The Challenges for Tourism SMEs

Improving European Destination Competitiveness

The Challenges for Tourism SMEs: Improving European Destination Competitiveness

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GLOSSARY

ACORN : Association of community organizations for reform now
AER : Association of ecotourism in Romania
ANTO : Austrian national tourist office
AWS : Arbeitsgemainschaft Wirtschaft und Schule (Austria)
ATCR : Romanian association for knowledge transfer
BMWFJ : Federal Ministry of economics and labour (Austria)
BPM : Business process management
BRC : British retail consortium
BSC : Balanced scorecard
CAP, BEP, BTS, CQP : vocational school degrees in tourism (France)
CGT : Commissariat général au tourisme (Belgium)
CIP : Competitiveness and innovation framework programme
CNAM : Conservatoire national des arts et métiers (France)
COR : Classification of occupations in Romania
CRICOM : Criteria of competitiveness
CRM : Customer relations management
CRT : Comité régional du tourisme (France)
CSR : Corporate social responsability
DMO : Destination management organisation
DNA : Desoxyribonuclenic acid
EBAE : European business awards for the environment
ECAP : European programme for sustainable and competitive SMEs
ECTS : European credits transfer system
EDEN : European destinations of excellence
EETLS : European ecotourism labelling standards
EIM : Executive interim management
EMAS : Eco-management and audit scheme
EU : European Union
F & B : Food and beverage
FIHR : Romanian hotel industry federation
FOREM : Walloon office of professional training and employment (Belgium)
FTE : Full time equivalent
GDP : Gross domestic product
GNP : Gross national product
GPP : Green public procurement
GSTC : Global sustainable tourism council
GTZ : Hospitality-tourism association at chamber of commerce (Slovenia)
H&S : Health and safety executive
HACCP : Hazard analysis and critical control points
HCR : Hotels cafés and restaurants (France)
HHPM : Holistic hotel performance model
HOTREC : European association of hotels, restaurants and cafés
HR : Human resources
HUF : Hungarian currency ; 1 € = 269 Huf
ICT : Information and communication technologies
IFS : International food standard
IFT : Institut français du tourisme
ISCED : International standard classification of education
ISO : International standardization organisation
INSEE / Institut national de la statistique et des études économiques (France)
KOSGEB : Under secretariat of foreign trade and Eximbank (Turkey)
KPI : Key performance indicator

LED or DEL : Light-emitting Diode
MSE : Social and economic management
NA : not applicable
NACE : European nomenclature of economic activities
NAT : National authority of tourism (Romania)
NC : Nomenclature of qualifications
NGO : non-governmental organisation
NTA : National tourism association (Slovenia)
OGUT : Austrian society for environment and technology
OECD : Organisation of cooperation and development in Europe
PEPS : Performance evaluation practices
PPP : Public private partnership
ROCE : Return on capital employed
ROI : Return on investment
RON : Romanian currency ; 1 € = 4,4 Ron
SA8000 : Social accountability standard
SBA : Small business act
SME : Small and medium enterprise
SMQ : Quality management system
SNAV : Syndicat national des agences de voyages (France)
SOTA : State of the Art
SPES : Association for projects for the renewal of structures (Austria)
STB : Slovenian tourism board
TBL : Triple bottom line
TESK : Confederation of tradesmen and artisans of Turkey
TIES : International ecotourism society
TSA : Tourism satellite account
UCG : Unione dei Comuni della Gallura (Italy)
UNEP : United nations environment programme
USP : Unique selling proposition
VAT : Value added tax
WEF : World economic forum
WIFO : Austrian institute for economic research and statistics
WTO or UNWTO : World tourism organisation
WTTC : World travel and tourism council

Introduction

Europe is a continent inhabited by more than 500 million people[1], where thousands of years of history have shaped a mosaic of different cultures, communities and languages within a relatively limited area. Compared to the collective imagination of other continents, the European imagination seems to be less orientated toward the quest for open spaces and more toward seeking one's identity through a connection with one of these many places, climates or heritages. Each village, valley and area is closely associated with a particular, often unique identity. Globalisation has disrupted this phenomenon, while at the same time opening the horizons of these communities to previously unknown possibilities. Imagine, twenty years ago, the reaction of the people of the Morvan mountains to the very idea of having delegations of Russians, Chinese or Brazilians visit their newly-inaugurated *Musée de Biberacte* or *Musée du Septennat* in Château-Chinon! Europe has undergone profound changes in the last two decades. The countries of the Warsaw Pact experienced a Springtime of the Peoples which overturned the Socialist regimes and threw off the 'fraternal' yoke of Moscow, which had become heavy and often repressive. Most of these countries have since entered the European Union, whose actions are judged by some as being liberal or even free-trade. Twenty years of radical upheaval in the political and economic balance have continued– in spite of the inevitable oversimplification of the matter – to build at least a typology of European countries.

The three faces of Europe

The first European stereotype is the Anglo-Saxon, often Scandinavian type; these Protestants, partial heirs to the Hanseatic cities, are immersed in wet oceanic or harsh continental climates. Their allegiance to liberalism is commensurate with the rigour of their winters. The citizens of this Europe have developed the habit of regularly escaping from their cold, grey horizon, and this “escape” takes on several forms. During periods of economic growth, as in the 1990s, international travel became an integral part of the identity of this first Europe, reinforced by the liberalisation of the European sky and the appearance of low cost air travel companies.

The second European stereotype is, of course, the Mediterranean type, so admirably described by Fernand Braudel; this type is marked by the history of the great monotheistic religions and built on the vestiges of the classic civilisations — Greek, Phoenician, Roman and Arabo-Muslim — passed down for all eternity. This is the

[1] Figures from the presentation of Mr. John G.C. Kester, Programe Manager, Tourism Trends and Marketing Strategies, "2011 International Tourism Results and Prospects for 2012", UNWTO News Conference HQ, Madrid, Spain, 16 January 2012.

region to which visitors flock from all over the world to admire “Old Europe”: that of age-old stones, clear turquoise waters (although these are becoming increasingly polluted) and landscapes of colours befitting the works of Picasso, Renoir, Matisse or Nicolas de Staël. In this second Europe, tourism has left its mark (and, let us be honest, sometimes its curse) on every street, path and house; or very nearly. Hotels, restaurants, shops and even temporary stands on beaches or in car parks contribute massively to the local economic activity. In this Europe, tourism has become the leading industry, the leading employer and a guarantee of lasting economic activity. Tourism is also the principal influencing factor on other economic sectors, such as building and public works.

The last stereotype could have been considered, up to a few years ago, as the third way, that of a Europe by default, because the west of the continent was obliged to include in its organisation countries that had never known liberty or democracy. We can recall tensions on this subject marking the Franco-German alliance during the mandates of President Mitterrand and Chancellor Kohl, to which Great Britain's almost isolationist and Atlantist position immediately following the Margaret Thatcher period added its grain of salt. Today, the countries of the ultimate Europe show the strongest economic growth. They attract multinational corporations, most notably in the IT and communications industry, but also in transport, logistics, retailing and distribution. These firms are attracted by the extremely competitive tax systems; a labour force that is often qualified, polyglot and still on low wages; and large consumer populations showing the emergence of a new middle class with increasing income. This is the touristic Europe with the strongest rate of growth over the last twenty years, both in terms of consumer numbers and of volume of consumption.

When Europe finally considers tourism

Heterogeneity is characteristic of the entire territory of Europe, as longitudes and latitudes are drawn between the Atlantic and the Ural (or very nearly), between the Arctic and the Mediterranean. Europe owes a multitude of its natural, historic and cultural treasures to the great variety of its coastlines, emphasised by the presence of high mountain chains. It goes without saying that these predispositions enhance its attractiveness to tourists. It has repeatedly been said that Europe remains the foremost tourist market in the world, in spite of the increasing competition from Asia. 5 to 6 million jobs directly depend upon it. Europeans represent the primary client category of European tourism: 76% of Europeans who take holidays choose European destinations. Each year, a typical “holiday” budget is an average of nearly €2,200 (United Kingdom: €2,500; Germany: €2,200; France: €1,900; Spain: €1,700; and so on). The quality of tourism infrastructure is the most important criteria in their choice of destination, and relaxation their foremost activity (Ipsos, 2009). Nevertheless there is a common factor among them : the free circulation of men and goods. This is due to the Schengen agreement initiated in 1985 and later institutionalized in 1997 by the Amsterdam Treaty wich was signed after by a large majority of State members. The right of EU citizens and their families to travel and stay freely within the Schengen area was undoubtedly a factor of continuing progression for intra-European tourism and for the industrialisation of economic sectors (directive 2004/38/CE of the European Parliament and of the Council of 29 April 2004).

Through the Lisbon Treaty in December of 2007, the European Union discovered an aptitude in matters of tourism that it seemed not to have realised previously. Tourism is listed among the "support, coordination or complementary competencies" of the action of the States of the European Union. Developing cooperation, especially through the exchange of good tourism practice, has become the objective of the "Enterprise and Industry" Directorate General of the European Commission. In this perspective, the Commission launched a call for projects during the summer of 2010 to build a network of knowledge and observation of the economic competitiveness and the sustainability of small to medium-sized businesses in the tourism sector on a continental scale.

It must be said that economic networks of small to medium-sized businesses is a characteristic of each of the member States of the European Union. In 2005, there were 19.6 million small to medium-sized businesses among the 27 member countries of the EU (compared to 40,000 large businesses), employing 85 million people (41.7 million in large businesses) providing an added value of €3,090 billion (€2,270 billion produced by large businesses) and a per-employee productivity of €36,400 (€54,400 in large businesses) for that year. Other publications observe 23 million businesses, or 99% of the total number of European businesses, and 75 million employees (Eurostat, 2006, 2008). As is often the case, information from statistics databases can be unreliable. The European Union proposes several homogenised criteria to qualify the small to medium-sized businesses in the European Community. When taking into account the number of employees, turnover and profit of businesses, three categories of small to medium-sized businesses appear: micro-enterprises (< 10 employees, turnover < €2 million or balance < €2 million), small businesses (< 50 employees, turnover < €10 million or balance < €10 million) and medium-sized businesses (< 250 employees, turnover < €50 million or balance < €43 million). The number of micro-enterprises represents approximately 92% of all European businesses, small businesses 7% and medium-sized businesses 1% (for 0.2% of large businesses).

Knownet, a multiplicity of ambitious but realistic partners

The team of the National Conservatory of Arts and Crafts (Cnam), and especially the Cnam tourism department, was chosen as the pilot organisation for the constitution of a knowledge and observation network with seven European partners (Austria, Belgium, Hungary, Italy, Romania, Slovenia and Turkey). This organisation will carry out the methodical task of identifying and establishing common criteria for the evaluation of the economic, social and environmental performance of small to medium-sized businesses in the tourism sector. The partners are extremely diverse, both in their status (public or private establishments of training and research, private consultancies and engineering firms, territorial authorities) and in the countries that they represent (in terms of demographics, macro- or micro-economic data or the priority that tourism represents in their economic and/or employment dynamics).

Resisting the temptation to be too French…

There might be fears lest our work become a panegyric of France as a tourist destination, which seems to be a trademark of French culture. France is indeed the world's leading tourist destination, but this is only a statistical fact and does not give France any special rights. The country's recent economic "performance" is good reason to adopt a modest attitude. Of course, the French economy, and in particular its trade balance, have for many years been sustained by tourism-related business. This was already true in the 19th century. Tourism is undoubtedly one of the last "industrial" activities that continue to exist in France. Its structural organisation is on the whole that of an extremely dense network of small and medium-sized enterprises (SMEs), some of them very small indeed (hotels and B&B establishments, travel agencies, taxi services, etc.), to be found all over France, in every region, every municipality, every street. The challenge here in France is one of size: how to ensure that these enterprises (more than 200,000 of them) remain viable in an increasing competitive European and global environment, and adapt to the present and future demands of the market (in terms of organisation, modernisation, technology, professional skills, etc.). It is estimated, for instance, that a third of small hotel owners will retire in the next ten years. This is a major issue in economic terms, but also in terms of regional development, since in a number of French *départements* tourism accounts for more than half of all economic activity. Tourism constantly and pointedly raises the issue of the often complex relationship between the public sector ─ from central government to the various regional and local authorities which legislate on, define and manage projects of differing sizes and ambitions ─ and the private sector, which symbolises local dynamism, market vitality and the capacity to welcome both a domestic and international clientele.

… but drawing strength from the diversity of our partnership

The Knownet project should add considerably to our initial thinking, which was to some extent intuitive. The tourism sector in Europe is not a single entity, but an amazing mosaic of markets, dynamics and talents. The contributions of the various partners are very valuable in this respect.

The methodology adopted has enabled each of the project members, throughout 2011, to draw up a balance sheet of its tourism sector from a number of specific points of view (economics, sustainable tourism, training and professional skills). This is the purpose of the first part of this report. The situations do not make for easy comparisons, for example between Slovenia and Wallonia, or between Romania and Sardinia. Nevertheless, the analyses that have been made ─ we hope objectively ─ show just how important it is to take stock. Tourism lies at the heart of economic and regional dynamics, because it is the business of hundreds of thousands of enterprises, many of them very small, which employ millions of people. And these are people for whom ─ as we have frequently found in the course of the almost two years of this project ─ access to the labour market is very difficult, for reasons determined by the general deindustrialisation of Europe or by the isolation of certain regions. Some problems are common to all: the level of qualification of employees, the need for professionalism, the influence of factors which can no longer be avoided in the tourist business (use of technology, labelling, etc.), and customer relations (ageing of the population, greater awareness of quality issues, etc.).

Two surveys were carried out in the first half of 2012 and are the subject of the second part of this report. The first, “global” in scope, is a “Survey (addressed to company directors/business owners) on the competitiveness of European SMEs operating in the tourism sector”. The aim of the survey was to assess current trends in the European tourism sector. With this in mind, we need to understand the organisational structure, management practices, human resources policy and approach to quality of the enterprises concerned. The questionnaire was available on line for several weeks and was distributed in particular through many consular networks and professional federations. Several hundred business owners replied, which enabled us to draw a more accurate picture from the straightforward data concerning their businesses (sector of activity, legal status, turnover, etc.), their employees (educational qualifications, geographical origins, languages spoken, in-service training courses attended, etc.), their products and marketing activities (best-selling products, distribution channels, number and origin of customers, etc.). The survey also shed light on the way European tourism entrepreneurs view their markets (local destinations and competition) and investment strategies (sector, amount, sources of funding, etc.), and labelling practices, especially in relation to the environment. The second survey, more “specific”, was the result of individual interviews conducted at workshops organised by the project partners. Entrepreneurs were invited to reflect on a number of set topics (competition on destination, funding, ICTs, management and organisation, products, sustainability). Of course, these topics tended to be of greater or lesser importance, depending on the regions concerned. Participants had complete freedom to express their opinions and the quality of the debate was often exciting. As a result, the key ideas presented in this report are particularly interesting when it comes to creating a European network of excellence for observing the competitiveness of the economic operators in this sector, in particular SMEs.

Following these interviews, and the more detailed knowledge of tourist regions and activities gained from them, the project partners carried out case studies during the summer of 2012. The aim was to present what seemed to the Knownet team to be some of the best practices being implemented in Austria, Wallonia (Belgium), France, Hungary, Sardinia (Italy), Slovenia, Romania and Turkey. Just two or three examples were selected in the case of each partner, so the choice was inevitably subjective. Each of the enterprises presented is relevant, in particular in representing a field identified as a competitive niche for tourism-related SMEs operating in Europe. The enterprises studied are mostly hotels and establishments offering accommodation, typical of the weighting of the sector in the European economy. Other sectors were also touched on: regional agencies, travel agencies and tour operators, for example. We wanted in some cases to get off the beaten track and away from the hackneyed examples presented by the often abundant European literature on “sustainable tourism”. This is the purpose of the third part of this report.

The Knownet partners then worked in September 2012, particularly during their final seminar in Budapest, to determine competitiveness criteria for SMEs operating in the tourism sector in Europe. The material available was plentiful, the ideas even more abundant. We needed to be able to summarise, and inject a dose of realism, in order to devise an appropriate common framework for assessing the competitiveness of European enterprises operating in the tourism sector. This work is the subject of the fourth part of the report, which first presents external and internal competitiveness

criteria for each of the partners, then analyses the criteria shared to a greater degree by all (funding, human resources, information on modernisation, marketing, quality of products and services, sustainability).

After two years' work, these criteria may legitimately be adopted as those which correspond best (the more critical may substitute "least badly") and most objectively to the economic, social and environmental performance of SMEs operating in the tourism sector. Because they come from the grass roots, because they bear witness to the Europe's extraordinary touristic wealth, because they represent the extreme diversity and particularity of European circumstances, both at the macroeconomic level and at the level of enterprises and their employees.

STATE OF THE ART

IN THE 8 COUNTRIES OF THE KNOWNET PROJECT

Hereafter is the "state of the art" of tourism SMEs in the 8 participating countries or regions.

These surveys are presented in alphabetic order :
Austria,
Belgium/Wallonia,
France,
Hungary,
Italy/Sardinia,
Romania,
Slovenia,
Turkey.

SUMMARY OF THE STATE OF THE ART IN THE PARTNER COUNTRIES

1. *"Patchy" data*

We are bound to note that the tourism statistics presented by the partners in the Knownet project are generally disparate, incomplete and imprecise. This may seem surprising, given that the international statistical methodology for "tourism satellite accounts" instigated by the United Nations through the World Tourism Organisation (WTO) now exists as a global point of reference. Nevertheless, whether considered from the point of view of the "demand" for tourism or from the "supply" side, these data are concerned mainly with large macro-economic aggregates. The standardised international data reflecting the demand for tourism are concerned primarily with the physical flows of visitors, expenditure and consumption. Statistics for international tourism are in fact often more precise than those for national (domestic) tourism. Where supply of tourism services is concerned, the main criterion adopted is the classification of tourism products and activities. The variables that characterise countries' tourism industries are taken into account, in particular gross added value, gross fixed capital formation and employment figures.
These few fundamental notions emphasise the fact that the economic data for tourist activity in each of the countries considered by the Knownet project are, to say the least, patchy. Statistically, it is often easier to analyse international tourism than its national counterparts. And when very detailed analyses are made, significant differences may appear in the statistical findings, including those published by Eurostat.

Taking due account of these reservations, the realities of the tourism sector differ very considerably in the eight countries involved in the Knownet partnership.
From a demographical point of view, three of them may be regarded as major powers (France, Italy, Turkey) with populations of between 60 and 75 million; four as medium-ranking countries, with between 8 and 21 million inhabitants (Austria, Belgium, Hungary and Romania); while Slovenia is a small country with a population of barely two million.
Where the intensity of tourist activity is concerned, four of our countries rank as major tourist destinations (Austria, France, Italy, Turkey), with annual arrivals of between 20 and 80 million tourists from abroad. Belgium and Hungary are middle-ranking destinations, with arrivals of between 7 and 8 million, while Romania and Slovenia have not yet experienced the rigours of mass tourism, each receiving fewer than 2 million visitors per annum.
The ratio of the number of foreign tourists to every 100 inhabitants shows how deceptive statistics can be: Austria (275) and France (133) are the two countries with the highest levels of international tourism intensity, followed by Slovenia (87), Hungary (86), Italy (74) and Belgium (66). Meanwhile, Turkey (29) and Romania (7) rank lowest according to this criterion.
Tourism's share of the national economy is presented by the World Travel and Tourism Council (WTTC) using two common indicators (even though the tourism

activities taken into account by each indicator may differ from country to country): the tourism industry's share of GDP taking into account direct activities only, and its share of GDP taking into account both direct and indirect activities. Applying the first of these indicators, direct tourism activities in Austria, France, Italy and Turkey account for between 4 and 5% of GDP, as compared with 2 to 3% in Belgium, Hungary, Romania and Slovenia. However, quite a different picture emerges when indirect activities are also taken into account: tourism's share of GDP is between 10 and 14 % in Austria, France, Slovenia and Turkey, between 6 and 9% in Belgium, Hungary, Italy and Romania.

2. *Tourism is the business of small, and above all very small, enterprises*

The data for enterprises operating in the tourism sector are also open to question. The approaches of the six countries and two regions that fall within the scope of the Knownet study are in fact so different that we might do better to talk in terms of "orders of magnitude", rather than precise figures.

Let us begin with numbers. It emerges very clearly that two of the countries analysed, Turkey and France, have very large numbers of tourism-related enterprises: 420,000 and 220,000 respectively, giving ratios of 5.6 and 3.7 enterprises per 1000 inhabitants. The figures for Austria and Hungary are 56,000 and 52,000 (ratios of 7 and 5.2 respectively). Finally, Romania and Slovenia, with around 6,000 and 350 enterprises (ratios 0.3 and 0.2) are closer in terms of the number of enterprises to the Belgian and Italian regions included in the survey: Wallonia (1,350 enterprises, ratio 0.4) and Gallura in Sardinia (800 enterprises, ratio 5.3). Entrepreneurial intensity varies depending on the area concerned.

The second factor to consider is that, in all these countries and regions, almost all tourism activities are performed by SMEs. In no country do SMEs account for fewer than 98% of the total number of businesses active in the tourism field. In Austria and Hungary, for example, 99.8% of the enterprises involved in tourism are SMEs, with micro-enterprises (< 10 employees) accounting for more than 90% of the total.

3. *A small-scale tourism-related enterprise is typically a restaurant or hotel*

Considering tourism in Europe generally, and in the countries and regions covered by the Knownet project particularly, means focusing on tourist destinations which receive not only visitors from abroad but also a local clientele. This is why the economic fabric of local enterprises depends more on the reception than on the emission of tourists. There are very few large-scale enterprises (> 250 employees), apart from some major hotel chains or large travel agencies, and these tend to specialise in business travel. The best-know European "brands" in the tourism sector are in many cases represented by subsidiaries or franchises with a legal status whereby they are treated as SMEs. Travel agencies and tour operators are in a minority; the majority of tourism-related enterprises are concentrated in the hospitality sector (restaurants and hotels). In Austria, for example, catering (59.4%), the provision of accommodation (26.2%) and leisure pursuits (9.4%) are the three dominant activities. And the same general picture emerges in all the other countries involved in the Knownet survey.

4. *Many jobs, but largely for unqualified workers, most of them female*

SMEs operating in the tourism sector inevitably employ large numbers of people. If we analyse the number of jobs directly generated by the tourist industry, the figures are as follows: Austria 250,000, Belgium 122,000, France 1.5 million, Hungary 170,000, Italy 1 million, Romania 300,000, Slovenia 28,000 and Turkey almost 700,000. The figures for jobs connected with tourism (direct and indirect) are of course higher: Austria 700,000, Belgium 400,000, France 3.4 million, Hungary 250,000, Italy 2.5 million, Romania 600,000, Slovenia 110,000 and Turkey almost 1.7 million.

It may be interesting at this point to consider a ratio sometimes used in this context: the number of jobs in the tourist industry per every 100 visitors from abroad. The relevant figures are: Austria 3.4, Belgium 5.7, France 4.1, Hungary 2.8, Italy 5.7, Romania 38, Slovenia 6.5 and Turkey 7.45. The case of Romania is atypical, because the industry relies principally on domestic tourism, and this shapes the local economy in a way that for the time being is not outward looking. This ratio may be usefully supplemented by another statistic noted by some economists: one permanent job is created for every 10,000 tourists visiting a tourist site or attraction.

Here are some further data relating to jobs in the tourist industry. Generally speaking, 80% of such jobs are regarded as unskilled. This means that, overall, employees in the tourist industry are over-qualified for the jobs they do, even though many enterprises do not believe having a diploma is any real guarantee of professional competence. Incidentally, the number of employees in the tourism sector who have benefited from higher education, public or private, is above 25% in Belgium (40%), France (33%), Hungary (25%) and Slovenia (26%).

The fact that so many employees are overqualified for the jobs they do largely explains the high turnover rate: the average time spent working for a tourism-related enterprise is fairly short. In some cases, it is reckoned that the annual turnover rate for salaried staff is a high as 20%, without taking into account the precarious nature of many jobs, as observed in the eight countries and regions, due to the massive influx of seasonal workers into SMEs at times of intense activity (the summer season at seaside resorts between June and September, the winter season in mountain ski resorts from January to March). The average duration of employment in some SMEs is also quantified (from 5 to 8 years), though not in the case of micro-enterprises and small family businesses, where the transmission of a business from one generation to the next is still a striking phenomenon.

Finally, it is worth noting that most of the people employed in tourism tend to be young and female. Part-time employment contracts are another feature of the European tourist industry. Finally, many entrepreneurs in this sector also engage in a second occupation (agriculture, craft activities, providing services for public authorities, e.g. transport), to give them a second source of income when times are hard (the impact of the 2008 crisis is still having negative effects on “tourist consumption”).

5. *Plenty of training provision for tourism, but not sufficiently geared to small enterprises*

An inventory of training provision in the partner countries and regions reveals that in Europe it is not difficult to access training, leading to employment in the industry. The principal flows are those of students following practical courses in the hotel and catering sectors with a view to securing unskilled jobs. Many enterprises take on apprentices: more than 15,000 young Austrians, and more than 100,000 young Frenchmen and women, are gaining experience by working with experienced professionals, thereby acquiring the skills and knowledge they need to obtain their diplomas. It is worth noting that only a small number of young Europeans are in apprenticeships that enable them to learn their occupation in a country other than their own. But the vocational emphasis of the training provided seems to correspond to the needs of the enterprises concerned. When this approach is dominant, as for example in the six Austrian universities of "applied science", training courses seem to be geared to developing the professional skills required by enterprises, not just to teaching theoretical knowledge sometimes remote from the realities of the occupations concerned.

Two further points are worth making. There may at first sight seem to be a plethora of further education courses (several hundred requiring from 2 to 5 years of post-baccalaureate study (120 to 300 ECTS) in the French university system, for example, which rarely result in jobs for the newly qualified students, and several dozen in Romania). And these courses are all too often designed to serve large-scale tourist-industry operators (major hotel chains or travel-agency or tour-operator networks, for example), as is the case in Turkey. But at the same time there is a lack of practical training for persons wanting to set up a tourism-related SME, or for existing SME owners, in such areas as market change and development, yield management, languages, and customer relations management (CRM). Some large companies, e.g. Club Méditerranée, have opened academies of their own to teach vocational modules to their employees, including (former) employees who have acquired a degree of independence and are running franchised SMEs, e.g. Accor in France. The Austrian tourism federation has taken steps to train people in six occupations covering different segments in the tourism value chain, from cook to fitness consultant. Chambers of commerce and industry have also developed modules for professional staff during the low season (once accounts have been finalised, i.e. from November to February each year). This support takes the form of short training courses (half or full day) in practical subjects (languages, reception skills, use of the internet). France has fairly precise regulatory provisions in this area, but dissipation of effort (not to mention financial mismanagement) and poor implementation, referred to in its 2009 report by the Audit Court, detract from the effectiveness of the training that is given.

During preliminary interviews with tourism-related SME owners, for instance in Gallura, it was explained to us that these training courses are hardly ever taken up, more for reasons relating to their content than to the time or cost involved. There are legal provisions for career-long professional training, including opportunities to gain recognition for accumulated experience. However, as in France, SMEs operating in the tourism sector do not always comply with these obligations, in particular obligations to conduct career-development interviews (supposed to be held every two years, an opportunity to match the employee's training to the needs of the enterprise)

or to provide a training “passport” (owned by the employee and intended to enable him/her to move between jobs more easily).
In France, a country very much (probably too much!) attached to a “diploma culture”, the Fonds d’Assurance Formation pour l’Industrie Hôtelière (FAFIH) collects, mutualises and manages the mandatory contributions made by hotels and restaurants (0.9% + 0.5% for those with more than 10 employees; 0.15% + 0.4% for those with fewer than 10 employees), amounting to 100 million € a year, which are used in part to train professionals working in these sectors (100,000 trainees, 6 million hours of training).

6. *Widely differing rules and policies*

The activities of SMEs operating in the tourism sector are conditioned by regulatory regimes which vary considerably from country to country. The nine federal provinces of Austria, for instance, have special competence where tourism is concerned. The Hungarian government plans to increase the number of employees working for SMEs to one million by the end of the decade (by organising the informal sector, reducing the tax burden by half or revising the terms whereby European subsidies are allocated). The Romanian tax code provides incentives for SMEs (the tax rate is just 3% of turnover for micro-enterprises, as opposed to 16% for larger businesses). Laws have been approved in Turkey to give priority support to enterprises engaged in tourism (special facilities to finance construction work; subsidies for SMEs, principally for hotel businesses, etc.).
The rules governing tourism derive from a multitude of different authorities. In France, stress is placed on the “transversality” of the sector to avoid the regrettable possibility of its becoming fragmented, since more than a dozen ministries have some degree of responsibility for it, as do decentralised authorities at three different levels (region, département, commune). The glaring contradiction between the economic weight of tourism in the 27 countries of the European Union (plus a number of countries which are accustomed to receiving tens of millions of European visitors: Turkey, but also Morocco and Tunisia on the southern shore of the Mediterranean), and the vast mass of sometimes conflicting systems of regulation suggests it is time some common rules were imposed on the activities of SMEs operating in the tourism sector. Taxation, subsidies for investment, innovation and the environment are areas that could form a common platform for regulation. At a time when tourists know no frontiers, and when markets and marketing are similarly unconstrained, it seems anachronistic that there should be so few European directives and resolutions relating to tourism (June 1990, June 1991, January 1994), and that those that do exist are concerned principally with services or consumer protection. The Treaty of Lisbon may change all this. Provided that directives are adopted in accordance with local principles, which are – and this is only logical – first and foremost the principles governing small and very small enterprises.

7. *What does sustainable tourism mean for an SME?*

Every spring, like primroses flowering in meadows from which the snow has cleared, a flurry of activity reports are published by European enterprises boasting of their "responsible attitude to sustainable development". The fashion for sustainable development – a buzzword now almost devoid of meaning – has also taken hold in the field of tourism. Since the Rio Earth Summit in 1992, sustainable development is demanded of all the players involved, even if it is to this day an ambiguous concept. The United Nations have adopted a sustainable tourism charter. What are we to make of this? It is a global trend. The impacts of tourism on the environment (natural resources, ecosystems, populations visited) are all too obvious, one of the most serious being its contribution to global warming. The international movements of tourists account for roughly 3% of all greenhouse gas emissions. Other impacts are more visible and tangible. Pressure on available land, for instance, raises the key issue of the development of areas devoted to tourism, coastlines or mountains, often fragile and previously untouched in terms of infrastructure. Water consumption in relation to tourism is high: a WWF report published in 2004 reckoned the average consumption of a single tourist in the Mediterranean area to be between 300 and 350 litres a day, while a Eurostat survey published in 2009 showed that the water consumption levels of accommodation units in Morocco and Germany were much the same: between 150 and 600 litres, depending on their classification. Seasonal concentrations of tourists coincide with peaks in consumption, at a time when water resources are at their lowest. The maintenance of lawns, golf courses and swimming pools raises important questions in regions with limited water reserves. Tourism requires appropriate infrastructure (water supplies, waste treatment facilities). It can also provide the funding for large-scale development projects (desalination plants, facilities for treating and recycling waste water). The impact of tourism on the environment is everywhere apparent. It is not uncommon to see large amounts of litter on beaches, or plastic items of all kinds floating in the sea.

For tourists, who for the most part neither practise nor militate for sustainable development, sustainable tourism is still a foreign concept. For enterprises and local authorities, these new aspirations provide an opportunity to sell their products in a different way. But it has to be admitted that the four transversal priorities (tourism and climate change, tourism and biodiversity, conservation and enhancement of the cultural and natural heritage, tourism and local development) are often far removed from the priorities of SMEs operating in the tourism sector in still intact environments. Enterprises involved in sub-aqua activities and sea-based sports (kite surfing, etc.) are concerned about the environment, to which the meteorological conditions are strongly linked. Tourism tangibly lives off the riches of the natural world.

Very few new occupations involving sustainable tourism have been generated by this trend (e.g. sustainable development advisor, environmental footprint advisor, carbon audit advisor, eco-designer of products, risk manager), despite the many further education courses of this type that are taken up by hundreds of students each year. And where such occupations do exist, they are found mainly in the hotel industry (large, well-organised international and national chains) and the travel industry (the principal networks of travel agents and tour operators catering to leisure and

business needs). In the case of tourism-related SMEs, a token “greening” of skills is the only visible result.

8. *Are too many labels counterproductive?*

Finally, for an SME operating in the tourism sector, to be recognised as “sustainable” depends on being granted a label which will distinguish it from its competitors while enhancing the “product” it has to offer.

In Europe, some countries and regions seem far more advanced than others in this respect. Austria, in common with its neighbour Switzerland, is something of an international benchmark, and recognised as such in the Davos Forum’s “Travel &Tourism Competitiveness Report”. The “Austrian Environment Label for Tourism” has become a point of reference in the hospitality field, particularly in its definition of criteria (general management of the enterprise, energy and water consumption, waste treatment, noise and pollution, cleaning and maintenance, client mobility, parking, quality of construction, gardens and open spaces, as well as social aspects such as staff turnover rates, percentage of part-time contracts, proportion of female employees, training provision, etc.).

While these criteria would seem to be a matter of common sense, far less common sense is evident in the profusion of labels that exists in most European countries. In Wallonia, for example, a score of international management labels have been adopted (ISO, SMQ, MSE, PEPS, SA 8000, BESSAC, HACCP, FEdis Food, BRC, IFS, EMAS, EDEN, ECAP, GPP, EBAE, etc.), not to mention the tens of labels marketed as “badges of quality” (Logis de Belgique, Gîtes de Wallonie, Clé Verte, Bistrot de pays, etc.). It is pointless to criticise, but the net effect of this plethora of labels is to complicate and confuse the situation, with the obvious danger that their impact on domestic and foreign tourists will be diluted. The same profusion is evident in France, though the situation there is no doubt even worse. Some of the labels in use exist only in France itself, which inevitably makes them incomprehensible to foreigners. A situation much regretted by many players in a country which aspires to first place in the rankings of tourist destinations! Other countries, given their much smaller markets, have opted for just a few international labels. Slovenia, for example, has adopted such a strategy, limiting itself to Green Globe, Disabled friendly, Family Friendly Enterprise and, Blue Flag. Finally, Turkey seems to have a lot of ground to make up. Knownet hopes to promote a few “jurisprudential” examples there.

In the view of many tourism entrepreneurs, the system of labels and eco-labels is overdue for rationalising at European level to prevent the sheer numbers from causing confusion – a confusion that also affects SMEs. The fifty or so labels current in the hotel sector, for example, are far too numerous to be comprehensible. A harmonisation of standards, labels and certification schemes is essential, internationally, nationally and regionally.

9. *The needs of European SMEs operating in the tourism sector are immense*

From initial discussion with tourism professionals in all branches of the industry it would seem that their needs are many and varied.

These needs could be sub-divided into two main categories, as in the report from Hungary: needs in terms of competitiveness and needs in terms of quality.
Where competitiveness is concerned, the situation in Austria, where the national tourism organisations offer SMEs many opportunities to understand and prepare for new market developments and innovations in services (the web, telephony, etc.), would seem to be exceptional. Some regions and countries of Mediterranean/Latin culture (France, Gallura, Romania, Turkey) are clearly lagging behind in providing political and economic support for the professionalization, promotion and competitiveness of the SMEs operating on their territory. Many players also point out that the statistics available are two imprecise to be really useful.
Where quality is concerned, there are also some important needs to be met. In Austria, Belgium, Romania and Turkey, those mentioned relate to management, human resources (career development) and marketing, to differing extents, as one might expect. A lack of aids to decision-making was also mentioned (absence of a knowledge network or even of any systematic analysis), as was the impossibility for SMEs operating in the tourism sector to implement innovation, mainly for financial reasons.

Here are some indicators which could be used as part of the initial methodology for improving the economic and environmental competitiveness of SMEs in the eight countries and regions covered by Knownet.

- *External indicators*

  - **“Political” indicators:**
    - System of local government
    - Presence and activity of a local tourism promotion agency
    - Internet portal to promote all local players in the tourism sector
    - Participation in national and international shows/exhibitions

  - **“Infrastructure” indicators:**
    - Accessibility of tourist sites
    - Closeness to domestic and international transport infrastructure
    - Cost of transport (in particular for regions with poor accessibility)

  - **“Economic” indicators:**
    - Tourist region or not
    - Ratio of number of tourists (domestic and from abroad) / population
    - Average amount spent by tourists (domestic and from abroad) in the region
    - Number of tourism-related enterprises
    - State of the competition, dynamism, deficiencies

        - Statistics useable or not

    - **“Environmental” indicators:**
        - Rate of urban development
        - Quality of natural environment (coastline, mountains)
        - Presence of conservation/protected areas
        - Labels.

- *Internal indicators:*

    - **Economic assessment criteria:**
        - Family business
        - Volume of business (inclusive of all taxes)
        - Orders taken
        - Turnover
        - Number of customers
        - Seasonal activity
        - Other activities performed

    - **Hotel assessment criteria**
        - Occupancy rate
        - Revenue per available room (RevPAR)
        - Share of local market
        - Quality indices (customer satisfaction)
        - Investment
        - Return on capital employed (ROCE)
        - Expenditure on information and communication technology (ICT)

    - **Human resources criteria:**
        - Length of service of staff
        - Turnover
        - Expenditure on in-service training modules
        - Number of trainees with apprenticeship contracts
        - Proportion of female employees
        - Proportion of part-time staff

    - **“Sustainable tourism” criteria**
        - Labelling
        - Energy consumption
        - Water consumption
        - Production of wastes
        - Recycling in the region
        - Investment in the insulation of buildings
        - Treatment and reuse of waste water
        - Procurement in the region (food, products, etc.).

AUSTRIA

ÖGUT

FIRST STAGE OF IMPLEMENTATION:

State of the Art Investigation Sustainable Tourism in Austria

Tourism in Austria – at a glance

Table 1 Macro level - AUSTRIA

MACRO LEVEL	
Area (km^2)[2]	83 879
Population[3]	8 441 000
Number of domestic tourists 20114	35,296,997
Number of international tourists 20115	89,857,167
Income related to tourism and / or tourist consumption (€)6	16,04 billion
Weight of tourism % GDP7	5.6%
MICRO LEVEL	
Number of enterprises 2011 (thousands)8	65.2
Number of industrial enterprises 2011 (thousands)9	19.8
Number of hotels 2011, 5/4 stars (thousands)10	2.5
Number of hotels 2011, 3 stars (thousands)11	5.5
Number of hotels 2011, 1/2 stars (thousands)12	5.4
Number of holiday flats 2011 (thousands)13	3.8
Others (thousands)14	2.6
Number of private enterprises 2011 (thousands)15	45.5

[2] EU Commission, EUROSTAT, Statistics Austria (May 2012)
[3] EU Commission, EUROSTAT, Statistics Austria (May 2012)
[4] Austrian Chamber of Commerce, Tourism in numbers, 48th edition, May 2012 (only in German), p. 34
[5] Austrian Chamber of Commerce, Tourism in numbers, 48th edition, May 2012 (only in German), p. 35
[6] Statistics Austria, A tourism satellite account for Austria, www.statistik.at/web_en/statistics/tourism/tourism_satellite_accounts/value_added/index.html
[7] Statistics Austria, A tourism satellite account for Austria, www.statistik.at/web_en/statistics/tourism/tourism_satellite_accounts/value_added/index.html
[8] Statistics Austria, Tourism statistics – portfolio statistics 2011 (19.12.2011)
[9] Ibid.
[10] Ibid.
[11] Ibid.
[12] Statistics Austria, Tourism statistics – portfolio statistics 2011 (19.12.2011)
[13] Ibid.
[14] Ibid.
[15] Ibid.

Number of jobs in tourism 2011 (thousands) [16]	269.6
Portfolio of tourism beds 2011[17] • Winter • Summer	 1,002 1,047
Annual number of overnight stays 2011 (thousands)[18]	126,002.6
Annual occupancy rate 2011[19]	31.7%
Occupancy rate summer 2011[20]	31.0%
Occupancy rate winter 2011[21]	33.9%

Identification of main features of tourism SMEs and micro-enterprises

General information

Austria ranks 11th in international tourism receipts, with a global market share of 2.44 percent, according to the World Tourism Organization (UNWTO)'s World Tourism Barometer.

Table 2 Ranking of top tourism destinations in the world

Ranking	Country	Global market share (%)
1	France	8.76
2	USA	6.26
3	Spain	5.95
4	China	5.80
5	Italy	4.93
6	UK	3.22
7	Turkey	2.91
8	Germany	2.76
9	Malaysia	2.69
10	Mexico	2.45
11	**Austria**	**2.44**
12	Ukraine	2.36
13	Russia	2.21
14	Hong Kong	1.93
15	Canada	1.97

Source: UNWTO World Tourism Barometer, January 2011

[16] Austrian Chamber of Commerce, Tourism in numbers (2012), p. 12
[17] Ibid., p. 28
[18] Ibid., p. 32
[19] Ibid., p. 50
[20] Ibid.
[21] Ibid.

The above table shows that Austria plays an important role in the global tourism economy despite of her small size.
Tourism created 16.04 billion Euro in direct value added, corresponding to 5.6 percent of GDP in 2010.[22] These figures were calculated by the Tourism Satellite Account (TSA), a joint project of Statistics Austria and the Austrian Institute of Economic Research (WIFO), commissioned by the Federal Ministry of Economy, Family and Youth.[23]. The TSA was set up in 2001 in order to collect data on the size of Austria's tourism industry.
The value added of tourism is substantially higher if the indirect value added is counted as well. According to the results for 2009, the total visitor consumption expenditure, including business trips and trips to friends and relatives, accounted for 28.96 billion Euro.[24]
307 000 self-employed and employed persons (or 259 900 employed persons measured in full-time equivalents) worked in the tourism industry in 2009. This is a 7.3 percent share of the overall workforce.[25]
The most important sectors are places to eat and accommodation which account for more than 70 percent of all companies in the tourism business.

Main regulations
According to a federal principle of the Austrian constitution, each of the nine Austrian federal provinces is responsible for its own tourism. At the provincial level, tourist boards and a special division of the provincial government conduct tourism. Although the constitution itself allocates responsibility for tourism to the federal provinces, the federal government is held accountable for the general economic policy, public transport, financing instruments and subsidies directly or indirectly related to tourism.
The Austrian National Tourist Office (ANTO) is in charge of all national marketing activities for Austrian tourism. The Austrian federal government, the local governments of the nine provinces, and the Austrian Economic Chamber are affiliated with ANTO. With a budget of around 50 million Euro in 2011, the Austrian National Tourist Office strives to promote Austrian tourism on both domestic and international levels. It maintains 33 marketing offices in all major incoming-tourist countries of the world, three representative offices and several representatives/tourism managers and honorary representatives in a number of other countries.
In 2010, the Austrian tourism and leisure industry was publicly funded with 843 million Euro.

Methods, statistics and indicators for the economic evaluation of tourism and the performance of small and medium enterprises (SMEs)

Data collection
In order to allow the collection of data on the monetary scale of the tourism industry and an evaluation of the value created by tourism for the economy as a whole and the industry's effect on employment, the implementation of tourism satellite accounts

[22]Statistik Austria, A tourism satellite account for Austria, www.statistik.at/web_en/statistics/tourism/tourism_satellite_accounts/value_added/index.html
[23]Tourism in figures, Austria 2010/11, edited by P. Laimer, C. Schischeg and B. Karner, Statistik Austria, Vienna 2011
[24]Tourism in figures
[25]Statistik Austria, A tourism satellite account for Austria, www.statistik.at/web_en/statistics/tourism/tourism_satellite_accounts/labour_force /index.html

(TSA) – based on the recommendations of EUROSTAT, OECD and the United Nations World Tourism Organization (UNWTO) – seemed an appropriate step. The TSA for Austria were set up in 2001 – commencing with reporting year 1999 – in the context of a collaborative project undertaken by the Austrian Institute for Economic Research (WIFO) and Statistics Austria, and commissioned by the Federal Ministry of Economics and Labour (BMWFJ).[26]

Number of beds and accommodation:

The number of beds and the number of overnight stays are the most important statistical indicators to measure the performance of tourism. The Austrian registration system ensures accurate statistical data. According to an annual survey of tourism capacity from November 2010 until October 2011 around 1.09 million bed places in 65 200 accommodation establishments were listed.[27]

In 2011**,** a total of 126 million overnight stays were reported; this equates a rise of 0.9% compared to 2010. The increase was observed in the number of domestic overnight stays, which reached a new record high (+0.8%; 35.3 million) as well as in the number of visitors from abroad. Visitors from abroad accounted for about 90.7 million and domestic guests for about 35.3 million.

Number of arrivals:

Another important statistical indicator is the number of arrivals: in 2011 they amounted to 34.6 million This was an increase of 3.7% in the number of guests arrived, with a rise of 2.0 percent (11.6 million) among Austrian residents and an increase of 4.6%.28 (The guests stayed an average period of 3.6 nights. The bed occupancy rate was 33.9% during the winter season and 31.0% during the summer season.

Employment in the tourism industry:

7.3 percent of all employed persons in Austria work in the tourism sector.

307 000 self-employed and employed persons – or 259 900 gainfully employed persons, measured in full-time equivalents, worked in the tourism industries in 2009.

57.7% of all employed persons in tourism work in the "hotels and restaurants" sector. Roughly two fifths of these work in hotels (and similar establishments), and three fifths work in restaurants (and similar establishments).

Number of enterprises and number of employees in small and medium enterprises (SMEs)

Nearly all enterprises in the tourism and leisure industry in Austria are of small or medium size. They employ 88.5 percent of all people working in tourism.

65 companies employ more than 250 persons. This is only 0.1% of all companies in the tourism sector. However, those 0.1% employ 11.5 percent of the whole labour force in the tourism sector.

[26] http://www.statistik.at/web_en/statistics/tourism/tourism_satellite_accounts/index.html
[27] http://www.statistik.at/web_en/statistics/tourism/accommodation/accommodation_capacity/index.html
[28] Same as above

Table 3: Number of companies and employees in the tourism- and leisure sector, sorted by company size in terms of employees, 2007

Company size	Companies	Share in %	Employees	Share in %
Up to 9 employees	51 120	91.1	77 780	31.7
10 to 49 employees	4 376	7.8	83 640	34.1
50 to 249 employees	570	1.0	55 693	22.7
SMEs altogether	56 066	99.9	217 113	88.5
+250 employees	65	0.1	28 299	11.5
Tourism- and leisure industry	**56 131**	**100**	**245 412**	**100**

Data source: Austrian Economic Chambers, employment statistics

Table found in: AWS Arbeitsgemeinschaft Wirtschaft und Schule (Ed.): Tourismus und Freizeitwirtschaft 2008, p. 12

Table 4: Number of companies and employees and average company size sorted by professional associations in tourism, 2007

Company size	Companies	Share in %	Employees	Share in %	Average company size
Restaurants	33 320	59.4	94 155	38.4	2.8
Hotel sector	14 712	26.2	96 549	39.3	6.6
Private clinics and spas	645	1.1	20 376	8.3	31.6
Baths	662	1.2	2 857	1.2	4.3
Travel agencies	1 039	1.9	9 222	3.8	8.9
Amusement sector	306	0.5	2 689	1.1	8.8
Cinemas	149	0.3	1 183	0.5	7.9
Leisure sector	5 298	9.4	18 381	7.5	3.5
Tourism and leisure industry	**56 131**	**100**	**245 412**	**100**	**4,4**

Source: Austrian Economic Chambers, employment statistics, found in: AWS Arbeitsgemeinschaft Wirtschaft und Schule (ed).): Tourismus und Freizeitwirtschaft 2008, p. 5

This table also shows that nearly 86% of Austrian tourism SMEs is in the restaurant and accommodation sector.

Employment: main features, qualifications and skills

The demand for highly qualified personnel in tourism is still very high. Taking labour market statistics as an indicator, it appears that there is still an above average demand for qualified people in tourism. The tourism labour market is characterised by long working hours and high mobility. Seasonal workers tend to change their employers regularly. The average duration of employment is 5.5 years, whereas employment in other sectors of the economy lasts on average 9.8 years. The average length of employment with a company in the tourism sector is 6 years for men and 5.2 years for women.[29] Almost one third of those polled wanted to change the sector or at least the company they worked for – the given main reasons were no family-friendly working hours, stress, bad chances of promotion and poor payment.

Women have a share of 62% of all tourism jobs, compared to 47% in the overall economy. This is not to say, however, that the working conditions for women in tourism are better than in other sectors of the economy. More women than men hold jobs that require only little qualification, and they have lesser chances for a career, according to a joint study by a labour union and the Viennese Chamber of Labour.[30]

The difference between men's earnings and women's earnings in tourism is smaller than in other sectors of the economy. But this may be due to the fact that also men's income is lower than in other sectors.[31]

Also immigrants have a higher share of jobs in the tourism sector (36 % in 2010) than in the overall economy (13.8%).[32] In the past ten years, German citizens have more than tripled their employment in Austrian touristic sector, from 6.2 to 19.5%. The employees in tourism are younger than in other sectors. Almost a quarter of all persons employed are younger than 24 years, nearly 42% are less than 30 years old.[33]

Nearly one quarter of people employed in tourism just have a completed compulsory education. Migrants employed in the tourism sector generally have a better education than Austrians in the same branch; nevertheless, they don't occupy higher positions. The same is true for women – better formal qualifications still don't improve their chance to get a leading position. If women are in a leading position, they earn one third less than men.

In addition, part time employment minimizes the chance for a leading position. This also affects mostly women who predominantly bear the main childcare responsibilities for their children.

Initial and continuing education, training[34]

There is a wide variety of vocational and further education and training opportunities open to them – technical schools, higher technical and vocational schools (BHS), special programmes, post-secondary courses, special academies, study courses at universities of applied sciences as well as non-university institutions in 3rd level education, university study programmes and courses, all of which fill the needs of modern, high quality tourism and, at the same time, make it possible for the participants in the training process to obtain almost any formal qualification and any conceivable position on the career ladder due to the high degree of transparency in

[29] Kai Biehl, Rudolf Kaske (Eds.), Tourismus in Österreich 2011. A joint study by the labour union vida and the Viennese Chamber of Labour, Vienna 2011, p. 83
[30] Ibid.
[31] Ibid, p. 40
[32] Ibid, p. 47
[33] Ibid, p. 48, p.80
[34] A good overview is provided by the website www.aeht.eu/en/useful-links/hospitality-education/178-test

the educational system. The Austrian tourism industry offers apprenticeship programmes in the following professions:

- cook
- hotel and restaurant trade commercial assistant
- waiter/waitress
- travel agency assistant
- quick service restaurant assistant
- fitness consultant

An apprenticeship requires three years of training, the double apprenticeship cook/waiter requires four years. In 2008, the Austrian tourism sector employed 14,495 apprentices. The tourism sector accounts for over 11% of the total number of apprentices in Austria.

- **Intermediate school for the hotel industry and catering occupations (Hotelfachschule)**

  The intermediate school for the hotel industry and catering occupations is a medium level vocational school. Students are admitted at the age of 14 or 15, after having completed compulsary schooling. The educational goal of the three-year school is to provide students with branch specific basic knowledge and skills, enabling them to immediately texercise a profession in the field of the catering industry, with special emphasis on hotel businesses. The focus is placed on practice-oriented instruction. Students graduate after a final examination ("O" level).

- **High school focused on tourism (Höhere Lehranstalt für Tourismus)**

  This is an advanced level technical and vocational school, comparable to a high school focused on tourism. The school provides students with the theoretical and practical knowledge and the necessary skills for all jobs in the field of tourism. Upon successful completion, students pass an "A" level exam entitling them to study at a college or university. Graduates are qualified to advance to leading positions in hotels, restaurants, travel agencys or other tourism related companies and institutions. Students are admitted at the age 14 or 15, after having completed compulsory schooling and having passed an admission test.

  Available schools, among others: Klesheim in Salzburg, Villa Blanka in Innsbruck.

- **Postsecondary Tourism Education: Two-year course in tourism (Tourismuskolleg)**

  This school provides the same knowledge and skills as the high school focused on tourism. The school is attended by students who have completed a normal high school and passed the A level examinations or another examination 0,Conditions of admittance are either completion of the Reifeprüfung at a secondary school or a certificate proving the aptitude for higher qualification (Studienberechtigungsprüfung).

- **University of Applied Sciences (Fachhochschule – FH)**

  Universities of Applied Sciences are tertiary institutions that offer a faster education than normal universities and a job-oriented focus. Several of them offer a bachelor or master's degree in tourism:
  University of Applied Sciences in Vienna, Salzburg and Krems offer various bachelor or master programmes in tourism management, business & tourism, etc.

- **University Study Programme for Tourism (Universitätslehrgänge)**

  The aim of the University Study Programmes for Tourism is to convey and deepen the students' knowledge on the most modern, state-of-the-art management tools for activities in the hotel industry, in tourism associations and other tourism related companies and organisations. Apart from conveying skills purely connected to business administration and management, the economy as a whole as well as the social and ecological framework of tourism are integrated into the curriculum, thus creating the global prerequisites for modern tourism management.

- **University Study Programmes with focus on Sustainable Tourism (Universitätslehrgänge)**

  The MODUL University Vienna (MU Vienna) is an internationally oriented organization for research and education on tourism, sustainable development, new media technology, and public governance. It offers
  - Master of Science in International Tourism Management
  - Master of Science in Sustainable Development, Management and Policy

  Sustainability represents an integral part of the curriculum and research agenda and is also reflected in the daily work flow.
  The Alpen-Adria University in Klagenfurt offers a Master of Science Programme on "Management of Protected Areas", in English.
  The curriculum includes the following subjects: European and international categories of protected areas; nature conservation strategies in Central and Eastern Europe; the integration of socio-cultural, economic and ecological aspects; participative approaches in the management of protected areas; new technologies and methods.

- **University studies**

  In principal, connections to tourism can be found in (nearly) all branches of social science and economics studies. University education does not primarily aim at providing job-oriented knowledge but rather at conveying know-how on content needed in a number of occupations. However, most business departments offer a tourism department and/or professors who are qualified in the field.

Management practices in tourism SMEs
Labels, initiatives and indicators for sustainable tourism in Austria
Austria has created a label for sustainable (environmentally friendly) tourim:. the **Austrian eco-label for tourism** is awarded in the following categories: accommodation including camping, travel offers, restaurants and “green meetings”. It is related to the European eco-label. The criteria for the Austrian eco-label include the following indicators:

- **General management of the company and the environment,**
  Environmental company concept, a person in charge of sustainability, environmental training for employees, information to tourists/clients, documentation of energy consumption, presentations of environmental measures, innovative HR management, feedback form on environmental aspects for tourists, ecological give aways.
- **Energy**
  Analysis of the energy consumption or an “energy identity card”, insulation of the house, energy efficient heating system, energy efficiency equipment, electronics and lights, use of renewable energy; if there is a heated outdoor swimming pool, at least 50% of the heating energy must come from a renewable energy source.
- **Water**
  Water used for toilet and shower, residual water
- **Waste**
  Waste concept, promotion of the concept, waste separation, waste baskets in toilets
- **Noise and air pollution**
  Ban on smoking at public spaces
- **Cleaning / chemicals / hygiene**
  Products like soaps, detergents for dishwashers and washing machines, all-purpose cleaners, etc. are environmentally friendly products.
- **Traffic/mobility**
  Promotion of public transport, bike rental possibility, shuttle service, promotion of walking tours
- **For tour operators**
  When offering a flight, the trip must last for at least seven days, and the destination is at a distance of more than 700 km. CO^2 emissions per /guest and /day
- **Stationeries**
  More than 50% of the paper the licensee uses is recycled or at least Totally Chlorine Free paper (TCF)

- **Food/Kitchen**
  Usage of organic, fair trade and local products, returnable container, offer of vegetarian food
- **Building and lodging**
  Ecological building, paint, floors, barrier free facilities etc.
- **Garden and outdoor area**
  Use of regional plants, vegetable garden, planting of herbs and use of ecological certified potting soil and fertiliser
- **Decoration**
  should be made of ecological materials like wood, flowers should be from a regional market garden at least a fair trade product.
- **Social aspects (includes the label "Green Meeting")**
  Gender equality and diversity: e.g. child care, female speakers, barrier-free website

As of July 2011, 234 Austrian tourist companies received the Austrian eco-label for tourism: 7 alpine huts, 150 accommodation companies, 57 restaurants and places to eat, 8 campgrounds, 3 tour operators and 9 congress and event organizers.
At present a new label is being developed: the **certificate for sustainable (hotel) buildings.** The certificate will be awarded by klima:aktiv, an Austrian climate protection initiative launched by the Federal Ministry of Agriculture, Forestry, Environment and Water Management. The certificate has already been awarded to restaurants. The following criteria will be considered:

- quality of infrastructure
- economical transparency
- Good energy efficiency
- Use of renewable energies
- Use of ecological construction material
- Thermal comfort

Benchmarks for financial service: The benchmark uses the following indicators:

Business related ecological indicators

- Energy consumption/CO_2 emissions, electricity, heating, water
- paper consumption, quality of used paper
- amount and composition of waste
- mobility

Social indicators

- Rate of employee fluctuation
- Employment relationship (full time/part time)
- Age pattern
- Share of women among employees
- possibilities of further education

ÖGUT is currently working on the project **Energy Consumption in the Service-Sector**. The quality of Austrian energy data for the service-sector is very poor, at least compared to the residential sector. In the context of this project detailed energy consumption data of up to 12,000 service companies including tourist companies will be gathered and processed. The type of energy use will be analyzed, and benchmarks will be set.

An award for **the most family friendly business** is awarded every Austrian province each year. Every second year, a national winner among the most family friendly businesses is chosen. Criteria for the award:

- Flexible working hours (Priority 1)
- High share of part time jobs (Priority 1)
- Rate of (female) employees returning to the company after a leave of absence for family reasons (Priority 1)
- Measures to reintegrate employees returning from a leave of absence (Priority 1
- Child care offered by the company (Priority 1)
- Status of female employees and families in the corporate philosophy and politics (Priority 1)
- Share of qualified women (Priority 1)
- Share of women in leading positions (Priority 2)
- Flexibility of job location (Priority 2)
- Person responsible for women and family issues (Priority 2)
- Tangible benefits for families (Priority 3)

So far, only a few tourist companies received the award.

The **Trigos Award** is awarded to companies that are outstanding in their corporate social responsibility**.** The criteria are:

- Management: Integration of CSR at the management level
- Market: Integration of CSR in the supply chain, the product design, and in the relationship with its stakeholders
- Employees: Comprehensive implementation of measures regarding health, safety, and equal opportunities for the staff

- Environment: The quality and scope of the action on the environment (waste and emissions reduction, resource and energy efficiency, etc.)
- Society: quality and level of commitment to society (poverty alleviation, promotion of voluntary work, etc.)
- Holistic: Combination of the criteria mentioned above

So far, only two few tourist companies received the award (Weltweitwandern Gmbh, 2008; Alpenresort Schwarz, 2011).
The Federal Ministry of Economy, Family and Youth created a competition among regions to develop barrier-free travelling. The award is named **"Tourism for everybody – regional initiatives for barrier-free travelling"**. The first awards were presented in November 2011. The winner received 40,000 Euro for further barrier-free measures.
Best practices
There is already a variety of best practice examples. Here is a selection of examples:

- Accommodation
  Hotel Stadthalle http://www.hotelstadthalle.at/en
  Biohof Achleitner http://www.hausderzukunft.at/results.html/id3965
  First European passive house village for test-living
  http://www.hausderzukunft.at/results.html/id4170
- Touristic companies, travel agencies and congress organizers which have received awards like the Austrian eco-label for tourism or an award for the most family friendly business.
- Pilot project for parents working in the tourism sector (demand-oriented child care). The project should demonstrate that the tourism sector can offer attractive jobs not only to singles or persons without children but also to parents. The project includes the INTERREG-partners Vintschgau, Salzburg and Carinthia. The regional management Landeck (regioL) runs a project that aims to improve the job situation in the tourism sector. Therefore the district Landeck offers several project modules:
  - Module 1: Extension of child care, especially during off-peak time and during holidays and vacation periods
  - Module 2: Demand-oriented opening hours during off-peak time, on Saturdays and during holidays[35]
- Initiative „Familiennester Tirol" ("Family nests Tyrol"). 20 Tyrolian villages with 133 businesses are participants of the initiative and offer family-oriented vacation, high quality hotels, B&Bs and childcare.

[35] For more information, go to www.tourismus-profit.eu

- Winner of the EDEN Award 2007-2011 – European Destinations of Excellence:
    - City of Gmünd, Carinthia (2011)
    - Water region of Seelentium, Salzburg/Upper Austria (2010)
    - Biosphere Park “Großes Walsertal”, Vorarlberg (2009)
    - Steirisches Vulkanland, Styria (2008)
    - Pielachtal/Pielach-Valley, Lower Austria (2007)

Professional associations

Austrian Federal Economic Chamber: Tourism and Leisure Industries Division: 91655 compulsory members - among them 50903 restaurant and catering establishments, 17547 hotels, 2212 travel agencies and tour operators, 2151 indoor and outdoor swimming pools, 1081 spas, 1129 amusement establishments, 383 cinemas and 15959 leisure industry establishments. Under the umbrella of the Economic Chamber and its tourism and leisure industries division, 9 professional public law associations serve the tourism and leisure industry.

Federal Chamber of Employees: compulsory membership for all employees (except public officers and management staff).

Austrian Hotel Association (ÖHV)

Austrian Association of Travel Agencies

Associations for the Hospitality Sector, Spa Association

Österreich Werbung (Austrian National Tourist Office) The marketing activities for Austria's tourism industry are made by the "Austrian National Tourist Office", organized as a private law association. The Austrian federal Government and the Federal Economic Chamber contribute to the budget of around 50 million Euro in 2011. The Austrian National Tourist Office promotes the interests of the Austrian tourism industry, both domestically and internationally, and maintains 33 market offices in all major incoming-tourist countries of the world and honorary representatives in a number of other countries.

Austrian Tourism Bank (Österreichische Hotel- und Tourismusbank): Financing and public funding institution, specialized in funding and supervising hotel projects.

AWS (Austrian Wirtschaftsservice): Under the guidance of the Federal Minister of Economy, Family and Youth, the AWS administrates public support schemes and finance arrangements for small and medium sized enterprises in the tourism sector as well as other economic sectors.

Austrian Conference on Regional Planning (Österreichische Raumplanungs-konferenz): Development of national and regional concepts.

Board of Trustees of the Austrian Tourism Sector (Kuratorium des österreichischen Fremdenverkehrs): Coordinating committee of representatives of the federal state, the provincial governments and the tourism and leisure industry.

HR management, Customer relationship management and Quality management

Low pay, gender pay gap, lack of training and work life balance as well as high labour turnover are still present in the Austrian tourism industry. However, more and

more tourism companies are interested in sustainability and get environmental certificates. But there is still a great need to focus on social aspects.
The tourism branch is one of the least innovative business sectors in Austria. Especially small and medium sized companies tend to orient themselves towards the wishes of conventional customers. They tend not to see that the demand is changing. The sector is characterized by a big share of regular operative activities. New developments and strategic planning often play only a minor role in the day-to-day activities as the service itself has first priority. SMEs usually pursue a conserviatve rather than a pioneering strategy.
Many companies have a low profit margin and lack the capacity to pay for investments with their cash flow. As they have only small equity ratios, it is often difficult to obtain capital for new investments. 90 percent of the enterprises in the tourism sector have less than ten employees. Unfortunately, such a company size is not attractive for venture capital and private equity associations. A solution would be the founding of umbrella brands of tourist destinations, which concentrate capital so that venture capitalists get interested in them. However, tradition and mental barriers against networks prevent this from happening.
Identification of needs of tourism SMEs
The Federal Ministry of Economy, Family and Youth, the Austrian Federal Economic Chamber and the Austrian National Tourist Office offer lots of information, consulting and workshops as well as funding programmes for tourism SMEs to provide a wider range of tourism facilities in order to attract new target groups and to act innovatively and professionally. The Federal Ministry of Agriculture, Forestry, Environment and Water Management supports sustainable development. However, there is still a lack of show cases of successful tourism SMEs.
In addition, it is important to raise awareness with regard to sustainability. There is not enough long term human resource planning at the level of small and medium companies. Statistical methods are rarely used. Therefore it is important to continue to build bridges between research institutions and SMEs. Finally, diversity issues and gender discrimination must be on the agenda of SMEs as well as networking and clustering.

Proposed indicators for sustainable Tourism in Austria

Already in 2000, the following **indicators for sustainable tourism** were suggested for measuring sustainable development of touristic destinations in the frame of a study on behalf of the Austrian Federal Ministry for Economic Affairs.[36]

Table 5: Proposal for indicators for sustainable tourism, Baumgartner 2000

Dimension	Objectives	Indicators / categories	Measuring tools
Ecological	• Comply with the limits of ecological carrying capacity • Strengthen public transport	• Ecological overall view • Share of beds within the enterprise with eco-labels • Share of guests that arrive with public transport • Quality of the transportation concept	Ecological footprint [cf. REES] or touristic life cycle assessment [cf. BAUMGARTNER, ELTSCHKA] Inquiry, time series Inquiry, time series Qualitative analysis
Economic	• Facilitate the satisfaction of local needs • Strongly embedded within the regional economy	• Well-balanced distribution of incomes • Share of commuters • Indebtedness of businesses • Share of products and services from the region	Inquiry, time series Inquiry, time series
Cultural / Social	• Preservation of cultural identity • Cultural self-determined dynamics • Social satisfaction	• Beds/inhabitants • Cultural activities consciousness of traditions and openness • societal/community activities • Share and integration of seasonal workers • Integration of women	Inquiry Qualitative evaluation Qualitative and quantitative evaluation
Institutional	• Foster the participation in political decision-making • Ensure access to information	• Number of regional political bottom-up initiatives • Number of active members in those • Socio-cultural composition of those • Existence and quality of local information networks	Inquiry and qualitative evaluation Qualitative validation

An operational assessment system is indispensable to be able to evaluate the progress of a business sector on its way towards sustainability, considering that political decision-makers need to base their positions not only on objectives, but also on as-is analyses and on trend identification.

The tourism expert Christian Baumgartner further developed the above outlined indicators for sustainability assessment in the tourism sector.[37] He stated that the sustainability assessment only makes sense on destination basis. At company level there are already many quality labels (e.g. Austrian Eco-label for Tourism Enterprises). Even though they relate primarily to the ecological dimension up to date they are a appropriate instrument on company level. The concept of 'sustainable enterprise' is insular and it is therefore questionable if the concept of sustainability can rightfully apply to one single enterprise. Moreover, the consumer's purchasing

[36] Baumgartner, Ch., 2000: Nachhaltigkeit im österreichischen Tourismus. Grundlagen und Bestandsaufnahme (Sustainability in Austrian Tourism. Basis and stock-taking): http://www.respect.at/media/pdf/pdf203.pdf (only in German)

[37] Ch. Baumgartner, 2001: Destination-oriented Assessment of Sustainability in Tourism, Wien.

decision is usually not prompted by the features of a single enterprise, but depends – apart from the price – on regional characteristics.
When dealing with sustainability it has to be clear that sustainability is a subjective, regionally specific target rather than an absolute state. Therefore Baumgartner concludes concerning the methodology the following:

- **Benchmarking, in terms of setting specific quantitative target values for all the indicators, is impossible.** The reasons are either inherent in the nature of the criterion (e.g. there are no quantitative answers to questions relating to cultural aspects or the quality of life within a region) or in the fact that many effects are the result of subjective appraisal - which is perfectly legitimate in the context of sustainability – but which defies 'objective' numerical assessment.
- **Quantitative assessment with a view to comparing different regions is impossible.** Failure is implied in the request to specify hard-and-fast figures for all the different regions with their diverse underlying conditions. An example would be the 'load-carrying capacity' for passenger cars, which differs in dependence of the geographical location: e.g. an Alpine valley will tolerate less traffic than a large, flat region.

The assessment system to be designed should aim at 'describing in simple terms the complex concept of sustainability', starting from the following basic principles:

- **Sustainability is not a steady-state condition.** Sustainability is a dynamic concept, designed to reconcile the ongoing development and interaction of socio-economic structures ('societies') with the preservation of the natural resource base.
- **Sustainability is indivisible.** Having defined sustainability as long-term interaction, it is not possible to divide into ecological sustainability, economic sustainability or cultural sustainability. There is only one indivisible sustainability that encompasses all the aspects of the interaction.[38]

[38] This is why 'sustainability in tourism' reflects components that lie beyond tourism in the narrow sense. Sustainability in tourism cannot be clearly distinguished from sustainability per se.

Indicators have to portray states and processes.

An assessment of sustainability has to go beyond assessing the steady-state conditions of societal and natural systems and include additional indicators and criteria for assessing ongoing interactions and responses.

Deriving from this Baumgartner proposes the "Process-oriented Assessment Scheme (POAS)". POAS consists of a mix of descriptive, qualitative criteria and quantitative indicators. A 'proposed set' of 34 criteria / indicators (10 ecological, 8 each economic, socio-cultural and institutional) as well as a comprehensive set of indicators / criteria ('guard rails') for the areas of ecology, economy, socio-culture and determining institutional factors are provided for the assessment of sustainability in tourism:

1. Indicators of socio-economic states
2. Socio-economic driving forces
3. Pressures on the natural environment
4. Indicators of the states of the natural environment
5. Indicators of determining institutional factors

The evaluators use 37 criteria and indicators – subdivided into 17 'key indicators' (grey shaded in the table) and 17 'exchange indicators'. Key indicators are criteria or indicators that must be taken into account in the assessment. Exchange indicators are criteria or indicators which the evaluators – taking account of regional distinctions, needs and basic parameters - may exchange for corresponding indicators / criteria from the list of 'guard rail sets'.

Table 6: Suggested assessment set for sustainability in regional tourism, Baumgartner 2002

	Ecology
1.	Continuous accessibility of the region by public transport from 8 a.m. to 8 p.m. at a minimum of two-hour intervals.
2.	Availability of a local public transport system adjusted to tourism requirements.
3.	Wide range of overnight accommodation.
4.	Proportion of renewable energy in overall energy consumption.
5.	Waste avoidance strategies for consumers.
6.	Regional noise abatement measures.
7.	Area-related density of uphill facilities.
8.	Situation of motorised holiday activities and of golf courses with a negative environmental impact.
9.	Proportion of areas protected by laws or statutory regulations within the total municipal areas.
10.	Regional support to conservation agriculture with a view to improving the income situation and thus preserve the cultural landscape on a long-term basis.
	Economy
11.	Tourism sector broken down by business volume.
12.	People working in the hotel and catering business as a proportion of the regional labour force.
13.	Availability and/or development of structures for the pooling of know-how.

14.	Access to new technologies, inter alia for the purpose of upgrading marketing measures.
15.	Modern marketing methods.
16.	Measures conducive to distinctive image building.
17.	Visitor return rate.
18.	Stimulating local economic cycles by encouraging and preserving traditional, environmentally sound crafts and trades as well as agriculture and forestry compatible with nature and the environment.
	Socio-Culture
19.	Proportion of people employed in tourism, who are regularly offered advanced training courses.
20.	How do average incomes of men compare with those of women within the same occupational groups.
21.	Job situation in terms of permanence and linkage with regional labour market potentials and interests.
22.	How do land prices compare with the national average.
23.	How is tourism reflected in the population.
24.	Maintenance and promotion of regional architecture.
25.	Situation of club life and other 'regionally specific communication infrastructures'.
26.	Measures designed to meet specific visitor needs (e.g. persons with disabilities, vegetarians, non-smokers, et.al.).
	Determining institutional factors
27.	Periodical reporting by those responsible to guests, enterprises and citizens as well as open access to information on the state of and on measures relating to sustainability in tourism.
28.	Advance information of tourists about the options for environmentally sound mobility and about regional sustainability efforts.
29.	Strategy for the sustainable development of tourism as part of the region's overall development.
30.	Periodical reappraisals of regional sustainability in tourism.
31.	Institutionalised involvement procedures.
32.	Regional councils for sustainable development.
33.	Promotion of innovations.
34.	Affiliation or cooperation with networks, organisations and initiatives in the field of nature conservation and sustainability.

From the above it is evident that quantification and comparability is impossible in absolute terms. Any given assessment will, therefore, use the traffic-light principle to identify a given state in relation to all the indicators and criteria:

- green signals an unobjectionable state,
- amber signals a precarious borderline state and
- red a state that calls for immediate action.

If a single value is in the red state, the entire area is classified as being in the red state, since the effects of one very negative criterion may contaminate all the positive effects.

If 2/3 or more of the results are in the green state, the aggregate result for an area is in the green state. If less than 2/3 of the results are in the green state, the aggregate result for the area is in the amber state.

To conclude: The POAS assessment scheme permits the mapping over time of regional as-is conditions and trends. Different regions can at best be compared in relative terms, but never in absolute ones.
Assessments conducted in accordance with the present scheme and consistent with the generally accepted objectives regarding sustainability in tourism can serve as the substrate for higher-level regional strategies – not relating to individual projects – with a view to devising a political and legislative framework as well as guidance mechanisms at the various levels.

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BELGIUM / WALLONIA

FOREM

1. Identification of main features of tourism SMEs and micro-enterprises

a. Introduction

First of all we need a short benchmarking between the different regions of Belgian federal state (Wallonia, Flanders, Brussels), to understand the economical trend.

Table 7 Belgium: main features 2010

Belgium : main features (2010)	Surface	Population	Employed people	Enterprises
Belgium	30.528 km²	10.839.905	4.453.577	988.815
Wallonia (french speaking)*	55.2 %	32.3 %	29.6 %	28.3 %
Flanders (dutch speaking)	44.3 %	57.7 %	61.3 %	58.4 %
Brussels (dutch/french speaking)	0.5 %	10.0 %	9.1 %	13.3 %

*About 0.7 % inhabitants are german-speaking (in the east part of Belgium)

Those data are revealer : Wallonia is a region with lower economical activity, due to the industrial decline in the 70's (coalmines, iron and steel industry …). Brussels has a important concentration of enterprises, especially international companies, and most of the workers in Brussels are daily coming from Flanders and Wallonia … that's why we have so many political problems in Belgium !

b. Quickfacts for Wallonia (2010)

Table 8 Quickfacts for Wallonia 2010

Surface	16.851 km²
Population	3.498.384
Employed people	1.319.504 (37.7 %)
GDP (2008)	81.523.000.000 €
Enterprises (incl. non-profit)	279.987
Enterprises (only micro)	61.877
Enterprises (only SMEs)	15.787
Enterprises (only large)	601
Number of tourists	NA
Income related to tourism consumption	NA
Weight of tourism % GDP	NA

c. Focus on outgoing sector (travel agents and tour operators)

Most of the national tour operators and headquarters of travel agent networks are located in Brussels or Flanders (TUI, Carlson Wagonlit, Thomas Cook … all those companies have a turnover above the 50.000.000 €).

Outgoing sector in Wallonia (2009)	Enterprises	Offices
Travel agencies (including TO and coach operators)	241	487

The majors operators in Wallonia are coach companies or little networks of travel agents. All enterprises are privately owned, some of them by foreign companies : Voyages Léonard by Sales-Lentz (Luxemburg), BT Tours by Voyages Salaün (France).

The two "majors" are Généraltour (82 people – turnover 34.754.000 €) and Voyages Léonard (84 people – turnover 20.332.000 €). Other operators are smaller enterprises.

d. Focus on tourist attractions sector

Table 9 Focus on tourist attactions sector in Wallonia

Tourist attractions sector in Wallonia (2010)	Enterprises	Visitors
Attractions and museums (see description below)	271	8.984.388

The major operators are theme parks (see below), other attractions and museums are micro- or SMEs with public management or privately owned.

- Walibi (424 people – turnover 39.509.000 € - 966.609 visitors)
- Pairi Daiza (116 people - turnover 17.933.000 € - 698.000 visitors)
- Plopsa Coo (37 people – turnover 5.680.000 € - 370.000 visitors)
- … other operators are smaller enterprises …

Type of attractions (2010)	
Cultural	70.8 %
Recreational	16.6 %
Natural	12.6 %

Indoor / outdoor (2010)	Enterprises	Visitors	Av. visitors
Indoor attractions and museums	191	3.708.447	19.416
Outdoor attractions and museums	80	5.275.941	65.949

Most of the "indoor" SME's are subject to profitability problems due to the low average number of visitors (less than 20.000). It doesn't foster competitiveness …

Origin of the tourists – Attractions sector (2010)	
Belgium (French speaking)	51.8 %
Belgium (Dutch speaking)	20.9 %
The Netherlands	11.1 %
France	7.3 %
Germany	1.8 %
United Kingdom	1.0 %
Other	6.1 %

Most of the markets are local or regional targets.

Seasonality – Attractions sector (2010)	
January	1.9 %
February	2.8 %
March	3.5 %
April	9.2 %
May	12.8 %
June	10.7 %
July	17.3 %
August	18.8 %
September	8.1 %
October	8.6 %
November	4.5 %
December	1.8 %

The seasonality of the activity is highly focused on public holidays. That means problems of profitability and wide variations in human resources (high proportion of fixed-term contracts, up to 85 %.

e. Focus on accommodation sector.

Table 10 Focus on accomadation sector in Wallonia

Accommodation sector in Wallonia (2010)	Enterprises	Capacity
Hotels	372	18.317
Camp sites	218	32.751
Holiday resorts & groups accommodation	92	23.412

Most of the hotel chains headquarters (Accor, Holiday Inn …) are located in Brussels.
Hotels in Wallonia are small or mid-sized companies : Dolce La Hulpe (140 people - turnover 21.916.000 €) is the most important, all other hotels are smaller …
Hotel capacity of Wallonia has strongly decreased during the last years (- 18.5 % between 2008 and 2010) because of a lack of competitiveness (unrenovated rooms, family management by elderly people, limited activity in the business sector (meetings, seminars…).

Classification of the hotels (2010)	
1 star	7.5 %
2 stars	25.3 %
3 stars	55.6 %
4 stars	11.3 %
5 stars	0.3 %

Note that the south part of Wallonia has several accommodations especially designed for rural tourism (Bed and breakfast, holiday cottage on hire …), representing 3.712 locations for a total capacity of 23.786 beds. Most of them are particulars or micro-enterprises, not considered as SMEs.

Statistical analysis in Belgium generally includes all the hotels, bars and restaurants (we call it "HORECA" sector), not especially involved in tourism : in Wallonia includes 6.511 enterprises responding to those characteristics, representing 37.390 employed people.

Attendance (2010)	Arrivals	Nights	Av.occup. rate	Av. length of stay	Leisure	Business
Hotels	1.693.169	2.845.471	42.6 %	1.7 d	68.8 %	31.2 %
Camp sites	305.111	1.092.666	NC	3.6 d	99.4 %	0.6 %
Holiday resorts	261.901	1.209.913	NC	4.6 d	98.9 %	1.1 %
Groups accomodation	427.451	1.403.162	NC	3.3 d	89.2 %	10.8 %

Origin of the tourists – Accomodation sector (2010)	
Belgium	56.9 %
The Netherlands	16.0 %
France	9.3 %
Germany	4.2 %
United Kingdom	3.7 %
Italy	1.7 %
Spain	1.0 %
USA	1.0 %
Luxemburg	0.6 %
Poland	0.6 %

Competitiveness is a weakness on foreign markets, except for The Netherlands (due to the attractiveness of the "Ardennes" region – considered as "mountains" – and several camp sites in this area).

Seasonality – Accommodation sector (2010)	
January	4.1 %
February	6.0 %
March	6.1 %
April	8.3 %
May	10.4 %
June	8.4 %
July	13.2 %
August	11.8 %
September	9.2 %
October	9.3 %
November	6.9 %
December	6.3 %

A limited activity during the winter (and a very low average occupation rate) is a real problem for the profitability.

f. Focus on Tourist Offices.

Tourism incoming in Wallonia is divided into 42 touristic territories, which are promoted by "Maisons du Tourisme" (from 2 to 15 employed people). All the offices are managed by local authorities.

Table 11 Focus on Tourist Offices in Wallonia

Tourist offices sector in Wallonia (2010)	Enterprises	Visitors
Officially recognized offices	42	954.879
Other local offices (SI, OT)	60 (est.)	na

Note : 412 people are recognized as professional tourist guide but not considered as enterprises.

Origin of the tourists Officially recogn. offices sector (2010)	
Belgium (French speaking)	41.8 %
Belgium (Dutch speaking)	24.7 %
The Netherlands	13.9 %
France	5.8 %
Germany	3.1 %
United Kingdom	3.0 %
Other	6.1 %

g. Conclusion.

We can estimate **about 1.350 enterprises** directly involved in tourism in Wallonia. Most of the enterprises (more than 99 %) are micro- or SMEs … A specific database is handled by the “Centre de compétence Tourisme” and we can provide with a sample of contacts for surveys and studies bounded with Knownet projects.

We have a lack of indicators about the employed people (except for “HORECA” – see above) and the economical level of activity (turnover, economical performance …). Moreover the coordination of statistical analysis between the different regions is very bad: publications of TSA (Tourism Satellite Account) about Belgium are still not available … it’s a pity !

Through the Knownet project (work packages), we decided to launch a study about tourism employment in Wallonia, to define new indicators (based on French INSEE method) of employment and touristic level of specific territories. This is a quantitative and qualitative assessment of employment and jobs in tourism in Wallonia, in the broad sense, in their most direct (see described sectors above) but also indirect aspects (catering, trade, information technology, business environment or heritage, etc.). This study is also a prospective diagnosis whose objective is to achieve a systemic view, a detailed understanding of changes in job profiles, competencies and taking into account micro-trends (employment, turnover, nights, status of supply) and macro-economic / social tourism sector (changes in supply and demand on the global tourism markets, European policy, change transportation habits, etc.).

(Source of information : CGT/OTW, OPT/WBT, EuroStat, IWEPS, StatBel, Institut Destrée)

2. Management practice at tourism SMEs

Labels, practices and initiatives for sustainable tourism are rather numerous :

Several territorial labels are used in marketing campaigns : “Esprit des Vallées”, « Echte Ardennen » … and many local quality labels exist : « Charte Qualité », managed by local associations.

Other specific labels are designed for the sectors :

Tourist attractions sector :

- Classification « Soleils » : official classification based on the equipment (like the stars classification for hotels) and represented by “suns” (from 1 to max. 5). This classification is managed and controlled by the regional authority (Walloon government) and considered as really innovative (first initiative in Europe).

Accommodation sector :

- Labels, brand management : Logis de Belgique, Gîtes de Wallonie … and other international franchising networks : Best Western …
- Sustainable tourism label : “Clé Verte” (like in France).
- Typical products and quality service : “Bistrot de pays” …

Some other international labels and management practices are used in Wallonia : ISO, SMQ (Système de management de la qualité), MSE (management socio-économique), Total Quality Management, PEPS (pratique d’évaluation des performances), SA 8000 (ethical products), BESSAC, HACCP, FEdis Food, BRC (British Retail Consortium), IFS (International Food Standard, EMAS (Eco Management and Audit Scheme), EDEN (European Destinations of Excellence), ECAP (European program for sustanaible and competitive SMEs), GPP (Green Public Procurement), EBAE (European Business Awards for the Environment) ...

In spite of some initiatives in the accommodation sector (“Clé verte”), labels for sustainable tourism are not really applied and there is a big challenge about this.

Professional associations (see below) are generally involved into a specific sector. Labels are generally used for marketing (member of the association), not specific for quality or sustainable tourism.

Organisation Mondiale du Tourisme

Attractions & Tourisme A.S.B.L.

Accueil champêtre en Wallonie A.S.B.L.

Walcamp ASBL

Union Professionnelle des Agences de Voyage

Musées et Société en Wallonie

Les Auberges de jeunesse A.S.B.L.

Vilvac

Fédération Belge des exploitants d’Autobus et d’Autocars et des organisateurs de voyages

Fédération HoReCa Wallonie

Fédération des gîtes de Wallonie A.S.B.L.

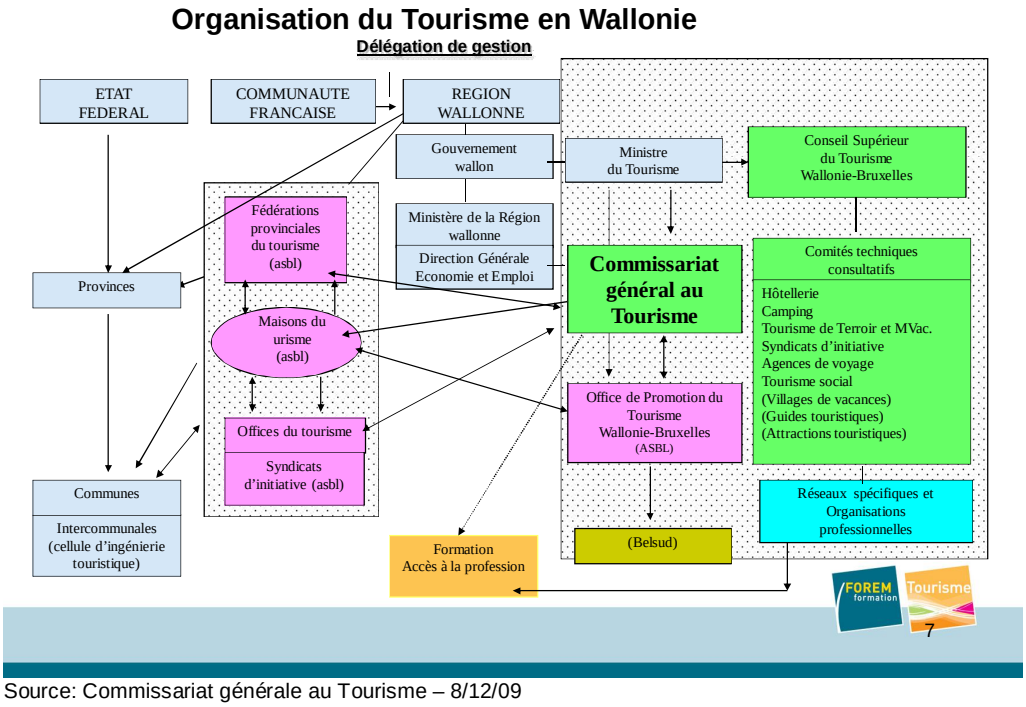
Office de Promotion du Tourisme Wallonie - Bruxelles

Belgian Travel Organisation

Logis de Belgique

Les Gîtes d’étape du CBTJ

Regional authority for tourism (CGT - Commissariat Général au Tourisme, see below) is competent for official classification (for example : stars-classification of the hotels) but also develops a project of campaign about quality labels (based on Q-Swiss).



Source: Commissariat générale au Tourisme – 8/12/09

The "Centre de competence Tourisme" has launched a survey about practices in quality management. We also proceeded to several interviews (video). The study is available for members of Knownet project (see attachment).

3. Identification of needs of tourism SMEs

Needs in are quite different for the walloon enterprises. It depends on the sector, the size, the organization (privately owned or not) …

However we can notice that several weaknesses exist in quality management, HR management, knowledge management (obtaining and sharing information). The "yard" is huge … The "Centre de competence tourisme" has created a reference library and publish a press review to help the tourism managers. We also have developed an on-line tool (survey on internet) to detect and analyze weaknesses. Combined with an individual interview, we can easy diagnose needs and propose a training program.

Moreover some jobs in the accommodation sector are officially considered as penury, like cook-chef or receptionist. Emphasis should also be useful about "undefined" or "wrong-defined" jobs : travel agent, product manager … to create a correct job description, harmonized with other European countries.

Concerning the education, some problems are related to lacks about foreign languages (Dutch en English) and school programs, which are not really "up-to-date" with the evolution of tourism trends.

FRANCE

CNAM

THE PRESENT SITUATION IN FRANCE

Introduction

Small and medium-sized enterprises in France (SMEs) form an important part of the national economy. Before going into detail, it is perhaps appropriate to put into perspective some of the country's major economic developments, without which the importance of SMEs and even more so, of tourism, cannot be fully appreciated.

France presents several demographic, territorial and economic characteristics fundamentally different from its European neighbours, which by their nature are her principal economic partners. The 65 million or so inhabitants of France (2009) live in twenty-two metropolitan areas (62.5 million) and four overseas regions (more than 2 million). This entity, comprising a hundred departments (including Mayotte, the most

recently created overseas department, following a local referendum in 2009) with more than 36,682 communes (of which 112 are overseas) underscores a very strong inequality between the provinces. The first four demographic regional “powers” (Ile-de-France, 11.7 million; Rhône-Alpes, 6.2 million; Provence-Alpes-Côte d’Azur, 5 million and Nord-Pas-de-Calais, 4 million) are home to more than 42% of the French population (with an average population density four times higher than the French average, in the order of 100/km^2) and more than 51% of the GDP (including nearly 30% for Ile-de-France). These figures show the extent to which the territory and its activities are still today dependent on French history and in particular on the Jacobinism that dominated more than two hundred years (between the eighteenth and twentieth centuries), centralising power and wealth in Paris and its immediate vicinity. This was nothing new. Did Molière not write, in a spirit of both humour and criticism, in The Pretentious Young Ladies (1659), “as for me, I maintain that in Paris there is no salvation for decent people”?
Other than Paris (2.2 million inhabitants), no city exceeds one million inhabitants (Marseille has a population of 0.85 million and Lyon almost 0.47 million). The least populated areas today (ten metropolitan regions each have less than 2 million inhabitants over a total of 13.5 million) just about equal the population of Ile-de-France. A number of these are part of the famous “empty quarter” described in 1948 by the geographer Jean-François Gravier.

As well as this concentration of population around Paris, the French economy presents a number of marked structural characteristics. In contrast to its neighbours and the western countries as a whole, France does not re-populate itself. The ageing of its population appears to be an inescapable and major fact of European demography. By 2030, metropolitan France will have a little over 67 million inhabitants (INSEE, 2010). French demography will then be marked by strong regional heterogeneity confirming the tendencies already observed; increased concentration of population in the western and southern coastal areas (Aquitaine, Languedoc-Roussillon, Midi-Pyrénées, Pays de la Loire, Provence-Alpes-Côte d’Azur and Rhône-Alpes), lower population in the north and east (Auvergne, Burgundy, Champagne-Ardenne, Upper and Lower Normandy, Lorraine, Nord-Pas-de-Calais and Picardy), a generalised increase in the average age and the age at which people over 60 years reach “old age”.

The natural balance (the difference between birth and death rates) should remain positive and certain areas with decreasing birth rates could witness marked net migration (Brittany or Corsica for example). 2030 will without doubt mark the apogee of ageing in France. From the present up to this date, the average age in Metropolitan France will increase by almost 4 years. The number of people aged over 60 (20 million born between 1945 and 1975) will increase by approximately 60%. People aged 80 and over will number approximately 5 million while the number of young people under 20 will be at least 20% less than those of 60 and above (it was more than 20% in 2005). Ile-de-France will remain the youngest region, thanks to its dynamism and a singular net migration profile (influx of students and young working people, efflux of people with dependents and pensioners).

This sharp growth in the number of pensioners, with a reduction of more than 20 million working people, naturally raises the central issue, not only of pensions, but also of the presence-mode economy and enrichment or impoverishment on a fine

scale. Ageing comes on top of the phenomenon of deindustrialisation, which started more than forty years ago and saw no reduction between 1980 and 2007 (more than 70,000 industrial jobs lost each year in France). The effects of outsourcing to the services sector has been strongly in evidence up to now, with, in particular a concentration of commercial sector employment since 2000 in the southernmost regions (Aquitaine, Midi-Pyrenées, Languedoc-Roussillon and Provence-Alpes-Côte d'Azur) as well as the Atlantic coast and the Rhône-Alpes regions. Between 2008 and 2009, commercial sector employment was effectively destroyed in the north and north-east regions (Upper Normandy, Picardie, Champagne-Ardenne, Lorraine, Burgundy and Franche-Comté). The corollary is clear; a high increase in the unemployment rate of almost 2.5% across the country, but with marked regional differences.

Macroeconomic statistics can also throw light on the recent dynamics of the French economy. France's GDP average growth rate is regularly lower by several points compared to the European Union countries (27) or the Euro zone. With the exception of 2000 (+ 4.0%), the growth of the GDP in France has seldom exceeded 2% per annum since the fall of the Berlin Wall. Annualised, it is almost 1.9% for the decade 2001-2010 as against 2.2% for the European Union as a whole. This relatively weak growth, including that seen during the post-crisis economic revival (since 2009) is one of the principal features of the French economy, together with a low annual increase in the consumer price index and a higher unemployment rate among young graduates (>20%) than its immediate neighbours. These figures more or less match those of Germany, the other member of the founding "couple" of Europe that initiated the major advances in European policy. The most paradoxical example is undoubtedly the competitiveness of European products in the world market. Whereas the French balance of trade figure has been adverse for almost thirty years (- €56 billion in 2008, - €44 billion in 2009 and - €52 billion in 2010), that of Germany shows a year-on-year annual surplus of more than €100 billion (+ €120 billion in 2009 and + €130 billion in 2010). The two countries made radically different political and economic choices over twenty or so years, particularly with regard to State intervention, innovation and encouragement concerning export and the opening up of world trade. The only common point is that in the two examples, SMEs account for approximately 98% of each country's companies. They therefore illustrate perfectly the dynamics of contemporary economics.

In France, SMEs in tourism almost wholly contribute to the surplus in the tourist sector balance of trade (+ €10 billion in 2008, €7.8 billion in 2009 and €5.3 billion in 2010). Large companies in tourism are few in number...

1. Identification of main features of tourism SMEs and micro-enterprises in each country or region at stake

1.1. Number of enterprises and employees.

227,000 tourism enterprises in France.

In 2008, tourism enterprises in France are listed by INSEE on the following basis (INSEE, 2010, in thousands):

- Total number of enterprises: 227
  - Catering: 187
    - Restaurants and mobile catering services: 137
    - Bars: 50
  - Accommodation: 35
    - Hotels and similar accommodation: 20
    - Tourist accommodation: 10
    - Camping sites: 5
  - Travel agencies, tour operators, reservation agents, etc.: 5

Tourism provided 1,448,069 salaried jobs as at 31 December 2010 (National Jobs Agency) comprising

- **289,205 direct salaried jobs** in customary activities (satellite accounting), where the principal activities relate to tourism (Céreq – Centre for Studies and Research in Qualifications), "those which would not exist without tourism" in France (mainland and overseas).
- **945,423 indirect salaried jobs** in related activities (satellite accounting) or sectors in which a part of the activities relate to tourism (Céreq)
- **213,441 tourism generated salaried jobs** (purchase of goods and equipment by tourists, consumption of tourism assets, etc.).
- *Non-salaried jobs in tourism (direct and indirect) were estimated at 188,221 in the fourth quarter of 2010 (Source INSEE).*

1.2. List (nomenclature) of public and of public/private enterprises involved in tourism.

1.2.1. Usual tourism activities

7 tourist activities are identified as usual tourism activities (Account satellite) or principal activities (Céreq) in the strict sense:

- 4939C. Cable cars and ski lifts.
- 5510Z Hotels and similar accommodation.
- 5520Z. Tourist and other short duration accommodation.
- 5530Z. Camping sites and caravan parks.
- 7911Z. Activities of travel agencies.
- 7912Z. Activities of tour operators.
- 8230Z. Organisation of trade fairs and conferences.

2.2.1. Typology of enterprises engaged in usual and related tourist activities

Tourism institutions (often associations or publicly-owned establishments)

- Tourist information offices and centres
- Regional tourist centres
- Departmental tourism committees
- Regional tourism committees or regional tourism agencies

Producers and distributors (almost always private)

- Issuing agencies
- Hosting agencies
- Tour operators
- Coach operators

Accommodation providers

- *Always private enterprises*
  - Hotels
  - Tourist residences
  - Camping sites
  - Holiday lettings agencies
- *Either private enterprises or associations*
  - Holiday villages and holiday clubs
  - Youth hostels
  - Family holiday homes
- *Sole traders*
  - Gîtes
  - Holiday property lettings
  - Bed and breakfast

Providers of sporting and recreational activities (private enterprises, associations or publicly-owned establishments)

- River cruises
- Nautical clubs (sailing, power-boating, canoeing etc.)
- Mountain ski-lifts
- Leisure centres
- Golf courses
- Amusement parks
- Small tourist trains
- Nature parks

Providers of conference facilities (private enterprises or publicly-owned establishments)

- Congress centres
- Conference centres

Providers of cultural activities (generally publicly-owned or associations)

- Museums

- Monuments
- Castles
- Religious sites
- Festivals
- Shows and entertainment events

Caterers

- Restaurants and pubs
- Cafes and bars
- Cafeterias

Transport providers

- Taxi companies
- Coach companies
- Small airline companies

Others

- Tourist guide co-operatives
- Excursion guide co-operatives
- Spa establishments
- Thalassotherapy establishments

1.3. State of art of methods and indicators for statistics and evaluation of tourism economical performances for SMEs.

1.3.1. The importance of tourism SMEs in regional economies

The density of SMEs in France is slightly higher than 4,000 companies per 100,000 inhabitants, or one SME per 25 inhabitants.

This average density is 2,722 in Nord-Pas-de-Calais, a region marked by industrial decline and crisis in the large iron and steel making areas, to 6,443 in Corsica, whose insular economy is strongly influenced by the services and tourist sectors.
The density of SMEs is lower in northern than southern regions of the country. High-Normandy, Lorraine and Picardy also have a density lower than 3,000 SMEs per 100,000 inhabitants, while the areas of the south with major coastal attractions (Aquitaine, Languedoc-Roussillon, Midi-Pyrénées, Provence - Alpes-Côte d'Azur) and the two major industrial but equally tourist areas (Ile-de-France and the Rhône-Alpes) have densities higher than the national average (between approximately 4,400 and 6,.000).

The number of SMEs is in the order of 2,500,000 in France (97.3% of the total number of companies).

The Ile-de-France region has nearly 550,000 SMEs, as many as the Rhône-Alpes (280.000) and Provence-Alpes-Côte d'Azur (270.000) combined; these three regions

house 44% of French SMEs. The concentration of SME activity is strongest (>98%), outside the Provence-Alpes-Côte d'Azur region, in less industrialised regions (Auvergne or Limousin for example), whose economy has been long oriented to tourists. The “record” for the number of SMEs is held by Corsica with 99.3% of companies.

The hotel and catering sector is the major contributor to the activities of tourism SMEs...

The density of hotels, cafes and restaurants in France is in the order of 337 per 100,000 inhabitants. Differences are evident between regions, with a minimum in Picardy (236) and a maximum in Corsica (1,027).
This represents more than 211,000 enterprises, with a concentration in the major tourist regions (35,000 in Ile-de-France, 25,000 in Rhône-Alpes and 23,000 in Provence-Alpes-Côte d'Azur). In the regions with the least number of SMEs (between 2,500 and 3,000) in the catering sector (Corsica, Franche-Comté, Limousin), the proportion of SMEs is at maximum (99.6 to 100%).

1.3.2. Size and manpower of tourism SMEs in France

Size of tourism SMEs.

France has approximately 2.5 million SMEs with less than 250 employees across the industrial, commercial and services sectors (60,000 in the food industry, 155,000 in other industries, 360,000 in
the public construction sector, 82,000 in transport, nearly 600,000 in the commercial sector, more than 930,000 in the services sector and 370,000 in education, health and social welfare). The crisis of 2008 has had a direct impact on the activity of SMEs in France, not only on their activities but also on their financial situation (and in particular their borrowing power).
Structurally, SMEs in France are very small, 2.4 million SMEs (that is 98%) having less than 20 employees, and of which almost 50% are micro-enterprises without employees. There are barely 60,000 SMEs in France with more than 20 employees, out of which 48,000 have manpower of between 20 and 49 employees and 12,000 with between 50 and 250 employees.

The statistics relating to tourism SMEs are grouped in the category “activities providing services to private individuals” (429,000 SMEs with less than 250 employees).
212,000 SMEs with less than 250 employees are in the hotel and catering sector, of which 208,000 are companies with less than 20 employees (98%) and more than 160,000 whose manpower is 3 employees or less (75%). Approximately 40,000 companies belong to the group with between 4 and 9 employees (19%) and 8,.000 between 10 and 19 employees (4%). 3,000 hotel and catering sector SMEs have between 20 and 49 employees (1.5%) and just under 300, between 50 and 250 employees..
100,000 SMEs with less than 250 employees are identified in the subcategory “recreational, cultural and sporting activities” (which principally includes exhibitions; cultural activities, museums, monuments, libraries, recreational events such as

shows and events, sports activities etc.). Among them, 84% are sole proprietor enterprises (no employees) and 11% have between 1 and 3 employees. Companies with more than 50 employees represent less than 1% of the sector.

Publications concerning individual activity sectors give more specific details on the sizes of companies... The “panorama des branches des agencies de voyages”, published in 2010 by the National Federation of Travel Agencies (Snav), lists three different activities; distribution, production and other reservation services and related activities. The number of companies in these three areas, becoming less and less distinct and strongly marked by developments in technology, the ending of commission payments by airline companies in 2005 and the crisis of 2008 was of the order, in 2009, of 4,500, both public and private, covering leisure and business tourism. 2,000 of these companies (44%) have 2 employees or less, as many again (44%) from 3 to 9 employees. Companies with 10 to 49 employees account for 10% of the number of companies in the sector, the remainder (with more than 50 employees) for less than 2%...
The “Annual Business Report” (EAE) of INSEE reports, in 2007, 3,679 companies in the private tourism sector (travel agencies and tour operators), of which almost 89% have a manpower of up to 9 employees, and 9.5% with 10 to 49 employees. Medium-sized enterprises represent 1.5% of French travel concerns.

The number of tourism-dependent jobs generated by SMEs in the HCR sector exceeds 820,000.

The total number of market services sector jobs in France is 12.35 million (INSEE, 2009) including 4.3 million in services to business, 3.4 million in commerce, 1.2 million in transport, 800,000 in financial services and 30,000 in the real estate sector. Jobs, including all types of contracts, in services to private individuals number 2.4 million, including more than 990,000 in hotels and restaurants, 690,000 in the entertainment, cultural and sporting sectors and 730,000 in personal and domestic services. This data is only approximate and does not take account of the diversity of work contracts or the number of unpaid and seasonal jobs.

.The number of jobs in HCR sector SMEs is approximately 820,000 (83% of the total number of jobs in the sector). This demonstrates the actual importance of SMEs in the accommodation sector. Limousin represents 1% of this total, Corsica and Franche-Comté 1.2%, while the three major tourist areas employ more than 40% (Provence-Alpes-Côte d'Azur and the Rhône-Alpes between 10 and 11% each, Ile-de-France just under 23%).
Proportionally, 17% of employment in the hotel trade is with companies employing more than 250 people. This is an important statistic which demonstrates two points; the strong prevalence in France of relatively large hotels belonging to major international hotel groups (Accor, the largest French group, accounts for 1,424 hotels in France with 129,041 rooms as at 31 December 2010) and the strong current ratio of the number of employees to the number of rooms in luxury hotels.

For the public and private sectors providing travel services, the 2009 data shows nearly 42,000 employees, including 40,000 full-time. 30,000 (71%) work in SMEs, the remaining 12,000 being employed by major groups, mainly in business travel (Carlson Wagon-lit Travel and American Express being the two largest networks in

France). 2,750 employees are with companies employing less than 2 (6.5%), just under 13,000 (31.5%) with micro-enterprises (less than 10 employees), approximately 10,000 (23%) with small companies (between 10 and 50 employees) and about 7,200 with medium-sized companies (17%).
Private operators employ 33,236 people, distributed approximately one third in companies with less than 9 employees, one third in companies with 10 to 250 employees and one third in the few companies having more than 250 employees.

1.3.3. Sales turnover, added value and legal structure

The total sales turnover of companies directly concerned with tourist activities was estimated by INSEE at more than €68 billion in 2006. Catering represents more than €30 billion (45%), the hotel trade more than €15 billion (23%), travel agencies more than €12 billion (19%), cafes €5 billion (8%) and other accommodation €3.5 billion (5%).

The added value of the sector is calculated at roughly €29 billion. The added value of tourism SMEs is somewhat more difficult to estimate. Some statistics exist however for HCR sector SMEs. In 2007, it was estimated at more than €21 billion. Ile-de-France accounts for more than €5 billion, Provence-Alpes-Côte d'Azur and Rhône-Alpes for more than €2 billion.

Investment for all HCR sector SMEs amounts to €5.87 billion.

The legal structures of tourism SMEs are many. The two principal legal structures are SARLs, limited liability companies (51%, of which more than 7% are EURLs, one-person limited liability companies) and sole-proprietor enterprises (43%). The remaining 6% are split between public limited companies with boards of directors (1%), SASs joint simplified stock companies (1.5%) and SNCs, partnerships (2.5%).

1.3.4. Some economic performance indicators for tourism SMEs

From contacts with tourist professionals in all sectors, it appears that exogenous and endogenous indicators make it possible to quantify the economic performance of tourist SMEs. It should be firstly noted that the validity of the criteria is not identical across regions and SME structures. It is difficult to
compare the performance of a self-employed business person in a mountainous region such as Alpes-Maritimes with that of the manager of a hotel franchise of a multinational such as Accor. The following indicators are a basic proposition which merits discussion.

Exogenous indicators:

- **“Political” indicators:**
  - How the territory is governed.
  - Presence and actions of a nationwide tourism promotion agency.
  - Internet portal promoting all stakeholders.
  - Presence at national and international trade fairs.

- **“Infrastructure” indicators**
  - Accessibility to places of interest.
  - Proximity of international and national transport infrastructures.
  - Cost of transport (for isolated regions in particular).

- **“Economic” indicators:**
  - Whether or not a tourist area.
  - Ratio of number of tourists (national and international) to population.
  - Average tourist spending (national and international) in the region.
  - Number of tourist companies.
  - Measure of competition, dynamism, failures.

- **“Environmental” indicators:**
  - Urbanisation rate.
  - Quality of open spaces (coastal and mountain).
  - Presence of reserved or protected areas.

Endogenous indicators:

- **Criteria for economic evaluation:**
  - Gross sales (including all taxes).
  - Orders.
  - Net turnover.
  - Number of clients/customers:

- **Criteria for hotel trade evaluation:**
  - Occupancy rate.
  - RevPar
  - Share of local market.
  - Quality indices (customer satisfaction).
  - Investment (5% of turnover maximum).
  - ROCE (5%).
  - Expenditure on information and communication technology (ICT).

- **Human resources criteria:**
  - Expenditure on continuous training modules (legal obligation 0.9%, and from 3 to 5%).
  - Number of trainees in apprenticeship contracts.

- **“Sustainable tourism” criteria**
  - Power consumption.
  - Water consumption.
  - Waste production.
  - Recycling within the region.
  - Investment in building insulation.
  - Treatment and re-use of waste water.
  - Provisioning in the region (food, products, etc.).

1.4. Employment: main features, qualifications and skills.

1.4.1. Cartography of tourist trades and professions (approach by levels)

Levels V and IV: basic level hotel and catering trades

- **"Accommodation" sector**
  - Level V: hotel worker, cleaning and hygiene worker, family and community technical assistant, housekeeping staff, camping or caravan site skilled maintenance worker, etc.
  - Level IV: hotel and catering worker, budget hotel and catering worker, housekeeper, management technician in the hotel, catering and leisure trades, etc.

- **"Catering" sector**
  - Level V: catering worker, barman, pancake cook, dessert cook, delicatessen employee, restaurant waiter or waitress, wine waiter, etc.
  - Level IV: hotel and catering worker, barman, head chef, cook, cook to small groups, regional speciality cook, restaurant manager, wine steward, wine consultant, management technician in the hotel and catering trades, etc.

- **"Travel organisation and tourist reception" sector**
  - Level V: tourist reception agent, tourist service technician, general worker in tourist organisations, tourism promotion assistant, etc.
  - Level IV: local tourism organiser, commercial technician in tourism, tourist reception technician, tourist service reception and sales technician, tele- ticketing operator, etc.

- **"Sports and leisure" sector**
  - Level V: leisure assistant, amusements facilitator, electro-technician, mechanic, fairground amusement operator, fairground stall operator, fast food operator, seasonal sports activities worker, lifeguard, maintenance technician, etc.
  - Level IV: sports instructor, swimming instructor, equipment maintenance technician, etc.

- **Health and wellness tourism**
  - Spa establishment worker, etc.

- **"Passenger transport" sector**
  - Level V: ticket checker/driver, intercity coach driver, coach tour driver, etc.
  - Level IV: reception assistant in transport, etc.

Level III: senior technician or equivalent

- **“Accommodation” sector**
  - general enquiries assistant, operations assistant in the hotel and catering trades, management assistant in the hotel and catering trades, commercial assistant in the hotel and catering trades, hotel manager, accommodation manager, senior technician in hotel operations, senior technician in tourism or the hotel trade, senior technician in the hotel, catering and leisure trades, senior maintenance technician in the hotel trade, etc.

- **“Catering” sector**
  - management assistant in the hotel and catering trades, chef, canteen manager, manager in institutional catering, hotel manager, senior technician in the hotel, catering and leisure trades, etc.

- **“Organisation of travel and reception of tourists”**
  - general enquiries desk assistant, assistant in the production and marketing of tourist products, commercial tourism assistant in the hotel trade, local tourism development assistant, customer relations manager, travel adviser, package operator, tourist establishment manager, tourist reception facilities manager, senior tourism technician in the hotel trade, business and tourist travel sales adviser, etc.

- **“Sports and leisure” sector**
  - mountain guide, etc.

- **Health and wellness tourism**
  - dietician, nurse, physiotherapist, podiatrist, etc.

- **“Passenger transport” sector**
  - senior transport operations technician (local, intercity and coach tours), etc.

Level II to level I: management grades in tourism

- **“Accommodation” sector**
  - assistant tourism manager, assistant international hotel chain manager, hotel or catering company manager, hotel activities manager, hygiene manager, etc.

- **“Catering” sector**
  - hotel or catering company manager, etc.

- **“Organisation of travel” sector**
  - assistant tourism manager in the international hotel trade, eco-tourism promotion manager, tourism project designer, heritage product designer, interpreter-guide, European tourism products manager, sports tourism manager, activities manager, tourist

reception facilities manager, production and sales manager for tourism products, etc.

- **“Sports and leisure” sector**
  - manager in sports trades and enterprises, etc.

- **“Passenger transport” sector**
  - manager of a passenger transport unit, logistics manager, yield manager, etc.

1.4.2. Qualifications for personnel in the “accommodation and catering” sector.

According to the “job training report” of INSEE in 2010, the levels of qualification for all paid employees (having undergone basic training of between 1 and 4 years) in the “accommodation and catering” sector are as follows:

- Higher education (starting from Baccalaureate+2): 17.2%
- Baccalaureate and equivalent: 21.3%
- CAP-BEP and equivalent: 28%
- Higher certificate, CEP (certificate of primary studies) and no qualification: 33.5%

An enquiry by the research, studies and statistics directorate (DARES) of the Ministry for Employment published recently - “Working Families – Statistical Patterns 1982-2009” give a more accurate picture of the improvement in levels of qualification of employees, skilled workers and supervisory grades in hotels, cafes, restaurants etc.

Levels of qualifications of employees and supervisory staff in the hotel and catering trade

Between 1982 and 2009:

- The percentage qualified to levels III, II and I (Baccalaureate + 2 and superior) rose from 7 to 14%.
- The percentage qualified to level IV (Baccalaureate) rose from 7 to 20%.
- The percentage of employees qualified to levels V and VI (CAP, BEP or equivalent) rose from 19 to 22%.
- The percentage of unqualified employees fell from 68 to 34%.
- This tendency toward professionalism is not generally reflected in salary rates during initial training (vocational training, apprenticeships and vocational contracts) which rose from 6 to 10%.
- This tendency is most evident in the case of young people under 30; 22% of them are paid whilst in training.
- *Owners and managers of hotels, cafes and restaurants.*

Between 1982 and 2009:

- The percentage qualified to levels III, II and I (Baccalaureate + 2 and superior) rose from 7 to 14%.

- The percentage qualified to level IV (Baccalaureate) rose from 7 to 20%.
- The percentage qualified to levels V and VI (CAP, BEP and equivalent) rose from 19 to 22%.
- The percentage of unqualified owners and managers fell from 69 to 35%.
- This tendency is most evident in the case of young people under 30 (23% remain unqualified despite gaining ownership or management status).

1.5. Initial and continuing education, training.

Reports in the public domain highlight dysfunction over many years and present the basic data in terms of the profusion of courses and qualified personnel in France each year. The extreme diversity in tourism trade training is evident; in the catering and hotel trade, which employs a large workforce, the recruitment level varies from the CAP to the BTS; in the other tourism sectors (travel agencies, tour operators, transport providers, etc.) the BTS appears to be the entry level. In 2006, at all levels throughout France 1,679 courses and 43,520 students were listed for the hotel and catering sector, 377 courses and 6,586 students in tourism (travel), studying for diplomas according to the traditional distinction by the Ministry for National Education, the Ministry for Higher Education and the Ministry of Labour.

	Hotel and catering	Tourism
V CAP/BEP	c. 1,200 courses (c. 3,000 students)	0 courses. (0 students)
IV Bac Pro/BP/Bac Techno	c. 300 courses (c. 9,000 students.)	0 courses. (0 students)
III BTS	152 courses. (3,045 students.)	278 courses (5,572 students)
II Degree	17 courses. (335 students	14 courses. (284 students)
I Masters	10 courses (140 students.)	65 courses (660 students)
Doctorate	0 courses (0 students)	20 courses. (70 students)

Source: National education, Descamps report (2008).

These figures are clearly only quantitative indicators. This profusion could be a real asset, but indifference among young students (50% of intake at BTS level prior to award of diploma) and of graduates during their first two years (between 30% and 50% in the sector), the recruitment of 40,000 new employees each year (of which 50% have not followed “tourism” courses) indicate the advisability of specifying which courses in France meet the needs of the market at the practical level. There were for example 65 specialist masters courses in 2006; this seems disproportionate and excessive. The growth in training availability, whether or not at graduate level, has been encouraged by various legislative devices (decentralised laws, transfer of competence to the local authorities, reform of the law on vocational training, harmonisation of European diplomas, etc.). The emergence of new trades relating to the tourism economy demands an evaluation of today’s quality criteria, reference to the concept of “trades”, adequacy with the economic realities of the sector, direct linkage with professionals, decompartmentalisation and a level of relevant and practical skills.

1.5.1. The professional route

Preparation for diplomas for the professional route is undertaken:

- Through colleges of higher education (sometimes agricultural colleges) or private technical or technology teaching establishments.
- Through apprenticeship, in public or private apprentice training centres (CFAs) or apprentice training sections (SAs).
- Through continuous vocational training, intended for adults already in working life.

The vocational certificate of competence (CAP):

The CAP, generally undertaken in colleges of higher education after the third year, is a diploma of level V (workers and employees qualified in specified trades). The CAP can be studied for in 200 different specialisms in the industrial, commercial and services sectors.

The certificate of vocational studies (BEP):

The curriculum was brought up to date in 2009-2010:

- Since the start of the 2009 academic year, the BEP has become a stage in the 3 year course for the vocational baccalaureate.
- The new BEP is an intermediate certificate. It attests to the acquisition of vocational competence but is not obligatory for obtaining the vocational baccalaureate.
- Two specialisms are relevant, these being hotel trade and catering,

The vocational baccalaureate:

The vocational baccalaureate is a national diploma which is prepared for over three years after the 3rd year with an important period of training in the working environment (from 16 to 18 weeks according to specialisms). It attests to the aptitude of its holder to practice a highly qualified vocation. This diploma allows for the continuation of studies for holders of the CAP or BEP in one or more sectors relative to the final baccalaureate.

The mention complémentaire:

The ‘mention complémentaire’ is a national diploma which aims to provide a specialist qualification. Access to the training, over 400 hours, is open to holders of a first diploma in vocational or technological (and possibly, general) education.

The higher vocational certificate (BP):

Open to holders of a CAP or a BEP with two years of experience, available for five hotel and catering occupations (barman, cook, housekeeper, restaurant and sommelier). In 2005, 589 candidates out of 916 were successful.

1.5.2. The technician route

The technical baccalaureate for the hotel trade:

This is open to the best BEP pupils.

The senior technician higher certificate (BTS):

The senior technician higher certificate is studied for in the higher technician department of a college. This training, accessible after obtaining the baccalaureate or equivalent, exempts the student from specialist training. It is supplemented by one or several training periods in the workplace. It leads to the award of a professional diploma after two years. At the start of the 2006 academic year, there were 88 BTS specialisms across four sectors (industrial, office, health and paramedics and applied arts).

1.5.3. University education and qualifications

The vocational degree:

Diploma of baccalaureate + 3 level, supplemented by 60 ECTS (2 semesters) and set up, in theory, in partnership with employers and professional organisations to allow young graduates to enter the field, selected at baccaulareate + 2 level. The two ideal profiles for a candidate for the vocational degree are: 1. Graduate (in law, economics, management etc.) wishing to specialise in the tourism sector and with a defined professional goal (especially starting up a business), 2. A person employed in the sector and wishing to validate his or her experience and to advance professionally. The description of certain aspects of the course engenders some scepticism, both from the point of view of relevance and its difference from existing BTS training.

The masters degree:

The masters degree is a two year (years M1 and M2) course (4 semesters), available to first degree graduates, known as L3 (but rarely to vocational degree holders), at baccalaureate + 5 level. The masters degree corresponds to 120 ECTS (60 per year).

The masters degree is classified by “fields”, then by “mentions” and “specialisms”. Two specialisms available to students during year M1 are “professional” and “research”". Entry to year M1 is generally based on written work, motivation and linguistic tests. Year M2 is reserved firstly for students who have gained the required 60 ECTS of year M1 and secondly to students from French and foreign universities assessed as having the equivalent of M1.

The doctorate:

Providing training in research and development and the highest qualification, the doctorate is studied for over three years at the end of Masters year 2, and is open to holders of an engineering degree or a diploma of a higher school of commerce conferring the grade of Master. Applying as a candidate does not necessarily result in being admitted for the doctorate thesis, as the course is generally over three years (corresponding to baccalaureate + 8 years). Based on scientific competence verified by the professional establishment, the training is at the state of the art level. It is provided at doctoral schools accredited by the minister in charge of higher education. After defence of his or her thesis, the candidate obtains the title of doctor.

1.5.4. Vocational certifications

Vocational certifications are intended to permit the reintegration of people deprived of employment into the workplace and to facilitate mobility in the labour market for working people and their progression within their employment. They are recognitions of occupational ability.

They provide for diplomas and vocational awards, issued by the authorities, via five “certifying” ministries listed with the National Repertory of Certifications (RNCP) by the National Commission for Vocational Certification (CNCP) and the Certificates of Vocational Qualification (CQP) relating to the branches within the sector.

- Examples of CQPs in the hotel and catering sector:
    - CQP Catering worker
    - CQP Restaurant and hotel catering assistant
    - CQP Managing chef
    - CQP Cook
    - CQP Housekeeping staff
    - CQP Qualified caterer
    - CQP Qualified catering technician
    - CQP Restaurant management

- CQP Restaurant waiter
- CQP Receptionist

1.5.5. Other training

Apprenticeship

The social cohesion programming law of January 2005 has re-launched apprenticeship in order to combat youth unemployment and to encourage small and medium-sized enterprises, traders and craftsmen, as well the largest companies, to recruit qualified staff.
This means of increasing employability enables young people between 16 and 25 to enter into a training contract combining work and training at an apprentice centre. The young recruit benefits from the status of employee, a fixed wage expressed as a percentage of the minimum wage and accompaniment by an apprenticeship mentor throughout the course. The key for the employer is the financial advantage of a tax credit, subject to certain conditions.
In France, the hotel and catering sector was the first sector to take up these apprenticeship contracts. In this field, almost one in two young people study for a diploma while working.

The vocational contract

The law relating to life-long vocational training passed on 4 May 2004 has led to the introduction of the vocational contract for acquiring a diploma or qualification collectively recognised within the sector.
The vocational contract, either CDI or CDD, aims for the acquisition of a recognised qualification to get people into, or back into, work. It applies to young between 16 and 26 or jobseekers over 26 registered with the ANPE (National Jobs Agency).

The duration of the vocational contract is 6 to 12 months, with a 24 months maximum for public sector contracts and some specific qualifications. It has to combine general education, technology and practical applications in the workplace.

1.6. Main regulations.

1.6.1. The law on the development and modernisation of services in tourism (no. 2009-888 of 22 July 2009)

Source: Official Journal (2009).

- Relates to the sale of travel and accommodation (single regime applicable to all travel operators, in force from 1 January 2010).
- Relates to transport by private tourist vehicles with a driver (“Grande remise”) specifications of vehicles, conditions and procedures for their use
- Relates to visits to museums and historic buildings

- Relates to the classification of tourist offices
- Relates to the French tourist promotion agency “ATOUT FRANCE”
- Relates to the reform of classification for all tourist accommodation (providing new, modernised and competitive classification standards that are easier for national and international customers to read and understand)
- Relates to the regulation of the transfers of licences for bars and alcohol sales points.

1.6.2. Laws relating to the national organisation of tourism in France

- *Law no. 87-10 of 3 January 1987, adopted on the proposal of Senator Bœuf relating to the regional organisation of tourism:*
    - Conforms to general decentralisation policies.
    - Entrusts to the regional tourism committees (CRTs) the task of proposing and implementing the tourism policy desired by the regional council following the opinion of the regional economic and social council.

- *Law no. 92-1341 of 23 December 1992, adopted on the proposal of Senator Mouly relating to the delegation of powers in the field of tourism:*
    - Consists of an initiative to obtain legislative recognition of the departmental tourism committees.
    - Various government amendments have led to planned development in tourism (State, region, department and commune).
    - The law makes tourist offices and visitor centres statutory and permanent and supports the creation of inter-communal tourist offices which are, in the main, associations of the type provided for by law 1901.

Source: Official Journal.

2. MANAGEMENT PRACTICE AT TOURISM SMES

2.1. State of art of best practices, labels and initiatives for sustainable tourism.

Some important reminders

The labels adopted by French tourism enterprises derive from two sources:

- the State and national or regional public bodies;
- professional/trade associations, which practise a form of self-labelling.

There are quite a lot of them, which is not necessarily helpful in terms of their visibility, and therefore of their effectiveness and the conviction they carry.

In principle, all labels are governed by the Consumer Code. They must be formulated in consultation with a certifying body, such as AFQ / AFNOR, Ecocert or Flo. They are then examined by the Direction Générale de la Concurrence, de la Consommation et de la Répression des Fraudes (DGCCRF/government department responsible for consumer affairs), before being published in the Journal Officiel (JO/Gazette publishing official announcements). The certifying body attests that a product, service, or combination of products and services, complies with the characteristics described in the "system of reference" it has drawn up.

It will be helpful to distinguish between the following concepts:

- *Standards:* these are terms of reference, technical specifications approved by a recognised body, for repeat or continuous application. They may be international, European or national; voluntary or mandatory. In tourism, we are concerned mainly with health and safety (H&S) regulations, on the one hand; standards for classifying establishments, on the other. Where quality is concerned, the point of reference is in almost all cases ISO Standard 14001.
- *Certification* is performed by an ad hoc body which provides a written guarantee of conformity, particularly in respect of H&S, professional training and management. In France, the establishments most subject to such certification are holiday centres for children (which receive one million young holiday-makers each year), under the supervision of the Ministère de la Jeunesse et des Sports. Certification is a voluntary procedure, which may give the establishments concerned a competitive advantage, but for SMEs it is often very expensive and too complicated to obtain. Certification is more appropriate to large organisations, or organisations which cannot avoid it on account of regulation, such as the holiday centres for children just mentioned.
- *Labels* are intended to grant recognition of particular features of an enterprise, but are not subject to a specific legal regime. A label may be international, national or regional.
- *A trademark* may be used by one organisation (single trademark) or by several (collective trademark). It has to be registered with the l'Institut Nationale de la Protection Industrielle (INPI), together with the associated regulations. The party registering the trademark must ensure that it is used appropriately.

The most widely used and recognised of these four terms is "label".

The NGO Tourism Concern (coalition-tourisme-responsable.org), which has 136 member entities in 52 countries, claims to have listed some 400 tourism labels in use around the world! Some of these serve solely for marketing purposes, i.e. they have no real bearing on quality and involve no external control. One thing that can be stated with certainty is that all tend to copy one another.

So how does one distinguish between them, whether one is a member of the public buying services or an SME wondering which label would add most value to its products and best promote its business?

Where the general public is concerned, here are some points to take into account:

- how long the label has been around, seniority providing some degree of credibility;
- the transparency of the label, as regards the terms on which it is granted and its quality control procedures;
- Users' opinions: tourist guides are still influential, but internet-based discussion groups, chat rooms and blogs are of growing importance, since they garner opinions direct from customers.

The list of labels set out below does not claim to be comprehensive: it is a survey of the principal tourism labels developed in France which are of interest to SMEs. We also discuss the guarantees they provide, for both enterprise and customer.

The "Qualité Tourisme" plan

- *Origins of the plan*

The decision to introduce this plan dates from 2004 and emanates from the French national authorities. It is a response to a dual challenge: on the one hand, the relative obsolescence of a percentage of France's tourism facilities, in terms of quality of service and premises; on the other, the initiative taken at national level by Spain, France's main rival, with the objective of reducing France's lead in this area. (It is worth noting that Spain, with one third fewer foreign visitors than France, nevertheless achieves a higher turnover in the tourism sector).
"Qualité Tourisme" is now a registered trademark and its aim is to provide an "objective standard you can trust".

- *Whom does it concern?*

In principle, all of France's 200,000 tourism enterprises, in particular those in the following nine categories:

- Establishments offering accommodation
- Restaurants
- Cafés and brasseries
- Conference centres
- Rental agencies
- Transport operators
- Tourist offices
- Visitor attractions
- Sports and leisure facilities

Clearly, most of these establishments are SMEs, even though many belong to a chain.

- *Prerequisites for participation*

All enterprises of the kinds mentioned above may participate. They must be compliant in terms of H&S procedures, and in terms of their official classification (e.g. a 3-star hotel must satisfy the 3-star standards).

- *Membership criteria*

The initiative involves a hundred or so commitments, appropriate to each of the occupations concerned.
These can be summed up under four headings:

- Compliance with national quality commitments
  - provision of information and communication with customers
  - personal service
  - provision of competent staff
  - comfortable premises
  - cleanliness and rigorous maintenance
  - making the most of local resources: e.g. local cuisine or provision of information on regional resources
- External auditing
- Systematic handling of tourists' complaints
- Availability of customer-satisfaction questionnaires

- *Local initiative*

Territorial, local and consular institutions may at local level by supporting and monitoring establishments that have adopted the Qualité Tourisme plan.

This provision is very relevant and may prove to be especially effective. This is because many SMEs in the tourism sector are not well informed of national initiatives or have little sense of involvement. Many feel very isolated or that they lack the resources to undertake an initiative of this kind. Finally, many are unaware of the competitive advantage to be gained from a serious quality initiative. This being the case, the support of a local institutional body may be very helpful.
One of the best examples of this is Normandie Qualité Tourisme: the CRT (tourist authority) which coordinates the initiative in the Normandy region with first-class support from local chambers of commerce and industry.

- *Individual participation and participation by proxy*

When the national Qualité Tourisme initiative began, the tourism authorities noted that some organisations, grouping a number of enterprises in the same market segment, had already launched similar procedures. The national Qualité Tourisme organisers therefore instituted two forms of labelling:

- Individual labelling, for enterprises or organisations acting in isolation;
- labelling by proxy, in cases where membership of a network and adoption of its quality criteria gives automatic entitlement to the Qualité Tourisme label, e.g. the independent Camping Qualité initiative.

To date, Qualité Tourisme has more than 40 networks acting as proxy, some with a considerable number of members, such as the FNAIM network of holiday rental agencies. It also includes :

- 26 tourist accommodation networks
- 4 restaurant networks
- 5 territorial visitor attraction networks
- 5 local authorities.

In this respect, Qualité Tourisme may be regarded as an umbrella label.

In March 2011, Qualité Tourisme involved 5,400 establishments, of the 15,000 initially forecast! A survey conducted in 2008 indicates that hotels featuring the Qualité Tourisme label enjoy an occupancy rate 2 points higher than those without it, camp sites a 10-point higher occupancy rate.

Environmental labels applicable to tourism products

Tourism is concerned with two of the basic “ingredients” of sustainable development: people and their environment. Customers are increasingly demanding that the authenticity of each “ingredient” be preserved.

At present in France,

- all the professional associations involved in tourism have a more or less organised sustainable development department, and together they produce a web-based publication, the Journal de l’Ecotourisme (www.lejournaldelecotorisme.com). Those which grant a label specify increasingly demanding terms of reference in their charters, year on year.
- Under the French local Agenda 21 initiative, 188 territories have received an award for their sustainable development activities since 2007: shared diagnosis and long-term strategy and action plan. These awards effectively fulfil the role of an environmental label.
- Nine National Parks and 45 Regional Nature Reserves have developed their own label, which has been registered as a trademark and which, under an agreement governing its use, can be applied to certain tourism products which meet the National Parks’ requirements. As a result, SMEs located in a national park or nature reserve which fulfil the requirements of the Féderation des Parcs Naturels (FNPN) can be granted this label. For instance, some establishments providing accommodation in Alsace carry the Parc Naturel des Vosges du Nord label.
- Some towns and cities aim to be awarded the coveted Capitale Verte de l’Europe label, for instance Stockholm. In 2011, the candidate was Nantes, hoping to earn points on account of its tram system and river buses. This type of award is very effective in promoting a town or city’s image as a tourist destination.

Where the environment is concerned, four labels carry authority, being recognised by the inter-ministerial Agence de l'Environnement et de la Maîtrise de l'Energie (ADEME).

- *The European Ecolabel*

The European Ecolabel (www.eco-label-tourism.com) is based on an establishment's energy consumption audit and the environmentally friendly behaviour of its staff. It has been awarded to 74 of France's 18,000 hotels. The initial costs of obtaining the label are very high, but it can subsequently generate savings of up to 15% on water and electricity. The European Ecolabel approach focuses on the lifecycle of products and takes into account 84 different criteria. It is awarded by the European Commission. It is concerned with water and energy saving, waste recycling, the use of environmentally friendly substances, and encouraging environmental education and communication.

- *The Green Globe label*

The Green Globe label (www.Greenglobe.com) is very similar to the previous one. It is concerned with improving environmental and social management, thus providing an answer to major social, societal and environmental problems (greenhouse effect, excessive water consumption, the production of wastes and the destruction of biodiversity). It is recognised by the WTO and the WTTC. To obtain it, candidates have to undergo an audit comprising 240 criteria. An example: Club Med has six villages which boast the Green Globe label.

- *La Clef Verte (Green Key)*

La Clef Verte (www.laclefverte.com) is also an environmental label. Specific to environmentally friendly tourist accommodation, it has been awarded since 1998 by the French Office of the Foundation for Environmental Education in Europe. To date, it involves 500 French camp sites, hotels, self-catering properties and B&BS.

- *Pavillon Bleu (Blue Flag)*

The Pavillon Bleu label (www.pavillonbleu.org) was created in 1985 by the French Office of the Foundation for Environmental Education in Europe. Every year, it honours municipalities and marinas which pursue an on-going policy of research to promote and sustain a high-quality environment.

Apart from these four major environmental labels, some enterprises prefer to seek ISO 14001 certification directly from an approved certifying body in recognition of their sound environmental management. This is true, for example, of the *Eco-spa Yves Rocher at La Grée des Landes (south of Bordeaux).*

- *The other cross-sector labels*

There are few other cross-sector labels, but it is worth mentioning **Tourisme et Handicaps**.
This label, created in 2001, is of interest to a wide range of service providers: establishments offering accommodation, of course, but also sports and leisure facilities, restaurants, transport operators, cultural sites and so on. Ideally, Tourisme & Handicaps would like to be able to award its label to an entire holiday destination – a resort, for example – that was accessible to people with disabilities for every aspect of their holiday.

The objectives of Tourisme & Handicaps are now supported by legislation, since it will be obligatory to make public places in France accessible to the disabled from 2015.

The procedure begins with a self-assessment on the part of the enterprise concerned, is followed by a commitment to taking the necessary measures with the assistance of external assessors, and culminates in approval from the Regional Director of Tourism. The label may be awarded for one, two, three of all four of the different types of disability: motor disability, visual disability, hearing disability, cognitive disability. For example, 15 holiday villages belonging to the Cap France organisation have been awarded the label, as has their website, specially adapted for the partially sighted.

Business-related labels

These are referred to as “self-declared” labels, to distinguish them from labels developed by an external authority, but in many cases they are none the less serious, effective, credible and of proven value.

These labels have been developed by professionals for professionals, people well aware of the finer points of their respective occupations. Their purpose is to enhance the qualities of the businesses concerned, winning them kudos as they face local, regional, national and even European competition. These labels are generally managed by trade associations, foundations and federations.

These business-related labels are therefore organised not only by occupation but also within each such occupation, with precise parameters to distinguish one from another.

The most fragmented sector in terms of labels is the tourist accommodation sector, because of the many networks that have sprung up on a voluntary basis.

- Enterprises belong because the standards of the network are in line with those they want to adopt themselves, and because the network offers services likely to make an enterprise more dynamic, e.g. a commercial service.
- Enterprises are admitted because they correspond to the standards of the network and undertake to develop along those lines, along with their fellow-members.

Clearly, when an enterprise subscribes to a hotel charter, the issue of quality remains very important, but it is gradually supplanted by a concern to benefit from the commercial strength of the network.

Voluntary networks regularly introduce new or stricter environmental criteria as part of their terms of reference.

It is impossible in this context to give a comprehensive list of tourism-related business labels, but we here mention a number of them for illustrative purposes, selected on the basis of their accessibility for SMEs operating in the tourism sector, and of French origin.

- *Hotel labels*

The best-known are

- **Relais & Châteaux**, created in 1954 for hotels in the 3 to 5-star categories. They are very selective in their admission criteria, as regards comfort and décor, as well as cuisine. They treat complaints very seriously and every year expel several of their members who no longer meet the requisite standards. The chain carries out frequent inspections of its member establishments. The 500 Relais & Châteaux members, 60 of them located outside France, are the embodiment of French-style luxury and *art de vivre*.
- **Logis de France**, covering the 2 and 3-star categories, represent a more down-to-earth approach to hotel-keeping. Established in 1949, the chain grew to more than 4,000 members in the 1990s, but has since had to seriously overhaul its criteria and quality control procedures. At present, all hotels bearing the label are inspected by mystery visitors. Logis de France has 2,800 members, a hundred or so of them located outside France. The network acts as proxy for Qualité Tourisme.
- **Relais du Silence**, established in 1968, has a membership of 220 hotels in the 2 to 5-star categories, in France and in nine other European countries. As the name indicates, the label is awarded to quiet, authentic hotels, offering a warm welcome and impeccable quality.
- Some smaller hotel networks have recently emerged with a focus on the environment. **Temmos**, for instance, has five “carbon neutral” members in mountain settings. Another is the **“Green” Hotels Association**.

Some of these labels belong to networks which act as proxy for the national Qualité Tourisme label mentioned above. Names such as Mercure and Ibis are not labels but the brand names of major enterprises, in this case grouped together under an umbrella brand: the Accor Group.

- *Labels covering other types of tourist accommodation*

To the extent that non-hotel-type accommodation has exhibited serious deficiencies in terms of quality, improving standards is certainly essential. However, the fact that establishments of this kind tend to be small or very small and are scattered all over France does not make the task any easier. It therefore requires all the energy of the organisers (associations, professional federations…), and sometimes support in the form of public subsidies, to develop an ad hoc label and ensure that it works effectively.

The principal initiatives of this kind are:

- **Gîtes de France**, established in 1955, is the label awarded to tourist accommodation belonging to 43,000 private individuals in rural areas. These properties are rented out in the form of Gîtes Ruraux (45,000) or Chambres d'Hôtes (B&B, 10, 000) and, to a lesser extent, Gîtes de Groupes, Gîtes d'Enfants and Camping à la Ferme. It is crucial that the owners receive assistance before the label (with its classification system of 1 to 4 ears of corn) is awarded. Since the label was founded over 50 years ago, Gîtes de France have found it necessary to diversify, adopting such "sub-labels" as Gîtes Panda (developed in conjunction with the WWF), Gîtes de Charme, Gîtes Prestige, Gîtes au Jardin, Gîtes de Pêche, Gîtes Equitation, Gîtes Motards and so on, in response to the increasing segmentation of demand. Gîtes de France is therefore the general label, covering different forms of more specialised accommodation.
- **Clésvacances** is a label covering some 25,000 holiday rental properties which conform to its terms of reference, in towns and resorts, and in the countryside. In terms of reputation, it is now the second label for rental accommodation, after Gîtes de France.
- **Bienvenue à la Ferme** is a label managed by the Assemblée Permanente des Chambres d'Agriculture with the aim of raising the standards of comfort and service of farm-based establishments (*agritourisme*). Various environmental criteria are involved. The **Accueil Paysan** label (800 members, 200 of them outside France) plays a similar role. Both tend to reinforce the authentically rural character of this form of holiday accommodation.
- **Camping Qualité** is the initiative of a professional federation of camp-site owners and, as we have seen above, this label acts as proxy for Qualité France. The accent is on friendly welcome, cleanliness, the provision of information, well-looked-after private space and care for the environment, all covered in a contract comprising 600 criteria. Of the 8,600 camp sites listed in France, 110 have been awarded this label.
- **Rando Accueil** is a label covering establishments located, mainly in the countryside and in mountain areas, in the vicinity of rambling, cycling and horse-riding trails. Its criteria naturally focus on the kinds of services required by ramblers.
- **Chouette Nature** is a label covering community-style accommodation, mainly holiday villages. Of the 105 villages owned by Cap France, 53 have been awarded this environmental label based on a hundred or so

criteria relating to energy and water consumption, and multimodal transport. According to UNAT (the body grouping community-style accommodation providers), Choette Nature is very good at getting its message across.

- *Restaurant labels*

Restaurant labels are closely associated with tourism. They are not concerned so much with recognising culinary excellence; the accent is more on local cuisine, characteristic of the region concerned. Other important factors are the use of fresh produce, hygienic conditions, décor and above all the level of service.

- **Restaurateurs de France** is a label recognised by Qualité Tourisme. It is a guarantee of professionalism, carrying an annual commitment to staff training and an inspection regime.
- **Tables et Auberges de France** is another national label, policed by mystery visitors. Restaurants are ranked according to a four-level classification: Prestige, Gastronomie, Terroir and Bistrot Gourmand. A member restaurant is expelled after being the subject of three complaints.
- **Tables Gourmandes** is a label which operates on a regional basis. The emphasis is on the authenticity of produce and cuisine.

- *Museum labels*

The most widely recognised label in a sector which does not really lend itself to this sort of treatment is the Musées de France appellation, awarded by the Direction des Musées de France (DMF). It is held by 2,000 of France's 10,000 or so museums.

Membership of the Fédération des Ecomusées de France is also a guarantee of quality in the areas of conservation, management and mediation. The Federation organises fifty or more training courses each year.

There are also some interesting regional labelling initiatives in relation to cultural sites: Terre Catalane in the Pyrénées Orientales, Normandie Sites or the Association des Musées du Nord-Pas-de-Calais, for example.

- *Destination labels*

These labels are not of direct interest to SMEs operating in the tourism sector, but they are important in enhancing the status of SMEs which come within their orbit. They aim, in some cases, to recognise the very distinctive character of a destination; in others, to ensure delivery of particular services.

- **Villes et Pays d'Art et d'Histoire** is a label awarded by the Ministry of Culture to towns and groups of villages which promote their heritage and organise regular activities.

- **Villes et Villages Fleuris** is a system involving thousands of municipalities throughout France, with five levels of classification for creating an attractive environment; the accolade is akin to a label.
- **Grands Sites de France** is the title awarded to just a dozen outstanding tourist sites. The label confirms their reputation and puts them in line for development funding. Good examples are Mont St Michel and the town of Carcassonne.
- The **Plus Beaux Villages de France** label has been awarded to approximately 130 villages of outstanding beauty. They must also possess listed monuments and offer facilities for tourism.
- The **Stations Kid** and **Stations Familles Plus** labels are awarded to resorts which make a special effort to cater for families with young children.

- *Tour operator labels*

Several groups of tour operators are distinguished by labels proclaiming their commitment to tourism that is sustainable, responsible and equitable. However, their efforts are concerned mainly with foreign tourism and are therefore relevant to French people travelling abroad.

- **Agir pour un Tourisme Responsable** (ATR) is a label covering 13 operators, which serve 300,000 clients a year.
- **Association pour un Tourisme Equitable et Solidaire** (ATES) is a grouping of 20 small tour operators, including Croq'Nature, also committed to fair and responsible tourism. They cater for 6,000 clients per annum.

Conclusion

The conclusion of this survey of the principal labels covering tourism enterprises and holiday destinations focuses on the situation of the 200,000 or so tourism-related enterprises operating in France, the vast majority of which are SMEs.

The first point to note is the following contradiction:

- There are a large number of labels, some of which play a purely marketing role (i.e. in recruiting customers), but this multiplicity is justified by the growing segmentation of the market, with tourism becoming less of a "mass" phenomenon.
- Many of these labels, especially those mentioned above, have considerable influence, appreciably improving the professionalism of the SMEs that adopt them and inspiring confidence among the general public.
- However, despite remarkable progress, due mainly to the sterling efforts of those who manage these labels, only a minority of establishments have adopted them: roughly 20% of holiday rental properties, for example, and only 10% or so of camp sites.

- *The hard route to obtaining a label for an SME operating in the tourism sector*

Tourism-related occupations are known for their “porosity”: many trained individuals quit the industry to go and work elsewhere, while day by day a fresh intake of inexperienced entrepreneurs and employees take up the challenge of working in the sector. They consequently lack inside knowledge of the industry and have a long and difficult road to travel before they become aware of the advantages of labelling, especially if their establishment is geographically or culturally remote from the relevant sources of information. Sometimes the award of a trophy or prize to another enterprise or product is reported in the local press and raises awareness of the desirability of this kind of recognition.

They then have to decide which label to go for: which label is most appropriate to the enterprise, and most likely to enhance its performance in terms of competitiveness and profitability. Here again, the role and availability of information are crucial factors. Surfing the net, though now within the capabilities of almost everybody, is insufficient in terms of the guidance required to make an informed choice. Wise advice may therefore be valuable, of the kind that can be obtained from the tourism managers of chambers of commerce, tourism boards at *département* and regional level, or specialised private consultants (though their services come at a price).

In any case, obtaining a label can be a cruel procedure. Experience shows that the most effective labels are those which regularly rely on external – in some case anonymous – inspections, and those which are strict in eliminating members who no longer conform to the label’s charter and reference criteria.

Once a choice of label has been made, the procedure generally begins with a self-assessment, during which the enterprise takes stock of the gap between the requirements of the label and its present circumstances. At this stage, it generally benefits from support to help it achieve conformity with the demands of the label. Once the necessary changes and improvements have been made, the enterprise generally undergoes an audit, by prior arrangement or anonymously. If the audit turns out positive, the label is granted.

It is then necessary to maintain the requisite standards and avoid giving grounds for complaints.

- *The special contribution made by labels concerned with sustainable development*

Contrary to current thinking to the effect that sustainable tourism labels are concerned essentially with safeguarding the environment, they also cover an establishment’s rootedness in the local setting (information about local resources, use of local produce…) and human factors.
In this respect, an initiative to qualify for a label of this kind is motivating for the staff because it gives meaning to their work and creates stronger ties between the persons involved.

- *The advantages of destination labels*

All the tourism-related enterprises of a particular holiday destination have a common interest: like it or not, they are all part of the local "holiday supply chain" and each has its own profile and contribution to make. The award of a destination-based label, such as the *NQT/Normandie Qualité Tourisme* label mentioned earlier, enables them to benefit from the combined promotional effort. It also strengthens friendly relations with the other local players in the tourism sector.

Being covered by a destination-related label is not in any case incompatible with the enterprise's obtaining a second, more occupation-focused one.

All in all, the procedure involved in obtaining a label is an excellent way for SMEs operating in the tourism sector to modernise their approach to business and take on board the imperatives of sustainable development.

2.2. Professional associations.

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HUNGARY

EDUTUS

Overview of Hungarian SMEs in the Tourism Sector

Overview of Hungarian SMEs in the Tourism Sector

Identification of main features of tourism SMEs and microenterprises in Hungary
State of the art of methods and indicators (stats and evaluation of economic performance for SMEs)

1.1. SMEs in Hungary, main indicators and features, SBA principles

There are approximately 55 SMEs per 1000 inhabitants in Hungary (population 9,986 million[39]), which is markedly above the EU average of ca 40. Since this is mainly due to a high overall number of businesses, the proportion of SMEs as compared to all enterprises is exactly the same, even though the micro enterprises sector is comparatively more important in Hungary. The percentage of medium-sized and small enterprises is correspondingly lower. The contribution of SMEs to employment in Hungary is 71.1%, compared to the European average of 67.4%.
Looking at statistical data in Table 1, in terms of SME employment Hungarian SMEs contribute more to total employment than the EU-average, in particular in the

[39] On January 1, 2011; Source: Hungarian Central Statistical Office (STADAT Table 1.1)

segment of the Hungarian micro enterprises (35.4% vs. 29.7%). On the other hand the figure was reversed in terms of value added, suggesting room for improvement in terms of the productivity of the Hungarian micro enterprises.[40]

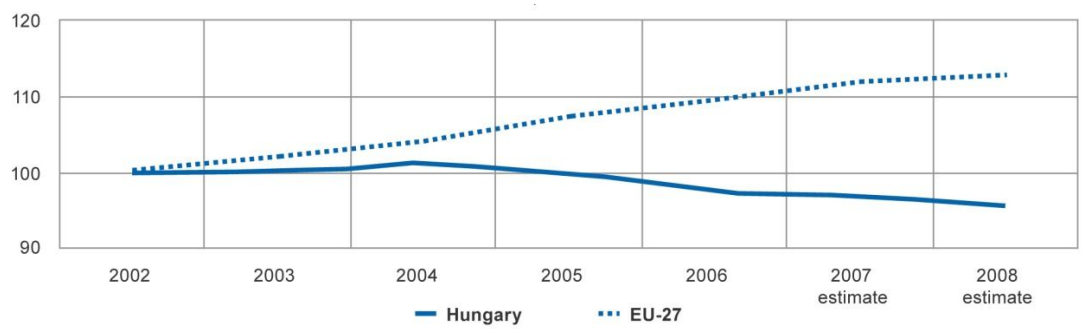
Table 12 Number of enterprises, SME employment, and value added - Hungary

	Enterprises			Employment			Value added		
	Hungary		*EU-27*	Hungary		*EU-27*	Hungary		*EU-27*
	Number	Share	*Share*	Number	Share	*Share*	Billion €	Share	*Share*
Micro	503 171	94.4%	*91.8%*	881 142	35.4%	*29.7%*	9	17.5%	*21.0%*
Small	25 122	4.7%	*6.9%*	479 676	19.3%	*20.7%*	8	16.2%	*18.9%*
Medium-sized	4 125	0.8%	*1.1%*	406 302	16.3%	*17.0%*	9	18.2%	*18.0%*
SMEs	**532 418**	**99.8%**	***99.8%***	**1 767 120**	**71.1%**	***67.4%***	**25**	**51.9%**	***57.9%***
Large	822	0.2%	*0.2%*	719 477	28.9%	*32.6%*	23	48.1%	*42.1%*
Total	**533 240**	**100.0%**	***100.0%***	**2 486 597**	**100.0%**	***100.0%***	**49**	**100.0%**	***100.0%***

Source: Eurostat, elaborated by EIM.[41]

From 2002 to 2008 the number of enterprises declined with 4 % whereas the average EU-growth was 13 %. The net decline in the number of enterprises occurred particularly in the group of micro enterprises and large enterprises, whereas the group of small enterprises (8 %) and medium sized enterprises (1 %) has grown.
Figure 1 – Number of SMEs (Hungary vs. EU-27)

Figure 1 Number of SMEs, index 2002 = 100 - Hungary



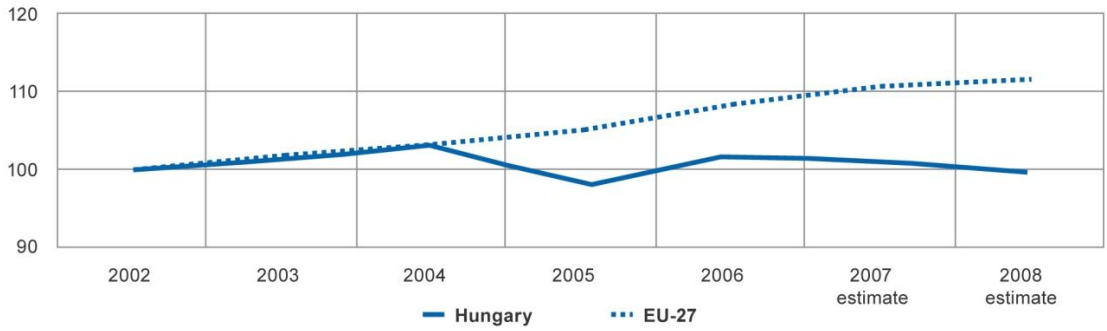
Source: European Commission, DG Enterprise and Industry

Employment in Hungarian SMEs remained more or less stable in the period under consideration, whereas it increased with 12 % in the EU on average.

[40] European Commission DG Enterprise and Industry, SBA Fact Sheet Hungary '09
[41] Data refer to the non-financial business economy (NACE C-I, K) and represent estimates for 2008. The estimates have been developed by EIM Business and Policy Research, based on 2006 Eurostat Structural Business Statistics figures.

Employment in SMEs (Hungary vs. Eu-27)

Figure 2 Employment in SMEs, index 2002 = 100 - Hungary

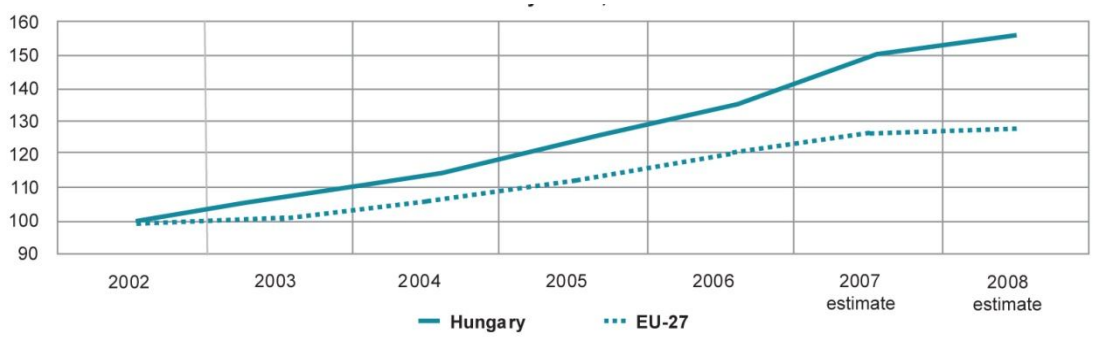


Source: European Commission, DG Enterprise and Industry

The productivity of micro enterprises in Hungary has been improving rapidly over the past ten years, though on average from a lower starting point than the EU-27 average. The value added of Hungarian SMEs has grown substantially, by 55% in the period between 2002 and 2008, whereas value added of EU SMEs grew by 28%[42] (see Figure 3 below).

Value added created by SMEs, index 2002=100

Figure 3 Increased value creation on fthe Hungarian SMEs



Source: European Commission, DG Enterprise and Industry

1.2. Hungary's SBA Profile[43]

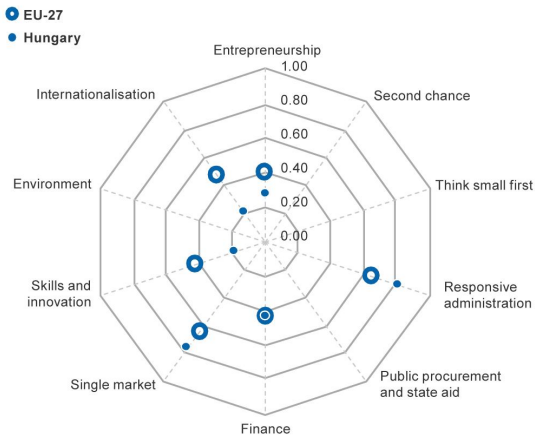
The SBA policy radar for Hungary suggests room for improvement in several areas: the available data put Hungary ahead of the EU-27 average in two areas ("Responsive administration" and "Single market"). On a par with the EU-27 average is the area "Finance". The score for "Internationalization" is beneath the EU-27 average, while the areas "Entrepreneurship" and "Skills and innovation" significantly underperform their respective European mean values. Also in the four sections where no category-average could be calculated the existing indicators are predominantly below par. The analysis distinguishes between two types of indicators: those that have been used to calculate a score for each of the SBA principles, and in addition a few indicators that provide interesting information but which do not cover enough countries to be included in that calculation. As displayed in the chart, values are

[42] *Be Innovative-Go International*, Discussion Paper for the Informal Meeting of Ministers of Industry (Competitiveness Council), Budapest – Gödöllő, Hungary, 13 April 2011, pp.41

[43] The different dimensions of the radar correspond to the set of 10 principles foreseen in the European Commission's Small Business Act (SBA)

available for the following SBA principles: Entrepreneurship, Responsive administration, Finance, Single market, Skills and innovation, and Internationalization.

Figure 4 SBA priority areas in Hungary (compared to the EU – 27 average)



Source: European Commission, DG Enterprise (2009)

Entrepreneurship: Overall the available figures for this SBA principle position Hungary below the EU-27 average. This is due to several indicators: the share of opportunity entrepreneurs compared to those who started a business out of necessity (necessity-based entrepreneurship), the share of people who expect to start a business within 3 years and the significantly lower percentage of citizens who agree that their school education helped develop an entrepreneurial attitude: 34 % of Hungarians compared to 53 % in the EU, on average. The share of students who participate in entrepreneurship education (32 %) however is on a par with the EU average (32 %). Also the desire to become self-employed (26 % of the population) and the percentage of the adult population currently running a business (Total Entrepreneurship Activity Index) are on a par with the EU average. The early stage entrepreneurship rate is however higher than the EU average. Some additional indicators confirm the picture of a position below EU average. For example only 19 % of Hungarians agree that there is extensive media coverage for new businesses (versus 51 % for the EU). The share of women entrepreneurs on the other hand is above the EU average.

Second chance: The few indicators that exist for this SBA area do not form a consistent picture but suggest a performance below EU average. This is due to higher costs for closing a business as well as the lower degree of support for allowing a second chance (61 % of Hungarians versus 80 % of their European peers). On a par with the EU average is the time it takes to close a business.

Think small first: The few indicators that exist for this SBA area do not form a consistent picture. The time required to comply with administrative obligations is relatively short, placing Hungary above the EU average in this respect. The two indicators related to regulations perform below EU average: fewer SMEs support current regulations (19 % in Hungary versus 34 % as EU average) and a larger share of SMEs encountered problems with administrative regulations (55 % versus 33 %).

Responsive administration: Overall the available figures for this SBA principle position Hungary well above the EU-27 average. This is mainly due to relatively straightforward procedures for hiring and firing staff, a relatively short time required

for starting a new business[44] or registering property. Overall, these indicators overruled the impact of the few indicators where Hungary performed on a par (E-Government availability) or below the EU-average, most notably the higher costs required to start a business. The additional indicator measuring the costs to register property (as a percentage of its value) performs below EU average (11 % vs. 5 %).

Public procurement and state aid: The only indicator available is the proportion of State aid earmarked for SMEs which performs below the EU average (3 % in Hungary versus 11 % as EU average).

Finance: Overall the available figures for this SBA principle position Hungary on a par with the EU-27 average. Indicators related to getting credit (legal rights index, depth of credit information index) perform in line with the average. All the other indicators are either below or above the EU average. In terms of average delay in payments Hungary performs better than the EU average (10 vs 16 days). At the same time the availability of venture capital both in the early and in the expansion stages exemplify a below average performance. Most additional indicators hint at a similar performance: the share of SMEs experiencing problems with access to finance exceeds the average (29 % vs 21 %) while both public and private credit registries cover a smaller share of the population than their EU-27 counterparts.

Single market: Overall the available figures for this SBA principle position Hungary above the EU-27 average. This is mainly due to the transposition delay for overdue directives – 7 months in Hungary compared to 9 months EU average. This single indicator overrules the impact of the other indicators where Hungary performs on a par with the EU-average: the percentage of Single Market directives that have been transposed or notified; the number of 2-year overdue directives and the share of imports from the EU in total imports.

Skills and innovation: Overall the available figures for this SBA principle position Hungary significantly below the EU-27 average. This is mainly due to the lower share of SMEs that have new products or income from new products (44 % for Hungary versus 64 % for the EU on average), and the percentage of SMEs innovating in-house (13 % for Hungary versus 30 % for the EU on average). The share of SMEs involved in innovation activities is lower than in Europe (18 % vs 36 %). Despite that fact, the innovative SMEs co-operate with others to a similar extent as their European peers and also gain a similar share in turnover from their new products or services. With respect to skills, the percentage of SMEs using e-learning applications for training and education of employees is below the EU-average (15 % vs. 29 %). Also the percentages of enterprises having purchased on-line and received orders on-line over the last year are below the EU average. Another indicator where Hungary performs on a par with the EU average is the share of SME employees that have tertiary education (36 % vs 30 %).

Environment: The few indicators that exist for this SBA area do not form a consistent picture. While the share of SMEs applying simple measures to save energy is on a par with the EU average, the percentage of SMEs having comprehensive systems for energy efficiency performs below average.

Internationalization: Overall the available figures for this SBA principle position Hungary below the EU-27 average. This is due to all but one indicator underperforming the average. These include the number of days needed to export (18 vs. 11) and import (17 vs. 13), the share of SMEs gaining income from

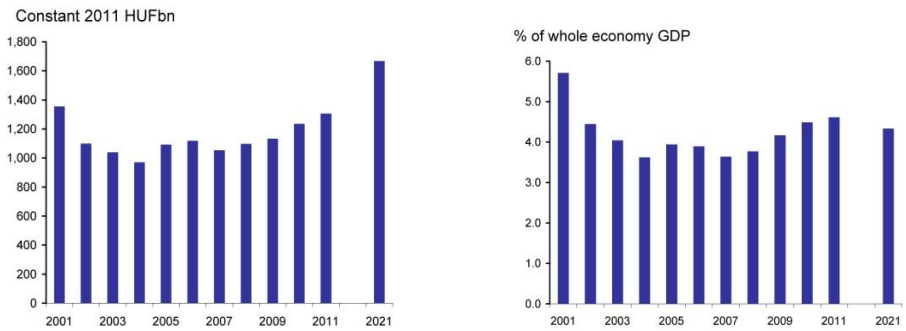
[44] In Hungary it takes 5 days to start a business whereas the EU-27 average is 17 days (source: World Bank Doing Business 2009). It should be noted that these findings differ from corresponding figures obtained directly from the Member States through the Lisbon process according to which it takes 2 days in Hungary (corresponding EU27-average is 8 days).

subsidiaries or joint ventures abroad (0.2 % vs. 4.8 %), and the share of turnover from exports (3 % vs. 6 %). There is a single, additional indicator, which performs in line with the average in this SBA principle, which measures the share of SMEs that had own imports during the period between 2006 and 2008 (41 % vs. 39 %).

1.3. Tourism SMEs – contribution to GDP, value added, jobs generated

Tourism Satellite Account (TSA) data compiled by the Hungarian Central Statistical Office is only available through 2007. In 2007, according to the TSA the tourism sector's contribution to GDP was 5.3%. More recent data from the WTTC country report for Hungary suggests that direct contribution of Travel & Tourism to GDP is expected to be HUF 1,305.1 billion (EUR 4.85 billion[45]) in 2011 (4.6% of GDP)[46]. This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). But it also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists.
The direct contribution of Travel & Tourism to GDP is expected to grow by 2.5% per annum (pa) to HUF 1,667.4 billion or EUR 6.19 billion (4.3% of GDP) by 2021.[47]

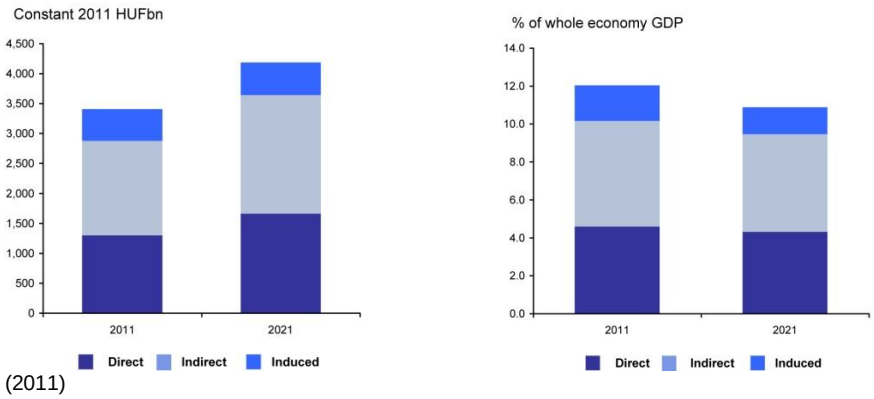
Figure 5 Hungary : Direct Contribution of the travel and Tourism to GDP



Source: WTTC (2011)

The total contribution of Travel & Tourism to GDP (including wider effects from investment, the supply chain and induced income impacts see [explanation]) is expected to be HUF 3,398.5 billion in 2011 (12.0% of GDP). It is forecast to rise by 2.1% pa from HUF 4,176.5 billion by 2021 (10.9% of GDP).

Figure 6 Hungary : Total Contribution of Travel & Tourism to GDP



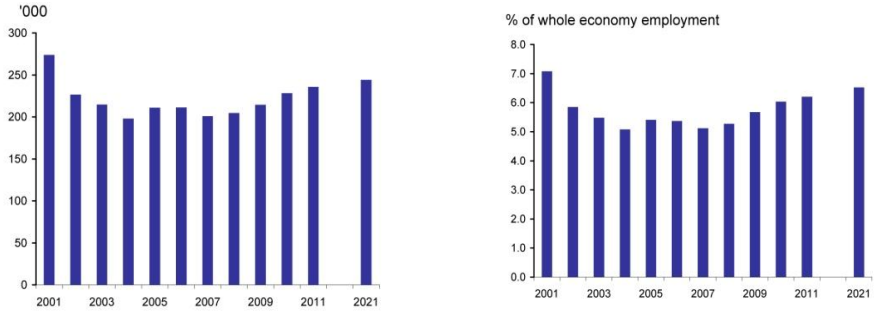
Source: WTTC (2011)

[45] Based on the 2011 average exchange rate through July; EUR 1=HUF 269.11
[46] World Travel & Tourism Council (WTTC) report, The Travel and Tourism Economic Impact in Hungary, 2011
[47] World Travel & Tourism Council (WTTC) report, The Travel and Tourism Economic Impact in Hungary, 2011

Travel and tourism is expected to generate 236,000 jobs directly in 2011 (6.2% of total employment). This includes employment by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). It also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists.

By 2021, travel and tourism will account for 244,000 jobs directly, an increase of 8,000 (3.5%) over the next ten years.

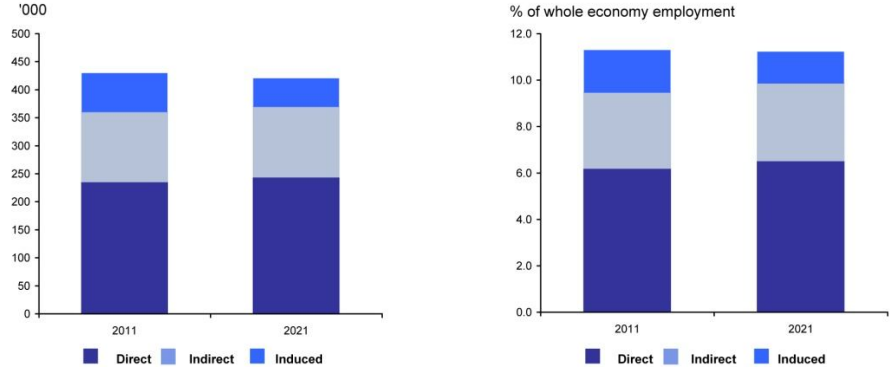
Figure 7 Hungary : Direct contribution of Travel & Tourism to employment



Source: WTTC

The total contribution of Travel & Tourism to employment (including wider effects from investment, the supply chain and induced income impacts) is expected to be 429,000 jobs in 2011 (11.3% of total employment). By 2021, travel and tourism is forecast to support 420,000 jobs (11.2% of total employment), a decrease of 0.2% pa over the period (table 13).

Table 13 Hungary: Total contribution of Travel & Tourism to employment



Source: WTTC

Number of enterprises and employees (tourism sector)

2.1 Number of employees

Finding the total number of employment for the tourism sector is a particularly complex, if not daunting task because of the inter-sectoral nature of tourism. Differences in data mining and estimation methodology employed by research companies (such as WTTC and EIM Business and Policy Research), national statistical offices (such as Hungarian Central Statistical Office) and Eurostat make it difficult to find consistency within the figures and data. For example, the TSA/HCSO numbers for total persons employed in the Hungarian tourism sector is 322,719

persons in 2007[48] (latest TSA data available) whereas the figure put forward by Eurostat/LFS for the same period of time is 392, 600 (using the NACE Rev.2 industrial classification for accommodation and food service activities – I, only). According to the same TSA table in 2006 about 355,000 persons were employed in the tourism characteristic industries, estimated in "full-time-equivalent" (FTE). That is 9.2% of the total number of employed in the Hungarian national economy. The majority of jobs were recorded in food and beverage serving industries and in passenger transport. 83% of the persons had an employment status, and 17% of them were self-employed (or family member). Curiously enough, the Eurostat tables contain data for the subsequent years, yet the HCSO doesn't have any data available at all.

The following tables are based on data published by Eurostat and are attempts at comparing data for all countries involved in the KNOWNET project for total, full-time, and part-time employment in tourism (NACE_R2 I).

Total[49]

Table 14Employed persons by full-time / part-time activity [tour_ifs1r2] (thousands)

GEO/TIME	2005	2006	2007	2008	2009	2010
European Union (27 countries)	210,784	214,936	219,070	221,673	217,813	216,450
European Union (25 countries)	198,687	202,535	206,464	208,944	205,316	204,158
Belgium	4,235	4,264	4,380	4,446	4,421	4,489
France	24,977	25,150	25,579	25,920	25,691	25,736
Italy	22,563	22,988	23,222	23,405	23,025	22,872
Hungary	3,901	3,930	3,926	3,879	3,782	3,781
Austria	3,824	3,928	4,028	4,090	4,078	4,096
Romania	9,115	9,291	9,353	9,369	9,243	9,239
Slovenia	949	961	985	996	981	966
Turkey	-	20,433	20,750	21,193	21,271	22,593

Source: Eurostat (Labor Force Survey)

[48] Source HCSO: TSA 2004-2007; number of persons employed in "full time equivalent" (FTE)

[49] Employed persons by total (full-time and part-time)[tour_lfs1r2]; Last updated on May 31, 2011; Extracted on July 23, 2011. NACE_R2: Total – all NACE activities; WSTATUS: Employed persons; WORKTIME: Total

Full time[50]

Table 15 Employed persons by full-time activity [tour_ifs1r2] (thousands)

GEO/TIME	2005	2006	2007	2008	2009	2010
European Union (27 countries)	171,776	175,748	179,009	181,176	176,843	174,767
European Union (25 countries)	160,816	164,435	167,487	169,451	165,325	163,560
Belgium	3,304	3,318	3,410	3,440	3,386	3,409
France	20,690	20,818	21,152	21,531	21,236	21,163
Italy	19,666	19,934	20,059	20,058	19,744	19,436
Hungary	3,741	3,773	3,764	3,700	3,572	3,561
Austria	3,017	3,074	3,119	3,135	3,075	3,066
Romania	8,182	8,394	8,443	8,443	8,340	8,226
Slovenia	864	872	893	906	877	856
Turkey	:	18,876	19,000	19,228	18,873	19,952

Source: Eurostat (Labour Force Survey)

Part-time[51]

Table 16 Employed persons by part-time activity [toursifs1r2] (thousands)

GEO/TIME	2005	2006	2007	2008	2009	2010
European Union (27 countries)	37,249	38,876	39,759	40,431	40,896	41,599
European Union (25 countries)	36,257	37,920	38,794	39,426	39,917	40,513
Belgium	932	945	970	1,006	1,034	1,079
France	4,287	4,332	4,427	4,388	4,455	4,573
Italy	2,897	3,054	3,163	3,346	3,281	3,437
Hungary	160	157	162	179	210	220
Austria	808	855	909	955	1,003	1,030
Romania	932	897	911	926	903	1,013
Slovenia	86	89	92	90	104	110
Turkey	:	1,558	1,750	1,965	2,398	2,641

Source: Eurostat (Labour Force Survey)

2.2. Number of enterprises

Insufficient data and a rather chaotic system employed by the Hungarian Central Statistical Office (HCSO) greatly impede the task of finding the number of enterprises involved in activities related to the tourism industry. A slight discrepancy in usage of EU NACE Rev 2 classification for activities carried out by enterprises and TEAOR08 classification used by the HCSO further complicates the task. To make matters even worse, if there were a way to come up with a number there still would impossible to determine how many of these enterprises are SMEs and micro enterprises.

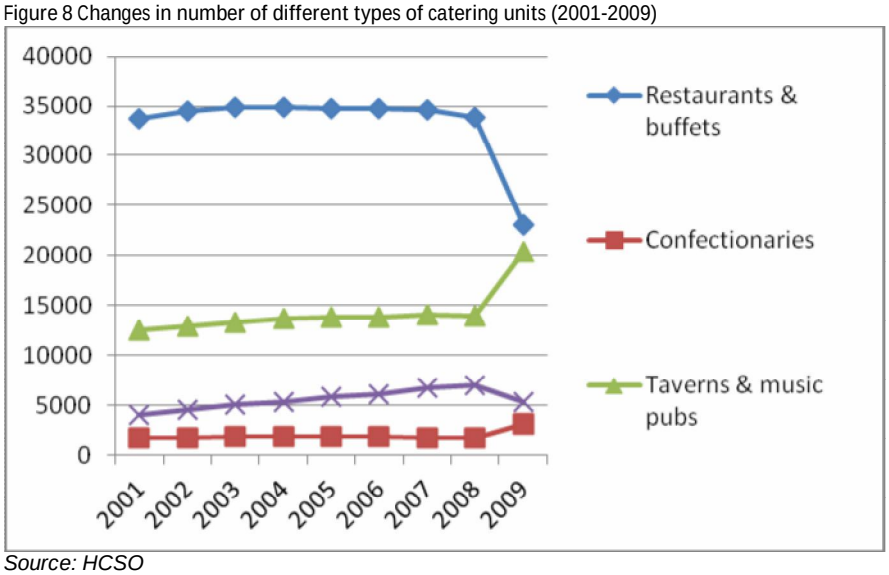
There is data available (see Table 5 below) for number of catering units by types through 2009 – **restaurants & buffets**, **confectionaries**, **taverns & music clubs**, and **catering units dealing with workplace, event & public catering**, such as

[50] Employed persons by full time [tour_lfs1r2]; Last updated on May 31, 2011; Extracted on July 23, 2011. NACE_R2: Total – all NACE activities; WSTATUS: Employed persons; WORKTIME: Full-time

[51] Employed persons by part-time [tour_lfs1r2]; Last updated on May 31, 2011; Extracted on July 23, 2011. NACE_R2: Total – all NACE activities; WSTATUS: Employed persons; WORKTIME: Part-time

canteens, mess halls, cafeterias, concession stands. Based on this data published by HCSO a few trends can be observed (Figure 9 and Figure 10). The effects of the credit crunch are clearly visible from the decline in numbers for restaurants and catering unites dealing with workplace, event & public catering. Interestingly, the numbers of taverns & music clubs, and confectionaries display quite an opposite trend. In 2009, the number of taverns & music halls shows a 45.53% jump over 2008, and an even larger increase occurred in the number of confectionaries – it went from 1,705 in 2008 to 3,108 in 2009, a staggering 82.28% rise. It would be interesting to see if consumption of alcoholic beverages and confectionary items (sweets, pies, cakes, ice cream, etc.) followed a similar trend, and whether this type of consumer behavior is a ramification of changes in consumer psyche due to the global financial crisis. Further research needs to be carried out once the 2010 and 2011 data is made available by HCSO.

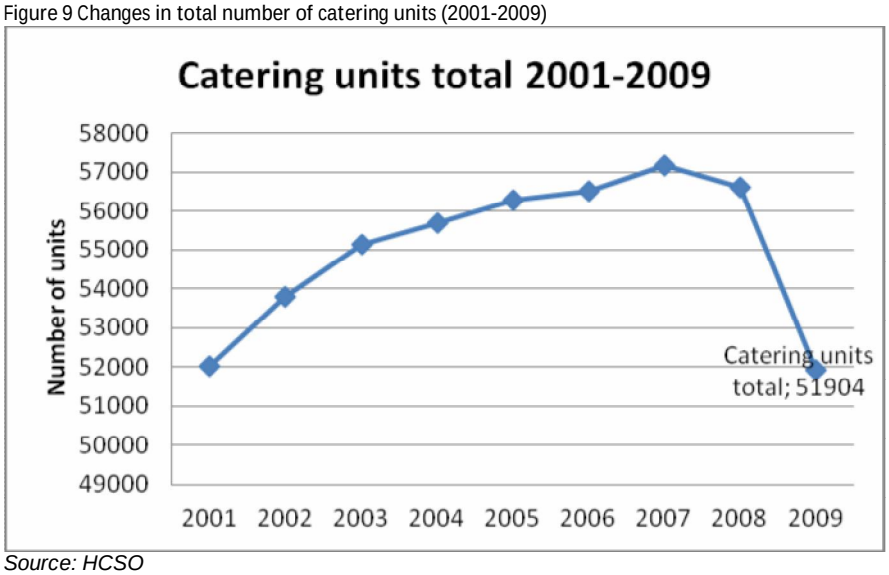
Figure 8 Changes in number of different types of catering units (2001-2009)



Source: HCSO

Overall the total number of "catering units" in Hungary was 51,904 in 2009, a sharp decline from 2008 (by 4708 units or 8.32%). The dip actually took the number of catering units below 2001 levels. Unfortunately, 2010 and 2011 data are not readily available, so it is impossible to assess whether this downward trend continues on or not.

Figure 9 Changes in total number of catering units (2001-2009)



Source: HCSO

Table 17 Number of catering units by types (2001-2009)

Year	Restaurants & buffets	Confectionaries	Taverns & music clubs	Restaurants in total	Catering units dealing with workplace, event and public catering	**Catering units in total**
Number of units at the end of the reviewed period						
2001	33 666	1 764	12 521	47 951	4 076	**52 027**
2002	34 473	1 805	12 923	49 201	4 571	**53 772**
2003	34 891	1 842	13 344	50 077	5 071	**55 148**
2004	34 830	1 850	13 648	50 328	5 358	**55 686**
2005	34 801	1 847	13 827	50 475	5 819	**56 294**
2006	34 777	1 824	13 753	50 354	6 140	**56 494**
2007	34 596	1 745	14 078	50 419	6 752	**57 171**
2008	33 905	1 705	14 003	49 613	6 999	**56 612**
2009	23 079	3 108	20 379	46 566	5 338	**51 904**

Source: HCSO

Another table published by the HCSO containing data from 2004 through 2009 indicates that right in the middle of the global economic recession there were 1212 licensed travel agencies and tour operators (Table 25).

Table 18 Number of and performance of licensed travel agencies and tour operators

Year	licensed travel agencies and tour operators						
	Number	tour participants					
		Number /1000 persons/			Number of tourism nights /thousand t. nights/		
		total	of which		total	of which	
			outbound	inbound		outbound	inbound
2004	1 111	2 373	826	696	6 833	4 546	1 790
2005	1 129	2 210	888	725	6 785	4 565	1 753
2006	1 187	2 989	1 054	984	8 799	5 922	2 356
2007	1 184	2 768	1 048	867	9 416	6 386	2 211
2008	1 190	2 781	1 146	888	9 954	6 717	2 514
2009	1 212	1 991	930	768	7 441	5 014	1 938

Source: HCSO

Most recent data about the number of accommodation establishments and food service units is shown in Table 26.

Table 19 Number of accomodation and food service units (based on NACE_R2 I)

Period		Accommodation and food service activities
Code		I
2011	Ja	73 712
	J	73 763
	F	73 860
	M	73 956
	A	74 218
	My	74 440
	Ju	74 604

Source: HCSO

Table 20 Number of establishments – national –annual data [tour_cap_nat]

GEO/TIME	2005	2006	2007	2008	2009	2010
European Union (27 countries)	405,080	422,550	422,850	439,636	454,583	:
European Union (25 countries)	399,299	415,996	416,138	432,624	447,254	:
Belgium	3,360	3,384	3,426	3,536	3,528	3,546
France	29,378	29,008	28,778	28,667	28,851	:
Italy	129,936	134,713	131,049	140,263	145,358	:
Hungary	3,117	3,056	2,956	2,924	2,993	:
Austria	20,548	20,457	20,730	20,438	20,386	20,339
Romania	4,226	4,710	4,694	4,884	5,079	:
Slovenia	702	707	819	988	1,000	995
Turkey	:	:	:	:	:	:

Source: Eurostat[52]

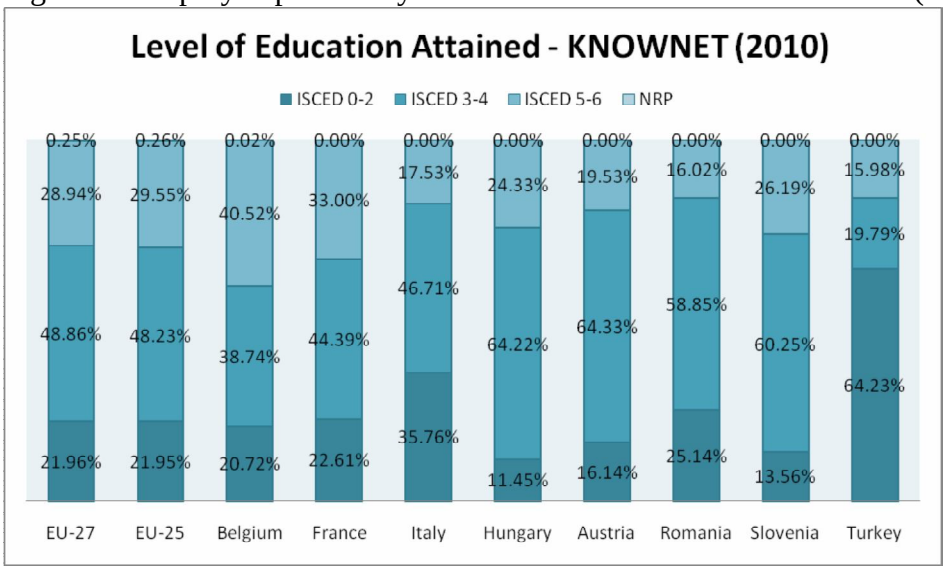
Employment: main features, qualifications and skills

2010 Eurostat data based on Labor Force Survey has the total employment for tourism related industries at 378,100. Of those, 43,300 or 11.45% fall into the category of low-skilled having completed primary or lower-secondary educational levels only (see Table 9). The majority of people working in the tourism sector in Hungary, 242, 800 or 64.21% have attained levels of education classified as ISCED 3 or 4, i.e. upper-secondary and post-secondary non-tertiary levels (see Table 10). Approximately 92,000 (24.33%) people in travel and tourism related industries hold a tertiary degree – BA, MA, or PhD. Compared to the other KNOWNET project countries, this puts Hungary next to Slovenia (26.19%) in the middle echelon, scoring higher than Turkey (15.97%), Romania (16.01%), Italy (17.53%) and surprisingly Austria (19.53%), but trailing well behind the top two– Belgium (40.52%) and France

[52] Number of establishments, bedrooms and bedplaces - national - annual data [tour_cap_nat]; Last updated on June 22, 2011; Extracted on July 25, 2011. INDIC_TO: Number of establishments; UNIT: Number; ACTIVITY: Collective tourist accommodation establishments

(32.99%). For a comparison of education attainment of people employed by the tourism and travel industry in KNOWNET countries see Figure 11 below.

Figure 10 Employed persons by level of education attained – all levels (ISCED 0-6)



Source: Eurostat (Labour Force Survey)

Table 21 Employed persons by level of education attained – level 0-2 [tour_ifs3r2]

GEO/TIME	2005	2006	2007	2008	2009	2010
European Union (27 countries)	54,302	54,245	54,015	52,773	49,670	47,522
European Union (25 countries)	51,361	51,456	51,218	49,976	46,901	44,816
Belgium	1,026	1,006	1,000	955	903	930
France	6,703	6,590	6,448	6,215	5,941	5,819
Italy	9,158	9,116	9,021	8,837	8,459	8,179
Hungary	550	519	495	484	441	433
Austria	646	699	753	722	677	661
Romania	2,407	2,309	2,325	2,296	2,299	2,323
Slovenia	156	150	153	148	136	131
Turkey	:	13,366	13,342	13,493	13,561	14,511

Source: Eurostat[53]

[53] Employed persons in tourism by level of education attained; Last update: May 31, 2011; Extracted on: July 26, 2011; NACE_R2: Total – All NACE activities; WSTATUS: Employed persons; ISCED97: Pre-primary, primary and lower secondary education – levels 0-2 (ISCED 1997)

Table 22 Employed persons by level of education attained – level 3-4 [tourIfs3rs]

GEO/TIME	2005	2006	2007	2008	2009	2010
European Union (27 countries)	103,046	105,343	107,562	108,978	106,492	105,747
European Union (25 countries)	95,806	97,775	99,872	101,289	99,051	98,471
Belgium	1,649	1,656	1,719	1,808	1,786	1,739
France	11,096	11,135	11,437	11,678	11,414	11,424
Italy	10,093	10,353	10,479	10,584	10,605	10,683
Hungary	2,523	2,568	2,582	2,499	2,432	2,428
Austria	2,468	2,515	2,550	2,621	2,609	2,635
Romania	5,558	5,730	5,738	5,687	5,516	5,437
Slovenia	588	589	600	610	597	582
Turkey	:	4,373	4,525	4,564	4,391	4,471

Source: Eurostat[54]

Table 23 Employed persons by level of education attained – level 5-6

GEO/TIME	2005	2006	2007	2008	2009	2010
European Union (27 countries)	53,067	54,945	57,007	59,346	61,084	62,641
European Union (25 countries)	51,152	52,900	54,888	57,103	58,797	60,330
Belgium	1,559	1,602	1,660	1,682	1,731	1,819
France	7,178	7,425	7,694	8,028	8,336	8,492
Italy	3,312	3,520	3,721	3,984	3,961	4,010
Hungary	828	843	849	897	908	920
Austria	710	714	725	747	792	800
Romania	1,150	1,252	1,290	1,386	1,428	1,480
Slovenia	205	223	231	238	247	253
Turkey	:	2,694	2,883	3,136	3,318	3,610

Source: Eurostat[55]

Initial and continuing education, training

Tourism degrees are offered within the framework of Business Programs. Tourism and Hospitality Management was the number one major of choice for years in a row for high school graduates seeking admission into undergraduate programs (in 2011 dethroned by Business and Management). 14 out of the 64 Hungarian Higher Education Institutions[56] (21.88%) offer BA degree programs in Tourism and Hospitality Management. Most Tourism and Hospitality programs are taught in Hungarian, but there are some institutions where the language of instruction is English or German.

There are 6 HEIs that offer MA degree programs in Tourism Management or related fields.

[54] Employed persons in tourism by level of education attained; Last update: May 31, 2011; Extracted on: July 26, 2011; NACE_R2: Total – All NACE activities; WSTATUS: Employed persons; ISCED97: Upper secondary and post-secondary non-tertiary education – levels 3-4 (ISCED 1997

[55] Employed persons in tourism by level of education attained; Last update: May 31, 2011; Extracted on: July 26, 2011; NACE_R2: Total – All NACE activities; WSTATUS: Employed persons; ISCED97: Tertiary education – levels 5-6 (ISCED 1997

[56] Excluding the theological institutes where economics, business, management or tourism is not part of the curricula

Hungary has a solid tourism workforce educated within the realm of ISCED 3-4 levels, which is a reflection of the plethora of VET stream tourism, catering, hospitality management programs, at both secondary and post-secondary non-tertiary levels.
Main regulations

8.1. The SME policy of the Hungarian Government[57]

The new Hungarian government (in office since 2010) aims to increase the number of legally employed people by one million until the end of the decade. Enhancing competitiveness and dismantling the obstacles which are hampering the growth and potential of SMEs are essential so the government makes these objectives a high priority on their agenda. Hence, the newly revamped SME policy is based on principles that aim at the following:
reduce administrative costs, including state generated risks and incentives to organize business in the informal sector;
enterprises as the main organizers and innovators within local economies and communities; reduce the effects of competition biases and growth barriers;
stimulate cooperation among companies in production, innovation and market access; raise the profile of entrepreneurs as champions of value creation;
share the risks of innovation with positive social externalities; build vital cooperation with the corporate sector to fulfill the overarching social and political goals of the Government SME policy is a key element of the competitiveness agenda of the Hungarian government. Competitiveness is an important political concept and public bodies should take steps to support people who live their lives with the values of excellence, competition, and cooperation. Furthermore, Hungary aims to become one of the 30 most competitive countries within a 5-year period according to recognized systems of competitiveness ranking.

The Hungarian government considers the development of the SME sector as one of its top priorities. During its little over a year in office, it has taken several steps to improve the competitiveness of small and medium enterprises.

In order to improve the competitiveness of the economy and SMEs, the government took decisive steps in the past 12 months, such as: lowered corporation tax from 19 to 10 per cent for enterprises with annual revenue of less than HUF 500 million (ca EUR 2 million); abolished death duties for direct family members; implemented a package of measures to reduce administrative burdens – with a total value of HUF 100 billion (ca EUR 400 million); restructured the institutional system of distributing EU funds; in the framework of the New Széchenyi Plan allocation of EU-funding is significantly simpler and more inclusive (now 50% of funding go to SMEs and productive sector investments compared to 16% share of SMEs in previous times); increased funding and broadened applicability of the popular SME finance scheme via Széchenyi Card; consolidated the budget without burdening SMEs.

[57] *Be Innovative-Go International*, Discussion Paper for the Informal Meeting of Ministers of Industry (Competitiveness Council), Budapest – Gödöllő, Hungary, 13 April 2011, pp.41

8.2. Future Steps

The government introduced its mid-term structural reform program, the Széll Kálmán Plan, in March 2011. The plan has outlined additional steps of SME policy as follows:
The government is to implement a second package of measures for reducing the administrative burden imposed on the corporate sector. The second package is of value of HUF 400 billion (ca EUR 1.6 billion).
As the reduction of sovereign debt is being implemented, the government plans to introduce further tax reductions.
Until 2013, in the framework of the New Széchenyi Plan, HUF 516 billion (ca EUR 2 billion) is to be made available for SME financial support.
Management practice at tourism SMEs
State of the art of best practices, labels and initiatives for sustainable tourism used in Hungary

In Hungary, examples of best practice in terms of labels and initiatives for sustainable tourism are few and far between. The ones to mention are:

Hungarian Hotel Association holds an annual competition for the so-called **Green Hotel Award**, which is based on the Green Globe principles. The indicators are: general management of the hotel and the environment, energy, water, waste, chemical usage, noise and air pollution, cleaning, barrier-free facilities, food and kitchen.
European Entrepreneurship Award (One of the award winners in 2011 is Hotel Panda, Budapest)
In 2006, Lake Tisza became the first European recipient of the **Village+ Sustainable Development European Label** awarded by the Assembly of European Regions – the whole resort area got an image boost. It was a well deserved addition to the other labels held by the Region: Natura 2000, World Heritage Bird Reserve – Hortobágy National Park, and Ramsar Convention. By applying for and receiving the Village + Label all 73 “villages of the territory” and 150 local professionals committed themselves to preserve the unique environmental quality of the whole territory of Lake Tisza Touristic Region and to ecotourism.[58]

Generally speaking, the vast majority of the actors in the tourism sector or visitor-based economic development are faced with a lack of information about sustainability. In Hungary, whenever a visitor-based investment or development takes place, if and when sustainability concerns are factored in they are purely incidental – it is more about cost cutting rather than a conscious effort to save energy and be green for example.

The National Conservation Office has an annual award called **“Eco-friendly Establishment of the Year”** which is presented in two categories: visitor centers and thematic paths. The indicators and principles that the title is awarded by are: family friendly solutions, ways of presenting the heritage, existence of an information desk, existence of a “green store”, eco-friendly accessibility, etc. By looking at the requirements for the award, it is obvious that it does not constitute a conscious effort o the part of the Office to encourage sustainability. Financial sustainability is often

[58] *Ma és holnap* folyóirat VI. évfolyam 1.szám [English translation: *Today and Tomorrow*, Periodical, Volume 6., Issue 1]

realized only at larger investment levels (at least of the breath of EUR 400,000 - 500,000), neglecting the smaller sized investment opportunities.

Professional associations

Interviews with presidents of professional associations revealed that membership numbers are meager, and associations such as the **Hungarian Hospitality Association** (VIMOSZ Magyar Turisztikai és Vendéglátó Munkaadói Szövetség) and **Hotel Association of Hungary** (Magyar Szállodák és Éttermek Szövetsége) struggle to keep their constituency up. VIMOSZ, for example has a 64 enterprises strong membership base out of which 60 are SMEs. Additionally, Team HJF inquiries with other major professional associations such as the **Federation of Hungarian Rural and Agrotourism** (FATOSZ - Falusi és Agroturizmus Országos Szövetsége), the **Hungarian Gastronomic National Association** (MNGSZ - Magyar Nemzeti Gasztronómiai Szövetség), **Association of Hungarian Travel Agents and Tour Operators** (MUISZ - Magyar Utazásszervezők és Utazásközvetítők Szövetsége), **Association of Hungarian Event Organizers** (MARESZ), **House of SMEs** (KKV Ház), **Association of Tourism Consultants** (TUTSZ -Turisztikai Tanácsadók Szövetsége) and **Hungarian Convention Bureau** (MKI – Magyar Kongresszusi Iroda) shed light on the fact that they are also not content with their membership numbers or the bleak outlook of the industries economic situation.

Traditionally, these associations try to act as the go-to organizations for tourism SMEs offering information, advocacy, consultancy, technical support and other incentives in return for the membership fee. Close cooperation with Higher Education Institutions also often results in joint actions and initiatives, vocational education and training and expert exchange programs.

Sources of information

Government websites offer a small amount of information regarding better governance or sustainability for that matter. The aforementioned professional associations offer technical assistance, consulting and often disclose information for their members on their websites.

Employment turnover and HR management

Tourism in Hungary for the longest times battles the seasonality rooted in the country's landlocked and geographically disadvantaged status (no maritime claims, no high altitude mountainous areas) and short length of its high season (summer). Visitor traffic is restricted to the capital city, Budapest and the Lake Balaton resort area. As Budapest is first and foremost a cultural tourism destination, seasonality does not mark its employment as badly as that of the Balaton area, where employee turnover is high.

Customer Relationship Management

CRM is relatively a new concept to the Hungarian market, lack of databases and know-how make it difficult to track customers in order to maximize marketing penetration.

Quality management

As a rule of thumb, the large international hotel chains present in Hungary employ quality management systems such as ISO 9000 and TQM (Total Quality Management). QMS departments operating at unit level ensure that requirements for the ISO 9001 certificate are met. Until recently, the Hungarian government also made the use of the Hazard Analysis and Critical Control Points (HACCP) quality management system compulsory (this system was certified according to MSZ EN ISO 22000:2005 standard). Starting July, 2011 the application of the HACCP system is not required anymore. Other systems such as Six Sigma are lesser known and rarely put in place.

Identification of needs of tourism SMEs
Needs in terms of competitiveness at local and at international level

In today's globalized economy, competitiveness is of vital importance, both at local and international level. SMEs cannot compete on a global market unless they have a niche that separates them from the crowd. If businesses do not poses that niche, teaming up with other enterprises could collectively create an advantage for them that make them competitive – this is called clustering. Clustering in Hungary is relatively a new concept, but it catches on fast, and there are examples of tourism SMEs acting in concert as one cluster to reach out to a larger and more diversified customer pool in an effort to drive up revenue and profits.

Clustering works both ways, businesses get an increased traffic, while visitors benefit from getting a package deal. Thus clustering is a way of getting more competitive and having an edge over other regions, destinations and businesses.

The Thermal Baths and Health Tourism sector have developed clusters with great success. Currently, 5 such clusters are in operation in Hungary aiming at enhancing competitiveness through networking, complementary services development and offering the visitor a complex spa experience. The health tourism sector is also actively seeks opportunities to collaborate with biotechnology enterprises in order to strengthen its position; cooperative work often times include joint fundraising to finance research, innovation, and development and concerted PR and marketing activities.

Clustering is also characteristic of wine tourism. Hungary has come a long way in its effort to become home to some of the biggest culinary movements in Europe, including sustainable wine and food. A whole new generation of smaller, country wineries and restaurants are changing the shape and demographics of great dinning and wining. An increasing number of culinary travelers enjoy immersing themselves in the Hungarian wine country lifestyle each year, winery hopping, taking a cooking or wine blending class, attending a fabulous winemaker dinner near a vineyard, or enjoying a festival in honor of winemaking or the most important ingredient of the "fluid gold" – the grape. Hungary's 22 wine regions and over 7000 wineries are becoming more and more popular as consumers learn more about the diverse areas that offer distinct wines, landscape and culinary experiences. Their interests are represented by a plethora of professional associations, such as the **National Council of Wine Communities** (Hegyközségek Nemzeti Tanácsa), the **Hungarian Wine**

Academy (Magyar Bor Akadémia), and the **National Association of Independent Hungarian Winegrowers** (Magyar Független Szőlő és Bortermelők Országos Szövetsége Egyesület). Additionally, there are more than a dozen associations of wine tour operators representing wine tours. These tours are in different stages of development, a few of them managed to gain international notoriety, such as the Siklós-Villányi Borút.

Access to capital is also a vital component of staying competitive. Financial capacity is essential in developing new products, services. Financial resources might come from different sources – EU grants or funding from the national government, but more often than not they come from small business loans marred by foreign currency exposure. Tens of thousands of Hungarian SMEs holders of such foreign currency loans have gone belly up, are undergoing bankruptcy procedure or are on the brink of defaulting on account of hectic changes in the exchange rate of the euro, Swiss franc and US dollar. Did they have limited understanding of how foreign currency loans and small business credit risk in the face of domestic currency depreciations work? Were they victims of predatory lending? Could have they absorbed the shock of the global financial crisis if their loans were denominated in domestic currency? Maybe, but even so, experience shows that the average Hungarian small business owner is not a champion of sound and prudent financial management.

Needs in terms of quality

The economic downturn of 2008-2009 affected both foreign and domestic visitor and guest arrival, guest night and length of stay numbers all over Hungary. Subsequent lack of financial instruments had a detrimental effect on quality.

There is also a **Hungarian Tourism Quality Label** that since 2006 has been awarded to 121 enterprises out of 142 applicants. The criteria that applicants have to meet are very rigorous and set the bar high (detailed information on eligibility criteria and the label itself can be found at www.itthon.hu)

The State Secretariat for Domestic Economic Affairs of the Ministry of National Economy has recently announced the introduction of the so-called **"National Label"**. The measure is opposed by most of the professional associations except three, rather insignificant ones – Association of Hungarian Rural and Agro-Tourism (FATOSZ), the National Association of Private Landlords (Magánszállásadók Országos Szövetségének), a Hungarian Campsite Organization (Magyar Kempingek Szakmai Szövetsége) – that award State Secretariat sanctioned labels of their own ("Falusi Szálláshely Napraforgóval", "Vendégszoba, Vendégház, Apartman Koronával", "Kemping Csillaggal", "Üdülőháztelep Osztállyal").

It is also worth mentioning that the **Hotel Association of Hungary** (Magyar Szállodák és Éttermek Szövetsége) is a member of the **Hotelstars Union**, a classification system developed under the patronage of HOTREC – Hotels, Restaurants & Café in Europe. Members of the Hotel Association of Hungary are required to adhere to the classification system and adopt the "21 HOTREC principles", but enforcement is not followed through.

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ITALY / GALLURA

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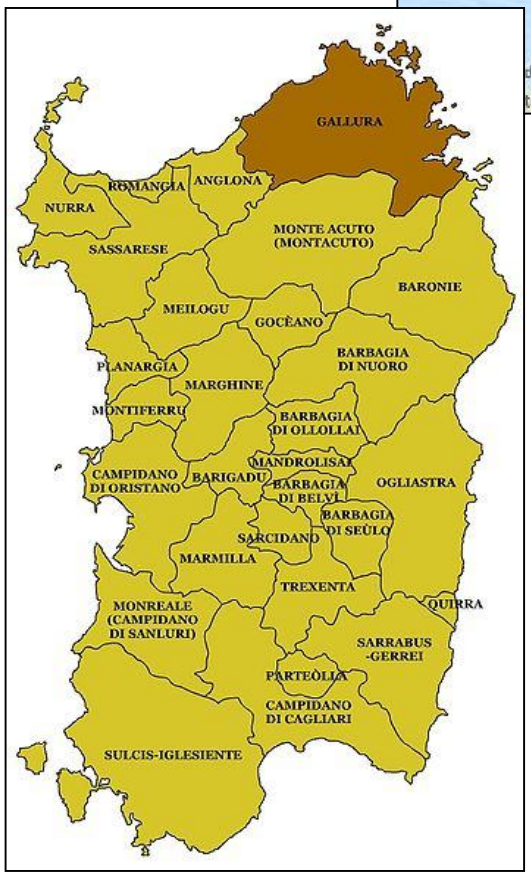


GALLURA TERRITORY AND FOCUS ON UGM

The Gallura is an historic region in Sardinia including the North-Eastern part of the island, from Coghinas river to Nieddu Mount since the town of San Teodoro, and extending at south since the Limbara Mountain. It covers an area of 3,450 square kilometers in the north-east of Sardinia and has a population of about l40.000 residents.

The 5 municipalities forming the Union of Municipalities are Arzachena, La Maddalena, Palau, Sant'Antonio di Gallura and Telti, and are just some of the 22 Municipalities which constitute the territory of Gallura: 21 in the Province of Olbia-Tempio (Olbia, Tempio Pausania, Arzachena, La Maddalena, Calangianus, Luras, Aggius, Bortigiadas, Santa Teresa Gallura, Luogosanto, Palau, Aglientu, Trinità d'Agultu e Vignola, Telti, Golfo Aranci, Badesi, Sant'Antonio di Gallura, Loiri Porto San Paolo, San Teodoro, Budoni, e Padru) and 1 of the Province of Sassari (Viddalba).

Figure 11 Municipalities forming Gallura

The particular morphology of the area is hilly (except the plain of Olbia) with altitude between 200 m and 450 m above sea level - characterized by a modest steepness which is accentuated in the vicinity of the higher areas. Also, the climate is Mediterranean with mild winters with average monthly temperatures of l0°C in January and very hot summers with average monthly temperatures of 24-26°C, and peaks of 34-38° in almost all the territory. Precipitation is characterized by uneven distribution, more in the inner part (annual average rates of 600-620 mm) and they are mainly concentrated in the period from October to March.
The Gallura area offers stunning nature and wildlife reserves (reserves of Capo Figari and Figarolo; Oasi Coluccia e Saloni; Nature Reserve of Monte Nieddu) as well as

marine and mountains parks (Park of Tavolara, Molara and Capo Coda Cavallo, National Park of Archipelago of La Maddalena; Limbara Park) but also historical and archaeological sites, in particular prehistoric heritage, of great interest.

ECONOMIC CONTEXT IN NORTH SARDINIA AND UGM AREA

- **ITALIAN OVERVIEW AND SMALL BUSINESS ACT**

To understand and correctly analyze tourism SMEs situation in Gallura is necessary to show the evolution of the industry nationally. In fact, SMEs are the backbone of the Italian economic and productive system. In fact **99.9%** of more than 4.4 million non-farming enterprises are **SMEs** and the 94,6% of them are micro enterprises (with less than 10 employees) while medium-sized enterprises (50 to 249 employees) count only for 0.5% of the total.

The significance of SMEs in the context of the Italian production is not just numbers, their contribution in terms of employment and added value is significant as well: **81, 7% of the employees** is working in SMEs (micro enterprises occupy themselves 48% of the employees). Finally, 72.4% of non-agriculture added value is produced by SMEs, more than half by the service sector enterprises.

The relevance of SMEs in the Italian economy explains why Italy was the first country to implement the **Small Business Act**, with the adoption of the President of the Council Directive of 4 May 2010, according to the European Commission Communication of 25 June 2008 (COM (2008) 394 final). The Italian Directive identifies some action guidelines divided into two different lines: actions to be transformed into concrete measures in short term; and directives to be declined into legislative actions, regulatory or administrative. They take into account the specificities of the national economic system and are economic policy priorities.

In fact, the **Italian SBA intends to:**

- **encourage** and support the **female and immigrants entrepreneurship** by removing limits to access to credit and promoting education and training for potential entrepreneurs. In particular providing them the essential skills management, technical, computer and foreign language; and enhancing the relationship between universities and SMEs, by their integration in the research community interventions focus on venture capital direct participation of SMEs in the capital for the exploitation of patents through the National Innovation Fund, to support efforts to internationalize and to become the SME companies high growth rate.
- An interesting promotion by the Italian SBA concerned the **"network contract".** The business networks are free association of enterprises with the aim of increasing their competitiveness and innovativeness. In 2008, with the conversion of Law Decree n. 112/2008, was expected to identify the legal form of business networks, which have benefited from the administrative benefits, financial and research, provided for the industrial districts. In 2009,

the so-called incentives decree on "Urgent measures to support industrial sectors in crisis", it governs the contract of enterprise network. From an economic standpoint the networks continue to be a free business combination, but legally the contract is governed by which you can form such aggregations and objectives can be realized. The network contract may be used by all forms of business organization, business individuals, partnerships and capital, companies, etc. Finally, the reform of 2010 introduced important changes to the network contract. First, it established the fund capital to become optional and then, in terms of tax, a share of profits for the capital fund for the town will not participate in the formation of business income, becoming a tax benefit for businesses network participants.

- Moreover the SBA intends to **facilitate business transfers and the transformation**, in whole or in part, of companies in crisis into a cooperative, as well as the achievement of agreements between companies in crisis and creditors, allowing these companies to participate in tenders for the award of procurement contracts. Another aspect concerns the encouragement and support to youth entrepreneurship and the development of the enterprise culture and the orientation to self-employment in schools. Due the importance for the Italian economic and social development of the creative and especially the tourism SMEs, the SBA intends to identify support measures for their development (from training to credit for innovation) and to promote the creation of tourism business networks.
- To **facilitate the creation of SMEs**, the Italian SBA underlines the importance of having texts involving SMEs written clearly and easily understandable. It also promotes measures to reduce expenses, fees required by the Public Administration for registering a business, and to reduce time bureaucracy for issuing licenses and permits necessary to start the business, by quickly implementing the one stop shop in the whole Italian territory, and encouraging on-line invoicing (e-invoicing) and administration online (e-government).
- The SBA also wants to **facilitate SMEs' access to procurement** by municipalities with population under 5,000 residents and/or to supply a value below the EU threshold, verify that the simplification measures in favour of SMEs have positive effects; suggesting possible improvements.

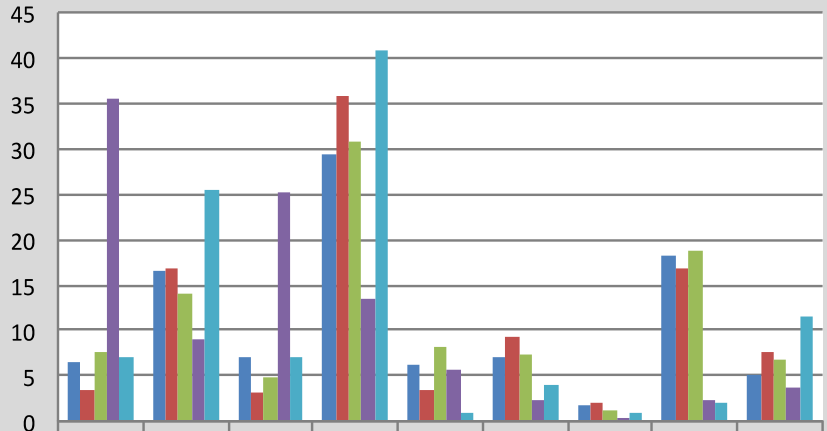
According to the last point, SBA wants that the measures already taken are verified, and otherwise implement improvements; develop programs that address the funding gap between 75,000 and 1 million euros, in particular with instruments combining debt and equity, in accordance with the rules on state aid.

About financial measures, one of the most important is certainly the **Central Guarantee Fund for SMEs** is one of main tools introduced by Law n. 662/96, and operating since 2000. Its purpose is to promote the access to financial resources for small and medium-sized enterprises through the provision of a public guarantee that supports and often replaces the real guarantees hold by the companies themselves.

Finally, it should be mentioned the **National Fund** for the financing of regional interventions in the area of Trade and Tourism, established by Law n. 266/1997, which intervenes in financing strategic projects at regional level. The beneficiaries can be public bodies or businesses, and where projects involve strategic interventions on behalf of public entities, they must integrate with interventions aimed at encouraging businesses. In order to be funded projects must be recognized, in respect of the entire country, as strategic projects aimed at the following objectives:

- qualification trade, tourism and leisure places, with particular reference to the historic, rundown areas and natural shopping centres and support nature and qualification;
- improvement of integrated common services for trade and tourism, which aims at increasing competition and benefit consumers in the framework of the achievement of scale economies for enterprises.

Figure 12 Segmentation percentage by business companies - Gallura



	Agriculture and fishing	Manufacturing	Building	Trade	Hotels and restaurants	Transportation	Financial assets	Service	Other activities
Arzachena	6,5	16,6	7,2	29,4	6,1	7	1,8	18,2	5,2
La Maddalena	3,5	16,9	3,2	35,7	3,5	9,3	2,1	16,7	7,5
Palau	7,5	13,9	4,7	30,8	8,3	7,3	1,2	18,9	6,7
Sant'Antonio di Gallura	35,4	9	25,1	13,5	5,8	2,2	0,4	2,2	3,6
Telti	7,1	25,5	7,1	40,8	1	4,1	1	2	11,4

UGM data by business sector

- ## OVERVIEW ON ECONOMIC STRUCTURE IN GALLURA

According to national data, even in Gallura SMEs constitute a major component of economic. The data of the Province of Olbia Tempio bring out a clear preponderance of trade and services, supported by manufacturing, which stand in relation to farming and fishing. The activity rate in 2010 hovered at 56.4%, with an occupancy rate of 58,84% and an unemployment rate of 14.68%.
However, considering the **Union of Gallura Municipalities data**, manufacturing activity loses its importance, ensuring that **trade and services to cover a large part** of the economic system, except for the town of Sant 'Antonio di Gallura, still closely tied to the agricultural world.
Manufacturing and food processing have their main activities on “Vermentino di Gallura" and "Moscato", local wines pretty known at international level (their presence can be registered at Vinitaly, the national most important wine fair). Also the breeding of mussels in the Gulf of Olbia, is a significant activity with a collection of 50 000 tons of mussels a year, with a turnover of 10 million euros which employs over 300 people.

The agricultural landscape, although quite diverse spreading from the inland to the coastline, is characterized by the constant presence of vineyards and orchards and a widespread system of rural buildings, farms and the so called “*stazzi*”, local ancient rural houses. A few hundred of *stazzi* are still inhabited or devoted to farming/agriturism, and now is the object of an attempt of requalification/labelling for tourism purpose. In fact, the territory is completing the shift from an agricultural and pastoral economy to a more balanced system based as well on the services sector and small companies.

- ## OVERVIEW ON TOURISM SECTOR IN GALLURA AND MAIN CRITICAL POINTS

Tourism in Gallura is known worldwide as a luxury tourism, and where the main destinations and more notes are Porto Cervo and Porto Rotondo. This is a special area known as Costa Smeralda, a coastal stretch of about twenty kilometers in the municipal area of Arzachena. The area was mostly uninhabited until the mid-20 th century, but the extreme natural beauty, characterized by numerous bays, small beaches, has captured the attention, in 1962, of Prince Karim Aga Khan Ismaili, founder of the Consortium Costa Smeralda. In 2012 the Costa Smeralda passes the Emir of Qatar (his previous investors was Tom Barrack). In the same year and period, is also a new consortium of charter boats.
The heart of the Costa Smeralda is Porto Cervo where also all the services and numerous other residential and commercial areas as Romazzino, Cala di Volpe, Piccolo, Pevero Golf, Pantogia and Smooth Cow.
Between Porto Cervo and Cala di Volpe, even if outside the Consorzio Costa

Smeralda, has developed commercial and residential area of Abbiadori. Although not formally on the Costa Smeralda, Poltu Quatu, Baja Sardinia, Porto Rotondo and Cannigione are sometimes associated with it due to its proximity, as well as for the same tourist offer.
This one expresses a product that is based primarily on the uniqueness of its natural and cultural resources as a source of competitive advantage internationally. The seaside tourism, especially along the coast, has 90% of hotel beds, and over time, coinciding with the summer season, between June and September, has a tourist trade which accounts for 80% of the regional figure.

At this point it seems necessary to analyze in detail the characteristics of tourism in Sardinia, and even more in Gallura, in order to discern the strengths and weaknesses. :

- The first factor that undoubtedly has a positive effect is that related to the climate and the extreme beauty of the area. The high quality of the coast and sea, not too affected by human intervention, are part of large tourist attraction.
- You can also talk about a stimulus related to luxury tourism of the Costa Smeralda. This, in fact, not only positively impact on GDP of Gallura, but is in itself an attraction element, characteristic of luxury goods.
- The presence in the territory of ports (Olbia and Porto Torres with regard to major routes, and Palau, La Maddalena, Porto Cervo, Porto Rotondo, Santa Teresa Gallura, in the case of marinas) and airports (Olbia and Alghero) facilitate arrivals and departures from all over Europe.
- Furthermore, the presence of low cost airlines also helps to attract more tourism that will define the mass, and that is different from the luxury tourism, typical of the Costa Smeralda.
- The local tourism supply is large, it is possible to find high standard of accommodation (5 star hotel and resort), but also B&B, camping accommodation and complementary, such as vacation rentals.
- In addition to providing housing, the same variety is found in food services, as well as complementary services and strongly related to coastal tourism, services such as boat rental, sailing, etc. ..
- Agriculture and the dairy industry continues to be a reality, perhaps full of contradictions, but still viable and, above all, with the potential for promoting its products, and where traditional craftsmanship, while declining, remains a recognizable presence and tradition.

➢

Table 24 Macro-economic statistic (Sassari Chamber of Commerce; Sardegna Statistiche – Sardinia Economic Observatory

Municipality	Arzachena	La Maddalena	Palau	Telti	Sant'Antonio di Gallura	UGM	Sardinia
Area	*228,61 km*	*49,37 km2*	*44,38 km2*	*84,65 km2*	*81,26 km2*	**488,27 km2**	
Population	*12.937*[59]	*11.901*	*4.424*	*2.185*	*1.694 (at 2009)*	**33.565**	
Number of domestic tourists	*592.336*	*161.198*	*419.832*	*n.a*[60]	*n.a.*	**1.173.366**	
Number of international tourists	*491.664*	*21.102*	*138.434*	*n.a.*	*n.a.*	**651.200**	
Income related to tourism							**€ 988.168**[61]

Table 25 Micro-economics statistic (Sassari Chamber of Commerce, Sardegna Statistiche – Sardinia Economic Observatory)

Number of enterprises	*486 (Hostel and restaurants) 1.164 (Hostel and restaurants + services)*
Number of Jobs	*19.099 (relating commerce, hotels and restaurant)* *46.895 (relating services)*[62]
Hotel portfolio (number of bedrooms)	*6.031*
Annual number of overnight stays (thousands)	*1.854.550*
Annual occupancy rate (%)	*10,40 %*[63]

Despite all these strengths, very comforting, high rates of unemployment (14.68% compared to the national rate of 8.9%) and a continuing recession, which led to the GDP per capita of 24,000 in 2010 to Gallura 19,000 euros in 2012, show that high performance does not suffer from Gallura. Moreover, tourism Gallura is excessively exposed to the economic crisis, which lead to the conclusion that it has characteristics that make it competitive enough compared to other similar tourist destinations such as Malta or the Islands of Mallorca and Menorca.

[59] Population data refer to the ISTAT statistics 2009
[60] Both Telti and Sant'Antonio di Gallura don't have Hotels nor restaurants
[61] Fatturato Alberghi e ristoranti (ISTAT 2004)
[62] Data refer to the Province of Olbia –Tempio (year 2010)
[63] Data on occupancy rate refers to hotels and restaurants

An analysis of the weaknesses of tourism emerges the "**no return effect**", which is the tendency of tourists not to choose Sardinia as a regular destination for their holidays. Possible causes of this feature is due to:

- **lack of adequacy of transport infrastructures** in Northern Sardinia. In fact inland connections criticalities concern on inadequacy to satisfy a modern coverage of transport, viability and needs. They have been built several decades ago and need modernization and upgrading.
- **Lack of offer on public transport,** generally movements are managed by ARST (Regional Transport of Sardinia), which make it not easy to travel around the territory of Gallura, and even more around the entire island.
- It also can be registered an **insufficient access to information** about bus/ferry and train connections, in addition there's a poor availability, focused mainly on Summer season, of bus lines in main tourism sites; also, bus connections from and to main airports and ports and main cities or main tourism sites are mostly absent even during Summer season. Even train and ferry connections are poor, if not absent, especially with the smallest islands.
- **Lack of connection** between **public transport and planes/ships arrivals/departures,** consequently it becomes impossible for tourists to set up multiple connections to main cities and natural/archaeological/ cultural sites.
- **Too high prices of bus/ ferry fares**, mostly for tourists, especially when compared to the quality of services, as described above. This means that, often, tourists are forced to hire private cars, or take root in one area of the island. It detects the presence of only one road (not motorway), the S.S. 131 that runs vertically across the territory, providing the connection of Gallura with the towns of Nuoro, the main centre in the middle of Sardinia, and Cagliari, island's main city. The main axis connecting the northern part of Sardinia and in particular the metropolitan area of Olbia is the county road L27 Sassari Olbia with its branches and to Ozieri Mountains. Finally, the viability of local agricultural and penetration is an extensive network devoted to local mobility, and provincial roads form the secondary network and a link between the different municipalities.

- **Too high prices for package holidays**, caused by insularism of Sardinia, involving additional costs for air/maritime transports and, even if last years have been characterized by low cost companies, mostly in the North of the island, the seasonal effect continues to provoke a substantial increase in prices both of travel and accommodation.
- **Inadequacy of reception and lack of professionalism**. The professionalization of the tourism sector dates back to 2006, when the Regional Law 20/2006 established parameters and educational level of operators (guides, hoteliers, etc….), and the University of Cagliari and Sassari created some courses focused on economics. However, in general, SMEs do not have the economic resources directed towards the training of employees,

nor its own funds or from regional and / or EU funds. Therefore there is a widespread lack of knowledge of language, lack of professionalism in the hotel reception, the dining and services related to it. The only exception is found in tourist guides, as you said, have been reclassified from both a regulatory standpoint, is also from that of targeted training.

- **Lack of technical and cultural business knowledge**. While institutions have given new impetus[64] to the facilities through micro credit and simplification of procedures for start-up of a productive activity, the other has not seen a growth in terms of professionalism of small-medium entrepreneurs. This is also confirmed by the almost total absence of connections between different areas of the territory. Only rarely are found in fact instances of agreements between hoteliers and restaurateurs, or between these and pubs, bars and nightclubs.
- **Excessive seasonality of tourism**, both spatially and temporally, in fact tourist accommodations are unable to guarantee high standards of quality and comfort out of the high season. Numerous structures, in fact, are mostly seasonal and non-equipped for an alternative, non-marine type of tourism. This results in an under-utilization of existing accommodation facilities that work only for a limited period of time. Hence, there is tourist outside the summer season, as confirmed by the fact that most of the hotels closes during winter months, interrupting any activity.

  As can be seen in tab. 4, 5, 6 there is definitely a general trend on tourists' arrivals during the high season, in fact the months of July and August confirmed the peak in visitor arrivals. About air transport, in 2010 there were over 3 million tourist arrivals, representing a decrease of 7% when compared to 2009**.** In Gallura area there are two airports located in Alghero and Olbia, in both of them the high season confirmed the peak in arrivals, August and July were the months with the highest number of tourists in arrival, most of them were been Italian. About that should be specified residents of Sardinia can benefit from the *territorial continuity* it means Sardinian travelers are entitled to a subsidized special rate on the trips outside the region's territorial towards the main Italian cities. Respect to the passengers' origin, the domestic arrivals (66%) were higher than the international visitor arrivals (34%).

  Also in maritime transport, the highest arrivals increase is recorded in August from the ports of Porto Torres, Olbia and Golfo Aranci. *Territorial continuity* is applicable as well for maritime transport although more recently than the air transport. In reference to maritime transport it's important to specified that Gallura loses a relevant proportion of tourists in low season because isn't a cruise destination as it hasn't suitable infrastructures. Also in maritime transport, there is a decreased number of visitors in the 2010 period compared to 2009, predictions for the future are not encouraging, assumes also in the coming years the downward trend will be confirmed due to increased rates.

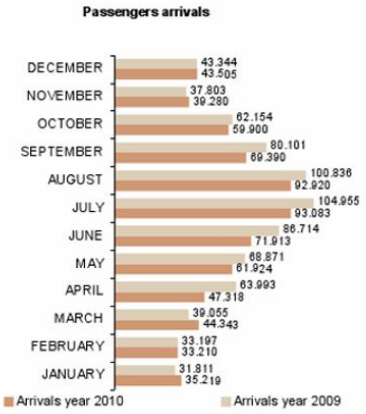
[64] In Sardinia, the one stop shop for productive activities has been established by Regional Law in 2008. Currently each of the 377 municipalities, some at the level associated with, have a one-stop shop, able to take delivery of the single document with which the operator makes all the statements necessary for you to make the public administration controls. In most cases no action is necessary authorization and production activities from the time of submission of the document (DUAAP).

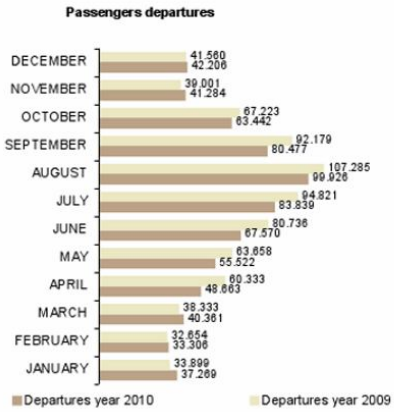
Table 26 Arrivals/departures Alghero Airport – Year 2010

1. AIR TRAFFIC - YEAR 2010

ALGHERO AIRPORT

	FLIGHTS (arrivals + departures)						PASSENGERS (arrivals + departures)							GOODS (t) (arrivals + departures)				
	DOM.	INTERN.	OF WHICH EU	TOT. COMM.	GEN. AVIAT.	TOTAL	DOM.	INTERN.	OF WHICH EU	TRANSIT	TOT. COMM.	GEN. AVIAT.	TOTAL	AIR FREIGHT	STOCKS	TOTAL GOODS	MAIL	TOTAL
2010	9.868	3.732	3.504	13.600	618	14.218	920.339	464.601	441.519	2.347	1.387.287	930	1.388.217	1.443	0	1.443	1	1.445
2009	10.394	4.252	4.074	14.646	766	15.412	943.701	559.879	540.898	2.500	1.506.080	936	1.507.016	1.337	0	1.337	367	1.704
VAR. % 10/09	-5,06%	-12,23%	-13,99%	-7,14%	-19,32%	-7,75%	-2,48%	-17,02%	-18,37%	-6,12%	-7,89%	-0,64%	-7,88%	7,96%	0,00%	7,96%	-99,65%	-15,22%





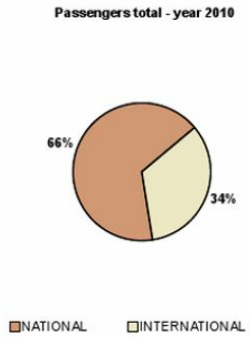
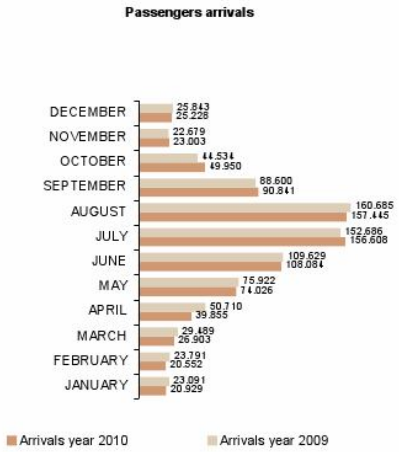
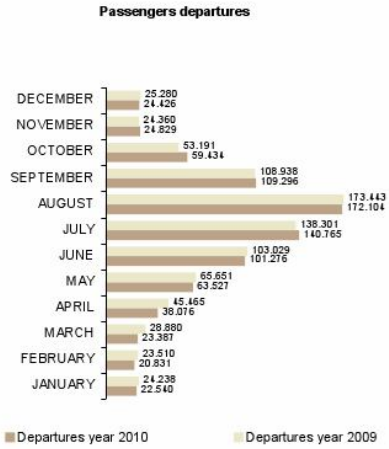


Table 27 Arrivals and departure at Olbia Airport – Year 2010

OLBIA AIRPORT

	FLIGHTS (arrivals + departures)						PASSENGERS (arrivals + departures)							GOODS (t) (arrivals + departures)			
	DOM.	INTERN.	OF WHICH EU	TOT. COMM. FLIGHTS	GEN. AVIAT.	TOTAL	DOM.	INTERN.	OF WHICH EU	TRANSIT	TOT. COMM. FLIGHTS	GEN. AVIAT.	TOTAL	AIR FREIGHT	STOCKS	MAIL	TOTAL
2.010	11.660	5.233	4.398	16.893	12.625	29.518	1.060.538	533.377	464.788	28.693	1.622.608	23.639	1.646.247	220	220	0	220
2.009	11.917	5.155	4.419	17.072	12.925	29.997	1.099.777	522.168	458.039	46.960	1.668.905	25.184	1.694.089	220	220	0	220
VAR. % 10/09	-2,2%	1,5%	-0,5%	-1,0%	-2,3%	-1,6%	-3,6%	2,1%	1,5%	-38,9%	-2,8%	-6,1%	-2,8%	0,0%	0,0%		0,0%





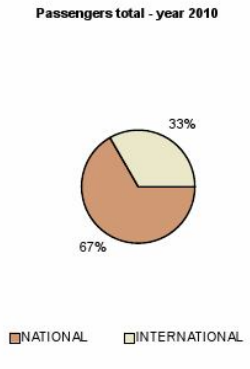
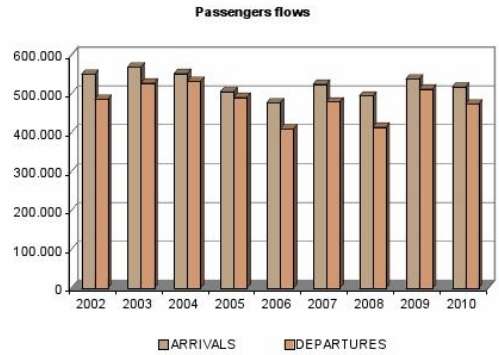


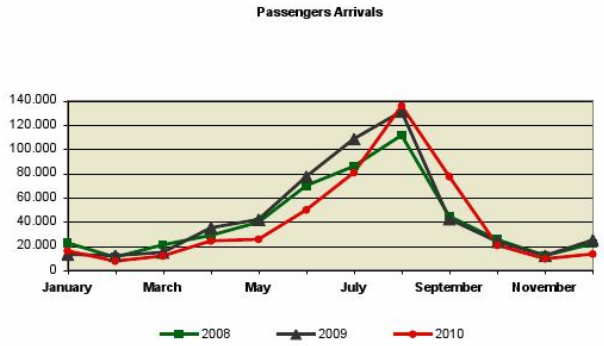
Table 28 Sea transport Port of Porto Torres – Year 2010

2. SEA TRANSPORT - YEAR 2010

PORT OF PORTO TORRES

	SHIPS				PASSENGERS		VARIOUS GOODS (t)		HYDROCARBONS (t)		MOTOR VEHICLES	
	ARRIVALS		DEPARTURES		ARRIVALS	DEPARTURES	ARRIVALS	DEPARTURES	ARRIVALS	DEPARTURES	ARRIVALS	DEPARTURES
	Passenger liners	Various ships	Passenger liners	Various ships								
2010	1.036	365	1.037	367	516.649	472.705	1.961.443	893.312	1.250.929	322.896	163.281	158.910
2009	1.190	326	1.190	328	535.932	504.735	2.129.357	783.191	1.319.997	305.207	169.434	160.705
Var. % 2010/09	-12,9%	12,0%	-12,9%	11,9%	-3,6%	-6,3%	-7,9%	14,1%	-5,2%	5,8%	-3,6%	-1,1%





- The **lack of integration with other economic sectors**, such as the agricultural industry and crafts, can be found in the production system itself: the traditional sectors suffer from a relative weakness in ensuring consistency with the quantitative and qualitative standards required by industry hotel and catering, which often import the raw materials and skills needed for their productions outside. This at the expense of a considerable wealth of local produce.

- Finally, policy interventions have so far **failed the objective of promoting the tourism product** of Gallura. Beyond important dates such as International Tourism Exchange in Milan, are absent similar phenomena either on a regional, or provincial, or local level. In addition, the tourism policy is being pursued at different levels, as well as national at regional, provincial and municipal finally. Between these levels, however there is no type of integration, or connection. There is thus the presence, in a network of tourism portals are generally more of promotional displays, which are not true and proper tools to use and consumption of operators, on the one hand and the other visitors.The popularization of the mass activities is limited mostly to promotional video campaigns financed by the Sardinia region, barely visible in the country and even less abroad. Considering that this is a means popular of the traditional type, and which is, as mentioned, used in only very limited, is even more easy to understand that they are completely or almost absent other forms of promotion most innovative.

- Besides this **lack of incubators and other innovative structures** can make up for the lack of cross-interaction between the different sectors that could be affected by tourism. In fact, the same associations, by their very nature, do not respond to this need to create links between actors from different sectors.
-

Table 29 Accommodation capacity of complementary lodging facilities, by Municipality – Year 2010 - Sardegna

Municipalities	Camping		Tourist resort		Properties for rent entrepreneurially managed		Youth Hostels		Holiday Apartments		Bed and breakfasts	
Arzachena	0	0	0	0	8	801	0	0	0	0	22	118
La Maddalena	3	1.097	2	311	1	30	0	0	0	0	38	187
Palau	3	5.268	0	0	9	1.587	0	0	0	0	13	64
Sant'Antonio Gallura	0	0	0	0	3	22	0	0	0	0	4	22
Telti	0	0	0	0	3	18	0	0	0	0	5	28
TOT	**6**	**6.365**	**2**	**311**	**24**	**2458**	**0**	**0**	**0**	**0**	**82**	**419**

ROMANIA

ATRC

1. Identification of main features of tourism SMEs and micro-enterprises in Romania

1.1. General informations

Romania is situated in the southeastern part of Central Europe and shares borders with Hungary to the northwest, Serbia to the southwest, Bulgaria to the south, the Black Sea to the southeast, Ukraine to the east and to the north and the Republic of Moldova to the east. Roughly the size of Oregon, Romania is the second largest country in the area, after Poland.

- Physical features
  - Mountains: 31% of Romania's territory
  - Hills and orchards: 36%
  - Plains: 33%
  - Areas covered by rivers and lakes: 3.7%
  - Total number of lakes: 3,500

- Lakes greater than 250 acres: 300
- Highest mountain peak: Moldoveanu Mt. — 8,349 ft. (2544 m.)

➢ **Tourism in Romania** focuses on the country's natural landscapes and its rich history. The number of tourists is growing every year and tourism is becoming an increasingly important source for Romania's GDP with 7-9 million people now visiting yearly. Romania's economy is characterized by a huge potential for tourism. Number of tourists grew from 4.8 million in 2002 to 8.9 million in 2008. The revenues grew from 400 million in 2002 to 607 in 2004. Tourism in Romania attracted €880 million in investments in 2005.

➢ SMEs and micro-enterprises

" The category of Micro, Small and Medium Enterprises (SMEs) is made up of businesses employing fewer than 250 people and have an annual net turnover of up to 50 millions Euro and / or have total assets of to 43 millions Euro". (Extract from Article 2 of Annex of Recommendation 2003/361/EC)

A microenterprise is a normal commercial benefiting company, that in addition to other companies, has the possibility of being taxed at a rate of 3% of turnover, as opposed to companies paying 16% tax. Tax Code refers to micro-enterprise as "a Romanian legal person which fulfills certain conditions, on 31 December of the previous fiscal year."

A company must meet some conditions imposed by law on 31 December of the previous year (if any) relating to economic activity, including:

-is written in the subject of activity production of goods, services and / or trade;

- is from 1-9 employees including;

-realized income did not exceed the equivalent in RON of EUR 100,000;

-legal person's share capital is held by persons other than State, local authorities and public institutions. (Tax Code art. 103).

Official statistics of the Romanian Government shows that most companies active in Romania fall into the category of SMEs. For the fact that this companies produce 70% of the country's GDP and provides about 70% of jobs, they benefit of programs and dedicated funding support.

In terms of connection with the purpose of tourist activity, enterprises are of two kinds:

➢ **Primary tourist enterprises**. This category includes companies that exclusively or predominantly serve the tourist trade and tourism and are especially dependent on it. This group would include: companies providing transportation services for tourists, accommodation service enterprises, enterprises providing food services (food and drinks), travel agencies and tour operators providing services that tourists need, including guide, entertainment companies, enterprises producing special paintings, handicrafts, tourist guides and other publications, travel and sports gear, institutions and associations to promote tourism for the local tourist comfort enhancement, tourism agencies to finance companies specializing in financial services, insurance and other facilities for tourists and tourist initiatives.

➢ **Secondary tourism enterprises and support industries**. Group of firms (industries) that do not depend exclusively on tourism, but serve the needs of the general public. They play a very important role in providing tourist goods and services as in securing the function of the primary tourist enterprises. This group subsumes: service units that stimulates interest in traditional enterprise support (service road, rail, air, sea), suppliers of equipment and facilities of different kinds of

hotels, buildings for commerce, management consulting firms and marketing personal tourist service providers, such as dry cleaning and laundry companies, hairdressers and hair salons etc.

1.2. Statistics

According to a study by PwC Romania, tourism industry in Romania revenues decreased by 16% over the past four years, to 1.5 billion euros in 2011, mainly due to decreases in the number of foreign tourists and their expenditures, the local market is one of the most affected by crisis in the region.

Expenditures of foreign tourists decreased from more than 750 million in 2008 to more than 600 million euros in 2011, while domestic tourists reduced their spending in this period from 1.01 billion euros to 900 million. In the last four years, average annual growth rate of the local tourism industry was negative, -5.7% respectively, the company said consulting and auditing.

The study shows that the tourism industry in Romania contributed 1.4% of GDP, but if we add the indirect and induced contributions, tourism brings nearly 6 billion euros in Romania's GDP. Romanian tourism is but a small contribution to GDP than other countries in the region, given that in Bulgaria constituted 3.6% of GDP in Hungary 4% and 2.8% in the Czech Republic.

The report also said that Romania has one of the lowest hotel occupancy rates in Europe, 26%, while Bucharest hotels have an occupancy rate more than doubled (62%). However, revenue per available room decreased even in Bucharest in the last four years. Besides the recession, increasing the supply of accommodation in Bucharest is responsible for the damage indicator, according to consulting company.

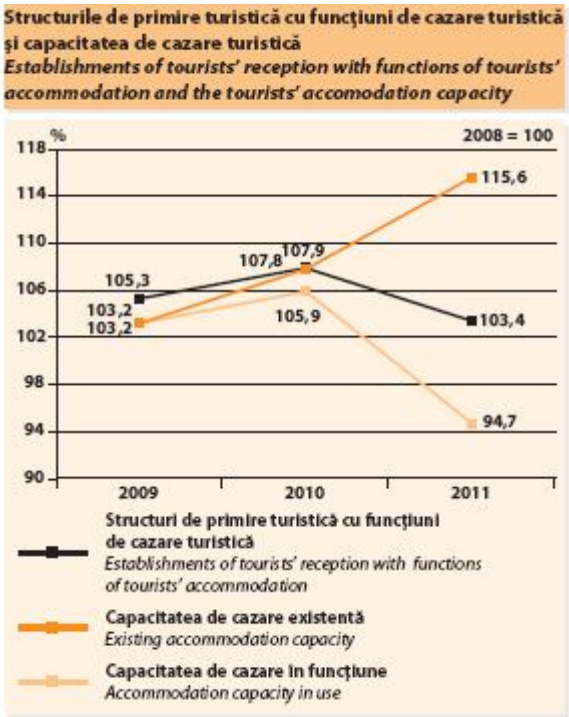
Here are some general statistics about turism in Romania from National Institute of Statistics (provided for 2012, updated until 2011):

Tourists' accomodation capacity:

Establishment of tourists' reception with functions of tourists' accommodation means any construction or arrangement which provides permanently or seasonally accommodation and other specific services to the tourists.

The number of establishments of tourists' reception with functions of tourists' accommodation includes establishments of tourists' reception existing on July 31 of the respective year, excluding those whose activity was interrupted for a long period of time in order to carry out capital repairs or important changes of their accommodation capacity or/and category.

Table 30 Establishments of tourists' reception with functions of tourist' accommodation and the tourist' accomdation capacity - Romania

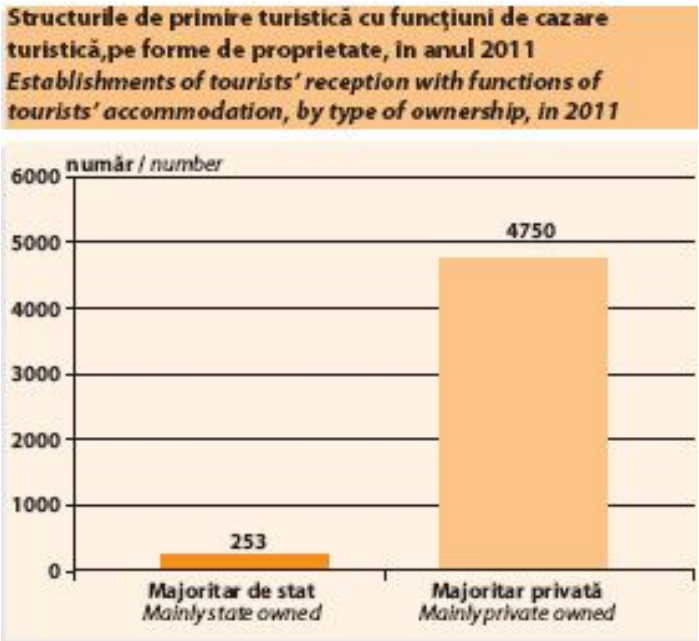


Source: National Institute of Statistics

Existing (provided) tourists' accommodation capacity represents the number of beds used for the tourists' accommodation and registered in the last reception, homologation or classification document of tourists' accommodation establishment, the extra-beds which can be provided, if necessary, excluded. The number of beds was determined for the existing establishments on July 31 of the respective year. As can be seen, most of tourism accommodation are generally private owned.

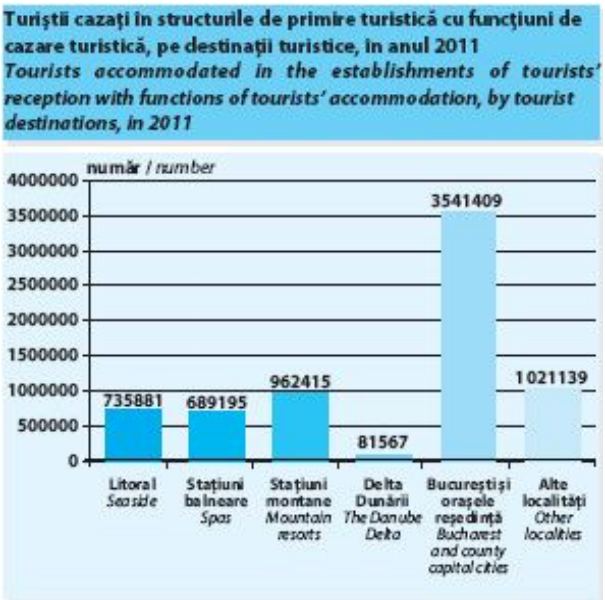
Table 31 Establishment of tourist' reception with functions of tourist' accomodation, by type of ownership, in 2011 - Romania

Source: National Institute of Statistics



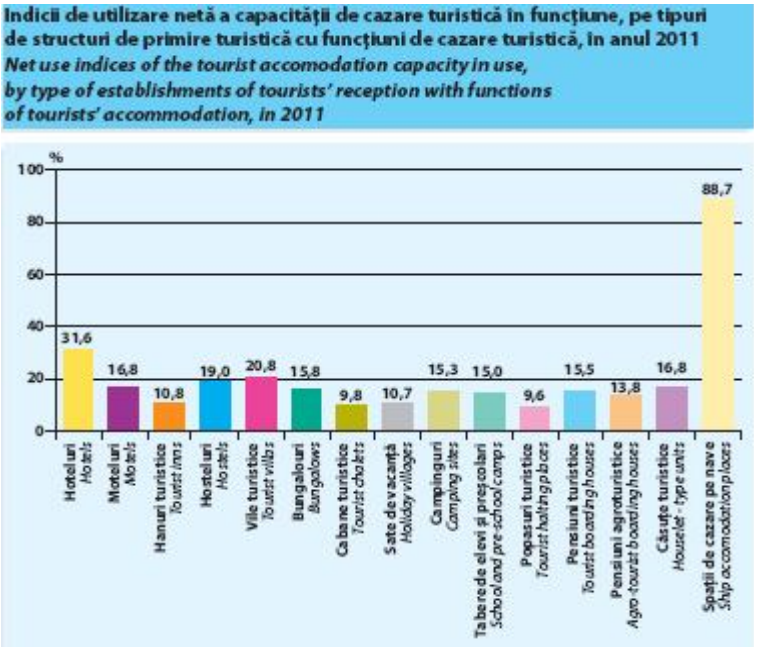
The number of tourists accommodated in the establishments of tourists' reception with function of tourists'accommodation includes all persons (Romanians and foreigners) who travel outside the localities of residence, for less than 12 months and who stay at least one night in an establishment of tourists' reception in the visited areas of the respective country; the main reason of the trip is other than carrying out a paid activity in the visited places. Most people who have requested accommodation in Romania, were record in Bucharest and cities of residence.

Table 32 Reception with functions of tourits' accomodation, by tourist destinations, in 2011 - Romania



Net use indices of the capacity of tourists' accommodation in use are calculated as the ratio between the number of overnight stays and the capacity of tourists' accommodation in use in the respective period. Highest proportion of net use tourist accommodation capacity was on ships and in hotel.

Table 33 Net use indices of the tourist accomodation capacity in use by type of establishments of tourist' reception with functions of tourist' accomodation, in 2011 - Romania



1.3. Training in tourism

After an analysis of National Council for Adult Vocational Training, consulting specialists from organizations accredited as training providers in this area, such as, Tourism Investment Company, THR, CEDES we have:

Occupations and qualifications in the field of tourism, hotels, restaurants can be found currently in: Classification of Occupations in Romania – COR, Nomenclature of adult vocational training qualifications – NC, Nomenclature of qualifications that provide training in arts and crafts, school, post high school, school masters.

Training in tourism through: arts and crafts schools, colleges, post-secondary schools, higher education institutions; training of adults authorized training providers and courses organized by companies authorized in travel and hotel companies.

There are training programs for managerial positions - manager business travel in tourism activity (higher education), hotel manager, restaurant manager, travel agency manager (secondary studies) based on occupational standards in 2007 and, concerned 2008, can not ensure the necessary skills to persons with minimal qualifications and experience in the field.

Hotel companies have their own staff training policy. Usually, adapted to country legislation in which is the hotel, regarding the basic training, then shall organize periodic training sessions according with their standards, on specific departments: front office, housekeeping, food and beverage, banqueting, marketing and sales.

ECOTOURISM -Definition

Ecotourism is a form of tourism in which the main motivation for the tourist is the observation and appreciation of nature and local tradition in natural areas, and which must perform the following conditions:

- contributes to nature conservation and protection;
- supports the well being of local people, stressing local ownership, as well as business opportunities for local people (especially in rural areas);
- has an educational component that creates awareness about nature conservation, both for tourists and local communities;
- requires the lowest possible negative impact on the environment and on the socio-cultural component.
-

Sustainable tourism is tourism attempting to make a low impact on the environment and local culture, while helping to generate future employment for local people. The aim of sustainable tourism is to ensure that development brings a positive experience for local people, tourism companies and the tourists themselves. Sustainable tourism is not the same as ecotourism.

Tourists who promote sustainable tourism are sensitive to these dangers and seek to protect tourist destinations, and to protect tourism as an industry. Sustainable tourists can reduce the impact of tourism in many ways, including:

-informing themselves of the culture, politics, and economy of the communities visited

-anticipating and respecting local cultures, expectations and assumptions

-contributing to intercultural understanding and tolerance

-supporting the integrity of local cultures by favoring businesses which conserve cultural heritage and traditional values

-supporting local economies by purchasing local goods and participating with small, local businesses

-conserving resources by seeking out businesses that are environmentally conscious, and by using the least possible amount of non-renewable resources.

In Romania there are several associations that deal with promotion of ecotourism:

AER - THE ASSOCIATION OF ECOTOURISM IN ROMANIA –"**a partnership for nature conservation and tourism in Romania".(** Ecotourism definition adopted and promoted by AER)

The Association of Ecotourism in Romania (AER) has achieved a partnership for nature conservation and tourism development among tourism associations, non-governmental associations acting in local development and nature conservation, nature conservation projects and travel agencies. Therefore, the innovative idea promoted by AER is to bring together the public and the private sector in a partnership for nature conservation and sustainable tourism development.

Mission

AER has the mission to promote the concept and development of ecotourism for the support of nature conservation, local communities in natural areas, and for raising the standard of ecotourism-related services - as well as promotion of the nature as an essential element of the Romanian tourist destination image.

The objectives of association are:

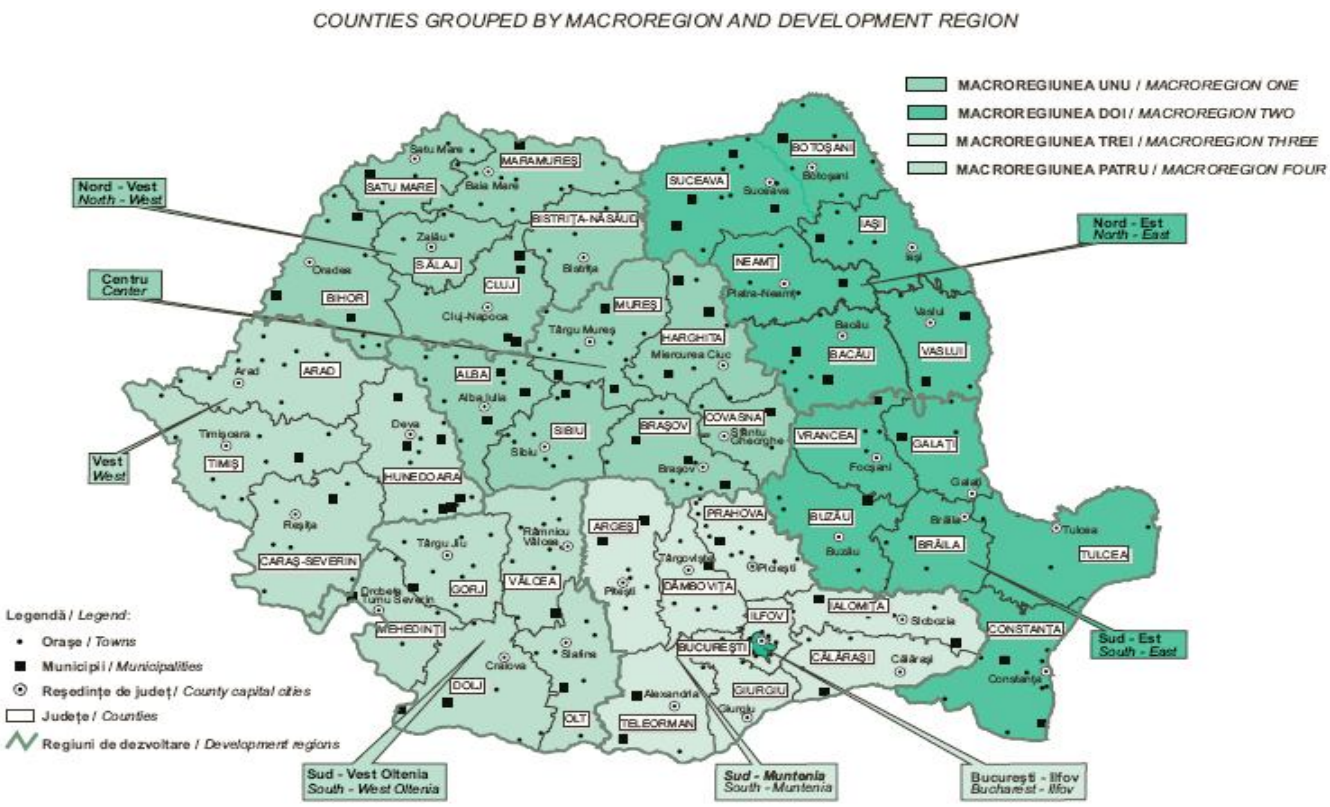
1. The creation and promotion of a well-defined image of Romania as an Ecotourism Destination, at an international level.
2. The development of ecotourism services and infrastructure at the level of the proposes Eco-Destinations in Romania.
3. Nature conservation and sustainable development in Romania.

Ministry of Tourism has organized a campaign named "*Romania*, *Explore the Carpathian garden",* on the campaign website those who are interested can find information about touristic areas in Romania, they have access to pictures and descriptions of places (www.romaniatourism.com).

1.4. Distribution of eco-tourism by region:

Here are some locations with tourist structures certified by the Association of Ecotourism in Romania. The source si National Strategy for Ecotourism Development in Romania and site www.eco-romania.ro .

Figure 13 Counties grouped by macroregion and development region



Hunedoara County, Transylvania, Romania. Is located in southeastern Transylvania near the Poiana Rusca Mountains, and administers five villages: Boş, Groş, Hăşdat, Peştişu Mare and Răcăştia. In Hunedoara county the certified ecotourism tourism include this structures: Guest House Anita, Pensiunea Codrin, Guest House Dora, Guest House Dumbravita, Guest House Iancu, Guest House Iris, Guest House Mara, Guest House Ulpia Traiana. Total accommodation places:148.

Brasov is one of the most popular places for travelers due to its richness in fortresses (Rasnov,Bran), old towns, fortified churches in picturesque villages (Biertan) and mountain forests (Piatra Craiului). It is also home to some of the most important ski resorts(Poiana Brasov). In Brasov county: Guest House Equus Silvania, Guest House Mosorel, Carpathian nature tours-Vila Hermani. Total accommodation places: 54.

Covasna is a district of Romania, in Transylvania, with the capital city at Sfântu Gheorghe. The main part of the relief consists of mountains from the Eastern Carpathians group. Most localities can be found in the valleys and depressions located along the different rivers crossing the county. In Covasna county: Guest House Kalnoky. Total accommodation places:19.

Suceava is seat in Bukovina, Moldavia region, in north-eastern Romania. There are numerous museums in the city: the Bucovina History Museum, the Bucovina Village Museum , the Bucovina Ethnographic Museum (housed in an inn from the 17th century), and the Natural History Museum. In Suceava county: Guest House Felicia si Hildes's Residence. Total accommodation places: 30.

Bistrita Nasaud is a district of Romania, in Transylvania, with the capital city at Bistriţa. The county has a total area of 5,355 km². One third of this surface represents the mountains from the Eastern Carpathians group, the rest of the surface represents the North-East side of the Transylvanian Plateau. The main river crossing the county is the Someşul Mare River River. In Bistrita Nasaud county: Alexandra House.

2. Management practice at tourism SMEs

2.1. Certification System In Romania

- **Certification and accreditation in the context of ecotourism.**

Ecolabel is a voluntary scheme, designed to encourage operators to commercialize goods / services with a reduced impact the environment and European consumers -including public and private buyers -to identify them easily.

Ecolabel operates on the basis of groups of products/services (environmental criteria and performance criteria). Whatever the group of products/services environmental requirements relate to air quality, water quality, soil protection, reducing the amount of waste generated, saving energy, natural resources, prevent global warming, ozone layer protection, environmental security, noise and biodiversity.

Products impact the environment in every stage of their life cycle: Raw materials, production process, distribution (including packaging), use / consumption, reuse / recycling / disposal.

The environmental labeling is trying to limit the use of substances: negative effects on water, air, soil; high risk of cancer affects production, allergic, etc. Ecological criteria for a product group are valid for a period between 3 and 5 years.

The request for European environmental label, must be sent to the Ministry of Environment, and if environmental criteria and performance are fulfilled they inform the European Commission decision about granting European eco-label.

Any request for the European Eco-label is subject to the payment a fee depending of processing costs. Any economic operator that won the European eco-label competent pays to authority an annual fee for its use.

5 steps to European Ecolabel

1. Eligibility Verification product. Product / service must belong to one of the groups of products / services that can get the EU Ecolabel. It must meet the following conditions: high potential environmental, competitive advantages for producers of goods and / or service, high demand for final consumption or use by sales volume

2. Verification of the eligibility company. European eco-label can apply for economic operators: manufacturers, importers, service providers, merchants

3. Contact the competent authority. ***Ministry of Environment is the competent authority at national level, for granting of European Ecolabel.***

4. Completing the application forms. Economic operator who wishes to obtain European Ecolabel must submit a case to demonstrate that the product meets the environmental requirements set by the European Commission.

5. Evaluation and application of European environmental award. The competent authority receives the request and, if environmental criteria are met, the European Commission informs the decision of of European eco-label.

2.2. The European Ecotourism Labelling Standards (EETLS)

The EETLS shares all of the GSTC (The Global Sustainable Tourism Council) criteria as all are highly applicable to ecotourism. Currently the EETLS is made up of 40 specific criteria divided into the four pillars of sustainable tourism according to the GSTC:

• A. Demonstrate Effective sustainability management.
• B. Maximise social and economic benefits to the local community and minimise negative impacts.
• C. Maximise benefits to cultural heritage and minimise negative impacts.

• D. Maximise benefits to the environment and minimise negative impacts.

GSTC Criteria/EETLS	TIES Ecotourism Definition and Principles
"Ecotourism is responsible travel to natural areas that conserves the environment and sustains the well-being of local people."	
A) Demonstrate effective sustainable management	• Provide positive experiences for both visitors and hosts • Build an environmental and cultural awareness and respect • Raise sensitivity to host countries' political, environmental, and social climate"
B) Maximize social and economic benefits to the local community and minimize negative impacts.	• Provide financial benefits and empowerment for local people
C) Maximize benefits to cultural heritage and minimize negative impacts.	• Minimize impact
D) Maximize benefits to the environment and minimize negative impacts.	• Minimize impact • Provide direct benefits for conservation

2.3. EXAMPLES OF ECO-CERTIFIED PRODUCTS

Products / services labeled with European EU label in Romania:

A. Hotel SATURN (an eco-label for tourist accommodation services, granted in 2008)
B. S.C. Maguay SRL (2 Ecolabel for product group for personal computers and laptops product group, provided in 2008)
C. S.C. ANA HOTELS S.A. - HOTEL CROWNE PLAZA (an eco-label for tourist accommodation services, granted in 2009)
D. S.C. DURAZIV COLOR SRL (an eco-label product Duraziv odorless super-washable paints for interior and white tint base, with rubber, granted in 2011)
E. Villa Stone Hawk (an eco-label for tourist accommodation services of the villa, granted in 2011)
F. S.C. KÖBER SRL (4 ecolabels for produsule Zertifikat - V8130, Zertifikat Plus - V8140, ECOLUX V 82 101-gloss paint for interior and exterior PRIMER G 8101, provided in 2011)

G. Druckfarben Romania SRL (2 EU Ecolabel for EcoNatura interior paint products and primer EcoNatura KRAFT, provided in 2011)

2.3. Professional associations in tourism which promote tourism in Romania:

Romania Hotel Industry Federation (FIHR) is a national employers' organization representing the professional and business interests of the hospitality industry in Romania the parliamentary media / legislative, governmental, media, ONG's, trade unions etc., as well as through European and world's affiliations.

Employers Federation of Tourism of Romania (FPTR) represents the interests of tourism, economic and legal aspects of travel companies that they run - regardless of ownership (public, private or mixed) from central and local organs of state administration and justice in relations with unions and other institutions in the country and abroad.

National Association of Rural, Ecological and Cultural Turism (ANTREC) aims at supporting the development of organized practice or rural tourism, environmental and cultural as well as tourist product for continuous improvement.

Other associations: National Association of Travel Agencies – ANAT, Tourism Promotion and Development Association – Coastal, Association for the promotion of tourism Prahova, Promotion association of Brasov, District tourism association Sibiu, Press club of tourism - romania-fijet tourism press club is the only professional association in fijet full member, Romanian tourism employers' federation – FPTR, Employers organization of health tourism - O.P.T.B.R, Tourism employers association Iasi, National association of rural, ecological and cultural - A.N.T.R.E.C, Professional association of tourism in Romania, Tourism association of Bucharest, Association of ecotourism in romania (AER), National association of chefs and confectioners from tourism - A.N.B.C.T., Ecological green tourism association, National association of Romania guides (ANGR), National association of tour guides from Romania- A.N.G.T.R., Mountain guides association from Romania - A.G.M.R.

3. Identification of needs of tourism SMEs

3.1. The introduction and implementation of standards for labeling in European ecotourism

Global economists forecast continuing international tourism growth, ranging between 3 and 6 percent annually, depending on the location. As one of the world's largest and fastest growing industries, this continuous growth will place great stress on remaining biologically diverse habitats and indigenous cultures, which are often used to support mass tourism.

Responsible Tourism can be regarded as a behaviour. It is more than a form of tourism as it represents an approach to engaging with tourism, be that as a tourist, a business, locals at a destination or any other tourism stakeholder. It emphasises that all stakeholders are responsible for the kind of tourism they develop or engage in. Whilst different groups will see responsibility in different ways, the shared understanding is that responsible tourism should entail an improvement in tourism. Tourism should become 'better' as a result of the responsible tourism approach.

Ecotourism is a form of tourism that involves visiting natural areas -- in the remote wilderness or urban environments. According to the definition and principles of ecotourism established by The International Ecotourism Society (TIES) in 1990, ecotourism is "Responsible travel to natural areas that conserves the environment and improves the well-being of local people." (TIES, 1990). Martha Honey.

According to OMT (World Turism Organisation WTO), "sustainable tourism development satisfy the needs present tourists and host regions while protecting and increasing the chances and opportunities for the future. He is seen as a way of managing all resources, so that the economic, social and aesthetic to be fully satisfied, while maintaining cultural integrity, essential ecological dimensions, biological diversity and life system. "

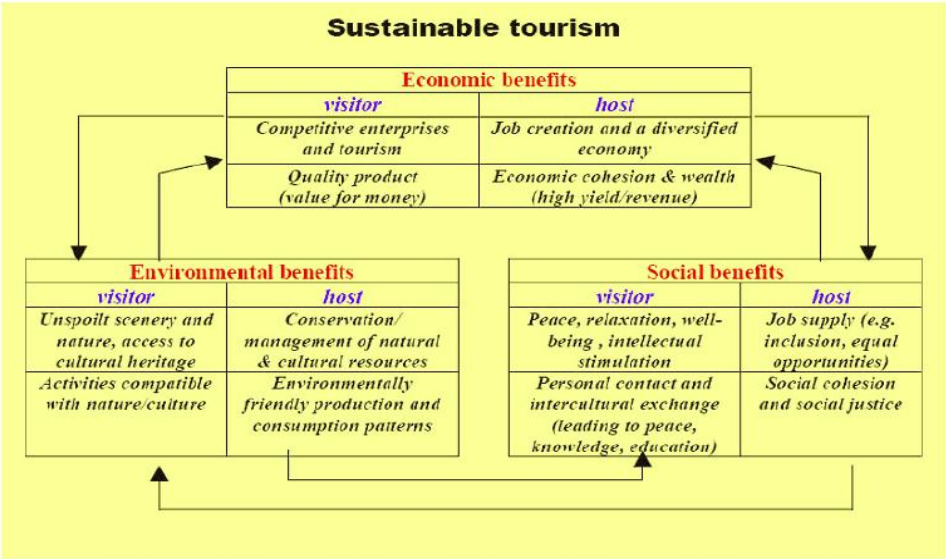
According to the same organizations, the concept of sustainable tourism is considering three important aspects:

Quality - sustainable tourism requires a valuable experience for visitors, while improving quality of life of the host community, cultural identity, poverty reduction and environmental protection;

Continuity - ensuring the best possible sustainable tourism, natural resource continuity is based and host community culture preservation, with satisfactory experience for visitors;

Balance - sustainable tourism industry provides a balance between the needs of tourism, the environment and local community supporters, with economic and social benefits, fair distribution to all stakeholders.

Figure 14 Substainable tourism



From: "Natural and cultural heritage to develop sustainable tourism in non traditional tourist destinations".

ADVANTAGES OF ECOLOGICAL LABEL EUROPEAN FOR ECONOMIC OPERATORS

Increases customer confidence

If the objective of economic operator is to increase customer loyalty and trust for its products, The European Ecolabel is a real support, this is the best way to answer questions increasingly more consumers, giving them more reliable information on products, founded on scientific bases.

Strengthens company's image

European Ecolabel company contributes to strengthening its position in front of customers, in terms of commitment in the fight for environmental protection.

Improve image brand

Eco-label is "another sign of quality" for products, able to improve brand image.

3.2. Training for Ecotourism

Eco-magazin has proposed the "Ghinda" ecological quality of the provision of tourist services:

1 ACORN – Are those structures that provide tourist services located in areas determined by measurement of environment as being without pollution and, most importantly, does not interact negatively with the environment, allocate at least 1% of revenues for the activities of planting trees and shrubs.

2 ACORNS -Extra-urban tourist structures that display the symbol are those structures to provide tourist services, are located in areas with no pollution, no environmental pollution sursede, have implemented programs to reduce consumption, provides dining services on the menu from certified products ecological and allocate at least 2% of revenues for the activities of planting trees and shrubs.

3 ACORNS -Extra-urban tourist structures that display the symbol of tourist accommodation are located in areas without pollution, pollution sources are not environmentally friendly, have implemented programs to reduce water consumption rate of up to 20 l/min, educate tourists about the rules of protection environment, collect their waste sorting, using energy saving light bulbs in 50%, using organic detergents, provides dining services based menu from certified organic products and provide at least 3% of revenues for the activities of planting trees and shrubs.

4 ACORNS -Accommodation are those who use environmentally friendly energy production sources "green" at a rate of min 10%, have implemented programs to reduce water consumption up 15 l/min flow, using energy saving light bulbs in 75%, educate tourists about environmental protection rules, are collecting selective their own residues (organic, glass, paper, plastic), are using ecological detergents, are useing ecological means of transport in the programs organized for tourists and spend at least 4% of revenues for planting activities trees and shrubs.

5 ACORNS -Extra-urban tourist structures are those structures that display the symbol of environmental excellence in tourism which more than half of its energy is produced on green energy, "using organic detergents, have implemented programs to reduce water consumption up to 10 l flow / min, educate tourists on organized programs on environmental protection rules, collect their waste sorting (organic, glass, paper, plastic), using energy saving light bulbs in 100% and use the exclusive means of transport in programs organized for tourists and allocate at least 5% of revenues for the activities of planting trees and shrubs.

Benefits of ecological tourism

3.3. Eco label will save hoteliers from taxes

To be labeled green, operators must meet three criteria from a total of six. Throw this we find the use of alternative energy, eco-bulbs in the tourist locations, the use of ecological detergents, and promoting ecological Romanian traditional products.

3.4. Ecological Tourism with 9 percent VAT

To benefit from the normative act, authorized individuals, family associations and companies must meet at least three of the following criteria: to use alternative energy at a rate of at least 15% in business travel, use energy saving bulbs in a proportion of 50%, using organic detergents to selectively collect their waste, traditional Romanian products to promote green exclusive use means of transport in the programs organized for tourists.

Eco-labeling is voluntary, aims to promote Europe-wide distribution of products with high efficiency and low environmental impact throughout the lifecycle. One objective of this label revision is to increase the number of product groups to 40-50 by 2015 so that European consumers can have a wide range of products to choose from. According to data published on the website of the European Parliament, so far, the eco-label "EU flower" was granted for six Romanian travel agencies(Eximtur Cluj-Napoca, United Comtur in Deva, Accent Travel & Events from Bucharest, SindGaz in Ploiesti, Ploiesti and Inter Bibi Touring from Tour from Bacau) and Saturn Hotel, 5-star resort of the same name.

3.5. Quality in tourism organization

Each organization in Romanian tourism should conduct an analysis of quality for the activity they perform. The quality analysis is the starting point in improving the organization's strategic direction. Purpose of analysis aims, at least the following aspects:

1. the level of quality services;
2. establishing the basic decisions to improve services and tourism products offered;
3. knowing the strengths and weaknesses of the organization;
4. collection of ideas and planning concrete measures to increase the quality of all activities.

3.6. Promoting the tourism

In addition to regional and national bodies of the state interested in attracting new tourists, such as the Office for promoting the Tourism, an important contribution have some international bodies, such as: Commission Européenne du Tourisme, Pacific Asia Tourism Association, etc.. Supported by Organization World Tourism Organization (WTO), whose main objective right "... to promote and develop tourism for economic progress and development of member countries ...".

In our country, the promotion takes place on three levels, namely: nationally by the Ministry of Tourism (MT) under which lies also the National Authority of Tourism (ANT); implementation of promotion strategy at the regional associations is to promote regional(so-called information and tourist promotion offices) And at the micro level, each economic agent from the hospitality industry and individually setting their own policy to promote tourism.

In the Ministry of Tourism, namely the main unit of the National Authority for Tourism, activate General Division of Promotion and international relations is the main tasks, among others, organizing and carrying out to promote Romania's tourism both domestic and foreign markets, and external markets, through specific activities to promote tourism offices in the country and abroad, the national tourism fairs, ANT provides participation in international events, monitors the tourism in the provisions of

the Agreement on Romania's accession to the European Union, initiated and coordinate advertising campaigns in the media in the country and abroad, etc.

- **Sites known to promote tourism:**

The most important way to get informations about turism in Romania are sites:
- www.skiresorts.ro - A professional portal dedicated exclusively to mountain lovers, especially in winter, containing the most complete database of more than 40 places where you can ski in Romania and other countries.
- www.infoturism.ro - Portal that contains the member travel agency offers, more than 200, allowing the site to obtain online reservations for destinations in Romania or abroad.
- www.romaniantourism.ro - Is a virtual travel grant, centered on a database that includes offers of all types of tour operators (travel agents, accommodation, transport, rent a caretc.) Dedicated exclusively Romanian tourism.
- www.fodors.ro is the online version of a popular travel guide and contains advice from experts in the field of tourism.

To be mentioned other sites of tourism, namely: www.hartionline.ro, www.rotravel.ro, etc. There are many tourism units (agencies, hotels, restaurants, etc.) which have their own website (Eximtur agency, Marshal etc) or is located on a portal specialized in accommodation offers (www.cazare.ro, ,www.pensiunituristice.ro) or tourist information (www.iTurism.ro).

There is also the official website of the Ministry (www.mturism.ro) which is less focus on offers, reservations etc. and more on the news section that are particularly useful to those directly involved in tourism activity in Romania (press releases, changing regulations, various announcements, etc.).

4. Regional or professional specification

In terms of economic, tourism development results in a specific request for goods and services, which stimulates demand in a number of productive sectors such as industry, agriculture, trade. These branches of national economy through their activity contributes to the development of technical and material base of tourism, making the general infrastructure facilities like road network, airports, telecommunications modernization, contributing to expand commercial network.

Investments for new tourist attractions determines, in turn, increase sales in trade, increase the income of those working in this sectors, income generated by exploitation of those objectives.

SLOVENIA

NTA

INTRODUCTION

The European Commission (2002) acknowledges that new social and market pressures are slowly but surely changing values even on this business perspective. And according to them the change can be attributed to the realisation that sustainable business success" cannot be achieved by adopting a narrow view of purely maximising profits, but in a way that increases economic growth whilst certifying environmental protection and promotion of social responsibility.

This is also the approach of KNOWNET project supported by CIP grant, which aims to gather and connect the available sustainability knowledge in European tourism and work carefully with the tourism SME in order to analyse and understand their needs and obstacles they are facing in terms of implementing sustainability principles as part of their daily business routine.

This first phase of the project dedicated to national research about the state of the art national situation in sustainable tourism practices and SME's environment is is carefully presented in the present report.

In line with NTA's long years expertise and focus in Slovenian tourism the report covers all latest sustainability developments in Slovenia, overviews the country's tourism sector and puts special emphasis on sustainability in hotel sector which will be at the centre of NTA's attention in the second phase of the KNOWNET project.

SLOVENIAN SME's

According to EC Definition SME's are enterprises with less than 250 employees (those with fewer than 10 employees are micro enterprises, with more than 10 and less than 50 employees are small and those with more than 50 and with less than 250 employees are medium-sized enterprises) (EC, 2008). SMEs are socially and economically important, since they represent 99% of all enterprises in the EU and provide around 65 million jobs and contribute to entrepreneurship and innovation to a great extend (EC, 2008).

Slovenia – situated between Italy, Austria, Hungary and Croatia – is the leading country among ten new member states that joined EU in 2004 and a country with ICT characteristics, which are usually slightly above the EU 25 average, surpassing some 3–5 of the EU 15-old member states in the aspect of ICT developments (Sulčič & Lesjak, 2010).

In Slovenia, the country with no more than 2 million citizens, 96.2% of enterprises are micro or small enterprises in which 45.0% of all employees are employed. In less than 1% of Slovenian large companies one-third of employees are employed. In the EU, 99% of all enterprises are SMEs in which 67.1% of employees are employed. The main reasons, why the percentage of employees in SMEs in Slovenia is more than 20% lower than the EU average, is firstly actually the final stage of the transition process from former socio-economical system where there were predominately large state owned companies and secondly, the smallness of the economy, which is reflected in the relatively large percentage of employees in the micro firms (Sulčič & Lesjak, 2010).

When it comes to the obstacles that the SME's in Slovenia are facing, it has to be noted that previous research showed their main obstacles to be connected with the factors connected to institutional environment and bureaucracy as well as factors of external financial environment such as the high cost of capital. Further, internal organization and resource issues seem to be less problematic within SME's (Bartlet & Bukvič, 2001). Also, the access to ICT and e-bussiness, is not problematic, as the broadband access to the internet in Slovenia is not a problem anymore, and is completely on par or even more common than in other EU countries, B2B e-business is not as common among Slovenian SMEs as it is in the EU countries (Sulčič & Lesjak, 2010).

Table 34 Structure of Slovenian Companies according to EC Definition

Enterprise category	*Employees*	*# Enterprises*	*%*	*# Employees*	*%*	*Enterprises in the research (%)*
Micro	<10	97.649	92.8	177.889	27.4	20.5
Small	<50	6.017	5.7	117.018	18.0	87.7
Medium sized	<250	1.311	1.2	135.201	20.8	92.0
Large	250+	295	0.3	219.636	33.8	84.5
		105.272	100.0	649.744	100.0	100.0

Source: SURS, 2007 quoted in Sulčič & Lesjak, 2010.

CHARACTERISTICS OF SLOVENIAN TOURISM INDUSTRY

Slovenia is an Alpine and Mediterranean country located in the North-East of the Adriatic Sea. It has a wide variety of tourism products such as mountain tourism, ski tourism, sun and beach, spa tourism, city and cultural tourism, rural tourism and gambling. The country is small (2 million inhabitants) and receives around 2.8 million visitors per year, with 64 percent being foreigners.

Slovenian tourism is one of the most important sectors of the national economy. In 2006, the tourism GDP reached EUR 1679 m, representing 5.5 percent of total national GDP (Assaf & Cvelbar Knežević, 2011). The last time the Tourism Satellite Accounts were calculated in Slovenia was in 2006, when tourism accounted for 6% of the national GDP, which is in line with the findings of other different methodologies, Taking a look at the most recent analysis about the importance of Slovenian tourism performed by Slovenian Tourist Board (STB) for 2010 it can be seen, that the share of GDP to which tourism is accounting has raised significantly from 2006, as it now accounts for more than 11% (STB, 2011).

The most important quantitative facts about Slovenian tourism industry are presented in the table below.

Table 35 Quantification of Slovenian Tourism

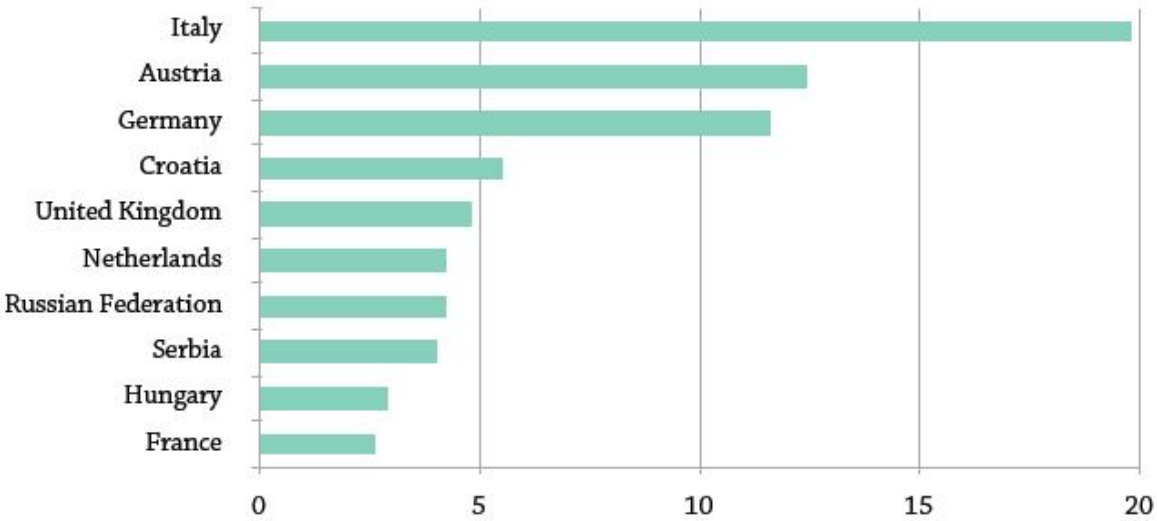
The importance of tourism in Slovenia	
Number of tourist arrivals	3,006,272
Number of overnight stays	8,906,399
Share of overnight stays by foreign tourists	56%
Average length of stay	3 overnight stays
Total number of beds	118
Value of exported trips	€1,742,999,000
Index of exported trips 10/09	97
Total impact of tourism in Slovenia as proportion of GDP	11.8%
Country Brand Index 2010	54th place
Global Peace Index 2010	11th place

Source: STB, 2011.

It also has to be noted that Slovenia is also moving up on the Travel & Tourism Competitiveness Index calculated each year by the WEF, in 2010 ranked 33rd, compared to its 44th position in 2007.

When it comes to the structure of tourists, the majority 68 % of tourist arrivals are foreign with the majority coming from Italy, Austria and Germany. In the table 3 below are presented the figures for the shares of overnight stays for the 10 most important markets of origin.

Figure 15 Overnights by the country of origin (in %)



Source: STB, 2011

In terms of organization, Slovenian tourism is not centrally structured, as Slovenia does not have its Ministry for Tourism. This used to exist back in early nineties, but has then merged with the Ministry for Economy, where it is now placed under the DG for Tourism and Internationalisation.

Further, there is as already mentioned earlier, a government funded national tourism promotion agency called Slovenian Tourist Board (STB). On top of it, there are various professional associations operating in Slovenian tourism, each pursuing their own interests, such as:

- GTZ – Hospitality-Tourism Association at Chamber of Commerce
- TZS – Tourist Association of Slovenia
- NTA – National Tourist Association
- ZSNZ – Association of Slovenian Spa's

In line with the tourism's significance for the growth of national economy, various tourism educational programs were developed over the course of the last 15 years, with a new Tourism faculty being scheduled for the opening at University of Maribor in 2012.

Tourism education at University level with slightly differentiated curricula can be found in 4 Slovenian educational institutions:

- Turistica, University of Primorska (focus on tourism innovation)
- Faculty of Economics, University of Ljubljana (focus on sustainability)
- EPF, University of Maribor (general economics with topical focus on tourism)
- FKPV Celje (business focus)

In terms of size Slovenian tourism industry is as expected in line with the small number of country's inhabitants. From the total population of 357 companies, considered as comprising the Slovenian tourism industry, the number of travel agency and tour operator sectors together make 65.3% of the total, the former accounting for 39.5% and the latter for 25.8% of the total population. Meanwhile, the hospitality, or accommodation sector, accounts for a good third of the total population at 34.7%.

Micro size companies represent 83% out of all travel agencies in Slovenia, 72% of all tour operators and around 60% of all the enterprises in the accommodation sector. It also has to be noted that only 10 large companies operate in Slovenian tourism sector and that International tourim and hospitality chains have yet to reach Slovenia, which apart from one Kempinski Hotel and few Best Westerns still retains a rather independet model of individually managed tourism firms.

SUSTAINABILITY & CSR IN SLOVENIAN TOURISM INDUSTRY

Sustainability is set as strategic priority in the National Tourism Development Strategy (RNUSTA, 2006) and implementation of green/sustainable forms of tourism have been heaviliy promoted in the last 5 years. As a consequence also the promotional actions try to include sustainability to begin with the brand I feel Slovenia, which is coloured in green and as can also be seen by the priorities that STB lists for 2011:

1. The concentration of promotion on key emitting markets and developing new markets and segments.
2. Enhancing the visibility and performance of the ‘I feel Slovenia’ tourist trademark.
3. Strengthening of online marketing and innovative marketing approaches.
4. Promoting the development and marketing of green (sustainable) tourism.
5. Strengthening and enhancing the effectiveness of partnership and co-branding (product associations, destinations, partner marketing, crosssectoral integration).

However, while a lot has been done on a proclamatory level in national and regional policy development, the response of Slovenian tourism industry has been slow. While there certainly are some examples of best practices in different fields such as:

- Eco-friendly: Bohinj Park & Terme Snovik (some of the most energy effecient hotel

buildings in Europe, using the most advanced alternative energy solutions)

- Innovative: Terme Olimia (the first company that made a hughe progress in terms of
  environmentally friendly design of its hotels and one of the few that promotes integral
  tourism products collaborating with other SME's and organic food suppliers in the region)
- Socially responsible: Premiki (the first agency that follows the model of social enterpreneurship and employes people who are facing problems on the labour market and is specialised to organize trips for the disabled)

Mihalič back in 2004 studied the environmental performance of Slovene hotel industry and found it well below European and international practice. According to some listed results of her research on environmental management in Slovene hotels, environmental information and education was needed in order to increase the environmental responsibility.

Mihalič (2004) also wrote, that an eco-label in tourism must be considered as an instrument for implementation of environmental management, as a transfer of environmental management knowhow and technical support that helps to improve environmental quality of tourism product. It also helps to develop some new services, which are expected by hotel visitors (such as waste separation and recycling). Eco labels are one of a range of tools to improve industry performance, in this case voluntarily and through the delivery of publicly recognisable labels that can be the source of peer recognition and status, economic savings through improved management, and potentially marketing advantages (Mihalič, 2004).

Though the situation somehow improved since 2004, there is still lack of environmentally accredited tourism businesses in Slovenia. Even though the EU Flower has extensively been promoted by Slovene DG for Tourism, there are only two companies that got accredited by 2004.

Further there is one company that got an accreditation of Green Globe. Anyhow, in terms of social sustainability the results are far better, as the 14 disabled friendly certifications that have been awarded to Slovenian tourism firms suggest, and even more are accredited by a more general accreditation of a Family friendly enterprise.

Thus the sustainability accreditations that can be spotted in Slovenian tourism industry are the
following:

- EU Flower
- Green Globe
- Disabled friendly
- Family Friendly Enterprise
- Blue Flag

It was again Mihalič, who in 2010 as a part of Green tourism barometer project analysed the "greenness" of Slovenian tourism and came to the following conclusions:

- 80% of tourism managers think that environmental problems will affect the management of their companies in the future,
- 96% of tourism managers are aware of environmental problems,
- 70% of tourism managers think they are not doing enough to mitigate the environmental problems,
- 30 % of tourism managers think that their company is actively involved in protecting the environment.

While this conclusions show some improvement at least in the field of environmental awareness, they also evident lack of appropriate pro-active activity which is a pre-condition to be able to speak about sustainability (Mihalič, 2010).
A notion very closely connected to sustainability is CSR, as it is generally accepted that it is the corporate expression of the more macro sustainable development principles and practices on the firm level.

Recent research by Taslidza (2009) established that the attitude of Slovenian tourism industry companies towards CSR is positive, although not considerably. 14 statements describing the principles of CSR showed varying levels of support for the concept, with the largest part of respondents agreeing that firms must live up to society's standards, but at the same time demonstrating the perception that investing in social responsibility means to use company resources inefficiently. This proves that the stance on CSR is not very clear. Concerns over the necessity of government regulation in the field of CSR were raised, which corresponds to the common opinion of the private sector in the EU. It was shown that on average, attitudes towards CSR are not as positive in micro size companies as in small, medium and big companies, while there were no significant differences in perceptions between different sectors of the industry (Taslidza, 2009).

Taslidza's results (2009) also implied that the attitudes towards CSR are an indicator of company initiatives in this field, as the managers of companies which engage in CSR-related activities, have better attitudes towards CSR than those who manage companies without such practices. Surpassing expectations, 60 percent of tourism companies in Slovenia are engaging in CSR actions. The most common forms of that were donations and sponsorships, followed by some sort of environmental management programme and involvement with the local community.

Taslidza's (2009) research confirmed that economic responsibilities were perceived as most important within the CSR context by managers in Slovenian tourism industry, followed by legal and ethical, with philanthropic responsibilities deemed as least important dimension of CSR. The results showed that managers in Slovenian tourism industry have highly positive attitudes towards sustainable development, since the statements relating to sustainable tourism development principles received an incredible level of support. It was optimistic to see that the managers are aware of tourism’s dependency on the state of its natural environment, and that environmentally friendlier practices are perceived as an opportunity for business

rather than a cost. The differences in attitudes towards sustainable tourism development between different tourism sectors or different size companies proved to be statistically insignificant. Also, almost 85 percent of all tourism managers stated that sustainable development principles were a part of their company strategy, which proves that the concept is somewhat embraced in the industry. It was also established that in general, tourism representatives who have more positive attitudes towards sustainable development often also have more positive outlook on CSR, hinting a conceptual connection between the two. As a consequence it is not surprising that those managers, whose companies have a sustainability strategy, not only have more positive attitudes towards CSR, but are also more socially responsible than the managers whose companies are not adopting sustainable development practices. And lastly, to study if there are any connections between company performance and variables expressing attitudes and orientations, three different performance indicators were employed, as well as“standardized measure of performance”, computed in order to provide a more impartial measure of success. The results showed a lack of consistency when confirming the relationships between firm performance and attitudes towards CSR, thus the outcome was categorized as inconclusive. The results also showed that, in the case of Slovenian tourism industry, no relationships between firm performance and social responsibility orientation exist, and that generally companies which engage in CSR-related activities, do not outperform those companies which do not (Taslidza, 2009).

SUSTAINABLE TOURISM INDICATORS

As the indicators of sustainable development were gaining importance, various sectors followed by developing specific sets of new multi-dimensional indicators in order to monitor their own sustainability. UNWTO has been systematically developing sustainable tourism development indicators mainly for destinations since 1992 and this culminated in its 2004 Guidebook entitled Indicators of Sustainable Development for Tourism Destinations that lists comprehensive set of indicators, while also providing guidelines for their practical implementation.

According to UNWTO (2004), indicators make it possible to monitor changes over time in a constant and consistent manner. They can help to clarify goals and, most importantly, force them to be more precise. They can be very valuable in fostering greater accountability and in raising awareness of and support for actions. Indicators can be used to show (UNWTO, 2004):

- The current state of the industry
- Stresses on the system
- The impact of tourism Management effort
- The effect of management actions

Indicators provide early warning of when a policy change or new action may be needed, as well as providing a basis for the long term planning and review of tourism (UNWTO, 2004). According to Mihalič (2004), they can be classified either as:

- Impact indicators which measure the positive and negative impacts of tourism development on its environment, or
- Environmental quality indicators which refer to the state of environment.

Moreover, after the extensive discussion that took place in the monitoring literature, Miller (2001) and Miller & Twinning-Ward (2005) suggest the sustainable tourism indicators' nature to be either quantitative, or qualitative.

As selecting the right indicator to monitor often appears problematic in practice, UNWTO (2004) identifies five criteria for the selection of appropriate indicators:

- Relevance of the indicator to the selected issue.
- Feasibility of obtaining and analyzing the information required.
- Credibility of the information and reliability for users of the data.
- Clarity and ease of understanding amongst users.
- Comparability over time and across regions.
-

In Slovenia, the development of indicators has been rapid as well and during last 10 years several models of indicators were developed for specific areas, many of which appropriate for use in assessing competitiveness of tourist destinations such as ARSO, Radej, SGRS-UMAR & Radikon (Sirše et al, 2006). However, the most commonly used indicator systems remain the international ones, especially the ones proposed by the UNWTO and the VISIT initiative and ultimately the list poposed by EC's Tourism Sustainability Group (TSG).

SLOVENIAN HOTEL SECTOR

What is known about the general characteristics of European hotel industry is also applicable to Slovenian hotel industry where the average size hotel companies is even smaller. Historically, following Slovenia's independence and coinciding with overall Balkan crisis, the number of international tourist arrivals and overnight stays drastically diminished. This is the reason behind the fact that accommodation capacities in Slovenia (apart from the increase in a number of smaller, family run establishments) have not increased significantly over the past 15 years (Knežević Cvelbar & Mihalič, 2007). In 2008 they accounted for 32.759 hotel beds distributed in 134 hotel companys and 196 hotels with slightly more than 50 percent of them being in the four-star category which would suggests an overall good and competitive standard of Slovenian accommodation facilities (Bratec, 2009).

However, as the majority of hotels in the beginning of the 90s were performing poorly, they shared the same fate with other nation's poorly performing companies during the contemporary privatization processes. They mainly landed in the hands of state owned and quasi-state owned investment (development and restitution) funds. As such, they are in many cases still waiting for the so-called 'second round of the privatization processes' in which a greater share of ownership should concentrate in the hands of private (foreign and domestic) enterprises as well as management and employees.
Furthermore, recent studies (Knežević Cvelbar, 2006) show the state to be a passive owner with a passive investment policy, pursuing political interests and appointing passive managers, all of which results in poor economic performance (Knežević Cvelbar & Mihalič, 2007). In addition, Nemec-Rudež & Mihalič (2007) examined the intellectual capital in Slovenian hotel industry and concluded that there is an urgent need for improvement of IC by investment in human capital and information

technology by hotel managers. Both of these findings are in line with studies that analysed the economic performance and competitiveness of Slovenian tourism sector (Mihalič & Dmitrovič, 2000) and Omerzelj Gomezelj & Mihalič (2008), which show that the Slovenian accommodation sector is uncompetitive and performing worse than other Slovenian companies in general. Additionally, Kavčič et al (2005) emphasize the cost ineffectiveness as the major problem leading to poor financial and economic performance of Slovenian hotel companies. The latter perform significantly worse in terms of financial ratios such as return on assets (ROA) and profit margin (PM) compared to their competition in neighbouring countries and even more so to international hotel companies.

The performance measurement and reporting systems used by Slovenian hotel companies also seem to lay well behind the modern developments in the field. If account is taken of the problems surrounding poor and inefficient performance, corporate governance issues and the shortcomings in IC present within the Slovenian hotel companies, this is not very surprising. As Mihalič et al (2009) suggest, the generally prevailing methods of measuring performance and development in Slovenia, in contrast with economically more advanced countries, rely heavily on traditional economic and financial sets of indicators, such as GDP and models of national accounts. The same goes for hotel companies, the majority of which have yet to embrace the use of non-financial qualitative measures and become aware of their broader accountability to stakeholders, society and environment surrounding them.

Bratec in 2009 analysed the characteristics of Slovenian hotels and came to the following conclusions:

- significant ownesrship of state or para-state funds as a consequence of transition
- passive ownership
- cost ineffectivness
- lack of IC
- performing worse than other sectors
- performing worse than international hotel companies
- large investments in infrastructure in last 10 years
- lack of contemporary management and know-how
- yet few opportunities for university graduates

He further analyzed the sustainability practices of Slovenian hotel industry on a sample of 55
participating companies and came to the following conclusions (Bratec, 2009):

- 35 % of hotel enterprises have formally stated strategy of sustainable development
- Medium and large sized enterprises are more likely to have the sustainability strategy and commit more to sustainability monitoring than the small nd micro companies
- Companies that have sustainability strategy do not perform better than the ones without such strategy

- Areas of sustainability that are directly connected to cost savings are the ones that are also best taken care of
- Social sustainability is perceived as more important than the environmental sustainability.

SUSTAINABILITY INDICATORS AND MODELS FOR HOTEL COMPANIES

Mihalič in 2009 for the purposes of the research project dealing with competitiveness of Slovenian hotels reviewed the existing theoretical and applicative approaches for measuring financial, marketing and environmental sustainability performance of hotel enterprises present in the academic and professional literature, as well as in international business practice. This was done by careful analysis of different indicator systems available in tourism which were later adapted for a use in hotels. The main indicators divided into 3 different categories are presented in tables 3 and 4..

Table 36 Comprehensive set of indicators to measure financial performance

Area	Nb.	Indicator
General Performance Indicators	1	Total revenue growth compared with previous year
	2	Profit growth compared with the previous year
	3	Profitability of assets (ROA) = Net income / asset
	4	Profitability of capital (ROIC) = operating profit after taxes / (equity + financial liability)
	5	Profit margin = operating profit / operating income
	6	EBITDAR margin = operating profit before interest, taxes, depreciation and rent / income from operations
	7	Debt = Financial liabilities / equity
	8	Solvency = short term assets / short term liabilities
	9	Cash flow = Cash flow from operating funds
	10	Economic value added (EVA) = Net income - capital costs
	11	Total revenue per employee
	12	Value added per employee
Hospitality Specific Indicators	13	Revenue per room available (room division revenue / number of available rooms)
	14	Average room rate
	15	Average occupancy rate
Division's Specific Indicators	16	The share of the division* costs in the division revenues
	17	Division revenue per guest
	18	Division revenue per m^2

Source: Mihalič, 2009.

Table 37 Comprehensive set of indicators to measure marketing performance

Area	Nb.	Indicator
Indicators based on the performance as perceived by the guest	1	Share of guests who evaluate quality as very high
	2	Share of guests who evaluate quality vs. price ratio as very high
	3	Share of highly satisfied guests
	4	Share of highly satisfied guests by segments (individual, group, allotment)
	5	Share of guests who formally complain in written form
	6	Share of returning guests who have stayed at hotel at least three times
	7	Share of guests who would recommend the hotel to friends and acquaintances
	8	Number of web site visits
Indicators based on the performance as perceived by the hotel enterprise	9	Awareness/recognition of hotel enterprise's brand in its key markets
	10	Number of innovative products or processes at the enterprise level
	11	Efficiency of advertising and promotion (costs of advertising and promotion of sales vs. operating income)
	12	Effectiveness of advertising and promotion (how were the goals achieved)
	13	Existence of a positioning strategy in the key markets
Indicators as perceived by the hotel enterprises' achieved position on the market	14	Number of visitors in the destination by their origin
	15	Number of visitors in the destination by segments (individual, group, allotment)
	16	Number of rooms and/or beds in the destination
	17	Share of new guests
	18	Share of sales generated by the new guests
	19	Market shares in enterprises' key markets
	20	Market shares achieved in the segments of guests (individual, group, allotment)
	21	Share of reservations within total demand/inquiries
	22	Share of cancellations within total reservations

Source: Mihalič, 2009.

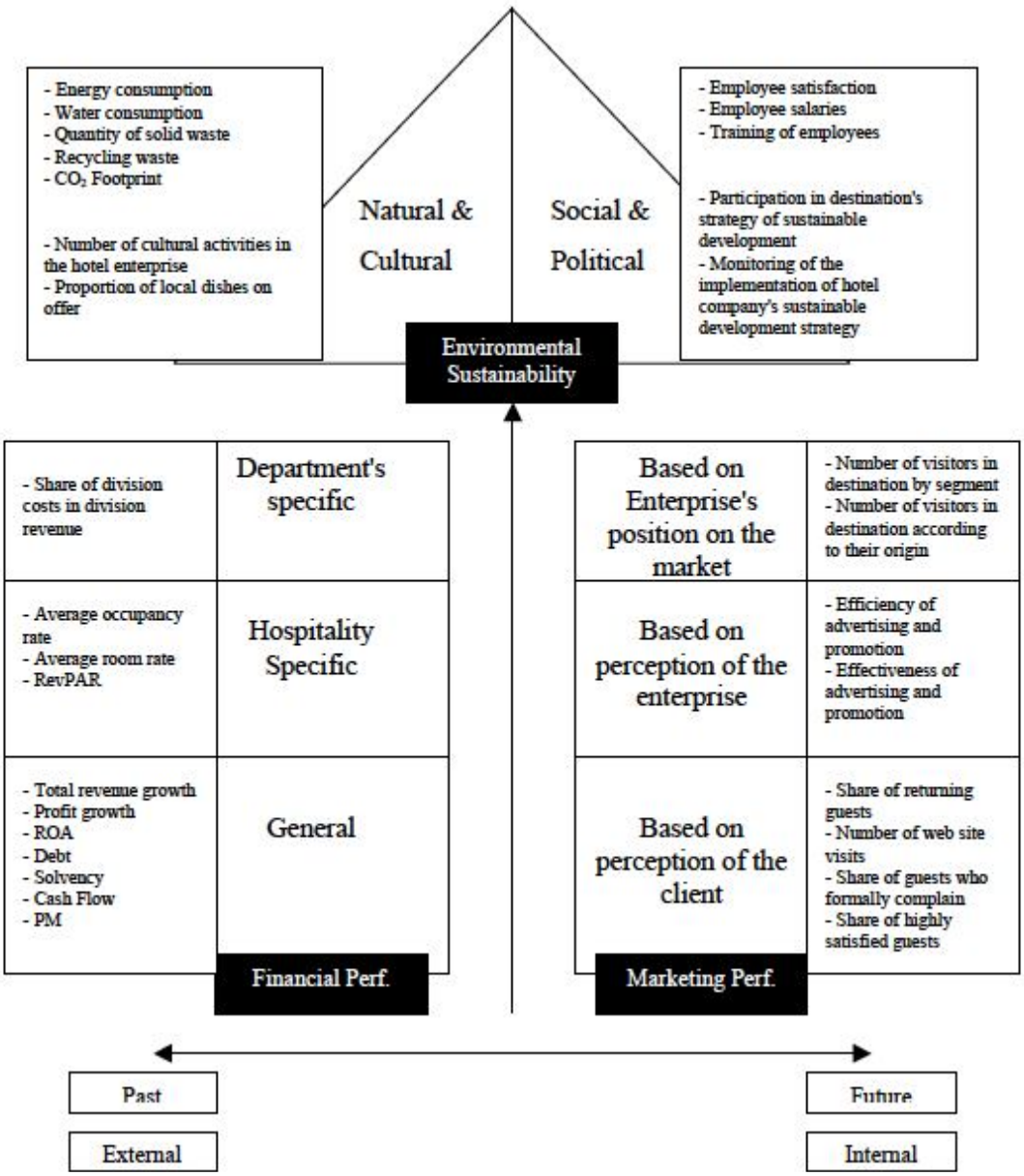
Table 38 Comprehensive set of indicators to measure environmental sustainability performance

Area	Nb.	Indicator
Natural and Cultural Environment	1	Energy consumption
	2	Consumption of energy from renewable sources (eg. biomass, solar, geothermal, wind energy, photovoltaic, etc.)
	3	Water consumption
	4	Water recycling
	5	Selecting plants that are adapted to a particular environment (% of hotel establishments)
	6	Planting at least one tree per year (% of hotel establishments)
	7	Quantity of solid waste
	8	Recycling waste
	9	Environmental quality standards (ISO 14001 certificate)
	10	Number of other ecological quality labels (eg, Green Key, Green Dot, EU Flower, Blue Flag)
	11	Direct CO_2 emissions
	12	Indirect CO_2 emissions
	13	Environmental activities for the employees (eg. number of seminars or environmental education hours per employee)
	14	Environmental activities for guests (eg, workshops, information brochures)
	15	Number of cultural events in the hotel enterprise (local culture)
	16	The proportion of local dishes on offer
Socio- Political Environment	1	Employee satisfaction (eg, the proportion of very satisfied employees in the comparable periods)
	2	Employee salaries (eg comparison with other hotels)
	3	Training of employees (eg. in hours per employee per year)
	4	Cooperation with the municipality (eg, the number of projects)
	5	Cooperation with local residents (eg, the number of joint activities in the comparable periods)
	6	Satisfaction of local residents with the development of tourism
	7	Cooperation with non-governmental environmental organizations
	8	Participation in the overall strategy of sustainable development of tourism in the destination
	9	Monitoring of the implementation of hotel's sustainable/ecologic development strategy (eg, the realization of the objectives)

Source: Mihalič, 2009.

Based on the proposed comprehensive sets of indicators from Mihalič (2009), Bratec (2009) tested the use of indicators in Slovenian hotel companies and based on the results of this testing and the characteristics of Slovenian hotel industry in line with academically acclaimed models of corporate reporting and business performance measurement, proposed a contemporary cross-over business performance model for sustainable hotel performance, named Holistic Hotel Performance Model (HHPM).

Figure 16 Holistic Hotel Performance Model



Source: Bratec, 2009.

HHPM as graphically depicted above should arguably be considered as representative of contemporary crossover models that integrate the knowledge created in the fields of BPM and
corporate reporting. Drawing on contemporary methodologies, at the same time upgrading and tailoring them according to the hotel sector's characteristics, the HHPM model resonates with current corporate trends striving towards greater transparency in reporting as well as to an extended and more balanced approach to performance measurement. Furthermore, in line with Yongvanich & Guthrie's (2006) argument that the shift in corporate strategy towards sustainability can not be achieved only by reporting environmental and social performance across the Triple Bottom Line (TBL) model, the model extends well beyond the TBL model. As a

matter of fact, it adopts the Balanced Scorecard's (BSC) customer perspective, which is reflected in the marketing performance part. Even more importantly, it connects the company's vision and strategy with sustainability in line with Dias Sardinha et al's (2002) Sustainability BSC. It could also be argued that the sustainability performance component of the model, which is intentionally placed between the backward looking financial performance and forward looking marketing performance, represented in the form of an arrow, assumes multiple roles, namely:

- it guides the whole company's performance
- it strikes a balance between forward and backward looking performance dimensions
- it serves as a company's long term strategy and goal, and
- it should be perceived as the leading paradigm for any type of development within hotel company.

It has to be noted though that, if sustainability performance is to assume all of the above described roles, the proposed indicators relating to the natural & cultural, as well as the social & political environments that sustainability comprehends, should be seen as merely the minimum requirements and a starting point. In line with Miller & Twinning Ward (2005), sustainability performance should be seen as something dynamic that can never be reached, but should be nevertheless carefully monitored and heavily pursued. Thus, with the passing of the time and with some additional steps towards sustainability, or perhaps more likely, towards its corporate dimension, namely the CSR being made, additional sustainability indicators should be added.

Furthermore, the HHPM is based on 30 key performance indicators (KPIs) which, in line with
modern performance measurement systems, give a balanced overview of the company's external and internal activities. In contrast with general performance measurement systems the KPI's within the HHPM are very sector specific and have been carefully selected in a transparent process. As such, they ensure both a good overview of how a company is doing and are also commonly measured in practice. What is more, the problematic lack of methodological clarity in selecting the KPIs to report the social and natural performance extensively criticized in the TBL concept (Vanclay, 2003; Norman & MacDonald, 2004) is overcome with the use of generally accepted and due to the involvement of reputable organizations such as UNEP & UNWTO in its development, also highly credible, and last but not least, sector specific methodology of sustainable tourism indicators.

Thus, by implementing HHPM for internal performance measurement and external reporting, market oriented companies, apart from providing themselves with more precise information oh how they are doing, could also become more appealing to the capital market investors, nowadays more and more concerned with the sustainability potential of the companies they consider investing in. As a consequence a shift towards such BPM and reporting practice may help certain Slovenian hotel enterprises that are still in the hands of a relatively passive state, or quasi state owned investment funds (Kneževič Cvelbar & Mihalič, 2007), to find new and more active (foreign) private owners and/or investors.

Arguably, indicators selected for the inclusion in the HHPM are most appropriate for Slovenian hotel sector at a given point in time, their appropriateness for hotel sectors of other, more or less developed economies with different accounting traditions might need further verification.

Last but not least, as already indicated, there remains a dilemma as to whether such model is equally appropriate for the whole range of hotel companies, arching from the ones only employing a small number of people, to the ones with over one thousand employees. While the model, though intentionally limited to indicators that proved to be known and used in the Slovenian hotel sector, might be perceived as way too ambitions for the prior, it would actually reveal only few, if any novelty to the larger companies already practicing social and environmental reporting and disclosing CSR related information. Therefore, applying certain modifications to the proposed model and differentiating it for differently sized target companies seems reasonable. Although sacrificing its general applicability, these would significantly increase HHPM's actual value as perceived from the enterprises' perspective.

TURKEY

DPU

1. Identification of macro and micro statistics of tourism and tourism SMEs in Turkey

1.1 Macro and micro statistics of tourism in Turkey

Foreign tourist arrivals increased substantially in Turkey between 2002 and 2005, from 12.8 million to 21.2 million, which made Turkey a top-10 destination in the world for foreign visitors. 2005 revenues were US$17.5 billion which also made Turkey one of the top-10 biggest revenue owners in the world. In 2011, Turkey ranked as the 6th most popular tourist destination in the world and 4th in Europe, according to UNWTO World Tourism barometer.

Table 39 Statistics of most popular tourist destinations in the world

Rank	Country	UNWTO Region	International tourist arrivals (2011)	International tourist arrivals (2010)	Change (2010 to 2011)
1	France	Europe	79.5 million	77.1 million	+3.0%
2	United States	North America	62.3 million	59.8 million	+4.2%
3	China	Asia	57.6 million	55.7 million	+3.4%
4	Spain	Europe	56.7 million	52.7 million	+7.6%
5	Italy	Europe	46.1 million	43.6 million	+5.7%
6	**Turkey**	**Europe**	**29.3 million**	**27.0 million**	**+8.7%**
7	United Kingdom	Europe	29.2 million	28.3 million	+3.2%
8	Germany	Europe	28.4 million	26.9 million	+5.5%
9	Malaysia	Asia	24.7 million	24.6 million	+0.6%
10	Mexico	North America	23.4 million	23.3 million	+0.5%

Statistics (macro level)
Area: 814.578 km^2
Population: 73.722.988
Numbers: Total number of the persons accommodating in facilities with operation license was 33,6 million. 57,3 % of this number corresponds to foreigners while the remaining 42,7 % to Turkish tourists.
Income related to tourism and / or tourist consumption (Euro): 571.2 average expenditure
Weight of tourism: Tourism corresponds to 2.8% of Turkey's total GDP. Its share in export revenues is 18.3%, but the rate should be around 12% if a better export balance is established.

Statistics (micro level)
Number of enterprises: 645.267 (Tourism operation licensed)
Number of jobs: (1.279.000) 680.000 registered by Social Security Organization
599.000 non-registered
Hotel portfolio: 299.000 bedrooms (Operation-licensed)
'Travel' item of the balance of payments (Euro): 18.7 billion (tourism receipts)
Total number of the persons accommodating in facilities with operation license was 33,6 million. 57,3 % of this number corresponds to foreigners while the remaining 42,7 % to Turkish tourists. The total number of nights spent was 106,5 million whose 74,1 % was realized by the foreigners and 25,9 % by the domestic tourists.

Annual average of length of stay for foreigners at facilities in 2011 was 4 nights and for Turkish visitors was 2 nights. Annual average rate of occupancy for beds was 51,5%. The months with highest rate of occupancy are; September with 52,4% foreigners, July with 17,4% domestic tourists and July with 65,9% in total.

Among all facilities, Inns, according to parameters of type and class, had the longest average length of stay of 6,0 nights for foreigners. This sequence was followed by Tourism Complex with 5,7 nights and Holiday Villages 5,3 nights. For domestic tourists, however, Holiday Villages had the longest average length of stay of 3,5 nights and were proceeded by Apart Hotels with 3,4 nights and tourism complex with 3,7 nights.

Golf establishments were, in 2011, the facilities having the highest rates of foreign occupancy with 64,4 % and were proceeded by holiday villages with 53,1% and tourism complex 46,3%. For domestic tourists, inns had the highest rates of occupancy with 40,8% and were proceeded by ranch/village house with 34,6%, mountain house with 32,8%.
The number of Germans among the total 19,3 million foreigners accommodated in facilities with tourism operation license was 4,7 million taking the first place amongst the whole foreigners with 24,4%. This was proceeded by Russian Federation with 2,6 million (13,3 %) and United Kingdom with 1,4 million (7,5%).
Total number of nights spent by foreigners is 78,9 million and nights spent by foreigners by nationalities are respectively; Germany 23,7 million (30,0%), Russian Federation 12,5 million (15,9%), United Kingdom 7,2 million (9,2%)
Kosovo were the longest residing foreigners in facilities with touristic operation license for the period of 6,2 nights and were proceeded by Luxembourg of 5,4 nights and those from Austria (5,2) (Ministry of Tourism and Culture, 2010).

1.2 State of art of methods and indicators for statistics and evaluation of tourism economical performances for SMEs

SMEs in Turkey (http://www.oecd.org/dataoecd/5/11/31932173.pdf)

Small and medium-sized enterprises (SMEs) constitute a major part of the Turkish economy, accounting for a large proportion of the country's businesses and total employment. The State Institute of Statistics (SIS) produces no economy-wide data on SMEs, partly because these are defined differently by the various organizations involved in SME policies from one sector to another (Table 1). The more restrictive definitions are those of KOSGEB, the Under secretariat of Foreign Trade and Eximbank, which only cover manufacturing; the broadest is that of the Under secretariat of Treasury which, like the European Observatory for SMEs, covers all of the non-primary sector and uses the same size classes. The coverage of Turkey's various national definitions is relatively narrow, insofar as except for the Under secretariat of Treasury. They only cover the manufacturing sector and exclude services and tourism, which are expanding rapidly. One of the SIS's top priorities is to compile and publish SME statistics based on a single definition aligned on that of Eurostat and based on European Union conventions, factoring in not only the number of jobs but also the size of their balance sheets (up to EUR 43 million) and of their turnover (EUR 50 million).

Since statistical information on Turkey's SME sector is relatively fragmentary and few time series are available, it is difficult to analyze trends over time. However, some data provide a snapshot of its relative place in the overall economy. According to the most recent estimates, the SME sector, including services, accounted in 2000 for: 99.8% of the total number of enterprises, 76.7% of total employment, 38% of capital investment, 26.5% of value added, roughly 10% of exports and 5% of bank credit. Therefore, while SMEs dominate the economy in terms of employment, they evidently operate with comparatively little capital equipment, generate relatively low levels of value added, make only a small contribution to Turkish exports and receive only a marginal share of the funds mobilized by the banking sector.
A very large share of SMEs is in the trade, crafts and industry sectors represented by TESK (Confederation of Tradesmen and Artisans of Turkey) and TOBB (Union of Chambers of Commerce, Industry, Maritime Trade and Commodity Exchanges of Turkey). As of 31 January 2003, TESK had registered more than 2.76 million trade and craft enterprises. However, turnover of firms is substantial in this sector, which is highly sensitive to swings in the economy. In the trade and industry sector represented by TOBB, the number of enterprises was estimated at 1.2 million at the end of 2003. While government activities affect these firms (revised business start-up procedures, for example, or government encouragement of the increased use of computers), there is no general policy regime for these SMEs. Some of the enterprises in TOBB are industrial enterprises that receive government support, but the wholesale and retail trade businesses do not appear to be covered by many programs.

According to SIS data, in 2009 there were around 3.222.133 SMEs (1-250 workers) in the sector. 99,9% of Turkish enterprises can be defined as SMEs. Micro enterprises are % 95,62 of total number. %82 of SMEs are operating at services and trade, %13 are operating in industrial sector.

Because of the size of Turkey's informal sector, these data underestimate the relative importance of SMEs in the Turkish economy and probably overestimate their typical size more than in the majority of OECD countries. (According to certain estimates, the informal economy could represent about 50% of the activity of SMEs.)

In geographical terms, the distribution of SMEs reflects that of the population as a whole. They are concentrated in the coastal regions along the Marmara and Aegean Seas, with 38% and 17% of the enterprises, respectively, and in Central Anatolia, with 16%. The Mediterranean coastal region (11%), the Black Sea region (9%), south-eastern Anatolia (6%) and eastern Anatolia have far less organized formal economic activity.

Tourism SMEs in Turkey (Adopted from Sibel Mehter Aykýn and Volkan Altýntaþ) http://www.hotelmule.com/management/html/44/n-3244.html)

It is hard to find a common definition of SMEs in Turkey. As shown in Table 1, the criteria used to define the SMEs and the field of activity involved differs a great deal depending on the tasks, resources and the customers of different institutions. For instance, the Small and Medium Size Industries Development and Support Administration (KOSGEB) and the Under secretariat of Foreign Trade, ignoring the small- and medium-sized tourism enterprises, extend support only for SMEs in manufacturing industry. Whereas, there is still room for small- and medium-sized tourism enterprises in the definition of Halkbank and that of the Under secretariat of Treasury. Nevertheless, the membership perspective of Turkey to the EU calls forth adoption of the definition envisaged in the Commission Recommendation 2003/361/EC of 6 May 2003 (ex Commission Recommendation 96/280/EC of 3 April 1996), which covers all fields of activities without discrimination.

Table 40 SME definitions used in Turkey and the European Union

Organization	Sectoral definition	Criterion for definition	Micro-sized enterprise	Small-sized enterprise	Medium-sized enterprise
KOSGEB	Manufacturing industry	Number of workers		1-50 workers	51-150 workers
HALK BANK	Manufacturing industry	Number of workers Fixed investment amount (EUR)	----- 555000	----- 550000	1-250 workers 550000
UNDERSECRETARIAT OF TREASURY	Manufacturing industry, tourism, agro-industry, mining, education, health, software development	Number of Workers Investment amount, amount of investment subject to SME incentive certificate (EUR)	1-9 worker 550000	10-49 workers 550000	50-250 workers 550000

UNDERSECRETARIAT OF FOREIGN TRADE	Manufacturing industry	Number of workers Fixed investment amount (EUR)	---- ----	---- ----	1-200 workers 1 830 000
EXIMBANK	Manufacturing Industry	Number of workers	----	----	1-200 workers
EU	Non-primary private	Number of workers Annual turnover Annual balance sheet	0-9 workers <EUR 2 million <EUR 2 million	10-49 workers <EUR 2 million <EUR 10 million	50-249 workers <EUR 50 million <EUR 43 million

1.2.1 Number of enterprises and employees

The fact that enumeration of enterprises is carried out every 10 years, whereas the turnover frequency of businesses is quite high — 8.4 years on average— and that SMEs are mostly associated with the manufacturing industry in Turkey, it is difficult to find comprehensive statistics on SMEs in tourism. As shown in Table 3, almost half of the total SMEs operate in the trade sector (46.19%), followed by manufacturing (14.35%) and transport (14.21%). The share of hotel and catering enterprises in total SMEs is 9.48%. It is ironic that the table does not cover figures on travel agencies, probably included in the 'others' item.
The following provides a picture of tourism undertakings in Turkey. A total of 1,130 investment-licensed and 2,240 operation-licensed accommodation establishments, of which distribution by types and classes are given in Table 49, exist in Turkey (TTIA, 2003: pp. 10–11).

Table 41 Field of activity

Field of activity	Number of enterprises	(%)
Trade	794,744	46.19
Manufacturing industry	246,906	14.35
Construction	35,788	2.08
Hotel and catering	163,112	9.48
Transport	244,497	14.21
Social services	90,675	5.27
Others	144,876	8.42
Total	1,720,598	100

The share of SMEs, including the service sector, amounts to 99.8% of all enterprises, contributing to 76.7% of the total employment in Turkey. The share of investment by SMEs in the overall investment amount is 38%. The SMEs realized 26.5% of the total value-added. The share of the SMEs in total export is 10% on average, while the share of SMEs in total bank credits is less than 5%.

Table 42 Distribution of licensed accomodation establishments by types and classes (2003)

Note: *At the end of 2003 around 30,000 beds are in operation with an investment license. Together with operation licensed beds, the total bed capacity in operation is 450,000.*

Accommodation establishments	Class	Investment-licenced		Operation-licenced	
		Number of establishments	Number of beds	Number of establishments	Number of beds
Hotels	5-star	94	61,989	160	94,694
	4-star	154	54,184	316	95,967
	3-star	262	39,200	540	83,065
	2-star	308	25,542	656	55,969
	1-star	71	3,465	129	7,256
Holiday villages	1st class	41	25,559	76	4,373
	2nd class	29	14,227	19	7,105
Motels	1st class	4	328	4	721
	2nd class	11	369	11	543
	motels	5	154	5	295
Special-licenced hotels		28	1,370	111	7,513
Apart hotels		–	–	87	9,027
Pensions		99	3,148	105	3,752
Campings		10	2,762	9	2,520
Inns		2	140	5	1,019
Golf facilities		669	2	488	–
Tourism complexes		5	8,929	2	891
Training and practice facilities		2	336	3	499
Thermal facilities		1	178	–	–
Service stations		1	54	–	–
Total		1,130	242,603	2,240	420,697

Source: Ministry of Culture and Tourism. Figures are taken from TTAI, 2003: pp. 10–11.

1.2.2 Turkish hotel market

Turkey is one of the winning destinations despite of the global contraction of the travel market in the last years.

Demand

Turkey has enjoyed steady growth in tourism demand with not only leisure travel, but also business travel. Ranked as 7th in the most visited countries of the world in 2010, number of foreign visitors reached to 31 million in 2011 with a 9.8% growth rate, compared to the previous year.

In terms of congress tourism, Turkey started to excel as a destination. According to ICCA (International Congress and Convention Association), 160 international congresses were hold in Turkey in 2010 ranking 20th in the world, up from 25th in 2009 with 118 congresses. Accordingly, Istanbul has become an important destination, while its rank rose to 7th from 17th, while number of international congresses increased from 80 to 109 between 2009 and 2010. Total number of person accommodating in the tourism operation licensed facilities increased to 29.7

million from 26.5 million in 2010 comparing with 2009. 59% of this number corresponds to foreigners.

Excluding resort areas (Antalya, Aydın, Muğla), approximately half of total arrivals stay in the urban hotels. Major metropolitan cities, Istanbul, Ankara and Izmir are the most demanded areas, top ten major cities represents 85% of total arrivals in urban hotels.

Supply

According to the latest statistics (as of December 2010), Turkey accommodates 2,647 establishments with 299,621 rooms ***(tourism operation licensed***), while there are 877 establishments with 114,771 rooms ***in the planning stage (tourism investment licensed***). It is estimated that total number of establishments will reach approximately 3,340 with 380,000 rooms by the end of 2012, considering tourism investment licensed hotels.

1.2.3 Tourism License

This license is given by Ministry of Tourism and Culture in order to develop new tourism establishments and increasing the quality of existing investments and enterprises with standardization. Investments for foreign tourism must be licensed by the ministry in order to make use of incentives for tourism sector.

Before the investment

Difference between tourism investment license and tourism operation licensed must be known clearly. After finishing of investment with the tourism investment license, it is possible to have tourism operation license from the ministry if legislative conditions are met. If there are problems with conditions of enterprise, license is not issued until problems are solved. Enterprises can operate without tourism license and without having had benefits of it. It is very important to know subject, capacity, type and star evaluation of existing enterprise before the investment and project has to be done under these conditions.

Benefits of Tourism License:

- Using real-estate for tourism purpose
- Tourism credits
- Installment of forestry fund contribution
- Paying of electricity costs at minimum level
- Communication incentives
- Personal incentives
- Permission for selling alcoholic drinks
- Tourism development fund incentives
- More rights for yacht tourism and incentives
- Incentives with travel agency legislation
- Credit for operations

1.2.4 Time for Return on Investment

Time of ROI differs from investment type to operation region. It is difficult to give statistical facts about this. According to investment manager of 5 –star hotel chain of Turkey, time for ROI is 9-10 years for 5-star hotel in big cities. Nearly ten years ago, this was 13 years.
But generally speaking, time for ROI is increasing from 10 to 15 years. Incentives between 1985-1992 helped very much development of tourism sector. After lifting these incentives, time for ROI gets longer. Prices got lower, income and profit decreased. Without incentives, tourism investors can not get use of historical and natural resources in sustainable manner which makes time of ROI longer.

1.3 Employment: main features, qualifications and skills

If it is talked about employment at hotels, there is still lack of qualification of workers. Most workers do not have official qualification. They gain experience once they start to work with the help of supervisors. On the other hand, there is little ambition to start a new business among the people because of lack of capital. People must work sometimes between 12-14 hours in a day at high season and earn very less. This has effects on people not to think to build a new business because of lack of time.

1.4 Initial and continuing education, training

Tourism education is emphasized by the government. But there still lack of practice points at schools. There are different level education centers. Secondary schools, high schools, universities have different programmes for tourism. These courses are mostly thought for large enterprises daily works. It is very important to have more education methods for young people in order to have their own tourism businesses. This will enable people to act more independent for building SMEs in the future.

1.5 Main regulations

In Turkey, government spending on travel and tourism is less than the EU average, at 0.8% of total spend, compared to an average 4.2% (WTTC, undated: p. 7). The main legislation governing the tourism industry in terms of investment incentives and credit facilities are as follows:
Primary legislation on tourism is the Tourism Incentive Act no 2634. The aim of the Tourism Incentive Act is to take relevant measures that would help the tourism industry develop. It covers provisions regarding the procedures on determining the cultural and touristic conservation and development areas, as well as provisions regarding the incentives allocated for tourism undertakings. Tourism investments are provided with numerous incentives by a number of laws, provided that they have obtained either a Tourism Investment-License or Tourism Operation-License in accordance with the provisions of Tourism Incentive Act. The incentives envisaged in the Tourism Incentive Act include: allocation of public lands to investors on a long-term basis; provision of main infrastructure by the state; long-, medium- and short-term credit facilities for construction, furnishing and operations; preferential tariff rates for electricity, water and gas consumption; priorities for communication installation; and foreign personnel employment opportunity up to 20% of the total, in line with the Labour Law.

Council of Ministers Decision no 2002/4367 on State Aid for Investments forms the general incentive system for investments. The aim of the decision is to channelize savings towards investments of high value-added utilizing high technologies in line with the targets put forth in the NDPs, with the norms of the EU and with the principles of other international agreements, in order to overcome the regional discrepancies, to create employment as well as to rise international competitive power. As a result of Decision no 2002/4367, Turkey has been divided into three regions: developed, normal and priority region in development, and the investments in different regions are provided with incentives accordingly. The investment incentives provided by the Decision no 2002/4367 involve exemption from customs and building societies fund, investment allowance, VAT exemption, exemption from taxes, duties, levies and charges and credit allocation. In order to benefit from any of these incentives, the investments should be granted a license by the Under secretariat of Treasury. To obtain the license, the minimum amount of fixed-capital investment should be 27 million Euros for the priority region in development, and 45 million Euros for the other regions. Both investment and operation credits could be allocated from the general budget instead of the Investment Incentive Fund. Yet, the investments already supported in the context of Council of Ministers Decision no 2000/1822, explained below, could not be extended any further by Decision no 2002/4367. With Decision no 2002/4367, tourism is included among the priority sectors, thus the investment allowance applies at the rate of 100% for the tourism investments in all regions. Recently, the accommodation facilities were given the opportunity to enjoy electricity as a consequence of support facilitated by the amendment made to Decision no 2002/4367 by Decision no 2005/8680.
Council of Ministers Decision no 2000/1822 on State Aid for Investments by SMEs is the unique legislation in the field of SMEs. The aim of the Decision on State Aid for Investments by SMEs is to support businesses in line with the targets put forth in the NDPs, with the norms of the EU, as well as with the principles of other international agreements, in order to help them increase production, raise quality and standards so that they could gain competitive power and help them contribute to employment generation. The following activities are considered as investments by SMEs under Decision no 2000/1882:

1. Investments by the manufacturing or agricultural undertakings whose net value of total fixed assets (i.e. machinery and equipment, facilities and vehicles), excluding investments in land and building, do not exceed 182 billion Euros.
2. Completely new investments in tourism (only the accommodation facilities) and modernizing investments of the existing accommodation facilities.
3. Investments in the health industry, in the priority regions.
4. Investments in education in the priority regions and modernizing investments in education in the normal and developed regions.
5. Investments by mining undertakings.
6. Investments in software development.

In order to benefit from the incentives developed for SMEs, the investments should obtain a Small- and Medium-Sized Enterprise Investment-License from the Under secretariat of Treasury, together with the Tourism Investment- or Operation-License issued by the Ministry of Culture and Tourism in accordance with the provisions of the Tourism Incentive Act. The investment incentives provided by Decision no 2000/1822 involve exemption from customs and building societies fund, investment

allowance, VAT exemption, exemption from taxes, duties, levies and charges, investment and operation credit allocated from the Fund. Tourism is also included among the priority sectors under the Decision no 2000/1822, thus the investment allowance applies at the rate of 100% for the tourism investments in developed regions. For the unclear issues in the Council of Ministers Decision no 2000/1822 on State Aid for Investments by SMEs, provisions of the Council of Ministers Decision no 2002/4367 on State Aid for Investments apply and investments are given the opportunity to benefit from incentives in the context of only one of these Decisions.

Some other laws, covering provisions common to the tourism industry, are briefly as follows: Tourism enterprises are exempted from real-estate tax for 5 years under the Real Estate Tax Law no 1318. In the context of the Foreign Capital Encouragement Law no 6224, the tourism industry has been fully open to foreign direct investments. Based on the Article 119 of the Customs Law no 1615, licensed companies are given the right to import materials much more easily. Further, travel agencies of a certain type and private Turkish airline companies, which have generated at least $1 million foreign exchange flow in the previous year, are given the opportunity to utilize credit from Türk Eximbank under the market interest rate.

Tourism-investment incentives in Turkey are limited with investment allowance, tax exemption on imported items, VAT exemption on local machinery and equipment and tax duties and charges exemption on local purchases, whereas some other EU member countries provide the industry with additional non-repayable cash grants, leasing subsidy and so on.

2. Management practice at tourism SMEs

2.1 State of art of best practices, labels and initiatives for sustainable tourism.

Since 2008, the Ministry of Culture and Tourism endows the Certificate of Environmentally
Responsible Accommodation Facilities (Green Star). It is based on the EU Eco-label.

- An environmentally‐friendly facility should fulfill the following criteria for the certificate: the presence of an environmental management policy, informing guests and employees about the environment, and minimizing the negative effects on the environment through reducing waste and efficient use of resources. Continuous and regular monitoring of consumption and waste should be conducted throughout the life of a Green Star facility.
- Green Star is an optional certification system available for all accommodation facilities with an operation license, endowed by the Ministry.
- Presently there are 22 accommodation facilities certified by Green Star and 5 applications are under evaluation.
- Informative activities are planned about sustainable tourism in the Green Star project within
the scope of EU IPA (IPA). The project foresees seminars for entrepreneurs in relation to Green Star, selection of good practices and training sessions for employees and employers in the selected facilities (Banu Bedel, Rep. of Ministry of Tourism and Culture, Conference on Sustainable Tourism: Turkish and International Experiences, 2012) .

The representatives of Turkey submitted a proposal for the Environmentally‐Friendly Accommodation Facility Standards at the ISO technical committee meetings in 2009 and 2010, and the related working committee was established following the adoption of the proposal.

- The studies aim at providing an added value to the facilities which have practices related to the environmental through a well‐known and respected international standard.
- With this standard, it is aimed to encourage accommodation facilities to prepare environmental protection plans and to take environmentally‐responsible actions without compromising from quality, cost reduction, increased marketing power, to meet the increasing customer expectations about environmental protection and to contribute to sustainable tourism.
- There are worldwide more than 100 eco‐label certifications and prize‐awarding systems, and

over 50 in Europe. It is observed that the awareness of the certificates is low, so their impact is limited. In addition, the number of certificates leads to confusion.

- 51 standards were compared with the Global Sustainable Tourism Criteria, and it was seen that 80% of these include Resource Conservation (D1), 68% Pollution Abatement (D2), and 37% Biodiversity, ecosystem and landscape protection (D3). The most common issues addressed in the environmental certificates are purchasing policy, energy consumption, water consumption and waste management, while the least mentioned issues are wildlife types, wildlife in captivity and interaction with wildlife.
- It is believed that this study could fill a gap by explaining the reliability of environmentally responsible certificates that consider sustainable tourism principles. (Tuba Uluyılmaz, Rep. of Ministry of Tourism and Culture, Conference on Sustainable Tourism: Turkish and International Experiences, 2012).

2.2 Best practice

TaTuTa ecological farm visits system is the first institutionalized example of ecological agriculture tourism and knowledge exchange, which is the output of the “Agricultural Tourism in Ecological Farms and Voluntary Exchange of Knowledge and Experience” project of Wheat Association.

- The system matches the registered ecological farms with volunteers or visitors who want to stay in these farms.
- The guests staying in the guesthouses of the farmer families and having meals together contribute to intercultural exchange, and transparency between consumers and producers.
- It enables exchange among the farmers who are involved in ecological agriculture, facilities and individuals who have knowledge about and experience and interest in this issue.
- TaTuTa started off in 2004 with 25 farms in 12 different points and expanded to 96 farms in 7 regions in 2011.
- With the interest of the media, there has been a successful public relations and promotion process.
- TaTuTa is successful and sustainable, because it is the part of the big picture (ecological living), rather than a stand‐alone tourism activity: Ecological markets,

Seed Swap Network, providing a communication medium between farms, communication infrastructure between farms, product swap, consumers and rural life enthusiasts.

Problems, Solutions, Suggestions:

- The need for regular communication/information feed
- Farm owners gathering together
- Increasing the number of home owners and visitors at the same time
- Addressing the right audience
- Using the media in a correct way
- A learning process rather than a vacation
- The lack of legal infrastructure: farms accepting visitors like tourism facilities
- The need to develop a common vision by different parties (agriculture, rural life, rural

tourism, small farmers) (Melike Hemmammi and Emre Karabacak; Wheat Association, Conference on Sustainable Tourism: Turkish and International Experiences, 2012).

There are some best practice examples of enterprises and local initiatives. The orientation for certain standards from the side of enterprises is difficult because of above mentioned problems. Some hotels or accommodation facilities are awarded as top sustainable according to foreign operator's sustainability labels which is only focused on business area of each operator and very limited. It is very important to have a national best practice and label scheme for different types of tourism enterprises. Our project can be an ideal platform to build such professional scheme for Turkish tourism SMEs.

Beside this, there are some international labels and initiatives for sustainable tourism at international level. These can be adapted for tourism SMEs in the next period. SMEs are mostly concentrating on their core activities, the main problem is communication of sustainability with companies and furthermore with customers. Some Turkish banks have very efficient SMEs networking system. This system can be transformed and used for best practice, label announcement and initiatives for sustainable tourism.

2.4 Professional associations and source of information

Table 43 Public/private organizations are mostly useful for SMEs as information sources in Turkey

Institutions and Web addresses	Institutional Structure	Relevance for SME Policies
Ministry of Industry and Trade (MoIT) www.sanayi.gov.tr	Public	Implementation, coordination and governance of SME policies, Organized Industrial Zones, Technology Development Zones, Industrial Zones and Small Industrial Sites in coordination with other ministries and programs
The Under secretariat of the State Planning Organization (SPO) www.dpt.gov.tr	Public	Preparing long-term development plans and annual programs, also covering SME related policies, industry policies, science and technology policies that also refer to clustering issues
Small and Medium Industry Development Organization (KOSGEB) www.kosgeb.gov.tr	Public	Implementation of SME policies, developing the firms' technological skills, providing information, training and consultancies, providing appropriate financial mechanisms and funds
The Under secretariat of the Treasury www.hazine.gov.tr	Public	Providing incentives for SMEs and for new investments via the Investment Encouragement System
The Under secretariat of Foreign Trade (DTM) www.dtm.gov.tr	Public	Establishment and organization of Free Zones, promoting investments and production for increasing foreign trade, regulating the environment for foreign investments and technology transfer
The Union of Chambers and Commodity Exchanges of Turkey (TOBB) www.tobb.org.tr	Non-Governmental Organization	Ensuring unity and solidarity between chambers and commodity exchanges, participating in the development and implementation of the RCOP and SME Strategy and Action Plan
Confederation of Tradesmen and Craftsmen of Turkey (TESK) ww.tesk.org.tr	Non-Governmental Organization	Assisting tradesmen and craftsmen and small business' and their employers' occupational

		improvement and adaptation to new technologies, supporting the establishment of small sized industry sites for small-enterprises that operate in similar sectors
The Supreme Council of Science and Technology (BTYK)	Public	Responsible for the design, development and implementation of science and technology policies, coordinating collaboration among public and private research institutions
The Scientific and Technological Research Council (TÜBITAK) www.tubitak.gov.tr	Public	Promoting, developing, organizing, conducting and coordinating research and development in line with national targets and priorities. Acts as an advisory agency to the Turkish government on science and research issues, and secretariat of the Supreme Council for Science and Technology (BTYK)
Export Promotion Center (İGEME) www.igeme.org.tr	Public	Fostering exports by accessing new markets and business opportunities through training and publications for SMEs, coordinating public sector institutions with regard to foreign trade activities
Development Agencies (DAs)	Public	Responsible for the operational management of regional programmes. Currently active DAs are established in the İzmir, Çukurova, Istanbul, Konya, Samsun, Erzurum, Van, Gaziantep, Diyarbakir and Mardin regions. Activities like delivery of development-related grants have started. These have started to extend development-related grants for projects (including to SMEs). It is planned to establish 26 DAs throughout the country following the EU models.
European Enterprise Network (EEN) http://www.een.kosgeb.gov.tr	Non-Governmental Organization	Promotion of technology partnerships and transfer mainly between SMEs and facilitation of innovation among technology-oriented SMEs

Entrepreneurship Development Centres (GIDEM) http://www.gap.gov.tr/english	Public	Established in Adıyaman, Diyarbakır, Mardin and Şanlurfa, they aim at improving the managerial, operational and administrative capacities of micro, small & medium sized enterprises in the region, through provision of business development services
European Turkish Business Centres (ABIGEMs) ww.abigem.org	Private	These are designed to support Turkish SMEs by providing them with consultancy and training services, promoting collaboration, innovation and internationalization
Technology Development Foundation of Turkey (TTGV) http://www.ttgv.org.tr/en	Non-Governmental Organization	Supports R&D and technological innovation projects of the private sector; brokering long-term credit for new investors to produce technology
Technology Development Centers (TEKMERs)	Public	Support innovative entrepreneurs and SMEs by providing start up premises, material and equipment support, training in management, finance and marketing and consultancy
Ministry of Culture and Tourism www.turizm.gov.tr	Public	Implementation, coordination and governance of SME policies in Tourism
Development Bank of Turkey www.english.kalkinma.gov.tr	Public	Supporting investments of the enterprises incorporated as joint stock company through either providing loans secured from national- international resources
Turkish small and medium-sized businesses, self-employed professionals and executives foundation www.tosyov.org.tr	Non-Profit Organization	Supports SMEs with seminars and different educational methods
University-Industry Joint Research Centers (USAMP)	Public	Foster collaborative research and development between universities and industrial firms according to the prioritized needs of the industry

2.5 Employment turnover and HR management, customer relationship management and quality management

Low wages, long working hours, lack of training and high labor turnover are common critics about tourism employment in Turkey. The three most important factors are related very close with each other. These factors can have positive or negative influence on destination development. Enhancing service quality and destination competitiveness through tourism SMEs is also possible. These can be as follows;

-Grading schemes and other approaches to benchmark best practices
-Management development for tourism SME owner manager
-Promoting best practice approaches to have resource management
-Business development support will be an efficient way to cope with related questions.

3. Identification of needs of tourism SMEs

- Needs in terms of competitiveness at local and at international level
- Needs in terms of quality
- Needs in terms of employees
- Needs in terms of sustainable development
- Present ways of obtaining information
- Needs in terms of information and knowledge
- Practice of innovation

3.1 Financial Needs

Turkish SMEs take less advantage of credit density comparable to other countries. Managers say that financial problems are most important problems of SMEs. These are unexpected expenditures, cost of credits, formalities during the credit taking and inflation pressure on finance. Competition and economical stagnation can increase capital needs of them. It is possible to list problems as follows:
-There is no separate financial department of SMEs
-They cannot follow modern finance techniques
-They can not join stock exchange market
-SMEs are mostly identified by their owners. During the credit deals SMEs are not rated by power of payments, but personal guarantees of owners. If the enterprise gets bankrupt, owner can lose all his assets.

3.2 Marketing Needs

Identification of target markets and marketing strategies are weaknesses of SMEs. They do not make market researches and they mostly use their personal observations. They cannot be aware of changing preferences of customers because of socio-economic changes. The marketing problems can be summarized as follows:
-There is no marketing department at SMEs with specialists
-SMEs have ‘less developed’ marketing understanding
-SMEs cannot make use of marketing instruments
-SMEs cannot use complex and expensive sales channels and organizations

-SMEs are addressing mostly local markets
-SMEs have restricted market share and they cannot create reliable price-cost relationship

3.3 Management Needs

Human resources are one of the most important issues of SMEs. These are most important problems:
- It is difficult to find qualified employees. Managers must be ready to pay more wages for qualified personal which is not possible every time.
- There is no long term human resource planning at SMEs level. Statistical methods are not used and mostly intuition plays an important role. This creates disadvantageous situation for SMEs.
- Foreign language is one of the most important barriers for SMEs for being part of international market. They need external consultants to understand foreign brochures.
- Lack of management and technical consultancies.
- The Small and Medium Size Industries Development and Support Administration (KOSGEB) is one of the most important consultancy organization in Turkey. Especially, during accession to EU, it is very import for SMEs to get real consultancy for EU projects and aids with the help of this organization. This organization has declared very important strategic plan for SMEs for the next 2 years in last May. Their paper gives us very important clues about SMEs. But it has still no significant support for tourism SMEs. This will be discussed with the officials in the future term during the KNOWNET project.
- It is very important to build bridges between universities with SMEs. The Scientific and Technological Research Council of Turkey (TUBITAK) will start very important project in order to build bridge between universities and enterprises. This gives us very important signal to solve tourism SMEs problems in the future with the help of universities.

3.4 Sustainable Development

Clustering for sustainable development, business connection development, working conditions, using of communication technologies and value chain management platforms can boost SMEs to be part of national and international value chains. Sustainable development, Corporate Social Responsibility principals and gender discrimination must be on the agenda of SMEs.

3.5 Lack of Knowledge

Turkish SMEs make their decisions without compatible knowledge. This includes collection of data mining, data processing and evaluation of knowledge. They see payments for knowledge processes useless. This brings management failures just at the beginning of start-ups. Feasibility works have to base on knowledge management to avoid strategic failures. One of the most important possibilities for SMEs to get knowledge is fairs and exhibitions. But most of SMEs can not make use of them because of lack of money and time. There is a need of ‘knowledge process system’ for planning, standardization, research, coordination, training, security and consultancy of tourism SMEs.

3.6 Innovation

95% SMEs problems are repeatable problems. These are mostly daily problems. Owner of the enterprise leaves his daily routine in order to solve the problem of the firm. There is only one way to stop this which is called innovation. But here innovation has another meaning which is different than general acceptance. Such as, monthly regular accounting tables, standard answer of secretary when she speaks at telephone or pre-filtration for sales visits.
Research and development expenditures are done by 70% of public and 30% of private sector. Budget of R&D's 0,67% in GNDP. This shows us that SMEs do not have acceptable R&D budgets. In Turkey, there is a very good incentive for R&D and innovation works. But, generally 1% of SMEs take the initiative to take assistance for R&D and innovation support from different stages. This must be increased for tourism SMEs.

4. Conclusion and Recommendation

We can summarize tourism SMEs main characteristics at the end of this study;

-SMEs realize more production and product mix with less investment
-By using labour-intensive technology and employing less skilled employees, they contribute to overcome the unemployment
-They can adapt to the changes and diversifications in demand, more easily.
-They are the main supporters and complementary to the large scale industry
-They are the balance and stability elements of the economic and social systems

As conclusion, it possible to list following recommendations:
-To support banks and other financial institutions to provide a wide range of services to the SMEs and to promote the foundation of the rating agencies.
-To encourage them to develop new interrelations (partnership, strategical agreements, sharing infrastructure etc.)
-To develop special SME oriented stock exchange markets
-To support the development of the investment and management quality (new technology, skilled employees).
-Training should be organized in order to solve the management and financial issues
-The ways of informing the SMEs should be increased (as KOSGEB at the moment informs SMEs via internet and other tools).
-In some extent, tax may be exempted.
-Energy support which is given to the priority development regions should also be given to the other provinces (especially to SMEs with 1-49 workers)
-To provide financial services and solutions in accordance with legal status of SMEs.
-To enable the SMEs to access long term and convenient financial products.

6. Annex: Case Study (Burcu Selin Yılmaz, Paper which was presented at MİBES, 4-5 July 2008 in Larissa, Greece, fully adopted) http://mibes.teilar.gr/conferences/MMIBES_CD_2008/ORAL/Yilmaz.pdf)

The case is structured on the results of interviews with managers of small and medium sized accommodation establishments. In order to prepare the case 14 small and medium sized accommodation establishments (hotels) located in Aegean Region (Turkey) were chosen and a couple of questions related to obstacles affecting small businesses in tourism and competitive advantage were asked to their managers. Based on the results of the interviews a simple case was written. The results of the interviews are summarised in Table 1.

Table 1: Summary of interview results

Questions	What are the obstacles affecting small businesses in tourism?	Determining competitive strategies is;	In order to create competitive advantage in tourism companies should;	What are your enterprise's main competitive advantages?	In order to gain business success, you should;
Hotel 1	Financial problems, bureaucratic obstacles, lack of qualified employees, fierce competition	Difficult but important	Customize their services and serve better than their competitors.	Service quality, different services than our competitors	Be better than your competitors, control your costs tightly.
Hotel 2	Financial problems, lack of qualified employees, lack of innovation	Vital	Be more responsive to their customers and be ready to change.	Customer relations, new services, and awareness of the changes in the sector	Be better than your competitors, and give importance to customer relations.
Hotel 3	Financial problems, high costs, and quality deficiencies	Time-consuming and complex	Control their costs and improve service quality.	Service quality	Maximize your profit and control your costs tightly.
Hotel 4	Lack of qualified employees, marketing problems, and financial problems	Determinant of survival	Be more responsive to their customers, build a good image, and be flexible	Brand name, image, customer relations	Give importance to customer relations, and build a good reputation and image.
Hotel 5	Difficulties in preparing a strategic plan, financial problems, barriers to institutionalization	Strategic and important	Have a more scientific approach to management, apply strategic management principles, be more flexible and responsive to the customer needs	Better relationships with customers and other stakeholders	Be better than your competitors, give importance to customer relations, and apply strategic management.

Table 1: Summary of interview results (cont'd)

Hotel 6	Financial problems and lack of expertise	Important	Customize their services and be responsive to their customer's needs.	Customized services	Be better than your competitors.
Hotel 7	Financial problems, lack of qualified employees, and uncertainty in business environment	Difficult	Control their costs.	Low prices	Be better than your rivals.
Hotel 8	Financial problems, uncertainty in business environment, and lack of expertise and innovation	Vital	Be more responsive to their customer needs, be more flexible, and adopt technological improvement	Services offered to our customers, innovation	Be more responsive to our customers and offer new services.
Hotel 9	Financial problems, lack of expertise, and lack of qualified employees	Very important	Be more responsive to their customer needs and serve better than their competitors.	Better relationships with customers and service quality	Give importance to customer relations and offer different services.
Hotel 10	Financial problems, lack of qualified employees	Needful	Control their costs and serve better to their customers.	Low prices and quality	Decrease their costs and increase service quality.
Hotel 11	Financial problems, uncertainty in business environment, and lack of expertise	The main determinant of success	Be more responsive to their customers and be better than their rivals.	Better services offered to customers and service quality	Give importance to customer relations and offer new services.
Hotel 12	Financial problems, lack of qualified employees, and lack of expertise	Important	Control their costs and customize their services.	Lower prices and customized services	Control their costs, give importance to customer relations and offer customized services.
Hotel 13	Financial problems and bureaucratic obstacles	Complex	Control their costs and offer better services.	Low prices	Be better than your competitors.
Hotel 14	Financial problems, lack of qualified employees, lack of expertise and innovation	Vital and determinant of business success	Be strategic, be more responsive to their customers, and be innovative	Customized services, service quality, good relationships with customers	Customize your services in order to create value, find qualified employees, and apply CRM.

SURVEYS

CONDUCTED BY THE 8 TEAMS OF THE KNOWNET PROJECT

Hereafter are the two surveys made by each of the 8 teams

A. **Global Survey**, based on a common questionnaire filled by tourism SMEs of each country and region : they collected between 50 to 230 questionnaires. The results are presented by each team

B. **Specific Survey**, consisting in in-depth interviews and/or half-day workshops with about 20 participants.

OVERALL VIEW ON THE SURVEY

The surveys conducted by each of the 8 teams were made in two stages :

- **A global survey**, based on a questionnaire submitted to a varying number of tourism SMEs : from 50 to well over 200, according to local difficulties in getting the questionnaire answered , as a whole, the respondents from micro-enterprises seemed less inclined to answer on the first place and then to go into details ; most of the latter needed a face to face interview whereas the managers of small and medium enterprises were more ready for this kind of investigation that they would answer directly on the web. The questions, translated into each language at stake, were related to
    - The profile of the firm
    - The education and experience of the manager
    - The funding of the firm
    - The profile of the staff : age, education, skills, recruitment, continuing training
    - The clients : when ? from where ? seasonality ? best and worst profit ?
    - Sustainability and labelling

- **A specific survey**, consisting in an average of 20 in-depth interviews of about 30 mn, either through individual interviews (of about 30 mn) or through workshops (of a half-day duration) ; those were based on the following topics :
    - Funding
    - Sustainability
    - Competition on destination
    - Management and organization
    - Products
    - ICTs

When large countries were at stake, the specific surveys have often been conducted in one single region (for instance Sinaïa for Romania, Afyon for Turkey).

In the present synthesis, most of those topics are taken into account, giving way to common features as well as to insurmountable differences. The results of these surveys are mostly qualitative, as it has been impossible to make up a representative sample of all tourism SMEs in Europe within the limits of the Knownet project. Therefore the results are a focus on the situation of tourism SMEs : it reveals the main criteria of their competitiveness.

Hereafter, the countries are not all quoted on each topic : we chose to quote the most representative of the situation.

FUNDING

Most opportunities or reasons mentioned for funding are the renovation or upgrading of the premises, and the buying of new devices or equipment ; it is rarely related to an extension : this means that the perspective is rather to survive than to expand. Only some enterprises that have already been going through a quality approach and/or a sustainability approach are ready for the next investment in an extension (in Austria). But often, the increasing land demand makes any new investment difficult.
In Turkey, the level of investment ranges from 6 000 to 200 000 Euros.

But this funding for renovation often includes

- investment in ICT devices.
- investment in accessibility for the handicapped, which, in many countries, is becoming a legal obligation
- investment for renewable or cheaper energy

In the two latter cases, this investment is highly encouraged, if there is either a grant linked to the financial effort of the enterprise, or a tax alleviation.

Anyhow, the pay-back or the ROI/return on investment is often considered as low and long to reach.

The funding comes

- mostly from equity (in France)
- or mostly from a bank credit (in Turkey). In Austria, the average tourism SMEs are in debt for 10 years.

In this respect, many complain that borrowing from a bank is difficult because banks are always suspicious on seasonal activities (in Sardinia).

But in some countries, European grants can play an important part (in Romania, in Hungary, in Wallonia) in the funding of tourism SMEs. But, in this respect, this could be considered as a normal situation as some respondents to the questionnaires were non-profit bodies (almost half of them in Wallonia).
Slovenia points out also the decisive role of European structural funds on the whole tourism sector : about 1 billion € since 2004, -when the country joined the EU-, was dedicated to new capacities, quality, energy saving, renovation, training, eco-branding and, in terms of marketing, adaptation to the European markets.

THE STAFF

There were many issues that were tackled on this topic. First of all, there were very few “upper-medium” enterprises in the surveys, those close to the 250 employees limit ; they were more often between 10 and 50.

The recruitment

In the SMEs’ declaration, there is sharp difference between

- the micro-enterprises, often with seasonal activities : they have difficulties and recruit often unskilled employees, which meet their wish to pay the lowest possible wages.
- The small and medium : most of them (Turkey, France, Hungary) recruit employees with a degree or a diploma in tourism at various levels.

Very often, the HR manager declares that the behaviour of the applicant, his/her willingness to have good relations with the clients, is far more important than any degree, even in tourism.

The Austrian statistics point out that tourism is the sector that hires always less qualified employees, compared to other sectors.

But most of them consider that those employees, even when they are supposed to speak foreign languages, are not fluent enough. And there is almost everywhere a wish to have employees speak “one more language”, even when they speak already 3 or 4 (Hungary).

The great majority of employees are locally recruited, even on a seasonal basis ; there is hardly any recruitment problem anywhere.

Very few (one good example in Austria, others in Hungary) have recruited disabled employees, even with a mental handicap.

Skills of the staff

As said above, in many countries the staff is graduated, at college or university level, often with a tourism or hospitality diploma (Romania, France, Hungary, Turkey).

Even in places where the staff speaks several languages (Romania, Hungary, Austria, Slovenia), it is never believed to be sufficient : the managers would like extra languages spoken and speaking those already known more fluently.

In terms of skills of the managers (which is difficult to decipher as they were the respondents of the surveys), one can only take into account their level of education. In this respect, there are strong differences between those who have no previous qualifications (in Sardinia) and those who entered the job with a college or a university degree (Turkey, France, Austria, Hungary). None have mentioned any training for themselves, as they consider they are always working too much, with their nose to the ground.

Continuing education

Again the micro-enterprises seem to stand apart on this issue, as they don’t make use of it ; some say that they train the staff on site, even when they have no clear “job description”.

In the other enterprises, training within the firm is put forward ; training outside is currently used mainly in SMEs where sustainability is applied also to staff management, not only on environment (Austria). Very often, training is highly encouraged by the way it is externally funded : either through a subsidy, or through a tax alleviation.

Management

About only half of total interviewed managers declare that they make regular meetings with the staff, and less a regular evaluation of their career and their satisfaction at work (Turkey, Wallonia), often with no specific method.

Only those involved in an in-depth sustainability process have set a 5 working days per week (family-friendly work contract), gymnastics and care for the elderly employees…This is to be related to SER/social and environmental responsibility, part of a sustainability process.

Others make sure that their staff may get some fringe benefits from their jobs (Hungary).

Few have long-term strategies, like winter tourism enterprises in Austria.

Quality

Many are sceptical about quality audits (Romania) ; many ignore them (Sardinia) because the criteria of quality come mostly from bodies to which…. they don't belong: accommodation chains, product clusters, professional associations…

In many countries like Slovenia, the issue of quality is the adaptation to international markets, in line with the tourism DNA of the country. In Wallonia, the criteria of quality and quality process are entrusted to the regional tourism authorities, along the model of Swiss Quality.

But those who have undergone a quality process and keep on controlling the satisfaction of their clients feel really rewarded in terms of increase of business ; they are now, little by little, merging it with a sustainability process.

SUSTAINABILITY

For most interviewees in every country or region, sustainability is only related first to preservation of the environment, and second to a double practical action in which they may be involved

- **Energy and water saving,** with the use of renewable energies, and sometimes up to a zero energy balance : here grants and tax alleviations may play a decisive part
- **Waste sorting** : this is not always adopted with enthusiasm but rather under local regulations constraint.

Many countries and regions seem to tackle only this basic understanding of sustainability (Romania, Sardinia, Slovenia, France, Wallonia) but this one only. Among those, some accept the “polluters pay” motto (Turkey).

On a sort of second level of sustainability, are enterprises that, having tackled the previous issues, are now aware of the importance of **economic integration** and full use of local suppliers : buying local food and products, choosing local providers… in order to lower the time of transportation. The local food is particularly looked after as it happens to be also a marketing argument for the clients, especially on the display of breakfast buffets : Local features in Austria stratch from culinary to architecture. This may go well beyond the tourism enterprise at stake and involve a whole “bio-region” : farmers, transporters, traders… Of course this may favour a local product cluster. In this respect, some tourism SMEs with a seasonal activity have a double job : in tourism and in agriculture, in order to get a decent revenue (Slovenia). And this favours the economic integration. In some other places like Wallonia, there is no clear objective of economic integration, but just an awareness on the lower costs of some supplies when those are jointly purchased.

But, for tourism SMEs, the big issue seems to be the **eco-label** with its strong image of professionalism and clients’ attractor. All interviewees have at least heard about it and would wish it at least for their destination. Some believe strongly in the capacity of the eco-label to achieve such objectives, and, among them, some are ready to start the process or have already done it (in Romania, Austria), particularly if a grant has helped them through. But many other managers are suspicious (Sardinia, Romania, France) about those labels and believe that it may cost them much more than it will pay a profit of any kind : more turnover or less expenses.
The big issue, that everyone would like to evaluate, is the commercial impact of an eco-label : many say that an eco-label is not (yet) required by the clients, others that the eco-label can make the difference with a competitor.
Some tourism SMEs, in Austria, but also in Slovenia, bet on the rise of “Green Tourists”, yet only a niche market ; some Austrian hotels favour strongly this kind of stay in their premises ; with reduced rates for train travellers and cyclists, free public transport and bicycles at disposal, pad allowing to evaluate the client’s individual CO^2 emissions during travelling and to induce a corresponding grant to WWF…

Though one may notice that sustainability is maybe the issue on which the interviewees of tourism SMEs declare huge differences from one place to another, it is also clear that it is a holistic approach for the industry, involving more and more all aspects of management.

PRODUCTS AND MARKETING

Many interviewees felt embarrassed when asked to describe their most profitable products, all the more that those interviewees belonged as well to the incoming tourism –hoteliers for instance (Romania, Austria…)- as to the outgoing tourism – travel agencies, tour-operators (Turkey, France)-.

Some enterprises cooperate locally in view of providing **tourism packages** (few in Sardinia, more in Romania), often in order to compensate some local weaknesses in terms of services or of public initiatives.
But the most efficient **destination products** seem to come from places where a real cluster has been set along a special tourism theme, involving not only the tourism industry but also far beyond among other suppliers : on health or wellness products (Austria, Romania), on wine (Hungary), on hike and bike (Slovenia), on cultural itineraries (France) ; this ends up in raising the competitiveness of the destination. When there is a local cluster, there is awareness of the need to set up innovative products to attract new markets.

On the contrary, some countries like Turkey consider that too much tourism packages have been distorting the tourism industry and its profitability for the local SMEs.

Micro-enterprises are not always aware that their need for promotion has to go through an initiative from the destination : they first fear to face their neighbouring competitors, especially when those belong to international companies (Wallonia).
But small and medium enterprises know how local clustering can help building up a common image and a promotional channel (Sardinia) ; but the first steps in clustering seem always very difficult (Wallonia)

Nevertheless, as far as products are concerned, the **costs of transportation** may not be a difficulty – in Austria, in Turkey, in France – where low cost carriers and/or high speed trains are available ; in other places that miss badly these kinds of transport, like Slovenia or Sardinia, it can prejudice severely the local professionals.

In many places, the length of stay of the clients is a real challenge that “slow tourism” has not yet met.

As a whole, PPP/Public Private Partnership is well valued when the public authorities can provide reliable and continuous information on the markets. There are a lot of expectations in this respect (Wallonia, Slovenia).

POLICIES

There were **no direct question** on this topic of local, regional, national or European policies. But it just came up a bit on every other question at stake in different countries or regions (Sardinia, Romania, Hungary, Wallonia, Slovenia). As if the tourism SMEs were trying, through this questionnaire, to send a message to these various authorities! But some countries did not even mention any public action (Austria, France).

Most tourism SMEs know their most compelling regulations in terms of environment, labour legislation, classification of accommodation or taxes. They often say that they are submerged by them. But most of them would wish a policy in favour of tourism, or at least some clear guidelines.

Some SMEs are very much in demand of a tourism development plan at the level of the region and/or the country. But others (in Romania) seem to be sceptical on the capacity of the regional and national authorities to produce an efficient plan and promotion policy : as a priority, they await improvements in the infrastructure, such as roads, nature and heritage protection (Romania, Sardinia)…
Those would also wish European support in terms of

- professional regulations – classification of hotels, for instance-
- promotion
- cross-border projects
- regulations on the environment.

Surprisingly, some SMEs seemed more optimistic on the future of their enterprises than on their country as a whole destination (Hungary, Romania).

AUSTRIA - *ÖGUT*

Global Survey

Summary

A) Structure of tourism businesses in Austria

1) Employees' average number

In Austria the big majority of tourism businesses are SME's. There are only 0.01 % (65 enterprises) that employ more than 250 employees. 59 % of all employed persons in tourism work in companies with less than 50 employees, there are 26.9 % with less than 10 employees and 16 % of the tourism companies employ 1-4 persons[65].

Table 44 Size of enterprise 2007-2010 - Austria

Size of enterprise 2007-2010[1]	
1-4 employees	16 %
5-19 employees	50 %
20-99 employees	21 %
more than 100 employees	10 %

(source: Chamber of Labour Vienna)

A2) Company structure

The Austrian tourism branch has a small-scale structure: Austrian tourism companies are mainly traditional family businesses that have existed and grown for decades. Concerning the legal form it can be stated that almost ¾ of tourism enterprises have the legal form of an individual company. 10 % are partnerships or private limited partnerships. About every eighth company is a limited liability company and only slightly more than 250 enterprises are registered as public limited companies. [66]

A3) Employment

Employment in tourism is characterized by high shares of women, namely 60 per cent of the employees are women. 36 % of employees are foreign workers and there is a high ratio of marginally employed people (that are employees who earn less than € 376.26 per month – in 2011 45,578 persons[67]). These employees are mainly employed in lesser qualified fields of work. The income differences between men and women are relatively low due to the general low income level in tourism. The number of non-regularly employed people and seasonal workers is very high, only 43 % of the employees are full-time workers.

In 2011 there have been 11,840 apprentices in tourism and leisure industry. The most frequent apprenticeships are cook and hotel and restaurant assistant.[68] In 2010

[65] Chamber of Labour Vienna, Tourism in Austria 2011 (only in German), p. 97
http://www.arbeiterkammer.at/bilder/d151/Verkehr_und_Infrastruktur43a.pdf
[66] Chamber of Labour Vienna, Tourism in Austria 2011 (only in German), p. 156f
[67] Austrian Chamber of Commerce, Tourism in numbers, 48th edition, May 2012 (only in German), p. 16
[68] Austrian Chamber of Commerce, Tourism in numbers, 48th edition, May 2012 (only in German), p. 21

there were 4,414 tourism companies who train apprentices. After three years of training with periods of formal education they finish with a degree. About 1/5 of the youth does not complete their apprenticeship and leave without formal degree.[69]

Table 45 Structure of employees - Austria

Number of employees in tourism 2011[70]	269,593
Types of employees	
women	62 %[71]
foreign workers	36 %[72]
workers in apprenticeship	9.7 %[73]
non-regularly employed people	29 %[74]
seasonal workers	28 %[75]
full-time workers	43 %[76]

sources: Chamber of Labour Vienna, Austrian Chamber of Commerce

The age of staff in tourism businesses is relatively low. About 42 % are younger than 30 years, the average age of employees in the tourism sector is 34.2 years, that is 4.1 years younger than the average age in other branches.[77]

Table 46 Age of sructure of employees - Austria

Age	**employees in the tourism branch**	**employees in other branches**
0- 29 years	42 %	25 %
30-44 years	35 %	42 %
More than 45 years	23 %	33 %

source: Chamber of Labour Vienna

A4) Structure of Clients

In 2011, the Austrian tourism industry had a number of 34.6 million clients, 59 % coming from Europe. About half of these European guests were Austrian, and 13 % coming from third countries. In winter, a number of 59.2 thousand enterprises conducted business, in summer there were 63.3 thousand enterprises.

[69] Chamber of Labour Vienna, Tourism in Austria 2011 (only in German), p. 142ff
[70] Austrian Chamber of Commerce, Tourism in numbers, 48th edition, May 2012 (only in German), p.12
[71] Chamber of Labour Vienna, Tourism in Austria 2011 (only in German), p. 47, p. 138 http://www.arbeiterkammer.at/bilder/d151/Verkehr_und_Infrastruktur43a.pdf
[72] Chamber of Labour Vienna, Tourism in Austria 2011 (only in German), p. 47, p. 138 http://www.arbeiterkammer.at/bilder/d151/Verkehr_und_Infrastruktur43a.pdf
[73] Chamber of Labour Vienna, Tourism in Austria 2011 (only in German), p. 47, p. 138 http://www.arbeiterkammer.at/bilder/d151/Verkehr_und_Infrastruktur43a.pdf
[74] Austrian Chamber of Commerce, Tourism in numbers, 48th edition, May 2012 (only in German), p.15
[75] Austrian Chamber of Commerce, Tourism in numbers, 48th edition, May 2012 (only in German), p.15
[76] Austrian Chamber of Commerce, Tourism in numbers, 48th edition, May 2012 (only in German), p.15
[77] Chamber of Labour Vienna, Tourism in Austria 2011 (only in German), p. 78

Table 47 Clients and enterprises in 2011 - Austria

Number of clients (2011)[78] (thousands)	34,629
Citizenship of clients (2011)[79]	28 % Austria, 59 % Europe, 13 % third countries
Enterprises winter (2011, thousands)[80]	59.2
Enterprises summer (2011, thousands)[81]	63.3

Sources: Austrian Chamber of Commerce, Statistics Austria)

B) Production and Management

B1) Management practice

B1.1) Education level of staff

The tourism sector in Austria is characterized by a lower average level of qualification compared to other branches. There is a high number of employees, who have only compulsory education (24 %), and a low number with at least university-entrance diploma or university degree (15 %). 13 % attended vocational and commercial school. The majority, like in other branches too, has completed an apprenticeship (48 %).[82]

Table 48 Education level of staff - Austria

level of education	**employees in the tourism branch**	**employees in other branches**
compulsory school	24 %	13 %
apprenticeship	48 %	42 %
vocational and commercial school	13 %	16 %
university-entrance diploma, university	15 %	28 %

source: Chamber of Labour Vienna

[78] Austrian Chamber of Commerce, Tourism in numbers, 48th edition, May 2012 (only in German), p. 45
[79] Ibid., p. 38
[80] Statistics Austria, Tourism statistics – portfolio statistics 2011(19.12.2011) ..\survey\anzahl_der_betriebe_und_betten_nach_bundeslaendern_und_unterkunftsarten_20_034890.pdf,
[81] Ibid.
[82] Chamber of Labour Vienna, Tourism in Austria 2011 (only in German), p. 80

B1.2) Tasks of employees

In Austrian tourism sector there is a relatively high share of unskilled workers, namely 24 % compared with other branches (14 %). On the other hand the number of employees in manager positions is low (8 %). A number of 30 % work as ordinary employees and 30 % are qualified employees.[83]

Table 49 Task of employees - Austria

position	employees in the tourism branch	employees in other branches
unskilled worker	24 %	14 %
skilled worker	16 %	15 %
ordinary employee	30 %	18 %
qualified employee	30 %	53 %
manager	8 %	12 %

Source : Chamber of Labour Vienna

B1.3) Citizenship of employees

There is a high number of employees who are not Austrian, 21 % come from the European Union, 16 % have their origin in other countries. Only 63 % of the employees are Austrian.[84]

Table 50 Citizenship of employees in 2011 - Austria

Citizenship of employees in 2011	
Austria	63 %
European Union	21 %
other countries	16 %

Source : Austrian Chamber of Commerce

B2) Products and marketing

B2.1) Information channels of guests in 2011

The main source of information for guests is the internet. When counting together information via internet in general, information via special travelling and booking platforms in the internet and social websites, they have a share of 58 %. There is also a high share of guests (22 %) who get their information via recommendations by their friends and relatives. Brochures (18 %) and guidebooks (10 %) are also used, and 7 % receive their information from tourism information offices of the destination.[85]

[83] Chamber of Labour Vienna, Tourism in Austria 2011 (only in German), p. 80-82
[84] Austrian Chamber of Commerce, Tourism in numbers, 48th edition, May 2012 (only in German), p. 17
[85] Austrian Chamber of Commerce, Tourism in numbers, 48th edition, May 2012 (only in German), p. 56

Table 51 Information sources about the destination for guests - Austria

How did guests in Austria inform themselves about their destination? (multiple choice), in %	
internet	49
friends and relatives	22
brochures	18
did not inform themselves at all	11
guidebooks	10
tourism information office of destination	7
accommodation	7
travelling and booking platforms in the internet	7
travel agency	7
reports or promotion in the media	5
catalogues of tour operators	5
other sources of information	4
visiting a fair	2
do not know anymore	2
on social websites	2

Source: Austrian Chamber of Commerce

B2.2) Criteria for tourists coming to Austria

The Tourism Monitor Austria 2011 indicates the most popular attractions why guests choose Austria as their holiday destination. The strongest criteria for tourists coming to Austria were landscape and nature (63 %), mountains (51 %), quietness (45 %), hospitality (45 %), clean air/pleasant climate (37 %), quality of accommodation (34 %), townscape/architecture (32 %), hiking/biking tours (30 %), lakes (30 %).[86]

C) Measurement of Competitiveness

C1) Distribution of tourism

A comparison of summer and winter season shows different developments. Whereas in winter tourism Austria could achieve a substantial growth the last four decades, summer tourism became less important than it has been. In 2006, the number of overnight stays in winter (62,695,395) for the first time exceeded the number of overnights in summer (62,476,074).[87] The total number of overnight stays was 126,002,551 in 2011.[88]

In 2011 34.6 million guests arrived in the destinations. Tourism in Austria is dominated by international tourists. In 2011, 35.3 million overnight stays were Austrian and 90 million came from other nationalities. Most of them were Germans (47.4 million), 8.9 million guests came from Holland, and 4.3 million from Switzerland.[89]

[86] Chamber of Labour Vienna, Tourism in Austria 2011 (only in German), p. 56
[87] Chamber of Labour Vienna, Tourism in Austria 2011 (only in German), p. 17-22
[88] Austrian Chamber of Commerce, Tourism in numbers, 48th edition, May 2012 (only in German), p. 32
[89] http://www.statistik.at/web_de/statistiken/tourismus/beherbergung/ankuenfte_naechtigungen/030028.html

Table 52 Arrivals and overnight stays in 2011

arrivals (mio.)	**34.6**
overnight stays (mio.)	**126.0**
Austrians	35.3
other nationalities[90]	90.0
Germany	47.4
Holland	8.9
United Kingdom	3.1
France	1.8
Belgium	2.6
Luxembourg	0.3
Italy	3.0
USA	1.2
Switzerland	4.3

source: Statistics Austria

C2) Cash flows and economic share

In 2010 the direct value creation (value added) effect from tourism was €16.04 billion, corresponding to 5.6% of total value added (GDP).[91]

In 2010 the number of employments was 180,964 annual average (without marginal employments), that is a share 5.4 % of all employments in Austria.[92]

A look on the equity ratio of tourism enterprises shows, that every second enterprise has an equity rate below -5.4 %, which means over-indebtedness. This is especially true for very small enterprises with an annual turnover below €1 million, which have an average equity ratio of -9.8 %.[93] Taking into account that Austrian tourism business is dominated by SMEs, the situation is alarming.

The cash flow in every second tourism enterprise is below 10 % in comparison with the debts, which means, that the average time tourism enterprises are indebted is 10 years. The reasons for this situation are the low equity rate on the one hand, and the high need for investments on the other hand.[94]

As of July 2011, 234 Austrian tourist companies received the Austrian eco-label for tourism: 7 alpine huts, 150 accommodation companies, 57 restaurants and places to eat, 8 campgrounds , 3 tour operators and 9 congress and event organizers

[90] Austrian Chamber of Commerce, Tourism in numbers, 48th edition, May 2012 (only in German), p. 35
[91] Statistik Austria, A tourism satellite account for Austria, www.statistik.at/web_en/statistics/tourism/tourism_satellite_accounts/value_added/index.html
[92] Chamber of Labour Vienna, Tourism in Austria 2011 (only in German), p. 17-22
[93] Chamber of Labour Vienna, Tourism in Austria 2011 (only in German), p.158-159
[94] Chamber of Labour Vienna, Tourism in Austria 2011 (only in German), p.161-162

C2.1) Occupancy rate and turnover

The occupancy rate and correlating with that the turnover is slightly higher in winter than in summer. In 2011 the annual occupancy rate was 31.7 %. Most of the overnights take place in hotels and similar enterprises (65 %), followed by private holiday flats (11 %). A small share of 4 % are overnight stays on camping grounds.

Table 53 Occupancy, turnover, and overnigths in 2011 - Austria

Annual occupancy rate 2011[95]	31.7 %	
Occupancy rate summer 2011[96]	31.0 %	
Occupancy rate winter 2011[97]	33.9 %	
Turnover winter 2011 (thousands)[98]	11.8	
Turnover summer 2011 (thousands)[99]	10.7	
Overnights in 2011 in %[100]	Hotels and similiar enterprises Private holiday flats Other private enterprises Camping grounds Senatoriums Others	65 % 11 % 5 % 4 % 3 % 12 %

Sources: Chamber of Labour Vienna, Wifo

There were 65,200 enterprises in 2011, 19,800 of them industrial enterprises. 5,500 of them are 3 stars hotels, 5,400 1 or 2 stars hotels. The number of 5 or 4 stars hotels is much lower (2,500).

There are many more private enterprises (45,500).

Table 54 Number of enterprises - Austria

Number of enterprises 2011 (thousands) [101]	65.2
Number of industrial enterprises 2011 (thousands)	19.8
Number of hotels 2011, 5/4 stars (thousands)	2.5
Number of hotels 2011, 3 stars (thousands)	5.5
Number of hotels 2011, 1/2 stars (thousands)	5.4
Number of holiday flats 2011 (thousands)	3.8
Others (thousands)	2.6
Number of private enterprises 2011 (thousands)	**45.5**
Number of camping grounds 2011 (thousands)	0.551

Source : Statistics Austria, Austrian Chamber of Commerce

[95] Ibid., p. 50
[96] Ibid.
[97] Ibid.
[98] WIFO, Umsätze nach Saisonen (28.03.2012)
[99] WIFO, Umsätze nach Saisonen (28.03.2012)
[100] Austrian Chamber of Commerce, Tourism in numbers, 48th edition, May 2012 (only in German), p. 33
[101] Statistics Austria, Tourism statistics – portfolio statistics 2011 (19.12.2011)

Specific Survey

Austria

Summary

Introduction

In the second phase of the KNOWNET-project OGUT accomplished 15 interviews with tourism experts from various fields to explore the current developments, challenges and good or best practice with respect to sustainable tourism. Further focus of the interviews was to find out about success factors of sustainability and lessons learned within the recent years.

The interviews were mainly done by telephone, just three were done face-to-face.

The experts have various professional backgrounds and thus different perspectives on tourism:

Tourism researchers (3)

- Civil servant from the Ministry (1)
- Representatives of interest groups (3)
  - chamber of commerce/tourism (1)
  - NGO (2)
- Tourism consultants (1)
- Regional Developers (3)
- Representatives of SMEs (4)
- Experts for tourism marketing (1)
- Tourism consultant (1)
- Experts for certification (quality labels) (3)

The following experts have been interviewed:

- Christian Baumgartner, General Manager Nature Friends International (NFI) and respect, Expert for sustainable tourism, member of the Tourism Sustainability Group (TSG) of the European Commission
- Dagmar Lund-Durlacher, MODUL University Vienna, Department Head, Dean, BBA in Tourism and Hospitality Management
- Regina Preslmair, Austrian Ministry for Agriculture, Forestry, Environment and Water Management, Environment Label Austria
- Maria Aigner, Austrian Chamber of Commerce, Department of Tourism
- Herlinde Moosbrugger, Manager of the Tourism Destination Bregenzerwald
- Ruth Moser, Manager of Biosphere Reserve Großes Walsertal

- Otto Fichtl, Association for Consumer Information
- Ruth Rosendorf, Austria Tourism, Department Tourism Research
- Alois Lang, Coordinator of the Green Belt Project, National Park Neusiedlersee
- Erwin Bernsteiner, Büro für Umweltfragen, Salzburg, Tourism consultant
- Peter Brandauer, Hotel owner and mayor of Werfenweng, Salzburg
- Michaela Reitterer, Boutiquehotel Stadthalle, Vienna
- Kristin Oberweger, Hotel Altstadt Vienna
- Roman Mayrhofer, Hotel Wilhelmshof, Vienna
- Michaela Schnellendorfer – University for Sustainable Develpment Eberswalde (FH)

The following document is structured according to the main conclusions drawn from the interviews and the essence of the different interviews is summarized under each heading.

Exploration of the current situation of sustainable tourism from the perspective of tourism experts

What are the current strengths of Tourism in Austria ?

Tourism has a long tradition in Austria. It developed in the 19th century with a special form of tourism, which was very popular amongst urban bourgeois families, the so called „Sommerfrische“ (wives and children from urban areas spent the summertime in the countryside, while husbands came visiting on weekends only). There are **long-standing touristic traditions** in rural as well as in urban areas, where cultural tourism is highly developed. In comparison with Austrian’s main competitors in Europe, the **quality of tourism** in both of these segments is outstanding.

The strengths of Austrian tourism lie particularly in its **small-scale structure**: The tourism enterprises are mainly **family businesses** that have existed and grown for decades. In family businesses the contact to the guests is **personal and direct**. Survey results show that this personal contact is ranked highly by guests in regard to the choice of the holiday resort. Family businesses are also more flexible concerning fulfilling guest’s wishes. Also exchange and **networking between the different tourism businesses** is easier because of Austria’s small size.

An asset for Austrian tourism is the existence of **authentic traditions** in many regions – which are not just a reinvention by tourism managers. There are many tourism businesses that can well convey Austrian culture and traditions and – at the same time - being innovative and up-to-date concerning modern standards.

Most of the interviewed experts state that in international comparison Austrian tourism enterprises are highly professional concerning the management und that many of them have a “very good price-performance ratio”. Also the **quality of tourism education** is seen on a high level.

An additional asset is the **good cuisine for a reasonable price**. The cuisine offers high quality traditional as well as modern food all around Austria. This is important and much appreciated by the guests.

The combination of personal contact to the owners, friendliness, nice environment and good food is definitively attractive for guests.

What are the challenges / weaknesses of the Austrian tourism?
The main challenge of the Austrian tourism is the **strong competition** linked to the increased globalization and the EU enlargement. Travelling within Europe as well as on the global scale is much cheaper. Also the Euro, the single currency shared by many countries, allows an easy comparison of prices, which even increase the competition within Europe.
A weakness is definitely that the touristic infrastructure in some regions has not been renewed and modernized in the past years and is therefore **not offering high quality standard** any more.
As many businesses are managed by its owner, a change of the ownership can lead to a fast decline of the standard. Especially for family businesses a **healthy work-life balance** is important to guarantee sustainability.
As the **personnel** are the face of a business, it plays also a crucial role for its success. Bu getting high qualified personal is difficult. Cooperation between businesses would be crucial, especially for the further qualification of the personnel.
As the construction and running cost of tourism infrastructure are very high, businesses are often **depending on financial institutions**, lowering the flexibility of decisions on investments.
Also the **tourism education** could be further increased.
Unsolved are also possible problems connected with the results of **climate change** (especially on winter tourism) and increased **land demand**.

How could the competitiveness of Austrian SMEs be increased?
A diverse set of activities would help in strengthening the competitiveness of SME working in tourism in Austria. The activities underlined by the experts include the following:
Increasing the **motivation of the personnel:** According to **s**urveys, motivated personnel can increase the revenue by 20%. Large businesses have realized this important fact already, but small ones are still lacking behind. Several SMEs could organize trainings together.
Improving environmental friendly and sustainable management of the resources: By doing so, the business can also save resources / money. There is a growing numbers of guest requesting environmental friendly and sustainable management by the businesses.
Develop **sustainable and future-oriented structures for the winter tourism.** Especially the effects of climate change might impact the existing structures of winter tourism in Austria. Businesses should develop alternatives to the traditional offers.
Ensure the high quality of the infrastructure as the **good price-performance-ratio**. As this issue is ranked high by the guest, it should be kept in focus when developing the infrastructure and offers of the future.

How do you judge the current situation of sustainable tourism in Austria
All experts share the view that sustainability has its place in the discussion about tourism in Austria. However, the extent to which is actually implemented is judged differently.

Some individuals working in the tourism sector see the pressing need for activities to strengthen sustainability. However, as structured concepts and strategies are still missing, activities are not implemented. It even seems that focus is given to the ecological dimension of sustainability due to the importance of nature and environment for the Austrian tourism. Some experts mention that all three dimensions of sustainability influence the ongoing discussion, but that the issue as such has no tradition in Austria yet. The issue of sustainability has not fully entered politics and the tourism marketing. This can be seen on the fact that the term sustainability is not even mentioned in the Austrian Tourism Strategy of 2010.
It will however, be important that the issue of sustainability is implemented in the Austrian tourism sector as a growing number of guests is taking the issue of sustainability into the decision where and how to spend holidays.

What are the barriers for further development of sustainable tourism?
One of the barriers is the term “sustainability” itself, which is still unknown and bulky. People are not aware that **investments in sustainability pay back and even lead to win-win situations**. The issue of sustainability is not linked to eco-romance as it might have been in the 80ies, but to well-situated clients.
Unfortunately some businesses are very much **locked into the daily activities** (mass tourism) and do not have enough power to care about additional issues. Sustainability is also on an issue which needs to be lived on a day-by-day basis and communicated clearly as the guests, being interested in this issue, are knowledgeable and critical. Other barriers in Austria are definitely **logistics and mobility**, both linked to its geographic situation (disconnected alpine regions).
Another barrier is the **missing courage** to think in new dimensions and to try out new activities. **Skeptical financing institutions** are of no help in this regard.

What framework would be needed for further development of sustainability in the Austrian tourism?
It is of crucial importance that the **issue of sustainability taken seriously by all players**, from the tourism operators to the politicians. Only than certain activities will have long-term effect, such as **financial aid**, which have a successful history in some places (see Umweltservice Salzburg). Additionally important is also the **positive communication about successful projects**, which should definitely be increased. Not to forget are the guests themselves: There is an increased request for sustainable management of the touristic operations and this will definitely have positive effects on its further development. More pressure could still come from the guests, even triggered by more **effective communication**. Launching a **prize or award for sustainable tourism** might be a good tool in this regards and should be further investigated.
The **role of the chamber of commerce could also be strengthened**; currently there are several activities under implementation to strengthen CSR of tourism operation and also a CSR network has been launched. Of importance is also that also the positive economic effects caused by sustainable management activities are better known, such as cost reduction due to less energy consumption, increased revenue due to motivated personnel.
Important is also that the packages offered to the tourists are done in a proper way and reflect the spirit of sustainability. It needs to be secured that sustainability is not

just a marketing label, but that it is deeply respected by the tourism operators. Marketing gags are unmasked easily.
Three examples of successful sustainable tourism projects in Austria are Werfenweng, Neusiedlersee area and the Großes Walsertal.

Do you think that the issue of sustainability influences the decision on where to spend the holidays?
The issue of sustainability is **currently not of high importance** for the decision on how and where to spend the holidays, but a growing number of guests is taking it into consideration. This growing interest is also revealed by guest surveys. And the guests being interested in activities to increase sustainability are also ready to pay more for more.
It might be interesting to **better communicate** about the different activities undertaken to increase sustainability of tourism operations; this could be done by short and clear information in the hotel leaflets. This information should however **not be instructional or educational**.
Tourist operators need to develop **target-group oriented packages**, which are clear and not too fancy. Some operators however, fear that they will lose client groups, if they focus on selected groups (e.g. losing the car drivers, if developing a package "holidays without your car").
It needs to be clear that sustainability is currently only of importance for a certain guest group. So it might be of importance for the guests choosing culture and nature tourism, but not for the ones being interested in kite surfing. For tourism operators it is crucial to know its own target group well to **communicate about the correct theme**.

What are the benefits of sustainable tourism for the business operations?
No question, there are **many benefits**. This includes the **cost reduction for saved resources, such as energy and water, decreased days of sick leave of the personnel and increased marketing-chances**.
It is also shown by surveys that the client groups, interested in the issue of sustainability are **ready to pay a higher price.**

How can operators be reached?
Tourism operators can only be reached if the issue of sustainability gets a **clear relevance for the market**. Unfortunately this relevance is not given at the moment.
A good argument is also cost **reduction for the operation** – the financial argument is well understood.

What is the importance of certificates?
The Austrian Label for Tourism exists since 1996 and it was the first of its kind in Austria. This label was even taken as the master for the European Eco-label. Quality management is of growing importance for large operators and is increasing also for small and medium-sized operators. The labelling as such however, is interesting for medium and larger operators mainly, as its application is complex and expensive.

Exchange of experience of the tourism operations: communication, networks, workshops, conferences

How important is the exchange of experience for tourism operators in the field of sustainable tourism? Is there are need for further exchange? Who would need it the most? What would be the topics of interest?

It is crucial to plan any workshop very carefully to ensure that the maximum benefit for the attendees is secured. It is also important to involve **goodwill ambassadors** from the business operators themselves as only they can ensure a broad participation and acceptance. These individuals can present also **win-win situations** and function as a door opener.

Of high importance are the **personal and family connections**, where an immense knowledge transfer is actually happening.

One topic would be **personnel management**, as the personnel acts as a mouthpiece of the business and is therefore a key factor for its success.

The environmental dimension of sustainability is meanwhile quite well known, but we miss still a lot information, understanding and knowledge on the **social and economic dimension**.

Networking on local and national level is important; these operators share challenges. A focus on **different topics for selected target groups** could be helpful.

The main topics should still be **energy, energy saving and mobility**. These aspects are touching the environmental as well as the economic site, where a high saving potential can be found. Saving costs is of course an important issue for the managers.

Should this exchange be on international level? What could be the benefit?

Without any questions, we could learn a lot from each other; especially in GB many good practices can be observed. It might be very helpful to establish a **network for vocational training**, which is more and more important, as the personnel is one of the man success factors.

Training and education

To what extend is the topic of sustainable tourism reflected in training and education?

It seems that the topic is **not reflected well in different curricula** yet.

Sustainability can be best learned by doing and therefore these **principles need to be fully reflected by the training institution** in order to reach the students. Some examples of activities are described, how teaching institutions try to reach the students: charity events, support for individual activities to green the teaching institutions, etc..

Continuous communication about sustainability is the key to success.

Would it be important to harmonize the curricula of all States?

Harmonization is not seen as a crucial issue. The exchange through existing European Programs is working well as achieving its goals.

Some trends in toursim

What are the current trends in Austrian tourism?

Private and professional lives are extremely fast nowadays and people are therefore more and more interested in slowing down at least during their holidays: **health care,**

health prevention, recreation and personal service are important and will gain even more importance in the decades to come.
Living in a healthy environment and in intact nature are also ranking high.
Spending time and sharing outdoor activities with family and friends is also of importance.
Holidays on water and lakes is getting more importance as well. Water is the symbol for health and cleanness. Austria is already offering a lot in this regards, but could expand and elaborate more on this issue in the future.
Strong focus should also be on **local features**, stretching from culinary to architecture.

Lessons learnt in a nutshell

- Austria holds many small-scale family businesses. This leads to a high identification of the business with the region and a higher willingness to cooperate with local structures. It also ensures a direct link to the guest which is seen as a strong asset.

- Sustainability has entered the discussion of tourism in Austria. Sustainability is linked with its three dimensions: social (mainly personnel), environmental (mainly natural resources) and economic (mainly saving costs).

- As Austria is a small country exchange and networking is easier. But exchange should also be done on the international level, a lot could be learned from other countries.

- Regionalism is an important issue stretching from culinary to architecture, which should be communicated better.

- A growing number of clients is interested in the issue of sustainability; this group is also ready to pay a higher price for the tourism services.

- Some tourism operators are following this trend, but this cannot be stated in general for Austria.

- Following the principles of sustainability does not make economically sense for all operators – touristic services focusing on mass tourism might not have an asset.

- Especially the social dimension is of importance as motivated personnel increases the revenue remarkably.

- Good labeling is of importance and should be better used.

- Professional communication about good examples can boost the discussion on sustainability and should be increased.

- Financial support for certain activities to enhance sustainability as well as focused counseling are also of importance.

- Sustainability has not entered the curricula yet, but should be better grounded.

- Health care, health prevention, recreation and personal service are important trends in tourism and will gain even more importance in the decades to come. String focus should be given to these aspects.

Good Practice Collection

On the basis of the expert interviews ÖGUT identified 25 good practice examples for sustainable tourism in Austria. These SMEs were contacted and interviewed based on a semi standardized questionnaire. Out of these interviews the best 15 examples were selected and described in detail for the guidebook that has been elaborated in German and in English.

BELGIUM / WALLONIA - *FOREM*

Global Survey
Summary

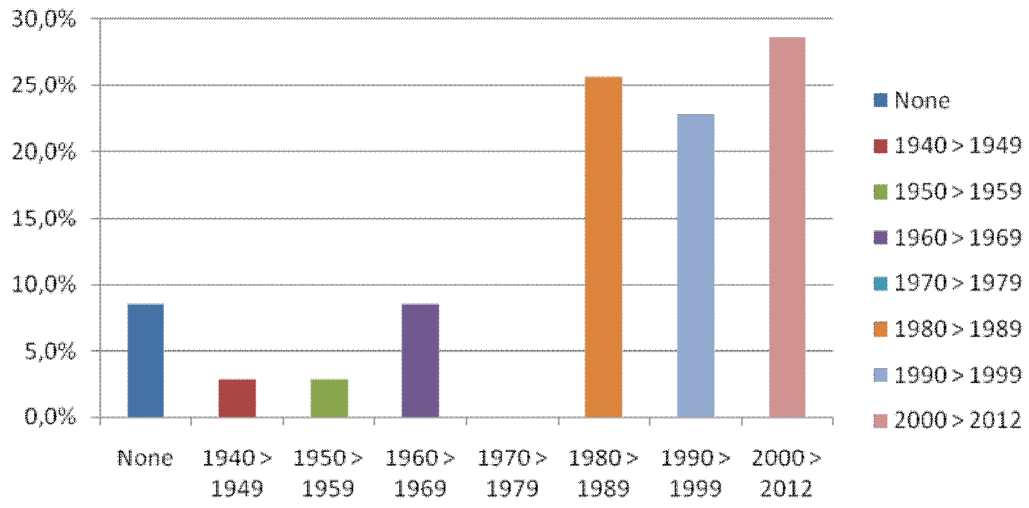
47 SME's responded to the survey.
The survey was administered through the web between march and july of 2012.
We considered only the relevant data.

4. Profile

a. Year of creation

Most of the SME's were created during the last 30 years. Some enterprises dated from the 60' ("golden sixties", when economic development and leisure were important).

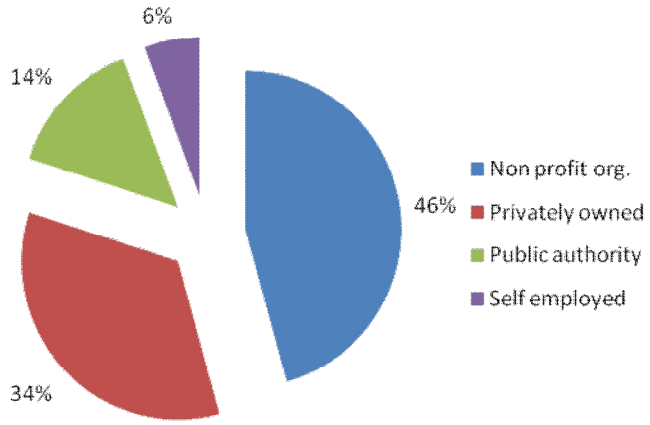
Figure 17 The creation of SME



b. Type

This is specific to the tourism sector in Wallonia : 46 % of the SME's are "non profit" organizations or depending from the public authority, a factor that disadvantage the competitiveness.

Figure 18 Type of sector in Wallonia

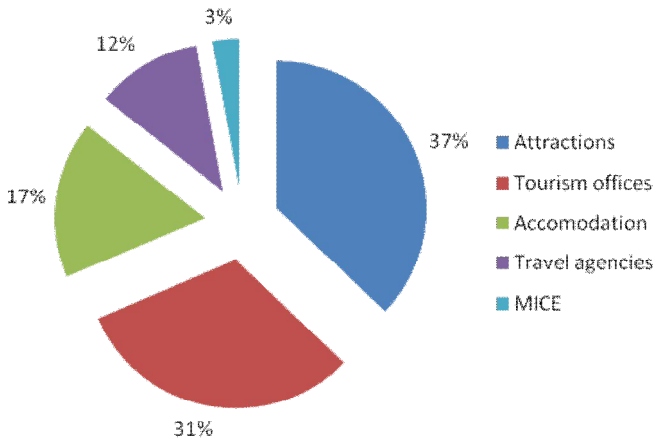


[redacted]

c. Sector

Attractions (including museums) and tourism offices are better represented. Attractions are privately owned or non-profit organizations ; tourism offices are non-profit organizations or a public authority.

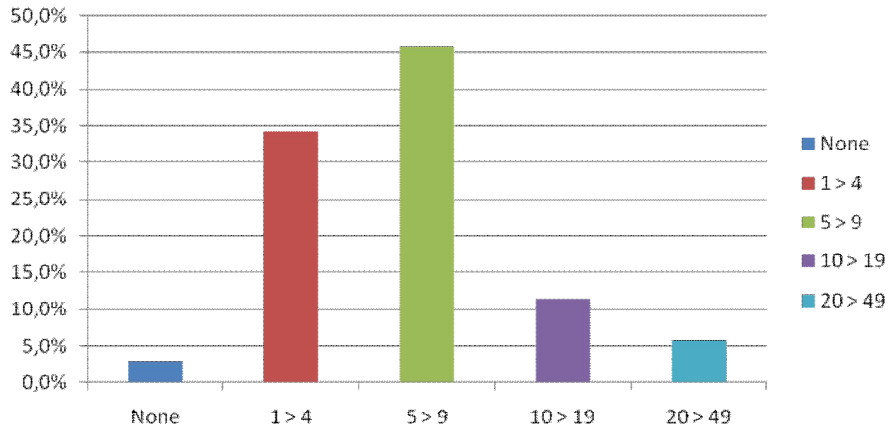
Figure 19 Sector of tourism in Wallonia



d. Employees

Most of the enterprises are little structures but can be more important during the high season (up to 250 pers.) : students, seasonal with fixed term contracts or interim contracts. Moreover some of them employ volunteers.

Figure 20 Employees - Wallonia



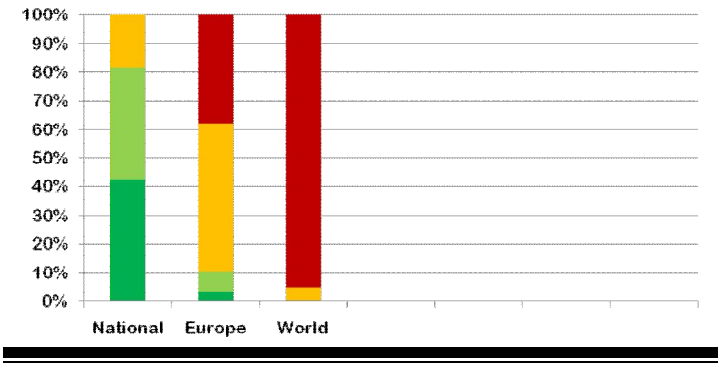
5. Marketing practices

Dark green = always / Light green = often / Yellow = sometimes / Red = never

a. Targeted markets

Belgium is a small country but surprisingly customer-oriented to nationals. This is certainly a weakness in a global competitive environment.

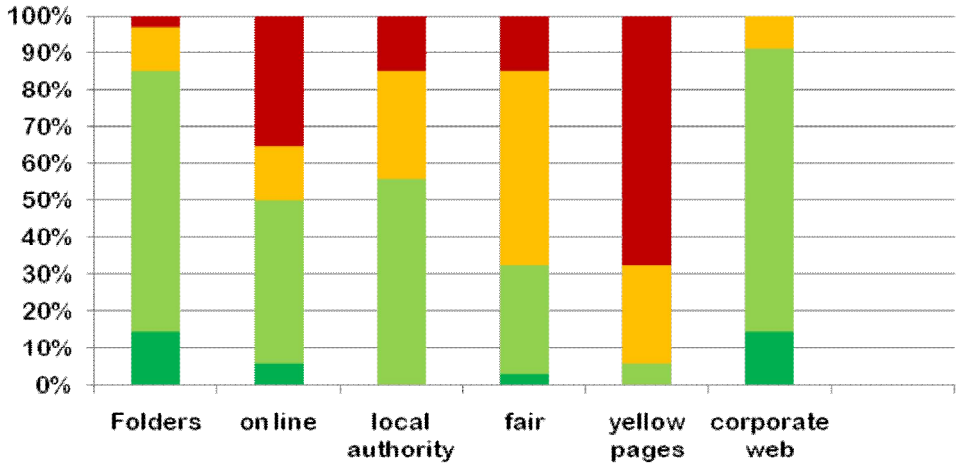
Figure 21 Targeted markets - Belgium



b. Promotion tools

Corporate web is an essential promotion tool, folders are quite important and local authority has an important rule for some of the SME's (mainly for tourism offices and attractions). This is a specificity of the organization of tourism in Wallonia.

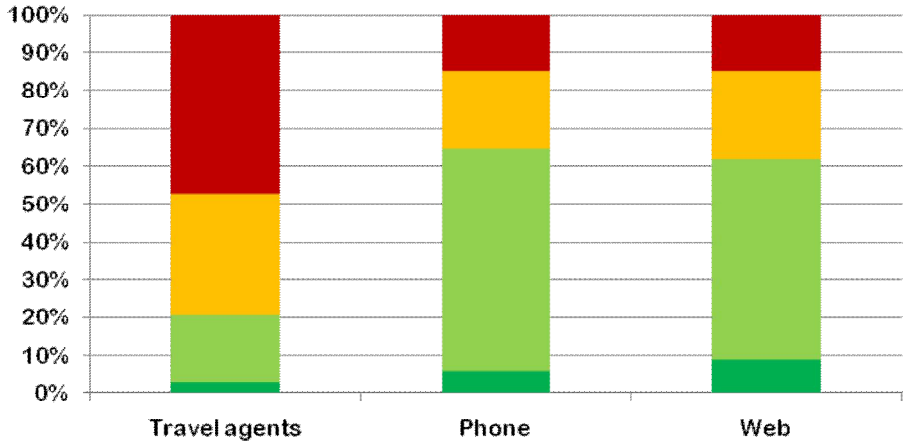
Figure 22 Promotions tools - Wallonia



c. Distribution channel

Travel agents are evidently underexploited. That means a lack of competitiveness on foreign markets.

Figure 23 Distribution channel - Wallonia

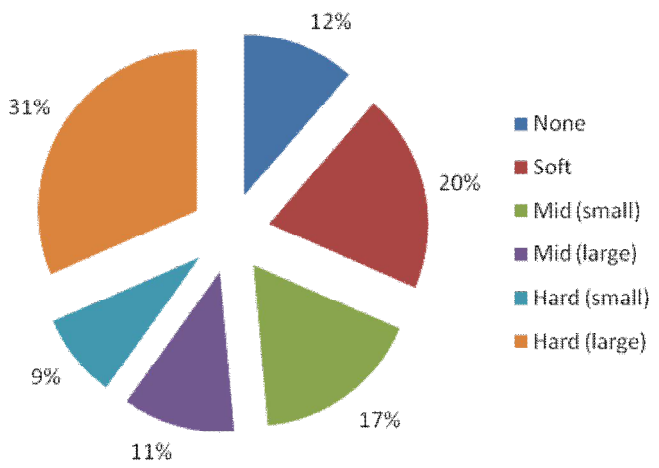


6. Competitiveness

a. Direct competitors

The most threatening competitors ("hard" in this graphic) are large enterprises (often world groups such as Accor for hospitality and Thomas Cook for tour operating).

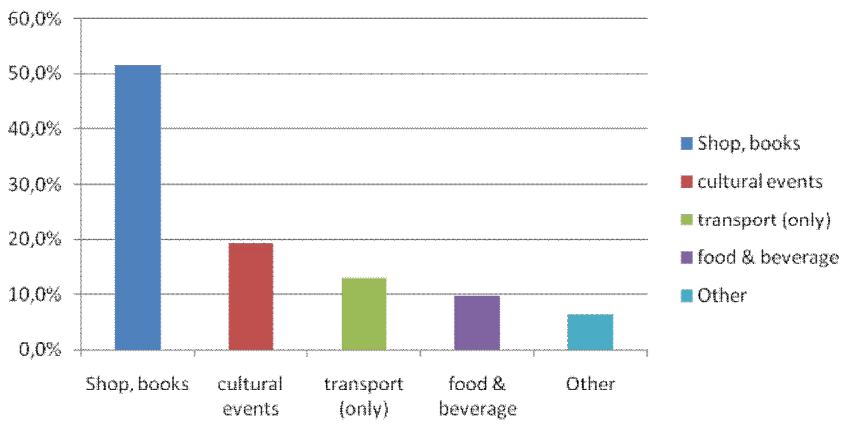
Figure 24 Direct competitors



b. The products with less profit

Books, culture and train / flight tickets are considered as low profit products.

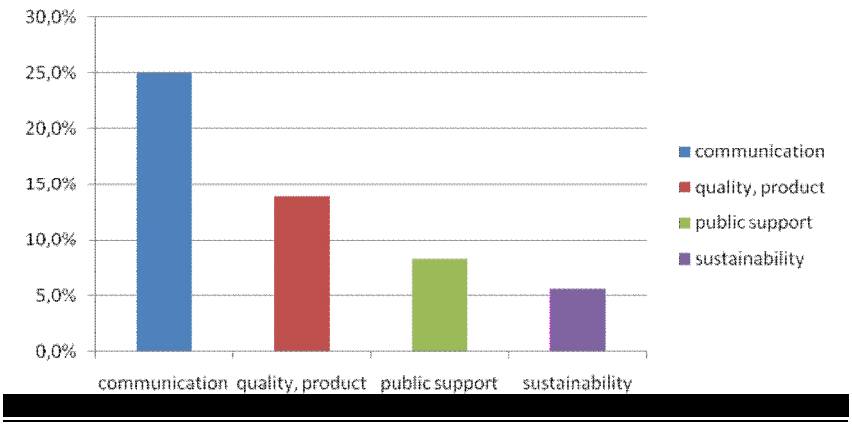
Figure 25 The products with less profit



c. How they can become more competitive ?

Most of the enterprises are communication and quality-product oriented, in order to improve the competitiveness. Note that sustainability is not really a priority for SME's.

Figure 26 Competitiveness factors - Wallonia

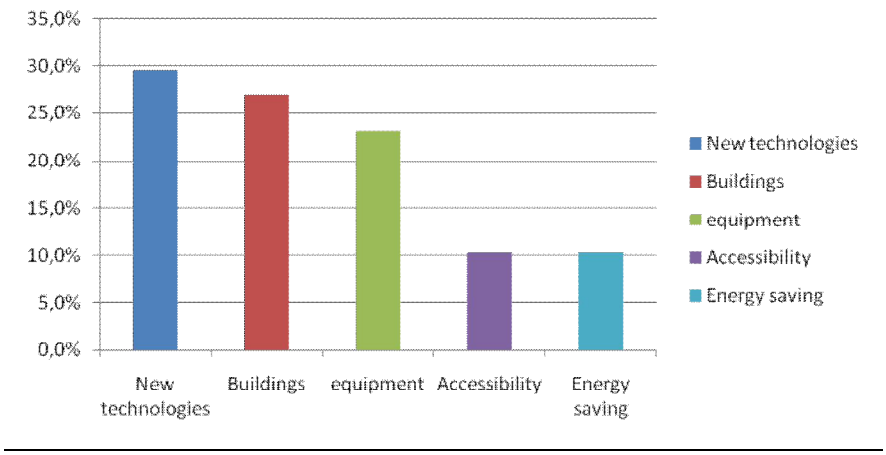


7. Investment & sustainability

a. Type of investment

This question is subject to caution because of the meaning and interpretation of the words (for example : "new technology" can be a new software for the computer at the office).

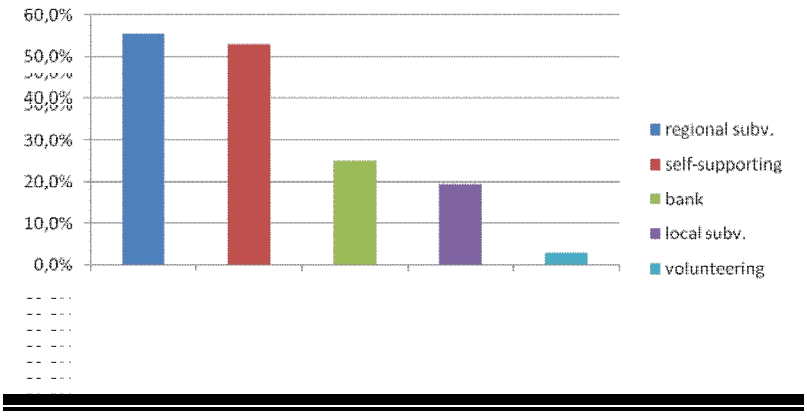
Figure 27 Type of investment -Wallonia



b. Funding

It's revealing the significance of the subsidies granted by the regional authorities … and regional budgets for tourism in Wallonia are mostly supported by the European Community.

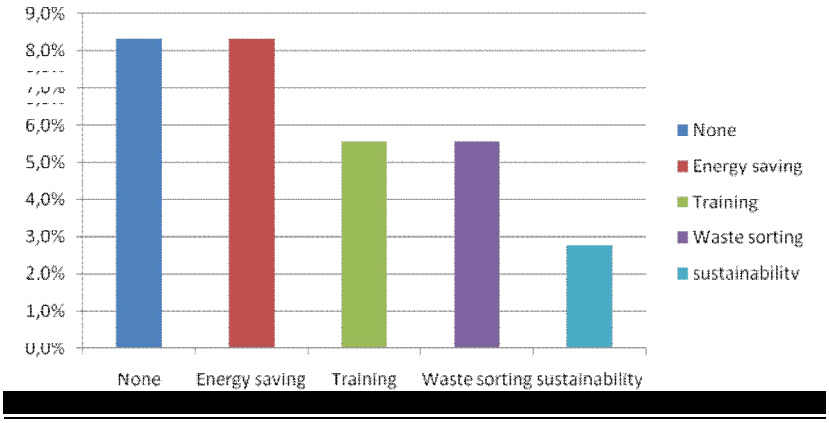
Figure 28 Funding - Wallonia



c. Actions for sustainability

We approach a global problem about "sustainability" : most of the SME's consider that interest of sustainability lies in budgetary savings ("Energy saving") and don't really know the right definition of "sustainability".

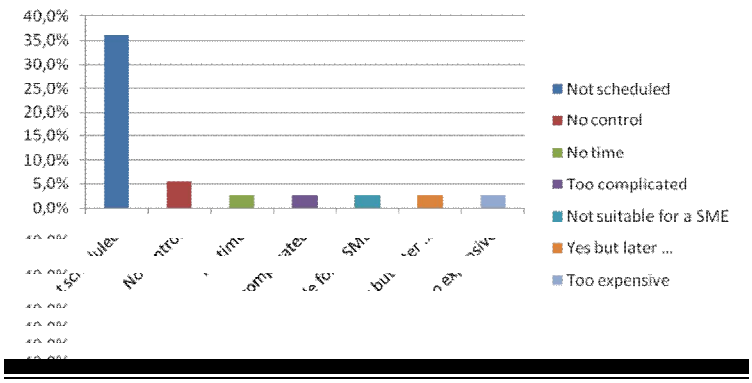
Figure 29 Actions for sustainability - Wallonia



d. If no actions for sustainability, why ?

“Not scheduled” means that the real challenge for competitiveness of the SME’s is also the time management …

Figure 30 The reasons for the difficulties in sustainability - Wallonia

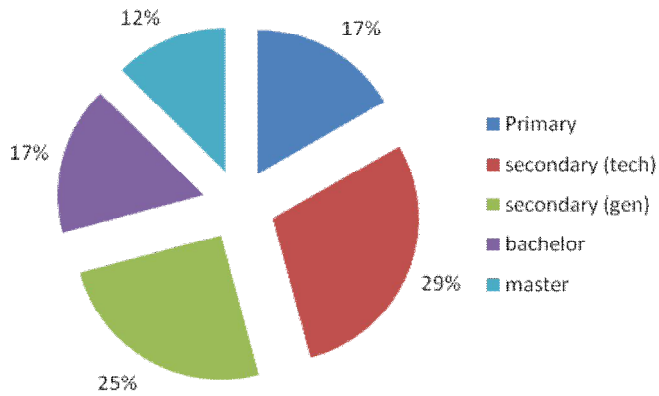


8. HR management

a. Employees : level of education

Secondary level of education is the most represented. That means that a low qualification is generally required for jobs in the tourism sector. Behavior is mostly more important than knowledge.

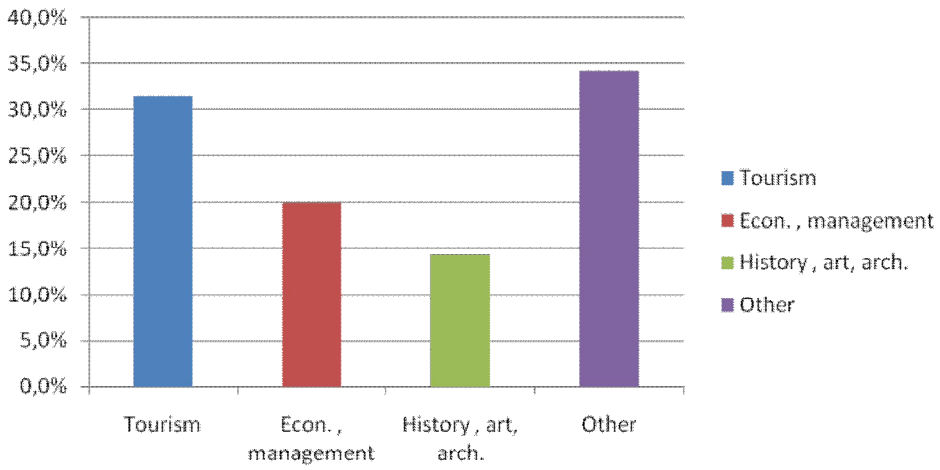
Figure 31 Employees: level of education - Wallonia



b. In which branch ?

Tourism studies account for only one third of the criteria during the recruitment. It's quite disturbing for the organization of tourism education in Wallonia.

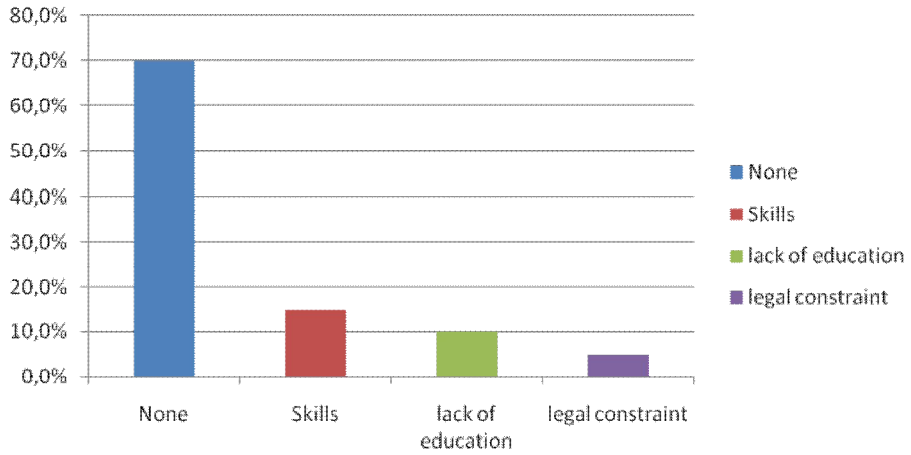
Figure 32 Education related to tourism -Wallonia



c. Problems with recruitment

No major problems, except for specific shortage jobs (for example : hotel receptionist, coach driver …).

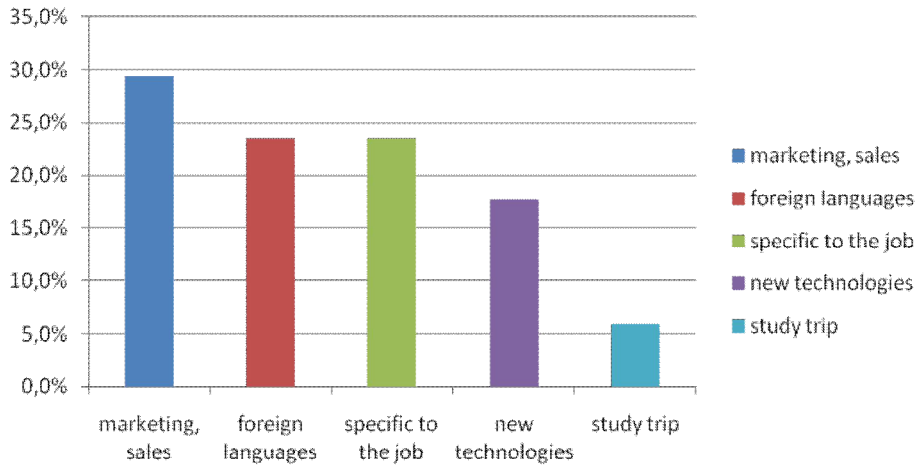
Figure 33 Problem with recruitment - Wallonia



d. Training practices

“Foreign languages” are related to the Dutch language, which is spoken by most of the foreign tourists in Wallonia (coming from Flanders en The Netherlands).

Figure 34 Training practices - Wallonia



Specific Survey

Belgium

Summary

We organized a focus group and specific interviews with a panel of 12 SME's and professional associations :

- Travel agency (Del Tour, Bulles Voyages)
- Incoming agency (Wal'Incoming)
- Coach operator (Généraltour)
- Tourist attraction, privately owned (Parc Aventure Wavre)
- Museum, non profit org. under public authority (Abbaye de Stavelot)
- Tourism Office (Maison du Tourisme du Pays de Herve)
- Hospitality (Auberge de jeunesse, Château du Lac)
- Museum association (Musée et Société en Wallonie)
- Tourist attractions association (Attractions et Tourisme)
- Tourism authority (Commissariat Général au Tourisme)

9. Competitiveness : trends

There is a phenomenon of "natural selection" of the SME's in the tourism sector : "bad" operators disappear and only the performing enterprises can survive in the severe competitive environment.

Since the years '90, a lot of SME's were absorbed by large foreign groups (Thomas Cook, TUI, Eurobussing, hotel chains …).

The new trend is the economical gathering in order to develop common supplies, that means budget savings for a better competitiveness.

New distribution solutions seem to be a new way for competitiveness in the SME's sector. For example : small travel agencies can negotiate directly with local tourism offices or SME's in the hospitality sector, that are not approached by major tour operators).

An undeniable fact : if the support by local authorities is efficient (positive view, investment …), then the competitiveness of SME's is easier … that means that the partnership between public and private is very important.

Last but not least : "sustainability" is not really a priority for most of the SME's, except in cases where it saves budget !

10.Competitiveness : restrictions

Markets are more and more complicated, that means a bad knowledge of customers, especially about the new “X” and “Y” generations. Managers receive too much information that generate too much wasted time … to sort the information … An efficient “European Intelligence Agency” would be appreciated ! Indeed, a lack of information coming from local authorities (among other things statistics) doesn’t help the SME’s …

However there is no communication between different tourism sectors … it’s quite a problem for competitiveness.

SME’s consider new technologies as an important competitive factor … but the evolution is too fast and the cost is often too expensive.

The real challenge for SME’s is not only financial management but time management. Some managers have a resistance to changes …

“Quality labels” is a good idea… but the communication is often very bad or missing and there is too much labels on the market … this is the general feeling about it ! However tourism SME’s in Wallonia can rely on two specific initiatives : the classification of the tourist attractions with a “sun” scale, like “stars” in hospitality : from 1 (basic service) to 5 (top quality service) : this is a pioneering concept in Europe. The second initiative is a new concept of quality highlighted by the Commissariat Général au Tourisme, based on the Swiss model “Q-Swiss”.

Some foreign competitors (for example : Polish and Czech coach operators) are stronger, because of lower salaries and a lack a social harmony . But the competitors outside the EC are more aggressive : they benefit from less restrictive regulations … European regulations are sometimes considered as a threat for the competitiveness !

SME’s sometimes get problems to transfer the business to the next generation, particularly in the family-owned enterprises.

11.HR focus : practices of management

It’s a fact : low salaries are common in the tourism sector in Wallonia, but it’s balanced by a large autonomy and job fulfilling.

The cost of human resources is very high in Wallonia (because of taxes and social contribution). The result is a misuse of school trainees and “low cost” employees …

SME’s are generally not performing in HR management : one of the indicators is a lack of job descriptions, employees must estimate their job according to “self-assessment” !

Employees in the SME's are often versatile : we note frequent exchanges between departments.

12.HR focus : recruitment

Tourism SME's are in a "small world" … so the "recommend by …" way is still much used for the recruitment.

During the recruitment, there is a preference for "tourism graduated" level of education but it's not compulsory. Students are not often prepared for the real job, the behavior is more important.

Some SME's develop loyalty programs for trainees and temporary employees, especially in the privately owned attractions sector.

Managers encounter problems with adaptation of the "Y" generation. This kind of employees seems to be not suitable for most of the SME's structure.

13.HR focus : trainings

The most common training practice is mentoring and coaching "on site", without any specific program.

Planning of a training is often complicated, due to the permanent activity of some SME's (mainly in the hospitality sector).

14.HR focus : people evaluation

Most of the tourism SME's in Wallonia fail the people evaluation : no specific method, no planning : just upon the "feeling", one or two times a year …

Personal objectives are often missing. However, some managers based their assessment on the customer's satisfaction.

FRANCE - *CNAM*

Global Survey
Summary

The survey, created in the context of Knownet Project, is divided on three sections:

- Compagny Overview (turnover, type of structure, number of employees, etc.)
- Production and Management (qualification, recruitment, training, etc.)
- Mesure of Competitiveness (local competition, investment and labelling, etc.)

In France, the questionnaire was sent and shared by members of the chambers of commerce and industry to focus on tourism businesses, professional organizations or agencies related to tourism.
We have reached the number of 55 substantial respondents that can allow us to have a global view of the situation. Their responses give sufficient leeway to allow us to have a deepest interpretation regarding the case of tourism SMEs in France.

The profile of the respondents
The actors of the tourism industry who answered are mostly from the Île de France area, coming in majority from private industry (74%) versus public industry (4%). The oldest company was established in 1840 and the most recent in February 2012. The vast majority of SMEs are not seasonal. However, the impact of high and low seasons is taken into account for the turnover.
Through the many types of businesses answering the global survey, the accommodation sector is the most important (47%). The size of business varies, though 56% responded having less than 10 employees. The average age of the employees is 35 years old in this sector, where female represent more than 50% of the employees in France. The survey reveals the fact that 75% of the respondents have majority of full-time employees, only 25% represent part-time employees in the industry. A fairly large percentage of the respondents were aware of the fact that they could employ interns for practical training.
37% reported a sales business of less than 500 000 euro per year. A small group of companies (10%) earn over 10 million euros per year. The majority of companies (86%) have a sale business under 4.9 millions euros per year. Despite the fact that many SMEs created disappear, on the other side, they are factors of development of an economy. Therefore, SMEs seek more growth relays nationally and internationally. This situation has an impact on the marketing objectives of the company.

Qualifications
All the employees working for the respondent enterprises have at least completed secondary education and a large part have (40 %) a master degree, the dominant qualification field being tourism (with 44%). Nevertheless, 25% of the employees have qualifications that are not at all related to tourism. In general, the tourism

industry needs more management than administration employees. This sector operates particularly in relation to the client's request. In this context, the management is more important to handle the human request and to adapt services therewith. That being said, all employees play an important role to the sucess of this industry.
Despite the globalization of economic association of Europe, a minority of employees comes from different parts of Europe. Generally, the employers don't have problem to recruit.
The employers offer training and formations in different domains (office, English, hotel reception, management, marketing, security, hygiene, etc.). The cost of the training and formation is really variable, depending on the type of training. The following organizations are solicited: Amadeus Tourcom Opca, CNFPT/SNAV, GRETA, AGEFOS, UMIH Formation, FAFIH, etc. These formations are thus provided by different types of organizations (association, school, syndicat, etc). Furthermore, they use few companies with specific specializations to extend the knowledge of the employees.

Products and marketing
SMEs use many distribution channels to make known their brand. In this survey, five channels emerge: telephonic service, online service, Website and catalog. In global, all respondents have a Website, half of which is managed by an external provider, the tier by themselves, and the rest by an internal employee. The increased use of the Internet and e-commerce has had positive effects on the tourism sector. The innovative online marketing efforts on a B2C basis are growing increasingly. Indeed, the Internet represents a major source for advertising and as a result, Internet marketing could be delivered by using any channel as video, audio or graphical and in any form as E-mail or interactive advertisement. The publicity seems to be transmitted, especially for respondents, on the website of the enterprise. Off the Internet, fairs and exhibitions are also ideal places to promote products. In addition, the respondents are relatively satisfied regarding the promotional activities organized by local authorities, but there is still work to be done about it.

Customers
Customer tourism businesses appear to be mainly come from France, then Europe and finally the rest of the world. Sites are mostly accessible via existing transport infrastructure, allowing customers to visit the site without problem. By cons, 30% of respondents says that bids to reach their geographic region with the transport operators are not very attractive. In fact there is, in majority, a high degree of competition between many operators in the local market. The issue of scheduling conventional closure and complex issue of Sunday openings become important. During the high season, the fact of being open on Sundays and late evenings allows a greater accessibility to customers.

Investment and labelling
SMEs are investing at different levels but most specifically in the innovation of equipment, computer system, renovation of buildings and energy saving. They are generally self-financed to do so, getting bank loans or receiving a grant

Regarding labeling, very few companies have received a label of sustainable development (ex: eco-tourism). In fact, the eco-labelling in tourism is a recent phenomenon in France: Green Key has arrived in France in 1998, the Eco-label has been applied to services tourist accommodation in 2003 and the Green Globe label was born only a few years ago. Thus, there are various forms of labeling and monitoring of quality and at different scales. Some labels have a structuring function on the professional information and training, however, they often seem to face the issue of sustainability. In addition, the heterogeneity of labels results in having low visibility for tourists.

The reasons given to explain why the label is not so present in the identification process of the SME are multiple. They include:
- A label does not exist for the type of business activity
- The SME has not been solicited
- The SME does not know how to obtain a labeling
- Labels are only for large companies

Second, respondents argue that the "sustainable" (eco-tourism) practice do not necessarily have an impact on customer choice. And they still seem uncertain about the results of these practices, because they do not conceive concretely the return on investment.

However, respondents assert develop methods to ensure that there is quality in the service provide, which also allow sustainable tourism. Their examples are:
- Offer good price / quality ratio
- Work only with fresh market products
- Invest regularly to make the place more attractive
- Maintain a good service and a good home
- Selective waste sorting
- On-site green waste processing
- Measure energy expenditure
- Buying a hybrid car for the company

For the respondents these are some examples of key competitiveness criteria regarding their enterprise in the future:
- To negotiate with partner-agencies
- Relative steadiness of oil prices
- The SME offering a range of products that stand out from the competition
- Take advantage of the collaborative Web
- Facilitate the booking
- Having a good quality of services
- Enhance the site to make it specific and convivial

Conclusion

The data collected and observations lead to the conclusion that the private and public tourism experience the principles of sustainable tourism in terms of their approach (economic or political) of the tourism activity.

Most sectors of the economy must therefore conduct a deep reflection on their production methods to take into account the backbone of training for sustainable development thinking. The goal is to enable greater economic competitiveness of tourism enterprises in France, including the quality of employment in the area.

Specific Survey

France

Summary

Presentation

We conducted our surveys on the competitiveness of tourism SMEs in France during 2012 (from February to October) through specific interviews. We met with some 20 companies in various regions and départements (Brittany, Champagne-Ardenne, Centre, Côte d'Azur, Paris, Pays de la Loire, Seine-et-Marne, and Vendée), highlighting the extreme geographic diversity – and attractiveness – of tourism in France. The interviews were conducted generally with the CEO or the director of central services. Half of the companies were microbusinesses (< 9 employees), 30% small companies and 20% medium-sized companies. This choice was not intended to be an exact representation of the demographics of French tourism SMEs, but was made as objectively as possible in order to represent the majority of fields of tourism as defined in France,

- travel (4 travel agencies and tour operators)
- hospitality (10 hotels and accommodation facilities)
- territorial and heritage organisations (three local governments or territorial tourism agencies and cultural agencies)
- business travel (four MICE companies)

Overall, the panel represents quite faithfully the economic structure and average size of sector companies in France: half of them are microbusinesses (< 10 employees), six are small companies (with between 10 and 50 employees) and four are medium-sized companies (with between 50 and 250 employees).

Difficulty in interesting the companies

It seems important to note that many companies, which had been surveyed early in the year on the topic, showed very little willingness, or interest, in answering a survey specifically about competitiveness in tourism and did not respond to our survey. In fact, our approach met with a degree of disillusionment or even mistrust ("what can you expect from politicians?", "what projects can Europe offer for companies like ours?"). To neglect to mention these reactions would be to fail to be objective, given the frequency of this type of response, often consistently. Perhaps it is due to the French character that is so well known outside the country's borders. Indeed, several people indicated that they expected nothing from the state or from the European Union on the subject. Others commented cryptically explaining simply that the notion (or concept) of competitiveness is trendy, that it seems to be a magic word for politicians, like growth or sustainable development, but that it does not have the same meaning in the "real" world, where people are just trying to keep their companies afloat, to pay their employees and social security contributions. Others explained that all they expect from public authorities are statistics (observations and trends).

It appears that there are very different horizons (that are even difficult to reconcile) between the prospective macroeconomic analyses of French or European

administrations and the activity of often very small companies that have to adapt to day-to-day contingencies and have difficulty making medium or long-term projections. Two worlds seem to cohabit without really knowing each other: the first gazes at the horizon from a mountain top, and loves a global view, while the other has its head bowed over the handlebars, eyes riveted on the speedometer and the fuel gauge to avoid running out of petrol…

Global analysis

In choosing companies, we focussed on efficient tourism facilities that appear regularly in discussions that the CNAM team has with the professional world in its activities within the Institut Français du Tourisme (a network of centres of excellence in tourism in France). Based on these twenty-some interviews, it appears that six topics federate the analyses and expectations of French tourism SMEs regarding the competitiveness of their sectors of activity. We believe that these topics, which are certainly not the only ones to have been mentioned, best represent current and future concerns for the companies surveyed. The following summary presents the topics in alphabetic order, and not in order of priority, because each of these topics on its own determines all or part of a company's competitiveness. The six topics address distribution and customer relations, entrepreneurship, training, quality, seasonality, and sustainability.

Distribution and customer relations

Tourism is currently being shaken up by two revolutions that need to be understood, and that companies, especially the smallest ones, must imperatively prepare for. Some, without being alarmist, believe that it may already be too late. For example, renovating their properties and adapting their offers to new forms of distribution (including network or label membership in order to appear and exist for clients surfing the web or buying standardised guides) are major concerns for independent hotel owners. Many independent hotels are run-down or unsuitable. We estimate that half of independent hotels might be sold in the next decade for economic (insufficient capital), technological (lack of innovation) or demographic (retirement of the owners) reasons. The first revolution affects distribution, which is essential for every structure, in order to find clients, get them to consume and pay, and build loyalty. Today, these three functions are performed almost exclusively over the internet. It is important to be aware of this, as it is a primordial issue and a radical change in function. It's a bit like asking a baker to stop selling cakes in his shop and to sell them only over the web. In many cases, distribution is dominated by intermediaries (booking.com, expedia.com, TripAdvisor, etc.) and some companies depend on intermediaries for over 80% of their distribution. Distribution independence is of major concern, so that all distribution channels aren't handed over to intermediaries. The same is true for protecting the value of most goodwill. The other current revolution, linked very strongly to the first, lies in users' consumption. It establishes a huge work site which is the change in customer relations. Companies have to adapt very quickly to this, in order to find ways to meet their clients' new aspirations. In the past, a reputation was built locally, and foreign tourists receiving poor information or leaving dissatisfied, were no real threat to the establishment's reputation. But today, clients can express their dissatisfaction everywhere, in every language and in just a few seconds. This is a fundamental revolution in the relationship between the professional and the client.

Training

It is quite common, even expected, to hear tourism professionals criticise training in France. The major hotel management schools are in Switzerland. Has anyone heard of a major French training reference in the sector? Yet, many business leaders report that, in fact, it is quite easy to find serious, motivated and fairly well-trained job applicants. However, this holds true for young people graduating from programmes other than hotel management and tourism. The overall level of young employees is entirely decent; they are more mature than people say, as reflected by their ability to integrate into the labour market, which has visibly improved in recent years. This is likely due to more international experiences, which are often required by professional schools or Master's programmes, and to a level of English that lets them go straight to work. This observation holds true for almost all the support functions in an average company, except for distribution, marketing and e-commerce. This is a true deficiency, because this is where companies' competitiveness lies both today and tomorrow, and hotel management schools and universities don't teach technical and business skills.

However, major problems persist. Businesses invest heavily in initial training, both in financial terms (up to €100,000 annually for SMEs employing 50 to 60 people) and in receiving interns or apprentices. It has never been easy to choose the most relevant programmes, because many are designed on outdated situations, examples, data or analyses. It's a bit like certain schools or universities teaching future Airbus A380 pilots how to fly a 1914 biplane. The metaphor may be a bit rough, but training programmes evolve much more slowly than the sector does. Business leaders lament the lack of consideration on the part of public authorities, and especially the State, who have no vision or strategy for tourism or the hotel industry. Yet, this is a fantastic source of jobs, so all players should work together to professionalise and raise the image of jobs and training. But no, the French elite prefer concepts over pragmatism.

For many business owners, a real desire is needed to create a true tourism sector in France, something like that which exists for high-level athletes at the Institut National du Sport, de l'Expertise et de la Performance (INSEP). An institute should be created to train future tourism professionals, where teaching would focus on the jobs and skills of the future. From there, the finest candidates could be selected at all levels; those who are motivated, responsive and open to the world. For the hotel industry, for example, and the hospitality sector in general, a practical school is needed that would teach students how to create or take over a small hotel, how to juggle various skills and handle everything from plumbing to Google key words. Most of the skills should focus on learning languages (many young people in France understand English and can make themselves understood, but their abilities are almost laughable when compared to the abilities of youth from the Baltic countries, for example, who speak four or five languages fluently), "people skills" and the ability to resolve client behaviours, adapt to clients' wishes and needs, and master new distribution and communication tools. Training is urgently needed in distribution, marketing and e-commerce to meet tourism companies' vital questions (how do I fill my hotel? How do I avoid becoming dependent on intermediaries, etc.?). This requires new programmes and new ways of learning that are less theoretical and much more practical.

Entrepreneurship

Entrepreneurship isn't easy, especially in France where there seem to be many obstacles. This is, of course, the case in tourism. Many of the business leaders we questioned bemoan the lack of consideration given to entrepreneurs in this country, despite measures that are considered worthwhile (auto-entrepreneur status, reductions in certain contributions, the research tax credit, etc.), that have encouraged some young people to embark on this "adventure". Creating a company, inventing a product and making investments require time, resources and skills. France often appears overcautious, where the graduates of the "grandes écoles" have a lock on the economic system, and the rank and file, or those without a university degree, have a very difficult time trying to reverse this situation. True entrepreneur status, with the support of chambers of commerce and professional federations, would allow business people to benefit from tools that are often developed in business incubators, which do not exist for the tourism sector.

Yet, business leaders insist on the fact that, in many cases, the most educational experience for them was the long learning period where the difficulties they encountered led them to examine their projects in depth and ultimately take the plunge with a finalised product. They didn't succeed on their first try, but found reasons to keep on trying. Success in tourism is like success in any type of business: you need a vocation and to be willing to work while everyone else is resting. You need tenacity, then even more tenacity to set up a business and develop it, but you also need on-the-job training. Initial training is important but mustn't last too long. People need to deal with reality, then in light of the difficulties and failures, adjust their knowledge and get appropriate training.

Despite many innovation assistance programmes with sometimes uncertain results, business creation must focus on an obsession for serving clients. Tourism sells relaxation. Working in the sector means above all wanting to serve others. Despite the gloom and relatively sober macroeconomic structural trends, tourism is an act of curiosity, showing the positive effects of globalisation and invalidating nationalistic behaviour. The growth being seen in emerging countries is like Europe's golden years following the Second World War. Everyone gets a turn, and the effects of this growth in India or Brazil will certainly be felt in Europe and in France. So, the owners of SMEs are optimistic, they mustn't be afraid of the future. Young entrepreneurs need to travel a great deal, study abroad, learn languages, and be true citizens of the world. Traveling and changing surroundings leads to outside-the-box thinking, stepping back and taking a look at what works elsewhere. There are so many good ideas in other countries that could have great potential in France… True entrepreneur status would make it possible to learn best practices, whether European or worldwide.

For the youngest entrepreneurs, those of the internet, electronic tourism and gift pack generation, the decision to create an enterprise is often based on a desire for freedom and independence. It is part of a long shift from the comfortable status of employee towards independence. These people become tourism entrepreneur in stages. No barriers can be raised if a successful enterprise is to be created. The first barrier is in the mind. You need to tell yourself that it's possible and worth a try. Then, you need to try to identify what the client needs. This is the key to success, specifically meeting a client's need. It takes a nine-to-twelve month preliminary market study to determine how much money the model will bring in, how it can be earned and what development prospects are available on the market. It just takes a

bit of time to do things better than everyone else. No entrepreneur can claim to never have fallen on hard times: financial problems (no cash, no working capital) are real. The first years are very hard, which is why tax-free status or tax cuts are necessary. Entrepreneurs need to be psychologically strong to hang in there. Perseverance can be the difference between success and failure.

Quality

Developing a tourist activity requires defining a strategy (type of product, environment, etc.), goals, coherence, a location, feasibility studies and investors. There is a common thread, with a few elements at the heart of the project, including irreproachable product quality. Today, quality is classified in many ways. Many French companies are interested in labelling approaches, but a lack of visibility or immediate economic impact seems to limit certain processes. Yet, almost all of the business leaders we interviewed stated that their structures can become more competitive only through constant improvement in the level of service, along the entire value chain. This is a must to attract international tourists, because it's so easy to compare quality standards. For a hotel, for example, new technologies represent 30 to 50% of business today, becoming the activity's lifeblood. This is particularly true for reservations (reservation centre, reservation channel management, yield management). Computer applications have quickly become commonplace, and while a last-minute sale seemed to be the most a hotelier could offer ten years ago, today we can almost speak of last-second sales. Another example can be taken from the technologies in hotel rooms. Wi-Fi used to be provided for a fee, while today it is everywhere and it is free. All hotel rooms have flat-screen TVs. The majority of guests of the palaces on the French Riviera are from the Middle East. Behaviours have changed and so have expectations, both as concerns new services and adapted products. For European guests and French guests in particular, staying in a hotel means having more or better things than what they have at home. This obviously involves the facilities offered, but also the layout of the common areas and of the rooms. The concept has changed over the past decade and the standardisation of previous decades is outdated. Every hotel has to be different, with a specific theme, a unique ambiance, and fine materials. All the current rules need to be broken when it comes to room and lobby layout, along with the design, decoration and comfort of use, in order to move towards greater freedom, and to create easy-living areas that are warmer, more practical, attractive and as economical as possible. This holds true for both corporate and leisure clients. And this service, which must attract the client, has to offer the best value for money. In other tourist activities, like heritage sites, the quality of reception seems fundamental. Some museums, châteaux and private domains are developing global strategies to improve accessibility including accessibility for the disabled (the importance of an aging population is now clearly understood). Most are also adapting their offers because visitors are no longer interested solely in the rich heritage but are also looking special events. There needs to be a veritable offer/proposal for visitors with at least three exhibits each year in each locale. This complicates both scheduling and the financing of these events, with a so financial partners are needed, whether public or private, French or foreign. Some problems seem to be shared when we raise the question of quality with the mangers of heritage sites. How do we protect the heritage while welcoming visitors? What type of financing and investment should we seek? How do we maintain the building in a satisfactory state? How do we undertake work while

remaining open for business? What activities can we organise that will bring the site to life in a coherent manner, while anchoring it in its region? This is why quality control positions have been created (conformity with concept, information and use), including in tourism SMEs. Companies now frequently hire former quality certification officers from industry who have a keen eye and good judgement. Talents have been identified and developed in some companies, and sales personnel have become “quality” control managers. This satisfies a desire for a progressive increase in skills, although there is the risk of seeing these talents leave the company. But those are the rules of the game!

Seasonality

This is one of the biggest problems in tourism. Despite the large number of jobs created each year, tourism employs many seasonal workers, veritable “casual” employees who divide their lives between ski resorts in the winter and beach resorts in the summer. They don’t just work the season, they work the *seasons*! There are many and different seasonal jobs: from waiters to ski instructors, from ski lift operators to diving instructors, from mountain guides to pizza chef to receptionists. For many SME owners, it is important to note that hiring a seasonal employee is a responsibility avoided by too many companies by hiring people under the table. Seasonal employment contracts are essential for the tourism industry, which could not exist without them. The average length of seasonal contracts varies a great deal (two to four months on the Atlantic coast, six to eight months on the Mediterranean coast and in mountain regions where they combine the winter and summer seasons). These are fixed-term contracts and they may be renewed under certain conditions. Despite its flexibility and suitability to new trends, seasonality does have disadvantages for both the employer and the employee. For employees, except for students who gain their first professional experience through seasonal employment, a succession of fixed-term contracts can lead to job insecurity (status, career, housing, health care, etc.). A number of initiatives should be showcased for seeking to improve the living and working conditions of seasonal workers: the seasonal tourism plan (Rhône-Alpes), a methodological guide for local authorities to create housing for seasonal employees (1% housing), and groupings of summer and winter, or sea and mountain employers. So, seasonality and job insecurity are two concepts that many business owners no longer want to see associated with each other.
Holiday villages, for example, are organised to meet the needs of vacationers, of both parents and their children, in a clean and safe atmosphere and on attractive sites. Each village meets the demand for all-inclusive service which includes accommodations, restaurants, kids’ clubs starting at the age of three months, festive activities, wellness, sports, equipment loans, etc. Most employees are seasonal except for the directors and deputy directors, maintenance managers (responsible for maintaining the property), certain kitchen chefs and child services managers (day care) who are employed full time. These positions demand either a permanent presence or skills that are difficult to find on the market. Seasonal workers are given room and board in exchange for part of their wages. Restaurants in the most popular tourist regions, like the French Riviera, have invested in housing for their seasonal workers. Some companies also help their seasonal workers gain skills, through financing provided by law for individual training leaves (CIF). This is often done for catering and cooking, as well as for maintenance (building maintenance technician), but training is also provided to help certain seasonal workers receive training to

become tourist facility managers, for example. The main difficulty lies in organising qualifying training programmes during the off season, a real organisation problem for companies.

Sustainability

For many entrepreneurs, the issue of “sustainable” tourism is ambiguous, due to the popularity of sustainable development, which has become an all-purpose word and has now lost practically all of its meaning. Despite this, it appears that “sustainable” tourism is being imposed bit by bit on all players, even the most refractory. Sustainable tourism is a remote concept for French tourists in particular, most of whom neither practice sustainable living nor advocate it. However, companies are adapting to nascent trends like the use of mass transit, accommodations in “green” hotels or in private homes, and the use of local products and producers. Consumers’ new aspirations are an opportunity to sell the “France” product differently, including the products that make up “France”, like its natural and historic heritage, its small hotels and hiking trails, its rural cottages and cycling tours. Companies are adopting management through environmental quality as an organisation principle. HEQ building standards are being adopted, as are ISO 14000 (environmental management system) and ISO 26000 (organisational social responsibility) standards. Other labels or eco-labelling could also be created (or rationalised) at the European level and in France, although their large numbers risk creating confusion. For many companies, standard harmonisation (international, regional and national) is needed (standards, labels, certification schemes, etc.). For example, some fifty labels already exist in the hotel sector. Companies are also subject to various environmental taxes (air travel solidarity tax, the Chirac tax, the carbon tax, gas emissions trading markets, etc.). The impact on behaviours (guilt over taking a plane, choosing to take the train rather than drive) and ethics has become essential. This is the course of history, even though France has put off applying certain principles of the “Grenelle Environment Forum” (a consultation programme begun in 2007 by the French government to define new actions for sustainable development in France). The link between quality, and social and environmental management of tourism has to go further, especially as concerns human resource management, personnel training, and career advancement. Because today, sustainable tourism jobs are still hard to find. There aren’t very many “green” jobs, that is, those related to sustainable development, or “greened” jobs, requiring “green skills”. There are some “green growth” jobs in tourism in France, but the owners of SMEs still consider them marginal, whether in existing positions (from heritage promotion agents to organic cooks in mass catering, or bus drivers) or emerging jobs (sustainable development advisor, environmental impact advisor, carbon footprint advisor, product eco-designer, or risk manager).

HUNGARY- *EDUTUS COLLEGE*

Global Survey Summary

SUSTAINABILITY AND COMPETITIVENESS OF SME-S IN THE TOURISM SECTOR –FINAL RESEARCH RESULTS

1. Role of SMEs in the tourism sector in Hungary[102]

1.1. SMEs in Hungary

There are approximately 55 SMEs per 1000 inhabitants in Hungary (population 9.986 million)[103]. Since this is mainly due to a high overall number of businesses, the proportion of SMEs as compared to all enterprises is exactly the same, even though the micro enterprises sector is comparatively more important in Hungary. The percentage of medium-sized and small enterprises is correspondingly lower. The contribution of SMEs to employment in Hungary is 71.1%, compared to the European average of 67.4%.

Looking at statistical data in Table 1, in terms of SME employment Hungarian SMEs contribute more to total employment than the EU-average, in particular in the segment of the Hungarian micro enterprises (35.4% vs. 29.7%). On the other hand the figure was reversed in terms of value added, suggesting room for improvement in terms of the productivity of the Hungarian micro enterprises.[104]

Employment in Hungarian SMEs remained more or less stable in the period under consideration, whereas it increased with 12 % in the EU on average.

Table 55 Number of enterprises, SME employment, and value added - Hungary

	Enterprises			Employment			Value added		
	Hungary		*EU-27*	Hungary		*EU-27*	Hungary		*EU-27*
	Number	Share	*Share*	Number	Share	*Share*	Billion €	Share	*Share*
Micro	503 171	94.4%	*91.8%*	881 142	35.4%	*29.7%*	9	17.5%	*21.0%*
Small	25 122	4.7%	*6.9%*	479 676	19.3%	*20.7%*	8	16.2%	*18.9%*
Medium-sized	4 125	0.8%	*1.1%*	406 302	16.3%	*17.0%*	9	18.2%	*18.0%*
SMEs	**532 418**	**99.8%**	***99.8%***	**1 767 120**	**71.1%**	***67.4%***	**25**	**51.9%**	***57.9%***
Large	822	0.2%	*0.2%*	719 477	28.9%	*32.6%*	23	48.1%	*42.1%*
Total	**533 240**	**100.0%**	***100.0%***	**2 486 597**	**100.0%**	***100.0%***	**49**	**100.0%**	***100.0%***

Source: Eurostat, elaborated by EIM. 105

[102] Dr. Csilla Jandala, Dr. Pál Gubán, Béla Zsolt Gergely, Borbála Gondos, Judit T. Nagy: *Overview of Hungarian SMEs in the Tourism Sector,* Knownet, European Tourism SMEs and Sustainable development: Building a European Network for Tourism, Synthesis report, 2011

[103] On January 1, 2011; Source: Hungarian Central Statistical Office (STADAT Table 1.1)

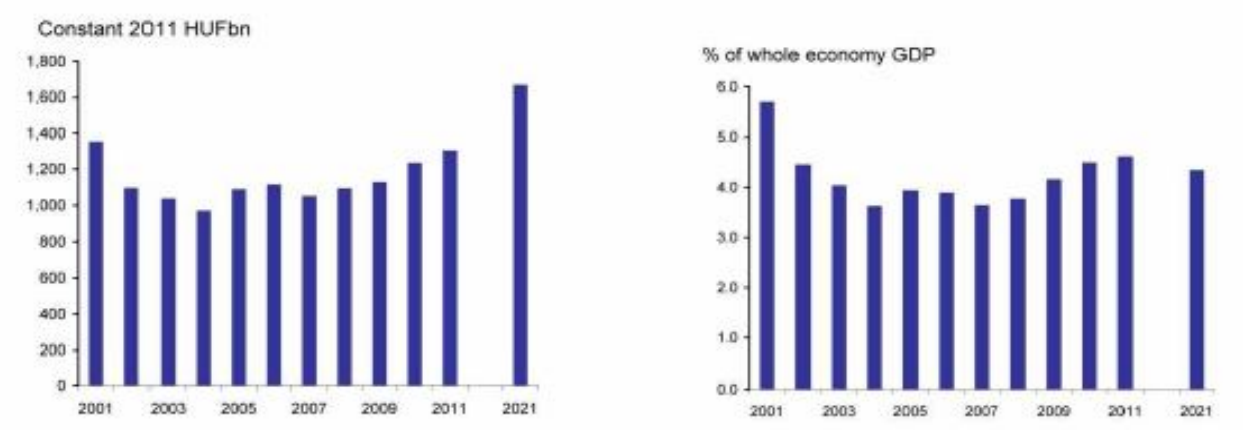
[104] European Commission DG Enterprise and Industry, SBA Fact Sheet Hungary '09

[105] Data refer to the non-financial business economy (NACE C-I, K) and represent estimates for 2008. The estimates have been developed by EIM Business and Policy Research, based on 2006 Eurostat Structural Business Statistics figures.

1.2. SMEs in the tourism sector

Tourism Satellite Account (TSA) data compiled by the Hungarian Central Statistical Office is only available through 2007. In 2007, according to the TSA the tourism sector's contribution to GDP was 5,9%. More recent data from the WTTC country report for Hungary suggests that direct contribution of Travel & Tourism to GDP is expected to be HUF 1 305.1 billion (EUR 4.85 billion) in 2011 (4.6% of GDP)[106]. This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). But it also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists.

Figure 35 Hungary: Direct Contribution of Traval and Tourism to GDP



Source: WTTC (2011)

There is data available (see Table 2 below) for number of catering units by types through 2009 – **restaurants & buffets**, **confectionaries**, **taverns & music clubs**, and **catering units dealing with workplace, event & public catering**, such as canteens, mess halls, cafeterias, concession stands. In 2009, the number of taverns & music halls shows a 45.53% jump over 2008, and an even larger increase occurred in the number of confectionaries – it went from 1 705 in 2008 to 3 108 in 2009, a staggering 82.28% rise. It would be interesting to see if there is a correlation between the volume of consumption of alcoholic beverages and confectionary items (sweets, pies, cakes, ice cream, etc.), and whether this type of consumer behavior is a ramification of changes in consumer psyche due to the global financial crisis. The number of restaurants and buffet decreased significantly from 2008 to 2009.

[106] World Travel & Tourism Council (WTTC) report, The Travel and Tourism Economic Impact in Hungary, 2011

Table 56 Number of catering units by types (2001-2011)

Year	Restaurants and buffets	Confectionaries	Taverns and music clubs	Restaurants in total	Catering units dealing with workplace, event and public catering	Catering units in total
Number of units at the end of the reviewed period						
2001	33 666	1 764	12 521	47 951	4 076	**52 027**
2002	34 473	1 805	12 923	49 201	4 571	**53 772**
2003	34 891	1 842	13 344	50 077	5 071	**55 148**
2004	34 830	1 850	13 648	50 328	5 358	**55 686**
2005	34 801	1 847	13 827	50 475	5 819	**56 294**
2006	34 777	1 824	13 753	50 354	6 140	**56 494**
2007	34 596	1 745	14 078	50 419	6 752	**57 171**
2008	33 905	1 705	14 003	49 613	6 999	**56 612**
2009	23 079	3 108	20 379	46 566	5 338	**56 612**
2010	24 709	3 312	21 511	49 532	5 533	**55 065**
2011	25 245	3 283	21 529	50 057	5 673	**55 730**

Source: http://www.ksh.hu/docs/eng/xstadat/xstadat_annual/i_oga007.html

1.3. Employment in tourism sector

Travel and tourism is expected to generate 236 000 jobs directly in 2011 (6.2% of total employment). This includes employment by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). It also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists. By 2021, travel and tourism will account for 244 000 jobs directly, an increase of 8 000 (3.5%) over the next ten years.[107]

The TSA/HCSO numbers for total persons employed in the Hungarian tourism sector is 322 719 persons in 2007[108] (latest TSA data available) whereas the figure put forward by Eurostat/LFS for the same period of time is 392 600 (using the NACE Rev.2 industrial classification for accommodation and food service activities – I, only). According to the same TSA table in 2006 about 355 000 persons were employed in the tourism characteristic industries, estimated in "full-time-equivalent" (FTE). That is 9.2% of the total number of employed in the Hungarian national economy. The majority of jobs were recorded in food and beverage serving industries and in passenger transport. 83% of the persons had an employment status, and 17% of them were self-employed (or family member). Curiously enough, the Eurostat tables contain data for the subsequent years, yet the HCSO doesn't have any data available at all.

[107] World Travel & Tourism Council (WTTC) report, The Travel and Tourism Economic Impact in Hungary, 2011
[108] HCSO: TSA 2004-2007; number of persons employed in "full time equivalent" (FTE)

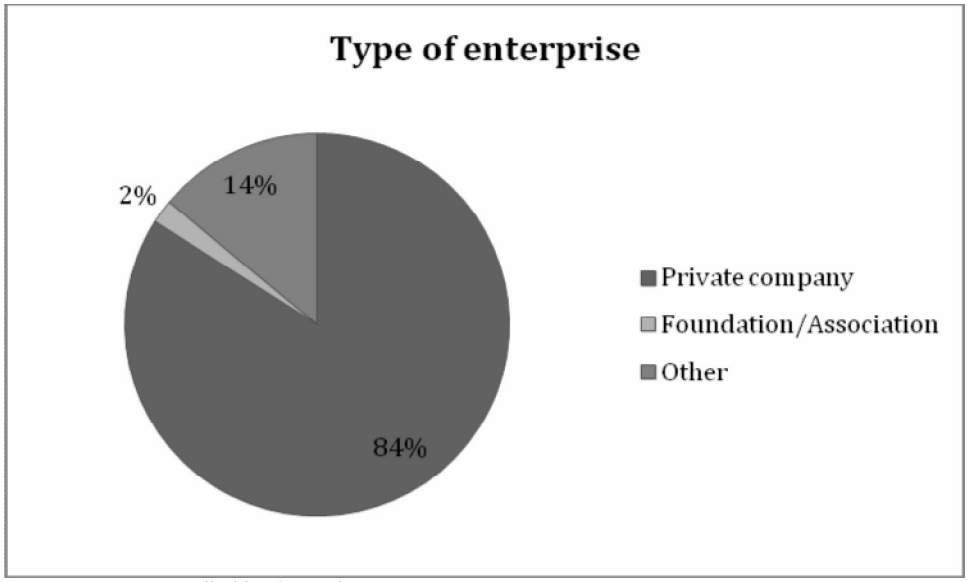
2. Results of the research

The online questionnaire was sent out to members of Hungarian Association of Tourism and Hospitality Employers (VIMOSZ - Turisztikai és Vendéglátó Munkaadók Országos Szövetsége), and has also been posted in the online version of the newsletter of Tourism Bulletin (readership of over 20 000 thousand subscribers). House of SMEs, one of the leading social sites for Hungarian SMEs agreed to distribute the questionnaire to its members as well.

2.1. Introduction of respondent enterprises

This paper analyzes (N = 100) that includes enterprises that submitted the on-line questionnaire between 1 st February 2012 - 31 th July 2012, but unfortunately it is not representative. The data set reveals that all the respondent companies are registered in Hungary, most of them (84%) are privately owned (Figure 2) and 38% of them operate within the hospitality industry.

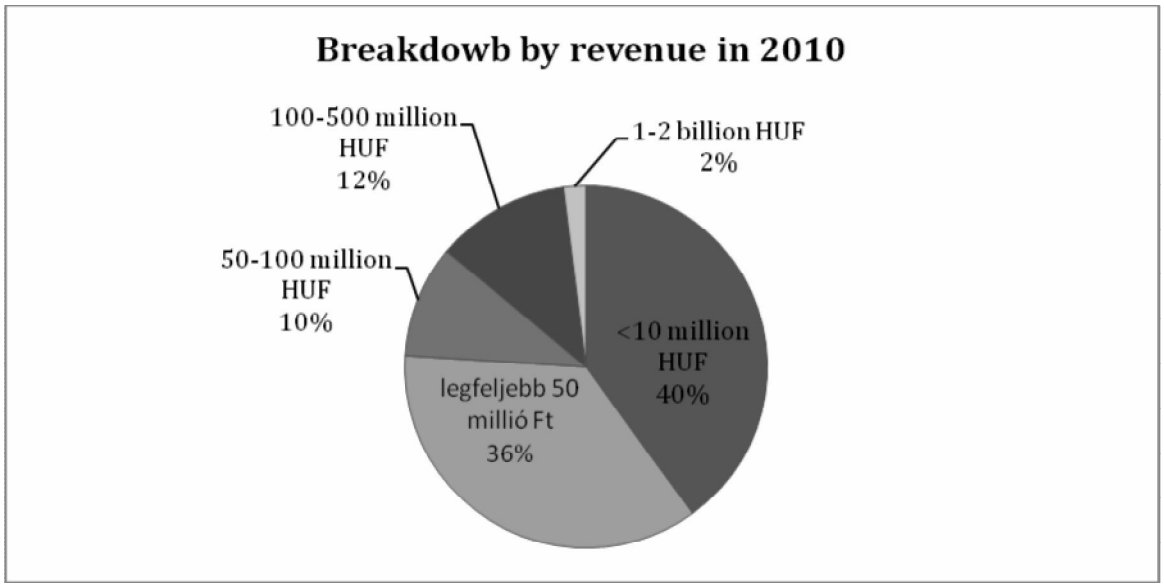
Table 57 Type of enterprise - Hungary



Source: Compiled by the authors

As you can see in Figure 3, the corporate revenue, the 36% of the companies have maximum 50 million Ft revenue, and 40% up to 10 million Ft. It is interesting that 4% of the companies have up to 2 billion Ft revenue.

Table 58 Revenue of the compagnies - Hungary



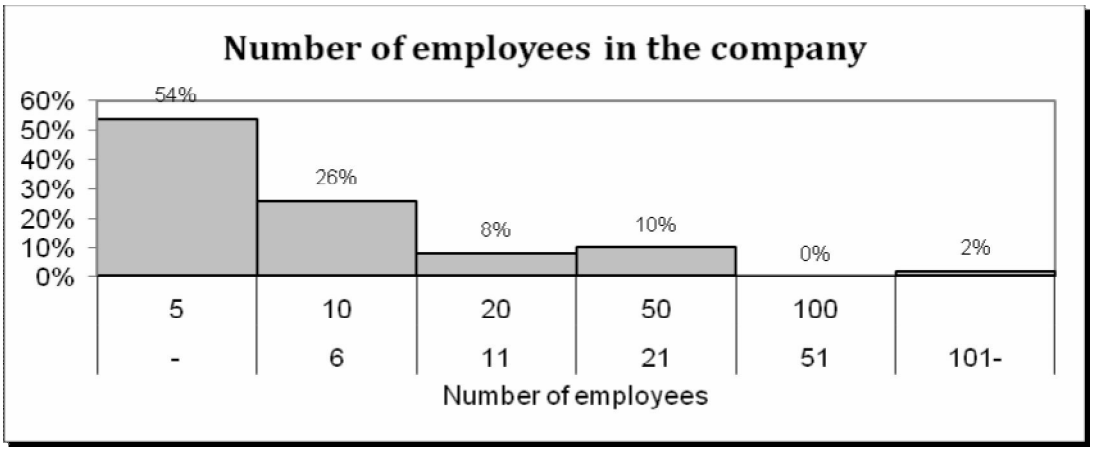
Source: Compiled by the authors

2.2. Findings related to employees

It reveals the fact that 51% of the respondent companies have only full-time employees. Since tourism is a seasonal industry 39% of companies reported that the rate of part-time seasonal workers is at least 50%.
A fairly large percentage of the respondents, 87% were aware of the fact that they could employ interns for practical training (work placements) (51% employ them) and 75% take advantage of that opportunity, while 54% were designated work placement sites involved in schemes jointly developed with secondary vocational education and training institutes.

93% of the respondents were aware of the fact the as employers they can take advantage of various programs that encourage the recruitment and hiring of people with disabilities. The programs make them eligible for public assistance and tax credits that help cover the cost of accommodations and wages for employees with disabilities. While this is an excellent way to expand and enhance their business, only 26% employ people with disabilities. The other part cite "there are no suitable positions / activity does not allow" as a reason for not doing so.

Table 59 Breakdown of Companies by the Number of Employees - Hungary

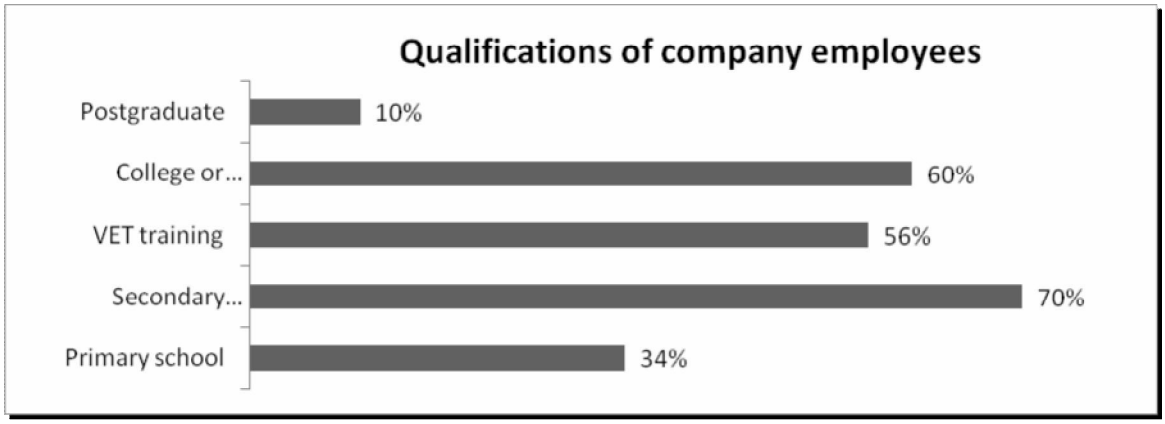


Source: Compiled by the authors

2.3. Qualifications

Employees working for 70 % of the respondent enterprises have at least completed secondary education and other mainly part have (60 %) college/university. (Unfortunately, due to the nature of the question the proportion of workers with completed secondary education cannot be determined).

Figure 36 Qualifications of company employees - Hungary



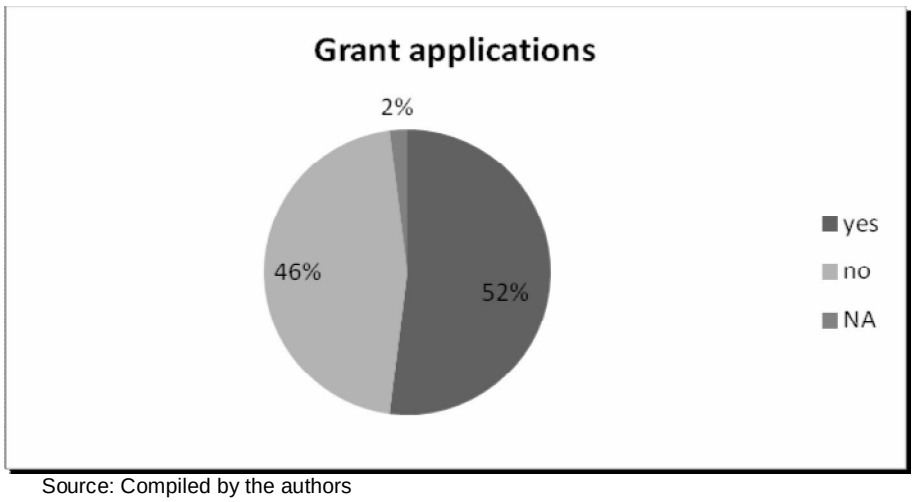
Source: Compiled by the authors

2.4. Funding opportunities - grants, tenders, public procurement bids

Only little bit more than half of the respondent SMEs (52%) take advantage of available funding opportunities and apply for grants (73%) or put forward a bid in response to calls for tenders (2%). A little over one third (32%) of the respondents have an employee on staff responsible for writing grant proposals or putting together bids. The question “What is the reason for not submitting applications in response to calls for proposals or calls for tenders?” most frequently drew responses such as “we do not have the capacity”, “we lack the resources” or “we do not wish to apply for

funding or participate in tendering". Interestingly, only 59% of the respondents were aware of funding opportunities related to sustainability, and only 38% of those (less than 22% of the sample) applied for such funding on a regular basis.

Figure 37 Grant applications - Hungary



Source: Compiled by the authors

2.5. Professional Associations

57% of the polled enterprises are members of some kind of professional association, which is not surprising, since, as shown above in section 3 the first round of sampling targeted member organizations of VIMOSZ. Non-members' most common response to why are they not a member was "we don't know anything about membership benefits." At least 10% of the respondents could mention specific regulatory changes that were a result of lobbying or advocacy by professional organizations.

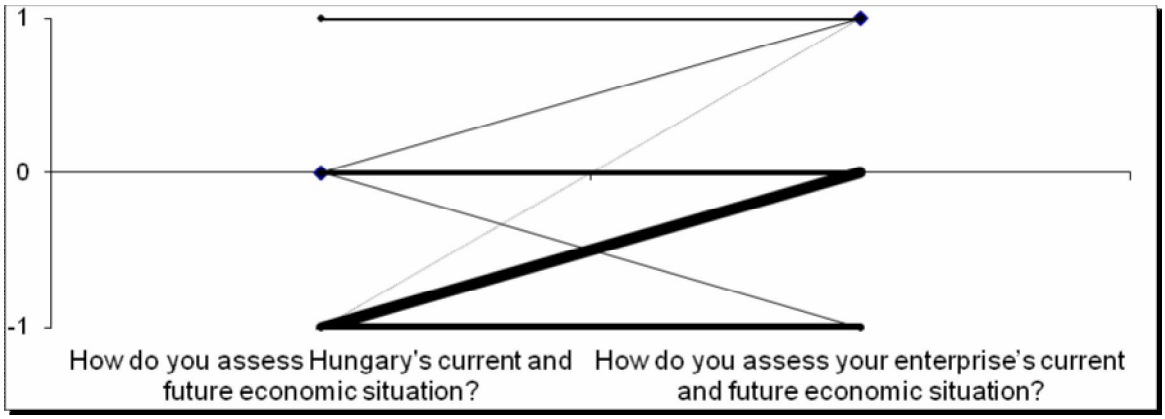
2.6. Present and future

It is interesting to take a closer look to the following two questions:

- "How do you see the country's current and future economic situation?"
- "How do you see the current and future economic situation affecting your company?"

Figure 31 is a graphical representation of the answers to these questions (multiple choice answers were: -1: decline, 0: stagnate, 1: grow)

Figure 38 Current and future economic situation - Hungary



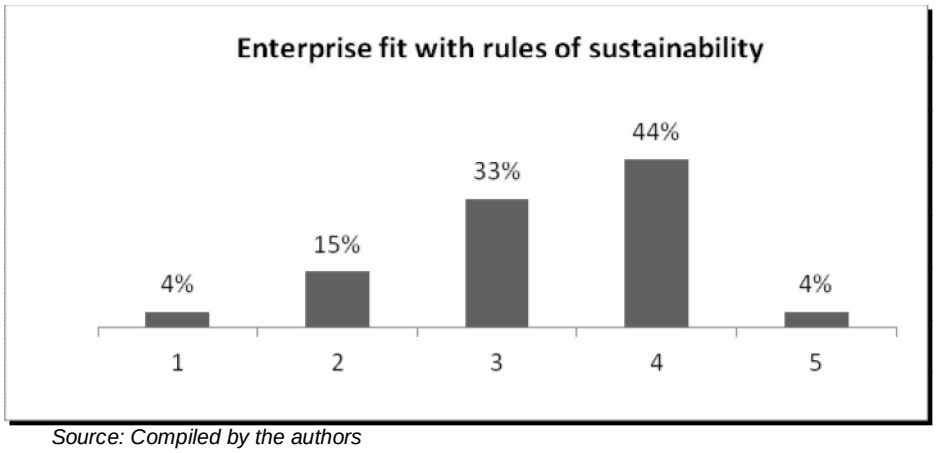
Source: Compiled by the authors

According to their own assessment, respondents said that the financial situation of their business was better than or at least as good as the country's. In Figure 7 the thickness of the line indicates that a larger number of respondents chose that particular combination. Unfortunately, business owners forecast a bleak economic outlook as they predominantly chose "less than 0", i.e. "decline" responses.

2.7. Sustainability

As far as the compliance with sustainability regulations is concerned, respondents evaluated their own situation on a scale of 1 to 5. The breakdown you can be seen in this Figure. The average response score was 3.29, with 0.91 points (27.7%) standard deviation, the mode is 4. Most companies try to be more sustainable in their operations by going green: 72% recycle and 68% use energy-saving bulbs.

Figure 39 Sustainability - Hungary

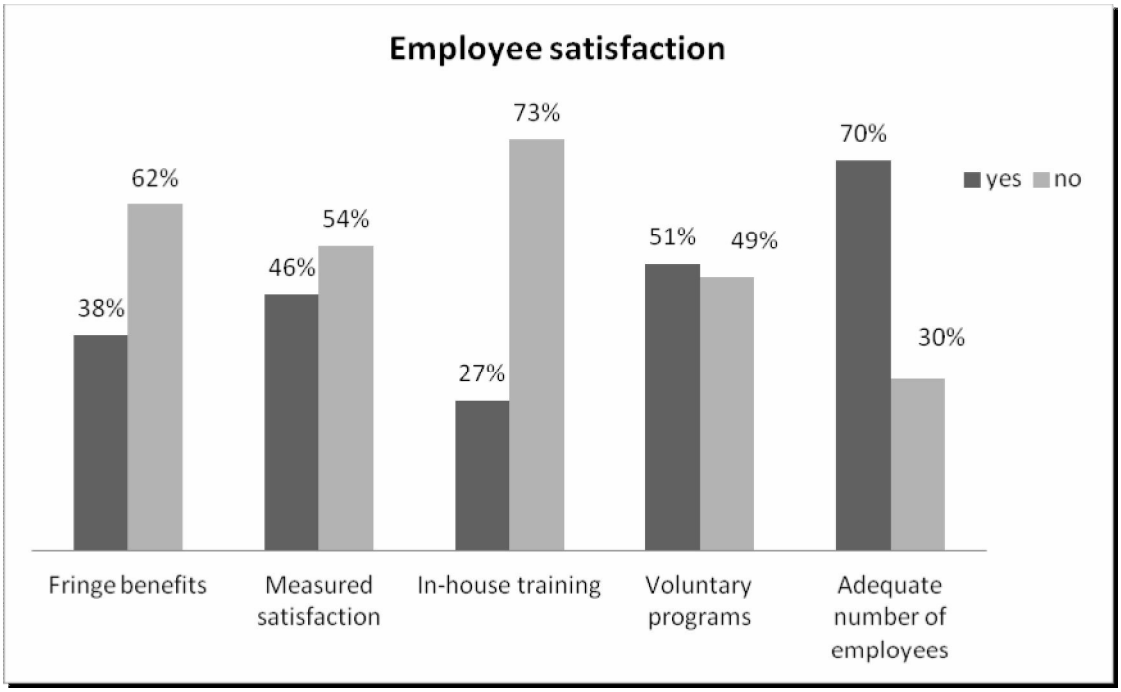


Source: Compiled by the authors

2.8. Quality of life

In the last part of the questionnaire we asked if the companies provide their employees in this Figure improvement of quality of life conditions.

Figure 40 Quality of life



Source: Compiled by the authors

Organization of voluntary programs (excursions, company Christmas party, …), and the adequate number of employees, the number of "yes" responses was higher, while giving fringe benefits (cafeteria, bonuses, 13th month pay, ...) measuring the employee satisfaction, and in the case of in-house trainings the "no" responses were dominant. The explanation could be that the fringe benefit and in-house training factors need to ensure greater financial investment in comparison with the first two. The biggest difference between number of "yes - no" answers we have found in the case of in-house training and giving fringe benefits (cafeteria, 13th month pay ...), perhaps because this requires a large financial investment from the company.
The family-friendly features assessed on a scale of 1-5. The average score of the responses was 4.07, with 0.96 (24%) standard deviation. The mode of responses is 4. The ability appropriate application of employees was rated by 4.4 average points, with 0.77 (18%) standard deviation. The mode is 5. Companies visibly strive to provide employees with some kind of benefits in order to drive up employee satisfaction and keep up morale.

Conclusion

Based on the available data, part time or seasonal workers make up about 50% of the workforce employed by SMEs in the tourism industry. This is not surprising – particularly during summertime, the industry registers a significant increase in the seasonal workforce. Three quarters of the companies opt for internship placements, and 10% of will hire the intern as a full-time employee. Half of the polled enterprises participate in programs that facilitate the employment of people with disabilities.

The rate of applications for funding is fair, 52%, but should be higher considering the fact that the respondents are SME owners. Government and EU funding, grants could be instrumental in small business development, but many companies lack own resources or matching funds that are often required. There is a need for a shift in funding policy so that tourism SMEs could get easier access to grants.
On a scale of 1 to 5, respondent companies averaged between 3-4 concerning compliance with the rules of sustainability, for example, most of them recycle.
Research on quality of life plays an increasingly important role, so questions pertaining to this topic were included in the survey. Job satisfaction and workplace appreciation are factors that greatly influence quality of life. Unfortunately, the answers we received so far indicate that workplace appreciation does not materialize through remuneration, but rather through non-financial employee incentive programs. Employees of SMEs do not get the same benefits as the employees of a larger company (for example large hotel chains), even though the importance of such benefits is major. These could increase the per capita discretionary income of SME employees, which could be funneled back into the economy via consumer spending on travel for example. Positive affect associated with specific experiences of a travel trip influence tourists' overall sense of well-being (life satisfaction).
We look forward to the next phases of our research. A significant increase in the number of responses will render a more accurate picture about this sector, which plays a major role in the Hungarian economy.

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Specific Survey

Hungary

Summary

The Specific Survey is based on field visits to involved SMEs entrepreneurs in Knownet Project. The team had made face-to-face semi structured in depth interviews on site with the most appropriate entrepreneurs concerning our research topics.
The chosen groups of SMEs from the total involved parties are those who's practice, results, involvement in the tourism business and networking and dissemination of knowledges, information and innovation are different from the industry's average. Although, their economic efficiency and development not always outstanding in the Hungarian scene, but they are more conscious, proactive and committed to the ideas of sustainable development and social responsibility as well as their followed daily practices in innovation, providing quality services and they are fare beyond the simple price competition.

1. SMEs involved in viniculture as their basic activities at the beginning

Nowadays they are became very complex raw material producers in agriculture and manufacturer of their side products, but most of them are deeply involved as different kind of tourism service providers also.

Some example of the activities made by them:

- Wine making and selling even in the foreign markets
- Cellar door selling, wine tasting packages for different kind and type of tourists, tailor made programs with special interpretations according to the needs, even in different languages
- Special offer of local gastronomic specialties, produced by local small holders, wide variety of home made curiosities, "terroir-type offers
- Organizers of their own special events related to the "haus" festives and special days
- Active involvement in the community festivals and events
- Accommodation providers
- Programming and packaging tours jointly with local partners to neighbouring areas
- Very active involvement, in many cases leading role, in networking, information and knowledge sharing, in organizing study tours to abroad, bidding activities for EU and government founds serve as a model for others and new comers

- Usually they are the leading force for village and town rehabilitation projects, conservation programs for built and cultural heritages and natural values, their financial contributions are also must be mentioned
- They are the generators of the Hungarian Wine Route Movements, many of them where awarded of the Honor of the Best Wine Maker of the Year or The Best Cellar of the Year
- They are active in different kind of professional organizations

Regarding their technological innovation activities

Besides they have been following their ancestor's traditions in cultivating traditional types of grapes and wine making methods (many foreign and Hungarian experts believes that it is a very important way ahead for the newly joined countries in the world market for getting business success), they learned the modern reductive technology and introduced it to their daily practices, too. Many of them are also outstanding actor in innovative product development in their fields.
It must be also important facts that the second generation of the family is also integral part of the operation and management. All of them are have university degrees and taken special training programs related their duties and they all good in different kind of foreign languages.

Good examples

The grape seed is one of the most natural source of antioxidants. The grape seed micro extract is a wonderful gift of nature, which is a special dietary supplement. The grape seed constituents, known as polyphenols, may foster protection of cells, confronting the effects free radicals. Such polyphenols present in the grape seed micro extract contribute to block the harmful oxidative procedures due to their antioxidant effect. All the antioxidants present in the grape and the wine are to be found more concentrated in the grape seed micro extract.
The red wine contains numerous beneficent compounds. The high antioxidant content is a well known fact.
There are producers among our SMEs partners who make grape seed oil which is extremely rich in bio-active antioxidants. Due to its high heat-proof characteristic it is excellent for cooking, or making salads in gastronomy. The tastes of oil is fruity, sour and slightly acidic. Creates such a luscious taste which is less aggressive as vinegar or lemon juice. so, due to its advantageous physiological effects the oil is a product which is not only healthy but also carries gastronomic experience in itself.
For external use it can be applied as massage oil.
Home made antioxidant chocolate specialty is also prepared with grape seed extract.

Vinotherapy

A special Wine Hotel is also in operation where all the mentioned new innovative products are used in cosmetic treatments, massages, body treatments, aroma baths based on grape and wine materials.

2. SMEs with local agricultural production and manufacturing as their main profiles and with some kind of involvement in tourism

Food and beverage expenditures amount to one-third of overall tourist expenditures of the global tourism turnover. Despite the importance of food as an input in the tourism sector, it continues to receive very little attention in the Hungarian tourism decision making processes. Traditionally, all the agricultural activities and related issues belongs to the Ministry of Rural Development, although the frameworks of duties are not rigid, they are able to provide enough room for much deeper and closer continuous cooperation and interest harmonization among potentially interested and involved actors. As we have experienced trough workshops conversations and debates the SMEs asked for much broader inter-sectoral reconciliation and harmonization in many fields influencing their activities and daily life, (e.g.: competition rules and areas, application for bids, conditions and access to financial resources, regulations fits for multi-faceted activities).

According to our experiences some of the problems originated from the old fashioned view of tourism activities. Namely, tourism is still understood as a high volume tourist flow, the mainstream, and the special interests tourism is still not considered as a highly valued traffic of tourist. So, the "new tourism's" requirements in structural changes, the needed organizations, cooperativeness, flexibility and special knowledges are still missing which would be absolutely needed for cater niche-market demands efficiently and proper way. Therefore the Hungarian tourism industry is just not able to use all the opportunities given by its special resources, take the benefits and comparative advantages because of poor and unefficient usage, sometimes even under valued and not used resources available in the country. It gives a good example again, for the missing continuous information and knowledge sharing systems and the lack of knowledge of recent tourism trends in the world market.

These are quite serious problems causing so many difficulties mainly for SMEs and newly enterers for business life. The missing useful and valid, up to date orientation and information on markets, trends and risks make the planning processes almost impossible or, at list, even more unpredictable and uncertain.

The above mentioned difficulties and issues make very hard problems for those SMEs whose activities go beyond boundaries and competencies of different leading institutions and it is through for small holder entrepreneurs as in our examples show.

Under these circumstances talking about sustainability and competitiveness, innovation and quality seems impossible. Paradoxically, our samples are exceptions, besides they have been facing with the mentioned difficulties, they are well established, with properly managed, business driven-minded family run companies.

What are the main personal general success factors behind their businesses:

- All of the founder of these companies have a university degree, some of them taking part in different training programs regularly
- All of them still in a close contacts with their mother university's professors which connections are working like a continuous coaching and this way they get the information about the most developed techniques and technologies according to their needs and interests,

- They are the great and good examples of life long learning processes preferred and supported by many EU policy, they are very well trained, knowledgeable, and extremely hard working and motivated persons, they are the real self-made mans beyond the Iron Curtain, they are the type of persons who never give up,
- They are characterized by the active involvement in professional organizations, in networking, as well as in local matters around their businesses,
- They are frequent travellers participating international fairs, shows, conferences, all of them have good business relations abroad, even overseas,

More detailed information on their productions and manufacturing activities:

- They have been in the business for over twenty years, established their venues right after the political changes
- Main activities are the horticultural productions (over forty different types, fruits, herbs) as well as cereals and deal with traditional cattle farming, sheep and poultry breading
- They do the manufacturing of their raw materials and packaging also,
- They went trough quite many labelling procedures and finally got the rewards, like BIOSUISSE, USDA ORGANIC, BIOKONTROLL HUNGARY, SGS UK Ltd, ISO, HACCP,
- Their business philosophy is the permanent modernization of the technologies used, processing methods and according to the needs of technological changes the training programs provided for their employees,
- They employ the most modern machinery in three different fields of manufacturing and processing, like drying herbs and cereals, making fruit and vegetable juices and pulps and producing bio jams,
- Their selling and exporting activities are very broad, well channelled, their products can be found in fourteen EU member states and in the USA, and in Hungary they have their own shops and selling partners in Budapest and all the big cities,
- Their main production focus are the so called "Terroir" products, as well as keeping in their mind the importance of traditional Hungarian tastes, processing methodologies and gastronomic values.

Involvement in tourism activities:

- Participation in international events,
- Established Centre for Nature Conservation and Bio Production, it is serving for special training programs for professionals and interested people from all over the country and Carpathian Basin, workshops and conferences,
- Guided tours in their farms for not only students but the interested public,
- Organizing special summer and autumn camps in healthy life style and eating healthy, bio gardening, etc.,
- One of them set up the first so called “Farm Theatre” in Hungary,

Summarizing the factors of sustainability learnt from workshops, field visits and personal interviews:

- Professional knowledges, continuous learning, active involvements in different professional and business circles,
- Networking,
- Usages of most advanced technologies, machinery and knowledge,
- Proper business and market knowledges, readiness and openness for learning, innovate and smart risk- taking,
- Only this way one can produce quality products, and find the right balance in the ever changing markets,
- The bigger ones give over fifty families for a good living standards and honoured jobs.

3. Institutions/Establishments who employ people with disabilities

There are only three institutions/establishments who have been involved in employing disabled people: one hotel situated in Budapest, a pension and a restaurant both are in cities outside the capital. Almost all of our sample SMEs knew (93%) that they can get special state support for employing people living with disabilities. 27% among them have employees with different type handicaps, but only three employ only this type of people. Two of them where involved in our research. Our college and Tourism Department is preparing themselves in order to be able to accept students with disability.

These organizations have quite wide activities in this field:

- Supported Employment programme (for those, who suffering with learning deficiencies, epilepsy, part-skills deficiencies, low educational level,) which is a special service for effective employment, which considers the mutual requirements of the job holder and the employer alike. Social methods employed for the clients who consult with the staff in the frame of SE. The steps are: assessment (visiting families), preparation ,important element is the work tests, job searching, special trainings and follow-up.
- The Foundation assists disabled with trainings, creating suitable conditions of them,
- Giving them the necessary support in personal training and education, raising their self esteem and chances to get in into the labour market,
- Helping and assisting them for self realisation and freedom of choice, integration into the society,

Children and Career Program (for woman):

- Help woman with low educational level: special courses offered for them with special time frame and schedule,
- Psycho-skills development,
- Psycho-social support,

- Practice-oriented on-site trainings,
- Child minding (they could remain in the program and take a job),

The offered professional trainings are: social attendant, social assistant, shop assistant, cook, waiter.
The Foundation also deals with single mothers with children, children who cannot be integrated in normal groups (disease, disabilities, different development, immature social relationships, etc.
The involved two organizations employ only people with disabilities. They run a business wit great success in business sense, too. they get profit out of their activities which go back to their activities according the needs.
They both employ HACCP and TQM methods and requirements and carefully select the raw materials buying in. Preferences given to the local producers for fresh, daily products. They have international partners and cooperate and share experiences and methods used by them. They are employing the basic criteria of sustainable development, are involved in special training programs offers to dedicated people. The social responsibility elements are very strong in the operation and management either in job or free time activities among their staff people.

Global Survey
Summary

SMES IN NORTHERN GALLURA, SARDINIA
COMPANY OVERVIEW

All SMES, interviewed in UCG territory, operate in Gallura, Sardinia. Arzachena, La Maddalena , Palau, Sant'Antonio di Gallura, and Telti business men work in a small reality and they are not used to cooperate. Unfortunately market analysis is considered a waste of time.
Most of them own recent businesses and work mainly in Summer season (which covers a 12 weeks frame roughly) . Local Market is not open to communication so collecting information resulted complicated. Even if questionnaires were posted on UCG website www.unionegallura.gov.it, none filled them out on line. Neither e-mail communication has got more success so we were forced to set up face to face interviews.
Since the territory market is focused on Summer activities and natural beauties, tourism actors didn't envelope strong competitiveness and didn't feel pushed to offer training on work.
Sometimes enterprises have family management, most of all they have a private one. Personnel is reduced to minimum (1-4 or 5-9 usually).
No apprenticeship was considered by business owners interviewed. Some of them specified it is not convenient to them. Infact while in the past tax reduction was only from 1,5 to 10% ; from January, 2012 to December ,2016, tax reduction raised to 100% to enterprises own 9 or less employees. So, probably, in the future, micro enterprises will benefit from apprenticeship tax reduction acts.
Woman are very well introduced in general tourism market (such as bars, hotel s, restaurants, etc.) however, because of some activities typology, they are almost absent in few sectors (such as ship rental).
Annual turnover of enterprises is usually less than € 500.000,00. Just few enterprises specified their income (such as travel agencies which are enforced to print all invoices since their tickets are a sort of invoice).

PRODUCTION AND MANAGEMENT

B1)Management practice
Most of enterprise managers don't have a degree diploma and, sometimes, don't neither have a high school diploma. Instead most of employees have a high school degree.
In case of foreign employees hiring, mainly from East Europe Countries, most of them are graduated. Usually, employees don't have a diploma with a specific tourism

background. They might have learnt languages at school or travelling. Most of them are self-taught on languages. It's common sense, education level doesn't help employees to get a better job position here in Italy.

B2)Products and marketing

It's not easy to identify best sold products in a seasonal enterprise. Infact local enterprises work most of all in Summer season for less than 12 weeks and focus their sell only on one product. For instance : B & B room renting, boat renting, or surf classes.

Commercials, flyers, tourism markets, web sites are not considered a relevant working action. Just few enterprises have a web site and regularly offer on line information and/or reservation.

Most of business owners were diffident on providing money data about their company. Anyway, average of customer number and incoming decreased from 2009 to 2011 in a very sensitive way. Tourists come from Italy mainly, Europe sometimes, and outside EU less than 25%.

MESURE OF COMPETITIVENESS

C1) Destination and local competition

Local tourism promotion is not considered good. Business men feel abandoned by Local politicians. Transportations from main land Italy to Sardinia Island and from airports to periphery destinations need to be improved. High prices and bad connections deeply affect point of interest accessibility.

Discrepancy between high and low season is severe.

No matter what, business men keep investing in their business and try to renew structures to improve service as best as they can. This is their main activity during low season.

Competition is usually very high between many operators such as B & B, boat rental, and bars. Specific services such as surfing classes or more expansive hotels might have less competition.

C2) Investments and labelling

Most of enterprises invested low or high sums of money almost exclusively for equipment upgrading .

Sustainability is not small enterprises main interest. None owns eco labels. Business men don't think eco labels can help income increasing. More over Italian tourists don't care about it.

Micro enterprises separate collection of rubbish just because Municipalities introduced it obligatory. By the other way, it's important to specify that Sardinia just in 2010 collected more than 74.000 tons of cellulosic material (wood, paper and fabric). This makes Sardinia the most virtuous Italian Southern Region. So Gallura district population is very sensitive to sustainability but, of course, It's not relevant for customers to know if a lawn chair renter recycles rubbish or not neither for a lawn chair renter to specifies he does it. Otherwise, medium enterprises customers are more sensitive to sustainability aspects.

Only few operators bought sustainable machineries motivated by tax reductions or enforced by local regulations (for instance in the National Park of La Maddalena seas, boats must have a 4-stroke engine to preserve environmental conservation).

Only recently tourism actors are seriously working on a sort of cooperation. They figured out transportations froze their business so they created touristic packages with airport pick up at any time, bed and breakfast accommodation and restaurant dining. Also they organized parties with appetizer in a bar and dinner in another restaurant. Some of them united in touristic associations promoting their goods through web-site and offering discounts. Interest on Travel Markets are going to increase year by year.
Quality of service is pretty good but not regulated by specific target. This means that a three stars hotel might have some services while another one of the same category might have not. It's also possible to find over qualified structures don't aim to get the proper qualification to avoid extra fees. Anyway, usually in Gallura, touristic hospitality is efficient starting from estimated hotel structures ending to amazing restaurants.

CONCLUSION

Enterprises interviewed believe main tourism issues in Gallura are:

- Bad and expansive Transportations from main land Italy to Sardinia and from main ports/airports and touristic destinations.
- Missing of Local political support
- Low cooperation between enterprises

Sometimes airports and ports don't offer a good bus connection and often there's no any connection at all. Most of small enterprises work on good value , conscious about economic slump and customers decreasing. They try not to raise prices and keep offering a good product. Taxes and inflation oppress Italians. This pushed consumers to pay a lot of attention on prices and cut extra expenses. They feel abandoned by Local, Regional, and National politicians. Eventually they would like to cooperate more between enterprises. Of course, a 12 weeks of period of greatest activity doesn't help small enterprises market.

Specific Survey

Italia Sardinia

Summary

SPECIFIC SURVEY TO 20 SMES IN GALLURA TERRITORY

Gallura is a region in Northern Sardinia, Italy. Closer to the French Island of Corsica than the Italian Peninsula, Gallura entity suffered of isolation since remote ages. Inner sites have rich woods and coast sites have crystal clear water. A wonderful sea with small fiords, granite rock-cliffs, and little windy islands pushed Italian and foreign tourists to consider Gallura one of the most beautiful tourism destinations for playing water sports (surfing, scuba diving, sailing, etc.), relaxing at the beach, or just going to exclusive clubs. Unfortunately, the isolation preserved this Paradisiac landscape is the same closed the area into backwardness for long time and often enterprises invested in tourism projects were not local ones.
The economy is based mostly on tourism and hospitality due to the presence of the Emerald Coast and other world-famous sea sites. The primary sector is based mostly on **wine** production, then **sheep** breeding, dairy production, and **poultry** farm. The secondary sector is mostly based on cork work and mineral processing of granite.
The 20 micro-medium enterprises interviewed in Gallura are:

- 7 hotels
- 1 concierge agency
- 1 consortium of touristic enterprises
- 1 service station (bar, restaurant, gadgets, tabaco and newspapers)
- 2 travel agencies
- 3 estate agencies
- 1 vending stand bar restaurant
- 1 boat renting agency
- 1 restaurant
- 1 take-away gastronomy
- 1 incoming travel agency

They provided local tourism information with interesting variety of opinions on the following topics:

1) **Connections between - Sardinia and Main Land Italy and other European countries**

- **Main Sardinian airports/ports and tourism attractions**

Kind of connections:
Northern Sardinia connections with Main Land Italy may be only by:
- boat and
- airplane

Northern Sardinia connections with main European cities are almost exclusively by:
- airplane

Only Spain is connected to North Sardinia by boat (through Porto Torres port, about 2 hours far from Gallura and with no bus connections to the port from Gallura main sites and cities)

Northern Sardinia inland connections may be by:
- boat (to minor Islands : from/to Palau-La Maddalena; from/to Palau/La Maddalena - Caprera, Spargi, Budelli, Santa Maria and Corsica Islands in The Boniface Strait; from/to Santa Teresa Gallura - Boniface; from/to Stintino - Asinara)
- airplane (from/to Olbia-Cagliari) through Local Companies or (from/to Olbia - private runways) through Private Agencies.
- bus (from/to Olbia-Palau, Costa Smeralda, Sassari, Tempio)
- taxi (from/to Olbia-any destination)
- car rental (from/to Olbia-any destination)
- hacks (from/to Olbia-Alghero-Costa Smeralda-Porto Cervo-Santa Teresa Gallura- Stintino-Alghero)

Only a very small green train (2 wagons and around 50 chairs) performs one route a day from/to Palau-Tempio Pausania. Other routes leave from Olbia but do not cover Gallura area.

Locations of connections and routes from/to Gallura (Northern Sardinia) from/to Italy, Europe, and inland:
Main ports are located in :
- Santa Teresa Gallura (connections only from/to Boniface, Corsica)
- La Maddalena (connections to Palau, Sardinia North point)
- Palau (connections to La Maddalena, an archipelago between Corsica and Sardinia)
- Golfo Aranci (connections from/to Main Land Italy: Genoa, Piombino, Livorno, Civitavecchia, Naples)
- Olbia (connections from/to Main Land Italy: Genoa, Piombino, Livorno, Civitavecchia, Naples)
- Porto Torres (connections from/to Ajaccio in Corsica, Genoa, Marseille in France, Propriano in Corsica, Barcellona in Spain)

Some cruises start from Olbia port routed to different sites in the Mediterranean sea (France, Spain, Tunisia, Malta, etc.).
Main airports are located in :

- Alghero (**from/to Italy**: Ancona, Bergamo, Milan-Malpensa, Pescara, Pisa, Roma-Ciampino, Roma-Fiumicino, Venice-Treviso, Verona; **from/to Europe**: Bruxelles-Charleroj in Belgium, Billund in Denmark, Düsseldorf Weeze, Munich-Memminge, and Frankfurt-Hahn in Germany, London-Luthon and London-Stansted in England, Dublin in Ireland; Oslo Torp in Norway, Eindhoven in The Netherlands, Bratislava in Slovakia, Barcellona-Girona and Madrid in Spain, Gothenburg city and Stockholm Skavsta in Sweden)
- Olbia (from/to Italy : Cagliari, Pisa, Genoa, Torino, Florence, Bologna, Verona, Milano-Malpensa, Milano-Linate, Naples, Catania, Bari; from/to Europe: Hamburg, Nuremberg, Munich, Düsseldorf, Colonia/Bonn, Berlin, Berlin-Brandenburg, and Berlin-Schoenefeld in Germany, Paris, Paris-Orly, Nice, and Lyon in France, Zurich, Geneva, Basel-Mulhouse-Freiburg in Switzerland; London Gatwick, and Bristol in England, Madrid in Spain)

Taxi locations are several and usually cover airports, ports, main cities, and attractions. Of course their routes cover only sites in Sardinia region.
Main bus stations are in Olbia, Tempio Pausania, and Sassari
Main Train station is in Olbia, Tempio Pausania and Sassari

Good value:
Northern Sardinia connections quality and prices are not always in a good balance:

- port connections between Sardinia and Italy/Europe are very expansive but few companies offer a very good quality through efficient boats and qualified personnel and structures while
- airport connections are cheaper (even if they can improve) and quality of service is pretty good with beautiful airport structures;
- bus connections between Sardinian ports and airports and tourism attractions need to improve (few lines don't cover all the attraction sites, bus stops are not sufficient to set up a good schedule with main airports and ports, and ticket price is too expansive);
- taxi connection are very efficient but still too expansive;
- car rental is present only in Olbia airport and Alghero airport with prices on average.

High inland transport criticalities:
Northern Sardinia inland connections criticalities are the main tourism issue in North Sardinia transportations and concern on:

- fares
  - too high mostly for tourist tickets
- connection itself
  - just few bus lines available in main tourism sites and only during Summer season
  - bad or absent bus connections from/to main airports/ports and main cities even during Summer season
  - bad or absent bus connections from main cities and main tourism sites
  - bad access to information about bus lines
  - bad/almost absent train lines
  - bad ferry access to the smallest islands
  - bus/ferry schedule often doesn't match airplanes departures/arrives

If a tourist is going to plane to travel to Northern Sardinia can't count on public transportation connections.

It might happen his boat arrives 10 minutes late and no bus is waiting for its landing. It's possible no ticket office is opened and bus driver doesn't sell ticket on board.
Also there's no almost any efficient schedule can consent to set up multiple connections to main cities and sites. For instance the journey from La Maddalena to Olbia airport to catch the 07:00 a.m. flight to Rome can't be organized through public connections. People need to take the 4:30 a.m. ferry to Palau but if it's windy this ferry doesn't sail. During Summer time you might have extra bus connections but time schedule keeps changing so many times that customers don't feel comfortable on counting on that. If customers wait for the next ferry, they won't be able to be at the airport on time. The same occurs to reach other destinations.

2) Seasonality

Compared to past years, incoming decreased so enterprises were forced to low prices to be competitive and sell the product. High season frame reduced a lot in 2011 (mainly July and August).

Some of the last season shrink reasons are:

- National slump with: - high inflation (2,8 in 2011)
  -public debt (120 % in 2011, the highest one in the last 15 years)
  -unemployment (8,9 in 2011) and young unemployment (31% for people are 15-24 years old)
  -too slow development

- Changeable weather conditions

- Ferry boat connections (from Sardinia to main land Italy) issues: - price high raise
  - trades reduction

In 2011 boat prices from/to Sardinia-any destination had a 40-70% price increment from 2010 such as the following fares:

- Livorno-Olbia: 40-45%
- Genova-Olbia: 40-45%
- Civitavecchia-Olbia: 60-70%

This price raise is not justified by Mediterranean crisis and fuel raise. Investigations are in act in order to preserve competition. Of course, sells decreased succeeding producing some trades cancellation.

- National taxation raise on consumer goods

In 2011 VAT tax increased from 20% to 21% and it's probably going to increase to 23% from October 2012 if the spending review plane won't work out.

It's not easy to provide a perfect solution to promote tourism in North Gallura. Right now Italian Government is fighting against a deep slump and it's asking wide sacrifices to Italians through high taxations. In this atmosphere, primary needs are superior than fun. Moreover Gallura shares both luxury and low class tourism in the same area. Luxury tourism is not affected by price raise at all while low class tourism is. This background doesn't help PMI to get more competitive prices and satisfy their customers.

Thus in order to help tourism season, SMES need to improve about:

- offering the best product at the most affordable price;
- organizing promotion events to attract tourists to their specific destination through:
    - sport competitions,
    - art exhibitions,
    - music concerts,
    - dance contests,
    - cultural attractions,
    - town festivals,
    - food or wine festivals and so on;
- providing alternative itineraries and attractions (to the bathing ones) won't be affected by weather conditions such as:
    - city bus tours,
    - museum package tours,
    - gastronomic and enological tours and so on.

Mostly, SMES need to improve about:

- joining together and
- creating their own promotion channel sharing information and customers.

3) Quality of tourism supply, quality of service

Tourism supply and quality of service are excellent in The Emerald Coast (Porto Cervo area has several exclusive clubs, restaurants, and hotels); in the nearby quality of supply and service decrease. So while rich customers can catch a taxi for internal transportations, medium class consumers prefer travel by bus or rent a car. That's why cheap transports need to improve. There's no high interest on improving them.

It's more interesting to focus on Emerald Coast tourism consumer because he comes from a luxury class can spend more money and hankers to benefit from high standard goods.

I can mention the 60s when the Ismaili Prince Karim Aga Khan transformed the Emerald Coast into a super luxury site of hotels, very qualified structures and resorts or, nowadays, the Oman Qaboos bin Said Al Said and other Arabian sheiks very interested in Sardinia tourism and on purchasing luxury resorts, hotels, ports, and airports.

Mainly inland transportations must improve:

- Just few connection lines (public bus) from downtown to main tourism attractions are available and they operate mainly in July-August making so difficult to reach destinations;

- some tourism destinations are not reachable at all by bus so travelling becomes too expansive;
- main airports/ports are not connected by bus to main cities in Gallura or, if they are, routes are complicated (two or three stops with consequent bus change) and do not consent customer to set up a schedule to reach a destination by time;
- bus schedule is not always dependable (customers don't feel comfortable planning their trip by bus if they need to catch a flight or a boat) and it often changes;
- transportation information is not easy to reach (it might happen that bus companies change schedule and travel agencies/tourism office are not aware of this by time);
- roads are very bendy and moreover do not have capacity to hold intense Summer traffic so driving can be dangerous and slow;
- some ferry connections and/or flights can be affected by weather issues and cancel routes or be very late.

4) Level of prices and good value of tourism products

Prices and good value are quite competitive in Medium enterprises interviewed, might be lower in micro ones.

5) Promotion and cooperation between other operators (*tourism office, tourism associations, tour operators, chamber of commerce*)

Promotion and cooperation is not efficient and need to improve deeply. Some new private associations are trying to work on that ("Discover La Maddalena", "Proloco", Tourism operators unions, "Orsus" Consortium, Tourism operators consortiums, etc.) Lot of work to do yet. It would be fruitful to cooperate on promotion organizing attraction events such as photography competitions, film shows, food or wine festivals, car rallies, concerts, all-night cultural festivals, sport competitions and/or exhibitions etc.
In July 2009 the G8 meeting and in May 2010 the Louis Vuitton Cup events brought more visibility to La Maddalena Island. These events created extra income and a benefit for the local tourism. Even if, at the last minute the G8 meeting site moved from La Maddalena to Aquila (with the intent to help Aquila community laid down by a terrible earthquake), months of preparation works produced an unexpected profit in low season.
Also it would be important to join SMES networks in order to set up agreements with local suppliers on getting discounts and more availability and support local economy avoiding resources outflow. This will benefit Gallura SMES and would make them more conscious on their potential and goods. Moreover it would help to have a specific marketing study on tourist attitudes, needs, and habits. What do they care more about? How much are they willing to spend for some goods?

6) Management knowledge

Usually in the area of Porto Cervo, managers are super qualified :
- degree
- master
- training

- several languages knowledge
- specific professional background and experience

In the nearby instead, qualifications sensitively decrease, mostly in micro enterprises. Managers don't have any degree and sometimes don't neither have a high school diploma. They might be very resourceful businessmen with no academic education but with some specific training certifications. Often they don't speak any foreign language, don't have any knowledge about finance, human resources and are not interested on innovation and/or sustainability.

7) Skills of the staff

- **education**
- **specific qualifications**
- **language knowledge**

Unemployment offers a huge variety of staff . Sometimes, enterprises don't hire qualified staff to reduce costs.

- So staff might have no college degree or even have a master degree. It depends on enterprise policy.
- It's rare to qualify staff with internal or external training.
- Languages knowledge need improvement.

8) Sustainability

Need to be improved. Often bureaucracy complicates administrative acts and don't consent enterprises to do as much as they could. Sometimes local regulations reject some sustainability projects because of their environmental impact (such as photovoltaic panels). Middle enterprises have a higher level of awareness on sustainability while micro enterprises perceive the topic more as a cost. SMES , mostly 3 and 4 stars structures feel involved in respecting environmental and understand they can also save money from that (towels reutilization, power saving bulbs, recyclable soap bottles, separate collection of rubbish, etc.) . Just few micro enterprises are sensitive and conscious on benefit from sustainability (low environmental impact engines). Anyway most of micro enterprises declare to respect separate collection rubbish directions and they care about respecting environmental in general.

9) Local political support

SMEs believe political support is not appropriate. They don't feel supported at all. They think local politics should stimulate economy streamlining bureaucracy and providing correct and fast guide lines. SMEs complain about politicians' availability and will on giving opportunities to envelop tourism and tourism sources. Too often, Municipality responsibilities cross port authority, provincial administration, region jurisdiction, and so on. It's difficult to understand who SMEs need to consult and what they need to ask about to obtain licenses, permits, and official certifications. This produces dissent and confusion then pushes to irregularity even if unintentional.

ROMANIA - *ATRC*

Global Survey
Summary

SME's in Romania
COMPANY OVERVIEW

All SME's interviewed in Romania, are operating in these regions: Bucharest, Cluj, Constanta, Brasov, Timisoara, Arges, Bacau, Iasi, Galati, Valcea. Respondents haven't interest to respond to questions. I've sent emails to about 400 tour operators and I have received responses from maximum ten, questionnaires were mostly made directly
with the administrator or SME managers. These have shown no interest to answer the questions, saying it will not improve the quality of tourism services.
SME activities are not only seasonal but the most profitable periods are in summer. During winter, the mountain records most profitable period, while in the summer there is profit in both areas: mountain and sea.
Most companies surveyed have turnover of less than 500,000 Euro, even if some companies have specified turnover information, it was not always true, in spite of what they say. The number of employees is usually between 1-4 and 10-19, and women hold the majority of jobs in tourism.

PRODUCTION AND MANAGEMENT

B1) Management practice
Most managers of SME's have postgraduate degrees (47%), with studies in tourism and management. Also their employees have higher education in tourism and economy. Employees are 100% nationals ; languages spoken by them are (besides native language) English and French. Managers say they don't have trouble finding qualified staff, certainly because they have higher education in the field but also because they speak at least one international foreign language.

B2) Products and marketing
Even if, at first view, tour operators argue that best selling tourism programs are packages to Greece and Bulgaria, we can't say precisely which are the most profitable products. Products less profitable are airline tickets, coach, cultural tourism. The most commonly used distribution channels are reservation system and online service. The most commonly used promotion channels are: online ads and company

websites. Clients do not seek advice to choose a vacation place and they prefer online bookings or use agency website just to request information. Brochures, trade fairs and salons, yellow pages or promotion activities organized by local authorities or national, are not considered relevant. 84% of them (tourism companies) have a site that generally is outsourced.

MESURE OF COMPETITIVNESS

C1) Destination and local competition

Businessmen are not satisfied with the promotion actions of local authorities.
They claim that their access to locations is not easy to reach, and they believe this has an important impact on customers choices. Level of competition in the local market is high, with many operators, but there are many that provide services without authorization.
Regarding the activities of tourism SME's, theirs are not only seasonal, but they claim that peak periods have a significant impact on their activities.

C2) Investments and label

Most of the enterprises have invested last year, the amount invested varies according to the turnover of each SME, but most were used to renovate the building and change the equipment. Managers have funded investment by self-financing or bank loans, very few of them have requested grants from the European institutions.
Eco-label don't raise interest among small and medium enterprises, those who have applied to a quality audit or eco-label, say there are additional costs and they don't consider it necessary for the investment ; while those who have not applied to a quality audit or eco-label motivate the choice by saying it is not a profitable investment : they argue that clients don't require those services ; it involves additional costs for applying to this service and after for services provided ; then there is no demand for this service.
Those who have applied to a quality audit have given little information about the advantages of applying to this service, they say that very few customers require those services, which involve higher costs for customers. Entrepreneurs seem not informed of the benefits that ecotourism can bring to their business and neither for their implications when they apply for a quality audit.

CONCLUSION

To be more competitive, tour operators could improve these things : report quality-price, efficient national strategies and fighting competition for those who provide services without authorization, develop local infrastructure.
Local infrastructure has an important role in the choices that customers make, roads to several destinations in Romania are in a bad shape ; during high season, they can get very hard there (damaged roads, few motorways and airports).
Often customers prefer to choose services outside the country, because they argue that quality of the services and prices are much better than in Romania ; they choose tourism destinations like Greece and Bulgaria.

Specific Survey

Romania

Summary

SPECIFIC SURVEY TO 20 SMES IN SINAIA- PRAHOVA

Sinaia is a town in Romania, located in the foothills of Bucegi Mountains, best known for his tourist importance. Sinaia has the status of tourist and climatic spa.

Sinaia is situated in Prahova County, about 60 km north-west of Ploiesti and 50 km south of Brasov, in a mountainous area on the river valley named Prahova.

Some important landmarks include: Peles Castle, Pelisor, Sinaia Monastery and Memorial House "George Enescu". In Sinaia have passed away prominent politicians: King Carol I, Ferdinand I, Queen Marie of Romania, and Prime Minister Ion Gheorghe Duca (assassinated in Sinaia station platform).

Some of the hotels and accommodation available in Sinaia are : Hotel Sinaia, Paltinis, Palace, Caraiman, New Montana, International, Economat, Rowa Dany, Our Home, Boulevard, Anda, Marami, Cota 1400 and others.

The City hall invested in implementing projects to support the resort, such as: "Sinaia to Europe", "Raw green", "Sport for Sinaia", "Save Sinaia", "Light for mountain rescue refuge".

Sinaia is part of tourism resorts and spas, and was the first as importance in the localities- resort in Prahova district.

Profile resort is complex : this offers more possibilities for development activities: mountain tourism, resting and recreation tourism, cultural tourism traveling with cultural connotations, business travel and meetings transit tourism, weekend tourism, hunting tourism, scientific tourism. Sinaia provides tourists many opportunities for winter sports.

Economic potential of activities taking place in Sinaia is the tourism based primarily on the following five factors:

• The quality of the natural environment;
• Quality of treatment resources (climate and hydro resources);
• Quality of material of accommodation, treatment and services;
• The existence of elements of interest in the field of architectural monuments, memorials, historical;
• This reception structures and adequate spaces for development of meetings, business meetings and conferences.

The 20 SMEs surveyed in Sinaia are:

- 10 hotels;
- 5 travel agencies;
- 2 tourism operators;
- 2 restaurants;
- 1 tourist info Sinaia.

1. Connection between Bucharest-Brasov Sinaia
Sinaia city has:
• rail transport (highway 2, double, electrified, with two stations for passengers and goods: Sinaia and Sinaia South - flag station);
• road transport (most important artery is DN1 - E60, within the city, it is called Blvd. Carol I, Blvd. Ferdinand I and Blvd. Republic);
• public transport and cable transport (lifts, chair lifts and ski lifts).
Because of the mountain, there is no airport, there is an airport in Bucharest and one will be built in Brasov.

2. Seasons
Operating conditions of the resort is permanent, with special request in winter and summer, when the number of tourists is very high, because of activities that can be developed in the area.

3. Quality of tourism services
Service quality is very good in Sinaia, a benefit from a large number of hotels, restaurants, hostels, tourist attractions, benefiting also from a very important geographic area - Bucegi mountains, which makes this resort very attractive.

4. Price levels and correct evaluation of tourism products
Dual nature of the product (winter and summer resort) explain the lack of a well-market seasonality, tourism demand is relatively constant throughout the year, in conclusion, there is no strong shaded prices depending on the time of consumption.

5. Promotion and cooperation between operators (tour operators, tourism associations, tour operators, chambers of commerce?
Promotion and cooperation is not very good and it needs more improvement ; one feels a very high need of development of European projects supporting SMEs to facilitate travel by better promotion.

6. What qualifications have tourism managers (education, specific qualifications, languages known)?
The managers have often postgraduate degrees in tourism, management and economy, know several foreign languages such as English, French, German, and have experience in tourism.

7. What qualifications have employees (education, specific qualifications and foreign languages)?
Employees come mostly from the area, not university studies, but have training in tourism and food (in Sinaia is a specialized high school-college "Michael Cantacuzino" Sinaia), known languages are mostly English and French very rarely. Need to put more emphasis on the training of staff in tourism SMEs.

8. Sustainability practices
There is a need to invest in sustainability, but respondents argue that access to these funds is slow, and customer demands are low.

9. Local political support

Managers surveyed say that they are not receiving local political support : local authorities are poorly involved in developing an efficient tourism plan. Local infrastructure has problems, and the access to the resort is very difficult.

SLOVENIA - *ASSOCIAZIONE TURISTICA NAZIONALE*

Global Survey
Summary

BACKGROUND AND METHODOLOGY

In the context of KNOWNET Project a survey was conducted in project partner countries focusing on current trends of European tourism industry (structure, management, and quality approach on Local level) in particular SMEs.
The survey is divided on 3 parts:

- General description and description of the profile of the company
- Products, services and management
- Competitiveness activities and measures on destination level and on company level

The survey was targeted on tourism companies, professional organisations, or other tourism related organisations in 8 countries/regions of KNOWNET partners: Austria, Wallonia (Belgium), France, Hungary, Sardinia (Italy), Slovenia, Romania, and Turkey.
Questionnaire was prepared jointly by project partners, discussed and finalized for the use in the early spring 2012. Final version of the questionnaire was then translated in Slovenian language and uploaded on company web site and informed tourism community about research by e-mail news release.
As having a lot of practice with similar research projects and approaches we could not expect significant response of tourism community. Thus we used also other direct mailing to majority of tourism companies, institutions and associations asking them to participate in the research and fill the questionnaire, additionally we also called them by phone and filled the questionnaire jointly while talking to them on phone. Some of the companies have been interviewed in person.
We got responses from 67 tourism entities although we addressed around 150 of them. General overview of response shows us the following profile of answers of Slovenian tourism community:

a) **Major share of responses came from companies in private sector, followed by family tourism businesses**

Table 60 Sectors of respondents - Slovenia

Public	16
Private	24
Family owned	24
Associative	1
Individual / Self-employed / Auto-entrepreneur	2
Franchise	0

b) **Out of 65 tourism entities majority comes from accommodation and F&B business**

Table 61 Types of sector - Slovenia

Accommodation (hotel, cottage, guest house, furnished room, holiday village, ...)	25
Boat renting	2
Carrier (air, bus, rail transport, …)	1
Catering (bar, pub, restaurant)	6
Consulting firm (museology, strategy, coaching, …)	5
MICE (conference rooms, events organizer,...)	10
Museum or attraction (relaxation, culture, sport, nature/adventure, …)	3
Real estate Agency	1
Tour operator (agency, T.O., bus) & Travel agency	6
Tourism Office, Tourist Information Center,...	8

In this last case several tourism companies with accommodation capacities have also other business activities F&B, conference facilities, wellness programmes and sports installations.
We estimate that we achieved satisfying response from tourism community and that the survey will provide us with competitiveness data In Slovenian tourism SMEs and give us some aspects of competitiveness solutions.

BASIC PROFILE OF SLOVENIAN TOURISM COMPANIES

Slovenian tourism has a long history dating back even more than 330 years with Rogaška health resort. Companies in our survey are very dispersed regarding their history. Several has been established decades ago – especially health resorts (Thermana Laško more than 150 years ago). A lot of them have started their business after Second World War while travel agencies, micro and familly companies are no more than 20 years in operations. We can conclude that the smaller tourism companies the younger they are. Those bigger tourism companies according to number of employees are usually older.
Generally speaking, in Slovenian tourism there are only very few companies that are treated as big according to EU criteria with more than 250 employees. There were some mergers after the year 2000 but they haven't proven to be successful. Thus, smaller tourism companies prevail which can be seen from the following overview of our survey:

Tourism companies with the following number of employees in 2011:

Table 62 Tourism companies & number of employees - Slovenia

Number of employees in 2011	No. of Companies
1-4	4
5-9	9
10-19	10
20-49	20
50-99	13
100-250	11

Majority of employees in 65 tourism companies and institutions are women – 73% which occupy all level of profiles from basic operations up to top management. Employees are mainly employed for a full time – 92% of all employees. There is rather low rate of seasonal workers employed in tourism – 13%. This is due to the structure of tourism supply where health and spa resorts, congress & convention tourism, city tourism and gambling operate all the year round. Even the seaside and mountain resorts have developed tourism capacities and programmes (wellness, congresses and events) that enable these resorts to run nearly all the year round. Although we didn't get all data on apprenticeship or in work placement we estimate that there is about 5% of them in tourism companies.

From the answers in our survey we can say that the average age of employees is 42 years. There are numerous companies with very young structure of employees, but tourist health and spa resorts employ older generation.

We estimate that the average yearly turnover of all companies in our survey is 3,7 million EUR. More detailed data are shown in the following review:

Table 63 The annual turnover of enterprise in 2011 (Eur)- Slovenia

Annual turnover of enterprise in 2011 (EUR)	No. of Companies
Less then 500 000	8
500 001-999 999	14
1-1.9 millions	12
2-4.9 millions	17
5-10 millions	13
over 10 millions	3

We could conclude that Slovenian tourism has a tendency to lower the average age of employees, that the big proportion of small, micro and familly run tourism businesses are also lowering the average value of yearly turnover although we have to take into account the big number of travel agencies, bars and restaurants and other tourism services run their business rather bad and many of them close down and start then new businesses. We can also say that the proportion of female in tourism is high and that women occupy also top management positions in tourism.

MANAGEMENT AND TOURISM COMPANIES

Many of tourism companies have employees with the highest level of education – masters either in economics, management, tourism or informatics. Major companies have employees with university education and only few middle or higher vocational education – these later are mainly in smaller tourism companies with very few employees.
Employees with masters and university education are mainly on top management positions or in health and wellness area.
We found out from our survey that on general secondary education prevails as there are many services that are performed by employees with this professional education and trainings. In last decade, there is an increase in the share of employees with higher education especially as a result of several high schools and postgraduate studies in tourism in Slovenia.

Table 64 The education level of the majority of employees in Slovenia in 2011

Secondary education	37
VET training	14
Tertiary graduate (college or university)	10
Postgraduate	6

These employees perform the following task

Administrative staff	5
Human resources	7
Manager or equivalent	9
Sales/Customer relations	23
Technician	12
Worker	11

The majority of employees in tourism in Slovenia are citizens of Slovenia – 90% and only about 10% are employees from other states – neighbouring from ex-Yugoslavia. All of them speak native language and English, but nearly all of them speak also the second foreign language: Italia, German, Russian, Spanish, Croatian/Serbian. This multilingual structure of employees in tourism reflects on one side geographic position of Slovenia – being at the crossroad North-South and East-West and the structure of nationalities of tourists visiting Slovenia.
Usually, there is a lot more candidates for employment than disposable posts in tourism. This tendency is even stronger and more significant in last years. Tourism companies do not face any other significant problem when recruiting employees than that their skills do not match properly to the requirements of the tasks. This is mainly due to the fact that majority of high schools, colleges and university programmes do not have a proportionate part of education supported by practice or practical cases. It's is also evident in last decade that tourism practice develops much faster than in the past and educational programmes do not follow this development accurately.

This gap in formal education and practical job requirements as well as the problem of permanent education and trainings tourism companies and institutions bridge with additional education, trainings, study visits and best practices studying and on the job trainings of their employees. In last few years, due to the recession and bigger competition on tourist market there is noticed a slight decline in realization of these programmes.

This functional education and trainings are especially focused on:

- Marketing – especially direct and e-marketing
- Sales and improvement of sells channels
- Guest relations, animation and hospitality
- Quality improvement and quality standards development & implementation
- Ecologically and Energy friendly tourism processes and
- Foreign languages

Many of these programmes are performed as on the job trainings, several are executed by team leaders and professionals from the companies several are also executed by external education and training organizations. From only few answers from our survey on the budget for education and training we can't give relevant data and conclusion at this stage.

PRODUCT PROFILE AND MARKETING IN TOURISM COMPANIES

From the structure of tourism companies and institutions included in our survey there is already very clear indication of the main tourist products that they are offering to tourist market.
The best sold tourist products are:

- Accommodation
- Wellness programmes
- Health programmes
- Casino gambling
- Congresses and conventions
- Festivals
- Water sports and recreation
- Winter sports – skiing
- Cycling
- Mountaineering
- Walking

Travel agencies have the most successful outbound travel packages – summer seaside holidays and skiing in winter.
In last years there was a decline in MICE and F&B business and they are generating less revenue than earlier.
Core business represent more than 75% of all revenue tourism companies generate on the market.
Tourism companies use a mix of distribution channels to approach market. They frequently use distribution networks as memebrs of hotel chains or partners of tour operators. They all use reservation systems – global and national which are especially efficient in the case of city and business tourism. All tourism companies

have their own web sites with on-line reservation system, they use also traditional methods with direct sales especially in B2B segment.
Websites are well organized and designed with functions that enable also on-line reservation and booking. Besides their own website, tourism companies are also present on regional websites, on national one and also on websites of professional tourism trade associations. Websites were mainly developed by external specialized companies and are mainly maintained by internal employees.
Tourism companies use also a mix of promotion channels. They use traditional promotional means – brochures, leaflets and maps. They attend tourism fairs and B2B workshops. They use advertising in billboards and newspapers. Companies use also direct marketing tools – visiting business partners, direct mailing, etc. More and more is in use e-marketing: websites, e-leaflets, e-mailings and reservation systems. They also promote their products to journalists, media and travel agents. All cooperate also with regional/destination and national tourism organizations.

Table 65 The structure of tourists in Slovenia in 2011

	Less than 25%	25%-50%	50%-75%	Over 75%
National		X		
European			X	
International (outside EU)		X		

International tourists coming outside EU will drastically diminish after Croatia enters EU in 2013. After that, the share of this group will be less than 25%.

4.LOCAL ACTIONS FOR COMPETITIVENESS OF TOURISM

Competitiveness of tourism is a very complex phenomena widely discussed with several attempts to measure it empirically. One of the most known models of destination competitiveness is Ritchie - Crouch model which show us that competitiveness is the result of numerous factors – endogeneous and exogeneous.
Local authorities and tourist promotion organizations play very important role in determination of competitiveness of tourist companies. Practically, on local level, there are not so much decisive tourism policy and promotion instruments and tools – they are mainly on national level. Our companies are rather satisfied with local authorities and promotion organization – both tend to support tourism development, image of tourist place and promotion of tourism. As said, especially promotion is much more important on national level
Slovenia is generally treated as very good located country and is easy accessible by transport means. Good network of highways and relatively good air connection are positive for tourism development. Rail and maritime traffic are not well developed, also with not appropriate railway infrastructure.
Public traffic is not well organized, neither in air traffic neither on roads. There are not many air companies flying to/from Ljubljana which affects especially distant markets. It is very important, and Ljubljana airport company as well as Slovenian government put effort in attracting more air companies – also low cost carriers to fly to/from Ljubljana which would give a substantial impulse to tourism attractiveness and

visitation and also to its development. Public transport is also not good enough in the country – among destinations.
Tourism in Slovenia is not significantly seasonal. There are only some seaside, mountain and rural places that feel the impact of high and low tourist seasons. In this case, tourism companies introduce trade, transport and agriculture with food processing in their business profile to compensate negative effects of low seasons.
Generally, we could conclude that companies with support of local authorities and tourism promotion organizations and of course with their own efforts achieve rather high level of competitiveness. But we must also conclude that on local level there is no big competition among tourism suppliers except in some bigger and most known tourist places like Bled and Portorož. Usually, there is only one big tourist supplier-company in tourist place and the others are small, micro or household businesses in B&B, F&B,…In Bled and Portorož with more tourism companies forming attractive tourist offer, competition is much higher. There is bigger competition in accommodation, in wellness and congress offer. In all tourist places, there is substantial competition among small and micro companies, especially in accommodation and tour organization.
Generally, we can say that competition is between moderate and low in Slovenian tourism on local level, sometimes even with only one operator.

BUSINESS ACTIONS FOR COMETITIVENESS OF TOURISM

Slovenian tourism has faced intensive period of investment after entering EU in 2004. Since than, as ERSF- European Regional and Structural Funds were available there was nearly 1 billion EUR invested in tourism infrastructure to raise competitiveness of Slovenian tourism. There were investment in tourism accommodation capacities, ski resorts, wellness centers, convention capacities, rural, mountaineous and less developed areas in development of tourism destinations and in tourism promotion. Investment were realized not only in new capacities and programmes but also in improvement of quality of tourism services, in new tourism products, in renovations, in better energy efficiency of tourism constructions – less energy consumption and use of renewable energy resources, in more environmentally acceptable operations, etc. ESRF enabled Slovenian tourism to adapt much quicker to competitive position on European market that it would have been able only with national funds.
In last 3 years investment in tourism has slowed down as a consequence of recession and financial crisis.
Main sources for investment were self funding, bank loans and EU funds – the latter were available up to 40% of total investment.
Tourism companies have been working in quality labels and have invested some HR and funds in quality and brand development. There were everal companies that have invested in cycling or mountaineering friendly label, in eco label – EU daisay or Blue Flag, in social accessible tourism and in energy more bigger efficiency.
These costs were not explicitly calculated as their bigger part was connected with the work and trainings within the company. There were external costs that ranged up to 50.000 EUR when smaller investment and external consultancy were needed.
These investment go in line with the national tourism strategy and policy to develop Slovenia as green and sustainable competitive tourist destination. Tourism companies agree with this approach, support these directions of tourism

development and think that it is important for tourists when they decide where they will go for holidays or for a short trip.
Tourism companies – at least top management is aware that the results of these investment will not come over the night. They agree that they support the improvement of the image of the company and destination, that they will raise their competitiveness and consequently that they will benefit also economically.
For the time being the only result of investment in sustainable tourism is seen in promotion, being more noticeable and also in preserving the market share and price level – not being forced to lower prices to keep the market share.
In this economic situation it is very important that government support business activities in sustainability area with funds available for trainings, quality improvement, efficient energy use, adopting to the requirements of EU and national label and brands in tourism.

CONCLUSION

We can conclude that tourism companies put a lot of resources in raising their competitiveness on tourism market. They are all aware that being competitive is the only way how to succeed on the market. In tourism, the need for sustainable operations require even more resources than in some other industries to become competitive and to preserve natural, cultural, social and economic equilibrium and to satisfy the needs and expectations of inhabitants.
Achieving competitive position on the market is a complex task where tourism companies and their resources play only a partial role. It is also very important and in some cases even decisive that local environment with administration, national administration with tourism, economic and social policy support substantially the competitive efforts of companies.
In Slovenia, we have achieved rather high competitiveness in tourism as measured by WEF indicators. Still, we can see that there are some areas to improve. National government has to:

- Improve and liberalize foreign investment policy
- Liberalize and open the sky for foreign air carriers
- Make a shift from declared priority of tourism in national economy to real one with appropriate policy instruments
- Give more financial resources to national tourism promotion
- Support education and trainings as well as innovations in tourism
- Support incorporation of unique natural and cultural resources on the lists of international organizations (like UNESCO, etc)
- Support more sustainability approaches in national economy and in tourism

On the other side, tourism companies have according to the same WEF competitiveness report to improve substantially price/quality ratio. This means that tourism companies have to:

- Improve quality of services and in several cases also the quality of capacities and equipment
- Improve innovativeness and offer bigger variety of products and services
- Introduce benchmarking to know better what are competitors and idols doing
- Adopt price policy in respect to segments of customers-demand and suppliers-offer
- Improve price policy and introduce yield management technics in pricing

- Improve cost efficiency by energy policy, by cash flow and financial management, etc
- Improve vocational trainings
- Improve dialog and cooperation with local communities
- Improve efficiency of supply chain
- Develop tourism clusters
- Improve quality standards of tourism supply
- Develop recognizable tourism brands
- Introduce more best practice exchange in operations
- Improve internationalization of tourism companies with inclusion in international chains (hotel, B&B, tourism farms,….)

There is a need for permanent national tourism competitiveness policy which is based on sustainable principles of development. The implementation of this policy and its instruments should be systematically monitored, gaps in results planned and achieved analysed and policy measures adopted. This approach has to be performed on national and on destination level as well as on company level.

Specific Survey

Slovenia

Summary

BACKGROUND AND METHODOLOGY

In the project KNOWNET we were also focused on tourism investment as a tool to improve competitiveness of this sector in Slovenia. We analysed this problem on the basis of general survey and questionnaire with answers from 67 tourism companies and institutions, on the basis of report on Competitiveness of tourism in Slovenia, prepared by Slovenian Tourist Board in November 2009, on report on competitiveness and sustainability done by National Tourist Association in project CETA in 2010, on Tourism Competitiveness report 2011 of WEF and on the basis of data on investment after Slovenian entered EU in 2004 where special effect development results were achieved by investment co-financing from ERDF sources. In our analysis we were specially focused on SMEs in tourism.

The basic aim of this survey and analysis is to identify the segments of competitiveness in Slovenian tourism that has direct link with tourism investment and their contribution to the increase of tourism competitiveness. In last 3-4 years tourism faced serious problems as a result of economic and financial crisis in the world. This certainly affected their competitiveness and their projects supporting an increase of competitiveness. We can be sure already now that crisis affected the most new investment to tourism capacities and programmes.

COMPETITIVENESS OF SLOVENIAN TOURISM

Competitiveness measured by value added per employee is in Slovenian tourism around 15.000 EUR which is only a half of that in France or in Austria. It is also a little bit more than a half of competitiveness of Slovenian economy. Therefore, we deal in Slovenia with a sector that is generally lagging behind the competitiveness of national economy and successful tourism countries.

Tourism suppliers state that their main business targets in present period is to maintain their share on the market, to keep their price competitiveness (not lowering prices of accommodation) improvement in organization, looking for new markets, prolong the average length of stay of tourists and to access better to financial resources.

It's interesting that companies state that they have significant comparative advantages in achieving better competitiveness (like location of their capacities, access to natural resources – thermal and mineral water, access to the market, etc) than competitive advantages (like know-how, innovative product development, management and marketing, etc.). Results achieved so far are mainly the results of good knowledge of markets, investment in tourist capacities and programmes, good

economic situation in Europe and their high standard of living and new markets like those from East and Central Europe.
The effect of the crisis is most obvious in decline of visitors arrivals and in revenues. Tourism companies also stopped all investment, salaries were maintained at the same level or even declined, there was also a decline in employment, cash flow has slowed down and problems with solvency appeared.
Bigger tourist companies base their tourism product development on regional and local resources: landscape, gastronomy, culture and history. They also cooperate with local tourist suppliers who are aware that they need to look for development of special niche products like:

- Sports and recreation activities
- History research and interpretation
- Tradition discovering
- Birdwatching
- Painting schools
- Archeological camps
- Survival in nature schools
- Music events and schools, etc

Future tourism development should have the best results in segments of health, spa and wellness tourism, environmental friendly and eco tourism and city breaks.
SWOT analysis of Slovenian tourism gives us the following results:

Figure 41 SWOT analysis of slovenian tourism

ADVANTAGES
• **Good geographic position in Central Europe and closeness of important emitive tourist markets (Germany, Italy, France, Russia,..)** • **Preserved natural environment and great biotic diversity** • **High quality of gastronomic offer with culinarics and wine** • **Hospitality of inhabitants and knowledge of foreign languages** • **Good developed basic infrastructure (roads, telecommunication, broadband internet,..)** • **Rich cultural and architectual heritage** • **Atractiveness of rich tourist offer on relatively small geographic area among Alps, Panonic flatland and Adriatic sea** • **High proportion of domestic tourists in overall number of tourist arrivals (around 45%)** • **Long tradition and high quality of health tourism**

WEAKNESSES
• High labour costs, especially because of high social taxes • Lack of professionals in kitchen, services and similar occupations • Low share of direct foreign investment and too poor presenece of international hotel chains • Dispersed and atomized tourist offer • Too low perception of Slovenia as a whole and main tourist destinations • Poor railway and air traffic infrastructure • Too litle specialization of tourist offer and too poor developed niche products • Too low number of family businesses in accommodation and catering • Too little integration in international reservation and booking electronic systems • Too little high quality/stars hotels in main cities • Too little investment in waste management • Too rigid labour legislation that raises problems with seasonal labour force

OPPORTUNITIES
• Increase and improvement of tourism promotion abroad • Increase value added per employee in tourism • Cooperation of accommodation and catering companies with companies in other activities like sports, culture, events,.. • Reconstruction and renovation of castles, manners,.. • Additional development of tourist offer in low season months in Spring and Autumn • Improvement of professionality of local tourist offer (farm tourism, local events, traditional festivals,…) • Development of destinations with specific-niche offer like cycling, industry heritage, walking,… • Extension of short breaks with additional tourist products and services • Cooperation of accommodation and catering companies with local companies • Better implementation of environmental legislation • Development of PPP – public-private partnership in tourism • Development of typically non tourist regions and their integration in tourism • Diversification of tourist offer in space and in time • Employment of higher educated people

THREATS
• **Stagnation, decline of purchasing power of tourists** • **Decrease of quality of tourism schools for middle and higher education** • **Deacrease of enrollment in tourism schools** • **Low prioritization of tourism in Governement** • **Low attractiveness of business and entrepreneurship environment for tourismd evelopment** • **Increase of competitiveness of low priced destinations** • **Problems of local environment and administration in supporting tourism** • **More mass tourism** • **Negative effects of highway infrastructure on environment, agriculture and biodiversity**

We can conclude that low competitivenss of Slovenian tourism and its lagging behind competitors is mainly due to long term strategic orientation, lack of investment in competitive factors (knowledge, innovations, high educated employees), lack of domestic cooperation – especially with small, micro and family businesses and lack of internationalization (investment, management and air traffic openess). Recent economic crisis even worsened this situation. Thus the importance of upper factors became even more important for the future of Slovenian tourism.

INVESTMENT IN TOURISM IN THE PERIOD 2007 - 2012

We estimate that in the period 2004-2012 it was nearly 1 billion EUR invested in tourism. About one third was invested in the period 2004-2006, the other two thirds in the period after 2007. Intensive investment cycle started after end of privatization proces in tourism, a long period of consolidation of Slovenian tourism after becoming independend till year 2000 and after strategic aproach to increase the competitiveness of Slovenian tourism and adoption of national strategy 2000 – 2006. Real boost of investment was possible after Slovenia entered EU and was able to use financial sources of ERDF – European Regional and Development Fund.
Altogether there were mor(e than 200 tourism projects in this period – bigger and smaller investment, tourism destination organization and tourist promotion. About 15% were projects dealing with tourism destination development and promotion as a basis for improved competitiveness on local/regional level and better cooperation of tourism stakeholders. About 60% of projects were realized in middle and smaller companies and the other 25% of projects were realized in bigger tourism companies. If we count also projects in mountain huts and agriculture, we could say that nearly 90% of these investments were realized by companies that are declared as SMEs.
Additionally, Ministry of Agriculture supported more than 160 projects of micro suppliers to develop tourism capacities and products on Slovenian countryside.
Investments were dispersed in main tourist destinations and were oriented towards increase of tourism infrastructure, capacities and improve the quality of services:

THERMAL AND WELLNESS CENTERS

- New hotels and hotel settlements
- Reconstruction and raise the standrad of existing hotels
- New aqua parks, swimming pools and recreation facilities
- Beauty and medical centers
- Convention facilities
- Golf courses

MOUNTAIN & SKI CENTERS

- New hotels and hotel settlements
- Reconstruction and raise the standrad of existing hotels
- New and reconstructed ski areas, cablecars, ski lifts, systems for artificial snow making and lightning systems
- Wellness capacities
- Sports halls and equipment
- Tracking routes and other programmes to enrich tourist offer in low seasons

MOUNTAIN HUTS

- Reconstrauction and quality improvement of mountain huts which form about 7% of total accommodation capacities in Slovenia

SEASIDE TOURIST CENTERS

- New hotels and small resorts
- Reconstruction and raise the standrad of existing hotels
- Convention centers
- Wellness centers
- Beach organization and cultivation
- Walking paths, cycling routes,…

CASTLES

- Reconstruction and adaptations to hotel, convention and wellness capacities

SPORT CENTERS

- Biatlon center Pokljuka
- Nordic ski center Planica

SOME INFRASTRUCTURE & SUSTAINABILITY INVESTMENT

- **New and extension of existing capacities of parking houses**
- **More efficient energy use (insulation, substitution with renewable energy sources, clever hotel rooms,..)**
- **Natural resource protection – water, landscape, villages, …**
- **Sustainability and ecological support programmes of some new hotels and wellness centers**
- **Deseasonality of tourism activities especially in mass tourist destinations like Postojna cave**

These investment projects contributed to increase of tourism capacities and even more to the improvement of their quality standards. They increased competitiveness with more than 9.000 new hotel beds and attracted more tourists – there should be nearly 2 million more overnights of tourists in next years. There was also an increase of 1.900 more employees in tourism. Projects contributed to protection and valorization of cultural and natural resources and improved the quality of life in tourist destinations. They also improved the efficieny of energy use, improved the natural environment and infrastructure.

The result of this intense tourism development is the increase of the share of GDP of tourism which rose to nearly 9% of GDP of Slovenian economy.

CONCLUSIONS

In spite of intensive investment in Slovenian tourism in past period the crisis stressed the importance of more efficient cost management, tourism product development, innovations and internationalization. New investment should be in the future focused on improvement of existing capacities and tourism facilities (wellness, sports, congresses,..), development of theme parks, and infrastructure in tourist destinations. More intersectorial tourism investment should be promoted in the future especially with agriculture, sports and culture. Culture is one of key areas of future tourism development in Slovenia which can raise value added per employee. There is also a necessity to invest in further protection of natural resources, valorization of natural parks and their tourism exploitation. Besides some bigger investment projects, there should be strong tendency to support tourism projects in SMEs which can contribute substantially to greater attractiveness and competitiveness of Slovenian tourism.
Government is aware of the necessity of a set of measures and instruments to continue successful investment cycle, quality improvement and tourism promotion with effective financial support.

Global Survey
Summary

2- In which region your organization operate?
Turkey is divided into 7 geographical regions. Some of the survey respondents pointed names of these regions while some called the cities like İstanbul or Alanya as a tourist zone centers. As far as being understood from the responses given to the questions, Turkey's most important tourism regions are Mediterranean, Marmara, Aegean and Western Anatolia Regions.
The survey results represent tourism in Turkey. Apart from the respondents filling the survey questionnaire entering the system(12), 200 more completed surveys was being delivered by hand.

3- When has your organization/firm been founded?
The newest company take part in the survey was established in 2009, while the oldest one was established in 1991. Survey respondent companies are mostly the ones established between1990 - 2000. The probable cause of this might be the large number of tourism companies established in the 1990s as a result of the Tourism explosion in Turkey. Participation of long standing tourism companies indicates how they take the subject seriously.
4- Most of the survey respondents consist of tour operators. They are usually involved with the agency and bus operations. Accommodation enterprises come in second place.

5- Please, indicate the average number of employees in 2011?
According to survey results the number of people employed in accommodation establishments is mostly between 50-250. The number of employees is ranged from 5 to10, depending on the diameter of the tour operation industry in Turkey. In terms of employment, while hotels have a large number of employees tour operators have limited number.

6- Please, indicate the percentage of female employees.
Percentage of female employees varies by region. This ratio is 10% and under in Eastern and Southeastern Anatolia while 75-80 % in Western regions.

7- Please, indicate the percentage of full-time employees.
The ratio of full-time employees in tour operators sector reaches to 100%, while it decreases to 50% in accommodation establishments sector. This situation results from seasonal structure of accommodation sector.

8- Please, indicate the percentage of part-time employees.
The number of part-time employees is low. It seems that the existence of cheap labor market has forced the employees to work full-time rather than part-time.

9- Please, indicate the average age of employees?
The average age of employees is between 20 and 35. This situation reflects the general character of the tourism sector. In order to provide faster service, young people are being employed in the jobs requiring low qualifications. It is observed that the employees progress to higher levels as they get older and their number decreases throughout the sector. Due to the difficulties of the sector, after a certain age, employees of tourism sector change the sector they work.

10- Please, indicate the average number of seasonal employees.
The answer of this question is related to the fact that the companies operate depending on the seasons. In the coastal areas with the high seasonality, answers to this question correspond to almost 90% of employees. On the other hand in the regions where tourism spread over 12 months, seasonal employees are almost non-existent.

11- Please, indicate the average number of apprentices and trainees.
The low number of apprentices and trainees indicates that high school and college level students who are required to make an internship are facing challenges. High school students are able to find places for internship more easily than college students who have higher expectancies from the internship place. It is known that some students make fake internships from time to time. On the other hand the fact that employees use the labor of students instead of teaching job may lead to decrease in the number of apprentices and trainees.

12- Please indicate the annual turnover of your enterprise in 2011 (EUR)
Respondents did not give any information about the company revenue. This situation is due to reservations regarding tax liabilities. In addition, survey respondents are not from the accounting or finance departments. This situation makes it difficult to get information about it.

13-What is your best selling product?
Hotels, tours, umra and hajj, service are the ones come to the fore.

14- Which of your products has a low profitability?
Rent-a-car, transfer, cruising, domestic tours,

15- What are your distribution channels?
Distribution channels are mostly being used.

16- What kinds of promotion channels do you use mostly? Reservation system?
Reservation system is mainly used in hospitality enterprises. This system is used less by tour operators engaged mainly in bus and transfer.

17- What kinds of promotion channels do you use mostly? On-line service?

Hotels and travel agents commonly utilize the on-line service. However, new commercial law entering in the force on 1st July 2012 makes it mandatory to use web page for the all companies.

18-The responsibility of the organization and edition of web site
Web sites are updated by the owners in small-scale business. In larger scale companies, company's own employees do it. Tour operators are mostly outsourcing this service.

19- The most commonly used promotion tool? Brochures
* The most common tool used in all the companies are brochures.

20- The most commonly used promotion tool? On-line advertisement
On-line advertisements are used in commonly.

21- The most commonly used promotion tool? Promotion activities of local authorities
Agencies do not much utilize the promotion activities organized by the local authorities, while hotels use it more.

22- The most commonly used promotion tool? Trade fairs and lounges
Bus companies and hotels benefit from the trade fair and lounges commonly, while agencies shows low participation. Despite support provided to SMEs, hotels involved in such activities more often than agencies.

23- The most commonly used promotion tool? Yellow pages
It is observed that the use of the yellow pages is not very common.

24- The most commonly used promotion tool? Company's web page
Almost all companies benefit from their own web pages.

25- What is the number of clients in 2011?
According to the survey, in 2011 the number of customers ranges from 500 to 25,000. It shows that survey covers a wide range of companies.

26- Where are your clients from?
50-75 % of the customers are domestic, while 25-50% are from Europe.
Due to the recent developments in Turkey-Syria relations and Arab Spring, the number of Arab tourists has increased while the number of Israeli tourists has decreased.

27- Please indicate the qualification owned by the majority of your employees.

While the employees' level of education is generally colleges and universities in the agencies, it is secondary education level in hotels.

28- The educational qualification of owners.
Almost all of the service providers have education in the tourism area.

29- Please indicate the educational qualification owned by the majority of your employees.

The study area of employees shows a greater variety than owners as well as education level which ranges from secondary school to universities.

30- Where are your employees from?
Labor is supplied from local sources.

31- What languages do your employees speak? Do you have any trouble regarding foreign language?
Companies do not have much trouble regarding foreign language. Most of them have the language skills regarding the target destination markets. Almost all of them has the knowledge of English.

32- Do you encounter any of these difficulties of recruitment during the last six months?
Responsibilities of employees do not comply with their capabilities.
95% of the respondents marked the “not at all” answer.

33- Do you offer on-job training to your employees?
According to the answers (75%), there are trainings on the job. This shows the importance attached to the on job training.

34- The average annual cost per employee.
95% of respondents avoided giving information about the average annual cost per employee.

35- Are you satisfied of the promotion actions of the local authorities/organisations?
Respondents are not satisfied with the promotional activities of local authorities.

36- Do you think your destination is easily to reach by transport infrastructure?
It is seen that companies are easily accessible.

37- Do you think the accessibility of your destination by public transport infrastructures impact the customers’ choice?
Public transport infrastructure is important for hotel customers, while agencies don’t need and concern much about it.

38- Do you think the offers of transport operators to reach your place are attractive?
Public transport infrastructure is thought as attractive.

39- How you judge the impact of high/low tourist seasons on your activities?
High and low tourism season has an intermediate effect on operations. At coastal areas low and high seasonal differences are being felt more than metropolis for which seasonality is not meaningful.

40- Your activities, are they exclusively seasonal?
Activities carry seasonal features in coastal areas but not in metropolis.

41- During which period of the year? During how many weeks?
Seasonality concentrated in the summer months. Season changes between 8-36 weeks.

42- If yes, what are your out-of-season activities?
Commerce, timber, agriculture, transport, rent-a-car and private driving school

43- How will you judge the level of competition in the local market?
Local competition is thought to be moderate. Companies engage in similar activities felt this competition intensively. Competition is felt mostly weak if companies enter the market with new products.

44- Do you invest during the last 6 months?
Most of the businesses have made investment in the last six months.

45- If yes, how much they cost?
The investment costs changes between 6.000 and 200.000 Euro. This shows companies make investment in accordance with their size.

46- Which kind(s) of investment? (Multiple choice)
Investments are focused on accessibility, replacement of equipment and the renewal of the buildings.

47- How do you fund the investment?
In the realization of investments the use of equity is low. 75-90% of the respondents use bank credits.

48- Does your enterprise/organization be part of one (or several) labeling of sustainable development?
The number of companies that are connected to labels related to sustainable development are negligible.

49- It is understood from the answers given related to the label, label is misunderstood. Therefore, these statements have not been taken into evaluation.

50- Do you think your sustainable practices will impact on your customers' choice? How do you perceive the results of your sustainable measures? Please indicate the measures that you consider as in favour of sustainability taken during the last year.
There is a general consensus on that sustainability practices have an impact on customers' choices. Steps for sustainability are seen as a necessity. Businesses should be more informed about sustainability.

51- According to you, what are the most key criteria of competitiveness for the future?
- Active work, state aid, institutionalization, research focused, keep track of competitors
-trust, honesty
-innovation
-quality
-abolition of "all inclusive" holiday system.
-good promotion,
-friendliness

Specific Survey

Turkey

Summary

A) Boundaries of the research/survey

Afyon province with health and wellness tourism is one of the most important tourism region candidates of Turkey which will have larger market share in the future. Negative applications which are used in more progressive tourism regions must not be used in this region with the help of newly developed sustainability and competitiveness applications.

The concept of sustainability and competitiveness cover wide range of area both in terms of definition and applicability. There are different criteria for each sector.

In this specific survey, 10 hotels and one holiday village in Afyon city as tourism SMEs were handled. The level of implementation at these certain places is detected whether they fulfil the criteria and concrete steps are determined. 5 hotels were identified and questions were asked.

Why these hotels are selected at this survey? The first reason is that the sustainability concept is widely known in 5-star hotels and holiday villages. Second reason is the high number of beds at these hotels which have taken into consideration. Other hotels are placed out of the study because they have neither idea about sustainability nor they have enough bed capacity.

B) Method of research

Libraries, internet and data banks were firstly used for this scientific research. After this research, interview as a qualitative research tool for sustainability applications in tourism was used.

In this framework, managers and wellness managers of these hotels and holiday village were interviewed. During these interviews, sustainable tourism criteria were firstly set up with the help of following standards: World Spa Association (ISPA), Switzerland Wellfeeling Cooperation, Austria ‘Schlank & Schön’ Cooperation, Italian South Tirol ‘Belvita Alpine Mountain Wellness Hotels’, German Wellness Association, German Hotels Association, Bavaria Spa Association and Bavaria Hotels and Accommodation Association, German Medicine Wellness Association, Nordic Label, English Spa Criteria, Global Sustainable Tourism Criteria, English Environment Department. Competitiveness factor was combined with sustainability applications. Following organizations and their representatives are interviewed:

-Ömer Thermal Health Village, General Manager

-Thermal Resort Orucoglu, Front Office Manager and Spa Centre Manager

-Korel Thermal Resort Clinic and Spa, Front Office Manager, Spa Center Manager

-Ikbal Thermal Hotel, Business Development Director

-Anemon Afyon Thermal Spa Hotel, General Manager

C) Sustainability applications and competitiveness

Concept and applications of sustainability are known by all enterprises. They are eager to implement all of them. International and national legislations are followed by most of the companies. Some of them try to implement pine tree concept as an environmental quality scheme of Ministry of Culture and Tourism. Certain quality criteria must be clarified in order to give efficient service to customers.

Environment managers can be found only in two companies. Environment management department is important to implement sustainability applications. Company can also work with outsourcing companies in order to train its workers about sustainability applications. Costs can be relatively high when there is no environmental department within the organization.

Most of the companies have environmental, socio-cultural, health and security trainings. Socio-cultural training is not so attractive for some companies. It is supposed that socio-cultural trainings can give opportunity for companies to learn people where they operate. This can help to reduce tension between companies and local people.

Realization of sustainability applications of tourism companies is possible when managers take the real initiative in this issue. The competitiveness of companies is also increased by using of sustainability applications.

Increasing the quality of operations is also very much related by organizing of regular seminars and publications for workers. This shows that most of the companies try to implement sustainability applications.

Table 66 Sustainability applications of selected companies -Turkey

	A	B	C	D	E
A. Sustainability applications					
1. Sustainability concept is known	X	X	X	X	X
2. International and national regulations		X	X	X	X
3. Quality certificate		X		X	X
4. Environmental management manager		X			X
5. Environmental ( ), Socio-cultural ( ), Health ( ) and Security management ( ) trainings	Health, Security	X	X	Environ., health and security	X
7. Regular seminars and publications for quality		X	X	X	X

D) Policy and Strategies:

Targets and strategies are defined by top management of companies. Companies which are accepting sustainability concept, have also sustainability definition in their mission and visions. If top management does not accept the sustainability concept, it is difficult for the company to be part of sustainability applications. Most of companies feel sustainability concept in its operations and this increases competitiveness of these companies against their competitors.

Table 67 Relationship between sustainability applications and policy and stratégies -Turkey

B. Policy and strategies	A	B	C	D	E
1. Targets and strategies are defined by top management		X		X	X
2. Sustainability concept is found in mission and vision		X		X	X

E) Workers:

Standard operation procedures are found in most of companies. There is risk of high worker turnover if there are no standard operation procedures. This can allow the risk of irregular operations. Most of the companies offer training courses for their workers. Some of the companies try to have good relations with higher education institutions where they are not able to train their workers. This makes possible to increase their performance. Some of companies encourage their workers to learn English at public education centres. Special attention is given to training opportunities at low season.

Recommendation system for workers is found at nearly every company. This allows workers for having possibility to join management and companies can renew themselves. This has positive influence on sustainability culture of companies.

Table 68 Relationship between sustainability applications and workers - Turkey

C. Workers	A	B	C	D	E
1. Standard operating procedures		X	X		X
2.Training of workers		X	X	X	X
3. Recommendation system	X	X	X	X	X
4. Evaluation of work satisfaction	X	X		X	X

F) Customers:

All companies have regular contact with customers, regular observation of customer behaviours, evaluation of customer satisfaction and precautions, assistance of customers for environmental activities of companies and information about public transport system.

Companies do not mostly promise more than what they can offer in their promotion materials. Customers are informed about natural surroundings, local culture and cultural heritage by all companies except one.

Table 69 Relationship between sustainability applications and custumers - Turkey

D. Customers	A	B	C	D	E
1.Regular contact with customers	X	X	X	X	X
2.Regular observation of customer behaviours	X	X	X	X	X
3.Evaluation of customer satisfaction and precaution	X	X	X	X	X
4.Not promising more than offer	X	X	X	X	
5.Assistance of customers for environmental activities of companies	X	X	X	X	X
6.Information about public transport system	X	X	X	X	X
7.Information about natural surroundings, local culture and cultural heritage	X	X	X		X

G) Relationship between sustainability applications, competitiveness and socio-culture

All selected companies underline that they support local initiatives and groups but they can not show concrete examples. Especially, they organize painting exhibitions and cultural activities during the Victory Festival between 23 and 30 August. After the renovation of Millet Turkish Bath, there are painting and art exhibitions of women from low income groups.

Local people are employed at most of companies. But top management levels are silently closed to local people. Low level education is the most important reason for that. At high season, local people are employed and get on-the-job trainings.

All companies try to get local services and goods. Especially, local entrepreneurs are supported in food and drink, handcraft and arts and agricultural products. One of the companies opens its doors for local and small entrepreneurs for selling local natural, historic and cultural products.

There is an open communication between tourists and locals in order to have better understanding. Women are offered equal opportunities included management. Worker rights and salaries are respected at all levels. Water, energy and hygiene rights and cultural and religious affinity of neighbouring sites are respected. It is said that equal opportunities for women, regular labour agreements and fair salaries are given. Historical pieces are not used and they are protected well.

In the name of design and decoration, local attitude is mostly underlined. Local and authentic styled small houses are built in the certain hectares of hotel. One of an old building is restored by the help of the Afyon Kocatepe University.

Table 70 Relationship between sustainability applications, competitiveness and socio-cultural -Turkey

F. Sustainability, competitiveness and socio-culture	**A**	**B**	**C**	**D**	**E**
1.Local initiatives are supported	X	X	X	X	X
2.Local people are employed (inc. Management)		X	X	X	X
3.Local services and goods are given	X	X	X	X	X
4.Local entrepreneurs are supported (food and drink, handcraft, performance arts and agricultural products)	X	X	X	X	X
5.Regular and open communication between tourists and local people	X	X	X	X	X
6.Equal opportunities are offered to women included at management level	X	X	X	X	X
7.Respect to all worker rights and salaries at international level	X	X	X	X	X
8.Water, energy and hygiene needs of neighbouring societies are respected	X	X	X	X	X
9.Cultural and religious affinity of locals are respected	X	X	X	X	X
10. Information about local culture is given to customers.	X	X	X		X
11. Equal opportunities for women are secured	X	X	X	X	X
12.Regular labour agreement and salary are secured	X	X	X	X	X
13.Historical pieces are not used and they are protected	X	X	X	X	X
14.Local characteristics are used at the design, decoration, food preparation and shops		X	X	X	X

H) Relationship between sustainability applications, competitiveness and economy

'Polluter pays' principal is accepted by most companies. This is a good example for companies which are not ready pay their failures. If this principal is ignored, this has a contradictory situation with sustainability applications.

There are not wide ranges of common work and using of common infrastructure between companies in order to share costs. Although most of them are in different categories, there is a very strong competitiveness between them. It is supposed that this will be changed with the increase of tourism facilities in the region.

Common marketing activities are mostly ignored and city has also a branding problem. This causes weaknesses of instruments in general marketing.

Most of companies do not take credit from international banks. Furniture and other necessary goods are not imported. This has very much to do with higher interest rates and taxes.

All inclusive system is not used in this region as it is commonly used at Turkish seaside regions like Antalya region. This will play very crucial role in order to have more added value in tourism sector. This could also have positive effect in order to reduce over consumption of food and drink. Bed and breakfast, half board and full board are mostly used service types of hotels.

Table 71 Relationship between sustainability applications and economy - Turkey

G. Relationship between sustainability applications and economy	**A**	**B**	**C**	**D**	**E**
1. Polluter pays principle	X	X			X
2. Using of common service and personal infrastructure				X	X
3. Joint marketing activities	X				X
4. International credit					
5. Import of necessary goods				Season al	X
6. All-Inclusive system					

Case Studies

In following pages examples of some of the best practices.

SUMMARY

Studying European tourism SMEs with precision and rigour is a delicate task. While we find almost the same fields of tourism in the various countries and regions of the Knownet project (we will primarily use the segments of the tourist value chain defined by the World Tourism Organization), practices often seem very different, whether in professional branches where tourism is the main activity (tourism and travel, accommodations and hotels) or branches where tourism represents only part of the activity (leisure, catering, transportation).

In the eight countries and regions involved in the project, many tourism SMEs have undeniable competitive characteristics. We cannot claim to know them all. Yet, after driving the roads of each area, some of the businesses we met seem to be perfectly in synch with the Knownet project's purpose: either they are themselves true references, or they work on specific segments identified as competitive niches. Although the businesses often used the same approach, the situation on the ground quickly showed that it would be impossible to establish a single methodology to present the cases chosen. European businesses are influenced in different ways by accounting and financial standards (if they exist), types of employment and contracts, and structural and economic trends affecting both consumption and travel habits.

Although each partner wanted to highlight two or three tourism SMEs for competitiveness specific to the country or region, we can still draw a few conclusions from all of the case studies that follow.

1. Problems faced by independent SMEs

The last decade has had a profound impact on tourism SMEs in Europe. Very few have not evolved during this time, often just to survive. Those that were unable or unwilling to change found themselves in the greatest difficulties. Those independent SMEs which were able to evolve often became subsidiaries or franchises of large groups or sought to form alliances or networks in order to reduce fixed costs, enjoy greater commercial visibility and better negotiate outsourced services. Many of them chose to focus on specific niches, since in tourism as in the entire economy, only the largest firms on a European level are capable today of producing both on a global and local scale, to be both a general producer and a specialist. Many independent SMEs have faced impossible choices: doing nothing would mean disappearing while investing is no guarantee of a sunny future but is totally indispensable. In general, the economic conditions were considered to be extremely difficult, and conditions of indebtedness often seemed insurmountable.

2. Hotels seem to adapt the best to changes and be most sensitive to standards

Most of the cases chosen are from the hotels sector. Most European tourism SMEs are hospitality companies that have developed ways of receiving guests based on a number of ideas and standards. Looking at the Austrian, Sardinian and Turkish cases, it appears that major international environmental standards are applied by almost all of the most competitive hotel companies, for their organisation, management and production process (e.g. Boutiquehotel in Austria, and Hotel Saturn in Romania). Hotels and accommodations seem to have the easiest time adapting and to be the most sensitive in their daily lives to standards, especially environmental standards, even for their marketing (many, for example, highlight their energy savings, or reasonable water consumption, or partial energy autonomy through solar panels or, occasionally, biomass). We should note that the hospitality companies chosen by Knownet's partners share a number of points, including on recent tourist markets. This is even more interesting when we look at the sometimes paradoxical geographic situations and macroeconomic contexts in which companies in mature (Sardinia, Italy) or emerging (Afyon, Turkey) tourist regions operate.

3. Issues related to distribution and staff training

Many of the companies studied seem to consider the question of controlling distribution to be essential. Their competitiveness depends on it, especially because free access to different sales systems necessarily guarantees financial autonomy and the ability to diversify promotional portals. For many, this requires developing skills in house, acquiring technical strengths and trust (sometimes new) in customer relations management (CRM). Indeed, distribution is intimately linked to customer loyalty and to defining a strategy of almost total quality. Those companies that are truly successful are those that were unafraid to invest, to focus on niches with high added value, on original products and on improving the quality of their products, and therefore, necessarily, on raising their prices. The time of low cost tourism is probably over. A company's services necessarily suffer when costs, prices and margins are cut. This is true in all of the countries and regions we considered, whether seasonal or year-round destinations. This also raises the question of staff training in tourism. An efficient employee is often well trained, pertinent and responsive. The professionalism of everyone involved has to be increased, from the director to the maid. However, training seems to be a priority in few cases. This is an error, a short-term strategy. The project developed by Seine-et-Marne Tourisme, in France, is a great example of this.

4. The need to prepare for the transmission of SMEs

Many SMEs are still family run, and are handed down from father to son or from mother to daughter. We examined some excellent examples of this in Slovenia and Turkey. It appears that the transmission of companies and the very conditions of transmission affect companies' competitiveness. For example in Austria, Hungary

and Slovenia, hotels are a way of passing on a heritage, an asset, a family value and an ethical commitment. Many entrepreneurs explain it in these terms. The case studies were an opportunity to meet and spotlight companies that are organised, well structured, and look to the future. We could have chosen to underline failures or strategic errors, to emphasise how much can be learned from these types of situations! Many SMEs have missed the boat in recent years, because their founders didn't think they needed to adapt to technological changes, to quality standards or to international standards. Their reputation was enough, because their clients were all local. Today, training for entrepreneurs seems more than necessary. This question appears difficult to resolve in Belgium. In part because of the number of companies surveyed due to a lack of time, since year-round activity sometimes makes it difficult to take the time to step back and think critically. For others, there seems to be a generation gap between those of retirement age and the youth of Generations X and Y. This cultural shock is particularly visible in central and eastern European regions where more than 20 years after the fall of the Berlin Wall, the heritage of the Communist period still seems to be very present in the way certain companies are organised, and could explain the lack of interest, or even the inability in certain cases, on the part of owners to come up with new ways of doing things, and original and demanding prospects. Still, there are remarkable family success stories in Hungary, Romania and Slovenia.

Austria

der daberer. das biohotel

- Architecture according to eco-climatic standards, full heat insulation, wood & low-energy construction
- Use of natural materials like wood, leather and linen for interior construction
- solar-pellets-combination for heating; display window informing guests about the current energy production of the solar plant
- Cooking based on herbs and exclusively biological and/or regional products
- Nature-Spa with sauna in the woods, natural pond etc.
- Use of biological and natural cosmetics
- Supporting mobility beyond cars through free bicycle rental, procurement of ride-sharing as well as arrangements of collective transfers
- Corporate Social Responsibility as internal working policy

The 4 star Biohotel Daberer is a family business in Carinthia. The enterprise has been engaged with ecological issues for more than 30 years, which laid the cornerstone for their sustainable orientation. Back then an Eco-pension – today an Eco-hotel. A sustainable management of the enterprise including the ecological, social and economic sphere evolved from their own way of living, says family Daberer.

Sustainability as prior value

"We feel thankful thinking of prior generations and we want to take responsibility making sure that future generations also have the possibility to live and develop here – thus we summarize our way of thinking in the sustainability triangle of Ecology, Social aspects and Economy. Sustainability is one of 6 main and clearly defined values of our enterprise", says Marianne Daberer, the owner of the hotel.
Sustainability is here being defined through a clear and holistic view of the term "ecological" and represents a recurrent theme in the company.

Handling resources in a responsable manner

Avoiding waste as well as the separation of waste are very important to the Biohotel. That means reducing the total amount of waste and using all products in an attentive way.
There is no convenience and non-returnable packaging being used. Alls distributers and subcontractors deliver their products in returnable boxes. Employees find containers for separating waste in all parts of the hotel. Also for guests devices for easy waste separation are prepared.
The reduction of waste has different affects; it not only changes the behavior of employees also in their private lives but at the same time costs are being reduced.

Renewable energy sources

In 2010 the adjustment of the energy supply system was carried out. The heating system based on oil was replaced by a combination of a solar plant and a pellets heating system. The aim was to be self-sustaining regarding warm water and heating as well as reducing emissions and using renewable resources. Again also in this case costs for heating are being reduced and guests are being informed through a display window about the current energy production of the solar plant.

Ecological architecture

Bioengineering, ecology and energy efficiency were particular concerns in the architecture concept of the Biohotel. A constructive use of the material wood, loam rendering in the interior of the hotel and certified organic construction materials were important parameters in the construction process. Furthermore much attention was paid to an all-embracing solution regarding the solar thermal system. Also the interior of the Biohotel was designed with natural materials like solid wood of alder, oak and larch trees as well as leather and linen.

Wellness

The hotels natural Spa is for Marianne Daberer the main focus of the Biohotel. One Highlight is the sauna: behind the hotel in the forest there is a separate house with a Finnish sauna heated with wood and a sauna with fir tree aroma. Next to the silent regeneration area there is an open-air terrace and a diving basin with native water from the mountains. In the sauna area there is no music – only the background noise of nature.

The natural pond with its rare population of white-clawed crayfish, which shows the outstanding water quality, is especially popular among guests in the summertime. In the middle of the forest there is a sunny clearing with an “power spot”. Furthermore there is a lawn for sunbathing and a pathway for walking barefoot.

„Wellness for us, represents a holistic approach to a conscious and healthy lifestyle. The Daberer philosophy consists of 3 key aspects: exercise, diet and relaxation.” (Marianne Daberer).

The Biohotel has been certified by “Best Health Austria” – an independent, state-run seal of quality for health tourism. All cosmetics are either biological or natural.

Biological herb-flavoured kitchen

All food products for cooking are being delivered from the nearby organic farm. Herbs represent the fundament of all cooking and 2012 has been declared „Year of the herbs“ by the Biohotel. Inge Daberer has just published the cookbook „Das Kräuter-Kochbuch – Die besten Rezepte mit Kräutern und Blüten” (“The herbs cookbook: The best recipes with herbs and flowers”).

Further awards

The Biohotel has been nominated for various awards and was in 2008, 2009. 2010 and 2011 always among the top 10 Eco-Hotels granted by Geosaison. The award for Corporate Social Responsibility – Trigos 2009 – was given to the enterprise in 2009 in the category Ecology and in 2010 the Wellness-Aphrodite award.

der daberer. das biohotel
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Forsthofalm

- Solid wooden hotel: use of dowels instead of glueing
- Wood, stone, and domestic materials like spruce wood, larch wood, green slate, linen and burlap
- Low energy construction with high thermal and sound insulation
- Most of the products come from farmers from the region and from in-house hunting
- Bio pond with Kneipp basin
- Bio herbal sauna
- Natural spa on the roof with 360° panoramic view
- Home made care products

The Forsthofalm is located in Leogang in the province of Salzburg 1050 m above sea level. It is situated directly on a ski slope and Zell am See is at a distance of 25 km.
Since 1972 the Widauer family hosts guests on their pasture. First there were 40 seats, and in 1982 the capacity was expanded to 160 seats and guest rooms were arranged. After a fire in 1996 the building was fully renovated and the destroyed areas were rebuilt. In 2008, when the enterprise was taken over by the son Markus Widauer, the expansion of the traditional pasture-hotel by building the first solid wooden hotel in Salzburger Land was decided.
On the 5th of December 2008 the four-star hotel was opened under the motto the most sensual pasture in the world.

Nature-oriented architecture

Wood, stone, glass and domestic materials are the dominant elements in this architecture. 70 000 dowels keep together 245 tons of solid wood together, consisting of 2.500 m² wall and ceiling panels, and replace the commonly used gluing. The materials used for furnishing were almost exclusively domestic natural products like spruce wood, larch wood, green slate, linen and burlap.
The building is a low energy construction with an excellent thermal and sound insulation. The priority of choosing the raw materials was to pay attention to natural materials and the compatibility with human well-being.
The advantages of a solid wood construction: solid wood provides the best sound and thermal insulation, excellent level of fire protection, it is extremely earthquake-proof and it shields from high-frequency radiation. Furthermore, wood is an ecologically safe material and provides a balanced, non-irritating indoor climate, warm in winter and cooling in summer. Furthermore, scientists establish the deep, relaxed and calm sleep in wooden houses.

Regional cuisine

The used products mainly come from farmers from the region and from in-house hunting. Wild herbs, wild mushrooms, domestic berries and herbs from the garden are being used. There are both Austrian and international wines, some of them are organic.

Natural spa with the hotel's own care products

Claudia Widauer is in charge of the spa, containing the Bio herbal sauna, the Finnish sauna, infrared sauna, Sole-steam bath, various relaxation areas, a vitamin bar, and two treatment rooms for massages and beauty-treatments.

The well-trained massage therapist and qualified health trainer Claudia Widauer makes oils and creams from fresh pasture-herbs and regional honey. She mixes the herbal exfoliations and cataplasms in plain view of the guest, tailors it to his individual needs, and consults about the effects and advantages of the particular ingredients. For the "Leogang energy-cataplasm", a home-made cataplasm for legs with a herbal cream, herbal oils, and honey, the expert uses bee balm and mint for relaxation and skin cleansing, St. John's wort for calming and leopard's bane for stimulation of circulation. For the "herbal stamp massage" the guest can choose his own mix of ingredients.

Home-made beauty products like a hand cream made of rose-lavender, foot balm made of pasture-herbs and lip balms are put up for sale. There are a rose body lotion, herbal bath salts, and lavender bath balls. Besides the home-made products, natural products by Vitalis Dr. Joseph und Piroche Cosmetiques are used. Furthermore, there is home-made herbal shower foam available in each room. Since spring 2010 there is a Bio pond with a Kneipp basin.

Forsthofalm
Markus Widauer

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Awards and memberships

In 2009 the Forsthofalm received the National Award for Tourism which was under the motto "energy efficiency in hotel business and gastronomy". It supports the Austrian organic farmers network BIO AUSTRIA as a cooperation partner.

Future prospects

In 2012 and 2013 the old parent building will be adapted to the sustainable concept of the solid wood construction in the course of rebuilding.

Naturidyllhotel Landhofmühle

- Solar power plant for hot water preparation
- LED/ energy saving lamps
- Tiled stove as a an additional heating installation
- Composting plant for biological waste
- Information for guests about how to save energy and separate waste intelligently
- Rain water use
- Regional food
- Cottage garden for guests to snack on

The Naturidyllhotel Landhofmühle is situated in Neuhauser Hügelland in Jennersdorf, in the most southern province in Burgenland. This area is characterized by fruit cultivation, agriculture, and a bit of viniculture. It is little developed for tourists and is located in the edge region of the Loipersdorf Spa and the Weinland Südoststeiermark/Vulkanland (Wine Land South Eastern Styria/Volcano Land).
Franz und Claudia Farteks decision to buy the old, almost forfeited mill in this area and make it a little holiday paradise first was met with skepticism. The mill which had been occupied by Franz Farteks ancestors before, at last by Franz Fartek's aunt, and was standing still for 15 years already. When the couple bought the mill in 1990 they first had to carry out extensive renovations. The goal was to create „a lot of privacy and individuality and no hotel-like character, to do everything different from common hotel holidays."

Preserving cultural heritage

The original architecture, the character, and the atmosphere of the mill, the disposition of the windows and doors, and the chestnut tree in the center of the yard should be retained. All over the house, old elements of the mill have been kept, for example two more than 100 years old grinders. The wood was sandblasted but not painted and not modernized, the old timber floor boards made of larch were only oil-impregnated. The cottage garden remained planted with flowers, fruit and vegetables to snack on for the guests. All over the house and garden, there are various art pieces, sculptures and pictures by domestic artists, guests and friends, which contribute to the special atmosphere.

Careful use of resources

The owners of the Naturidyllhotel which is situated in the 3-Länder-Naturpark (3-countries natural park) pay attention to the careful use of resources. Apart from more "conventional" energy saving measures like using LED and energy saving lamps in the hotel, a solar power plant for hot water preparation was installed. A tiled stove is being used as an additional heating installation. There is a composting plant for biological waste, and information and demands for the guests for saving energy and waste separation.

Strengthening of local economic cycles

The food's regional origin is very important to Mr. and Mrs. Fartek, and so suppliers from the region are preferred as far as possible. The raw milk is bought from a farmer 3 km from the hotel, and filled in the own bottles so that no additional waste is produced. Further products like meat, dairy products and natural juices are delivered weekly by farmers from nearby. This strengthens local producers and stimulates regional economic cycles.

The imaginative and always differently assembled breakfast buffet is taken with a view to the village's pond, a piece of unspoiled nature with fish, wild ducks, storks and grey heron.

In 2000, Mr. and Mrs. Fartek founded, together with ten other enterprises, the cooperation „Sonngartl". These enterprises practice joint marketing and implement common activities for the guests: There are cooking classes, walking tours, a children's program, a guest's newspaper. The members of the network exchange their knowledge and enable the employees to do joint further education.

Natural idyll with environmental certificate The hotel is a member of „Naturidyllhotels", a cooperation between family-run hotels and hotels with environmental certificates, all of them bearing the Austrian Eco-label and the AMA quality label which ensures the regionality of the food. Furthermore, the enterprise received the environmental award of Burgenlan.

Naturidyllhotel Landhofmühle
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SPES Hotel & Seminars

- Supply with 100 % renewable energy – passive house, photovoltaic system
- Rain water used for toilet flushing
- Use of regional, organic and fair trade products
- Support and continuous training of employees
- In-house „Dunkelgenussraum" for new sensorial experience
- Free Christmas holidays for people who are in need of social support
- Close cooperation with regional partners
- Corporate Social Responsibility as the company's policy

SPES stands for, **S**tudiengesellschaft für **P**rojekte zur **E**rneuerung der **S**trukturen“ which means research association for projects for the renewal of structures. The SPES future academy considers sustainable renewal of social structures their duty.
The SPES future academy sees itself as an educational center with a seminar hotel which is especially connected to Upper Austria and its own region. It establishes itself as a European centre for applied sustainability in the field of education, economy, labor, region, community, family, and personality. SPES works on the content of the following fields: Development of community and region, family and generations, sustainable economy and changing work.

Organic, fair, and ecological

SPES was rebuilt to a passive house in 2009 and therefore it is one of the two passive hotels in Austria. On the roof there is a photovoltaic system which takes over a part of the energy-supply. Garbage is sorted out in the following categories: glass, plastic, paper, metal, green and residual waste. Rain water is used for the toilet flushing. There are agreements on the return of packaging like glass or boxes for fruit and vegetables with several suppliers. Even for polishing agents refillable cartridges are used in order to keep the amount of packaging material low.
The employees receive information on energy saving in the office regularly, with the help of information documents of the Association for Energy Saving in Upper Austria.
The office is equipped with switchable sockets. The rooms are illuminated by energy saving lamps. Environmentally compatible polishing agents are used for cleaning.
In the restaurant attention is paid on the use of regional, biological and fair trade products. Suppliers from the region are preferred in order to keep the driving distances short.
There is an annual conference which pays attention to the employees’ suggestions and proposals for an improvement of operational procedures. Internal and external audits in the course of quality management ensure the permanent development of the company.

Social responsibility

SPES promotes education and further training of their employees by bearing half of the costs and considering half of the training time as hours of work. Even if training and personnel development do not serve for the use of the company an agreement about work-free days and consideration in the planning of work time is possible. SPES offers seminars for personality development which the employees can take part in at a low price.
Origin, religion, age, marital status or physical impairment is not an exclusion criterion for SPES.
The focus is on the personal opportunity to fulfill the tasks and the duties are appropriately designed. Workplace and working conditions are designed in an age-appropriate way and suitable for the disabled.
SPES has a blind employee who is in charge of the in-house “Dunkelgenussraum”, where people with no visual impairment can gain new experiences by eating in total darkness.
A special measure for assuming social responsibility is the SPES Christmas Initiative. People who are socially in need get the opportunity to be accommodated at the SPES Hotel for free. The greater part of the costs for this is taken by the company

itself and also by sponsors. Both money and material resources can be donated and volunteers are welcome.
This takes place annually in the last week of December or the first week of January in cooperation with the Caritas Upper Austria who decide who will receive the offer. It includes accommodation and organic respectively regional food and beverages. Those guests are also offered leisure activities with learning opportunities in the morning (including the topics personal development, educational counseling, relaxation exercises etc.), cultural programme activities in the afternoon and all-day child care. The SPES Christmas Initiative helps people who cannot afford holidays but are in urgent need of a break to relax.
The people who took part in the Christmas Initiative so far are suffering from a physical or mental illness, a bow of fate or had to go through difficult times. Some of them were asylum seekers and migrants. The reporting of the initiative raises public awareness and awareness of the sponsors/partners of the issue of poverty.

Awards

SPES is certified with the Austrian Eco Label for Tourism, the EBQ-Label for adult aducation, the ISO certification, the label for the audit “family and carreer”. Furthermore it is a member of the Climate Alliance and it received the Austrian Hotel Classification “Hotel of the Future” in 2012.

SPES GmbH
Peter Jungmeier

Panoramaweg 1
A-4553 Schlierbach

+43 (1) 7582 82123-58
www.spes.co.at

France

Seine and Marne Tourisme

Lionel Walker, president
Laurent Devillers, director general
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(33) 1 60 39 60 39
www.tourism77.fr

1. Company presentation

Seine-et-Marne Tourisme is the tourism development agency of the Seine-et-Marne département, located in the city of Fontainebleau. Seine-et-Marne Tourisme is an association formed under the Law of 1901, attached to the General Council of Seine-et-Marne and which performs certain tasks for it that were transferred by the state under decentralisation laws, in particular promoting the area's heritage and developing tourism. The agency's administrators represent both the département's elected officials and all of the area's tourism professionals. Seine-et-Marne Tourisme provides assistance for tourism players and for promoters of public or private projects, including in marketing. It is organised in four skills areas (engineering and development, information and communication, production and marketing, observation and resources) serving the General Council and local professionals as well as inter-muncipal structures and towns. Therefore, it is involved primarily in:

- Promoting tourism activities in the area for French and foreign clienteles (promoting historic and natural heritage but also performances and events, accommodation and catering, local culinary specialities, etc.)
- Advising and supporting regional authorities and private entrepreneurs seeking to promote tourism-oriented projects (construction of new facilities, regional development, etc.)
- Observing markets and monitoring clientele trends as concerns their "consumption" of tourist products. (Where do they come from? How do their habits or interests change?).

2. Key figures

The département

Located in the Ile-de-France region, and second only to Paris in terms of tourism, Seine-et-Marne has an exceptional and varied heritage with three UNESCO world heritage sites (Château de Fontainebleau, Pays de Fontainebleau Biosphere Reserve, and the medieval town of Provins), Europe's number one tourist destination (Disneyland® Paris), internationally renowned sites (Château de Vaux-le-Vicomte,

Barbizon, etc.), the leading ecotourism centre in Ile-de-France at Franchard, 632 protected buildings, 231 classified monuments, 400 registered monuments, 19 museums including five départemental museums, close to 135,000 hectares of forest, including Fontainebleau Forest (with 15 million visitors each year), 1,800 km of waterways, of which 310 km are navigable, 3,000 km of marked walking paths, eight leisure parks, of which five are regional, nine protected nature parks, etc.
This very popular destination attracts over one third of the 30.2 million foreigners who visit the Paris Ile-de-France region each year. The area comes in second place after Paris in terms of tourist traffic. It has the second largest hotel capacity in the Ile-de-France region (52% of outdoor accommodations in the Ile-de-France region; 52% of furnished accommodations and B&B labelled Gîtes de France and Clévacances d'Ile-de-France). Tourism is the second largest economic sector in Seine-et-Marne, with 34,000 jobs (11% of total employment).

The agency

The agency employs some 50 people in Fontainebleau (some 40 employees) and at the Ile-de-France/Seine-et-Marne tourism office at Disneyland® Paris (14 employees), to promote, develop and market the area's tourism offering. Seine-et-Marne Tourisme has an annual budget of about €13 million, generated primarily from its commercial activities (over €10 million) and operating subsidies (€2.5 million). The territorial agency's commercial results are the highest in France.

3. Actions

Committed to increasing professionalism

Seine-et-Marne Tourisme wants to help improve the professionalism of tourism players in its area, which is why it has developed many initiatives, particularly with the Seine-et-Marne Chamber of Commerce. It founded the Institut Français du Tourisme (IFT), a French network of centres of excellence for research, training and innovation in tourism. Created in June 2008, IFT brings together the major players in French tourism: companies and professional organisations, regional authorities, and public and private training and research establishments. IFT is recognised by the state, and creates centres of excellence in the largest tourist regions in France to establish economic networks for businesses, and training with high added value and an international vocation (Paris: urban and business tourism; Paris-East: heritage site tourism; Rhône-Alpes: mountain tourism; Côte d'Azur: hotels and accommodations, etc.).

The centre of excellence dedicated to tourist heritage sites

Seine-et-Marne Tourisme developed a "tourist destination of excellence" project dedicated to tourist heritage sites, called the Pôle IFT Paris-Est (Fontainebleau). This project is unique in France, and facilities were created in Henri IV's quarters (currently under renovations, for a total of €8 million) at the Château de

Fontainebleau, dedicated to promoting tourism in the area and to receiving a training and higher education and research offer in tourism backed by the Ile-de-France Regional Council and the Ministry of Culture and Communication. IFT Paris-Est Fontainebleau brings together many partners specialising in tourist heritage sites, academics and scientists (national archives, CFA des Métiers du Tourisme, CNAM Tourisme, Didactis, Ecole des Chartes, Ecole du Louvre, Institut National du Patrimoine (INP), Mines ParisTech, Université de Paris-Est Marne-la-Vallée, etc.) and professionals (Accor, Air France, Château de Fontainebleau, CCI de Seine-et-Marne, Fondation du Patrimoine, Réseau National des Destinations Départementales (RN2D), Seine-et-Marne Tourisme, SNCF, etc.).

Tourist heritage sites in France

Heritage attractions have become a key element in the economic development of the regions, attracting millions of tourists, both domestic and international every year. They are also the strong link in French tourism. There are many types of heritage attractions: civil, military and religious architecture; land, sea and river domains; industrial, artisanal and agricultural activities, plus parks, gardens, archaeological sites, furniture, etc.
France introduces itself to the world and tells its story through its unequalled diversity (2011):

- 37 sites registered on the UNESCO world heritage site list
- 37 members of the Réseau des Grands Sites de France
- 85 national monuments
- 103 cities with preserved and protected sectors
- 164 Towns and Lands of Art and History
- 672 companies having earned the Entreprises du Patrimoine Vivant label
- 1,212 museums
- Over 3,000 performances (1.5 million spectators) at music festivals backed by regional authorities and the state, and patronage
- Over 9,000 projects having received the Fondation du Patrimoine label
- 43,180 protected historic monuments
- 100,000 direct jobs
- 459,415 archaeological sites
- €1.5 billion in annual public spending, etc.

Training professionals for tourist heritage sites, in France and around the world

IFT Paris-Est Fontainebleau contributes to increasing the professionalism and skills of stakeholders of tourist heritage sites, both French and international. This is why it is developing an initial and continuing education offer intended for employed professionals and those in career transition, as well as for students seeking to improve their employability. The programme offers various levels of study, with a professional bachelor’s degree, specialised master’s degree, doctorate, and continuing education.

Initial training

The guide–lecturer professional bachelor's degree makes it possible to obtain the professional license, required to give commentated tours in museums and historic monuments. Created in the fall of 2012, the "Natural, historic and cultural tourist heritage site management" specialised Master course teaches the skills needed to become a tourism and heritage director for a city, a director or manager of public and private cultural tourist facilities, in France and around the world.

Continuing education

- Teacher training

Some schools and universities have expressed a need for teachers to upgrade their knowledge, especially from an operational standpoint, through concrete experience.
Continuing education courses can be offered in two ways: either as short practical training courses taught on site, and taken by French teachers (two to four weeks); or short training courses taught by French teachers in Fontainebleau, Paris, or anywhere else, for one or two weeks.

- Training for professionals:

These courses help managers of tourist sites (natural or heritage) and some facilities managers (hotels, campgrounds, other accommodations, cultural centres, horseback riding centres, leisure centres, etc.) acquire additional skills. The courses involve presentations of successful experiments or demonstrations of technologies (yield management, hotel reservation centres, management techniques, hospitality services, etc.) that can then be taught during one or two-week courses, depending on the subject.

- Training for elected officials:

Elected officials responsible for the tourism sector do not always have the necessary preparation to lead this economic sector. Short courses (of four, six or eight days) adapted to the needs expressed by these new leaders can range from simple awareness raising/initiation to this industry (organisation, activities, budgets, partnerships, etc.), to advanced technical training in specific subjects (tourism investments, new technologies, marketing tourism products, new governance, etc.).

- Training for technicians:

Like some elected officials, some technicians who are hired based on their degrees, have difficulties in understanding the organisational and technical aspects of tourism. Operational upgrade modules are available on request.

Internationally, IFT Paris-Est Fontainebleau establishes cooperation actions with partners in large emerging countries, in particular China and Russia. Through some ten agreements signed recently with local governments, consular bodies or Russian universities, training sessions like that for elected officials and regional officials of the Nijni-Novgorod region are proposed. A number of seminars were held in 2011 in Fontainebleau and in Russia. IFT Paris-Est Fontainebleau is also finalising a number of agreements in China, with the province of Shandong and the city of Beijing, to receive students in Fontainebleau starting in 2013.

Initiating research programmes and innovative products

IFT Paris-Est Fontainebleau is contributing to new knowledge and to the design of immediately applicable products on various markets. Understanding the history of tourism, highlighting historical structural trends and understanding the work of tourism stakeholders in France and the world help to anticipate political, economic, social and cultural issues, by combining academic excellence and major French tourism industries and companies in specific programmes. Research initiated by IFT Paris-Est Fontainebleau involves three types of programme: doctoral schools of academic partners (CNAM, Université Paris-Est Marne-la-Vallée, etc.) with financing through bursaries from CIFRE or Fondation du Patrimoine; those launched as part of the Comité National d'Histoire du Tourisme established in December 2011 at the Château de Fontainebleau (source guide on the history of tourism, historic and statistical dictionary, etc.); and specific programmes like the creation of a research centre with the French National Archives, Ecole des Chartes and a few major companies (Accor, Air France, SNCF, etc.) or the development of "serious games" and applications on tourist heritage sites and their professions.

4. Lessons learnt and feedback

Heritage sites are an essential part of the regional economy

Tourist heritage sites represent an important part of many communities' activities, attractions and economic developments, of the coherence of their local identities, of their creation and innovation supports. This is why every community, in France and in major tourist countries and in emerging markets, want to create a full-fledged model to promote and mediate heritage sites, for tourism purposes.
Tens of millions of both domestic and foreign tourists visit classified sites and memorial sites in France. Each year, "European Heritage Days", representing close to 12 million visits, reflect the public's keen interest in discovering often poorly known heritage treasures. In the PACA region (Provence-Alpes-Côtes d'Azur), it is estimated that some 500,000 people attended festivals and spent €200 million in accommodations, catering and other activities in 2010. In 2004, the Marseille Provence Chamber of Commerce received a financial windfall from the Festival d'art lyrique d'Aix-en-Provence which brought in €18 million (€1.00 in public subsidies generated €3.72 for the local economy) and the piano festival at La Roque d'Anthéron which earned €14 million (€1.00 in public subsidies generated €15.70 in consumption). French and international clients are often very knowledgeable, and consider heritage sites as must-sees during their trips and a perfect way to learn about French culture. The recent development of mobile applications, an as-yet nascent market, underlines this dynamic, as a transition between the country's history and modernity.

Heritage sites, between promoting know-how and creating jobs

Tourism and heritage sites are part of France's identity. The skills and occupations of the future necessarily include the memory of the places, peoples and cultures. A few economic figures are widely unknown in France. For example, 15,000 paying visitors to a tourist site creates one long-term job. Therefore, tourism is a major source of employment in almost every part of France. Tourist heritage sites highlight French know-how and conversely. The role of local governments is to assist and promote growth-generating heritage projects, whose direct and indirect effects are often long lasting and important in terms of activities and employment. They cover, in whole or in part, the costs of maintaining or using equipment, leisure spaces or natural parks, and thereby establish an economic future. This is why Seine-et-Marne Tourisme is committed to improving the professionalism of the present and future stakeholders of tourist heritage sites in order to help each partner perform their best, through better collective understanding of how the offer and demand change in this sector, both in terms of quality and in terms of employment and skills, and to improve their ability to project themselves in global competition with the aim of sustainable development.

France, Case study on Quality

Agence Saint-Léger Voyages

Serge Garant, CEO
21 avenue Emile Zola
F-94100 Saint Maur des Fossés
(33) 1 48 89 89 89
www.saintlegertravels.fr

1. Company presentation

Saint-Léger Voyages is a small network of travel agencies, created in 1982 in Boissy Saint Léger, a city near Paris. The company was founded as a public limited company (SARL) by four oil industry managers, who were used to business travel and thought that they could improve the organisation of travel for the industrial sector. The network quickly developed: the company had four agencies in 1986, when it first ran into trouble due to its rapid development and high labour costs. Serge Garant bought out Saint-Léger Voyages in 1992, purchasing 70% of the four partners' shares (the remaining 30% were purchased in 2009). Today, Saint-Léger Voyages is a simplified joint stock company (SAS), with registered capital of €61,000, and two agencies: one in Saint-Maur des Fossés (created in September 2001) and the other in Sucy-en-Brie.

2. Key figures

Activity and clients

Saint-Léger Voyages focusses chiefly on foreign travel (over 80% of sales), selling primarily European destinations (45% of sales), with North America, Asia, and Africa representing 35%. French destinations – including overseas départements– represent just 20% of sales.

The company has three main activities:

- "Corporate and business travel" (52 to 53% of sales), with between 70 and 80 client companies, 90% of which are SMEs, and 10% are public institutions such as Institut de Veille Sanitaire (a public institution whose general mission is to permanently monitor the population's state of health and changes, located in Saint-Maurice, Val-de-Marne) and unions like Confédération Française Démocratique du Travail (CFDT)
- "Drop-in clients" (32 to 33% of sales), representing an actual annual clientele of 2,000 to 3,000 people who go to agencies for advice and to take advantage of the products created by Saint Léger Voyages or distributed by the agency (almost none of the 10,000 clients in Saint Léger Voyages' database purchase just plane or train tickets)

- “Group” (14 to 16% of sales), representing about a dozen annual trips (approximately 500 clients), belonging to high-income categories, often pensioners and those subject to the solidarity tax on wealth (ISF, net taxable assets greater than or equal to €1.3 million), who are extremely loyal, and who take tailor-made trips in partnership with Le Figaro magazine.

Thus, almost all of the company’s clients are French. The clientele is exclusively local for the “drop-in” activity. The “corporate and business travel” activity is composed solely of companies in the Paris region (65% in Val de Marne and 35% in Paris and other départements). The only clients not residing in France (3 to 4% of the “group” clientele) are either French expats, or French-speaking Swiss or Belgians.

Financial ratios

Annual sales are between €4 million and 4.5 million, and depend on two variables: the amount of commissions and margins on files (€535,000 in 2011). Like many others, the company was affected by the indirect effects of the subprime mortgage crisis, with a decline in business travel. Sales suddenly dropped by 20% between 2008 and 2009, and by about 10% overall between 2008 and 2011. Saint Léger Voyages adapted to this economic situation by physically moving its “historic” business travel activity from Boissy (95% of company activity) to the new agency in Saint Maur des Fossés, thereby saving significantly on property charges.

Margins

The effects of the crisis were seen on the average margins on products sold. Prior to 2008, gross margins were less than 9%, but are now greater than 11%. The 2008 crisis amplified what had already begun in France in 2005 with the halt in travel agency commissions for issuing plane tickets (a practice that had already been long abandoned in many European countries), i.e. the double phenomenon of low added-value clients who prefer to buy their tickets on internet and the loyalty of higher added-value clients who purchase services with a focus on quality.

Human resources

Saint Léger Voyages currently has nine employees and partners. Eight of the employment contracts are open-ended and one has a fixed term. Six employees are full time and three are part time. Most of the employees are women (7 out of 9), and all have a similar level of seniority (on average, over 15 years). Most of the employees have an advanced vocational training certificate (BTS), representing two years of post-secondary training. Average remuneration is €2,200 gross per month over 12 months, for a 35-hour work week since the application of the law on the reduction of working hours in 2002. An incentive linked to increases in sales volumes, equal to a month’s salary, is paid as a bonus. Major changes in personnel are related primarily to maternity and parental leave, as well as to a 15% decline in the wage bill between 2008 and 2012, a direct effect of the tourism crisis following the subprime mortgage crisis.

3. Actions

The guarantees of a network

Saint Léger Voyages is a member of the Tourcom network, the second largest network of travel agencies in France (with close to 600 sales points, present in 80 countries, and overall sales of €1.65 billion). For many years, Serge Garant was a board member. Membership in this network costs about €2,000 a year: between €1,000 and 1,500 for the company and €500 to €600 per agency. Membership in a network provides a number of guarantees to a small company that would be unable to survive on its own in a hyper-competitive environment. The first guarantee is for the fares negotiated with airlines for medium and long-haul flights, where the difference in fares for a long-haul flight can be between 20 and 30% for high-yield passengers and between 10 and 20% for economy class passengers. The second guarantee is the ability to benefit from the advantages of belonging to a large group (in particular tour operator), i.e. a large selection of tour operators and hotels around the world. Tourcom serves as a sort of guarantee against risks taken in organising travel. The third guarantee is financial, because the commission the agency earns is on average 20% higher than the best rate offered by tour operators to fully independent SMEs (13% instead of 9 or 10%). The prices are negotiated at the same level as for very large companies. The fourth guarantee is administrative, through assistance for invoicing and supplier payments.

Quality is a constant

Saint Léger Voyages is now over 30 years old. The company has seen clients' expectations change profoundly, from a time where mass tourism predominated (when most sales were for the Baleares Islands or Cap d'Agde) to more demanding consumption, with a concern for quality, originality, culture and contacts with local populations. Saint Léger Voyages' clients want what they can't get on the internet, personalised advice on destinations that can now be anywhere in the world (Burma, Egypt, Peru, etc.) and with a concern for travel safety. In 30 years, the quality of tourism products has done an about-face, with the company's clientele seeking fewer and fewer ready-made products (FRAM, Jetours, Kuoni, etc.) but more and more à la carte activities.

For example, Saint Léger Voyages specialises in creating extremely targeted group travel, abandoning, for example, works councils whose requests were becoming too specific with limited budgets and demand for mediocre quality. For almost ten years, the company has been creating tailor-made trips for Le Figaro readers (France's oldest daily newspaper, founded in 1823, with a liberal slant). These niche trips are of very high quality with a selection of the finest services. In this case, quality means providing what cannot be found anywhere else, such as reserving the Cairo museum, part of the Great Wall of China or an Incan temple for an exceptional event. Naturally, quality comes at a cost, and the clients who consume these trips are all wealthy. The agency's role is to let them discover attractive countries and regions with high added

value, such as Burma in 2013. Clients are systematically put in contact with associations that help poor and underprivileged children so that they can offer financial help (for example children of the Mekong). Charity contributions represent between 1 and 2% of the total. The partnership's renown guarantees the success of the products created each year, which are not sold under any label or quality standard. This type of client isn't interested in sustainable tourism and has no specific requests in that respect. Sustainable tourism sometimes appears to be pure hypocrisy. Respect for the environment seems obvious, and quality is sought by nature.

Developing high-quality services demands special organisation and management for a small travel agency. In addition to belonging to the Tourcom network, which we've already mentioned, Saint Léger Voyages has also developed a specific strategy for its clients, with dedicated telephone lines, guaranteeing the same contact people year round. Clients want to be listened to and don't want to have to deal with constant staff changes, as happens with large companies. So, attentiveness is essential, just as the development of a global reservation system on internet is important, used for over 50% of final reservations. The quality of customer relations is of utmost importance: following direct contact with clients, 35 brochure requests and 30 registrations were made for the Burma product, on sale for €4,600, within two weeks. So, CRM is essential, even for small companies.

4. Lessons learnt and feedback

Saint Léger Voyages found an economic model that helped it survive in a difficult time for travel agencies (1,500 travel agencies have closed in France in less than ten years, representing 30% of all agencies) accentuating, especially since the major crisis in 2008, a reorganisation that is both commercial and technical, and focussing primarily on better staff performance and professionalism. It seems essential that SMEs use CRM (databases) during times of great competition, crisis and instability, particularly to improve the quality of communication. This company refocused on high added-value clients and abandoned less demanding ones. Sales declined, but margins grew.

Backed by these results, the company has the following plans for coming years:

- Continue to use efficient technological tools to "work" clienteles, without abusing them (just a few text messages to over 2,500 loyal clients)
- Constantly look for niches to send clients to new destinations
- Accentuate specialisation towards providing exclusively high-quality tourism services to demanding clients (Le Figaro, associations, and large companies)
- Continue to train staff using three or four-day *eductours* each year (developed by the Tourcom network and the Association Professional de Solidarité du Tourisme (APST), etc.).

Hungary

Sustainability and Competitiveness of SMEs in Tourism Sector – Best Practices in Hungary
Hotel Regatta and Leasure Centre (Szentendre Island**)**

Main Characteristics of its Location:

- At Szentendre Island
- 20km North from Budapest
- Total area of island is 58km2 (33km long and 2-3km wide)
- Relatively difficult acces to
- Hotel Regatta is situated at the Southern part, right by the Danube

History of the Island

- Settlements were in the island during the time of Roman Empire
- During the early medieval times there were 7 settlements, populated by the Hungarian king's servants
- New settlers arrived from the Balkan and Southern Gemany
- The island's economy were well established based on watermills, fishing and agriculture

Why to Choose

- Very special location
- Unique resource base (2/3 of the island's territory is protected and rest is belong to Natura 2000)
- Pristine sorroundings, high biodiversity
- Green, unpolluted, calm, healty, personal care

Elements of Sustainability

- **Usual elements:** selective waste collection, effective energy consumption, controlled business partners
- **Innovative** management:
  - Special interests tourism
  - Small scale
  - Theme and activity based activities and programmes
  - Conferences,thematic workshops and programmes for schools
  - Ongoing training programmes for staffs, awareness raising
  - Membership in different kind of organizations

- Broad cooperation with local service providers

Protection of Heritage

- Close cooperation with NP and water company in nature conservation and water reservoir protection, as well as programming
- Networking in programming and packaging
- Active participation in local NGOs

Social responsibility

- Regular support to the local school
- To local elderly people
- Generator for local and regional networking
- Company strategy and policy based on long term business interests

Future plan

- Establish an organic garden for supplying their own kitchen
- Basis for diversifying their educational programmes
- Increased awareness of the potential offered by the development of innovative tourism products for the development of the island
- Better valorisation and more efficient use of the island natural and cultural heritage

Biarritz Restaurant & Café, Budapest
H-1055 Budapest, Balassi Bálint u. 2.
www.biarritz.hu

General Information

Location:

- next to the Parliament and the River Danube

History:

- 1938:"the most modern café-bar"
- 1995: privatization, Mr. Gyula Berkes

Why to Choose

- Excellent location, splendid surroundings, 60+ 14 places, familiar feeling, regular guests
- Combination of French, Mediterranean and Hungarian Cuisines
- Good food and drink
- Constant high quality
- Excellent service, „Hungarian hospitality"
- „Here always happens something……"

Elements of Sustainabilty

- **Usual elements:** selective waste use, effective energy consumption, controlled business partners
- **Social responsibility:** more than 40 suppliers, partners
- **Innovative** management:
  - Special events: e.g. wine-evenings
  - Thematic evenings according to the seasons: e.g. asparagous-weeks, etc.
  - Stability of Employment , experted manpower
  - Membership in tourism associations
  - Online newsletter

Protection of Heritage

- **Free-range farming** poultries, „mangalica" pigs, Hungarian grey cattle
- **Organic cultivated** vegetables and fruits
- Selected wines from the famous Hungarian **Wine-regions**
- **Home-made** and **hand-made** foods on the menu

We prepare the foods like you do at home

Future plans

- As a member of the Hungarian Society of Gastronomy to develop a new chain among the restaurants, like **Label Rouge** in France
- To develop the marketing activity
- To continue the participation in the board of the Hungarian Association of Tourism and Hospitality Employers

Italy

Hotel Excelsior

Via Amendola n°7
La Maddalena 07024
Phone:0789 721047
Fax:0789 721197
info@excelsiormaddalena.com

- FERRY DISCOUNTS
- ON LINE PROMOTIONS
- SPECIAL PRICE FOR COMBINED SERVICES
- COOPERATION
- FREE INTERNET

This Hotel is very efficient about on line management , competitivity, and cooperation. It's involved in e-commerce so to benchmark its performance against critical success factors. Hotel Excelsior handles most of its reservations on line through multiple web sites and offers **ferry discounts** to reach La Maddalena Island from Palau and vice. Infact, one of the main problems about La Maddalena tourism is that ferries are very expansive for tourists. Moreover, since **transfers from and to airports** can't be efficiently guaranteed by public transportation, this Hotel offers programmed pick-up and delivery from/to main airports and hotel. Considering ferry high price, the manager of this hotel decreased sensitively room prices to incentivize customer's choice. **Special discounts** are offered in different solutions focusing on satisfying a variety of customers with different needs. Also hospitality was implemented offering free **Wi-Fi connection** and **express check in-check out**. Manager and receptionists can speak Italian, English, Spanish, and French. Quality of service is very good no matter price reduction. The hotel was completely renewed with precious marbles, Jacuzzi and a terrace offering a wonderful landscape. They care about environmental since they bought class A appliances, and power saving bulbs. Receptionists come from strong tourism background, some of them are graduated and they are trained efficiently. Hotel cooperates with other tour operators through a local **Consortium** and other several associations implementing franchise network confrontations. Several tourism SMES' managers discuss about tourism strategies, share information, and cooperate.

Hotel Le Nereidi

Le Nereidi Hotel Residence & Conference Center
via Don Vico n. 9 Loc. Padule - La Maddalena (OT)
Reception Hotel: tel. +39 (0)789.722026
Fax. +39 (0)789.720205
General Manager: +39 346 8147502

e-mail: info@lenereidihotel.it

- EXTRA AMENITIES TO STIMULATE WINTER TOURISM
- CAPACITY OF CONVERSION
- COOPERATION
- ENVIRONMENTAL : SUN PANELS

This Hotel is interesting about management and environmental. Since La Maddalena USA Navy Base deployed in 2008, this Hotel reconverted from a USA Navy customer Hotel to a National and International tourism customer Hotel. They renewed structures in order to accomplish this goal showing great **capacity of management and conversion**. Since tourism season reduced a lot in the last years, they decided to offer **extra amenities able to attract customers during other non-tourism seasons**: a restaurant, a gym, and a covered pool. They are planning to have a SPA built next Autumn. They **cooperate with a Local Association of tour operators** and other tourism actors. They operate on line and have their own agreements with several tour operators. This enterprise is very strong on Environmental. They produce their own hot water thanks of **sun panels**. Unfortunately, because of some local strict regulations (La Maddalena is a National Park), administration didn't approve their project about building a photovoltaic system. Each accommodation owns appropriated garbage containers to collect separate trash. They are planning to ask a new authorization on photovoltaic system and windowpower next year.

Slovenia

BOHINJ ECO PARK HOTEL AND SPA CENTER WITH 2864 SKI RESORT

The vision of Bohinj ECO resort shares its founding virtues with the four lionhearted men, who first conquered Triglav summit: Bravery - since paving new paths is an uncertain venture, Persistence - the road to success involves pits and falls, Nature conservation - basic surviving drive of mankind and Authenticity - only true passion creates lasting headway.

Park Hotel Bohinj is located in Julian Alps and is the first ecological hotel in Slovenia to boast the Green Globe certificate for sustainability, which has now spread to more than 80 countries around the world. The certificate is based on internationally accepted criteria for sustainable co-natural operation and management in tourism. It can be acquired only by hotels that demonstrate a contribution in preserving the environment and that confirm their position every two years, as well as working to ensure their continuous advancement in the area of sustainable development.
Director Anže Čokl, Bohinj Park EKO Hotel and resort in 2864 said: "I represent sustainable, innovative projects in Slovenian tourism through two concrete solutions, which represent an important qualitative and quantitative expansion of tourism destinations within the Julian Alps. One of the Bohinj Park EKO Hotel, first ecological hotel of SE Europe and the other sustainable ski resort 2864, which marked a turning point and a boost for winter tourism not only in Bohinj, but at the wider international level. "
At Bohinj Park Hotel - Resort & SPA center strive to improve sevices as well as perfect the skills of employees. Their main goal is to create tourist center of relaxation and comfort in the heart of nature, on the edge of Triglav National park, with exceptional location and at the same time encourage activities in nature and culture of healthy way of life. They enforce strategy through various programmes, as wellness programms, bio-energetics, bussiness and congress tourism and tourist starting-point to get to know Bohinj and Slovenia.

The bussiness goal of the company is in high quality of services that ensure satisfaction of guests, employees, management and owner, which respond to economic and social growth, reputation of the company and profit.

Bohinj Park Hotel - Created with Nature

To ensure energy for private and business consumption, they indirectly increase the impact to the environment and increase emissions harmful for environment.

Bohinj Park Hotel in the first ecological hotel in Slovenia

To decrease the emissions, the most logical step is to efficiently reduce consumption of energy and use it wisely. With increasing prices of all power supplies, the system which consumes less energy is, in spite of high initial investment, also economically justified.

Bohinj Park Hotel was built with highest awareness of the environment and is as such, at the moment, one of the most advanced and energy efficient hotels in central Europe.

Energy well

Next to the hotel 430 meters deep energy well was drilled. The whole area has high quantities of crystal clear water. Water - together with heat pump, is used for warming sanitary water and heating for the hotel. When geothermal water is exploited, it is not sent back into the ground, but is partially used for flushing sanitation. Only then - fully exploited - it can be directed to the sewage. At Bohinj Park Hotel spend water wisely.

Warm sanitary water from showers and washbowls is also fully exploited. Instead of sending the warm water to the sewage, as it is usually done, it is collected in special containers, where heat pumps take away the rest of the warmth and then the water is fully exploited and at 9°C sent back into the sewage. After the warmth was taken away from the water, it is sent over the heat exchangers, back to the system.

Energy geothermal well and water that comes from it, is also used for cooling in summer. The water is sent to the cooling grids which then cool rooms and other areas in the hotel.

Aquapark as a gigantic heat collector

Beside energy well, hotel has its own energy station. At the same time electric energy and heat are produced. This is called cogeneration. Two engines produce 240 kW of electricity and 400 kW of heat. Electricity is then used to drive heat exchanger and pumps and provide electricity for the whole hotel and aquapark. Heat which comes from the running engines is a by-product when producing electricity, and is as such used for warming the pools. In comparison with regular widely used systems, such a system saves up to 30% of energy.

Aquapark Bohinj as heat collector

The hotel is heated with a of low-temperature regime - with floor heating and cooling-heating grids. Floor heating ensures a comfortable feeling, while special cool-heat grids with its inaudible and energy effective work, strongly exceed mainly used classic systems of air-condition.

Less energy for more light

Majority of hotel lightning is based on Power LED technology. LED (lamps) use as much as 40 times less electric energy as normal or halogen light bulbs. Besides, the lifetime of the Power LED lamp is up to 1000 times longer. Because of a large area, that needs to be lightened, a lot of lights are needed. For better understanding we can take an example for lights in the corridor and above the room doors in a comparably large hotel with 100 rooms and same lighting conditions.

	No. of lights	Type	Power	Energy consumption/year
Bohinj Park Hotel	100	Power LED	2 W	1.752 kWh
Comparable hotel	100	Classic/Halogen	50 W	43.800 kWh

The chart shows the consumption of electrical energy in Bohinj Park Hotel for lightning is 2500% smaller than in a comparable hotel elsewhere.
Considering other parts of the hotel such as bathrooms and other lamps, the difference in consumption of electric energy is even larger. Moreover so, if we take into account that usage of halogen light bulbs also produces heat emissions.

Cooling down the brains

The whole system for energy use and regulation of the consumption is guided from a central computer system called CNS. Servers, databases and data servers, system for UPS and all active equipment such as routers and switches must be faultless and is therefore energy demanding. But more than electric energy, which the hotel produces with its own power station, the heat as a by-product of this computer center that has to be taken into account. These rooms must be cooled down. With energy savings in mind, Bohinj Park Hotel has an air-to-water heat pump. The hot air produced by computers is therefore used to help heat the water.

Save the environment, do not put clean towels in for washing

These kinds of notices are always present in hotels around the world. Tons of linen, which is washed daily in hotels and external cleaner's, use vast quantities of electric and heat energy, washing powder and other chemicals.

Devices and machines used in laundry are energy efficient and environmental friendly

Despite the fact, that most washing liquids are biologically degradable, it does not mean that they are also ecologically safe. Only negative effect on the environment is smaller. Nevertheless, majority of hotel guests don't take these notices too seriously. That is why Bohinj Park Hotel assured effective use of energy for laundry services as well. The most modern, computer guided high technology supported devices and machines used in laundry are energy efficient and environment friendly. During industrial washing and ironing a lot of heat is produced. That is why an efficient 100 kW heat pump is placed in laundry. Its task is to transform produced heat into warm water which is used for sanitary purposes.

Building as a warm coat

The walls of Bohinj Park Hotel are very well isolated. Together with additional isolation materials, the whole building also has windows with a factor Ug=0.9. With both of the above, they do try best for minimal heat losses through the walls. Object is covered by a roof, which is in Slovenia the first of its kind.

Isolation is also made from natural materials

In full it is made by wood and other natural materials in special closed compact sandwich construction from finished plates. Isolation in the inside of finished plates ends with special wooden fibers, which assure the finest isolation and are also made from natural materials.

Other efficient environmental solutions

Among Park hotel Bohinj efficient energy-saving solutions is also the card-operated wireless switch, which enables to reduce energy waste in unoccupied rooms. When a guest enters a room, they insert the key card into a docking station. After the key card is inserted, a radio signal is transmitted to a controller that subsequently “energizes” the hotel room. When the key card is removed from its dock, another signal is sent that activates a time delay before disabling or setting back power-consuming amenities.

To optimize the use of nature's precious water sources, hotel bathrooms have been equipped with dual-flush system toilet seats. The dual flush toilet system is a toilet with two buttons to operate the flush. One button gives a short flush and the other button operates the full flush. The system has the added benefit of using significantly less water, even on the full flush.

Guests appreciate a healthy environment and are very much interested in protecting natural beauty that surrounds hotel. Park hotel Bohinj encourages such disposition and awareness. Hotel guests may contribute to this aim themselves by deciding about the frequency of changing sheets and towels (thus they can contribute directly to lesser use of water and washing chemicals). Hotel staff also promotes a healthy life-style by renting quality mountain bikes or street bicycles with accompanying gear (protective helmets, cycling guides and routes ...).

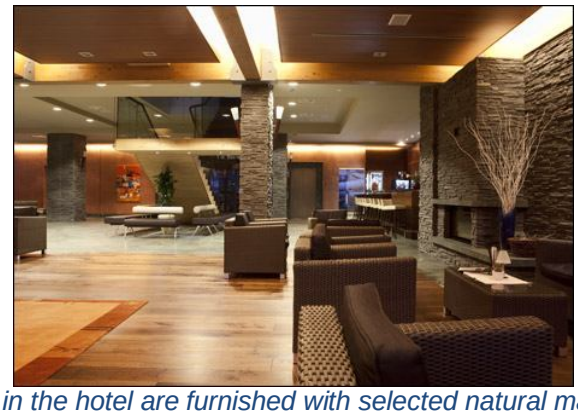
Comfortable staying in a hotel is not based only on climate conditions but also on the ambient

Forgetful guests and their comfort

Every hotel, when fully booked, has a few guests, who forget to close room windows. If a guest leaves an opened window and the air-conditioning or ventilation is on, the energy is wasted without effect. The air-condition cannot heat or cool down the room, the air from outside is bursting into the room through the opened window. In order to avoid this situation Bohinj Park Hotel placed on every window a sensor, which shuts down the air-conditioning after a certain amount of time.

Computer system regulates climate conditions in the room; it adapts to the outdoor climate as well (temperature, moisture, sun, part of the day ...) and makes optimal living conditions. The guest can still adjust the temperature in the room at his or her liking.

Comfortable staying in a hotel is not based only on climate conditions but also on the ambient. All rooms and majority of common areas in the hotel are furnished with selected natural materials. There are a lot of wood, natural stone, glass and other decorative elements.



Areas in the hotel are furnished with selected natural materials

Car filling station

Bohinj Park ECO Hotel built its very own car filling station in Hotel basement area. Guests travelling with electric or hybrid vehicles are welcome to use a garage without supplement or fill their cars free of charge. It is also possible to rent bikes and great effort is being made in the area of promoting mountain-hiking or nordic-walking. Guest travelling by means of public transport get refunds on their tickets or they can obtain special discounts within the entire resort.

Cycling path

A popular novelty is the »Klodič cycling path«, especially adopted for hikers, bikers, roller skaters or strollers who enjoy beautiful, healing alpine scenery. The new cycling path is fitted with peculiar wooden benches, rain shelters, bins and contraptions, such as see-through tree stems with drilled hols in them, which enable the strollers to determine the exact names of visible mountain tops. Klodič cycling path has turned out to be the missing link, relating Bohinj Park ECO Hotel with Lake Bohinj. Now a further variety of interesting teambuildings and incentives are founded in the »pure eco« approach, concentrating not only on sustainable accommodation, food, drinks and activities, but also on green means of transportation, which turn out to be healthy, simulative and fun, at the same time.

Eco ski-resort and bike park

The height of Triglav, Slovenian highest mountain, symbolically signifies a unique, protective and familiar path. 2864 is an ecological, sustainable resort. Apart from the hotel, congress center, wellness, sauna park and aquapark with indoor and outdoor swimming pools, it has already started the project of building an eco ski-resort and bike park with the longest ski pistes in Slovenia. The peak will be reachable from the valley by the most up-to-date system of 10-seat gondolas – there will be a difference in altitude of 1050 m that will also represent the ideal platform for the installation of the summer bike park. Guests will be able to reach the ski routes in a “green” manner due to the fact that the ski centre will be directly connected to the train station, making it the only one in Slovenia with such an advantage.

Ecological ski centre 2864 Bohinj

The idea of the new ski centre 2864 Bohinj is part of a vision of sustainable development of Bohinj, away from its “natural pearls”, i.e. in the tourist centre of Bohinjska Bistrica and not at the lake itself. The emerging centre has been marked by the construction of the Aquapark Bohinj, then by the first ecological hotel in Bohinj,

the emerging ski centre 2864 and also by the new, up-to-date conference centre. Just like the Aquapark and the hotel, the ski centre will be created at the highest technological level, with the added value of extreme energy saving, and most importantly - it will lean on all three pillars of sustainable development. Moreover, the great advantage will be the exploitation of natural resources, i.e. a unique position between the existing two ski routes Sorica and Kobla, where the new ski centre will be linking the two existing ski routes and enabling a skiing passage of the southern and northern locations.

The vision of Bohinj ECO resort shares its founding virtues with the four lionhearted men, who first conquered Triglav summit: Bravery - since paving new paths is an uncertain venture, Persistence - the road to success involves pits and falls, Nature conservation - basic surviving drive of mankind and Authenticity - only true passion creates lasting headway.

The secret behind 2864', story does not end high up in the mountain kingdom. Path is crucial. Inspired by nature's power to grow and create, they tread wisely in Bohinj: In the interest of keeping lasting memories they create transient trails in nature.

Bohinj Park ECO Hotel
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The Adrenalinček – Korita ECO Camp is the first ecological camp in Slovenia constructed exclusively from natural materials, all the energy is provided by the sun and the water of the river serves as the refrigerator. Adrenalinček Eco Camp has been selected as a Green model of green tourism in Slovenia.

ADRENALINČEK ECO PARK

The Adrenalinček – Korita ECO Camp is the first ecological camp in Slovenia constructed exclusively from natural materials, found in the area, all the energy is provided by the sun and the water of the river serves as the refrigerator. Eco Camp is located 12km from Bovec in the heart of Triglav National Park.
Adrenaline – Check is an environmentally conscious organization and develops in a manner that respects the Earth and its inhabitants. Their policy is 'green' and they are concerned about the future. Adrenaline-check provides unique and personalized natural experiences and adventures for domestic and international travelers in summer and winter. They use expert guides and instructors and always strive to provide a safe and enjoyable experience.

Adrenalinček Eco Camp has been selected as a Green model of green tourism in Slovenia promoted by Slovenian Tourist Board.

In the initial state, place has been abandoned, impenetrable forest and the local garbage dump. After six weeks of hard work, eco-camp came to life in all its beauty. Today, this area is one of the most beautiful campsites in Europe. When the camp was designed, 20 young artists from Slovenia and abroad have attended the event. There is no electricity in the camp, to provide light there are solar lights.

Awareness on Slovenian lifestyles

They want to introduce to guests authentic Slovenian lifestyles, culture and people, while continually striving for excellent service. They promote and share the importance of living an active life, environmental conservation and connection to nature. In that way, they try to enhance the lives of guests, coworkers and ultimately theirselves.

At Adrenalinček – Korita ECO Camp follow the principles of Ecotourism which means: “Responsible travel to naturalareas that conserves the environment and improves the well-being of local people."

Minimaze impact

- ✓ Biodisel use

Adrenaline – Check plan is to use Biodiesel fuel for running Adventure Tours. 100% biodiesel is not available yet in Slovenia. Biodiesel mixed with diesel fuel is available at some Gas Stations and they always use this mixed fuel in order to minimize air pollution.

- ✓ Composting and Recycling

They compost all food waste and recycle all garbage and waste on their tours.

- ✓ No trace camping and hiking

Travel at a pace that ensures all participants are comfortable, taking time to ensure that nothing is left behind.

- ✓ Limited group sizes

Maximum number of individuals travelling together is 8. That is how they minimize environmental impact and maintain personal contact between travellers and guides.

- ✓ Water saving

They educate guests on water saving techniques.

Build environmental and cultural awareness and respect

At Adrenalinček – Korita ECO Camp educates guests on the importance of environmental conservation; teach them about Slovenian and Yugoslavian culture, way of life and rituals. They also expect guests to teach them about their culture and environment. They want to establish a “two way information stream”, they want to educate our guests and learn from them at the same time.

The Adrenalinček – Korita ECO Camp is the first ecological camp in Slovenia

Provide positive experiences for both visitors and hosts

Adrenaline – Check provides a positive experience for hosts and visitors. Guides are relaxed and endeavor to enjoy every second of the trip, because they realize that they are learning from our guests at the same time.

Provide financial benefits and empowerment for local people

Adrenaline – Check always uses locally available labour and resources. There are some exceptions when it comes to labour, because they support the exchange of cultures and so also hire international people. All food, provided on their tours is organic.

Adrenaline – Check provides a positive experience

Adrenaline – Check also sponsors and supports local events such as skiing competitions, beach handball, hiking trips and other sport events.

SOLANE d.o.o.
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FAMILY COMPANY JEZERŠEK

They are a family company with more than 30 years of rich experience. Family Jezeršek began developing a catering business in 1975, which was completely unknown in Slovenia at that time. Cooking everyday meals for factory workers and frequent encounters with culinary masterpieces at receptions and events increasingly became part of their experience of culinary culture. And so it was that in 1994 family began building Jezeršek House, which became the first dedicated catering facility in Slovenia.
In 2007 they expanded, taking over an estate in Zgornji Brnik, where they aim to combine the well-preserved local flavour with a new hotel, inn and restaurant. Dvor Jezeršek represents the hotel and culinary part of the family company, Jezeršek gostinstvo d.o.o., from Sora near Ljubljana, the leading company in Slovenia in the catering business.
They combine the treasures of the cultural heritage with contemporary culinary arts and comprehensive service and attention for guests. From reception to reception, event to event, they insist on perfection in service. Their wealth of experience, numerous awards and commendations, and above all satisfied guests give them every motivation to uphold their levels of service, and to develop range of services.

The Jezeršek House of Cuisine

It all started in Sora in the beginning of the 80s with the preparation of morning meals for neighboring factory workers. Their service expanded so that they became the leading company in preparing what was then termed "food for the masses".
With radical changes at the time when Slovenia gained independence they adapted to new circumstances on the market and as the first in Slovenia started with the catering business. In 1996 they opened the only building in Slovenia, built exclusively for the purposes of catering, called Hiša Kulinarike Jezeršek (the Jezeršek House of Cuisine) in Sora.

Family company Jezeršek is leading in the catering business in Slovenia

With 30 employees at the Hiša Kulinarike they are the biggest catering company in Slovenia. They have organized and enriched with culinary offer countless events and meetings, both in Slovenia as well as beyond its borders. They have already arranged the biggest receptions and banquets (25,000 guests) in large halls, museums, galleries, factory halls, at castles, on boats, in the Karst caves and in the open air.

Dvor Jezeršek - Rustic house 1768 with tradition

In 2007 company expanded also to a rustic house at Zgornji Brnik Nr. 63. There they want to combine preserved local legacy with new contents: with hotel, inn, restaurant for special occasions, and conference hall for meetings, wine cellar and a big room called “hiša” for special private parties.

Rustic house 1768 was restored to the last detail, preserving the era of the 18th century to the first half of the 20th century, intertwined with contemporary elements.

Rooms, furnished with rustic furniture, are for guests who let themselves be spoilt in ambience of homeliness, and want to experience a part of our great grandparents’ lives. They even preserved the rooms’ old names: "Gornja hisa" (upper house), "Kasca" (store house), "Gornji vrh" (upper peak) - large, and "Gornji vrh" – small.

Dvor Jezeršek – Rustic house 1768 with hotel, inn, restaurant, conference hall and wine cellar

Exceptional touch for the preservation of cultural heritage

The Hočevar rustic house is today an explicit example of a wealthy farm house from the 2nd half of the 18th century. The first Hočevar owners are to be found at Zgornji Brnik already at the end of the 16th century.

The primary Hočevar farm house was located in a part of village, called "Gorn konc" – the upper end. This farm house had until the end of 18th century served as a shack and was abandoned in the 19th century. The owner of the farm, Simon Hočevar, considered building a new farm house at "Spodni konc" – lower end, nearby the St. John the Baptist’s church. He built the farm house in 1768 (a number engraved into the ceiling of the main living room – "hiša" bears witness to that), which has undergone some rebuilding and other changes in the 19th century.

Until the renovations of the farm house started in 2006, the house had preserved its appearance from the 2nd half of the 18th and the 19th century, despite some additional building and rebuilding. Besides the outlook, the inner equipment and other legacy of the last generations of the owners also presented an important starting-point for a renovation and a selection of other equipment for this rustic house, which in 2007 entered a new period of its life.

The Jezeršek Family has exceptional touch for the preservation of the legacy of the previous centuries

The Jezeršek Family finished the renovation of the Hočevar rustic house with full responsibility and an exceptional touch for the preservation of the legacy of the previous centuries.

Traditional Inn heritage in Slovenia

The traditional design and furniture of the inn at Dvor Jezeršek with two dining halls and its selection of traditional dishes and drinks represent a continuation of a well-known traditional inn-heritage in Slovenia.

Traditional Inn heritage in Slovenia

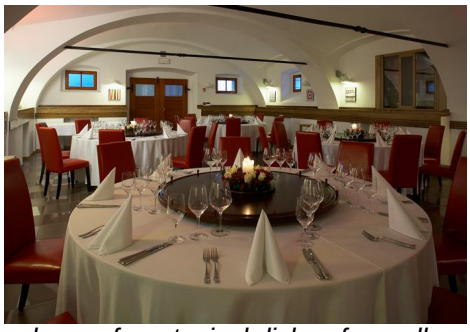
Guests can choose from typical dishes from all over Slovenia. They also give consideration to seasonal specialities (for example asparagus weeks). They prepare local and regional dishes, which help to create the Slovenian gastronomic heritage, in a new modern way, according with nourishing habits of the present times.

Taste Slovenia centre of culinary arts

The Taste Slovenia centre of culinary arts is located at Dvor Jezeršek 1768. Taste Slovenia is the slogan that aims to ensure the recognition of Slovenia's cuisine and gastronomic heritage at home and abroad; a goal which the country has systematically pursued since 2006. Slovenia has 24 gastronomic regions, represented by 176 characteristic dishes and alcoholic and soft drinks.

Taste Slovenia centre of culinary arts is located at Dvor Jezeršek 1768

The Taste Slovenia Culinary Centre at Dvor Jezeršek 1768 focuses on presenting and promoting Slovenia's gastronomic and cultural heritage, as well as the latest culinary achievements, which tap into the country's rich tradition of organising banquets and receptions at home and abroad.



Guests can choose from typical dishes from all over Slovenia

At the Culinary Centre they are delighted to offer guests a memorable culinary experience of all of Slovenia's gastronomic regions and food tastings, and an opportunity to buy typical house delicacies.

KULINARIČNO SREDIŠČE
OKUSITI SLOVENIJO
Taste Slovenia
CENTRE OF CULINARY ARTS

The Taste Slovenia Culinary Centre produces and sells a wide range of produce and typical Slovenian delicacies which reflect the gastronomic diversity of the country tucked between the Alps, Mediterranean and Pannonian Plain. They bake their own bread in a brick oven; they serve you the best Kransky in Slovenia, the sweetest fig jam from ripe and plump Istrian figs, and a glass of heavenly walnut liqueur to round off the gastronomic experience.

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Turkey

WELLNESS HOTELS OF AFYON CITY

A) ABSTRACT

"Sustainability" concept, which is becoming more important day by day all over the world, was developed as a result of the increasing number of adverse effects in the developing areas. This concept requires taking environmental and social impact of development into the consideration as well as economic impact. This case study describes the concept of sustainability, competitiveness and their relationship with the tourism sector, and introduces the principles of sustainable tourism with wellness hotels of Afyon City. In this case study, there was no choice for a real sustainable and competitive hotel which can be accepted as best-case example in terms of competitiveness. This is the reason that we made a choice to have five different hotels with different strengths as best-case example. Concretely, not a hotel but a city was selected as best-case example.

Environmental and social problems arising in the last 20 years in coastal tourism will become evident in the areas of alternative tourism during the diversification of tourism, if necessary measures are not taken. In this case study, it can be seen that it is necessary to identify the criteria which was shortly described in specific survey for sustainable management at hotels-level before potential sustainability problems appear in Afyon Province, which is under development in health and thermal tourism areas and having the expected increasing capacity in the coming period. With the determination of these criteria, it will be possible to develop new proposals and implementation model regarding wellness establishments which are currently installed or planned to be set up in the future. In this way, an effective tool will be obtained which enables the operations of Afyon wellness hotels in more sustainable and competitive way.

1. The Problem of the Case Study

Tourism sector in Turkey is not sustainable with regard of applications in tourism. Sources are diminished with the reason of non-environmental constructions at sea sides, working conditions without international standards and only profit-focused and non-social responsible economical strategies can be counted as some of wrong applications. New tourism regions are also under the same risks because of same applications.

Afyon province with wellness tourism is one of the most important tourism region candidates of Turkey which will have larger market share in the future. Negative applications which are used in more progressive tourism regions must not be used in this region with the help of newly developed wellness applications.

2. The Target of the Case Study

Because of different operational density and spreading areas of wellness tourism, instead of creating general sustainability approach, it is needed to be created sustainability criteria for implementation standards in hotels. In this case study, sustainability standards was created. These criteria were compared with the findings which got from Afyon province, in which qualitative researches were realised. After getting these research results, sustainability steps for existing hotels will be concretized.

3. The Importance of the Case Study

Afyon wellness hotels have the capacity of actuation of idle local sources. This potential can be effectively and productively used with the help of sustainability applications from economical, ecological and social perspective. Sustainability applications can help hotels to reach economic profit and competitiveness with making of savings in certain departments.

4. Assumption of the Case Study

This study assumes that wellness hotels can only competitive if they operate with economical, ecological and socio-cultural headlines in harmony and in a balanced way. Sustainability applications will allow them to have the ability to live also in the future. Implementation of sustainability will be possible with clarification of performance criteria, evaluation and the necessary assessment.

5. Contribution of this Case Study to Tourism SMEs

Tourism sector is nowadays at the doorstep of different perceptions and new directions. Quick decisions have to be taken in terms of international competition. Organizations can survive if they adapt themselves to new conditions and operate under these circumstances. At this point, adaptation to sustainability criteria and professionalism at wellness tourism will allow Turkish wellness hotels and SMEs to make a difference at international markets.

Health tourism which also includes wellness tourism will be rising star of tourism sector in the near future. Increase of overnight stays and rising of incomes in these sectors have reach to remarkable levels. According to experts, the title of this study will have more market share in tourism sector with the help of rising health consciousness among the public. With the help of this development, sustainable management criteria will play key role for sustainable success.

Through this case study, criteria were developed for the implementation of sustainable wellness tourism. These criteria and the model are very important generally for Turkey and especially for Afyon’s wellness hotels for increasing their competiveness in international markets. This will help also to preserve economical, ecological and socio-cultural sustainability and increase competitiveness.

6. Results and Discussions

It is exposed by specialists that wellness tourism which is kind of the special interest tourism will grow positively in coming years. When evaluated in terms of domestic tourism, wellness tourism is usually seen equivalent with Turkish bath culture. It is expected to change over time. Although wellness tourism in our country draws interest from mainly German tourists, it is observed that there is also an increase in the attention of the tourists coming from other parts of the world. In order to provide infrastructure and service quality expected by these tourists, there is need for quality standards which are mentioned in this study. However, it is foreseen that quality standards are not enough in today's conditions and in addition to these sustainability criteria should be activated in evaluation of infrastructure and services.

There is need for the development of sustainability criteria for hotels in Turkey in general and wellness hotels in Afyon province in order to increase their market share and competitiveness. This study aims to help the creation of these criteria to some extent. It is thought that by the help of criteria regarding quality standards, wellness tourism in Afyon province will be more sustainable.

According to the results got from Afyon province in which the study was realised, foreign tourists rarely visit the region. However, this situation will be surely changed with the completion of International Zafer Airport which is planned to be opened on 29th of October in Altıntas, a small town of Kutahya province. This airport, to which 2 million visitors will come a year, will serve to Afyon, Kutahya, Usak and even Eskisehir provinces. Therefore, the region will be able to provide service to foreign visitors as the transport difficulties will be overcome. Afyon province will be an example to the surroundings cities like Kutahya, with its accommodation services and natural thermal sources. Seasonality in tourism sector plays an important role. It is a fact that Turkey has the capacity of tourism for 12 months but it is not effectively used. In order to get rid of seasonality, tourism should be prevalent outside of the coastal tourism. Wellness tourism provides a good alternative in this term, Afyon province is a good sample with its thermal sources. However, as this type of thermal centres is not known in abroad, there is no much demand on it.

There is also need to mention environmental problems in the city. The balance of the natural life in the region has started to be deteriorated as there is no sewage water facilities in the city hotels and as the waste geothermal water is directly discharged to the underground or to the Akarcay (a river which passes through Afyon). Drainage system can not be used as vegetable oil and animal fat are being sent directly to sewage system by hotels. On the other hand, this cause that biological purification facility in the city does not work efficiently.

From the point of view of socio-cultural aspects of sustainability, the organizations on which we executed our research are aware of the fact that they are contributing to the development of the region. This contribution is beyond that the holiday opportunity for the people living in the region. It is found that these organizations sometimes help to the local initiatives of the non-governmental organizations. However as there is not enough communication and cooperation between these organizations, the supports can not have synergy effect.

According to the results of the study, it is clear that from socio-cultural aspect, the sensitivity of the organizations about sustainability is not understood by the public. From this point of view, it is necessity that informing public regarding sustainability and take precautions for the sustainability applications in wellness tourism when tourism investments has not harm the environment and the local people. For this

information process, there is need for sustainability reporting systems like global reporting initiative.
Education is also important for economic and socio-cultural aspects. Organizations usually provide in-service education to their employees. However there is not enough cooperation between organizations and vocational schools in the region.
Above, we have presented current situation in micro and macro level according to the results of our research in Afyon province. Below we have tried to make concrete suggestions and put strategies in order which will help Afyon provinces' tourism sector against the competitors in other regions. These suggestions can be categorized into three headlines.
1) Macro level suggestions for the region
2) Micro level suggestions for the SMEs
3) Suggestions for further scientific and academic researches.

1) Macro Level Suggestions for the Region:

-It is certain that sustainability application problems regarding Afyon will have negative effects in the middle-term and long-term. In order to solve these problems cooperation between organizations should be encouraged.

- Environment and quality questions must have priority for Afyon's competitiveness. The most important target here is that creation of high quality wellness tourism products which have adaptation ability to the changes in the long term.

-In order to increase demand on wellness tourism in Afyon, promotion and development of infrastructure should be attached great importance. It is seen that bed capacity will continue to increase in the following period and hotels will increase their wellness investments. At this point, organizations should have common position in developing wellness and wellness tourism in Afyon province.

-Afyon province should be a brand in wellness tourism. This is possible when stakeholders in tourism like public institutions, hotels, NGOs, travel agencies acts together. At international or national tourism fairs, introduction and promotion should be made in terms of city-brand instead of organizational promotion.

-The authentic products of the city which can be used for branding, should be produced with modern content and design to gain value and interest in foreign markets. Especially hotels should direct the local producers and act together in production and marketing of these products.

-There is need for sensitive initiatives for the application of quality standards mentioned in the study. The realization of legal regulations with measures at the hotels seems to be a must. Ministry of Tourism and Culture and Ministry of Environment should take more initiative regarding the preparation of legal framework.

-Turkey seems to give similar supply varieties in tourism like other competitor countries. This might prevent Turkey to be differentiates in the world tourism market. However alternative tourism types like sustainable wellness tourism can change this situation.

2) Micro Level Suggestions for the SMEs:

-Results of the research show that free time activities mostly take place in internal divisions of hotels. If hotels want to show their difference in competitiveness, they have to organize more city related social activities. This will help tourists to have more contact with local people.

-Life style of wellness tourists and consumer awareness are changing every day. Living areas are re-defined and regulated with the inspiration of nature. Wellness hotels can not be unresponsive to such developments. Hotels must adapt themselves to changing market conditions either in changing architectural forms or services such as ski wellness centres or golf wellness centres.

- Service standards of Afyon hotels are not at certain level. Each hotel has its own superiority in certain classes. Reaching of average standards can bring hotels high level costumer convenience.

-Mostly local people work at these hotels and they are trained by same hotels. Cost of trainings is very high and time is very limited. In-service trainings with hotel and school cooperation can help to increase the quality of personal.

3) Suggestions for further scientific and academic researches

-Relationship between sustainability concept, sustainable tourism concept and competitiveness must be questioned and mutual interaction should be provided.

-New scientific researches are needed in order to create more broad and detailed sustainable tourism and competitiveness criteria.

-Regional sustainability criteria can also be created with the help of criteria which were designed for SMEs level.

-Difference of regional, geographical and weather conditions must be taken into consideration during the creation of criteria.

-Support of hotels to this study was above the expectations. This shows that hotels want to know and check-up their structures especially in form of sustainability and competitiveness.

-Application areas in scientific research are being chosen among the tourism focused regions. However, the virgin touristic areas which will gain importance in Turkish tourism in the mean time will also be taken as a study subject. So that the potential problems of the tourism in the future can be evaluated and recommendations can be made in this regard.

-It doesn’t seem possible that the sustainability applications in this region will be realised highly and at international level in the near future. In order to increase the sustainability level according to the continuous improvement feature of the concept, first of all there is need for realisation of wellness quality standards and then the integration of these standards with sustainability criteria.

It is observed that wellness hotels as SMEs have some certain sensitivity regarding environmental issues. This situation gain different appearance in evolutionary process day by day from the point view of modern management understanding. Going far beyond the environmental protection, it is being focused on the interaction of human-being and the environment. Therefore, when the researches are being held on consumption and living habits under the different industrial sectors, the fact that the resources are limited is being accepted by the public and sensitivity in this issue increases. Environment becomes a lifestyle rather than being a fashionable word. This situation results in questioning the relationships between wellness tourism hotels which has the triple of soul, intelligence, body and the triple of ecology, socio-culture, and economy.

Because of the signs that the region will develop rapidly in terms of tourism in the future, it is thought that this study will help the tourism investors in this term. In this study, it is understood that sustainability is not only means the protection of environment but also economy, ecology and socio-cultural aspects should be taken

into consideration for the development. Especially investors and the local people should be educated together regarding this issue. The mistakes made in coastal regions so far regarding sustainability should not be repeated in the promising alternative tourism regions.

Competitiveness Of The European Tourism SMEs

TRANSVERSE OVERVIEW

INTRODUCTION

Before identifying what could be the criteria of competitiveness in the European tourism SMEs, there is a need for a few considerations on the particulars of competition within the tourism sector.

What is the point in identifying criteria of competitiveness in tourism SMEs ?

In a globalized world where the environment is changing and unpredictable with the mutations of technology and needs; complex competitive games are established. Enterprise must develop capabilities to anticipate and adapt to value all their resources based on markets.
Competitiveness qualifies a situation in which an enterprise is capable of

- either survive, for instance in a case of crisis, whatever the reason of the crisis : pandemic, economics, terrorism, politics, climate…
- or grow and thrive.

In case n° 2, hopefully, the expected growth can be
→ from micro to small enterprise
→ or from small to medium enterprise.

Competition in the tourism context : the destination issue

In most cases taken from the business world as a whole, competition comes from other enterprises that have a similar production, but which are able to claim one or several particular advantages : lower prices, better location, better quality and/or image, better delivery conditions, larger size, more efficient marketing… This kind of competition may also arise from enterprises proposing substitute products. This shows that competitiveness is a complex process that involves the trio: environment, enterprise and product.

This kind of challenge certainly plays an important role in the competition among tourism SMEs, but it may become secondary if the destination as a whole is taken into account : the attractiveness of a destination is based on all its resources as well as on all its tourism enterprises. Therefore, tourism SMEs belonging to the same destination are rather members of the same cluster than competitors : they are due to endure or to benefit jointly from the same fluctuations in tourism arrivals and expenditure.

This actual solidarity, or interdependence, among tourism SMEs within a destination raises the question of what is a destination, what is this destination to which a tourism SME is bound. In this respect, the territory of a destination is not always easy to identify, except within some islands : the territory of the destination may extend, shrink, change, encompass a wider or a smaller number of tourism resources…
➔ Finally, the answer is always in the view of the tourists, not of the enterprises or the administration. And this is forcing companies to consider the evolution of tourism demand.

Tourism destinations are in fact like Russian dolls : each of them, however large or small, belongs to a larger one, and, on top, are the continental destinations such as Europe or Latin America. The more distant the tourists are, especially if they are prime-visitors to the destination, the more they will identify it as a large territory, even if they have a special interest in some particular small places. *For instance, even if many Americans know the small village of Arromanches as a highlight of the Battle of Normandy, their destination is definitely France.* On the contrary, the guests coming from nearby regions or countries will identify a much smaller destination, according to his/her knowledge and to his/her tourism experience. Of course, the tour operators from the outgoing countries take into account this view in order to organize and name their tourism products.

➔ *Consequently, the tourism enterprises, and especially the SMEs, within a destination, may be more or less aware of this de facto solidarity among them : in this respect, the Global Survey implemented by the Knownet project shows clearly that the competitiveness at the level of the destination is not, by far, unanimously recognized, and therefore the criteria of competitiveness identified by those SMEs are often related to neighbouring factors.*

Interregional and international competition

There is no point to focus here on the fact that the number of tourism destinations have increased dramatically during the last 3 decades : the number of countries members of WTO raised from 81 in 1980 to 155 nowadays. Meanwhile, the number of domestic and international arrivals have also raised, -by roughly 5% a year for the international arrivals-, the new comers being mainly from emerging countries. Probably due to the common features of the affluent society, the needs and expectations of these tourists seem closer and closer to those of the “experienced” tourists, those that are accustomed to travel since 3, 4 or 5 generations.

➔ *Therefore, the supply in terms of tourism accommodation, transportation and other services is very similar from one place to another. But, within the local destination, fortunately, all resources related to natural and cultural heritage are greatly different, enhancing each of their USPs /Unique Selling Proposition. Regions are therefore also placed in competition with their brand, reputation, and this has significant impacts on their attractiveness.*

Consequently, the quality of the tourism enterprises is comparable from one region to another, from one country to another, thanks to the multi-travellers, to the guide books, to the tour-operators and, of course, to the web and the personal opinions that the web disseminates around the world.

➔ *With often their nose to the ground, and their legendary individualism, the tourism SMEs cannot always be aware of these world challenges.*

Identified competitors of the countries and regions at stake

Most identified competitors of the regions and countries under study are neighbours, which are regarded as producing similar services and enjoying similar resources, as well as targeting the same markets.

Table 72 Identified competitors of the countries and regions at stake

Country / region	Identified competitors	Product at stake
Austria	France	Snow tourism
	Switzerland	Luxury tourism and wellness
Belgium / Wallonia	Flanders	Rural tourism Events
	French Champagne/Ardenne	Rural tourism
France	Spain	Cultural tourism Mediterranean beach tourism
	Italy	Cultural tourism
	All large European cities	MICE
	Great Britain	Cultural and events tourism
Hungary	All European capitals	MICE City breaks
	Mid-European cities	Urban cultural tourism
	Romania	Health tourism
Italy / Gallura	Corsica	Beach tourism
Romania	Turkey	Customized products
	Bulgaria	Beach-tourism
	Hungary	Health tourism
Slovenia	Austria	Hike and bike tourism
	Croatia	Beach tourism
Turkey	Any large city in the world	Urban tourism (for Istanbul)
	Egypt	Faith tourism, beach tourism (diving etc.)
	Spain	Cultural tourism, beach tourism
	Greece	Beach tourism (All inclusive packages)

How criteria of competitiveness have been identified by the Knownet Project

Stating that competitiveness is crucial for the survival and the growth of tourism SMEs, the Knownet Project has investigated this issue in several ways :

a. **The SOTA/State of the Art** reports, made by each team, have stated the main strengths and weaknesses of the tourism SMEs, and the main threats ; some of them, like Austria, Turkey (fastest growing market of the top 10) and France, have positioned the country in the international competition, and therefore added an extra perspective on the global competitiveness of the country.

b. **The Global Surveys** have collected the feelings of tourism SMEs managers on this topic ; about 300 questionnaires were implemented and this ended up with a focus on some very practical, but crucial, competitiveness criteria, according to the managers' feeling : what is helping or hindering daily, or on the mid-term, the survival or the growth of their enterprises ?

c. **The Specific Surveys** are based on over 80 in depth interviews with selected enterprises, according to how far they have considered the question, and often with enterprises belonging to a professional association. The results point out, at the level of the destination, the difficulties that the local enterprises are facing, and identify what could be the good opportunities. The 2 to 3 **case studies** per country or region are to deepen these considerations.

d. **The meetings held in each country/region with CNAM,** as coordinator of the project, bring a new and more precise focus on the theme of competitiveness : each local team has invited prime tourism actors of the region or country : heads of Chamber of Commerce, of private professional associations, of public tourism bodies, of major enterprises (often medium size), actors of sustainability, politicians, academics…. All of them had a clear and a particular view on the difficulties and on the challenges at stake.

This bottom-up analysis ends up in an informal collection of the main criteria dealing with the competitiveness of these tourism SMEs.

- At first, these criteria have been classified in external and internal categories (*See annex of this report*) for each country or region.
- Then they have gone through a transverse analysis. (*In next paragraphs*)

GENERAL TRENDS
AND SPECIFIC FEATURES
OF CRICOMs / CRITERIA OF COMPETITIVENESS

These criteria must be understood as **signs and means of becoming competitive**. In each country under study, as their driving forces of success ; these signs and means of becoming competitive are in either situation :

- The manager of the enterprise is just aware of them but more or less helpless
- (S)he is aware of them and has included them into the strategy of the enterprise
- The criteria are only mentioned by outside experts not belonging to the firm.

Throughout the work in progress, the close examination of the criteria of competitiveness (*hereafter CRICOM*) revealed

A. Specific features related to the particular context of the region or country where the tourism SMEs are located

B. General trends, or issues widely shared by those European SMEs in the scope of their development.

A. Specific features of competitiveness

In order to state it clearly, 3 to 4 criteria have been selected to put a focus on criteria of competitiveness that seem crucial as well as specific to each country or region. The reason of this selection is to point out how different the contexts can be –i.e. external criteria-, and how they end up in specific difficulties or challenges for the tourism enterprises –i.e. internal criteria-.

As said previously, these CRICOMs are considered as means to become competitive ; they are external (macro) and internal (micro). Concepts of external and internal may be confusing for CRICOMs.

- External or macro criteria are related to the general context of the country or region, and not directly to the tourism enterprises at stake
- Whereas internal or micro criteria are primarily related to the management of the firm.

➔ *Some of them are really related to a specific context or situation, and have therefore little effect on a transverse European survey. Others can be linked to broader issues that affect a large number of tourism SMEs.*

Table 73 MAIN SPECIFIC CRICOMs IN EACH COUNTRY

Country Region	External/macro criteria	Internal/micro Criteria
Austria	Rank as foremost « green destination » at international level Strengthen the image of culture and lifestyle	Sustainability in HR management Recruit middle management staff Maintain competitive rates
Belgium Wallonia	Get real political support Quality at territorial level More integration within the hospitality chain	CSR management Qualification of staff Reduction of costs
France	Raise the international tourism revenue to US level Quality and welcome Decreasing number of available good locations for tourism projects	Recruit qualified staff and gain its loyalty Long term investment funding
Hungary	27% VAT Spatial concentration and seasonality Coordination of public policies Building up USP with culture and health	Research activity and benchmarking Market minded managers and officials Availability of niche products Availability of fringe benefits for the staff Knowledge and networking for SMEs
Italy Gallura	Availability and costs of transportation Economic integration Lack of regional tourism strategy	Awareness on sustainability Qualifications of staff and managers Quality of services
Romania	National strategy and regulations Image and positioning of the country (yet unclear) Transition to customized tourism	Quality of staff Management after communism era Awareness on sustainability
Slovenia	Competition with Hungary on wellness and with Austria on « hike and bike » Taxes on tourism revenue Availability and cost of transportation	Management and ownership : transition from communism Advantages of sustainability Continuing education
Turkey	Fastest growing market in top-ten level of the world Bank credit for SMEs Quality and branding	R&D and managerial strategy Customized services in the context of mass tourism Qualification of staff All-inclusive service

B. General trends,

These general trends in the CRICOMs are issues that are widely shared by the tourism SMEs under study, in the scope of their survival and their development. They are identified hereafter, and classified.
But, in spite of these transverse features, each country and region may have particular applications due to

- How “mature” the enterprise is : how long in the business ? how aware and skilled are the managers ? can a professional chain or association provide them with useful knowledge ?
- The local regulations
- The local economy : in particular the tourism flows of the destination.

The following issues concerning the CRICOMs can be depicted, because they are mentioned in almost all the surveys :

1. Human Resources
2. Quality of products and services
3. Sustainability
4. Funding
5. Marketing
6. Information on modernization

Each of these issues lead to a wide variety of sub-themes. They are tackled hereafter.

1. Human resources

This CRICOM has been mentioned by every Knownet partner. The issue is developed along several directions :

- Recruitment : difficulty to find employees ready to be hired only during high season (lack of motivation) ; difficulty to find qualified staff, especially those speaking foreign languages ; difficulty to find skilled middle-managers.

- Building staff loyalty : enterprises in most countries point out the quick turnover of their staff and feel helpless; but, in view of an application of sustainable development to human resources, some Austrian enterprises take into account the employees who have a family and adapt consequently the schedule ; some take into account aging employees and provide gymnastic courses and continuing education.

- Initial education : in spite of initial education being recognized as crucial, there seem to be in many places a gap between educated young people and their recruitment in tourism SMEs ; either the information on proposed jobs is weak, either the proposed jobs are badly paid or offer poor conditions or insufficient “fringe benefits” ; therefore, there are many young people, with a degree in tourism or hospitality, who take jobs in other sectors.

- Continuing education : In many countries and regions, there seem to be little awareness and low interest from the tourism SMEs for this process in spite of its beneficial results on staff loyalty ; some reports even mention that the priority need would be… to train the managers beforehand !

- Qualifications and skills : though it is not often clearly mentioned, the skilled staff seems to be more attracted by the large hospitality and tourism companies, leaving the less skilled or the non-skilled to the SMEs ; the lack of qualifications that is most mentioned deals with practice of foreign languages, and detailed hospitality services, the latter being sometimes requested for "customized services".

2. Quality of products and services

There is of course a double point of view on this topic : the manager's view on quality and the client's expectations. The clients' expectations are closely linked to what they have experienced elsewhere as tourists, and also to the comfort they enjoy in their everyday life (for instance, do they separate waste at home?).

The manager's view will depend on how close (s)he is to his/her clients: in this respect, does-(s)he have regular information on which services they get elsewhere, on marketing surveys... When the destination is organized in some cluster –whatever it is, -DMO for instance- and hopefully when the destination has a tourism strategy- then the local SMEs may get a lot of information out of it. The SMEs belonging to a chain also benefit from its know-how and is due to compel with the requirements of its chart.

Then this manager needs to have a clear diagnosis on his/her own enterprise, to evaluate the quality of its services.

Last but not least, (s)he must be clever enough to implement the necessary steps. In this respect, (s)he may need both money to re-invest in renovation, and to get qualified and motivated employees : training, team building…

This quality CRICOM is crucial in terms of marketing : it makes the good or bad reputation of the enterprise and, jointly, the image of the destination ; it can also stimulate greatly the clients' loyalty.

Three different types of quality have been put forward during the project

- Quality close to European standards : what European markets (yet the most numerous) expect in terms of customized services, classification of accommodation and of visitors' attractions.; in this respect, the initial education of the manager and of his/her staff is often efficient.
- Quality of local hospitality and services, based on authenticity and sustainability ; there, local innovation plays a key role
- Quality of certain clusters or networks, large or small, such as health tourism, mountaineering, cultural events, conference tourism, wine tourism, snow

tourism… The latter can create a USP for the destination, if the tourism SMEs involved work on a high quality level.

3. Sustainability

Sustainability is by now a well-known concept, but its understanding can be so different that in some cases it will be far from being a CRICOM, whereas in other cases, it is a highly tackled CRICOM.

- In countries and regions where sustainability is a rather recent concept, it is understood on one hand as a global -and desirable- protection of the environment, and on the other hand as a bunch of costly constraints for the enterprise that wants to adapt, even if, at the end, there are energy savings to hope for. Sustainability is by now a well-known issue, but not yet a convincing CRICOM. And it is often far from the daily worries that appear in the surveys. In these places, sustainability is hardly or even not at all connected with human resources, local development, authentic culture.

- In countries and regions where sustainability has been experienced since a long time, tourism enterprises, including SMEs, have gained profit from the heavy efforts they had to go through : profit in terms of energy savings, satisfaction with new materials, tax alleviations, peaceful relations with the staff, good feeling of having done something for the planet … To a certain extend, they also acquire a good image in the eyes the clients, but only to a certain extend because tourists nowadays are more or less aware of the issue of sustainability, of its applications and of the efforts made by the locals within their tourism destination. So the award coming from the happy and grateful clients looks often like a long term objective.

Of course, there is every reason to believe that the future belongs to the latter :

- first because the sustainability believers and practitioners are to be found in countries, like Austria, which have a longer past as tourism destinations, where tourism is a very mature activity.
- second because the tourists should have higher and higher expectations and requirements in this respect.
- And third because sustainability is more and more related to quality, which makes it a CRICOM that cannot be ignored.

The reports on each country and region also show some differences in terms of territory or in terms of classification of the tourism SMEs at stake : In some countries, sustainability is a concern only in the countryside, or in the mountain, but not on the beach side, nor in the city ; in some others, sustainability is only the concern of certain high standard hotels and luxury places, those that can afford it !

Year after year, sustainability has improved in the field of tourism, insofar that, by now, it is related to a wide variety of issues all serving the success of the tourism enterprises on the long term ; that is mainly :

- Protect all aspects of environment : nature and culture

- Favour HQA/high quality architecture and materials for the premises of the enterprise
- Insure economic integration : enterprises buying local as a priority for their supplies and services ; for the sake of the local economy and for the authenticity of the products that are proposed to the tourists
- Practice an efficient HR management : recruitment of locals when they have the necessary skills, team building, continuing education, taking into account their family constraints and their age, loyalty building…

This sustainability CRICOM is in the process of becoming little by little unavoidable. But many tourism SMEs need yet to be convinced, and informed of its benefits.

4. Funding

Several countries and region have mentioned this issue as a CRICOM : they were less dealing with initial funding, for the creation of the SME, than with the further needs of money for their development -renovation or extension-, i.e. for their re-investment.

The difficulty to raise funds is often linked to a certain distrust of the banking system towards the tourism sector, which is not considered as an interdependent whole but only as small enterprises dealing with scattered activities such as catering, hospitality, sports… The lack of adjustment of the banks to the specific needs of these enterprises is also pointed out : seasonal activity and revenues, long term ROI… In some post-communism countries, the unclear status of ownership makes the funding even more difficult, because the mortgage cannot play its role.

And, last but not least, certain reports tackle the regulations of the state or the region : some countries have a SBA/Small Business Act, with no or poor application to tourism, others consider that the tax system hinders the tourism activity.

Funding, and its difficulties, are definitely mentioned as a CRICOM, but never as the major one.

5. Marketing

Marketing as a CRICOM is here mentioned at two levels

a. Information : quantitative, and particularly qualitative knowledge on the markets is considered as a primary tool to improve the efficiency of the company ; it leads any strategy, and all improvements of the provided services ; for instance, it may deal with market segmentation, market positioning and raising the profiles of resulting segments ;
b. Action : the actions of marketing are related to the following and end up in marketing-mix process :
    - the targeted improvement of the supply in terms of quality : HR, authenticity, standard of service, and even sustainability ; it is often

expressed as “customized services” ; it may also deal with the development of new products ;

- communication and promotion on target markets : often, the SMEs would like to rely on public (national or regional) initiatives and funding ; very few know about the EU’s promotion of Europe as a whole on very distant markets ; the investigated enterprises and experts often trust the international labels, and particularly the eco-labels, for their promotion.
- sales procedures, for instance with tour operators or on the web
- all this encompasses the use of new technologies.

Certain SMEs are more or less aware of their difficulties in terms of marketing, at both levels ; but this is more thoroughly noticed by the experts : members of professional associations and of public tourism bodies.

➔ *This fact confirms that the first level of the marketing CRICOM, -i.e. information and knowledge- is crucial. It is a CRICOM on its own.*

6. Information on modernization

In the eyes of the experts, this is not a CRICOM on its own, but rather the first step to improve the economic efficiency of the tourism SMEs. In this respect, modernization must not be restricted to technology, though the adoption of new technologies may pave the way to many other changes and to innovation.
Modernization must encompass also management procedures, sustainability, marketing tools, ability for work within clusters…

The issue of information raises the question of how, - through which channels-, can the information come. As a whole, the SME manager seems pretty isolated, though (s)he may have several sources :

- attend fairs and exhibitions
- read professional newspapers and reviews
- go to professional and public (national, regional) websites
- share information among colleagues

N.B. This issue of dissemination of knowledge is to be discussed on Final Meeting on 12th September 2012.

All those CRICOMs have proved to be closely linked and even interdependent : the lack of one of them may lead to the weakness of others, and, on the contrary, the strength of one of them may compensate the weakness of others.

Clearly, sustainability is central, when it is related altogether to

- HR management,
- quality of products,
- economic integration,
- energy saving…

➔*Sustainability could be a key factor to raise the competitiveness of European tourism SMEs. But there are yet many obstacles to go through :*

- *tailor-made information on sustainability for these SMEs*
- *dissemination of this information*
- *financial and/or technical help.*

CONCLUSION

Having identified what could be the CRICOMs of European tourism SMEs to face competition within the Continent as well as on the world tourism markets, one can draw a few conclusions.

- **In terms of HR :** The European wages are fairly different from one country to another, which brings a competitive advantage to the prices of those with low wages, in tour packages as well as in self organized journeys (and the cost of transportation does not always reduce this competition). And, as long as there is no common decision about EU economics, every country will act independently in this respect. But they can compete with the other countries on the skills of these employees, in every sub-sector of tourism in hospitality of course, but also on specific products such as health, luxury, cultural sites and events, sports, conference, gastronomy, wines… which are specialities that appeared outside the hospitality sector, but that the hospitality sector has made fully available to tourists.
  ➔ this could be improved by initial and continuing education, maybe involving international exchanges, even at a low level of qualification

- **In terms of quality,** the challenge is of course to stay ahead, not so much in terms of international standards, with which every enterprise needs to comply, than in terms of specificity,: authenticity, innovation, customized services.
  ➔ in this respect, tourism SMEs have often been very creative, provided that they get regular information and develop in a context that is not too restricting in terms of funding and regulations

- **In terms of sustainability** : on this topic, it seems that some destinations have found their own full understanding of what it is about in their own context and what are its local applications. Sustainability could be the big challenge,

not only “for the planet”, but also because of its excellent image for the tourism markets, of its major role in the quality of the products and for its economic efficiency.; in this respect, of course, good ecolabels play a major role.
➔ there is a strong need for dissemination of the concept, of its applications and its profitable impacts on the mid-term.

- **In terms of funding the investment** : will this issue become a European concern ? Up to know, it is in the hands of both the national politics and the banking sector.

- **In terms of marketing :** the concept is not as new as sustainability, but the use of proper tools of marketing needs also a good deal of knowledge, especially “open data”, information with easy access, whatever the channel. There are certainly profits to be made by tourism SMEs in improving marketing tools, either individual or common.
➔ here again, as for sustainability, dissemination of knowledge through appropriate channels may reveal very fruitful.

- **In terms of modernization** : modernization needs to have a view on the future : markets, technologies, management… in order to choose which could be the best practices for the enterprise.
➔ Here dissemination should come as well form the expert bodies as from the SMEs.

Going through these various CRICOMs, it became obvious that they are related as well to the enterprises as to the destinations : the quality, the reputation, the economic efficiency of the destination relies closely on its tourism SMEs.

ANNEX

CRITERIA OF COMPETITIVENESS IN EACH COUNTRY / REGION

AUSTRIA

1) External
   - International ranking of the Austrian destination (by now n°11)
   - Leading role of sustainability as utmost level of quality
   - Attraction of “green guests” and of more affluent guests
   - Innovation from technicians
   - Cultural events,
   - Reputation of Austrian lifestyle,
   - Modernization of health tourism

2) Internal
- Energy saving
- Obtain or keep green label
- Sustainability in HR management
- Maintain acceptable rates
- Supply of local food at acceptable prices
- Funding for investment

BELGIUM / WALLONIA

1) External
- Political support : positive attitude towards tourism, promotion, public/private partnership
- Political regulations on carbon print
- Support of banking sector
- Quality at territorial as well as sector based level
- European harmonization on social tourism and on transportation

2) Internal
- CSR Management, especially in terms of intergenerational approach, plus corporate culture : tourism should be a think tank on these topics
- Qualification of managers in terms of HR
- Skills of intermediate bodies to select and disseminate relevant information
- Qualification of staff in terms of behaviour, foreign languages (especially Flemish), marketing, media and technical skills
- Modernization of low cost accommodation (social tourism)

- Integration of SMEs within the tourism chain
- Transition towards wholly computerized sources of information and distribution (where “small is beautiful” because it is flexible)
- Segmentation of services
- Reduction of overall costs

FRANCE

1) External
    - International ranking in tourism arrivals and expenditure
    - Global quality, including welcoming of guests
    - Multiple administrations at various levels
    - Decrease of public support
    - Maintain and develop the cultural resources : sites and events

2) Internal
    - Funding for activities with long term ROI
    - Recruitment and loyalty of HR
    - Marketing –promotion and sales- with computerized tools
    - Keep pace with the tourists new trends
    - Find available good locations for new projects

HUNGARY

1) External
    - Survival during present crisis
    - 27% VAT on all products and services
    - Prices of local food : food often cheaper at Vienna central market than within the country !
    - Adaptation of property law after communism era
    - Market minded managers and officials
    - Funding for investment
    - Maintenance and renovation of environment
    - Renewal of health tourism
    - Building up of an USP with culture and health

2) Internal

- Availability of fringe benefits for the staff
- Jobs in tourism for 2nd degree qualified students
- Innovation in marketing/communication
- Innovation in decoration
- Networking among SMEs
- Knowledge dissemination

ITALY / SARDEGNA / GALLURA

1) External
- Cost of transportation to/from Sardegna
- Local public transportation
- Extension of tourism season
- Economic integration in local tourism chain : poor influence of Costa Smeralda on Gallura
- Poor cooperation with public authorities : no regional tourism strategy and ambition, no environmental regulations, no support to tourism SMEs

2) Internal
- Weak HR : lack of foreign languages, lack of motivation due to seasonality
- Weak management in micro-enterprises : Unawareness of tourism and economic issues, of SBA/Small Business Act
- Quality
- Sustainability and green labelling

ROMANIA

1) External
- National tourism strategy, regulations in favour of tourism and joint ministerial actions for tourism
- Promotion of Roumania as a destination, with strong identity and marketing position
- Transition from mass tourism to customerized tourism (like in Turkey)
- High taxes (24% VAT), except in rural areas
- Competition of Bulgaria's coastal resorts on prices and taxes
- Competition of Hungary on wellness

2) Internal
- Awareness on sustainability challenges
- Quality of staff : training in hospitality services and foreign languages
- Management in the context of post-communism transition

SLOVENIA

1) External
- Incentives for sustainability : a national challenge
- Quality of wellness destinations (in competition with Hungary)
- Attractivity of coastal area (in competition with Croatia and Italy)
- Quality of < hike and bike > areas (in competition with Austria)
- High rate of taxes on business revenue and on wages
- Transportation connections with some potential markets such as Venise or Graz
- Loans from the banks for tourism SMEs

2) Internal

- Awareness on sustainability, including in agriculture as supplier of tourism
- Development of the various features of “slow tourism” with the locals
- Need for higher quality and cost effectiveness
- Continuing education
- Marketing with certain European markets
- Management and ownership : transition from communism to be completed
- Lack of DMOs

TURKEY

1) External

- In the world top-ten ranking of tourism arrivals and expenditure
- Distribution of marketing activities with Turkish Airlines which was selected best airline of the year 2012 in Europe by Skytrax
- Turkish hospitality
- Bank credit for SMEs

2) Internal

- Managers’ lack of knowledge, especially on the business environment, lack of use fo R&D, lack of strategy
- Managers’ marketing awareness and strategy : tools of communication and distribution, appeal to external consultancy (i.e. the national KOSGEB)
- Qualification of staff
- Level of quality with brand names and good value
- Customize services, with flexibility
- Costs control
- All-inclusive service

DISSEMINATION OF KNOWLEDGE

Why is dissemination of knowledge a major issue in the Knownet project ?

The previous papers made by each of the 8 teams (State of the Art, Global and Specific Surveys and Case Studies) have pointed out many difficulties in the every-day management as well as in the development of the European tourism SMEs.

- Some of these difficulties are related to the general context of the region or the country, such as high taxes, lack of... or obsolete regulations, lack of or cost of transportation, international competition where tourism fluxes turn to other new destinations…
- Others are related to internal or micro economic issues such as marketing skills, HR management, quality, sustainability… On those, there is every reason to believe that improvement is possible.

Among the later, the reasons why the tourism entrepreneurs face such difficulties have been pointed out.
They range from

- Total lack of awareness, mainly in micro-enterprises, or in SMEs located in isolated areas
- Lack of available training
- To a lack of clustering, or a weak participation in a professional chain, in a destination management body, in a label… Our previous papers have proved how much this clustering can be efficient in the awareness of the entrepreneur and in the improvement of his/her skills.

To which extend are those managers isolated from the sources of knowledge and know-hows that may help them to improve the quality of their products, to save energy, to improve their HR management, to develop their company, to face competition with better tools ?… This will depend

- on the general context of the country or region, of course,
- but also on how geographically isolated this entrepreneur is,
- on how much time (s)he can spare for knowledge acquisition,
- on how already experienced (s)he is through initial education and/or through long experience.

Before proposing practical tools to disseminate knowledge among these SMEs, we need to analyze how normally the process of dissemination works.

The 4 steps of dissemination

In order to disseminate appropriate knowledge, one needs to go through the following steps

1. Determine one or several sources of information

➔ 2. Build up one or several messages, or a continuous stream of messages easy to pick up and understand

➔ 3. Identify the vehicle(s) or the channels of this dissemination

➔ 4. Identify the target receivers, or end users.

According to what the Knownet Project has achieved, those 4 steps are unequally identified and developed.

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1. Source	2. Content of message	3. Vehicle / Channels	4. Receiver / End user
Not clearly identified ; probably several sources.	The main items of the message are known : the CRICOMs + the case studies to illustrate these Cricoms	Various channels of information are identified, according to the country / region	Those are well identified through SOTAs and surveys, with their particular needs and context

Step 1 : The source

Who can provide appropriate knowledge ? The wide variety of providers mentioned in the previous papers makes it difficult to identify. Among them are :

- The schools, universities and training bodies : it is their vocational duty but how do they really connect with the tourism SMEs ?
- The chambers of commerce and other professional bodies : those work unequally with the hospitality sector and often prefer to tackle other industries
- The good labels and the professional chains : they have a chart which can be an excellent reference in terms of quality and sustainability, and this chart is always on the web, but how aware of them are the tourism SME managers of these charts ? how can they feel involved ?
- The DMOs/Destination Management Organizations, whatever shape they have, may be a good source of information on energy saving, on marketing, on clustering for a tourism product… their main advantage is to be close to the local SMEs, but they are unequally structured, skilled and able to communicate with their local enterprises.

There may also be a problem of quality and skill of the provider : the quick extension of information on websites proved that some of them are reliable sources, or others not.

Furthermore, the sources need to be reliable on a scientific or on a professional point of view, but also in the eye of the end-user who trusts them, or distrusts them.

Up to know, besides the invaluable statistics of Eurostat, there is no available source of information at European level on the pieces of information that are needed by the European tourism SMEs.

Step 2. : The contents of the message

The Knownet project has shed a light on 6 criteria of competitiveness (*see chapter on CRICOMs*)

- Human resources : initial and continuing education, recruitment, management, loyalty building, team building, training
- Quality according to international and to local standards, quality process,
- Sustainability : clean environment, energy saving, staff management, economic integration
- Funding : distrust of banks especially on seasonal activity, unclear regulations on ownership
- Marketing : information on markets, promotion and sales skills
- Information on innovation

These are the topics on which most tourism SMEs in Europe need to improve in order to survive or to develop ; these topics should be tackled in the message carried out by the process of dissemination.

Furthermore, in order to be as efficient as possible, the message should be provided in the language of the end-user, and take into account his/her basic knowledge.

➔ *In this respect, the case studies, well described and taken from similar enterprises, seem to be the most significant and easy pieces of knowledge, even for managers with a less education and/.or a short experience, the case studies can be regarded as "ready made" pieces of information. The Knownet Project has collected about 20 of them.*

➔ *But many suggest that a network on vocational training, including sustainability, would be highly relevant.*

Step 3. : The channels of dissemination

The channel, -or vehicle or carriers-, of dissemination is crucial : it must be efficient in reaching the target receiver and it must enjoy the best possible credit among these end-users. Most State of the Art papers and Surveys have shed a light on possible channels. Among them, there are

- Chambers of Commerce and Professional bodies, with their usual means of communication such as meetings, postal mails, e-mails, newsletters, brochures, intranet websites….
- Clusters organized at the level of a destination, a product, a chain on a particular topic, with similar tools of communication as the Chambers of Commerce
- Prints such as newspapers, reviews and books : even local papers can convey reliable information and be efficient as they are generally read by everyone
- Trade fairs and exhibitions
- Workshops
- Consultancy or technical support
- …

Step 4. The receivers or end-users

The previous papers have also described the end-users of the knowledge dissemination process. The overall features of the tourism SME manager are pretty well known and seem to be the following :

- (S)he works a lot, often with his/her nose to the ground, and has very little spare time
- Even within a city, (s)he is more or less isolated, with few contacts with his/he fellow professionals (or local competitors) or with the other public and private tourism actors ; meetings are rather difficult to organize ; (s)he can be met mainly within his/her premises
- Many of them have no initial education in tourism or hospitality and are self-made (wo)man ; therefore, those will more often trust their feeling or their instinct than turn to a more theoretical knowledge.
- (S)he often understands sustainability only on the point of view of the environment, and is suspicious on its applications to his/her enterprise, except when energy and water saving is concerned ; very few are aware of its applications to staff management and to local economic integration.
- (S)he has difficulties in funding modernization, innovation or any step towards sustainability
- (S)he does not always approve of public regulations and taxes that are believed to hinder his/her activity
- (S)he knows pretty well his/her actual clients, though not much their level of satisfaction, which may end up with good or bad surprises on social networks

such as TripAdvisor. Therefore (s)he does not always have a clear idea of the improvements that may really add value to his/her activity.
- (S)he knows little on his/her potential market.

➔ *But the tourism SME managers are the major actors in the tourism economics, and most fruitful innovations come from them ; so these need to be disseminated to enhance the global competitiveness of the destinations.*

Of course, the above features of the tourism SME managers vary according to the context :
- They are more or less aware of their needs
- They are more or less skilled and experienced
- Regulations, taxes and tourism strategies vary according to the country
- There can be a sharp difference between a micro and a small or medium enterprise in terms of access to new knowledge.
- The location of the enterprise is crucial and being in a destination where the number of visitors decline or raise impacts it directly.

Proposed guidelines for dissemination of knowledge to tourism SMEs

Following what has been presented on the 4 steps of dissemination, and after a discussion in a general meeting with the Knownet teams, two main guidelines are proposed hereafter :

I. Make full use of traditional means of dissemination, but with a special target on SMEs

II. Propose technical support, with consultancy and/or coaching

I. Make full use of traditional means of dissemination, but with a special target on SMEs

Those means are pretty well known and are used in each participating country. But the idea would be to reach, directly or indirectly, the tourism SMEs, and probably more the small and medium ones because they seem more open and more in a position to change. Among the identified means, there are

- Courses and lectures on small tourism businesses for University students, with field trips and training within tourism SMEs

- Exchanges of students in tourism and hospitality within the EU

- Conferences and workshops on the criteria of competitiveness in tourism SMEs and on tourism products (supply and demand) in tourism areas where

municipalities, chambers of commerce, professional bodies and tourism actors would be particularly invited to participate (not only academics)

- Conferences during tourism fairs and exhibitions
- E-learning used as a capacity building tool
- Video broadcast on a web platform
- Publications in scientific reviews, but also in professional reviews and in local newspapers ; possibly edition and publication of a book on the Knownet Project

➔ In fact, in all the participating countries and regions, dissemination on the Knownet Project has already started in various ways.

FOCUS ON THE HUNGARIAN CASE OF DISSEMINATION

In Hungary, about ***24 000 people*** *are already aware of the Knownet Project*
They were informed through the following channels:

Websites of professional associations*:*
Information on the KNOWNET project: the aims, the surveys the methods, etc.
1. KKV HÁZ (SME-s' House) : appr. 510 members
2. VIMOSZ (Hungarian Association of Tourism and Hospitality Employers) : 48 members

Professional reviews
1. Online newsletters (22 760 registered subscribers)
2. Short news on KNOWNET project and the events (3 times)
3. Calls for filling the online questionnaire (3 times)
4. Detailed study on the results of KNOWNET (to be published in November 2012), by Dr. Csilla Jandala

Conferences
1. Paper on the "Harmonization between the high-level courses and the needs of SME-s"- presented by Dr. Csilla Jandala (KKV HÁZ conference, 30. March, 2011): appr. 120 participants
2. Paper on the " Role of sustainability and competitiveness of SMEs in tourism sector – analysis of partial research results", Beregszász, Ukraine, Challenges in 21 century in Central and Eastern Europe, International Conference (published) (29th March 2012), presented by Borbála Gondos, appr. 80 participants
3. "Role and position of SMEs in tourism sector in Hungary", Győr, Hungary, Kautz Conference, Economy and Moral: pure Social, pure Economy (it will be published on website, and in Conference proceedings) (12th June 2012), presented by Borbála Gondos, appr. 60 participants

Lectures at the University*:*
Lectures on KNOWNET Project within the subject Sustainable Development of Tourism by Dr. Csilla Jandala: appr. 240 students

II. Propose technical support, through consultancy and/or coaching

These means of dissemination seem to be more appropriate for micro-enterprises. They would consist in funding, or co-funding, missions of consultancy or coaching within these firms, on some of the following topics

- Sustainability applied to energy savings, working with local suppliers, staff management and economic integration, maybe in view of obtaining an eco-label

- Quality process

- Training in terms of customized services

- Marketing : how to obtain information on potential markets, promotion and sales skills

- Clustering with local partners and/or themed products, or joining a relevant chain

Of course, this would need the participation of local or regional public authorities.

It could be started in “experimental regions” in need of such assistance for their tourism SMEs, for instance :

- In regions where a larger season of tourism activity could be expected (like in Sardinia or in French Brittany)
- In regions undergoing a tourism redeployment (like on the Romanian coast)
- In regions starting a new product industry (such as Health Tourism in Slovenia)
- In cities starting a new tourism development (like in Gdansk)
- In countries where the local tourism SMEs need to be stronger and more autonomous in order to face the requirements of international tour-operators (like in Turkey)

As a conclusion on dissemination

The Knownet project, and its findings on the position of the tourism SMEs in Europe, are dedicated to the improvement of these enterprises. And this requires a strong dissemination of knowledge on each of their weaknesses that should be alleviated each time it may bring some economic added-value.

Therefore, in order to reach this target, a wide variety of means of dissemination, such as those that have been presented above, seems highly relevant. This would be a “software process”, not a “hardware”.

Conclusion

Tourism involves a journey

Tourism is first and foremost a journey through history, geography, cultures. Tourists travel in order to discover, observe, exchange ideas, bring something back. The voyages of the Greeks and Phoenicians, the travels of Nicolo, Mafeo and Marco Polo were not very different, except that they lasted a lifetime, or nearly so. Globalisation was already a fact of life, but it had not left its scars or acquired its name. The world was still there to be discovered. The expansion of civilisations was driven by new inventions, new technology. The speed at which trade was conducted increased, first at the speed of the horse, than of the steam engine, then of the internal combustion engine (and now, of electricity). New forms of energy have constantly pushed back the boundaries, determining how much and how often we travel. The Industrial Revolution (1800-1914) was a period of totally new departures. It saw the industrialisation of societies and economies, the invention and mechanisation of many modes of transport (the steam locomotive, railways, urban transport systems, air transport), the massive exodus of mainly poor rural populations to the burgeoning cities of the Western world, or on ships across the ocean to the virgin lands of North America, just waiting to be colonised. The Tourism Revolution was born at the same time as the Industrial Revolution (but not as a result of it).

Tourism soon began to take advantage of the automobile. The manufacturers of these diabolical machines competed to design and produce models suited to the existing transport infrastructure, i.e. the still very spartan road network. So they developed the rubber tyre. Well-off European tourists could now make comfortable – or, at least, less uncomfortable — journeys by road to visit ancient sites and ruins. “Our hearts draw us southwards,” wrote Sigmund Freud in a letter to his wife Martha, when the celebrated Viennese psychologist travelled by car to Italy to discover the timeless heritage of provinces once Guelf or Ghibelline, having crossed the first Alpine passes open to traffic (Freud, 1900). New social classes, a new clientele, were discovering the pleasures of the Mediterranean. Private transport changed people’s behaviour, its sheer speed upsetting traditional perceptions of space, of places previously traversed only by horses and pilgrims, then by railways rattling along the branch lines of the 19th century. This was when the first international hotel chains were founded. César Ritz, born in the Valais mountains of Switzerland, developed exceptional expertise in luxury hotel management. Prestigious establishments opened their doors in all the major European cities. In Paris, for example, the Ritz opened in 1898, the L’Élysée Palace in 1899, the Astoria in 1907, the Majestic in 1909, the Crillon and the Carlton in 1909, the Lutétia in 1910 and the Claridge in 1912. In the United States, Ellsworth Milton Statler, Frederick Harvey, Henry Flagler and Conrad Hilton founded hotels and similar establishments which were to influence the entire American economy, and indeed global tourism, for the rest of the century.

It was not until the 1950s that the first forms of mass tourism made their appearance. This went hand in hand with unprecedented social and demographic change, in particular the urbanisation of lifestyles and the general growth of private transport. These developments were fostered by technical improvements, such as the construction of motorways and the tarmacking of most national and secondary roads. Public transport also saw major developments, and aeroplanes began to abolish distance. Europe was undergoing reconstruction. The second half of the 20th century adopted a new travel rhetoric, that of long-distance journeys to exotic destinations. The major transport operators, in particular the airlines, extended the invitation to visit distant places.

The worlds of tourism

Never in human history have so many people crossed the borders of foreign countries to satisfy an aspiration to discover the unknown, to seek pleasures in sunny climes. International tourist flows are the greatest movements of population ever recorded. According to the World Tourism Organization (UNWTO), 70 million people visited another country in 1960 to spend their holidays. This figure increased to 165 million in 1970, 278 million in 1980, 439 million in 1990, 687 million in 2000, more than 800 million in 2005, 900 million in 2010, and is now approaching one billion. The annual rate of increase has greatly outpaced average global growth in gross national product (GNP), with the numbers of international tourists doubling every ten years.

This trend has weakened somewhat over the last decade, as people's behaviour where travel is concerned is closely connected with macroeconomic cycles. Periods of crisis or recession (oil crises, the Gulf War, the Asian financial crisis, the attacks of 11 September 2001, the subprime crisis, etc.) are reflected in tourist behaviour, restructure markets and sometimes lead to new travel habits. Markets regarded as secondary have suffered as a result, especially where tourism is the only industry and accounts for most of an economy's resources (more than 30% of GNP in the case of the Maldives, Macau, the Seychelles, etc.). In monetary terms, the receipts from international tourism represent an important contribution to a country's economy. Since 1950, such receipts have increased year on year, from 2.5 billion dollars in the immediate post-war period to 7 billion in 1960, 178 billion in 1970, 100 billion in 1980, 270 billion in 1990, 480 billion in 2000 and close on 900 billion in 2011.

Half of these tourists travel by private car, the other half by plane, with other modes of transport (rail and boat) being of only minor importance. The modern era has therefore seen the advent of mass, industrialised modes of travel, of high speed and large capacity. New developments in air transport, such as the introduction of Concorde or the A380, are a natural response to this economic logic: faster, further, more passengers. World tourism consumption is based on three major geographical catchment areas, accounting for more than 90% of international tourist arrivals (in 2011): Europe (more than 500 million), Asia-Pacific (almost 220 million) and the Americas (150 million). Traditionally, these regions have both sent and received tourists for more than half a century, though of course the numbers have grown over this time.

Tourism clearly illustrates the idea of a globalised economy, its growth in the latter part of the 20th century doubling every ten years, an industry merrily consuming transportation, fossil fuels, space and landscape. There are also profound inequalities in people's access to holidays, travel and leisure worldwide. These inequalities are not only between the Western world and the poorest countries, in particular those of sub-Saharan Africa, difficult as it is to imagine hordes of tourists from Burkina Faso or Mali. Households' disposable incomes (to spend on consumer goods and/or save) are therefore the first factor determining whether or not people travel. Standard of living strongly influences the percentage of people who travel, the frequency with which they travel and the destinations they travel to.

Europe as a tourist destination

Europe now receives more than half of the world's international tourists, with 500 million people arriving each year, two thirds of them travelling from one European country to another. European tourism has to a large extent reached "maturity", a maturity which is historical but also connected with economic and industrial structures. It was in Europe that the word "tourism" was invented. It was in Europe that the first forms of tourism were born, from the initiation rituals of young English aristocrats visiting the ruins of antiquity to the creation of spa, mountain and seaside resorts (the therapeutic benefits of "suffocation by immersion" in sea water were highly recommended), from events such as the Tour de France to seasonal migration from one resort to another. This is the Europe whose heritage tourists came to admire. Every region, even those with poor transport links, developed plans for tourism as the only way of maintaining their economies and keeping people in steady employment.

Within Europe, two nations (Germany and the United Kingdom) are especially well known for generating tourist flows to other countries, in particularly the countries of the Mediterranean. There is a strong trend towards intra-regional consumption, with more than 80% of Europeans visiting another European country. German and British enterprises are the real multinationals of the tourism industry, having grown their businesses by taking over their European competitors (horizontal integration) and by striving to control the entire tourism value chain (vertical integration), from the creation of tourist products (packages) to marketing (distribution), from transport to accommodation, not to mention the sale of reception agency services, insurance and so on. TUI has become the leading European operator (with an annual turnover of more than €20 billion), having acquired enterprises such as Nouvelles Frontières in France (2002) and First Choice in Britain (2007). Thomas Cook is the second largest, born of Neckermann Reisen's extension into other European countries in the 1990s, the takeover of Havas Voyages (2000) in France, then of the British holding company whose name it has adopted (2001).

Not all European tourism is international. A large majority of Europeans spend their leisure time in their country of origin, or even in their own region. The weight of history is important in this respect. Some religious or philanthropic organisations (the Scouts, the YMCA) and some totalitarian regimes (in Italy, German, the USSR) have attributed symbolic value to their native soil and promoted its discovery by the

masses. Interestingly, Fausto Coppi won his first cycle races in 1939 wearing a "Dopolavoro" [a Fascist institution organising workers' free time activities] jersey. The ideology associated with tourism changed in the following decades (Christian social movements, non-religious left-wing clubs), when the first holiday centres/camps encouraged people to discover the beauties of the provinces in a country like France. The link between region and tourism is tenuous, delicate, intimate. Mediterranean countries such as France, Spain, Italy and Greece have many things in common. For them, domestic tourism is important, with 80 to 95% of their nationals spending their holidays "at home". They also welcome a large influx of tourists from other countries, which has exerted strong pressure on coastal areas where land ownership and development are concerned. Their economic dynamism depends on a very large number of SMEs, often family-run, involved in receiving/hosting tourists (accommodation, catering, transport, heritage, culture, etc.). Large enterprises do exist but tend to be the exception rather than the rule. They exist in the hotel industry among tour operators, and in the fields of business travel, theme parks (Disneyland Paris, Astérix, Futuroscope) and specialised facilities (marinas, conference centres, sports centres, health resorts and cultural centres).

New European markets have opened up or reappeared over the last twenty years, due in particular to the disappearance of the "Iron Curtain" that divided Europe into two blocs. The Cold War came to an end as frontiers were reopened, Europe's new citizens began to travel, and human exchange and discovery took place. The Ukraine (in particular the Crimea), Croatia and Montenegro are some of the best examples of new destinations, their coastlines offering accessible Mediterranean scenery, and bays and beaches less crowded than those of Saint-Tropez or Portofino in mid-August.

Many of these new tourists do not buy commercial services/packages, but prefer to use their own transport (cars, motorbikes, even bicycles). Rising petrol prices have tended to discourage people from driving long distances. Similarly, the types of accommodation preferred (or, at any rate, used) by "domestic" tourists are lodgings made available by family members of friends, for a weekend or a few days' holiday. For others, staying at a resort is a ritual that nothing would make them give up. There are more than three million second homes in France (with the Alpes-Maritimes, Var, Haute-Savoie and Paris accounting for almost 40% of them), where tourists go mainly to enjoy typical holiday activities (bathing, sailing, rambling, etc.). This is a very European phenomenon, much less common in North America (the US has only the same number of second homes as France, despite having five times the population).

The competitiveness of European SMEs operating in the tourism sector

These in some cases contradictory dynamics point up the need to professionalise the enterprises and employees working in the tourism sector in Europe. How many enterprises depend on tourism in Europe? We do not know exactly. There must be several million, but we do not have precise figures. What we do know, and what the Knownet project has demonstrated, is that Europe's regions are all now largely dependent on tourist activity, both regions with a long history of tourism (presence of a great city or prestigious site) and even more so those which no longer have any

other major economic activities to fall back on (former industrial areas that have undergone redevelopment, regions isolated or remote from major centres, protected coastal areas, etc.). In all of our meetings, in all the discussions in which we have been involved ─ in other words, in contacts with several hundred interested parties from the eight countries/regions covered by this project (Austria, Belgium, France, Hungary, Italy, Romania, Slovenia and Turkey) ─ all of the entrepreneurs concerned were worried most of the time about the survival of their businesses at a time of great economic instability, of increased competition from new tourist destinations, and of major changes in the market.

The aim of the Knownet project has been to gain understanding of the organisational structure, management practices, HR policies and quality initiatives of the enterprises concerned. Several hundred business owners replied to questions about their enterprises (sector of activity, legal status, turnover, etc.), their employees (educational qualifications, geographical origins, languages spoken, in-service training courses attended, etc.), their products and marketing activities (best-selling products, distribution channels, number and origin of customers, etc.), the way they view their markets (local destinations and competition), their investment strategies (sector, amount, sources of funding, etc.), and their view of labelling practices, especially in relation to the environment. We have tried to analyse how European enterprises can adapt to the worrying trends and great fragility so evident in this sector. Conditions both external and internal to the industry are necessary. In the view of many of the managers we met, technology needs to be at the heart of European tourism, as it has been for many years in the USA, and as it is supporting the development of new markets in Asia and the Middle East. Technology is a major factor in business competitiveness, in particular as regards production and distribution, and therefore the fixing of margins. Improving customer relations, for example, is a key objective, particularly as the European population ages and becomes more sensitive to issues of quality and safety.

From discussions among representatives of the eight countries and regions involved in this project, it has also emerged that the competitiveness of SMEs in the tourism sector is very much dependent on public investment. This is one of the problems often encountered and lamented. In countries with a longstanding tradition of tourism (France, Italy), public investment (transport infrastructure, development of major seaside and mountain resorts) is essentially a matter of history, since they have earlier programmes to refer back to. There is a wealth of texts, French or francophone, Anglo-Saxon or other, outlining schemes for the development of tourist areas. And there have been innovations in every period - France launched its first major tourist development programmes in the 1960s (in particular in Aquitaine, Corsica and Languedoc-Roussillon). After the period of reconstruction that followed World War II, and against a background of strong industrial growth, voluntarist initiatives were adopted and implemented by the public authorities to develop and build holiday resorts (inter-ministerial missions for the development of the coastline and the high Alps, which could draw on exceptional resources and skills). The 1980s saw the end of this initial model, mainly for financial and political reasons. And this put paid to the concept of the integrated resort, seen as a “social utopia”.

The world has changed, the traditional patterns have had their day. Tourism perfectly reflects the economic, and indeed the political, paradoxes of the European situation.

Tourism is at a crossroads. It is a formidable vector for developing national heritage, and also for driving political and territorial projects, at all levels. 500 million “new” tourists[109] will be arriving on the world market over the coming decades, which means that new destinations, products and modes of consumption will come into being. Innovation can and must be one of the key factors. Many “old” destinations are now facing a pressing need to renew their buildings. The lack of recent new developments, or even maintenance, is reckoned to have cost €100 billion, at a conservative estimate, in the case of France. The state and local authorities will certainly have to invest in this area, because for almost fifty years tourism has appeared to be the “last chance” for mountain and other regions, as agriculture and industry decline. This situation is also characterised by a very heavy dependence on natural factors (climate, landscape, air and water quality, biodiversity, etc.). Tourism and tourists have changed out of all recognition, as have relations between city and mountains (leisure activities, residential practices, modes of transport), and indeed the place of the various massifs in the mountain resort market. Innovation on the part of organisations and territories requires accurate knowledge of the macro (global) and micro (e.g. an Alpine valley) environments, and must be part of the local dynamics. This seems to be far from the case at present.

Drawing inspiration from good practice

We have tried to give some examples of good practice on the part of European SMEs operating in the tourism sector. To support our point, and because tourism does not stop at national or continental borders, one non-European example is also deserving of special attention. It is one of the most innovative of current projects, combining all the themes referred to earlier: the creation of a new and sustainable destination, the resort of Essaouira in Morocco. Moreover, it is recognised as such by the United Nations Environment Programme (UNEP). This project is part of a political programme, “Vision 2010”, inaugurated ten years ago, with the aim of promoting growth, creating employment, alleviating poverty, unemployment and social inequality, and attaching the kingdom more securely to the European and Euro-Mediterranean area. As part of Plan Azur, five or six “new-generation” seaside resorts were launched at this time with the objective of meeting European demand. Essaouira is part of an “Atlantic” strategy for the creation of these resorts (so as to avoid competing for 5 months of the year with neighbouring countries, in particular Tunisia). The idea was to create “intelligent” resorts, with a strong cultural hinterland, on sites not far from an urban centre that had been somewhat forgotten by the 20th century. Thus, Morocco has invented 8 “product clusters”, each a coherent, consistent territory with its own development policy to enable it to enhance the consistency of the product with specific positionings, regulations and regional route maps for managing investment.

Essaouira-Mogador is a known destination, though not yet heavily frequented, with approximately 130,000 arrivals each year and 250,000 overnight stays. It stands in an exceptional natural setting comprising 600 hectares of forest, spectacular natural sand dunes and 4 km of wild, virgin beach. The current project on 600 hectares of land is to provide hotel capacity of 6,500 beds and residential capacity of 3,500 beds,

[109] Figures from the presentation of Mr. John G.C. Kester, Programe Manager, Tourism Trends and Marketing Strategies, "2011 International Tourism Results and Prospects for 2012", UNWTO News Conference HQ, Madrid, Spain, 16 January 2012.

with the objective of tripling the town's existing capacity over the next 10 years, with four times as many arrivals and five times as many overnight stays (1,250 million in 2020). For a relatively small town, this is a major upheaval. In 10 years, it will double in size and in the number of jobs available (currently 15 to 20,000 persons are employed out of population of 80,000). The project involves the creation of 15,000 additional direct and indirect jobs (which will double the percentage of the active population in employment). 60% of the company's capital is held by an investment company representing institutional investors (3 insurance companies in particular), and 40% by a hotel holding company set up with support from the Accor Group in Morocco.

This project is characterised by three strategic issues: economic and social responsibility (creating a sustainable pool of employment and growth, which requires intelligent forethought so as not to create a tourist or rich-man's ghetto); cultural and historical responsibility (Essaouira is a 20th-century city but preserved from the disadvantages of modern urban life; there are no traffic lights, for example); environmental responsibility (conserving the plant heritage, dunes and water resources, as there is very little water in the region; when the intention is to lay out two golf courses and many green spaces, this issue is of vital importance). All in all, the issue raised by these three areas of responsibility is how to find good development models which can solve all aspects of the equation (Alami). The emblematic and innovative aspects of the development are the preservation of the dunes and the existing forest cover (the villas are all bungalows, the hotels are one- or two-storey to prevent them from spoiling the view); the massive planting of more trees and shrubs (the nursery already covers 4 hectares); the creation of 15 km of "green" footpaths; the use of diffuse lighting at night; and a water management strategy featuring a "filter garden". Used in conjunction with the treatment plant, this will complete the water purification process (10,000 m^3 per day) and provide enough for the watering of all public and private green spaces (using 352 km of regulated hosepipes). The land occupation coefficient is a mere 8%. Essaouira Mogador certainly provides food for thought and may point the way ahead.

For the creation of a competitiveness observation network for SMEs operating in the tourism sector in Europe

As we have seen, the competitiveness of European SMEs depends on a multitude of factors. It would be pointless to try and draw up an exhaustive list. It is, however, worth pointing out that the survival of individual business initiatives depends on having a good knowledge of one's markets and customers. This is a task for the public authorities. But the existing data, whether at European, national or local-authority level, is at best patchy, at worst totally deficient. We think it important to point out that it is the responsibility of the European Commission to set itself the objective of creating a competitiveness observation network for SMEs operating in the tourism sector in Europe. This network should draw inspiration from the Knownet project and might take into account the proposals set out in this report. The first set of proposals is the result of a conceptual analysis of indicators both external to the industry (political, infrastructural, economic and environmental indicators) and internal to it (economic evaluation criteria, hotel service evaluation criteria, human resources criteria, sustainable tourism criteria). The second set of proposals is the result of

many surveys carried out in the eight countries and regions covered by the project. They are based on the criteria common to most of the participants (funding, human resources, information on modernisation, marketing, quality of products and services, sustainability). Such sophisticated observation of the performance and competitiveness of European SMEs operating in the tourism sector would undoubtedly provide a clearer idea of the position occupied by European entrepreneurs in the world of tourism, and would afford them the recognition which many feel they lack. Supporting entrepreneurship in tourism is a major issue for the European Union and we are convinced that our proposals can assist in decision-making in this field. We are ready and willing to make an active contribution!

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