
SUSTENABILITY AND ORGANIC GROWTH MARKETING: AN EXPLORATORY APPROACH ON VALORISATION OF DURABLE DEVELOPMENT PRINCIPLES IN TOURISM

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Abstract

Sustainability implies the extension of companies' classic relations outside the economic sphere, leading to the necessity of justification and legitimisation of the actions performed by them and being a premise for organic growth, a concept known as smart growth. This means creating more products – values, for more customers, with superior productivity and proper management of the risks caused by growth itself. In this context, the expression “grow or disappear” is replaced by “improve in order to stay competitive”.

The objective of this paper is to highlight the way in which the implementation of the sustainable development principles are correlated with the aspects of organic growth in tourism and the possibility of evaluating the organic growth from the perspective of sustainable development.

In order to achieve the proposed objective, it was conducted a qualitative marketing research among hotel managers in Braşov County. Collected using the quota method, the sample is a non-probabilistic type, and the research was conducted based on semi-structured interview, a method chosen in accordance to the type of research.

The major contributions of the research process are to highlight the relation between the sustainable development and organic growth, to propose a general configuration of the marketing strategy pillars of sustainable business in tourism and to identify some methods of evaluating the organic growth from the perspective of sustainable development.

Keywords: sustainability, marketing, organic/smart growth, sustainable tourism, sustainable development, marketing 3.0.

JEL Classification: L83, M10, M31, Q56.

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Introduction

Business sustainability and responsibility are two concepts that shape an extensive profile of sustainable development, a context in which the implementation of strategies capable to ensure a healthy growth and a consistent development for the company cannot be achieved by ignoring their impact on the environment, society or the effectiveness of their activities.

In tourism industry, there is found a certain lack of experience in managing the constituents of sustainability, associated with the incapacity of adopting an integrated vision of one's own business (Hobson and Essex, 2001).

In this article the authors have proposed that through an exploratory approach to emphasize the way in which the implementation of the sustainable development principles are correlated with the aspects of organic growth in tourism and to what extent it is possible to evaluate the organic growth from the perspective of sustainable development principles.

For this, it was conducted a qualitative research in Brasov county, the choice for the area is recommended by the high touristic potential, the touristic image and tradition. For the research it was used the method of semi-structured interview, based on a sample obtained by quotas while the sampling was guided.

Sustainable development and organic growth have been approached as two distinct themes, and through the processing of obtained information have resulted correlations and associations, on one hand, and essential aspects about variables that define the strategic pillars of organic growth in tourism, on the other hand. By combining the elements of each theme, there have been identified the main evaluation methods of organic growth from the perspective of sustainable development.

1. Literature review

The relationship between tourism and sustainability has always existed (Torres-Delgado and López Palomeque, 2014), but until the 80s the consequences of this relationship were not analyzed in a rigorous way to find the impact of these two components simultaneously (Smith, 1977; Young, 1973 cited in Buckley, 2012; Turner and Ash, 1975). Researchers have begun to show interest in sustainable tourism issues only in the last 20 years (May, 1991; Nash and Butler, 1990).

The consequence of the principles and provisions of the two key documents relating directly to Sustainable Development (Rio Declaration and Agenda 21) was that national economies (particularly the developed ones), international organizations (United Nations and the Organization for Economic Cooperation and Development) and companies, non-profit organizations, governments and civil society have become increasingly preoccupied to take concrete steps to integrate sustainability dimensions in their activity.

The sustainable character of tourism covers many aspects: the responsible use of natural resources, considering the environmental impact of activities (waste generation, pressure on water, land and biodiversity, etc.), the use of 'clean' energy, heritage protection and preservation of natural and cultural integrity of destinations, quality and sustainability of jobs, the positive impact on local economy or the tourist reception quality. These principles are largely reflected in tourism strategies applied at national and regional level, even if they have not materialized sufficiently in effective action (EUR-Lex, 2010).

Currently, most tourist establishments focus on economic issues, with some attention on social and environmental aspects (Buckley, 2012). Many tourist units only selectively apply the practices of sustainable development, namely those which could be an advantage in terms of profitability or image advantages (Lane, 2009; Sheldon and Park, 2011). The scholars partially agree to these actions, claiming that sustainability in tourism, as in other sectors, is difficult to obtain (Casagrande and Rinaldi, 2002).

According to the vision presented in the "White Paper of Business Sustainability" (July 2014) drafted under the auspices of the World Economic Forum, it is admitted that businessmen/investors begin to admit that "the financial success and the survival of the company depend on their contribution to development of a clean environment and of human rights inside the societies they operate".

Development and growth were, are and will be a constant concern in the business environment. Growth climate in the 21st century is also changing, because of the constraint of the limited resources that contribute to the costs' growth, but also because of public and social responsibilities that a company has today. Achieving organic growth based on solid principles of sustainable development, companies can improve their image and thus they increase their chances of success. To achieve this goal, it is necessary for companies to understand and assimilate the concepts of "organic growth" and "sustainable development".

Many companies choose the organic growth because it is less expensive and requires less cultural adjustment than other forms of growth (Berg, 2011). Organic growth involves exploiting a company's internal resources in order to increase turnover and profit. Using the organic growth model, companies focus on innovation, namely on the creation of new tangible products and services, the identification of new opportunities in the current market and the sales increasing for existing products (Atkinson, 2007).

The concept of "Smart Growth" (Hess, 2010) replaces the phrase "grow or disappear" with the expression "improve in order to stay competitive". The main objective of *smart growth* is building a strategy based on genuine growth that creates value for customers, higher productivity and proper management of risks caused by this growth.

From a conceptual perspective, the basic principles of organic growth are (Hess, 2010): (1) a simple growth model that can be understood by any employee, (2) efficient organization at each company level, (3) a continuous and transparent measurement of financial, operational and behavioral performance (4) involved and dedicated workforce to achieve high productivity, (5) leaders involved at all levels of operation, (6) the last generation technology.

According to practitioners (Burwell et al., 2013), the essential elements on which a company's organic growth is based on, are: (1) people, culture and processes, (2) commercial excellence, (3) innovation, (4) (fuel for growth), (5) growth strategy, (6) the definition of winning and the goals.

Combining the two perspectives, it results a new integrative perspective selecting five representative principles for organic growth (Ivasciuc, 2014): the creation of a growth philosophy inside the tourism company (1), customer orientation (2), organization performance measurement (3), the efficiency of company processes (4), human capital and organizational culture (5).

Organic growth is a valuable strategic option for the company because it involves strengthening its position using its own energy and resources. Although considered a

strategic alternative slower than others (acquisitions, mergers, etc.), it has lower costs, which makes it attractive for tourism business owners and managers.

According to the literature (Kotler et al., 2010), the evolution of marketing achieved its third level – the value-oriented level. Called *Marketing 3.0*, it follows naturally Marketing 1.0 which was product-oriented and Marketing 2.0 which was consumer oriented. This issue has been reported previously in a context of analysis of the relationship between marketing and sustainable development (Gabriel, 2003), considering that there is an enterprise legitimacy crisis and that the marketing role is not only to create wealth, but also to create value for the citizen-consumer by and for the citizen-company.

As long as the other two forms of marketing maintain their relevance, Marketing 3.0 integrates very well the essential elements, respectively a company need of growth, through value creation and respecting the sustainable development principles. This level of marketing focuses on the company's values, mission and vision, because the new consumers appreciate cooperation relationships, the so-called "horizontal relationships" (Kotler et al., 2010), relations of cooperation between the community members.

A conclusive expression of the symbiotic relationship between the sustainable development principles and those of organic growth is the Values-Based Matrix – VBM, which brings face-to-face the company and the individuals concerns. By combining these elements we can obtain the customer satisfaction and the firm's development at the same time.

2. Research methodology

In conducting this research we started from the assumption that there is a symbiotic relationship between sustainable development and organic growth, as well as the running of the tourism activity by respecting the sustainable development principles is the premise of implementing the principles of the organic growth in tourism. Based on this hypothesis, the research goal is to determine the extent in which the implementation of the sustainable development's principles is correlated with corresponding aspects of organic growth in tourism and, also, to which extent it is possible the evaluation of the organic growth from the perspective of sustainable development.

To achieve the proposed goal we conducted a qualitative marketing research among managers in the cities of Brasov and Predeal. The two areas were chosen because of the following considerations: the image achieved in time, high touristic potential of these areas and their tradition in the hospitality industry. The analysis units are the hotels, because they are complex touristic establishments, which can offer the necessary information to accomplish the proposed study, considering their form of organization and the way they are functioning.

To establish the sample, the hotels have been selected based on the following criteria: number of stars, accommodation capacity, tourist area, the hotel's functioning period on the market (at least one year). The sample was made up of 76 hotel units, out of which 49 were 4-5-star and 29 were 3-star hotels.

The following table shows the sample structure.

Table no.1: The sample structure

Touristic area	Number of stars		
	Accommodation capacity	4-5 stars	3 stars
<i>Braşov</i>	Above 100 rooms	1 hotel – 196 rooms	1 hotel – 183 rooms
	Below 100 rooms	2 hotels – 81/71 rooms	2 hotels – 42/43 rooms
<i>Poiana Braşov</i>	Above 100 rooms	2 hotels – 212/186 rooms	-
	Below 100 rooms	1 hotel – 87 rooms	1 hotel – 56 rooms
<i>Predeal</i>	Above 100 rooms	1 hotel – 139 rooms	1 hotel – 135 rooms
	Below 100 rooms	2 hotels – 75/70 rooms	1 hotel – 93 rooms
TOTAL		9 hotels	6 hotels

Being a non-probabilistic sample, the hotels were selected by guided sampling, using the quota method, respectively 20% of each category. The hotels from the sampling were chosen taking into consideration, simultaneously, the availability/approval of managers to answer. The research is based on the in depth interview technique and the semi-structured interviewing procedure. The Interview Guide included ten discussion topics, structured in two main directions: compliance and application of sustainable development principles by the accommodation unit (a) and the concern for the business organic growth (b). The information was collected during the period January the 15th, 2015 – February the 15th, 2015 by establishing meetings up to 45 minutes with the managers of the selected hotels, who had accepted to participate in the research.

The collected information was individually processed, by analyzing the answers from each interview, after which they were centralized according to the compatibility and convergence with the aim of research.

3. Results and discussions

After processing the gained information there have been identified the main preoccupations of managers regarding the application of sustainable development principles in the hotel units.

The first theme of interest was relating tourism business to the context of sustainable development. In seven out of 15 hotels, the managers have revealed that they respect the principles of sustainable development, linking them to the growth objectives of their business.

Even if declaratively there is a balanced attitude towards the three components of sustainable development, the majority of hotel owners (12 out of 15) admit that, in reality, they are mainly directed to the environmental component, showing deeper concerns for saving resources. Only in 8 cases out of 15, the managers claimed that they make real efforts to approach simultaneously all the three components (economic, environmental and social). (Figure no. 1)

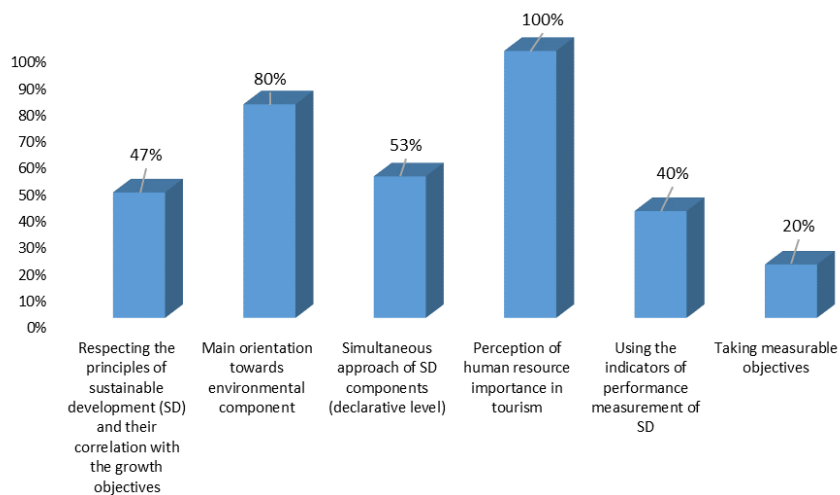


Figure no. 1: Relating tourism business to the principles of sustainable development

The social component of sustainable tourism aims, among others, to ensure the diversity and social inclusion. In this regard, the research highlighted the hotel owners' preoccupation to ensure equal employment opportunities for both genders and then to offer the employees training modules, development programs and possibilities/opportunities for internal promotion. Considering the fact that the employees are the most important resource in services, all the managers from the sample believe that the investment in human resource is essential for the development of a sustainable tourism business.

The managers didn't give clear information about the manner and the extent of which stakeholders (investors, clients and community members) are involved in supporting the actions of sustainable development of the business.

Regarding the performances measurement, only six out of the 15 hotel owners use the indicators for sustainable development performances evaluation and only 20% (3 out of 15) undertake measurable objectives in this respect.

In conclusion, although they began to be interested in applying the principles of sustainable development in tourism business, hotel managers do not have a strategy based on specific and measurable objectives. They are aware that the three components of the sustainable development are affecting their activity and the evolution of their business, but they do not act in a uniform, coherent and balanced manner.

Based on the managers' answers regarding the external factors that influence their business, we grouped these factors on the three dimensions of sustainable development: social, economic and environmental.

In Table no. 2 it can be seen how a part of the external factors have a favorable or unfavorable influence on the tourism business and the increase of their influence determines business fluctuations in a positive or negative manner. Considering that the factors such as the crime rate of the area, the degree of poverty, competition, labor migration abroad and the degree of pollution are more pronounced, the hospitality activity drops.

Also, emphasizing the external factors and their characteristics by the managers, has led to the possibility of grouping them in factors that generate correlation relationships because they are measurable in terms of quantity – and factors that generate association relationship – because they are measurable in terms of quality.

Table no. 2: External factors influence on the tourism business growth

External factor influence		Social dimension	Economic dimension	Environment dimension
Direct relationship	Favorable Correlation	Life expectancy Education level Security level Labor force availability The level of involvement of local community and authorities in social actions Cultural events offer Leisure and entertainment infrastructure	Living standard Unemployment rate Income level Innovation level of the touristic offer Tourists expenses Tourists seasonality Labor force availability Appearance rate for new businesses in the industry	Natural resources availability Transport infrastructure Technological innovation level for tourism equipment
	Association	Cultural offer quality Local traditions, customs and values – anthropic resources Local community attitude regarding tourists Medical services quality	Source of touristic demand Telecommunication infrastructure Labor force qualification in tourism industry	Concerns on environment protection actions
Reverse relationship	Not favorable Correlation	Unidentified	Poverty level Number of competitors	Pollution level Number of environment regulations
	Association	Ageing population Crime level	Qualitative level of competition Labor force migration	Types of pollution in the area Types of environment regulations

Within the second topic, that of organic or smart growth of the tourism business, the managers have offered more specific information comparing to the first topic. The research showed that there are medium and long term objectives and internal performance indicators. Thus, based on the answers from Table no. 3, it was possible to group the variables considered in elaborating a marketing strategy for organic growth at the tourism unit level.

The grouping was realized according to the five pillars of the organic growth

- creating a philosophy of growth inside the organization (1),
- customer orientation (2),
- measurement of the organization's performance (3),
- the efficiency of the processes inside the organization (4),
- human capital and organizational culture (5).

Table no. 3: Marketing strategy pillars for organic growth of tourism company

Creating a philosophy of growth inside the organization	Customer orientation	Measurement of the organization's performance	The efficiency of the processes inside the organization	Human capital and organizational culture
Accommodation capacity	Rating TripAdvisor	Turnover	Implementation of ISO standards (quality-environment)	Number of employees
Opening year (the time being on the market)	Rating www.booking.com	Occupation rate/year	Existence of written work procedures inside the firm	Women/men rate of employment
The year of the last modernization	Number of likes on Facebook	Impact of paid promotional actions	Number of outsourced services	Medium number of years in the organization
Tourists demand source	Number of complains/year	Number of new touristic offers/year	Number of online channels for business promotion	Employees qualification
Type of tourists by travel purpose	Rate of loyal customers	Number of additional services/year	Indefinite	First 3 wished characteristics of employee
Number of growth goals/year	Indefinite	Resources consumption (energy, water etc.)	Indefinite	Manager's work time rate for employee's training

The variables defining the strategic pillars are, in the same time, instruments for measuring organic growth of tourism business. They can lead to the creation of so-called control points which can be considered *evaluation instruments of sustainability*. Their relevance and accuracy are given by the fact that they show the hotel's level of organic or smart growth.

In table no. 4, the variables are grouped based on two aspects: the sustainable development principles and the need to evaluate the organic growth of the tourism business.

Table no. 4: Evaluation methods of organic growth from sustainable development perspective

Organic growth variables	Organic growth evaluation instruments
Social dimension	
<ul style="list-style-type: none"> • Number of new customers (tourists) • Rating TripAdvisor • Rating www.booking.com • Number of likes on Facebook • Number of complains • Number of loyal customers 	<ul style="list-style-type: none"> • Level of tourists satisfaction • Level of tourists loyalty

Organic growth variables	Organic growth evaluation instruments
<ul style="list-style-type: none"> • Number of online appearances • Number of communication channels (online and offline) 	<ul style="list-style-type: none"> • the image of the company in the external environment
<ul style="list-style-type: none"> • Number of collaborations with local community and authorities 	<ul style="list-style-type: none"> • involvement in social actions by collaborating with the community and the local authorities
Economic dimension	
<ul style="list-style-type: none"> • Number of accommodation places • Occupation rate • Number of nights-stand • Number of services • Number of new services • Number of employees 	<ul style="list-style-type: none"> • Structure and dimensions of touristic offer
<ul style="list-style-type: none"> • Employee's level of qualification • Personnel structure by demographic criteria 	<ul style="list-style-type: none"> • Competences of human capital
<ul style="list-style-type: none"> • Number of contracts with partners 	<ul style="list-style-type: none"> • Collaborations with partners inside the community
Environment dimension	
<ul style="list-style-type: none"> • functioning period • Investments in new and ecological equipment 	<ul style="list-style-type: none"> • Ecological equipment
<ul style="list-style-type: none"> • Number of implemented standards of quality • Number of owned environment certifications 	<ul style="list-style-type: none"> • Environment politics implementation
<ul style="list-style-type: none"> • Rate of savings (water, energy etc.) • Quantity of recycled waste 	<ul style="list-style-type: none"> • Involvement in environment protection actions

Conclusions

The conducted qualitative research highlighted the essential aspects from the relations between sustainable development and organic growth, proposing, in the same time, a general configuration of marketing strategy pillars of sustainable business in tourism.

From the strategic and operational marketing perspective, the qualitative research has shown that a sustainable business development can be achieved through operational excellence (focusing on the employees and the processes) and customer orientation, but respecting the essential condition of social values and environmental protection in which the business is conducted. From the same perspective, the research has shown that the social dimension of sustainable tourism business has an impact, first, on the client orientation and then on the organizational culture.

It has also been shown the fact that the economic dimension has impact especially on the processes efficiency from the tourism company and on the customers and organizational culture, and the environmental dimension has, also, impact on the processes efficiency and on the organizational culture.

The principles related to the triad sustainable development – organic growth – value oriented marketing are naturally blending and sustain each other (Kotler et al., 2010).

We consider that in the future research it is possible to determine the extent to which the vision, mission and company’s values can be compatible with organic growth principles, given the fact that organic growth marketing in the hotel industry goes beyond tourism marketing. Also, one can take into account the fact that the integration of sustainable development and organic growth principles leads to a greater manifestation of the relationship marketing, ecological marketing, social marketing, and direct marketing elements.

Organic growth marketing of sustainable tourism business can become a true Marketing 3.0, where there are involved not only the clients (tourists) expectations but also those of communities. In this case, it may be suitable an analysis of the possibility that both sustainable development principles and those of organic growth to be included in the Values-Based Matrix, a characteristic of Marketing 3.0, as seen in the model illustrated in figure no. 2.

		Organic growth principles	INDIVIDUAL		
			Mind	Heart	Spirit
COMPANY	Vision	Customer Orientation	ProfitAbility	ReturnAbility	SustainAbility
	Mission	Creation of an organic growth philosophy Performances measurement	Deliver SATISFACTION	Achieving ASPIRATIONS	Practice COMPASSION
	Values	Efficiency of processes Organizational culture	Be BETTER	DIFFERENTIATE	Make a DIFFERENCE

Figure no. 2: Integration of organic growth principles in Value Based Matrix

Source: processed and adapted from Kotler, Kartajaya and Setiawan, 2010, p. 42.

The conducted qualitative research, by identifying attitudes and behaviors, creates the possibility of a further quantitative research, which can create certain models whose variables can describe the functional form of the symbiosis and, possibly, the syncretism between the exploratory identified variables in this article.

The future quantitative research can also highlight the extent to which all three dimensions of a sustainable business can be at the basis of marketing strategies in order to create the smart growth philosophy of an organization.

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