

Chapter Five

Sustainable Tourism Development and Functional Management

- ✓ Marketing Management
- ✓ Human Resource Management
- ✓ Operation Management
- ✓ Financial Management
- ✓ Influencing Factors for Sustainable Tourism Development and Functional Management

1. MARKETING MANAGEMENT

▣ Marketing is a very powerful force that influences everyone in every aspect of their lives and its perspective of sustainability prevailed as:

1. Outward-looking-interpret customer segments, competitors & env't.
2. Customer-responsive based on detailed knowledge of customers.
3. Forward-looking & innovative-product dev't & determining added values.
4. Balance long-run requirements-sustaining asset base & customer needs.
5. Based primarily on perceived needs of customer segments than providers.

Potential Role of Marketing Techniques in Sustainable Tourism:

▣ Understand customers in terms of their motivations, determinants, reflecting customer-led concept of modern marketing and research on consumer attitudes towards sustainable development.

Strategies-

✓ SWOT analysis and EIA will be followed by devising strategies or generic strategies to be leader in the market:

1. Cost Leadership: producing product cheaper than competitors to sell at the lowest prices and gain more customers because of price advantage or sell at a normal price and increase the profit margin; often a short-lived advantage as other destinations come on to market with even lower cost bases and cheapness.
2. Product Differentiation: people buy it because it is different rather than because of price and it fits better with the idea of sustainable tourism through the emphasis on quality rather than price.
3. Market Focus: focus is on market manipulation (marketing mix):
 - A. People with particular interests are often less price sensitive and will pay a premium price for their desired experience.
 - B. Once identified, they can be targeted quite easily in promotional campaigns through both printed and electronical media.

IMPLEMENTATION OF STRATEGIES

▣ Once the strategy is agreed, the next challenge is implementation.

1. Product: dimension involves the following devise to ensure STD:
 - a. Developing products which are more sustainable in nature like conservation holidays, vacation packages using public transport than private cars and small-scale rural community-based tourism.
 - b. Moving away from offering products which are intrinsically not sustainable like illegal hunting trips, poor environmental standards, holidays need excess local limited supply of resources.
2. Price: Traditionally, main focus in tourism has been on low prices to encourage high volume with profits due to true cost of holiday paid by groups other than tourists; may be governments/locals funding tourism infrastructure.

Price paid by tourist has to cover full cost of their holiday and must be high enough to:

 - Ensure satisfactory experience to tourists value for money paid.
 - Provide a satisfactory level of profit for tourism industry.
 - Generate an appropriate level of benefits for host community.
 - Allow employees to be paid a reasonable salary/wage.

3. Place: encouraging trend towards direct selling by leaving out intermediaries as it often result a better price for consumer and producer but where agent is used, action should be taken to ensure the way they sell product be ethical and does not raise unrealistic expectations.
4. Promotion: the industry in its advertisements do not create expectations that product cannot live up to and can use to raise awareness of issues relating to sustainability development.

De-marketing: is relatively recent phenomenon and involves manipulating marketing mix to discourage than encourage potential tourists or inextricably linked with carrying capacity as it is impossible to de-market before determining carrying capacity. The reasons for demarketing:

- A. Peak periods-too many customers/beyond carrying capacity at a time.
- B. Places-perceived to receive too many tourists.
- C. People-felt to be undesirable due to their behavior or their low spending

ALTERNATIVE APPROACHES TO DE-MARKETING

- Promote alternative destinations where tourism development would be welcome but this might not work for the first-time visitor rather for experienced.
- Try to encourage people stay in city overnight than just visiting for day, so at least they spend more money.
- Avoid over crowding, regulate use of cars on peak days and insist visitors to use environmentally friendly modes of transport.
- Increasing car parking charges and introducing entrance fees.
- Producing brochures/placing advertisements that might publicize problems of congestion that visitors will face if they visit at peak times.

2. HUMAN RESOURCE MANAGEMENT

Service industry delivered by employees is the core of product and customer satisfaction or a function of the quality of front-line operational staff than managers. Staff play a vital role in every aspect of the delivery of tourism product as its quality is heavily dependent upon

Dimensions of Servqual

- ✓ **Access**
- ✓ **Communication**
- ✓ **Competence**
- ✓ **Courtesy**
- ✓ **Credibility**
- ✓ **Reliability**
- ✓ **Responsiveness**
- ✓ **Security**
- ✓ **Tangibles**
- ✓ **Understanding Customer**

HUMAN RESOURCES AND SUSTAINABLE TOURISM

1. Tourism can only exist if the industry can attract & retain adequate supply of good quality staff & existence of sustainable workforce.
2. Approach in which staff are being treated by supervisors and tourists are superb as sustainability is all about social equality & justice in terms of:
 - a. Creates large numbers of job opportunities.
 - b. Relatively safe with little risk from industry injury / diseases.
 - c. Provides opportunities for dynamic young people interests.
 - d. Involves high levels of contact between customers and staff.

HUMAN RESOURCE MANAGEMENT CHALLENGES IN TOURISM

- ✓ Discrimination of employees based on sex, race & disability.
- ✓ Women predominate front office & dining room but no senior positions.
- ✓ Employers frequently reject women applicants who are over a certain age and demand photos of female applicants for jobs which reveals discrimination more explicit and embedded in the culture of the industry.
- ✓ Tourism industry has poor record on employment and promotion of people with disabilities and often unwilling to take on staff over 40 years of age.
- ✓ Tourism is renowned for its poor pay & working conditions characterized:
 - Staff are often expected to work overtime for no extra money at low rate
 - Long working hours with working weeks of 50 hours or more.
 - Many staff do not receive adequate breaks during peak seasons.
 - Trade union membership is not permitted in many tourism industry.
 - Seasonality and casual labor is not guaranteed permanent, steady and regular income where staff have little commitment due to no clear career path.

Management Styles of Sustainable Human Resource

1. Ad hoc/unplanned recruitment
2. Little or no interest in why staff leave/resign
3. Recruitment to 'plug gaps' with no preparatory training
4. Key staff imported from outside than being developed from local
5. Staff perceived as a cost than an asset
6. Authoritarian approaches
7. Inflexible imposition of corporate cultures

TOWARDS MORE SUSTAINABLE HUMAN RESOURCE MANAGEMENT

1. Human resource management in tourism should have strong moral dimension where pay and working conditions are improved.
2. The need to plan human resources on a long-term basis.
3. Career planning and making criteria for promotion of known staff.
4. Key staff should be grown and developed locally by employers.
5. Full senior management commitment to training and education.
6. Democratic and participative management approaches & cultures.
7. Recognizing link b/n human resource management and quality.
8. Employers must accept a sense of responsibility towards locals.
9. Organizations should see their employees as asset and faith in.
10. Clear legislation on discrimination, wages, working hours & union.
11. Role for educational institutions in providing courses which are closely geared to needs of tourism industry and equal opportunity.
12. National and local tourist boards should devise human resource management strategies for their areas and encourage development of sustainable work force management.

3. OPERATIONS MANAGEMENT

- Management of tourism operations (3 A's) have significant implications for sustainability as day-to-day management basis determine sustainability.
- Operations management covers every aspects of operational management.
- Goal of operations management is smooth and efficient operation.

ENVIRONMENTAL PRACTICE:

- ✓ Here are some Environmental Management Systems:
1. Recognition of nature of issues, problems and opportunities surrounding environmental impacts & sustainability before action.
 2. Refuse to engage tasks when they are environmentally damaging.
 3. Reduce levels of usage by using better portion to control waste .
 4. Replace products/producers with more environmentally friendly way.
 5. Reuse materials wherever possible to do so.
 6. Recycle materials wherever reuse is not an option.
 7. Reengineer/changing traditional management and operations.
 8. Retrain staff to help them behave in environmentally friendly manner.
 9. Reward staff who perform well pertaining to environmental practices.
 10. Reeducate the tourist so that they modify their behavior.

PURCHASING POLICIES

- ✓ Major aspect of operations management is purchasing wide range of goods & services required by the organizations with purchasing policy of:
 1. Possibly supplies should be sourced locally to maximize economic benefit & reduce the need for transport and energy consumption.
 2. Providing the most environmentally friendly products available.
 3. Purchase supplies from good environmental management systems.
 4. Aim should be to minimize resource use, cost & creation of waste.

4. FINANCIAL MANAGEMENT

- ✓ All tourism organizations & developments have financial objectives that no long-term future unless they are not meet properly.

INVESTMENT APPRAISAL

- ✓ Many capital projects in tourism are viewed by potential investors as relatively high risk in relation to residential property due to:
- ❖ There have been a number of well publicized failures and economic crisis in the attractions sector.
- ❖ Tourism developments are highly specialized, inflexible and cannot easily be adapted for new uses.
- ❖ Huge new tourism project proposals are not evaluated in terms of their true costs to society as a whole.
- ❖ Investors tend to get their money back quickly to balance the risk by emphasizing on short-term gain that forces organizations to behave in non-sustainable ways to exploit resources with little thought for the future.

COST REDUCTION AND SUSTAINABILITY

- ❖ Many tourism organizations seek to meet their financial targets by rationalization & cost reduction but may be odds to sustainability.
- ❖ Cost reductions usually mean cutting staff, reducing salaries/increasing productivity by making work harder.
- ❖ Any cost reduction can cost employees their jobs/reduce multiplier effect of the organization in the local economy as well reduce the quality of staff become demoralized & less enthusiastic to jobs.
- ❖ Cost reduction means trying to extract lower prices from suppliers that in turn make it harder for suppliers to sustain their enterprise.
- ❖ Training is often one of the first victims of cost reduction strategies which affect the long-term sustainability of the business.
- ❖ General maintenance may be cut that ultimately shorten life of the organization/whatever else is denied regular maintenance.

Influencing Factors for STD and Functional Management:

Key challenges for sustainable tourism Development

1. Managing dynamic growth
2. Climate change
3. Poverty alleviation issues
4. Support for conservation
5. Health, safety and security
6. Government policies and plans:
 - A. Strategic development factors
 - B. Location/ geographical factors
 - C. Performance and impact factors
 - D. Relevance to target markets

Tools of Sustainable Tourism Development

- Land use planning and development control.
- Development regulations and legislations.
- Provision of the right infrastructural development.
- Accessibility/transportation improvement.
- Conducting SWOT and market analysis
- Environmental impact assessment and auditing.
- Using locally produced environmentally friendly products.
- Quality and customer care.
- Human resource management capacity building.
- Supply chain management enhancement.
- *Visitor management and awareness.*
- *Carrying capacity assessment.*
- *Surveying resource potentials and challenges.*