in their business activities.*

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### 5.1 Business Ethics

Ethical business is “the study of business situations, activities, and decisions where issues of right and wrong are addressed” (Crane & Matten, 2007). The definition of ethical business activities are here presented as right and wrong. Is it right by companies to use child labor, or refuse the employers to join trade unions or exploiting the natural resources? The answer to that would of course be that it is wrong. However, as we start to look more deeply into these issues, we find that there is no easy task to say what is right and what is wrong with business activities. One might say that following laws and regulation would be enough. But as mentioned in previous chapter, globalization changed the situation for businesses and companies are now widespread around the world. They are now operating under different laws and regulations and some of the countries might not have enough laws and regulations to protect the society from malpractice businesses. Many stakeholder groups have seen this change and are now pressuring businesses to integrate social and environmental concerns and to be more responsible for their business activities. Many businesses start responding on the pressures groups’ demands and they start realizing the positive outcome of doing business in a more ethical way (Crane & Matten, 2007).

Some claim that Business Ethics is just an oxymoron that brings together two contradictory concepts like Business and Ethics in the same phrase. People have asked why Business Ethics are important. The last decades of problems and scandals have changed how we look at it and now we can see that the study of Business Ethics has gained importance in the academic debate all around the world. The Times wrote “business schools are taking up their ethics courses in the wake of recent corporate scandals” (Crane & Matten, 2007).

Crane and Matten (2007) wrote the book *Business Ethics* which have given a lot of attention in this field of study. In their book they argue for several different reasons why the study of Business Ethic is important in today's society (Crane & Matten, 2007);

- Power and influence of Business in society is greater than ever before.
- Businesses provide the society with important services and goods.
- Businesses can harm people, communities and the environment through bad business activities.
- Stakeholder pressures are becoming more and more important and managers must understand Business ethics better to be able to meet the ethical expectations.
- With greater knowledge on Business Ethics, managers can take the right ethical decisions.
- Business Ethics not only help managers to become better at managing ethics in their businesses but it also provides knowledge on how to understand the modern society.

As being highlighted above, managers can by greater knowledge on Business Ethics get help on how to take the right ethical decisions and make the company more responsible for their business activities.

### **5.1.2 Government Laws, Regulation and Incentives**

Every company must abide by existing laws and regulations in the society. It is up to the specific government to enforce laws and regulations, which companies have to follow. Therefore the government has a profound effect on companies' behaviour in terms of their social responsibility. According to Ammenberg (2004) there are different kinds of economical tools for making the activities by the companies more environmental friendly. Fees can make a product or service more costly with the aim to increase the income for special operations that support environmental projects. This could be fees for sanitation and pollution. Taxes are important for regulating the impact on certain issues in the society, such as increasing taxes for environmental related issues. Financial support is another tool that control a company's action in certain ways. In Sweden the bottle refund system has been successfully implemented. The customer has to pay a fee, which he or she later receives back by refunding the bottle.

The companies are often the ones making the most negative impact on the society, such as air, water and land pollution. Even though they effect the environment they are not necessary willing to pay for the damage they make. Therefore necessary legislation is needed so that all the companies within one industry equally help minimize the impact of their activities (Mcalister et al, 2005). Regulation cost money for the companies but it also brings out many benefits not only for the society but also for the companies and the consumers. Benefits from regulation are many, such as “greater equality in the workplace, safer workplace, resources for disadvantaged members of society, safer products, more information about and greater choices among products, cleaner air and water, and the preservation of wildlife habitats to ensure the future generations can enjoy their beauty and diversity” (Mcalister et al, 2005). Regulation, such as preventing monopolies is good for the competitive environment. Therefore companies have to compete to win customers’ attention and therefore have to cut prices and offer better quality.

As discussed above there are benefits for implementing laws and regulations. But there are people who believe on complete deregulation. They argue for less authority, which leaves the competitive market to work more effectively. The companies also want to decrease their costs and not be forced to follow certain rules. This would allow companies to sell products and services to better prices. In some industries this can be seen after deregulation. The airline industry is more deregulated now, which affected the prices to change dramatically. Today one out of four tickets is sold on discount (Mcalister et al, 2005). Self-regulation is on the other hand the companies’ initiative to regulate its activities. Their aim is to demonstrate social responsibility and to prevent further regulation by the government. One of the best known self-regulation associations is the Better Business Bureau (BBB) in the United States (Mcalister et al, 2005) The Bureau helps to inform the consumers and the society on bad activities by companies. It does so through local newspaper or broadcast media. If the specific company is a member of the BBB it can be expelled from the organization. Whether self-regulation programs or government regulation is the best choice for making companies to act more social responsibility can be discussed. Some argue that self-regulation is an important service in society, but lacking the tools and authority to implement principles and guidelines for good business activities. Instead the government has the power to do so. On the other hand self-regulatory programs are often less costly, and the guidelines are better designed and more realistic for the specific companies activities. But there is always risk for opportunist

behaviour when a non-member doesn't follow the obligations. Further self regulation program are less strict versus government regulations (Mcalister et. al, 2005).

### **5.1.3 Business ethics begins where the law ends**

The law is also about what is right and wrong in society. Crane and Matten (2007) argues there is a connection between the law and ethical businesses. One might say there is an overlap between these two dimensions and whereby the law expresses the minimum of what is acceptable for business activities. Is the law enough to cover all the wrong side of businesses? Morally, unethical activities might not be covered by the laws, such as testing products on animals, selling war equipment to oppressive regimes or child labour. One might say that the discussion on ethical businesses begin where the law ends and the ethic of business are here to cover what is not being covered by the law (Cane & Matten, 2007). These issues might not always be clear of what is right and wrong and many have different points of views regarding moral issues. The biggest problem regarding business ethics is deciding what is right and wrong, especially where people have different understandings of moral issues.

The Costa Rican board (ICT) developed the CST program to enable companies to be more responsible for their business activities. The CST program was established instead of reinforcing laws and regulations for protecting social and environmental impact on businesses. As the CST-program is voluntary there will always be a chance of bad business activities to happen. Some might not consider the environment and the surrounding community for their business operations and believe that following the laws and regulations are enough to follow. Costa Rica is vulnerable for overexploitation and bad business activities would have severe effects on the country. The construction of big hotel- and resort complexes by the beach is very common in Costa Rica. During our stay In Costa Rica we saw that regulation can have an impact and prevent these kinds of development. The government in one town we visited was demolishing hotels, which had obeyed the laws some years ago and built a hotel by the beach instead of a certain distance back from the beach. From locals we heard that these beachfront hotels had earned a lot of money just having their hotels by the beach. There might has to be laws and regulations in order to prevent bad activities to occur and the question is how strict it should be and whether voluntary concepts such as CST will be enough for protection.

Globalization also has its effects on business ethics. As the businesses tend to be widespread around the world, they lose connection to a certain regional territory, and therefore lose connection to the existing laws in the specific regions. The legal framework is diversified throughout the world and therefore the businesses are not faced by one national law. Is the law enough to cover all the wrong sides of businesses and to create a sustainable society? Moral unethical activities might not be covered by the laws, such as testing products on animals, selling war equipment to oppressive regimes or child labour. Therefore, managers must start to consider other aspects than just following laws for their operations (Crane & Matten, 2007). Also, behaving more socially and environmentally responsible not only contributes to reducing unethical activities, but it is also good for business success and is required for a long-term competitiveness for the business (Peinado-Vara, 2005).

The authors asked the guests what sustainability is and if it's important. Our aim was to see if the issue of Business ethics and sustainability is important and something they considered at home as well. Due to the problem is not only for Costa Rica, but can be seen around the globe. Alena Sharma from Villa Blanca (appendix 1) said that her company at home had the option to follow certain green criteria's. "But now it's becoming the law and now it is a must". The CST criteria might in the future become the law as well? The hotels who are implementing the CST- program will gain advantages in the future market, as they already have the necessary system to follow the law. They will also have started a good relationship with the government.

## **5.2 Corporate Social Responsibility**

The foundation of CSR is based on three dimensions: environmental, social and economical concerns. The concept encourages businesses to get a better understanding on the impact of their commercial activities, rather than just their financial performance. Willard (2002) uses CSR synonymously to sustainable development and explains it as a three-legged stool. Sustainable tourism is equal to the concept of Corporate Social Responsibility as it both focuses on how to manage stakeholder relationships. CSR has a broad thinking with the aim of achieving sustainable development in all aspects of economical, environmental and social dimensions. The concept of sustainable tourism was first focusing on the environmental dimension, but has recently also incorporated social and community dimensions (Joppe & Dodds, 2005).

### **5.2.1 CSR as a voluntary initiative**

Corporate Social Responsibility is a voluntary based concept where the single company can choose, in their own way, how they want to take more responsibility and integrate environmental and social concerns in their company. As laws and regulation differs between countries the work of CSR becomes important in the global society to make companies act more responsible. According to research, it is said that; “adoption of voluntary proactive approaches is consequently, crucial to achievement of environmental, economically and socially sustainable performance improvements in tourism” (Tepelus & Córdoba 2002). While there are many definitions of CSR, I will give one definition of CSR presented by the European Unions. It is being described as: “A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (www.ec.europa.eu). The main focus of the concept is that the management should take into account those who are affected by the business, referred to as “stakeholders”.

### **5.2.2 Four-Part Model of Corporate Social Responsibility**

One of the most accepted models on CSR is presented by Archie Carroll (in Crane & Matten, 2007) and is called; Four-Part Model of Corporate Social Responsibility. This model is based on four inter-related areas of responsibility, which are economic, legal, ethical and philanthropic responsibilities. All these four areas must be taken into consideration when working with CSR. Those companies who fulfil all these expectations by the society will be positioned as a positive entity in the society (Fleischman et. al, 2008 & Crane et. al, 2007). The first and basic area of responsibility by businesses is economical, which every company must have to be able to stay in business. Further shareholders demand return on their investments, customers demand good quality for a good price and employees want a safe workplace and to get paid for their work. The business must also abide by existing laws before any other social responsibility can be made. The third step is to consider ethical responsibility, where the company do what is right to do, but not obligated by the law. Ethical responsibility is what is expected by the business in society, but not what is counted to be legal and economical responsibility. The last step of the responsibility is Philanthropic. The word literally means “the love of the fellow human”. These activities could be improving the

quality of life by donating to charity or building recreation facilities for their staff. This type of responsibility is considered to be desirable for businesses, but not expected by society.

Four areas (presented by Carrolls Four-Part Model of Corporate Social Responsibility) must be taken into consideration. Let us look at each area for the CST-program;

- The first area (economical) is needed by every company who wish to stay in business. Even though the CST-program would be a high cost for the company this can be an advantage for the certified hotel. Employees might feel they are employed at a safe work place, where they are treated fairly in respect of the certification criteria. Further certification can work as a quality adder for the hotel and the customers will experience a good quality product and thereby get value for their spending money. The hotel can save money by using water and energy-saving technologies and devices as well as other reducible products.
- Thereafter, every business must also abide by existing laws and regulations before any other social responsibility can be made. The tourist companies in Costa Rica have both economical and legal responsibility and by implementing the CST- program they will take a broader responsibility than what the laws and regulations tell them to. They can thereby strengthen their position and be more prepared for stricter laws and regulations in the future.
- The next step (ethical responsibility) is voluntary and the companies should do what is expected by the society and not just what the laws and regulations tell them to. Those companies who are certified by the CST- program fulfil the next step in the Four- Part Model, because this certification is well recognized by the society and the criterias of the CST- program are well established and what society believes is the right thing to do. Therefore the CST-program is a tool for the tourist companies in Costa Rica to reach the third step in the Four- Part Model and become a positive entity in society.
- The last step of the model is Philanthropical and these activities are considered to be desirable by businesses, but not expected. It could be improving the quality of life by donating to charity or building recreation facilities for their staff. In order to achieve



much “leafs” hard work is required by the company. To reach four or five leafs; a company must be deeply involved in community projects. In order to know if the guests desire and expect ethical responsibility we asked the guests what kind of expectation they had before coming to the hotel and if these expectation were met. At Villa Blanca Hotel Jane Axtell (appendix 1) told us that during a guided tour she got very inspired by how the hotel was supporting the schools in the community. Coming to the hotel got her thinking that she really can help out by booking a tour. The certified companies who reaches five leafs (the ones we visited) are fulfilling every step in the Four-Part Model and would be considered as a positive entity in society. Costumers, such as Jane likes the idée that her money is being well spent.

The certified hotels are working towards protection of the surrounding environment and culture. This is not only a help for the community but as well for the hotels. They secure a protected area near the hotel, where the tourist can experience authentic and long-lasting experiences. This is important for having satisfied customers according to Crane & Matten (2007). The CST-program would thereby make the customers more satisfied. The interviewed guests all said they had good experiences and the expectations before coming to the hotels were met. I believe the CST-program is securing a good quality and a high perceived experience at a certified hotel. The program works as a manual on best practice how to get satisfied customers. Lapa Rios wrote on their homepage that their system on CST helped them daily to perform better on environmental and social concerns for their business activities ([www.laparios.com](http://www.laparios.com)).

### **5.2.3 CSR as business success**

Doing business in a more ethical manner is good for business success and would increase the business’ long-term competitiveness (Peinado-Vara, 2005). If companies invest money in a safer and equitable community, it would not only benefit the community but also the company who would get a more stable environment where they operate (Crane & Matten, 2007). Other benefits for doing business in a more responsible manner would be good relationship with its stakeholders, such as:

- CSR would generate increased purchases by costumers and satisfied customers (Fleischman et. al, 2008 and Crane & Matten, 2007).

- Employees would be interested to work for a company who treats its employees well and doing businesses in a more social responsible manner (Cane & Matten, 2007).
- CSR programs would ensure a greater independence from the government and foreclose laws and regulations (Fleischman et. al, 2008 and Crane & Matten, 2007).
- CSR would increase investor interest for the company (Fleischman et. al, 2008). Investors have an influence on companies to implement CSR in their business activities, by investing in SRI (social responsible investment). SRI has become an important feature in investment and therefore has influences on companies reporting on social and environmental performances (Whitehouse, 2006).
- Another important factor is public scrutiny, for example the media interest in business. By implementing sustainability, the businesses will gain competitive advantages in the future market and reduce the risk of loosing a good reputation (Elkington, 1999).

There are many advantages that can be found by being Corporate Social Responsible. As being highlighted above, it can increase good relationship with several stakeholders, reduce the risk of loosing a good reputation and employees would be interested to work for the company. We asked the guests how their experienced the hotels work on CST. The guests Jane Axtell and Craig. S Armstrong (appendix 1) both made a comment on that staff seemed to enjoy working at the hotel. Craig said; “the staff has been really friendly at the hotel...the people here seem to accommodate their guests much better than at some other places we have been... they seem to like working here.” Treating the employees (one primary stakeholder) well would be important for the company. The CST program highlights the need to make the workplace safe and good for the employees.

Based on the discussion above, CSR is important to consider. Other more internal benefits of doing business in a good way are presented by Willard (2002) as “provides new opportunities to focus on core business objectives such as reducing hiring and retention costs, improving productivity, reducing expenses at manufacturing and commercial sites, increase revenue and market share, reducing risk, increasing shareholder value, and increasing profit”.

#### **5.2.4 The Challenge of CSR: a Responsible to Whom?**

Whitehouse (2006) discusses in the article; Corporate Social Responsibility: Views from the Frontline, how businesses tackle the conflict between shareholders pressure on business to

maximise profit and the adoption of Corporate Social Responsibility practices in the company. As mentioned in previous chapter some argue that the only responsibility a company has is to maximize the profit for the shareholders and not to think of the environment and social aspects that's being affected by the companies' activities. The only responsibility a company has is what the law tells them to do. But as Whitehouse (2006) discusses in the article, a company faces many pressures from stakeholders to integrate social and environmental thinking in their company practices. The challenge of CSR is to know who a company holds responsible to. If the company doesn't consider these aspects, it can have tremendously effects for the company, such as bad public image and boycott of its products and services. In the next chapter I will present stakeholder management and discuss "a responsible to whom" more deeply.

### **5.3 Stakeholder Management**

Edward Freeman developed the theory on Stakeholder Management in the 1980s. The starting point for his theory was that the company doesn't only hold responsibility towards its shareholders, but as well as to others who have a legitimate interest in the company (Crane & Matten, 2007). Stakeholders are those people or groups who have a "stake" in the company and those to whom an organization is responsible. The relationship is a two- way street, because the stakeholders also have the ability to affect the companies (Mcalister, 2005). The stakeholder concept gain importance when businesses began experience more external environmental changes and uncertainty. Therefore they began to build systems that would detect changes and events in the external environment so they could quickly respond to it. Those systems are similar to Freeman's management tool: the stakeholder framework to help identify external events. Those external changes were (Preble, 1995):

- The emergence of consumer, environmental, and other activist groups.
- An increase in the scope of government (role as a watchdog).
- A global marketplace and increased foreign competition.
- An increasingly hostile media.
- A loss of confidence in business.

Because of the above mentioned events there is an emerging need for managers to utilize stakeholder management techniques in their businesses. Some of these events, as regarding

their importance for stakeholder management, will be highlighted further more in the following text.

### **5.3.1 Who are an organization's relevant stakeholders?**

Clarkson (in Preble, 1995) defines stakeholders as “persons or groups that have, or claim, ownership rights, or interests in a corporation and its activities, be the past, present, or future.” This definition identifies stakeholders by their interest in the business, regardless if the business itself has any obligation or interest in the stakeholder. Each group should be taken into consideration and for the business this could include all the living, such as plants and animals and also by extending to future generations (Preble, 1995).

Stakeholders can be identified as primary and secondary. Primary stakeholders are owners, employees, customers and suppliers (Waddock et al, 2002). Further Mcalister et al. (2005) argues that shareholders, public stakeholders such as government also are primary stakeholders. Primary stakeholders are engaged in direct transaction with the business and can be viewed as the inside of the business. Without those stakeholders a company can't continue its fundamental activities. If any of these stakeholders are dissatisfied it could be a threat to the company (Mcalister et al. 2005). Secondary stakeholders are those who don't have any direct transaction to the business, but instead who influence or affect, or are influenced or affected, by the business (Preble, 1995). Those stakeholders are nongovernmental organizations (NGOs), activist, communities, and governments. According to Mcalister et al (2005) governments and communities are primary stakeholders and Media and special-interests group are secondary stakeholders. Media could be a severe threat to the company. A third group of stakeholders that can pressure a business is general trends and institutional expectation (Waddock et al, 2002).

The CST-program could act as a tool for managing these stakeholders in a good way. Why? Employees want to work in a company that has good values and where they support educational and development programs for its employees. At the certified hotels, employees are educated in order to inform the customers on their environmental and social concerns in their operations. This can be seen at Villa Blancas home page; “management philosophy is based upon the logic that well-treated employees equate to well-treated hotel guest”

(www.villablancacr.com). Additionally, some of the interviewed guests highlighted that the staff seemed to enjoy the work and were highly educated on sustainability.

Customers are a primary stakeholder and their satisfactions are important for business success. The interviewed guests are interested in the hotels green visions and their work on making substantial contributions to the environment and surrounding community. This might not be the guest primary choice for booking a hotel, but it definitely adds to the perceived experience and the quality for the stay.

Governments have been viewed as both primary and secondary stakeholder. They are important to consider as government acts as a watchdog and have great influence on the companies. If a company gets certified they can be assured of that the government sees them as a positive entity in society. According to Fleischman et al. (2008) doing business in a more ethical way would ensure an independence from the government.

### **5.3.2 Why should the manager adopt a stakeholder approach?**

If a stakeholder is being treated in a bad way or ignored, it can result in severe consequences for the business. Activists can interfere with the business in a way such as organizing consumer boycotts and disrupt shareholder meetings. It can lead to lost markets and revenue, legal fees and lost management time. A key finding of Whysall's (in Preble, 1995) study by three British retailers shown that "the fallout from stakeholder mismanagement was likely to be widespread, highly publicized, long lasting, and difficult to contain." A study of Donaldson and Preston (Preble, 1995) found that businesses who had a stakeholder perspective within their corporate social responsibility achieved corporate performances, such as profitability, stability and growth. There is a close link between stakeholder relationships and social responsibility. If the company understands the stakeholders need, they can miss out on important changes in the environment and therefore not fully achieve a strategic social responsibility (Mcalister et al, 2005).

Further stakeholder often demands that the company are trustworthy. Elkington (1999) argues for one way of knowing the credibility of business activities and that is if the work has been verified by an independent auditor. Social Auditing is "the process of assessing and reporting a business's performance on fulfilling the economic, legal, ethical, and philanthropic social

responsibilities expected of it by its stakeholders”( Waddock et al, 2002). Such reporting is important for the businesses, in their way of communicating their work and also to make improvements of their work. Stakeholders often demand specific, quantifiable information from the company, which social audits can give. The benefits for auditing process are better relationship with its stakeholders (Mcalister et al, 2005). And it's no longer enough that managers communicate their work to gain trust by the stakeholders. To gain trust it's important to have independent verification of social and environmental reports. This verification can provide so the reader believes it's fair and honest. When the companies' stakeholder have trust with the company, it's easier to monitor contracts. Social auditing and reporting can make the company to improve their efficiencies and help to reduce costs (Preble, 1995). One way of verify the business performances is to get certified by a logo or seal, which provides both the company and the stakeholders with a written assurance of the companies performance. Next chapter will highlight certification programs more deeply.

#### **5.4 Possibilities and challenges of certification**

From chapter five we can see three possibilities and one challenges of certification for obtaining sustainable tourism.

##### **Possibilities of certification:**

- With greater knowledge on sustainable tourism, provided by certification programs, managers can get help on how to take the right ethical decisions and make the company more responsible for their business activities. Managers not only get help on how to manage ethics in their operations, they are also provided with knowledge on how to understand the modern society.
- Being responsible would benefit the company in many ways and are required for a long-term competitiveness for business. The certification can make the company prepared for stricter future legislation. The certified companies will gain advantages as they already have the necessary system to follow the law. Furthermore, doing business in a more responsible manner would benefit the relationship with its stakeholders, such as customer, employees, government and media.
- Certified companies are reaching every four areas of responsibility by Carrolls Four-Part Model of Corporate Social Responsibility. Therefore they would fulfil all the expectations by the society and will be positioned as a positive entity in the society.

**Challenges of certification:**

- Certification programs, such as the CST- program, are voluntary based. Thereby, it is always a risk of companies not willing to take a broader responsibility for their business activities, than just following the laws and regulations. Is the voluntary CST- program enough for obtaining sustainable tourism in Costa Rica? Legislation is might needed in order for all the companies within one industry to equally help minimize the impact of their business activities.

## **6. Certification for sustainable tourism**

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*This chapter aims to present recent research on certification programs and its possibilities and challenges. Additionally analyze costumer's awareness of certification programs and demand for sustainable tourism.*

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### **6.1 Definition of certification**

The definition of certification is a procedure, which means that based on an audit or assessment, the participants gets a written assurance that their facility, product, process, service or management system meets specific standards. The participant will be awarded with a certain kind of logo (Honey, 2002). Further it provides with assurance to the consumers and the industry that the company meet a set of minimum standards. The certification program begins with a body setting certification standards, which are relevant, measurable and obtainable. It is important that the indicators for the programs are recognised by an external accreditation body that is being trusted by the society. The aim of certifications is to make the tourism companies more responsible for its environment, social and economical impacts on its operations and provide the consumers with quality products (Joppe, & Dodds, 2005).

All tourism certification programs are today at a voluntary basis, which means that the companies, products or services can choose whether to be certified or not. The certification programs have a long history within the tourism industry. It dates back to the early 20<sup>th</sup> century with the earliest programs, such as American Automobile Association (AAA), Michelin guides in Europe, and Mobil's five-star program, which is today global. They focus on lodging and restaurants and measures factors such as quality, price and service, as well as some aspects of health, hygiene, and safety (Honey, 2002).

### **6.2 Certifications today**

Today there are close to 100 "green" tourism certification programs worldwide. Between United Nations Earth Summit year 1992 and the International Year of Ecotourism in 2002, more than 60 "green" tourism certification programs were developed. The programs are mostly at a regional or national level and the majority is for accommodations (Honey, 2002).



The best known certification systems are the Costa Rican standard Certification for Sustainable Tourism (CST), Voluntary Initiative for Sustainable Tourism (VISIT), Green Deal (Guatemala), and Scotland's Green Tourism Business Scheme (GTBS). These are country initiative or developed by NGOs. There are certifications for the industry as well, such as Green Globe and Blue Flag. Green Globe certifies products or destinations while Blue Flag certifies beaches (Joppe & Dodds, 2005). The Costa Rican standard Certification for Sustainable Tourism (CST) is becoming a model for other countries in Latin America who want to implement a certification in their country for sustainable tourism. But the development process is taking a long time in many countries, due to high cost for the implementation (Joppe & Dodds, 2005).

Most (60 percent) of the certification programs world wide is led by private tourism organizations or NGO's and 40 percent of the certification is government owned. As there are high costs for implementing certification programs, there is a question whether NGO's are suitable for this cause. And the certification programs are always in a need for subsidies and therefore NGO's are often partner with the industry association to be able to implement the programs. The government can on the other hand, be more involved and be led with a long-term focus, as they can have more investment money and be able to subsidy the program (Joppe, & Dodds, 2005).

In Costa Rica the government realized the importance of a long-term commitment to social and environmental concerns and therefore created the voluntary CST-program. A long-term focus is good for obtaining sustainable tourism, but investment money is needed for achieving this. To implement a certification can be very costly for a small and medium sized company and there is time needed for implementation. But some certifications program is subsidized by the government, so it could be easier for the companies to implement these programs. In Costa Rica the government is subsidized first time applications, which is good. But in order to obtain the sustainability the companies must invest money by them self. According to Rebecca Züniga, manager at Villa Blanca, some of the criteria set by government in Costa Rica are not thought through and well managed. She told us for becoming certified with 5 leaves, they had to implement solar cells. But this would not benefit the hotel because the sun just shines 10 percent of the year in this area. Even though they tried to explain this, in order to get the 5 leaves they had to implement the solar cells. And the cost for implementing the solar cell was expensive for the hotels. After we visited the hotels and interviewed the

manager, we started questioning the systems' flexibility towards the hotels specific conditions. To get certified for its work with CSR, the certification process and criterias have to be improved in order to become an advantage for the hotels and not an unnecessary cost.

### **6.3 Limitations and opportunities**

Certifications within the tourism industry was first developed in the early 1990's and has since then grown and today there are more than hundred different certifications. A study by Joppe & Dodds (2005) on Corporate Social Responsibility in practice shows that certification programs have both limitations and opportunities. Interviews with tourism experts and tour operators shows that small and medium sized firms have not been given greater access to market share and there are no proven marketing benefits when implementing a certification program. Because the consumer's awareness is too low and there is a need by the industry to create a demand by the tourist to choose certified products (Honey, 2002 & Joppe & Dodds, 2005).

A certification program is important for the tourism industry to encourage the sustainable productions of goods and services. The aim of certification schemes is to push the industry to become more sustainable (Medina, 2005). The certification program enables managers to make decisions with confidence, even though they don't maintain enough knowledge about certain issues. Participants can rely on that their work is done all right if they meet up to the certain standards being demand. Further it's very important that the specific certification gets credibility and good reputation among the public people. (Honey, 2002) It's both the consumers and the producers that have to be convinced about the benefits from the certification and of its credibility. For the success of a certification program, there is a need for complementary marketing initiatives, which highlights the benefits from it and shape the consumers awareness. Further it's important to illustrate the added value inherent to a certified product or service. In the tourism sector, marketing is especially important, due to the fact that tourism depends much on public perception (Honey, 2002).

One problem of certification systems in today's society is that less than 1 percent of the tourism businesses are certified. In Europe, where most certification programs exist, less than 0, 5 percent of the accommodations are certified. And for the Costa Rican standard Certification for Sustainable Tourism only five percent of the hotels have been certified and

only 46 percent use the certification in their advertising. Further problems are that there are too many different certification systems, which have led to confusion by the consumers and the industry. The tour operators don't have enough knowledge on the numerous certifications around the world to choose from. There is a severe lack of awareness by the industry, consumers and the government. And even if the tour operators know about the certifications they rather choose their products based on price or they believe the certifications schemes do not ensure enough quality (Joppe & Dodds, 2005). Further, it is not clear that the market for certified products or services is high enough for being profitable (Medina, 2005). According to Medina (2005) the confusion over certification programs is based on that there are regional and global applicable standards for certification within the tourism. Therefore, there is a need for better criterias and also to create a global accreditation body for the certification programs (Medina, 2005).

Certification programs is an important tool for distinguishing sustainable tourism and ecotourism from companies, products or services that just using "green" language to market it self. This can help stakeholders to be sure that the companies who say they take an ethical responsibility are true and honest and not do it just as a marketing ploy. We asked the guest what sustainability was for them and which issues are most important. Mike Watton (appendix 1) a guest at Bell Mar hotel highlighted some concern over scandals in US on products that people put organic stickers on, which were not organic at all. He is hoping the CST-program is real, valid and not a big lie. As mentioned in the theoretical chapter there is a need for social auditing and an accreditation body. Certification programs become important, as they have standardized criteria for sustainability and they are audit by an external body. The society can therefore be sure that the company follows a specific standard and that the company do it in the right way. The conscious customers visiting Costa Rica can feel confident for their choice that the hotels are certified and audit by an external body. At Lapas Rios they express the need for that "customers take an active role in looking for properties that are indeed participating in the certification process. By supporting organizations that CST certified, you not only know where your money is being spent, but are showing your support for fair, honest and, above all, truly sustainable business practices." ([www.laparios.com](http://www.laparios.com)). The CST- program can help consumers make decisions with confidence. As survey shows (Mohr et al. 2001) that consumers want to buy ethical products but they do not know what the company does regarding their CSR activities. Would the CST-program wake up the consumer's eye for sustainable products and make it easier to buy with confidence? In the

following chapter I will analyze consumer awareness of certification more deeply and there demand for sustainable products.

#### **6.4 Consumer awareness and demands**

According to Joppe & Dodds (2005) consumers' primary search for attractive places, such as clean environments and preserved cultural attractions. Consequently, places which have been overbuilt do not attract tourists. Instead they are searching for authenticity and experiential tourism and there is an increase in demand for volunteer based and educational travels where tourists are seeking a meaning with their experiences (Joppe & Dodds, 2005). We asked the guests to list the priorities for choosing a hotel and mostly they choose it because it is close to the nature. Other like Jane axtell at Villa Blanca have learned something from her trip and said that; "when we book a tour on this hotel we really are helping the people here and it has really got me thinking to go here...I'm so inspired" (appendix 1).

50 percent of sustainable tourism is traveling independently, the other 50 percent book packages by a tour operator. Further, five percent of the world's tourism chooses sustainable tourism packages. However, there is no easy task to identify the demand of sustainable tourism, which represents 20 percent of the total tourism market. It is clear though, that it exist a need to connect consumers demand with their purchasing behavior. (Joppe & Dodds, 2005). The authors conducted interviews at certified hotels, where customers already had purchased a sustainable product. It was assumed that the interviewed guests would have a relative high awareness of the CST-program. However, after interviewing guests, at the best scored hotels in Costa Rica, it was found that consumer awareness of the certification was pretty low. One out of ten interviewed guests knew about the CST program before they arrived to the hotel (see appendix 2).

The author wanted to see the demand for sustainable hotels and therefore asked the guests if they knew that the hotel was certified before coming to the hotel. Alena Sharma (appendix 1) was the only one who knew about the certification and said it was a big plus for choosing Villa Blanca hotel; however it was not of great importance or high priority for her choice. She found the hotel on the internet and chosed it because it looked good, she said; "It's pretty much the same as I saw it on the web. I really like the nature and I really wanted to go to the rainforest. I got what I found on the internet. It's among the nature mostly". Consequently, the

nature was of great importance for her choice. Furthermore, she was asked to rank six prepared factors that influence her choice to stay at the hotel. The most important factor was ranked as number 1 and the least important as number 6. Alena answered as followed;

1. Location
2. Comfort
3. Price
4. Service
5. Size
6. Reputation for sustainability.

We asked the guests to rank these in order to gathering data to find out if CST plays an important part for choosing a hotel and to help out answering the research questions. Alena said that location was the most important factor for her; “Location is the most important, because here it was important to be near the nature”. For Alena, nature was associated as a location factor instead of sustainability factor. However, if the hotel wasn’t concerned about sustainability factor, it might not have such a great environment around the hotel. Therefore it is necessary to evaluate and understand what the guest include in each factor and on what basis they rank the factors.

Consumers express an interest of sustainable tourism products and current research about consumer’s motivations for choosing a vacation suggested that consumer place a high priority on social and environmental protection. But in the meantime a publication of the international ecotourism society highlights a risk of “social responsibility bias” (Sander, 2005). They argue that consumer attitude surveys are misleading due to the fact that consumers tend to tell the interviewer what they want to here and what makes them feel good about themselves. They tend to give more importance to sustainability than what are actually the reasons for choosing a vacation. Instead other factors, such as price, accommodations, food, excursions, health and safety, are more important. Moreover, they argue that social and environmental issues tend to be in the middle of choosing next vacation.

Our findings in Costa Rica are showing that guests are more concerned over location, comfort and service than sustainability. The interviewed guest at the hotels highlighted other factors than sustainability as more important. Only one out of ten ranked sustainability as very high and said that; “The most important would be location and probably very close between

reputation for sustainability and price. So I'm willing to pay something extra for that but not a super amount" (Mike, appendix 1). Mike listed location as his top priority for choosing a hotel. He said; "Nice location so it's relative close to hiking trails and other things you want to see while visiting". As the above quote shows, Mike includes hiking trails for factor location; however it could also be associated with sustainability.

Location was also important for John Sherman (appendix 1), who stayed at a business hotel in San Jose. According to Sherman, he chooses the hotel because it was located near the airport, reasonable priced, clean and had a good service. Before he arrived to the hotel he expected good service and good comfort during the entire stay, at the end of his stay he definitely thought that the hotel fulfilled his expectations. He did not know about the certification for sustainable tourism, but he had seen the certification label at the hotel; "I saw it somewhere here at the hotel, but I do not exactly know what that means".

At a small eco lodge (EcoLodge San Luis in Monteverde) we interviewed Erik Olson. He said he expected it to be silent and old- fashion. His priorities for choosing the hotel were;

1. Comfort
2. Location
3. Price
4. Service
5. Reputation for Sustainability

He also listed location as his top priority while Sustainability had the least priority. Erik define sustainability as "maintain a good experience for each customers that comes in, make them comfortable, create accommodate, sustain and maintain through every single person that comes in". For Erik sustainability is more about comfort and service than what the CST stands for. Environmental and cultural protection by the hotel is not as important as comfort and location would be for Erik. This is interesting because he stayed at the smallest and most profile eco lodge hotel visited by the authors, however he did not choose sustainability as a top priority and he was not aware of the CST-label.

Jane Axtell, a guest, at Villa Blanca (Appendix 1) did not know about the CST-program before her arrival. She went on a tour package and did not know anything about the hotel. She heard from friends about the beautiful nature around the hotel but was not aware of the CST

program. She ranked sustainability in the bottom of her choice criteria. After information by the employees about CST and when we explained more about the certification she said “I knew nothing about sustainable tourism but now when I know about it, sustainability would be important”. She thereafter said she will bring the information back to the travel agent.

Additionally, at Villa Blanca, Jack Blankenship (appendix 1) was going on a bird watching tour for nine days. He thought the hotel and the surrounding was much nicer than he expected it to be. He was not aware on the CST- program and did not base his decision on it, he thought location, comfort and service was much more important for choosing a hotel.

In a report by the international ecotourism society (Sander, 2005) tourism marketing experts in Unites States was interviewed. They all agreed on the demand for sustainable tourism products are limited. Instead, travelers from Unites States are more concerned about the quality of their vacation, such as attractions, weather, food and accommodations and price. When travelers are satisfied with these concerns they can consider other aspect, such as sustainability. Marketing experts agreed that consumers are interested in environmental and social friendly business activities, but only if it would improve the quality of the vacation. This can be seen at the visited hotels as well. The guest’s primary choice was location, price and comfort. However it would be interesting to analyze if the hotels socially and environmentally business practice indirect effects these aspects. I would say that CST improves the quality of the whole stay, which is needed for customer satisfaction.

A suggestion is presented that sustainable tourism products should be promoted not directly toward the costumers, but instead towards companies and intermediaries, such as tourist’s agencies (Sander, 2005). Some of the interviewed guest had booked the tour through an agency. It was the travel tour operators who organized the travel to the hotels which knew about the CST-program. The tour operators were searching for sustainable hotels to be included in their package. This founding support the conclusions from the survey about consumer demand for sustainable tourism certification. Their conclusion was that major focus of certification marketing programs in the United States should be directed towards travel agencies in the industry (Sanders, 2005).

A survey (Mohr et al. 2001 in Whitehouse, 2006) on consumers behaviour in US, found that consumers want to buy ethical products but find it difficult in their buying decisions to know

what the company does regarding their sustainability concerns. The consumers therefore desire clear information about business social and environmental business practice, in order to use it in their buying decisions. Therefore this survey suggests that companies would give more information about their social and environmental business activities to the consumers (Mohr et al., 2001 in Whitehouse, 2006).

The CST- program would be a great tool for communication and information towards American customers. The certification would help the managers tell their guests about their social and environmental concerns within their business operations. The survey suggested that the companies should provide more information (Mohr et al., 2001 in Whitehouse, 2006). However, upon arrival at the hotels we did not receive any information about the CST- program. Instead they informed us about other activities, the hotels facilities and the restaurant. Why implement a CST- program (which is very hard work and costly) and not market it as well? The interviewed guests were environmental concerned but only four out of ten had seen the CST label during their visit and only one knew about it before coming to the hotel. The hotels should market it better while their guests are staying at the hotels. This is a chance to show the benefits from CST and market it directly towards the customers. It would benefit not only the hotels but as well as all the hotels within the whole consortium. We described the CST- program after the interviews and the customers were given positive feedback and thought the hotels did a good job and wanted to know more about the CST - program.

## **6.5 Possibilities and challenges of certification**

From chapter six we can see four possibilities and two challenges of certification for obtaining sustainable tourism.

### **Possibilities of certification:**

- Certifications programs enable managers to make decisions with confidence, even though they don't maintain enough knowledge about social and environmental business practice.
- It's not only the managers that have to be convinced of the certifications benefit for obtaining sustainable tourist, costumers must be convinced of buying the certified products. Certification can provide with such confident. A certification, which is



recognized by an external accreditation body, provides the costumers with trust and assurance that the company meets a set of standards. The customer feels trust that the company does a good job for reaching sustainable development.

- Guests staying at certified hotels were satisfied with their stay and there expectations were met. I would say that the CST- program improves the quality of the whole stay for the guests and make the tourist expectations are meet.
- Location was a top priority for guests choosing a hotel in Costa Rica. The author assumes that location is associated with sustainability, when guests explains location as being near the nature, hiking trails, birding etc.

**Challenges of certification:**

- The certification process and criteria's have to be improved in order to become advantages for the hotels and not an unnecessary cost, which is the case for Hotel Villa Blanca with their solar cells. The author is questioning the certification systems flexibility towards the hotels specific conditions.
- Study shows that consumer awareness of certifications is low. This can be seen at the certified hotel, when one out of ten interviewed knew about the CST- program before coming to the hotel.

## 7. Customer Management and Total Perceived Quality

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*In the following chapter, I will present the importance of customer management in service competition. Thereafter present Grönroos total perceived quality and its connection to certification for sustainable tourism.*

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### 7.1 Customer Management

According to Grönroos (2007) there are at least three drivers for why a company must focus on service and to cope with service competition. Firstly, customers are better informed and more sophisticated than before and therefore becoming more demanding. Companies must cope with customers increasing demand for comfort, low-priced products and fewer problems etc. Secondly, competition is becoming more fierce and global. To be able to compete on the global market companies are forced to focus more on service in order to meet the demands by the customer. Third, technological inventions, such as internet enables companies to create new forms of services. Companies can inform customers and market their products more easily and maintain customer relationships.

Furthermore, Grönroos (2007) shows the importance to understand what customer is looking for and what they evaluate. However, when the company understands how service are perceived and evaluated they can use it in order to manage these in an affordable way. For example in previous chapter I have presented guests top-priorities and where location was a top priority. It's relevant to know how guest evaluate location in order to manage it. As being shown guests are looking for nature, hiking trails and birding etc, and therefore these services should be managed well.

As mentioned in previous chapter, customers are gradually becoming more sophisticated. And companies are trying to create adding quality of their products by using, fashion, status or lifestyle aspects. According to Grönroos (2007) companies must think of customer's desire and needs and in order to attract a customer they must provide the customer with more value and something different from competitors. The CST-program is a way of providing more value to the customer and are an important strategy for differentiating it selves from other

hotels in Costa Rica. Interviewed guest at certified hotels had all experienced a good stay and some expresses their enthusiasm over the hotels work for protecting and securing a good environment. We asked the guests of their expectations before coming to the hotel and if their expectations were met in order to analyze Grönroos model of total perceived quality.

## **7.2 Total Perceived Quality**

According to Grönroos (2007) quality is whatever customers perceive it to be. A customer often actively participates in the production process. And what happens in these interactions between the seller and the buyer will have a critical impact on the customer's total perceived quality. The total perceived quality is determined of both the experienced quality and the expected quality. According to Grönroos (2007) "Good perceived quality is obtained when the *experienced quality* meets the expectations of the customers; that is, the *expected quality*". The total perceived quality is determined by the gap between the expected and the experienced quality.

### **7.2.1 Experienced quality: what and how**

The experienced quality has two dimensions, namely a technical and a functional dimension. For example at a hotel the functional dimension is *what* the guest is provided with, such as a room and a bed to sleep in. However, the guests have more interaction with the hotel than just the functional dimension. There are several interactions between the service provider and the customer and Grönroos (2007) calls these the moments of truth. This is the functional dimension and referred to *how* the customer receives the service and *how* they experience the production process. Additionally, these two dimensions could be expended to one other dimension referred to as *where*. Grönroos (2007) model of perceived service quality shows that the *where* aspect is considered to be part of the functional dimension.

Developing the functional dimension would add increasing value for customers and create an important competitive advantage. It is very important as many companies today can provide customers with similar technical products. The technical dimension is important but mostly don't add by on its own competitive advantages. The functional dimension is more difficult to analyse, as it refers to how customers experiences the quality of the product (Grönroos, 2007).

During the study of certified hotels I had a chance to interview customers and to get a view of their perceived experiences at the hotel. In previous chapter I have highlighted this and provided with example and it shows that their perceived experiences are high. I believe the certification can increase the value for customers and therefore create a competitive advantage for the hotels. Becoming certified would make the functional dimension stronger and thereby increase customer perceived service quality.

### **7.2.2 Expected Quality**

The expected quality is influenced by traditionally marketing activities, such as marketing communication, sales, image, word of mouth, public relations, customer needs and values (Grönroos, 2007). If a company over promise it would make the customers expectations too high and consequently customers will perceive a low quality.

Maybe it's better to underpromise the certification in order too be sure that the total perceived quality for certification stays high? Grönroos (2007) says "it is better to underpromise and overdeliver". I believe the hotels visited have unconsciously achieved this. It can be assumed that the marketing experts at the Network of the Americas and government have to be careful when designing external marketing campaigns for the CST program, in order to avoid promises that can't be kept by the certified hotels.

### **7.3 Possibilities and challenges of certification**

From chapter seven we can see one possibility and one challenge of certification for obtaining sustainable tourism.

#### **Possibility of certification:**

- Certification increases a guests perceived service quality. Thereby, it creates a future strategy competitive advantage for the certified hotel.

#### **Challenge of certification:**

- It's important to underpromise and overdeliver. This must be taken into consideration for future external promotion campaign of certification program.



## **8. Conclusion and discussion**

The findings of this research are presented as possibilities and challenges of certifications for obtaining sustainable tourism. The author has gone through different theories and one illustration (the Certification for Sustainable Tourism in Costa Rica). Firstly, I have presented the Certification for Sustainable Tourism in Costa Rica. Thereafter gone through the tourism industry and to see how and why there is need for a more sustainable way of doing business. Additionally, I have analysed sustainable tourism in the area of globalization and where businesses have received more power and influences on society. Theories regarding corporate social responsibility, stakeholder management and laws and regulation have been discussed. Thereafter I have presented certification, consumer awareness and demands for certification followed by Grönroos total perceived quality theory.

During theory review and illustration presentation the author have analysed two research questions and after each theory section provided the reader with possibilities and challenges which the chapter highlights. The summarized results of possibilities and challenges are presented below.

### **Possibilities of certification:**

- Prevent leakages by supporting local supplier's regional culture and food products and have employees from Costa Rica. In that case, all revenues and earnings will stay in the country and benefit the local population on the behalf of the tourist development.
- Certification can help hotels improve their operations for protecting the environment. By following detailed systems checklists certified hotels have successfully improved their operations in many areas, in order to reach the criteria's set by the CST-program.
- Becoming a member of a bigger consortium (such as the Network of Americas and CST-program) would help the small-family owned hotels compete on the market. They would gain benefits such as shared corporate cost and marketing. In the mean while they can retain independence of ownership and operation. The Network of the Americas would help certification programs to develop recognized brands and promote the certification.

- Certification makes the concept of sustainable tourism into something real and not just a marketing ploy, instead it can be measured and controlled.
- Certification can be used as a communication tool on the internet in purpose to attract guests and travel agents interested in doing businesses with the hotels.
- With greater knowledge about sustainable tourism, provided by certification programs, managers can get support on how to take the right ethical decisions and make the company more responsible for their business activities. Managers do not only get help about how to manage ethics in their operations, they are also provided with knowledge about how to understand the modern society.
- Being social and environmental responsible would benefit the company in many ways and are required for a long-term competitiveness for business. The certification can make the company prepared for stricter future legislation. The certified companies will gain advantages as they already have the necessary system to follow the law. Furthermore, doing business in a more responsible manner would benefit the relationship with its stakeholders, such as customer, employees, government and media.
- Certified companies are reaching every four areas of responsibility by Carrolls Four-Part Model of Corporate Social Responsibility. Therefore they would fulfil all the expectations by the society and will be positioned as a positive entity in the society.
- Certifications programs enable managers to make decisions with confidence, even though they don't maintain enough knowledge about social and environmental business practices.
- It's not only the managers that have to be convinced of the benefits with certifications for obtaining sustainable tourism, costumers must also be convinced of buying the certified products. Certification can provide with such confident. A certification, which is recognized by an external accreditation body, provides the costumers with

trust and assurance that the company meets a set of standards. The customers feel trust that the company does a good job for reaching sustainable development.

- Guests staying at certified hotels were satisfied with their stay and their expectations were met. It can be said that the CST- program improves the quality of the whole stay for the guests and make sure that the tourists expectations are met.
- Location was a top priority for guests choosing a hotel in Costa Rica. It can be assumed that location is associated with sustainability, when guests explain location as being near the nature, hiking trails, birding etc.
- Certification increases a guest's perceived service quality. Thereby, it creates a future strategy competitive advantage for the certified hotel.

#### **Challenges of certification:**

- Prevent a raising gap between poor and rich. Certification cannot protect land prices to rise. The result is that local people can't afford to stay in their own homes and have to leave because of tourism development. Therefore, the gap is might getting bigger in Costa Rica between poor and rich.
- Certification doesn't consider carrying capacity, which is very relevant on how the country would be exploited. Even though the hotels are protecting the environment and minimizing the socio-cultural impacts, there is always a risk of overexploiting and loss of authenticity when there are too many visitors at a place.
- Certification programs, such as the CST- program, are voluntary based. Thereby, it is always a risk of companies not willing to take a broader responsibility for their business activities, than just following the laws and regulations. Is the voluntary CST- program enough for obtaining sustainable tourism in Costa Rica? Legislation might be needed in order for all the companies within one industry to equally help minimize the impact of their business activities.



- The certification process and criteria's have to be improved in order to create advantages for the hotels and not an unnecessary cost, which is the case for Hotel Villa Blanca with their solar cells. The author is questioning the certification systems flexibility towards the hotels specific conditions.
- Studies show that consumer awareness of certifications is low. This can also be seen at the certified hotels, only one out of ten interviewed knew about the CST- program before coming to the hotel.
- It's important to underpromise and overdeliver. This must be taken into consideration for future external promotion campaign of certification program.

The case-study of certified hotels in Costa Rica shows that the CST- program is an important future strategy in order to obtain sustainable tourism in Costa Rica. The study have presented good example of certified hotels, which present social and environmental responsible solutions that are real and not just a marketing ploy. The question may arise as to whether this would be important for customers choosing their holidays. As being presented in the introduction, current research by Joppe & Doods (2005) shows that the demands by consumers must become better if certification programs are to continue successfully. The study highlights that this is not as important as being presented, due to the fact that certification mostly works as a tool for manager in order to increase a guest's perceived service quality. Developing the functional dimension would add increasing value for customers. Thereby, certification programs create a future strategy competitive advantage on the market and are to be continued successful.

## **9. Advice for the reader**

The thesis highlights the importance of future sustainable tourism achievements in order to minimal negative tourism impacts worldwide. Some businesses are being social and environmental responsible, others falsely claim to be it and some just doesn't care.

Certification has possibilities and challenges for obtaining sustainable tourism. Certification could be a future important strategy, when it comes to helping businesses to improve themselves. Going through a certification process is by the certified businesses educational and it enables manager to make decisions with confidence, even though they self don't maintain enough knowledge.

Some businesses doesn't care of being social and environmental responsible. Certification is one important tool for motivating the businesses to become more responsible by showing the added bonuses of doing so. The thesis has shown that the certification increases a guests perceived service quality at certified hotels. Being certified would benefit the companies' relationship with its stakeholder, such as customers, employees, government and media. For example at certified hotels media have been writing positive articles of the hotels.

Furthermore, certification can provide a marketing advantage for the companies, when consumer and tour operator recognizes credible certification brands. However, there is always a risk of over promises, and promises that can't be kept. Instead Grönroos (2007) suggest it is better to underpromise and overdeliver, in order to increase the quality how customers receives the service and how they experiences it. The author advice to the reader is to be careful when developing marketing programs on certification labels, in order to keep customers expected quality low and the total perceived quality high.

Even though businesses are becoming more social and environmental responsible, there is no guarantee for obtaining sustainable tourism. For example closing the gap between rich and poor could not at present time be a case for a single certification program. Additionally, carrying capacity can't by itself be controlled by a certification program. These and other sustainable relative problems are might not a business solution. The government must be actively involved for obtaining a sustainable tourism development.

Finally, this study shows that most costumers don't choose a certified hotel due to the certification. Instead motives for businesses to improve its operation by becoming certified should be promoted as an educational program and to improve the business functional dimension. According to Grönroos (2007) developing the functional dimension would add increasing value for customers and create an important competitive advantage. It is very important as many companies today provide costumers with similar technical products.

This thesis highlights that the customer's awareness of certification are low but instead their total perceived quality is good. It can be assumed that certification can increase the value for costumers and therefore create competitive advantages for certified businesses.

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## Appendix 1

### Interviews conducted

#### Guest:

<u>Name/city</u>	<u>Place</u>	<u>Date</u>	<u>Time</u>
Jack Blackenship	Villa Blanca	13 April 2007	21.00
Alena Sharma	Villa Blanca	13 April 2007	22.00
Jane Axtell	Villa Blanca	14 April 2007	8.00
Craig S. Armstrong	Villa Blanca	14 April 2007	16.40
Ashish Prabhu	Villa Blanca	14 April 2007	21.00
Mike Watton	Bell Mar	15 April 2007	16.00
John Coates	Bell Mar	3 May 2007	14.00
Grant Schaver	Bell Mar	3 May 2007	20.00
Erik Olson	Eco Lodge San Luis	9 May 2007	14.00
John Sherman	Parque del Lago	31 May 2007	10.00

#### Managers:

<u>Name</u>	<u>Place</u>	<u>Date</u>	<u>Time</u>
Warner Arias (Green Committee)	Villa Blanca	13 April 2007	14.00
Rebecca Züniga Marketing & Sales	Villa Blanca	13 April 2007	12.00

## Appendix 2

### Summarized results of interviews

Interviewed guest	Knew the hotel had CST before the visit?	Have seen the CST during the stay?
Jack Blackenship	NO	NO
Alena Sharma	YES	YES
Jane Axtell	NO	YES
Craig. S Armstrong	NO	NO
Ashis	NO	NO
Mike Watton	NO	YES
John Coates	NO	NO
Grant Shaver	NO	NO
Erik Olson	NO	NO
John Sherman	NO	YES



## Appendix 3

### Questionnaire nr 1

6. Sofie & Alex make a presentation of their study

Make sure to ask permission, you are not obligated to answer question if you don't want to.

#### About the visit:

7. Is this your first visit to Costa Rica?
8. What is the purpose of your visit in Costa Rica? (Work, vacation, study etc.)
9. For how long will you be in Costa Rica? How long have you been here for?
10. Where will you stay during your visit? (only here or other places)
11. How did you get here? (Plane, bus, car, train?)
12. Which activities are you planning to do during this vacation?

#### Certification:

13. Why did you choose to stay at this hotel? (factors)
14. What kind of expectations did you have before you came here?
15. In which way did the hotel meet your expectations/ didn't meet your expectations?
16. What order would you list your priorities in choosing a hotel: Comfort, price, reputation for sustainability, location, size, service to client
17. Do you know that this hotel has a Certification for Sustainable Tourism (CST)?

*If no, go to other questionnaire nr 2*

18. Did the certification affect your choice of hotel?
19. Why did you choose a certified hotel? (Factors)
20. Did you choose to stay at this hotel based on it's CST-ranking?
21. What do you know about CST?
22. How did you get information about CST?
23. Are you aware of any other certification-programs for sustainability?
24. What is sustainability for you?

25. What issues are important to you regarding the sustainability of the hotel?

26. Can you rank the importance of these factors regarding sustainability:

- Nature conservation,
- Guest participation (such as towel on the floor) and education,
- Local economic and social benefits,
- Environmentally responsible operations such as use of energy, water, proper waste disposal

27. Do you think that you will have a better experience because of the certification? How?

28. What is an experience for you?

29. What did you expect to experience through the certification before you came here?

30. Did the CST meet your expectations?

31. Do you think the quality is better in this hotel than in hotels that are not certified?  
Why?

32. Do you think that health and security is better in a certified hotel? Why?

33. Can you rank these four factors in terms of their importance in your decision to choose a certified hotel?

- Health/Safety
- Sustainability,
- Quality,
- Experience

## **Questionnaire nr 2**

Certification:

1. What do you know about CST?
2. How did you get information about CST?

*If yes, go on to question nr 4*

3. CST is a voluntary certification for sustainable tourism where hotels can get between one and five leaves according to their sustainability. This hotel has got five leaves.
4. Are you aware of any other certification-programs for sustainability?
5. What is sustainability for you?
6. Is sustainability an important factor when you choose a hotel? Why/why not?

7. What issues are important to you regarding the sustainability?
8. Can you rank the importance of these factors regarding sustainability:
  - Nature conservation,
  - Guest participation (such as towel on the floor) and education,
  - Local economic and social benefits,
  - Environmentally responsible operations such as use of energy, water, proper waste disposal
9. Are experiences (as in experience things) an important factor to choose a hotel?
10. What is an experience for you?
11. In which way are experiences an important factor when you choose a hotel?
12. What kind of experiences creates the greatest satisfaction?
13. Can you rank these four factors in terms of their importance in your decision to choose a certified hotel?
  - Health/Safety
  - Sustainability,
  - Quality,
  - Experience

About the guest:

34. How old are you?
35. Where in the United States are you from?
36. What is your occupation?
37. How many years have you studied?
38. Are you a member of any environmental organizations?
39. How many people are you traveling with?
40. How did you find this hotel? (Internet, travel agency, word-of-mouth)
41. If we have further questions would it be ok to contact you? How? Would you like us to send you the conclusions of our thesis?