ASPECTS OF SUSTAINABLE DEVELOPMENT OF SMALL AND FAMILY HOTELS

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ABSTRACT

Sustainable tourism is getting more and more popular nowadays, and it requires turning to high quality, responsible and eco-friendly tourism, which can only be achieved if there is a balance between economic, socio-cultural and environmental aspects of tourism development. Owners of the small and family hotels are turning more and more to eco tourism, primarily to achieve their goal, which is the extension of the season and making larger profits.

Sustainable development combines economic development, social responsibility and environmental protection. This kind of development supports a stable relationship between human activities and the nature, which would leave the healthy environment for future generations. Modern trends of returning to nature are often implemented through tourism, which encourages the development of small, family-run hotels, which generally offer personalized service and warm atmosphere in the environment of authentic architecture.

Keywords: sustainable development, small hotels, family hotels, business
1. INTRODUCTION

Tourism is a phenomenon which is almost entirely dependent on the environment, so any kind of distortion of the natural balance and the destruction of ecosystem potentially leads to the disruption of tourist movements. In the few studies on the cause and the effect relationship of environment and tourism, the primary and secondary, and intentional and unintentional disruption of the ecological balance is being discussed, especially those that sprang from the tourist movement. While under the primary think of the direct distortion of balance of ecosystems, the secondary is the result of the complexity of tourist services, and is reflected in the increased need for water, electricity and oil. To reduce the negative effects of tourism on the environment, society and the economy, it is important to understand both the sustainable development and sustainable tourism development. Modern trends of returning to nature and the original are often implemented through tourism, and they encourage the development of small, family-run hotels, which generally offer personalized service and warm atmosphere in the environment of authentic architecture. In the last few years, due to its natural and cultural heritage and improved transport links with the European source markets, Croatia has become a hit tourist destination. Small family hotels are increasingly sought after tourist product in Croatia, with a constant growth in traffic and spending per guest, with the trend of the efforts of extending the season. In Croatia there were about two hundred of small family hotels with approximately 15,600 beds, as compared to the number of beds in large hotel companies very little watching European experience. Small family hotels in Croatia became an absolute trend as they are filled 180 days a year, and generate a third more nights than traditional hotels and generate 25% of all hotel overnight stays in Croatia, which indicates their significance, enhanced quality of business and making the most of the capacity. Small family hotels make most common form of tourism not only in Croatia, but also globally. Therefore, it is the hospitality (accommodation) offer that is of particular importance for the destination identity, international recognition / desirability, and the destination competitiveness of the Republic of Croatia. Small family hotels in Croatia, should become engines in the process of improving the overall hotel industry which will be the main part of the economic sectors of tourism through sustainable development, which should increase economic growth, employment and the standard of the local population.

2. SUSTAINABLE DEVELOPMENT IN HOTEL INDUSTRY

2.1. Overview on the development

A development is hard to define, since it raises the question whether it represents economic growth and human well-being. In the event that the goal of the development is well-being, then it can be defined as an increase in the economic, ecological, cultural, social and political level of
life. To date, the concept of development marked the acceleration of economic growth, which caused a huge gap between countries and nations. The distribution of economic and political power among the countries determines the possibility of influence of each country on economic developments in the world. Each of them is trying to have as large as possible influence on politics, in order to become more developed than others. Some countries want to have control over raw materials, energy and goods of vital importance for human life, and through this the political control of of certain poor nations. Power consumption is linked to a large number of factors specific to each area, such as population growth, the development of science and technology, geography and others. The dependence of the energy of today's society is best proved by occasional disturbances in its delivery, which causes delays in production, and therefore large material losses. The problems of energy development can not be studied outside the context of an overall socio-economic system of a country, even outside the context of the development of international political and economic relations. The development goals of energy can not be autonomous, they have to be drawn from the development goals of economic policy. Among the many problems that humanity is facing regarding the development, the most complex problems to solve are those with new technologies that have to worry about the protection of the environment. The technology requires less and less influence of political control, but at the same time it puts people in an awkward position by increasing unemployment, since due to greater automation of work less human labor is required. Throughout history with the increase in personal and social standards neglecting of the impact of development on the environment started. This led to significant pollution of air, water, soil and atmosphere, to reduction of the forest area, and thermal pollution (Udovicic, 2004). It is obvious that the progress of civilization has brought benefits to humanity on the one hand, while on the other civilizations risks its own survival through contamination. The synergy between technology development and environmental protection becomes a priority for a safe future development. Over the past three decades a lot of practical and technical knowledge has been gathered and experience that instills optimism in thinking about the possibility of energy supply in the future and a smaller environmental impact and the man himself.

2.2. The concept of sustainable development

In the last two decades there has been an ever increasing exhaustion of natural resources which are mostly due to inefficient and poor planning, and not enough time for recovery. Population growth with resource depletion causes the faster destroying of many parts of the environment. The hardest hit areas are those of intensive production. The process of air, water, and soil pollution is constantly speeding up with population growth. Experts Club of Rome concluded that "an unreasonable use of many important natural resources with many types of pollutants have already exceeded the measure that is physically viable in nature. No significant reduction in the use of materials and energy consumption, in the following decades will come to an uncontrolled fall of the amount of food energy consumption and industrial output per person" (Črnjar, 2002, pp. 187). Correcting the huge imbalance is only possible by applying the
principles of sustainable development. Sustainable development combines economic development, social responsibility and environmental protection in order to ensure a high level of quality of life in the future. The concept of sustainable development contains a combination of scientific principles and human values. At a time when human activities began to act on natural resources, sustainability takes on social meaning and interpreted in accordance with the different interests of society or a group in society. Therefore, the concept of sustainable development must be interpreted scientifically, and not in accordance with the current interests of certain interest groups. The concept of sustainable development includes three important elements (Dragicevic, 1996, pp. 189):

The concept of development - which is not identified with economic growth as it relates to the quantitative elements of the economic system while development relates to qualitative concept of social development, which in itself includes economic, cultural and social development of the bands.

The concept of need - refers to the question of allocation of basic resources for the achievement of quality of life. The term "basic needs" is relative because what was once considered a luxury, today is a necessity in developed countries.

The concept of future generations - indicates that the essence of sustainability is reduced to the question: What are we going to leave to future generations? Future generations should not burden our development and environmental problems, and should get them to convey a better quality of ecosystems than it is today.

Our present is inevitably the past of the future generations so we have to decided today about their possibilities. We should build a society step by step, a society which is based on the individual who lives in harmony with the development of their ethical and professional awareness of the current and future significance of the environment in all its dimensions.

2.3. The concept of sustainable tourism development

Turning to sustainable tourism implies turning to high quality, responsible, selective and competitive tourism, which can be achieved if there is a balance between economic, socio-cultural and environmental aspects of tourism development (Hall and Richards, 2007). Sustainable tourism development should be implemented in the operations of all businesses in the tourism business, regardless of their size, number of employees and market position. By including in the tourism process, each stakeholder, regardless of their role in the process, should respect the principles of sustainability and ethical standards, in order to maximize the positive effects of tourism development, and reduce the negative ones. Therefore, sustainable tourism should (Central portal of the World Tourism Organization, 2005):
use environmental resources optimally as a key element in tourism development, maintaining essential ecological processes contributing to the preservation of natural heritage and biodiversity;

respect the socio-cultural authenticity of the local communities, to preserve the culture of building, life and the traditions and contribute to intercultural understanding and tolerance;

ensure long-term sustainable economic operations, providing evenly distributed socio-economic benefits to all stakeholders, including secure employment, earnings potential and social services and contribute to poverty reduction.

Management of tourism development is a complex process in which it is important to set clear goals and strategies for their achievement, but also the implementation of the monitoring and control of the entire process. When the sustainability is included in such a process it is important to reflect on this development for which the starting point and the goal will be to be a man. It is a lot more humane and balanced development, for whose implementation the cooperation of all stakeholders of tourism is required, as well as their involvement in the strategy development and decision making process. The importance of sustainable tourism development is reflected in the philosophy which is based on preserving the original identity, long-term thinking, responsibility, cooperation, partnership and providing high value for money. This enables the extension of the life cycle of tourist enterprises and increasing level of productivity and competitiveness of the entire tourist system.

3. SMALL AND FAMILY HOTELS IN CROATIA

3.1. Quantitative determinants of the offer

According to the Croatian Ministry of Tourism, based on the document of the Ministry of Tourism 'list of categorized tourist facilities: hotels, campsites and marinas in Croatia' in October 2015, indicates that in Croatia there are about 362 hotel facility of small family hotels with fewer than 50 accommodation units. Although these hotels are registered as a limited liability company, it is difficult to say whether it is a family-owned hotel, and facilities managed by the family, which makes them, in the true sense of the word, regarded as one of the small family hotels. In Croatia, there are still no official criteria for the distribution of the hotel on small, medium and large, and therefore each author uses a different criteria. The general criteria used to define small hotels as the following (Ninemeier, 2005, pp. 25):

accommodation capacity,
amount of investment,

amount of revenue,

ownership and management,

method of financing,

products and markets,

organization and employment.

According to the above, small and family-run hotels are those with up to 50 rooms, which are family owned, and whose ownership and control functions are integrated. The owner is also the manager, and he defines the concept and arrangement of the building. The offer of the hotel is partially extended in the form of wellness, restaurants or meeting rooms, and attracts mainly individual guests, and create a personalized relationship of small family hotels with guests. The organization of work in the hotel is flexible.

Small family hotels in Croatia have around 7,800 accommodation units and 15,600 beds, with the prevailing buildings of small family hotels with 3 * (53%) and 4 * (32%). At the same time, very few small hotels are categorized with 5 * (3%), while there are much more of small family hotels with 2 * (12%).

Chart 1: Hotels - structure in% to the number of stars (Ministry of Tourism, 2015).

Finally, 5.5% of small hotels categorized as aparthotel. In terms of distribution, it should be noted that, unlike the objects of family arrangements that are almost entirely oriented on coastal counties (about 67%), small hotels in Croatia, are largely located in the continental part of the country (33% of total accommodation capacity).

Accommodation capacity of small hotels are located primarily in the area of Split-Dalmatia County (25%), Primorje-Gorski Kotar (13%) and Istria (10%) and the least in Međimurje County (1%), Krapina-Zagorje County (1%), Bjelovar-Bilogora (1%) and Virovitica-Podravina (1%). Accommodation capacity of small hotels in other counties are arranged according to the following order: Zagreb (9%), Dubrovnik-Neretva County (8%), Zadar County (6%), Sibenik-Knin County (6%), Osijek-Baranja County (4%), Karlovac (3%), Belize counties (3%), Podravska (2%) and Brod-Posavina (2%).
3.2. Quantitative determinants of demand

There is no available statistical data about (registered) overnight in small hotels on the territory of Croatia.

However, based on unofficial data of the National Association of Family and Small Hotels of the
degree of capacity utilization of their State at the level of about 45% annually, one can speak of the number of overnights at around 2 million. In other words, the share of small hotels in the total output overnight hotel is at the level of about 15% (Ministry of Tourism, 2015).

3.3. Problems that include small and family-run hotels on tourist market

Before the professionalization of smaller tourist reception capacity, or private renters of rooms and suites, their inclusion on tourist market was almost undetectable and unsatisfactory, primarily because of the current share of the gray economy, unregistered guests, employees and generated revenue. Since they were predominantly offering only accommodation services, as well as the unorganized arrangements, capacity utilization was unsatisfactory and the average occupancy rate was very low. With the professionalization of those facilities and converting the small family hotels, there was an expansion of their supply and they achieved the multiplier effect (better offer, more employment, higher prices, extension of the season, better capacity utilization and higher revenue for entrepreneurs), however, their inclusion on tourist markets and the general placement took place more or less randomly, and without identified and developed strategic positioning on tourism market. One of the reasons why is the Croatian tourist offer of small and family-run hotels in a fairly big disadvantage is their appearance on the tourism market, for which it can be said that, although tourism professionals say a priori that they have beautifully constructed and decorated hotel complex, a nice aesthetic look and in addition good, high-quality and fast service, as well as a warm welcome and a warm atmosphere, courtesy of hotel staff which easily wins the confidence of the guests, they still can not achieve the target objectives, primarily the extension of the season and making larger profits.

The main obstacles to the development of small and family-run hotels can be classified into two groups:

- problems among market players (barrier to cooperation)
- entrepreneurship and human resources.

The lack of the brand:

The largest number of hotels, especially small hotels in Croatia, are independent, ie. is not holder of the brand. Brand is one way to gain international recognition. As competition intensifies, it becomes increasingly difficult to maintain its position in the market.

The judicial framework - offer is connected with a range of administrative and legal restrictions, which does not facilitate commerce and a breakthrough on the market.

Tourist policy - in the past, and now, even though the public authorities aware of the importance of tourism they still impose decisions harmful for small hotels and tourism in general (0.0 per
mill). Doubling the responsibilities of state and local public institutions and private initiatives. The current structure of the supply of small hotels, and in particular sector destined for tourism promotion is dysfunctional. Most of the criticism relates to doubling responsibility (associations, tourist boards, county, ministry) which leads to a waste of resources. The solution may be the introduction of more precise delegation of responsibility, that is, the hierarchical structure which would attributed a single body or person decision-making power in order to devise a common operating line.

Such origin of the decision-making is transferred from time to time by on county department, to organization or the external body (a manager or team of experts).

Relations on the market - emphasized individuality as a result of the competitive environment has resulted in the closure of any possibility of cooperation and skepticism towards the merger.

The biggest problem is the lack of coordination between the public and private sector because of the different modes of operation, and within both categories there is a significant discrepancy.

System Limitations:

A range of other obstacles are: a lack of entrepreneurial spirit and the participation of support structures, lack of leadership by those in charge of managing the various components of the system of the offer, the lack of "tourist culture" of hoteliers (insufficient knowledge of the mechanism of the tourism market).

The lack of change of generations - in most small hotels managerial class is usually of old age, while young people are attracted to jobs in better-paid sectors or less demanding business (mainly in foreign countries). Because of age, hoteliers are being criticized for not being innovative and dynamic.

Insufficient level of professionalism and entrepreneurship - preparation of hoteliers and their associates for appropriate promotion and commercialization of large resources of our area is very limited. This also applies to the state and local officials in charge of tourism planning and programming and all those who have a frequent contacts with the visitors (dealers, cops, ...).

As for the private sector, there is a reinvestment of income, fear of risk and too much attention is devoted to short-term planning of the hotel.

The need for qualification / training personnel - regardless of the fact that the majority of workers and hoteliers say that they've managed to modernize, and they have no need for specific courses and seminars, attitude towards this kind of offer is mostly positive, although most hoteliers do not know for them. Since the offer of courses and seminars is average, this is the indication that there is a need for better communication about diversity and characteristics of the course by the organizers.
4. SUSTAINABLE DEVELOPMENT OF SMALL AND FAMILY HOTELS IN CROATIA

4.1. Eco-certification of small and family-run hotels in Croatia

In Croatia, small family hotels which carry the eco label of small family hotels with the logo of "heart with a leaf" are recognized as objects that take the best care for the environment in their area. Croatian eco-label for tourism accommodation in the small and family-run hotels follows the structure of the European eco-label Eco-flower. Eco certificate confirms that the object is using energy rationally, and resources for work and that their verification is done by strictly defined procedures. The construction of the facility must have all the necessary checkpoints and resources to prevent energy loss. Also, the certificate relates to the sorting, classification and selective collection of waste that are generated as by-products in the process of manufacturing in the hotel.

The advantages of eco-sign for hotels are multiple:

Eco-sign indicates and proves the high quality and care of the environment.

Reducing the consumption of resources such as water, electric, energy and waste reduction, which leads to cost reduction.

Commitment to preserving the environment leads to a healthy accommodation, a healthy diet and a healthy environment for guests and employees, and therefore directly affects their satisfaction and contributes to meeting their expectations.

Eco-sign contributes to better quality services and strengthens the position on the market and distinguishes hotels that have the sign from all the others.

Small family hotels in Croatia have large, but unused opportunities for development. According to the National Association of Family and Small Hotels of 2016, small and family-run hotels that have eco-label are: Hotel Srakovčić from Karlovac (Karlovac), Hotel Vicko Starigrad Paklenica (Zadar) Hotel Savus Slavonski Brod (Brod Posavina) and hotel Bitoraj in Fužine (Gorski Kotar County).

4.2. Aspects of the introduction of sustainability in the process of small and family-run hotels

Sustainable development is a process that small and family-run hotels have to pay attention to before investing in a business venture, and during the time of the drawing up of a business plan. It is a process which entrepreneurs should take into account throughout the entire life cycle of their businesses, which is why it is important to measure the sustainability of their business plan during the five-year or some other period. A complex process such as the sustainable
development of tourism should be included in the same postulates, as well as the basic values of the company. Orientation toward sustainable development should be visible in the mission, vision, objectives and activities of the company. The importance of including the principle of sustainability in the business planning process for small tourism businesses is even greater, given that the cost of energy and other sustainable elements are smaller if they are part of the development of their own companies. Sustainable hotels are already known model of sustainable development in the world, and such a principle of development can be applied to small family hotels, as well as other small businesses in the tourism industry, such as building houses. Important issues to be seen in the planning and design of the hotel facilities, and have a focus on energy efficiency and savings include (Bohdanowicz, Martinac P., I. 2001, p. 5):

- selection of the appropriate location,
- availability of local building materials and (renewable) energy sources,
- implications on consumer behavior, provided services, total costs,
- aspect of the design.

This implies that the facility can start with a sustainable business operations from the very beginning, in such a way that the site does not distort the perspective of the environment and that the selection of the appropriate, sunny location affects the energy use of the building and the possibility of using renewable energy sources. In this phase we may additionally emphasize the aspects of sustainable business, through the using ecologically acceptable building materials, minimizing of waste material and maximizing the use of renewable energy and passive energy sources through the use of sunny and shady parts of the space. With such planning of energy efficiency all three pillars of sustainability are present: economic, environmental and social, and they should be a part of the business plan of small businesses in the tourism industry. Economics is reflected in savings that will bring energy efficiency to business, while it manifests ecologically through apparent minimizing of the impact of construction and operation of the facility on the environment. The sociological aspect of sustainability at this stage of development planning is achieved by employing local suppliers of building materials, through communication with local authorities and residents of the building plans, taking into account all aspects of the load capacity of tourist destinations in which the hotel is built. In addition to paying great attention to quality of thermal and sound insulation of its buildings, sustainable buildings are energy-efficient because of the interactive energy systems that are installed in all areas of the facility, especially in the rooms. In fact, such systems allow turning off of all devices and lights in the room when there is no one inside, as well as turning off air conditioning when opening a window in the room. To reduce the volume of their own waste, sustainable hotels and other accommodations, such as the ones in rural tourism, offer food products in bulk, in a recycling packages and they compost food scraps in cooperation with local farmers who supply the local
hotels with fresh ingredients. In this way a circle of sustained cooperation between small business owners and stakeholders of the local community is created, which allows the multiplication of positive environmental, social and economic effects. The economic benefit of such and similar cooperation tourism stakeholders enables further investment in the local infrastructure, thus achieving long-term sustainability principle. The quality of the environment will affect tourism destination and the increase of the number of guests of the facility, and the long-term compliance with sustainable principles will contribute to the preservation of environmental quality tourist destination. Hiring local labor in order to improve the local community is one of the fundamental principles that govern the operations of each of sustainable small businesses in tourism. This foundation is joined by rinciples of job security, fair income, participation in decision-making and creating a healthy working environment. Tourism officials working in such facilities are more productive and have a lower rate of absenteeism, and are due to involvement in the decision-making more committed to the realization of the principles and objectives related to the sustainability of the business hotel. The contemporary guest is highly informed and knowledgeable about all the trends in the tourist industry, including those related to sustainability. However, today there are still a lot of tourists who put their own comfort and luxury stay ahead of the sustainability, ecology and responsible travel. It is very important to educate all stakeholders in tourism on what really sustainable facility provides to its guests and therefore is important in all aspects of the tourist stay to be sustainable. Research trends in the tourist market indicate that the number of tourist accommodation that operate in a sustainable way will continue to grow, because of the increased demand of tourists staying in those kind of buildings, which respect and live the principles of sustainability. The influence of consumers in recent years has increased so much that now they have their own acronym - Scuppies-socially conscious upwardly mobile persons (Deloitte, 2009). Such consumers in tourism are eco-friendly and socially sensitive, and they want to spend their money exclusively in establishments that offer an environmentally, economically and socio-culturally acceptable solutions for a tourist stay. Research conducted in 2007 by an American Institute has shown that 19% of the population of the United States for the purchase of all goods and services take into account their health, healthy lifestyles and sustainability. Seventeen percent of consumers are guided by other principles of purchase, and the rest of consumers pay great attention to environmental protection, the use of organic products, recycling, renewable energy and staying in unpolluted area. Almost 90% of people who responded to the poll conducted among 2,000 hotel guests in the UK believe that hotels and tourism companies have an obligation and responsibility to operate in a sustainable manner that does not endanger the environment, and 54% of them want to make a positive step in reducing carbon emission during their next stay (Pavlovic, 2008, pp. 2). The results of these studies show the importance they attach to sustainability tourists when choosing accommodation capacity where they will be staying. When there is a stay of tourists in a sustainable building, the staff employed in tourism have to inform tourists about ways in which they can contribute to the achievement of sustainable development. The basic principle of all actions and measures to protect the environment must be of practical use, because none of the spectacular action would lead to success unless the teamwork has been set up and implemented
introducing guests with possible areas of savings,

educating guests on the proper disposal of waste,

open "Green advertisement" to collect ideas of guests,

build your own internal catalog of environmental protection measures, print it in several languages, and make it available to guests,

encourage the use of public transport,

popularize the use of local eco-products and publicize information on the eco-suppliers and partners,

regular guests informed about the savings achieved on the basis of the measures taken to protect the environment and to reward accomplished.

The benefits of sustainable tourism businesses can be numerous for tourists who visit such facilities are are related to the education and dissemination of information on the sustainability of the practice, which later can be practiced in the home country through obtaining new experiences and the experience of that tourist destination.

4.3. The statutory legislation

The ruling structures in many countries implement laws, provide subsidies to motivate small hotels to become sustainable. But Croatia does not have a single law dealing with sustainable business in the hotel industry. According to the Environmental Protection Act, the state provides tax incentives and the exemption of payment of fees to all the hoteliers who in any manner reduce the negative impact on the environment. In the event that the Government can not motivate hoteliers incentives, however regulatory pressure through fees and prohibition follows, if any form of business causes damage to the environment. In Croatia, according to the legal provisions of environmental protection, the hotel settles the damage that has been made, and covers the cost of eliminating the pollution. Although legislation is good enough "motivator", some hoteliers are thinking that they cost too much, because they have to hire experts to design new policies to meet ecological standards.

5. CONCLUSION

The basic problem of introducing sustainable business practices in the small and family-run hotels is still the lack of awareness of hotel management at the negative impacts that their
business have on the environment. Turning to sustainable way of doing business means preserving the resource base for future generations, and also making the best of opportunities offered in the tourism market, related to the growing needs of tourists for sustainable products and services. Sustainability entrepreneurs reduce their operating costs, become more competitive and extend the life cycle of their tourism products. To achieve even better recognition on the market, it is necessary to increase cooperation between the local population, destination management organizations, local authorities and organizations working for the protection and improvement of the environment. Hoteliers should be further informed of the benefits of the sustainable way of doing since it would attract a new clientele and thus further increase their income.

Exposed to numerous information about environmental disasters, modern tourists are becoming more aware of the effects which humans have on the environment, and sustainable small and family-run hotels should intensify marketing activities which are proving that tourism could be a business that minimizes its impact on the environment, encourages the development of local communities and is economically efficient. In order to differentiate from the competition and increase their level of competitiveness, small and family-run hotels in the tourism industry should be involved in the process of marking quality and sustainability, and this philosophy of business should be implemented in the development of their business plan.

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