

Do German tour operators acknowledge their responsibility for destinations?

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Agenda

1. Introduction
2. Theoretical background
3. Methodology
4. Case study
5. Results
6. Conclusion
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1. Introduction

Problem formulation

- Corporate social responsibility is a major contemporary issue
 - Financial, environmental and social performance is crucial for success
 - Companies create actions to become responsible
- Significance of tourism industry is growing
 - Continuous growth → About 1.1 billion international arrivals in 2013
 - BUT: Growth does not always provide advantages
 - Various social, economic and environmental impacts on destinations
- **Social responsibility becomes crucial**

1. Introduction

Problem formulation

- Tour operators → Decide on products → Need to take action
- BUT: Industry is late in CSR acknowledgement
- Actual research and approaches still at an early stage
- Vital to reveal how to take responsibility for impacts at destinations

→ **How do German tour operators perceive and tackle corporate social responsibility in their destinations?**

2. Theoretical background

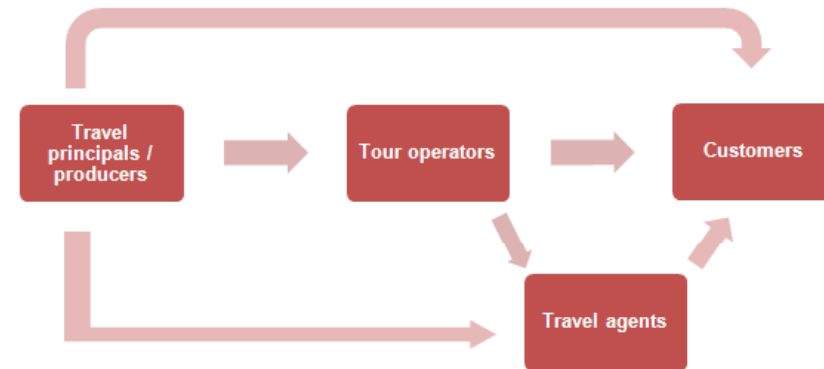
The conceptual framework of CSR

- Complex but strongly evolving concept
- Simple form → Corporation's responsibilities towards society
- Retractable to beginnings of 20th century in USA
- Voluntary, enduring actions to reduce negative environmental and social impacts by interacting with diverse stakeholders
- Strategic CSR → Combining initiatives with company's strategy to achieve maximum benefits for society and business
- Germany
 - Slowly emerged since 1990s
 - Now: Holistic focus and strong recognition of concept

2. Theoretical background

CSR in the tour operating industry

- Tour operators → Intermediaries
 - Assemble and create products
 - Influential role on destinations and their well-being
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- Germany: Significant role
 - Tourists prefer tour operators in booking process
 - Steadily increasing industry



Source: Holloway, Humphreys and Davidson, 2009

2. Theoretical background

The importance of CSR in tourism

- Tourism
 - Significant industry worldwide
 - Positive effects: Employment, contribution to economic power
 - Negative effects: Economic leakages, degradation of resources
- Importance of CSR developed to preserve destinations
- Tour operators → High responsibility to tackle negative impacts
- BUT: Late appreciation of CSR despite benefits and options
 - Only since 2000s: Increased actions
 - Often focus on environment only
 - Often pursue ad-hoc or non-strategic actions

2. Theoretical background

Hypotheses development

- H1: General awareness for CSR by German tour operators for the destinations exists
- H2: CSR activities are implemented to increase destinations' well-being but often the main focus is on the environment
- H3: Instead of having a long-term focus, often ad-hoc actions are practiced
- H4: Actions are not strategically aligned towards the core business
- H5: The importance of partnerships with stakeholders for meaningful actions is seen

3. Methodology

Research design

- Exploratory, qualitative research → Gain new insights on operators' behaviour at destinations
- Technique: Case study → DER Touristik GmbH in Sri Lanka

Data collection

- Secondary literature
- Participant observation
- Expert interviews

4. Case study

Country information – Sri Lanka

- Developing island in South Asia
- Unique biodiversity and many attractions
- Tourism industry
 - High contribution to GDP and employment
 - Steadily increasing tourism numbers
 - Germany is a major market
- BUT: Not only positive effects → Environmental degradation, economic leakage, social problems
- **Sustainability and sustainable actions are necessary for long-lasting tourism**

4. Case study

Company profile – DER Touristik GmbH

- Touristic branch of German player REWE Group
- DER Touristik → New umbrella brand founded in 2013 to market sales divisions and six tour operators
- Main German tour operator since 1995
- BUT: High competition by leader TUI and Thomas Cook
 - Same market share (13.1% in 2012) as Thomas Cook
 - Second leader in guest numbers → Much impact on destinations
- **Responsibility to show sustainable actions**

5. Results

CSR concept at DER Touristik

- Anchored in philosophy as tourists experience a destination
- Start of CSR in 1990s and holistic focus since 2000
- Global and destination specific actions for Sri Lanka since 2004
 - Global actions: Sustainability team, brochures on environmental actions for hotels and customers, fight against child prostitution
 - Local actions: preschools, brochures to conserve World Heritage Sites, current project with education material to increase children's knowledge
- Company acknowledged overall importance for Sri Lanka by regarding not only environmental but especially social aspects
- **BUT: New umbrella brand → CSR may not be most important factor for company**

5. Results

Socially responsible approach

- Consistency and long-term orientation is necessary for significant and effective results → Investment into education and continuous creation of new projects
- Global activities connected to tourism → Core business
- Local actions
 - Sometimes non-strategic actions
 - BUT: Could increase development level of country
 - Indirectly aligned to core business → Increasing education level can increase possible career opportunities in tourism

5. Results

Stakeholders

- DER Touristik
 - Different partnerships in Sri Lanka
 - Connections are vital for ability to implement activities
 - Awareness to have established networks and presence at destination exists
 - BUT: Integrating networks for information often done late
- External stakeholders
 - Company's actions valuable for Sri Lanka
 - BUT: Governmental regulations hinder implementation in education system
- **Seen importance of networks BUT: Underestimation of power and late consultation in process**

6. Conclusion

Limitations

- Case study → Information is company and destination specific
- Case demonstrated significance of CSR
- BUT: Other destinations (developed regions) and other tour operators (SME's) could deal with and perceive CSR differently
- No generalisation possible
- BUT: Indication that CSR “arrived” in German tour operator market

6. Conclusion

Answer to research question

- DER Touristik → Necessity for CSR in Sri Lanka is mostly seen
- BUT: Might not be most essential factor (Umbrella brand)
- Pursued environmental and social actions as literature demands
- Enduring actions are practiced to sustainably support tourism destinations
- Most actions aligned to core business → Destination vital for tourism product
- Importance of networks is mostly understood → Seen as vital but used late

6. Conclusion

Recommendation and outlook for further research

- Clearly position significance of CSR within company
- Consider environmental and social aspects for lasting wellbeing
- Adapt projects from ad-hoc to long-term oriented projects
- Try to establish initiatives based on core business → But: Other areas could indirectly increase benefits at destination
- Use networks frequently and at an early stage

 **Necessity of CSR is acknowledged and practiced to a great extent by DER Touristik but further improvements and research are necessary**

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Questions? Comments?

Thank you for your attention!

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