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**ATTITUDES TOWARDS SUSTAINABILITY CERTIFICATION OF
HOSPITALITY SME BUSINESSES.**

**THE CASE OF CROATIAN SMALL AND MEDIUM SIZED HOTELS
AND CAMPSITES.**

Ljubljana, May, 2023

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THE CASE OF CROATIAN SMALL AND MEDIUM SIZED HOTELS AND CAMPSITES.

prepared under supervision of Doc. dr. sc. Katarina Miličević and co-supervision of _____

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Abstract

In the recent decades sustainability has received increased attention in the field of tourism development, especially in the context of current tourism trends. Sustainability certificates in tourism emerged as a tool that helps to operationalize and practically implement sustainability in both tourism and hospitality businesses and tourism destinations. Prior studies of sustainability certificates focused mostly on the effects they have on the businesses that have implemented them, but there is a lack of understanding of attitudes and perceptions that businesses have towards sustainability certificates in tourism. This master thesis focuses on Croatian small and medium hotels and campsites to provide understanding and clarify what are the attitudes and perceptions that SME's have towards sustainability certification, also to provide possible explanations for the observed phenomena. Quantitative methods are utilized in the form of a 27 questions questionnaire and various statistical tests and formulas to understand the attitudes, factors that can influence the decision on sustainability certificate implementation and the differences there are between small and medium hotels and campsites in Croatia. The results indicate the attitudes are in most part positive and that businesses perceive there is potential benefit from implementation, but also very strong in terms of obstacles towards implementation especially budget limitations and time. Furthermore, the biggest factors influencing the decision are the size of the business and their location. In terms of differences hotels proved to be much more interested in implementation of sustainability certificates, even though are much less familiar with sustainability than campsites.

Keywords: sustainability, sustainable tourism development, sustainability certificates, SME, hotels, campsites

1. Introduction

Tourism is one of the world's fastest growing and largest industries, that ever since it's humble beginnings in the 17th century via "Grand Tours" was considered as an activity that provides great economic benefits to the place it is exercised in (Martinez & Cortes-Vazquez, 2020). Tourism presence in a certain destination can provide benefits such as: increased tax revenue, foreign exchange earnings, improved personal income by starting businesses involved in providing services and products to travelers, provide greater employment opportunities, therefore increase the overall standard of living (MacKenzie & Gannon, 2020). Its benefits do not only entail the economic dimension but also the social and environmental one. Tourism as the act of travel or going to the place that is not a usual place of residence (UNWTO, 2023) creates a phenomena of knowledge and experience exchange that leads to creating efforts in terms of positive contribution to the conservation and preservance of the destinations attractions, nature, local identity, heritage, tradition and culture both tangible and intangible and can help promote sustainable governance of resources by drawing the attention to importance of preserving those resources not only for the sake of authenticity and identity, but also for the sake of future generations. (Archer, Cooper, & Ruhanen, 2012) (Dolnicar, 2020).

In the not so distant past by means of observation and experience rather than logic and theory, tourism was looked at only through the lenses of its positive impacts and economical contributions for the large part of it. The truth is that it does contribute to the global GDP at a constant rate of a around 10% in the last 10 years (Statista, 2023), generates 10% of the worlds jobs (UNWTO, 2023), increases revenues for the host communities, develops areas that would not be developed if tourism is not present etc. (Čavlek, Bartoluci, Prebežac, & Kesar, 2011). But the other side of the truth, one that is not so positive and economically beneficial is being overlooked in most cases.

At the same time when providing great economical benefits it is degrading the environment and negatively affecting the social well-being. Tourism and travel is a big contributor to man-made CO2 emissions that at the moment accounts for 5.3% of all transport related emissions (UNWTO, 2019). Not only does it pollute the air, but also the ground e.g. the average tourists creates 1 kg of solid waste per day totaling an average of 1.3 billion tons of waste per year (UNEP, 2003). Furthermore, the consumption of tourism industry is incredible high where average tourist can daily consume more than double the water than the local community members, that is 440 liters per day and use 4-5 kg of wood in various products, per day when carrying out their activities (Camarda & Grassini, 2003). All of this, among many other, very negatively affects the environment causing the overall environmental degradation by deforestation, overutilization of land, water and air pollution, accumulation of solid waste, sewage problems and high carbon emissions (Camarda & Grassini, 2003) (Clave & Wilson, 2016). On the other side of the negative impact picture there is also social well-being whose quality is constantly being degraded by the tourism caused inflation, huge influxes of tourists that result in social saturation of tourism, changes in personal values, commodification of

culture etc. One of the most mentioned by local communities is gentrification. Gentrification in tourism destinations is a phenomena where due to high influx of tourists the prices of accommodation start to rise and reach a level so high that the locals cannot afford it and are moving out of the areas where tourism is present, only to be occupied again but by tourists and travelers (Bobić & Akhavan, 2022).

Ever since the means of tourism observation changed from experience to theory, logic and science, the paradigm of tourism as an industry without chimneys started to change and led to thinking of a more sustainable tourism. The one that is taking care of all three dimensions of sustainability: economic, social and environmental. Identification of negative effects provoked a call for more sustainability in tourism and paved a way for creation of sustainable tourism development discussions and agendas. Sustainable tourism as a concept rests on the idea that tourism should take full responsibility of its current and future social, economic and environmental impacts (UNWTO, 2005) by balancing them and maximizing the benefits for the local communities, natural environment and tourism destinations as a whole (GSTC, 2022). As Mihalič (2016) suggests it can only be achieved through effective governance which includes strategic planning and leadership and effective implementation. In recent 50 years sustainable tourism development concept gained a strong momentum (Mihalič, 2020) and is pushed at the forefront of the global socio-political agendas and discussions (Drolet, 2015) (Mihalič, 2020) that resulted in the creation of many different initiatives and legislatures that have turned sustainability from theory to practice. This created an atmosphere where the stakeholders, mainly tourists and investors are demanding more sustainability in tourism.

The stakeholder pressure, generated from the demand for more sustainability in tourism is forcing the tourism and hospitality companies to be environmentally and socially conscious and to propel sustainability issues at the forefront of their strategies and goals (Ionescu, Firoiu, Pirvu, & Villag, 2019). According to Parish (2010) and Mihalič, Žabkar & Knežević Cvelbar (2012) there is common thought that businesses are driven by their own interests and profit seeking motivations where they are incorporating sustainability practices not only to attract new demand and enable more space for revenue but also to avoid losing the share of the market, prevent sales decrease and avoid reputational challenges (Wong, Kim, Lee, & Elliot, 2021). These sustainability practices often include ambiguous activities such as: linen reuse, water and electricity usage reduction, rebranding as “ecofriendly” etc. which very often is perceived by the consumers as businesses self serving (Melissen, Van Ginneken, & Wood, 2016). Since there is no limit for hospitality and tourism businesses to self declare themselves sustainable, green, ecofriendly etc. the above mentioned practices are becoming increasingly perceived as “green washing” (Font, 2002). With that in mind ever more business managers are turning to sustainability certificates implementation as a way to distinguish themselves from the rest of the market in accordance to sustainability that is guaranteed not by them selves, but rather an independent third party (Mihalič, 2001) (Dwyer, 2005).

By definition sustainability certificates are a set of voluntary guidelines that are followed in order to demonstrate business's commitment to good social, ethical and environmental practices (Mori, Franks, & Ali, 2016) or "a voluntary procedure that sets, assesses, monitors, and gives written assurance that a business, product, process, service, or management system conforms to a specific requirement" (Black & Crabtree, 2007). According to (Mihalič, 2001) implementation of sustainability certificates is a way that businesses in tourism are able to future proof themselves or in other words prevent decrease in: sales, profit, and competitiveness. Furthermore, it is empirically proven that certification provides benefits such as: cost savings, more efficient marketing, attracting more tourists and creating a stronger incentive to become loyal guests etc. (Font & Mihalič, 2002).

Sustainability certificates are constantly expanding throughout the tourism industry, but at a very slow pace, furthermore it is observed that SME's, the ones that are in the greatest need to distinguish themselves on a high competitive tourism market are not incorporating them at a pace that would be needed for them to catch the train of sustainability in tourism and not fall behind. Therefore, one of the main goals of this thesis is to provide a better understanding of how SME's in tourism are perceiving the implementation of sustainability certificates and what attitudes do they have when considering implementing them. The aim is to provide the insights on sustainability certificates from the perspective of Croatian small and medium sized hotels and campsites, as the backbone of Croatian tourism.

1.1 Research background

Research background was focused on ways which businesses in tourism can benefit from implementing sustainability practices, what are their effects and how do businesses perceive them. Overall, it is obvious that increasing consciousness about environmental problems and tourism demand for better treatment of the environmental and social surroundings, have translated the sustainability efforts of tourism businesses into competitive advantage. This advantage is mostly exercised in a manner of tourism sustainability certificates. They are a tool that communicates the message: "This business lowered it's negative social and environmental impacts" and helps to differentiate the tourism offer according to its sustainability efforts (Mihalič, 1999; Dwyer, 2005). Tourism managers, by acknowledging the importance of sustainability certificates are more frequently incorporating them in businesses. That is a way of making preparing for the future where sustainable businesses can prevent decrease in: sales, profit, and competitiveness (Mihalič, 2001). Furthermore, certification provides benefits such as: cost savings, more efficient marketing, attracting more tourists and creating a stronger incentive to become loyal guests etc. (Font & Mihalič, 2002).

Literature on practical implementation of sustainability certificates, shows that those benefits are valid in a real market context. E.g. study done by Cornell University found that hotels with sustainability certificates have substantially better financial performance than the ones without (Segarra-Oña & Verma, 2011). Additionally, other studies reveal great cost savings upon

adapting buildings and maintaining green hospitality businesses such as: hotels and campsites, are achieved (Geerts, 2014) (Ngawenja, Lindgreen, Idemudia, & Melissen, 2020). Moreover, with increasing popularity of sustainable travel trends, sustainability certificates are perceived as a sign of high service quality (Mihalič, 1999). This perception makes them a valuable marketing tool to attract certain target segment, that wants their sustainability needs satisfied (Constantin, Ispas & Candrea, 2013) (Tiago, Gilb, Sara, & Teresa, 2021).

Considering the positive effects and the purpose of sustainability certificates, one might assume that there should be many different tourism stakeholders certified. Especially SME's, who are struggling to differentiate themselves on the market from the bigger and more powerful tourism enterprises. Reasons for low market presence of sustainability certification can be argued with findings in researches such as: Washington State University led research, which concluded that even though, sustainably certified hotels are able to attract more guests, when compared to their noncertified counterparts, show no better financial performance (G. Chi, C., Hengxuan Chi, O., Xu, X., & Kennedy, I., 2022). Also, it is argued that the high costs of implementation present an obstacle for tourism SME's (Tierney, 2007). Additionally, certain hotels state they never saw the promised cost decrease after implementation (Geerts, 2014) and even argue there is disconnection between promised benefits and practical results (Bučar, Van Rheenen, & Hendija, 2019). Furthermore, Icelandic research states that certification is useful only in the niche markets of ecotourism (Karlsson & Dolnicar, 2015).

1.2 Research rationale

The background research explained the benefits and the effects sustainability certificates can have for the businesses in tourism. But still, after consulting the literature it was very unclear are the stated benefits valid for all the businesses that apply for a sustainability certificates and most importantly how do tourism SME's perceive the sustainability certificates and what are their expectations upon implementation. Furthermore, some afore mentioned studies present sustainability certificates in tourism to be beneficial for businesses in tourism whilst other at the same moment indicate it is not, in some instances the results are somewhat counter indicating. Taking for example the price of the certificate, Geerts (2014) and Segarra-Ona & Verma (2011) suggest that the prices of certificate implementation is not high and presents a small part of the overall budget that SME's in tourism have at their disposal, on the other hand Tierney (2007) and Bučar, Van Rheenen, & Hendija (2019) among many others indicate that the price of implementation is very high and presents an obstacle which prevents SME's in tourism to adopt sustainability certificates. Also, there is large discrepancy among other above mentioned potential benefits, such as: revenue increase, operational cost decrease among others.

Even though there is a lot of research on the effects of certificate implementation, there is very little research done on the topic of how do SME's truly perceive the concept of sustainability certification schemes. Is it something they wish they could implement but think they do not

have sufficient resources, either human, financial or time required to implement them. Also, there is little to no research done in the area of the attitude strength measurement SME's have towards sustainability certificates. The measurement of attitudes and clarification of perception could help identify what do SME's in tourism perceive as the biggest obstacles and identify the areas that are in need for improvement, so that sustainability certificates could be more wide spread than they are now. Furthermore, researching the attitudes and perception in regard to sustainability certificates could enable a more efficient approach that sustainability certificate schemes could use when approaching SME's in tourism and nudging them to implement one.

On the other hand, this thesis also aims to discover the main differences between two groups of businesses in tourism, that is small and medium sized hotels and campsites. Identification of differences could help us understand why a certain group could be more inclined on adopting sustainability certificate than other. Furthermore, it could provide inputs to create different approaches for different business groups.

1.3 Research Questions

In order to provide insights in attitudes and perception SME's have towards sustainability certificates and the differences between the SME groups, the goal of the thesis is to answer the following three research questions:

RQ1: What attitudes do small and medium sized Hotels and Campsites have towards Sustainability certificates?

RQ2: Which factors can influence the decision of Sustainability certification implementation of small and medium sized Hotels and Campsites?

RQ3: What are the differences in willingness to implement Sustainability certificates between small and medium sized Hotels and Campsites?

All of the research questions answers will be based on results of a predetermined quantitative questionnaire.

1.4 Thesis structure

The first part of the thesis discusses sustainability as a concept, how it developed throughout history and connection to tourism. Thereafter, the concept of three dimensions of sustainability is discussed connecting it to sustainable tourism development theoretical and practical implications. After all the aspects of sustainability have been covered a concise explanation of sustainability certificates in tourism is provided, after which the theoretical implications of decision making in the hospitality sector are discussed.

In the second part, the methodology of the research is explained. The positivism paradigm provides a framework for the research, which is followed by the research design that addresses the questionnaire designed for the research, data collection and analysis methods and finally limitations of the methodology.

The findings part reveals the key findings of the research via questionnaire sent out to the chosen segment. Afterwards in the later section of discussion the content addresses the key problems in regard to research questions gives clarifications of the results in accordance to it and aims to provide answers.

The final section of the thesis provides a conclusion of the research that provides definitive and concise reasons for the answers of the research questions. Also limitations of the thesis are here further discussed as well as suggestions for any further researches that are to be done in the area of perception and attitudes towards sustainability certificates.

2. Literature review

2.1 Sustainability

Sustainability as a concept presents a societal goal, whose aim is to achieve the potential of people to safely co-exist on earth in the long term period (Ramsey, 2015) (Purvis, Mao, & Robinson, Three pillars of sustainability: in search of conceptual origins, 2019). The term sustainability has been more actively in use since the late 1970s, when the negative environmental effects of overproduction, due to the industrial revolution shifted the focus from the aspirations of ever-increasing growth in efficiency of the human production output to the negative effects it brings on the environment (Du Pisani, 2006).

The roots of the term go back as far as to the ancient civilizations. Even the ancient Greeks, Mesopotamians and Romans described negative environmental effects such as deforestation, salinization and decrease in soil fertility as a consequence of demand for raw materials, their extraction, gathering and processing (Kuipers & Van Zon, 2002). As a continuous issue that has been following the human kind throughout its history it did not surface until the unprecedented growth during the 1950s and 1960s, that stimulated the expectations of unlimited growth and affluence. Mainstream economists of that time acknowledged that the environmental problems are connected to the massive consumption of resources, but at the same time argued and defended it following the assumption that once the natural resources become scarce the introduction of new innovative technologies would somehow solve the problem (Krautkraemer, 2005) (Du Pisani, 2006).

The improbability of solving the sustainability problem was becoming more obvious with the production increase and the increase of output efficiency (Ara Begum, Jaafar, Sohag, & Abdullah, 2015) (Rehman, Hengyun, & Ulucak, 2022). Consequently, in the early 1970s the Club of Rome published a now well known report under the title *The limits to growth*. In the publication they warned that the planet has a limited supply of resources, where exceeding those limits by exploitation can have a disruptive negative consequence. The authors concluded that (Meadows, Randers, Meadows, & Behrens, 1972):

“If the present growth trends in world population, industrialization, pollution, food production, and resource depletion continue unchanged, the limits to growth on this planet will be reached sometime within the next one hundred years. The most probable result will be a rather sudden and uncontrollable decline in both population and industrial capacity”.

Generally, the environmental concern on a global scale culminated with the publishing of “Our Common Future” (Mihalič, 2016), where sustainability is defined as the concept that is: *“meeting the needs of the present generations without compromising the ability of future generations to meet their own needs”* (WCED, 1987). The report brought the debate to the

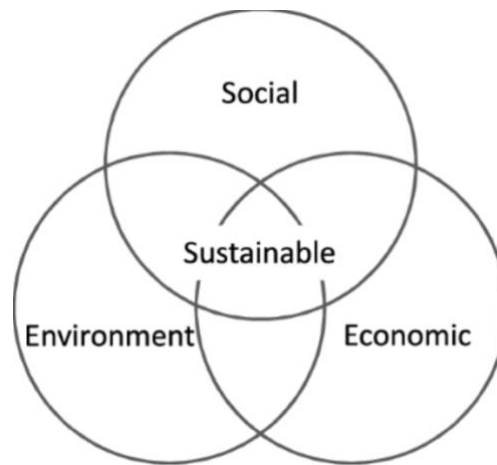
global level and pushed it to the forefront of global and local socio-political agendas and discussions (Drolet, 2015) (Mihalič, 2020). It is also broadly credited for popularizing the concept of “sustainable development” by introducing it to the international policy discourses (Redcliff, 2005) (Santillo, 2007). It called for the new era of economic growth, the one that is forceful and at the same time socially and environmentally sustainable.

Even though it penetrated high in socio-political discourse it was still experiencing resistance to change the status quo or in other words move on from “business as usual” (Dwyer, 2021). The status quo started changing with the introduction of sustainable development goals (SDG’s). They are an important tool in global governance, whose objectives were producing a set of universally acknowledged goals that meet the urgent political, environmental and economic challenges our world is facing (United Nations, 2015). SDG’s have made a new concept of development as a universal aspiration for human progress that is sustainable and inclusive calling it sustainable development. (Griggs, Nilsson, McCollum, & Stevance, 2017). This new concept came into force by being adopted by the world leaders and is now paving the way towards a new and sustainable future, where the new laws are brought that are guiding and changing the usual ways of business (Fukuda-Parr & McNeill, 2019). These changes created a normative and methodological shift, namely by using the set SDGs to guide the future development using generate norms, laws and new sustainable ways of governing overall (Nidumolu, Prahalad, & Rangaswami, 2018) (Mendiluce, 2022).

2.1.1. Concept of three dimensions

Sustainability as a concept that ensures satisfaction of the present generations, without endangering the possibility of future generations to satisfy their needs (WCED, 1987) has experienced a continuous rise in interest and is now embedded a wide variety of policies and strategy documents (Mihalič, 2016) (Gamberožić, Uršić, & Vukić, 2021). Generally, scholars agree that the concept of sustainability is best described by connecting three different dimensions: economic, environmental and societal (Elkington, 1997) (Di Vito & Bohnsack, 2017).

Figure 1: Three dimensions of sustainability



Sustainability is a concept that encompasses the whole. Systems approach highlights the importance of recognizing different elements, values, sub systems and the relations between them to be able to understand the concept holistically (Musters, H.J., & Ter Keurs, 1998). Furthermore, understanding of the inter and intra connectedness is vital to be able to govern the development in a way that maximizes the goals of all related elements (Jones & Sridhar, 2013).

Source: Purvis, Mao & Robinson (2019)

In the economic dimension, the implementation of sustainability concept has led to the shift of a paradigm in a way that the corporate supply chains area are managed. Rather than focusing on a single aspect of the production such as: purchasing cost, life cycle, production cost etc. the focus has expanded to the environmental and social costs and the negative effects the products or services may have on it (Rebitzer, Hunkeler, & Jolliet, 2003). New practices are based on supporting the long-term economic growth without negatively impacting social, environmental and cultural aspects of the surroundings (Dharmasmitta, Erlandsson, & Willats, 2017). In other words the harmonization of all three dimensions the economic, social and environmental one, are where the focus has shifted.

From a corporate perspective, present business managers are ever more aware of the benefits that sustainability measures bring to the environment, social surroundings and most importantly their own companies (Fischer, Brettel, & Mauer, 2020). This awareness was partly due to the formal and informal pressures on the change of the behavior that include investors, laws, and policy instruments that are embracing the socio-cultural and environmental dimension (Mihalič, 2020).

Social and environmental dimension are prioritizing the identification and managing of business impacts both positive and negative on people and the planet. It refers to the proactive approach of the relationship quality and the engagement the companies are having with their employees, workers in the value chain, suppliers, customers, local communities, natural surroundings and its resources (Rebitzer, Hunkeler, & Jolliet, 2003).

An assumption exists that suggests that from an economic point of view the businesses are driven by their own interests and profit seeking motivations (Parrish, 2010) (Mihalič, Žabkar, & Knežević Cvelbar, 2012). This assumption highlights and presents the businesses as bad for the social and environmental surrounding where one can conclude that the companies are ready to create more environmental costs than the equivalent to their economic profit. With the aforementioned paradigm shift it has become more than important to be “green”. New evidence shows that businesses in order to receive funding or to be adopted by the customers need to care for people and the planet (Ghisetti & Rennings, 2014).

As Mihalič (2020) suggests this shift was a result of going through certain stages of development on a societal level. The first phase is usually characterized as ignorance of the environmental problems, which is the phase where behaviors likes of which the assumption made by Parrish (2010) and Mihalič, Žabkar & Knežević Cvelbar (2012) exists. Later on, the phase of awareness is present. In that phase the attention is drawn to the problem by creating narratives and discussions that leads to action in the form of agendas, new laws and guidelines (Mihalič, 2016) likes of which are Sustainable development goals (SDG’s).

It appears that accepting and implementing sustainability concepts and agendas has been easier for the public stakeholders rather than the private ones also the sustainability debate has empirically been more focused on macro rather than micro level (Dwyer, 2005) (Mihalič, 2016). One of the approaches that helped to connect sustainability with the business world was Triple bottom line developed by Elkington (1994). Main purpose of introducing the triple bottom line was to connect all three dimensions of sustainability and bring them closer to entrepreneurs and other non-governmental institutions by evaluating and measuring the social and environmental business performance as an addition to the financial one. Its main elements are the economic, environmental and social bottom line (Elkington, 1994).

According to Elkington (1997) the most important elements of the economical bottom line are made of the organization’s values such as: financial, human, physical and the intellectual capital. They refer to the competitiveness of the products and services together with other elements likes of which ensuring that the intellectual and human capital do not migrate from the company. The environmental bottom line is referring to the natural capital in its wider sense, which can be broken into separate connected elements: critical natural capital, replaceable capital, renewable capital and substitutable capital. Here the questions of affecting the nature occurs, where it is imposed to the businesses to assess whether and how their operations affect the natural resources balance or in other word environmental dimension of sustainability. Should they stop doing their business, adjust it or compensate for their negative effects. The social bottom line is covering the human capital in terms of public health education and skills, as well as society in general. It focuses on connecting the businesses and people. Furthermore, bettering that connection by answering questions: What are the crucial forms of social capital in terms of our ability to become a sustainable corporation? What are the underlying trends in

terms of the creation, maintenance, or erosion of these forms of capital? What is the role of business in sustaining human capital and social capital? (Elkington, 1994) (Elkington, 1997).

Three-dimensional concepts dimensions are always interconnected, where one dimension can consist of sub elements that are shared and are interacting with other dimensions e.g. human and intellectual capital are both to be observed from economic and social dimension. Their interactions include business ethics, corporate social responsibility, socially responsible investments etc. Relationships and interactions among the bottom lines is what Elkington (1997) refers to as “shear zones”. Shear zones offer both opportunities and challenges for improvement in terms of sustainability. They identify the zones where dimensions subsystem’s overlap and introduce “eco-efficiency” that describes how products can be priced competitively whilst having a lower environmental impact to other competing products, therefore making the supply demand stretch narrower (Elkington, 1994, 1997).

Furthermore, others have also contributed to making the three dimensional concept more practical and implementable in real life setting. E.g. Bansal (2005) has adjusted the three dimensional concept into three principles: economic prosperity, environmental integrity and social equity. He identified that all the principles have to be supported both internally and externally to ensure easier implementation of sustainability’s dimensions. Tilley and Young (2009) developed a new conceptual system that describes how sustainable businesses can increase environmental and social wealth rather than just focusing on compensating or reducing the negative impacts their operations have. More recent studies have even more deeply examined the three dimensions of sustainability. Identifying new shear zones by expanding and further analysing the interactions of internal and external social values, environmental and economic values has helped to introduce new sets of variables to measure all the dimensions and their connections (Tarnanidis, Papathanasiou, & Subeniotis, 2019). Overall all the new models that are helping to transform the concept of three dimensions into a set of instruments and variables that ought to be implemented still need more analysis that will enable the extension of the subsystems that exists in and throughout different dimensions. Additionally, identification of positive external pressures such as media coverage, institutional directives are still need further definitions (Bansal, 2004) (Tilley & Young, 2009) (Fischer, Brettel, Mauer, 2020).

2.1.2. Sustainable tourism development

Tourism as such relies on people's needs to travel either by exploring and discovering new lands or finding enjoyment outside of their usual place of habitat (Towner, 1985). Globally accepted tourism is referred to as a human mobility phenomenon (UNWTO, 2023):

„Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes.“

Tourism is comprised of many different small elements ranging from companies that are crucial to ensuring the tourism experience, tourists as people that are looking for experiences outside of their home and the destination, they are coming in to (Tribe, 2009). In order to try and encompass the vast breadth of tourism other scholars have proposed other definitions that are suggesting that tourism is not only a phenomenon. For instance, Jafari (2005) refers to tourism as a study of man away from home together with all the complementary tourism apparatus and networks and their dialectic relations. On the other hand, Tribe (1997) describes it as an activity engaged in by humans and minimum necessary elements and features that need to exist so it can be said it occurred. He also adds the act of travel from one place to another includes a certain set of motives that are a driving element for people to take that activity on. Others may suggest it is a complex system or a range of individuals, organizations, businesses, and places that are intentionally and non-intentionally combined to deliver a travel experience (Cooper, Fletcher, Gilbert, & Wanhill, 1993). Up to date the definitions that are taken into the account the most are ones referring to tourism as the sum of phenomena and relationships that are occurring from the travel and the stay of non-residents in certain places. The sum of relationships and phenomena's is the key word that by fusing create a wide range of different economic, social and cultural effects, be it negative or positive (Hunziker & Krapf, 1942) (Goeldner, 1992).

Tourism started humbly in the 17th century making the first Grand Tours always highlighted its positive effects, focusing on economical such as: increased tax revenue, improved personal income, higher standard of living and greater employment opportunities. (MacKenzie & Gannon, 2020). Additionally, it also positively affects social and natural dimension. The act of travel creates phenomena of exchanging knowledge and experiences that leads many destinations making efforts to preserve and protect the local culture, that often contributes to the conservation and sustainable governance of natural resources, local heritage, tradition, culture and its arts and crafts (Archer, Cooper, & Ruhanen, 2012). Focusing only on the positive impacts lead to the paradox of assuming that tourism is the industry or sector without a chimney bringing only happiness and money wherever it is present (Martinez & Cortes-Vazquez, 2020). Only later when tourism picked up the pace and started growing exponentially did the industrial revolution initiate the urbanization and mass production of transportation means, that introduced the mass tourism which in return showcased that tourism in fact is not an industry without chimneys and does not only bring positive impacts (Clave & Wilson, 2016). Negative impacts of tourism are connected to all three dimensions of sustainability. In terms of economical dimension, it can cause over dependency on tourism, inflation, uneven infrastructure development, inflation, exploitation and commodification of culture among many others. Furthermore, it is also very much connected to pollution, environment degradation, gentrification of inhabitants, pressure on endangered species and loss of their habitat together with public outcry and protest with slogans likes of which: "tourists go home" (Hughes, 2017)

The identification of negative effects of tourism provoked a call for a more sustainable tourism that led to the creation of sustainable tourism development discussions and agendas. Sustainable

tourism development rests on the idea that tourism should take full responsibility of its current and future social, economic and environmental impacts, taking into account the needs of the tourism industry, visitors, host communities and the environment (UNWTO, 2005). Furthermore, the principles of sustainable tourism development recognize that tourism has to balance the environmental, social and economic impacts to maximize the benefits for the local communities and the destinations as a whole (GSTC, 2022). Tourism is a wide reach industry that has a great potential to contribute to sustainable development either directly or indirectly. It is firmly positioned in sustainable development goals 2030 agenda targeting the goals of sustainable and inclusive economic growth, sustainable production and consumption and sustainable use of marine resources (UNWTO, 2023). However, in order to achieve the role of tourism in this agenda it still needs more work on creating a clear framework for implementation, adequate financing and investments in human resources, technology and infrastructure (United Nations, 2023).

Sustainable tourism development as a theoretical concept has certain sustainable tourism principles whose aim is to operationalize the idea by identifying four pillars of sustainable tourism development: economic, ecological, community and cultural sustainability (Turker & Alaeddinoglu, 2016). It is concluded that operationalization of the theoretical concept using the afore mentioned four pillars is vital for achieving the long term sustainability of tourist destinations, companies and the industry as a whole (McKercher, 2003). McKercher (2003) explains these principles as following:

- Economic sustainability: Ensuring both present and long term profitability of operations by:
 - Forming partnerships through the entire supply chain ranging from micro and local businesses to multinational corporations.
 - Using the internationally approved and reviewed guidelines for training and certification.
 - Promoting environmentally conscious and ethical behaviour
 - Diversification of products.
 - Redistributing some of the generated income to ethical marketing, employee training and more sustainable product development.
 - Motivating and providing financial incentives for all kinds of businesses to implement and adopt sustainability principles,
- Ecological sustainability: Underlines development that is accordant with maintenance of essential ecological processes, biological resources and diversity. It involves:
 - Establishment of codes of conduct for all levels of tourism stakeholders.

- Formulation of national, regional and local tourism policies and strategies of development that are in agreement with the objectives of sustainable development.
 - Including institute baseline studies of environmental impact assessments.
 - Identify and promote acceptable and responsible behaviour among tourists.
 - Ensuring that tourism activity in protected areas is a subject to managerial plans.
3. Cultural sustainability: highlights forms of development that are increasing one's control over their life and is compatible with the values and culture of those affected along with making the community identity stronger.
- Developing tourism based on the input of the broad community.
 - Establishment of education and training programs that help preserving cultural resources.
 - Conserving and contributing to the cultural diversity and originality.
 - Educate tourists and the tourism industry about desirable and acceptable forms of behaviour
 - Strengthen, encourage and nurture the communities abilities to preserve and maintain the use of traditional skills.
4. Local sustainability: focuses on development that is created to benefit indigenous and local communities along with generating and retaining revenue in those communities. It encompasses:
- Enabling the communities to maintain control over the development of tourism in their area.
 - Ensuring that tourism is providing quality employment opportunities to community inhabitants.
 - Encouraging businesses in minimizing operations that are negatively affecting the local community.
 - Provide motivation and financial incentive for local businesses to enter tourism.
 - Improvement of local human resource capacities.

Large number of scholars are indicating that the concept of sustainable tourism development can hardly be implementable and accepted without the involvement of stakeholders, highlighting the importance of the local communities. Local communities can significantly influence the process of sustainable development implementation by co creating and supporting the according policies (Gursoy, Chi, & Dyer, 2010) (Heitmann, 2010). Furthermore, others consider that sustainable tourism development could never be achieved if it is imposed by policies that did not consider the stakeholders interests and would only face rejection and strong opposition (Byrd, 2007) (Walligo, Clarke, & Hawkins, 2013). The aggravating factor in terms of stakeholder involvement is that there is a broad spectrum of interests and to achieve

agreement between all of them takes a lot of time (Brunetti, i dr., 2020). This observation is in conflict with the need to act quickly and the fact that tourism is one of the fastest growing industries of the world (Streimikiene, Svagzdiene, Jasinskas, & Simanavicius, 2021).

Tourism is among the fastest growing sectors in the world, it has even outpaced the growth of the global economy for the eighth consecutive year, together with providing one in five jobs on the planet and taking a 10% part in the global GDP (WTTC, 2020). Many scientists and scholars are drawing attention to high complexity of sustainable tourism development concept implementation, partly due to its rapid growth of direct and indirect offerings. Tourism is highly linked and in certain aspects dependent on the environment and the public wellbeing, but simultaneously affects them negatively. Therefore, sustainable tourism development concept needs special attention and new approach in order for it to be successful (Streimikiene, Svagzdiene, Jasinskas, & Simanavicius, 2021). Acknowledging the problems and challenges it is facing UNWTO had declared the year 2017, a year of sustainable tourism development and invited the world's population to travel following the principles of sustainability and address the environment and the needs of the local communities (UNWTO, 2017)

The significance of sustainable tourism development is of utmost importance at this moment. As a result, there have been created several guidelines for sustainable tourism development that are providing the main environmental indicators including pollution reduction, climate change mitigation, use of renewables, waste disposing etc. (UNEP, Sustainable tourism development in UNESCO, 2004) (UNWTO, 2013, 2014, 2017). Even though, now there is a large number of indicators created that in theory should be able to provide the possibility to identify the advancements and set the guidelines for a more sustainable development of tourism, in practice it principally does not show the wished for results (Madhavan & Rastogi, 2013). Many different researchers likes of which (Coennen & Truffer, 2012) (Mihalič, 2016) (Kangwa, 2017) (Pjerotic, 2017) are trying to answer the big question whether different theories, mechanisms and calculations of sustainable tourism development could assure more efficient and successful ways to achieve sustainable development of tourism as a whole. As Streimikiene (2021) points out, though sustainable tourism development is mainly linked to promoting the environmentally, socially friendly and conscious tourism there are important issues of competitiveness that are needed to be addressed since the competitiveness is one of the main parts of the economical dimension of sustainability. Mostly the indicators are somehow throwing a shadow on the economic dimension, but it is of utmost importance to include it into the equation to be able to achieve all three dimensions of sustainability. That is to achieve sustainable tourism development there must be a need to address environmental social and economic challenges and most importantly understand the tradeoffs between them (Streimikiene, Svagzdiene, Jasinskas, & Simanavicius, 2021).

As Dizdarević (2010) suggests sustainable tourism development mainly focuses on social and environmental sustainability and was long thought that in order to achieve it, it has to make certain tradeoffs mainly with the economic dimension or in other words reduce profit to increase

positive contribution to environment and society in general. Some researches show that it is possible to achieve sustainable development as a whole without negatively affecting tradeoffs on the economical side if certain important issues like sustainable consumption, addressing the host community, employees and the local environment are put at the forefront of this complicated process (Paulauskiene, 2013). One of the approaches is still in the phase of ongoing discussion among scientists, that is to introduce the involvement of local communities in the development processes and public administrations, that would release the pressure on the social dimension (Walas, Szromek, & Zygmunt, 2019). The other, rather more proactive approach to achieving sustainable tourism development is by accepting and embracing sustainable behavior and sustainable innovations. Implementation of various kinds of innovation can foster the economic dimension whilst preserving the other two (Aldebert, Dang, & Longhi, 2011) (Bilgihan & Nejad, 2015). Sustainable innovations are ranging from organization of the destination that prevents agglomeration and enable the dispersion of visitors in time and place, sustainable consumption solutions, High tech solutions, renewable energy integration, water capture systems and more increasingly popular sustainability controlling systems such as sustainability certificates (Henry, 2018) (Hermundsdottir & Aspelund, 2021).

2.2. Sustainability certificates

Environmental, social and governance issues also known as ESG's is a recently developed framework that introduces the stakeholders to the ways companies manage risks and opportunities in all three dimensions of sustainability. The term itself is often used in context of attracting investors, but the stakeholder community includes customers, employees and suppliers as well (Gillian, Koch, & Starks, 2021). As the demand for more environmentally and socially sustainable businesses is on a constant rise from the stakeholders perspective, the ESG issues have come at the forefront of tourism and hospitality companies agendas (Ionescu, Firoiu, Pirvu, & Villag, 2019). In addition to environmental, social and governance issues the COVID pandemic was quite detrimental especially to small and medium enterprises that are struggling achieving sustainable economic operations and distinguishing themselves in a highly competitive environment (Sobaih, Elshaer, Hasanein, & Abdelaziz, 2021). To add to this struggle, the operations that hospitality companies are engaging in, in order to achieve growth are often causing environmental degradation and social dissatisfaction (Lee, Bonn, Reid, & Kim, 2017). Only hotel sector that is one small part of the hospitality value chain, contributes for around 21% of the carbon footprint in tourism through consumption of water and energy, generation of waste, and CO₂ discharge (Dos Santos, Mexas, Meirino, Sampaio, & Costa, 2020). Due to the afore mentioned pressures it has become an imperative for hospitality companies such as hotels and camps to apply certain sustainable solutions in order to reduce environmental degradation, pollution and to increase customer satisfaction and avoid having reputational challenges (Wong, Kim, Lee, & Elliot, 2021).

As a response, many hospitality companies have already implemented certain "green" practices such as: towel or linen reuse, recycling of waste, rebranding themselves as "ecofriendly"

properties and recently, continually increasing implementation of sustainability certificates (Melissen, Van Ginneken, & Wood, 2016). Empirically the energy saving and towel/linen reusing reminders are one of the most popular practices adopted by hospitality businesses. Nevertheless, consumers often perceive them as selfish and self-serving programs that the company is engaging in to increase profits and save on maintenance (Bernard, Bianco, & Singal, 2023). According to Wong (2021) this perception often leads to skepticism and unveils a suspicion of greenwashing that consequently leads to a lower revisit ratios.

Sustainability certificates are exponentially increasingly implemented in hospitality businesses as a substitution to other practices that can be ambiguous such as the afore mentioned ones. Sustainability certificates can be considered as a tool that communicates the message: “This business lowered its negative social and environmental impacts” and helps to differentiate the tourism offer according to its sustainability efforts (Mihalič, 2000) (Dwyer, 2005). By definition sustainability certificates are a set of voluntary guidelines that can be used by: producers, manufacturers, retailers, service providers etc. in order to demonstrate their commitment to good social, ethical and environmental practices (Mori, Franks, & Ali, 2016). In terms of tourism and hospitality stakeholders it is similarly defined as: “a voluntary procedure that sets, assesses, monitors, and gives written assurance that a business, product, process, service, or management system conforms to a specific requirement” (Black & Crabtree, 2007). Additionally they help the “green” consumers to quickly identify the services or products they want to buy and that are in relation to their sustainability values (Mori, Franks, & Ali, 2016) (Amundsen, 2022). Businesses that want to obtain a certification have to comply with the predefined set of criteria, indicators and requirements of the certification scheme and provide evidence that are demonstrating compliance. The evidence is typically demonstrated through audit processes that are conducted by third parties to ensure the credibility (Amundsen, 2022). Sustainability certifications are considered as a private initiative therefore voluntarily undertaken. Nevertheless, many sustainability guidelines, agendas and standards are presently on the way to become de facto mandatory. It is a consequence of ever-increasing pressures from the demand side of the market for products that are sustainable and deliver the same standard of quality as their non-sustainable counterparts (Stanton, 2012). The pressures from the demand side are illustrating that the sustainable development transformed from a concept to practice. It came to the forefront of non-state regulation. Furthermore, sustainability certificates as non-state regulatory systems, play a role in incorporating the sustainability as a basis for future development considerations.

Sustainability certificates are becoming increasingly popular and tourism managers, by acknowledging their importance are more frequently incorporating them in their businesses. As Stanton (2012) suggests certification is becoming de facto mandatory, therefore the managers and leaders are seeing sustainability certificates as a tool that helps make their businesses future-proof or in other words, prevent decrease in: sales, profit and competitiveness (Mihalič, 2001). Furthermore, they are increasingly recognized as an effective environmental strategy for tourism businesses due to offering win-win solutions for all stakeholders involved. Businesses

pay a fee to go through the process and receive a certificate that gives them the right to present and use the logo of a certain sustainability certification scheme for promotion. It creates a green image, therefore increase competitiveness alongside enabling to positively affect the local communities, preserve the nature and create place for more revenues (Caver-Rubio & Amoros-Martinez, 2020). Additionally, implementation of sustainability certificate can positively affect the businesses performance indirectly as well. For example, leaving positive effects on the local communities, which in fact are among the most important stakeholders can have a crucial role in resource supplying (Barney, 2018). On the other hand these positive impacts may allow businesses to charge a premium on their services, have more efficient access to resources or even have access to resources others are not able to, such as local products for their hospitality departments and hosting events for local communities and turning them to be the ambassadors of their brand (Singal & Rhou, 2020). Finally, sustainability certificate obtaining is a move that in accordance to marketing and promotion is strategically communicating messages and information to auxiliary parties (Rahman, i dr., 2020). Therefore, increasing the firm's legitimacy by providing signals to customers about active sustainability initiatives (Ching & Gerab, 2017).

2.2.1. Sustainability certificate value chain analysis

Value chain was first defined by Porter (1985) as a tool that is giving us understanding how to diagnose and find the solutions to enhance the competitive advantage by dividing the operations of the firm into separate activities it is performing in design, production, marketing and product distribution. It is also defined as a process or a set of activities that a company uses to add value to its products and/or services that include production, promotion and marketing strategies and the after sales service provision (Kothandaraman & Wilson, 2001) (Zamora, 2016). The added value is not only created in the last step, rather each and every step or activity in the value chain from extraction and the input of raw materials, production, manufacturing and distribution to after sales service is considered a value added (Porter, 1985) (McGee, 2014). Since every step provides value, it can also be studied as a multiplier phenomenon. Every step in the value chain is a cycle with a certain number of iterations where every iteration is consistently increasing the value of the end product offered to the consumer (McGee, 2014) (Zamora, 2016). Furthermore, it is accepted by the companies as a managerial approach. It encompasses the process of service and/or product value creation and helps managers to systematically break down the process of value delivering. Therefore, makes it easier to achieve strategic objectives by increasing the efficiency of each step of the process (Partale, 2020).

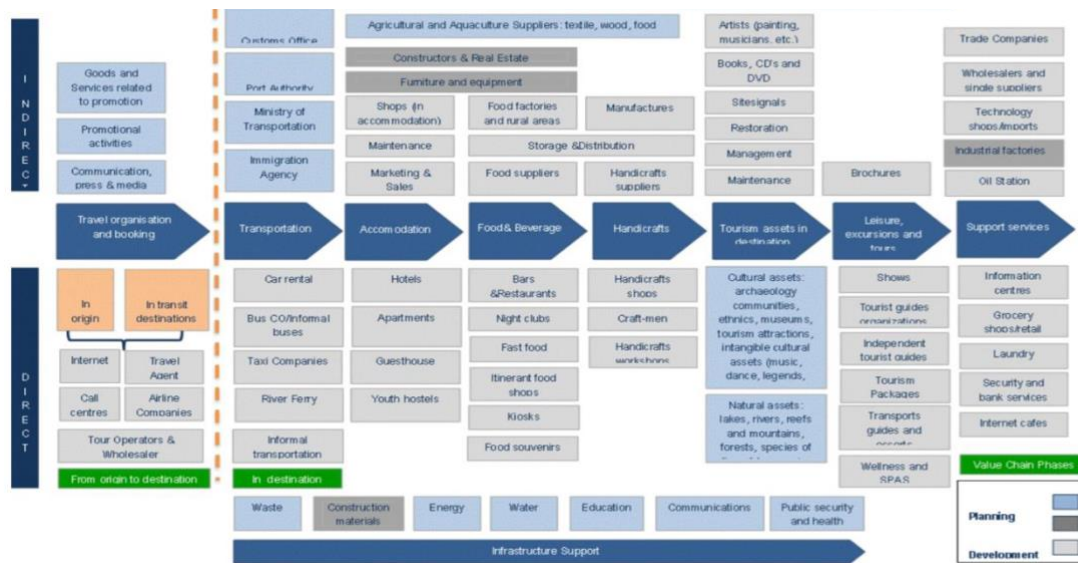
The questions is posed how do value chains even develop. One answer to the question is that the value chain is not created at the start of the production, rather it is starting from the client himself, that is supposed to set the tone for value creation (Zamorano-Morales, Cuevas-Merecias, Camacho-Garcia, & Suarez-Hernandez, 2020). But other scholars point out that value chain does not necessarily have to be exclusively listening to the consumer. The other way to categorize them is in terms of who drives the chain. Zamora (2016) suggests there are two types

of value chain producer driven chains or buyer driven chains. Buyer driven chains are usually present in industries that are labor intensive e.g. where trading companies and merchandisers play a central role in establishing the networks of production. On the other hand, producer driven value chains are common in technology oriented and capital intensive industries where large transnational corporations are superior to others in the network and play a key role in managing it. To put it in context producer driven chains are common in automobile, high-tech and semiconductor industries whereas buyer driven ones are observed in garments, toys, tourism and leisure.

Sustainability certificates in tourism can be considered a chain themselves and a value adding element to the tourism value chain itself. Tourism value chain is a system that demonstrates the collaboration between government and civil society with firms in the private sector. It describes how the process of receiving and gaining access to resources that add value to the service creation process is executed and sold to the customers (Miličević, 2021). Tourism value chain is highly complexed system, that is comprised of many different stakeholders that are by their definition operating in different industries that may directly or indirectly be connected to tourism (lodging, attraction management, F&B, transportation etc.) (Yustika & Goni, 2019). The complexity lies in the collaboration of a wide variety of different stakeholders needed to provide the final product that all have different interests throughout the process. Furthermore, complexity is even more exacerbated by the vulnerability of tourism in terms of pressures coming from economic, political, societal and technological surroundings that are affecting the behaviors of tourists before, throughout and after the act of tourism activity (Madera, Dawson, Guchait, & Belarmino Mapel, 2017). In recent times, the rising concern for sustainability is what affects their behavior the most. Tourists that are seeking more sustainable experiences, are willing to pay more for them and are indirectly pressuring the tourism as a whole to adapt (Oelze, Gruchmann, & Brandenburg, 2020). Luckily, tourism is very flexible in this sense and the whole value chain is already adapting by incorporating sustainable practices among which sustainability certificates (Mihalič, 2001).

In 2013 UNWTO proposed a model that demonstrates the interrelatedness and complexity of tourism value chains (DEVCO & UNWTO, 2013) (see figure 1). On the left side there are activities that are present in the outbound countries (country of residence) and on the right is inbound countries (tourism destination). The bottom part concludes the activities that are directly connected to tourism, whilst the upper are indirectly connected to it. Tourism development potential is maximized in the inbound countries that are able to exploit the indirect factors of the supply chain.

Figure 2: Tourism value chain



Source: DEVCO & UNWTO (2013)

Sustainability certificates in terms of destination certifying are covering the biggest part of the indirect factors, therefore adding value through each step of the value chain. E.g. according to the guidelines and criteria of various different sustainability certification organizations sustainability certifications can contribute to all the elements of the value chain. In the indirect ones that are crucial for maximizing the development potential by continuous promotion, in terms of sustainability it can support the marketing and sales of accommodation, creating incentive to buy and sell local products increases the value of the F&B element, providing strict sustainability guidelines in the management area is adding value to the maintenance, controlling and management of tourism assets (Green Destinations, 2023) (European Commission, 2023). Furthermore, sustainability certificates are supporting the creation of proper tourism value chains as noted by UNWTO (2018) which says that to be able to apply the tourism chain properly it is needed to establish and enforce:

- *“Inclusive and integrated policy frameworks for sustainable tourism development”*
- *“Businesses need to demonstrate their commitment to sustainability in core business models and value chains with enhanced action”*
- *“Individuals and civil society need to advocate for and adopt, consciously sustainable practices.”*

On macro scale sustainability certificates are a part of tourism chain. They are helping the process of development maximization by exploiting indirect factors. On the other hand, it is

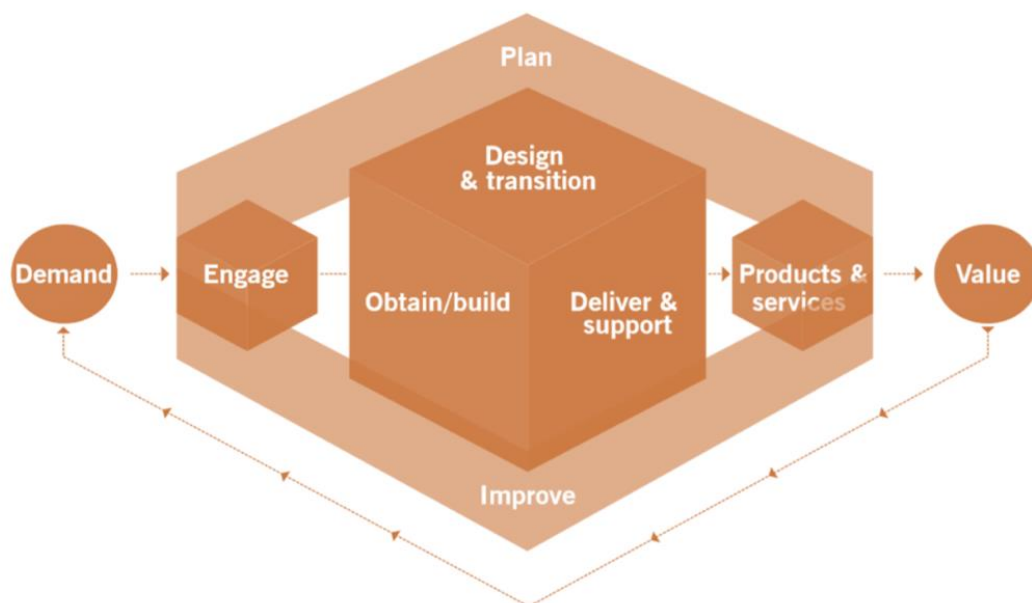
also taking part in improving the infrastructural elements via reducing the energy and water consumption, sustainable waste disposal practices, increasing the consciousness of the need for sustainability consequently educating the communities, spreading information about the sustainable activities taking place in the communities, therefore contributing to public health and safety as well.

On micro scale sustainability certificates are a chain themselves, that has its own operations and activities that are creating values. Sustainability certificates are by their definition a service that is supporting other services and products on their way to achieving sustainability. One of the ways they can be interpreted is using ITIL 4 service value chain approach. It is a framework that lists six key activities that are necessary to create value with a product or service:

1. Plan
2. Engage
3. Design and transition
4. Obtain/build
5. Deliver and support
6. Improve

It is a framework that provides insight in how service value is created (Agutter, 2020). Therefore, following the ITIL 4 model it is possible to analyze the value chain of sustainability certificates themselves.

Figure 3: ITIL 4 Model



Source: Agutter (2020).

Plan

Planning is the first activity in the chain where the purpose is to ensure there is a shared understanding of the vision, status and possible improvement direction for sustainability certification creation. It includes inputs such as: policies, requirements, demand, third party service providers etc. to be able to create outputs such as: strategic, tactical, and operational plans.

Demand

Sustainability certificates have a demand that was generated out of the agendas and initiatives from various global level organizations and local authorities that are accepting the sustainability agenda, therefore making it de facto mandatory (Stanton, 2012). On the market there is a demand by more than 30% of the consumers for more sustainable products and the numbers are continuously increasing (Petro, 2022). Sustainability certificates are satisfying the demand by providing assurance in a form of a certificate that the specific product or service has a certain level of sustainability (Mihalič, 2001) (O'Dwyer, 2011).

Engage

Sustainability certificates schemes are engaging all the relevant stakeholders in order to develop the certification criteria. Here they are actively searching to understand all the involved stakeholder's needs, interests and the ways to accomplish good relations among them. This activity takes all stakeholders into account and based on the findings creates inputs for design and transition activity.

Design and transition

Design and transition is a part of the value creation process that ensures that sustainability certificates are meeting the needs and expectations of all the stakeholders involved, ranging from the accommodation providers, F&B, higher influence organizations such as: UNWTO and European Commission etc. Here is where the certificate criteria concept is developed with a special emphasis on the requirements from the Engage activity. This provides specifications for Obtain/Build to be able to deliver new and adapted insights.

Obtain/Build

This activity is responsible for ensuring that all service elements are created and available when needed and that they meet the agreed specification in correlation to stakeholders.

Deliver and support

In this activity the sustainability certificate is delivering the values to the customers, ensuring that it meets agreed specifications and the stakeholders needs. Here is where the customer is able to implement the certification scheme show their sustainability practices and efforts, and receive a sustainability certificate accordingly.

Improvement

In order to be successful sustainability certification scheme providers have to be on a constant search for improvement of the whole chain. As the need for sustainability is rising and demand for value is exponentially growing sustainability certificates need to follow and ensure continual improvement to better suit all the stakeholders involved.

2.2.2 Effects of sustainability certification on business

Tourism managers, by acknowledging the importance of sustainability certificates are more frequently incorporating them in their businesses. In theory implementations of sustainability certificates is a way of making the business future proof or in other words, prevent decrease in: sales, profit, and competitiveness (Mihalič, 2001). Furthermore, certification schemes are promoted as a tool that helps to provide benefits such as: cost savings, more efficient marketing, attracting more tourists and creating a stronger incentive to become loyal guests etc. (Font & Mihalič, 2002). Literature on practical implementation of sustainability certificates, shows that those benefits are valid in a real market context. E.g. study done by Cornell University found that hotels that implemented sustainability certificates have substantially better financial performance than the ones without (Segarra-Oña & Verma, 2011). Additionally, other studies reveal great cost savings upon adapting buildings and maintaining certified hospitality businesses such as: hotels and campsites, are achieved (Geerts, 2014; Ngawenja, Lindgreen, Idemudia, & Melissen, 2020). Moreover, with increasing popularity of sustainable travel trends, sustainability certificates are perceived as a sign of high service quality (Mihalič, 1999). This perception makes them a valuable marketing tool to attract certain target segment, that wants their sustainability needs satisfied (Constantin, Ispas & Candrea, 2013; Tiago, Gilb, Sara, & Teresa, 2021). Target segments attracted by the sustainability certificates tend to have more financial resources to spend therefore increase the revenues of certified businesses.

Direct positive effects according to some studies have shown that in the long run implementation of sustainability certificates enables SME's to reduce costs, achieve cost efficiency by increasing occupancy rate and charging a premium on the average daily rate,

along side with achieving strong market differentiation (Geerts, 2014) (Singjai et al., 2018). On the other hand, sustainability certificates can indirectly positively affect the SME's performance. E.g. fulfilling the sustainability certificate scheme criteria positively affects the surrounding communities (Rhou & Singal, 2020) which are among the most important stakeholders and can play a crucial role in locally produced resource apportionment (Barney, 2018). This can enable certified SME's to have more efficient or premium access to resources, such as local and high quality products, also certificate can give the holder better leverage when negotiating to buy products and or services and make it favorable to be the host of local events which positively contributes to the afore mentioned and creates a stronger connection with the local community and the social environment overall (Bernard, Bianco, & Singal, 2023). Also, implementing sustainability certificate is strategically signaling to other parties that the business is caring about social wellbeing and ecological and cultural environment increases firms legitimacy (Rahman, i dr., 2020) (Ching & Gerab, 2017). This legitimacy is recognised by travellers and according to the data from Global sustainable travel report published by Booking.com point out that 65% of travelers around the world have an intention to stay in green hotels where 34% are choosing accommodation based on eco friendliness (Booking.com, 2017).

Considering the positive effects and the purpose of sustainability certificates, one might assume that there should be many different tourism businesses certified. Especially SME's, who are struggling to differentiate themselves on the market from the bigger and more powerful tourism enterprises. Reasons for low market presence of sustainability certification can be argued with findings in studies such as: Washington State University led research, which concluded that even though, sustainability certified hotels are able to attract more guests, when compared to their non certified counterparts, do not show better financial performance (G. Chi, C., Hengxuan Chi, O., Xu, X., & Kennedy, I., 2022). Furthermore, a study conducted on Spanish hotels pointed that the degree of environmental commitment via sustainability certification did not positively affect the operational nor financial performance evaluated by occupancy rate, gross operating profit and profit per available room (Claver Cortés, Pereira Moliner, & Molina Azorín, 2007). Additionally, certain hotels state they never saw the promised cost decrease after implementation (Geerts, 2014) and even suggest there is a negative connection between promised benefits of cost reduction and practical results of sustainability certification implementation (Bučar, Van Rheenen, & Hendija, 2019). On the other hand, it is noteworthy that high costs of implementation present an obstacle for tourism SME's (Tierney, 2007). Alongside to the high cost the process of sustainability certification implementation is time consuming and requires the allocation of human resources which can result in having to employ additional workers to help with the process. Furthermore, the certification issuing organizations require businesses to go through recertification processes every or every other year making it even more resource intensive process (Green Hotels Association, 2023). Some certification schemes even have criteria that are causing cost increase such as: air purifiers, sustainability measuring and reporting management systems implementation, using special cleaning appliances etc. (Yenipazarli, 2015).

Research carried out in Iceland suggests why some SME's experience worse results than others. It states that certification is useful only in the niche markets of ecotourism outside of which it can hardly produce positive impacts on business performance or cost decrease (Karlsson & Dolnicar, 2015). Booking.com (2017) report results suggest that certain target markets categorized by nationalities are more lucrative than others in terms of sustainability certification implementation. In certain countries e.g. China, Spain and Brazil where the public is highly aware of the need to be more sustainable, the consumers are making travel decisions based on their beliefs in terms of sustainability (Booking.com, 2017). On the other hand, the constant rise in numbers and complexity of sustainability certification schemes (Viet, 2022) makes it hard to filter the better from the worse. It is also a fact that some schemes are present on the market just to generate revenue not truly focusing on sustainability therefore they are “greenwashing” and diminishing the credibility of honest sustainability certificate schemes (Vilaca, 2022).

Certain certificates are more focused on the sustainability and the business performance of their clients. E.g. ISO certificate is very strict in terms of criteria and when implemented is proven to achieve cost reduction and many different studies show it increases economic performance (Peir'ó-Signes et al., 2014) (Segarra-Oña et al., 2012). Furthermore, Green Destinations sustainability certifications, enjoy high recognizability and put much focus on promotion and marketing of the certified businesses therefore create better basis for increased occupancy and market visibility (Green Destinations, 2023). In terms of pricing Eu Ecolabel and Green Destinations offer sustainability certificates for as low as 200-300 Euro whilst ISO 14001 can cost the business in the area of 1000 Euro (Green Destinations, 2023) (EU Ecolabel, 2023) (CQS, 2023).

Considering the above mentioned the complaints about costs can be traced to applying for extremely costly certificates that do not provide much benefit. Also, the certificate is not a tool that by itself creates positive impacts, the receiver is the one that is supposed to use it in its behalf to create benefit (Hellmeister & Harold, 2019). It can be considered as a net to catch fish, where the net presents a sustainability certificate and the business that has it is the one that is supposed to take the that net and cast it into the sea, where there is plenty of fish in order to catch them. Of course, if the net is cast on a place where there is no fish or is not cast at all it will bring no benefit and no matter the price paid for it, it will be considered expensive.

One of the latest research projects on impacts of sustainability certificates indicates that the crucial factors of success is the reaction time in certificate implementation (Bernard, Bianco, & Singal, 2023). The business that is first in its market to implement the sustainability certificate a.k.a. the first mover is the one that has the best benefits of the certificates. The first movers attract the customers sensitive to green initiatives that choose them over the competitors. Therefore, they are able to charge a premium, experiencing increase in REVpar (revenue per available room), occupancy and have higher ADR (average daily rate) (Qiu, Haobin Ye, Bai, & Heng Wang, 2015). Since the certificate is an imitable good, it is often imitated by the

compset wanting to achieve the same results. There the law of diminishing margins comes to act where the second movers experience weaker benefits than the first movers. According to Bernard et. al. (2023) the late movers experience no benefits and can even see financial performance becoming worse than before the sustainability certificate was implemented.

Therefore, the effects of sustainability certificates can be quite varied, depending on many different factors ranging from the behavior after implementation, reaction time, choosing the right certificate etc. all of which creates a certain perception and attitude towards them. These attitudes are important in determining the future of sustainability certificate schemes. The more business managers and guests perceive them as a tool that creates a more sustainable business and brings profit, the more of them will be implemented and make the planet more sustainable and the businesses happier.

2.3 Decision making in hospitality

Decision making is the most important aspect of management in the hospitality sector and can be defined as the implementation of the best alternative among various different options of available decisions (Skinner & Dummler, 2007). Managers are daily making certain decisions that are in line with their business goals, customer satisfaction, regulations, shareholders etc. and are usually based on three factors: the consumer preferences, market trends and competition (Pappas & Brown, 2021). Decision making process is influenced by the organizational context which includes both internal and external factors. External factors involve economic, political, technological, sociocultural, environmental and legal factors whilst internal factors include factors such as organization values, human resources, management style, physical and technological resources and the organizational structure (Chen & Liang, 2023).

In order to make better decisions there are numerous techniques that are helping the process e.g. brainstorming, delphi technique, nominal group technique, SWOT analysis etc. All of the techniques use different approaches, for instance: brainstorming involves generating a great amount of ideas in a group setting, delphi involves using experts to make ideas and reach a consensus, nominal group technique prioritizes and ranks the ideas, whilst SWOT gives better understanding of the company's strengths, weaknesses, opportunities and threats (Maitlo, Memon, & Shaikh, 2020).

Decision making techniques are a tool that helps the process of decision making and allows more efficient analysis of different ideas, but what guides the managers through the process are

decision-making models. Decisions are characterized by the impacts of uncertainty, time constraints, emotional and risk intensity (Baron, 2008). Therefore, in terms on the organizational context, or more precisely the level of certainty given by the information main models used in hospitality are:

1. Rational decision making model: Used when there is high level of certainty and credible information. Helps managers identify the problem, generate alternatives, evaluate them and select the best alternative (Lunenberg, 2010). E.g. buying a new property management system, where all the benefits and expectations of its implementation are known
2. Bounded rationality model: It is used in situations where the knowledge and time are limited. This is the model managers used to make decisions based on limited information in time constrained situations. (Morales, Kittler, & Walsh, 2020). E.g. COVID 19 required fast adaptation and the information about further development of the pandemic and the socio-economic situations were scarce.
3. Intuitive decision making model: This is the least reliable model that is used in high complex situations that are similar to the ones already experienced, it is also considered to be used in making non crucial decisions. Basically, it is a process of forming a decision based on past experiences (Klein, 2015).

In the process of decision making, managers are putting effort into executing decisions that are based on a large amount of credible information to give as greater certainty to the outcome as possible. Nevertheless, the context in which hospitality sector operates, that is tourism, is quite uncertain and very keen on being the first one to take the hit when the macroeconomic factors change. That is because hospitality products and services are considered a luxury good making it highly price elastic (Aldric & Jacob, 2019) (Pappas & Brown, 2021). The certainty of decision making is where the difference between larger hospitality companies and SMEs can be made. Bigger hospitality companies are hedging by acquiring large amounts of credible data and in comparison to smaller businesses are able to do so (Talón-Ballester, González-Serrano, Soguero-Ruiz, Muñoz-Romero, & Rojo-Álvarez, 2018). Thanks to having more resources at their disposal, both human and financial they are able to invest more in new technologies such as: big data analysis and data collection software's and a wider network of credible information sources (Samara, Magnisalis, & Peristeras, 2020), all of which provides more information, consequently leading to greater certainty of outcome when making a decision.

Furthermore, decisions big companies make tend to have more at stake than the smaller ones, therefore their decision making process requires a more careful approach and special attention to the profitability of the decision in the long run (Sigala, Rahimi, & Thelwall, 2019). All of

this gives greater certainty to the outcome of the decision made. In a situation where there are no big macroeconomic headwinds such as COVID-19 pandemic or 2008 financial crisis, it can be considered that the decisions bigger companies in hospitality make are informed, have a high level of certainty, are not time constraint and have more options to choose from. Or in other words they are able to make high certainty decisions therefore use rational decision making model. According Lunenburg (2010) the rational decision making model is used when high certainty and an abundance of relevant information is present making the outcomes highly probable. The process is executed following the below mentioned six steps (Schoenfeld, 2011).

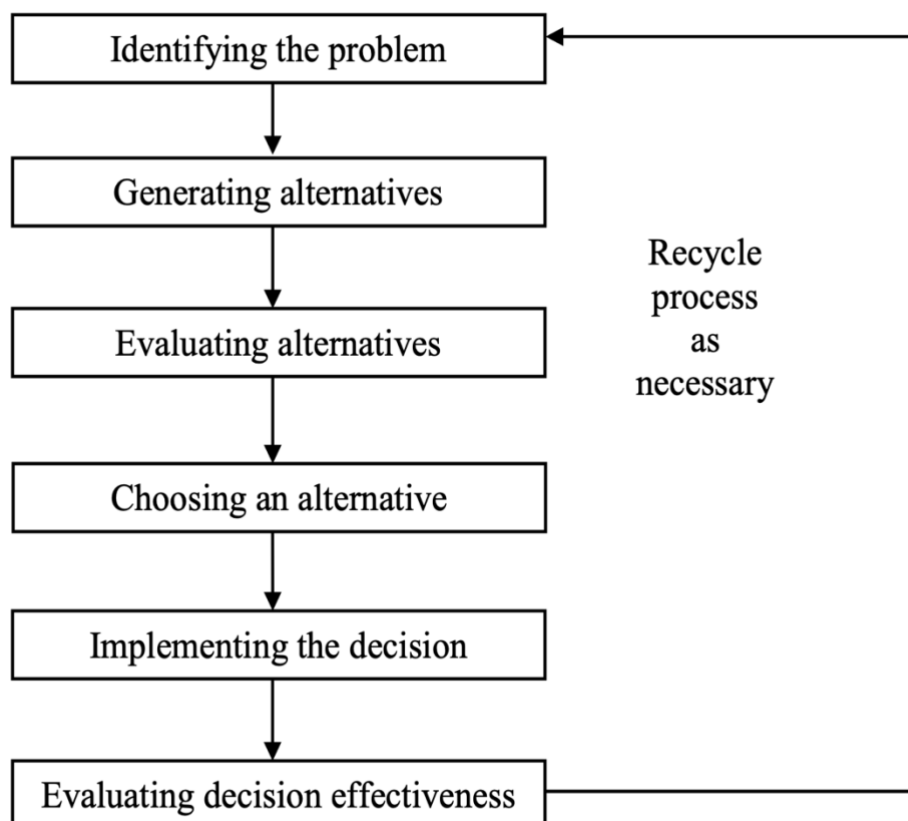


Figure 4: Rational decision making model

Source: Schoenfeld (2011)

After a problem is identified, generation of alternatives (solutions) according to information gathered is made using different techniques mentioned earlier in the text. These are then cautiously evaluated, and the best ones are implemented. Then they are evaluated again in comparison to the desired performance and if needed they even have time to be recycled by choosing a better alternative.

2.3.1 SME's managerial perspective

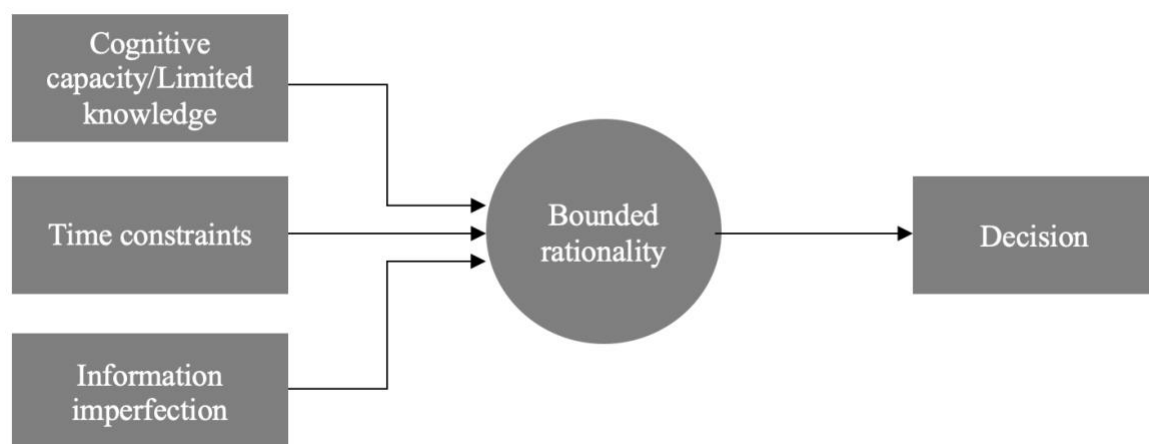
As mentioned above the access to large amounts of information is what separates the decision making processes from SMEs to large companies in the hospitality sector. They do not possess sufficient amounts of resources to be able to acquire big data nor do they have the required know-how to use them sufficiently (Maroufkhani, Khairuzzaman, & Morteza, 2020). In the most part they are relying on their surrounding for information gathering. As a part of the entrepreneurial ecosystem, they find themselves in an interconnected surrounding made of multiple SMEs and their activities which both formally and informally coalesce in within the local or regional environment (Mason & Brown, 2014). The presence of the ecosystem and its social and business networks allow the free flow of knowledge and information from one to another (Spiegel, 2017). SMEs mostly rely on business and social networks to gain information and improve decision making effectiveness, by acquiring the resources that are held by others and shared in the ecosystem emphasized by the social capital and networking activities (Weerasekara & Bhanugopan, 2022). The SMEs decision making is also connected to the educational institutional support, as a source of free or at least not so expensive information they can use to execute informed decisions (Zucker, Darby, & Armstrong, 2002). In terms of information quality and quantity in the ecosystem, it depends on the presence of dedicated and specialized actors that are collaborating inside the ecosystem to build better competitiveness of the region they belong in (World Economic Forum, 2013) (Mason & Brown, 2014). Therefore, efficient decision making formula also rests on the location specific factors such as: culture of

regional entrepreneurship, support of the educational institutions and most importantly social and business networks (Weerasekara & Bhanugopan, 2022).

Decision making in the SMEs is mostly done by a single person since companies are rather small and there is no need for board of directors. It is also argued that a considerable amount of managers in the SMEs are self-employed (Dahles & Susilowati, 2017). Therefore, decisions made by SMEs reflect the personalities, knowledge and perception of the decision makers (Harren, 1979). Additionally, many decisions are based on the past experiences of similar events of the decision maker and their social and business network (Driver, Brousseau, & Hunsaker, 1998). Since only one person is making the decision it is based mostly on the past experiences and influenced by the personal intuition, judgement, biases and heuristics (Harris, Northcott, Huiku, & Elmassri, 2016) (Graham & Sathye, 2017). Research shows they are also based on limited information, that tends to be over-generalized (Shepherd, Williams, & Patzelt, 2015).

Considering the above mentioned it is in line to say that decision making by SMEs is executed using limited knowledge, personal cognitive capacities and imperfect information that is transferred by word of mouth in their ecosystems, therefore it is suitable to say that the bounded rationality decision making model suits them the best. It is a process of forming a decision based on past experiences, limited information and familiar networks (Morales, Kittler, & Walsh, 2020) that follows the logic of the diagram below.

Figure 5: Bounded rationality decision making model

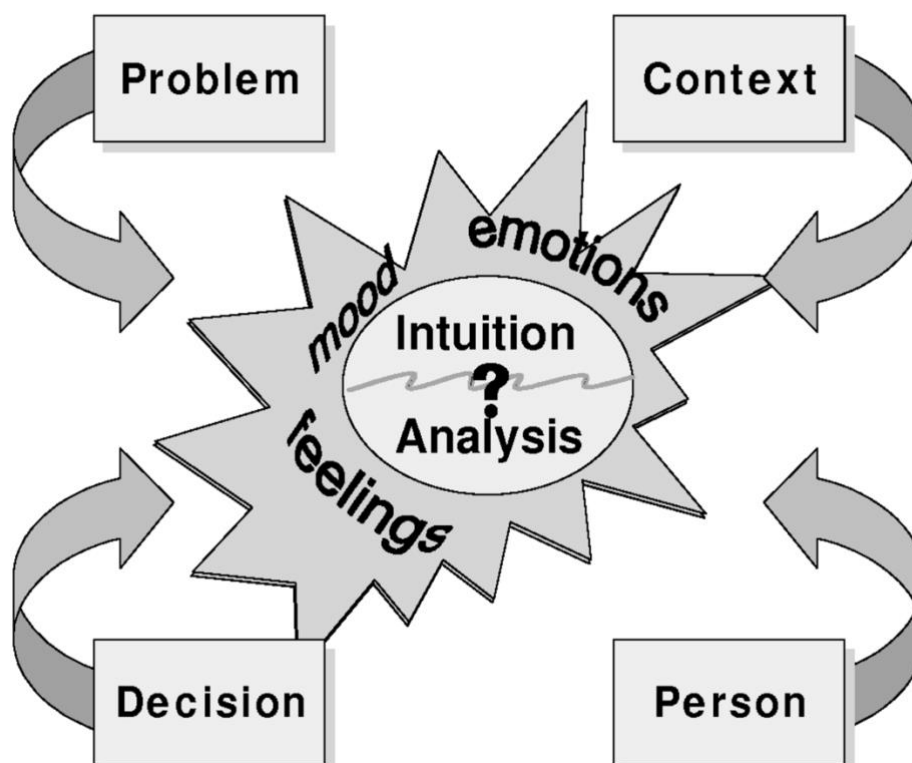


Source: Adapted from Jayles (2017)

On the other hand, many researches show that SMEs tend to predominantly rely on intuition especially in time constraining situations (Kilmann & Thomas, 1975) where the decision makers are drawing conclusions based on personal values, intuitive thinking and personal logic (Dörfler & Ackermann, 2012). Intuition can play a crucial role as a constructing variable of acting against rationality, because in the SMEs context, intuition is prominently used by

managers to explain their actions and is often referred to as the reason for the achieved results (Zacca, Dayan, & Elbanna, 2017). Therefore, SMEs in certain high complexity and time constraint situations are encompassing their ecosystems and the knowledge that is freely flowing inside to follow their own intuition. This kind of decision making can be put into the intuitive decision-making model, that is the least reliable of all and carries great risk to the performance of the desired outcome (Klein, 2015). Nevertheless, certain scholars even support this type of decision making model, presenting intuition as a tool that can effectively lead the managers towards efficient decision making (Sinclair & Ashkanasy, 2002).

Figure 6: Intuitive decision making model



Source: Sinclair & Ashkanasy (2002)

2.3.2. Decision making in regard to sustainability certificates adoption

One way in which hospitality SMEs are making decisions in terms of adopting sustainability certificates is by considering the potential benefits of sustainability certification implementation. These benefits can include increased customer loyalty, improved reputation and access to new markets (Leroux & Pupion, 2018). Sustainability certificates can also help businesses to identify areas for improvement and implement more sustainable practices.

Another factor that can influence SMEs' decision-making regarding sustainability certification implementation is the cost and resources required to obtain and maintain sustainability certified status. The process of obtaining a sustainability certificate can be time-consuming and costly, requiring businesses to invest in upgrades and improvements to their operations (Brunsgaard & Larsen, 2019). SMEs may need to weigh the potential benefits of certification against the costs and resources required to obtain it.

Hospitality SMEs may also consider the regulatory environment in which they operate when making decisions about sustainability certification. In some cases, certain businesses may be required by law to comply with certain sustainability standards or even obtaining specific certifications (Majer, i dr., 2018). In these cases, obtaining a sustainability certificate may be necessary to remain compliant with regulations and avoid potential fines or penalties.

Another factor that can influence SMEs' decision-making regarding sustainability certification is their target market. SMEs that cater to environmentally conscious customers and travelers may find that obtaining a sustainability certificate is an effective way to attract and retain customers. For example, a boutique hotel that caters to eco-tourists may find that obtaining a sustainability certificate is essential to attract this type of customer.

Additionally, what can make hospitality SMEs more keen on adopting the sustainability certificate is company values. If a certain company is already basing their business on environment friendly products and services adopting a sustainability certificate for them might not be perceived as something complicated but rather an easy way to complement the already existing offer (Tröster & Hiete, 2018). e.g. certain companies operating in Scandinavia region such as „Adventure apes“ (Adventure Apes, 2023) located in Finland have multiple sustainability certificates as a complement to the sustainable basis of their business.

SMEs may also consider the reputation of the sustainability certificate when making decisions about adoption (Duglio, Ivanov, Magliano, & Ivanova, 2017). Some sustainability certificates

are more widely recognized and respected than others, and SMEs may prioritize obtaining a certificate with a strong reputation to maximize the potential benefits of certification.

SMEs need to consider the challenges and opportunities associated with sustainability certification. This includes identifying areas for improvement, investing in upgrades and improvements to operations, and engaging with customers and stakeholders to promote sustainability.

On the other hand SMEs may want to adopt sustainability certificates as a way to stand out in the competitive set. As a way to distinguish themselves from the competition the managers may proactively engage in sustainability certification process as a way raise more awareness of their presence on the market (Hernández & Yáñez Araque, 2015). Contrary to the afore mentioned, certain small and medium enterprises may want to certify their business because of a large number of the surrounding certified business. Here certification is not used as a way to distinguish the brand but a way to protect it from falling behind the regional or surrounding trend (Leroux & Pupion, 2018).

In addition to the potential benefits of sustainability certification, there are also some challenges that SMEs may face when adopting sustainability certificates. These challenges can include the cost and resources required to obtain and maintain certification, as well as the complexity of the sustainability certification process (Smerecnik & Andersen, 2011). SMEs may also face challenges related to communication and engagement, as they need to effectively communicate their commitment to sustainability to customers and stakeholders. Furthermore, the communication part of sustainability certification is the most vital one that is empirically proven to be the biggest contributor in achieving loyalty of the guests, attracting them and being able to charge a price premium on the service provided.

The hospitality SMEs are making informed decisions about sustainability certification based on a range of factors, including potential benefits, cost and resources required, regulatory requirements, target market, company values, competitive set and reputation of the certificate. By adopting sustainability certificates, SMEs can improve their reputation, attract and retain customers, and demonstrate their commitment to sustainability. However, SMEs must also be aware of the challenges and opportunities associated with sustainability certification, and work to effectively communicate their commitment to sustainability to customers and stakeholders.

2. Presentation of the case: Croatian small and medium sized Hotels and Campsites

Croatia is a country located in Southeast Europe, known for its beautiful coastline, pristine beaches, and rich cultural heritage. Tourism in the country is thriving and attracts millions of visitors each year. Tourism in Croatia is a significant contributor to the country's economy, generating revenue, creating jobs, driving growth and taking 16% part in the overall GDP of the country (Ministarstvo turizma Republike Hrvatske, 2022).

The Croatian tourism market is diverse, with a range of offerings for travelers. The country's coastline, which stretches over 1,100 miles, is a popular destination for beachgoers, with numerous islands and hidden coves to explore (Ministarstvo turizma Republike Hrvatske, 2022). Additionally, the country's historical cities attractions and landscapes, offer visitors the chance to experience Croatia's rich cultural heritage, with ancient ruins, impressive architecture and world-class museums (Zadel & Rudan, 2019).

In recent years, Croatia has become a popular destination for adventure tourism, with opportunities for hiking, cycling, and water sports. The country's stunning natural scenery, including national parks and nature reserves, provides a backdrop for outdoor activities and eco-tourism (Tišma, Kramarić, Demonja, & Ozimec, 2006).

The Croatian tourism market has continued to grow in recent years, with increasing numbers of visitors from around the world. The country's tourism industry has responded to this growth

by investing in infrastructure, improving services, and promoting sustainable tourism practices. With its natural beauty, rich cultural heritage, and diverse range of offerings, Croatia's tourism market is set to continue to thrive in the years to come (Maravić, 2018). Small and medium-sized hotels and campsites are an important part of the country's tourism industry, providing accommodation for millions of visitors each year.

Small and medium-sized hotels are typically family-run businesses with up to 50 rooms. These hotels are usually located in small towns or villages, away from the busy tourist areas. They offer a more intimate and personalized experience for guests, who can enjoy a relaxed and peaceful environment. Many of these hotels are housed in traditional buildings, such as old mansions or farmhouses, which have been converted into hotels (Vrdoljak Raguž, Krželj Čolović, & Milić Beran, 2015).

One of the most important characteristics of Croatian small and medium-sized hotels is the emphasis on quality over quantity. These hotels focus on providing excellent service to their guests, with attention to detail and a friendly, welcoming atmosphere. The staff is often multilingual, with English being the most common language spoken, and they are always ready to assist guests with any requests or questions they may have.

Another characteristic of Croatian small and medium-sized hotels is their focus on traditional cuisine. Many of these hotels have their own restaurants, where guests can try local specialties made from fresh, locally sourced ingredients. Croatian cuisine is a blend of Mediterranean and Central European influences, with an emphasis on seafood, meat dishes, and vegetables. Guests can enjoy dishes such as grilled fish, lamb, and cevapi (a type of grilled sausage) with traditional side dishes like potatoes and cabbage. (Šimić & Leko, 2016).

Small and medium-sized campsites are another popular form of accommodation in Croatia. These campsites are usually located near the coast and offer a more affordable alternative to hotels. They provide a unique outdoor experience, with guests sleeping in tents or camper vans and enjoying the natural surroundings. Many campsites are located in secluded areas, away from the busy tourist areas, offering a peaceful and quiet environment.

One of the main characteristics of Croatian campsites is their focus on nature and the environment. Many campsites are situated in national parks or protected areas, with strict rules and regulations to protect the environment (Kulić, 2020). Guests are encouraged to respect the natural surroundings and follow eco-friendly practices, such as recycling and conserving water. Another important characteristic of Croatian campsites is the sense of community and camaraderie among guests. Camping is a social activity, and many campsites organize events and activities to bring guests together. These may include group hikes, bike tours, and barbecues, where guests can meet and interact with each other. Campsites are also a popular destination for families with children, who can enjoy outdoor activities such as swimming, fishing, and playing games.

In conclusion, small and medium-sized hotels and campsites are an important part of the Croatian tourism industry. These establishments offer a unique and personalized experience for guests, with a focus on quality service, traditional cuisine, and a connection to nature. Small and medium-sized hotels provide a relaxed and peaceful environment, while campsites offer an affordable and outdoor experience. Whether you are looking for a luxurious hotel or a simple camping adventure, Croatia has something to offer for everyone.

3. Methodology

Methodology can be defined as the manner in which the researcher will achieve the pursued knowledge (Egon & Lincoln, 1994). The primary goal of this research is to understand the perceptions and the attitudes that Croatian small and medium sized hotels and campsites have towards sustainability certificates and differences between the two. In order to achieve the goal, data was gathered through the use of quantitative surveys as a way to collect information on various different perspectives of SME hotel and campsites managers, compare these multiple realities and develop conclusions that are inductive and give a general understanding of their perceptions and attitudes.

4.1 Research paradigm

The field of sustainability has gained significant attention in recent years, as the world faces pressing environmental challenges. One key aspect of sustainability is the adoption of sustainable practices and behaviors, which includes attitudes towards sustainability certificates. When studying attitudes towards sustainability certificates, researchers often adopt different paradigms, and one such paradigm is positivism.

Positivism is a philosophical paradigm that emphasizes the use of scientific methods to study social phenomena (Ryan, 2015). It is grounded in the belief that knowledge can only be obtained through empirical observation and that objective facts can be discovered through rigorous scientific research. Positivism views the world as an external reality that can be studied

objectively, and it emphasizes the importance of quantifiable data and statistical analysis (Egon & Lincoln, 1994).

In the context of studying attitudes towards sustainability certificates, the positivist paradigm is particularly relevant and useful. Sustainability certificates are often based on specific criteria that can be objectively measured, such as energy efficiency, resource conservation, or waste reduction. Positivism allows the researcher to collect and analyze quantitative data to understand individuals' attitudes towards these certificates in a systematic and objective manner. (Alharahsheh, Husam, & Pius, 2020). For example, researcher can use quantitative surveys, questionnaires or structured interviews to gather data on individuals' perceptions, opinions, and behaviors related to sustainability certificates. This data can then be statistically analyzed to identify patterns, trends, and relationships, providing empirical evidence that can inform decision-making and policy development.

Moreover, positivism allows for the replication and generalization of research findings, as it emphasizes the importance of using standardized methods and procedures to ensure reliability and validity of research outcomes (Rehman & Alharthi, 2016). This allows the researcher to make broader conclusions about attitudes and perceptions towards sustainability certificates across different contexts or populations, enhancing the generalizability of the research findings. However, it's important to acknowledge that the positivist paradigm has some limitations in the study of attitudes towards sustainability certificates. It may not capture the complexity and diversity of human experiences, as it tends to prioritize objective data over subjective experiences and emotions. It may also overlook the social and cultural context in which attitudes towards sustainability certificates are formed, as it often disregards subjective meanings and interpretations attributed to sustainability issues (Giddings, 2007).

To gain a more comprehensive understanding of attitudes towards sustainability certificates in this research I will be using the positivist paradigm that is considered as a valuable and the most appropriate approach in this research whose main goal is to study attitudes towards sustainability certificates, as it emphasizes the use of scientific methods, quantifiable data, and statistical analysis to gain objective insights in how the Croatian small and medium sized hotels and campsites perceive sustainability certificates and what are their attitudes towards it.

4.2 Research design

A proper research design enables to provide the framework and structure that is aimed to guide the execution of research methods and the underlying analysis of the data that is collected (Bryman, Social research methods , 2016). The design of the research is informed by the studies research question, which means that the underlying research question is supposed to guide the decision about which kind of research design to engage with (Bryman, 2004). Additionally, the research design also guides the choices on choosing the strategy of inquiry, mainly the choice between qualitative, quantitative or mixed methods (Creswell, 2003).

Studies in the area of tourism most often utilize quantitative research methods (Jennings, Tourism research (2ed), 2010). Nevertheless, qualitative research methods in the area of tourism research have gained a considerable momentum in recent years partly due to the fact it can give broader explanations and compare the existing realities on the subject (Jennings, 2009). On the other hand qualitative data can give in depth information and a wider description on the chosen problem but can also be very subjective following the fact that the researcher can guide the methods towards his beliefs (Jennings, Tourism research (2ed), 2010).

The research question is considered a determinant for the researcher's preference between a quantitative or a qualitative research design and approach, as that choice is made based on the main attributes and features of the research question (Dowling, 2013). A research can be guided by a quantitative or a qualitative research approach, or even a mix of the two (Creswell, 2003) (Jennings, Tourism research (2ed), 2010).

However, since this master thesis is guided by the goal to be able to measure the attitudes and the perceptions of the small and medium sized hotels and campsites in Croatia, the data will be generated in quantitative ways. The attitudes and perceptions can vary from one business to another and using quantitative methods can help to narrow the deviation in answers and provide generalized conclusions based on a large number of different answers.

By using quantitative methods to measure attitudes and perceptions I strive to achieve the empirically proven benefits of it, likes of which: objectivity, precision, accuracy, comparability, generalizability, replicability and scalability (Madey, 1982) (Holden, Juhaeri, & Dai, 2003) (Sjoberg & Horowitz, 2013). Objectivity and standardization is to be achieved by following a systematic and standardized approach to collect data using a standardized questionnaire that will reduce the potential bias that can be observed when using qualitative methods. Additionally, the precise measurement using numerical values, scales and coding of the answers is set to achieve the precision in capturing the magnitude and intensity of attitudes and perceptions that results in a accurate and reliable data. Also applying certain statistical analysis, the thesis will identify patterns, relationships, trends and differences in attitudes and perceptions of hotels and campsites in order to provide a deeper understanding of them. Using a high confidence level according to the sample size calculations the results of the survey will ensure that the conclusions made are able to generalize the perceptions and attitudes of a broader population by a certain margin of error, therefore enable scalability of the results.

Since there will be two main groups that are small and medium hotels as one and campsites as other, the quantitative questionnaire (survey) will provide a possibility of comparing the two by identifying similarities and or differences between them. That will be further broken down to comparability of attitudes and perceptions e.g. in accordance to the location, since that can be a crucial factor in a monovalent tourism such as Croatia has.

The questionnaire will also give opportunity for future researchers to replicate the methods since it provides clear procedures and measures that they can use to study, verify or broaden the scope of the study.

4.2.1 Quantitative questionnaire

Quantitative questionnaire is defined as a predetermined set of questions that are used to gain detailed information and insights from the respondents about a questionnaire research topic (Mejovšek, 2013). They ask specific questions whose answers are automatically coded in numbers to be able to provide the possibility of analyzing the data quickly and using statistical methods (Sharan & Tisdell, 2015). In comparison to qualitative questionnaires, they are useful for gathering large amounts of information and providing generalized explanations for certain phenomena (Cohen, Manion, & Morrison, 2018).

Since the research is aimed to gain insights in attitudes and perceptions of two different business groups that is: hotels and campsites there have been made two quantitative questionnaires to better adapt to different business category. Both the questionnaires have the same questions since the aim is to compare the attitudes and perceptions towards the same object that is sustainability certificates. The only difference between the two questionnaires is in the third question of the first section that is regarding the classification of the hotel and campsites according to their sizes. It is important to clearly differentiate the small and medium sized from large sized hotels and campsites that do not fit into the wished for category of SME which the thesis is based on.

The questionnaire consists of 28 questions, 6 of which are closed questions, 2 open ended and 20 Likert scale type of questions. All the questions are divided into five sections where the first section is aimed to familiarize the researcher with the businesses surrounding to understand which Croatian county they are located in, which destination type they belong to and what are their capacities in terms of rooms (for hotels) or units (for campsites). The questions reflect the information that will be used to ascertain similarities and differences between the business according to location and capacities. The county classification was taken from the official Croatian government website (Ministarstvo pravosuđa i uprave, 2023). The second question that is regarding the destination characteristics the business is located in was adapted by Buhalis (2000) to three categories that are: urban, rural and coastal destination. It is adapted in order to better reflect the Croatian tourism offer and motivational pull factors of the corresponding destinations.

In regard to the capacities, the first category is small and medium sized hotels. By definition hotels can be classified by various factors such as: prices, location, target segment, service quality level etc. (Galičić, 2017). For the needs of this research it was important to classify hotels in accordance to the number of rooms to be able to create questions that reflect only small and medium hotels. Therefore the most used classification of hotel size according to the number

of rooms in Croatia but in other countries of the European union as well, is in three following categories (Galičić, 2017):

Small size hotels – Capacity: 5- 50 rooms

Medium size hotels – Capacity: 51 – 200 rooms

Large size hotels – Capacity: more than 200 rooms

Since the questionnaire for the hotels was sent through the association of Croatian small and family run hotels that do not have members that belong to the large size hotels category but are on average in the area of up to 60 rooms, the classification in this questionnaire was made in accordance to the size factor of 10 e.g. 1-10, 11-20, 21-30 etc. so that the analysis that will be made has a better anchoring when referring a certain element to the hotel size.

In regard to campsites the size category is as following (Sladoljev, 2011):

Mini campsites – Capacity: 10 – 100 accommodation units

Small size campsites – Capacity: 101 - 500 accommodation units

Middle size campsites – Capacity: 501 – 1000 accomodation units

Large size campsites – Capacity: 1001 and above accommodation units

It is worthy noting that one accommodation unit in campsites equals to 3 people (Ministarstvo Turizma, 2008). The camping association of Croatia is where all the campsites in Croatia are to be found. On their website all the capacities are expressed in the number of people it can accommodate, therefore the questionnaire was only sent to those campsites that fit in the threshold of small and medium campsites that is up to 1000 accommodation units or 3000 people. The ones that were exceeding the threshold were not sent the questionnaire in order to avoid incorrect and inconsistent data.

The second section of the questionnaire is devoted to questions that will give the researcher a better understanding on the familiarity of the businesses to the sustainable development. Here two of the questions are made using a 1-5 Likert scale, where 1 means not familiar at all and 5 very familiar.

Likert scale allows to quantitatively measure opinions, knowledge, attitudes and perceptions and is usually made with 5 or 7 degrees that measure the intensity of the asked for phenomena (Ankur, Saket, Chandel, & Pal, 2015).

In order to achieve efficiency in data analysis and the simplicity for the questionnaire respondent the Likert scale used in this research had a 5 degree measurement. The Likert scale questions in the second section of the questionnaire, reveal the knowledge of the respondent about the familiarity with the sustainable development as a concept and the familiarity of 2030 sustainable development agenda. The last question made is a closed one where the answer is aimed to give the researcher the knowledge does the respondent know sustainability certificates exist and if so they are asked to specify which ones.

The third section also uses 5 degree Likert scale and is intended to reveal the perceptions of the respondents to the importance of positively contributing to three pillars of sustainability. Here the definitions of the specific pillar were presented as well as examples of good practice and the respondent asked to which degree from 1 (completely disagree) to 5 (completely agree) do they agree with importance of the business's activities positive contribution to the specific pillar.

The fourth section is dedicated to finding out how the campsites and hotels perceive the implementation of the sustainability certificates in regard to effects they expect to have on their business performance. It was carried out using 5 degree Likert scale. The main intention of this section is to nudge respondents to think of the concept of sustainability certificates and the possibility of achieving positive business performance as a consequence of their implementation. The section was concluded with a closed answer question that reveals is the business interested in implementation of the sustainability certificate. This question is very closely connected to the last section where the questions posed are intended to reveal key attitudes towards the perceived barriers of sustainability certification implementation in business's operation model. The questions are formulated using a 5 degree Likert scale where a range of possible barriers towards implementation of certificates are presented and the respondents asked to express their attitude towards barriers on a degree from 1 (completely disagree) to 5 (completely agree).

In order to be able to keep track of changes in the attitude towards the sustainability certification implementation the last question of the fifth section asks the respondent did their attitude in regard to interest in engaging in certification process change after considering the potential barriers to sustainability certificate implementation. To be able to ascertain did the attitude change this question is to be linked and compared to the last question of the fourth section that reveals whether the business is interested in implementing the certificate after considering potential benefits it may have on their business performance.

** The last part of the questionnaire was adapted in accordance to trend flow methodology, developed and used by a destination consultancy agency DestLab to measure key attitudes towards sustainability certification.*

4.2.2 Data Collection

Data collection is a process whose aim is to gather and measure information on the variables of interest to the topic, in an established and systematic manner that enables the researcher to answer the predefined research questions, test hypotheses and evaluate the credibility of the findings (Sapsford & Jupp, 1996).

The process of data collection for this research was time constraint and intense in terms of questionnaire distribution. The collection period spanned from 22.03.2023 until 28.04.2023. The first intention in regard to data collection was that the questionnaire is to be made via google forms, create an associated hyperlink whose goal was to be sent through corresponding associations. In terms of small and medium sized hotels that was the Association of Croatian small and family run hotels, whose 132 members according to Galičić (2017) fall into the category of small and medium sized hotels, are not under any franchise agreements and are in private ownership.

The questionnaire towards small and medium sized hotels was sent in three different occasions. The first one was through the Association of Croatian small and family run hotels that very happily offered to distribute the questionnaire link to their members, with the promise that the results of the research will be shared with them upon completion. Responsiveness through the association was not very high, only 9 members filled the survey yielding a response rate of 6% which is well below the average that Shih and Fan (2008) suggest. After the first low response rate it was considered that the mails sent from the association towards the hotels are perceived as daily content mail that was probably not considered important enough to be opened by the hotels or even went to spam. Therefore, the questionnaire was sent once more to the hotels, but this time rather than using association as the distributor, the questionnaire link was sent to each and every association member individually. The response rate this time rose for 12 more hotels yielding a response rate of 10,9%, that together with the first attempt resulted in 16,9% response rate. Since this is still considered below average rate, therefore the questionnaire link was sent out individually for the third time which finally brought the overall response rate to 25,5%, that is appraised as reliable and credible considering the sample size is under 500 (Fosnacht, Sarraf, Howe, & Peck, 2017) (Wu, Zhao, & Fils-Aime, 2022).

Furthermore, the results that this sample size will provide, according to the statistic method of Orihabhabor & Anyanwu (2019) calculated using Sample size calculator (Sample size calculator, 2023) will give 90% confidence level with 13% margin of error. Meaning that the results of the research will provide the correct answers with a 90% certainty and that the answers can deviate 13% from the presented value.

The second questionnaire tailored for small and medium campsites was sent just as the first questionnaire in 3 different occasions. The first one was through the Camping association of Croatia that has 647 registered members. It is worthy noting that out of 647 members the

questionnaire was sent to 188. Among the members there are camping franchises “Maistra” and “Valamar” that together control 30 camps in the association. Since it is a franchise and the ownership is public it cannot be taken into account as relevant for this research topic and were excluded from the sample size. Additionally, 429 other registered members did not have contact available on the internet nor on the association website, were temporarily closed or did not fit into the small medium sized threshold. This narrowed the sample size even further to the total of 188 relevant small and medium sized campsites. The responsiveness of the questionnaire through Association of Croatian campsites, was the first occasion of questionnaire distribution and resulted in 23 responses which yielded a 12,2% response rate. Afterwards, the questionnaire hyperlink was sent to each and every relevant campsite individually and yielded a 15% response rate. In the third, last occasion the questionnaire hyperlink was sent individually and overall the response rate climbed to 28,7% response rate, where 54 out of 188 small and medium sized campsites responded to the questionnaire. According to Shih & Fan (2008) this is still below the average rate responsiveness, but as Fosnacht et. al. (2017) and Wu, Zhao & Fils – Aime (2022) point out even more than required to have credible, reliable and confident results for samples under the size of 500. Even if a certain methodology would not allow to narrow the sample size of 647 to 188 members the response rate would still fit the credible and reliable threshold. The credible and reliable threshold for samples above 500 is between 5-10%, and the responsiveness of this questionnaire if considering all 647 members was 8,03%.

Nevertheless, the results of the sample taken will provide 95% confidence level with 11,8% margin of error (Oribhabor & Anyanwu, 2019) (Sample size calculator, 2023). Meaning that the results of the research will provide the correct answers with a 95% certainty and that the answers can deviate 11,8% from the presented value.

4.2.3 Data analysis

Following the positivism paradigm, all of the gathered data was statistically analyzed using Excel table calculations and the Jamovi software for statistical analysis. One of the most important statistical formulas that are going to be used are: mean, median, mod, standard deviation, frequency and contingency tables, chi square tests and pearson correlation coefficient.

Mean will be used in order to provide insight in what is the average value of a group of selected values, thereafter Mod will show the most frequently chosen responses or a number in a set of numbers that appears the most often and Median will provide insight into the value that is separating the higher half from the lower half of a data sample. Standard deviation as a statistical formula will be used to understand how much the answers deviate from the average value to understand the density of the responses, e.g. the less dense the response the higher will the standard deviation be and vice versa, which can indicate there are opposing attitudes when considering a certain perception or attitude. (Papoulis, 1990) (Lupton, 1993).

Chi square test of independence aims to verify whether two variables are likely to be correlated or not. There are counts for two categorical or nominal variables, which after calculation or computing gives us a value to decide if the hypothesis is adopted or not. There have to be two hypothesis made. First hypothesis is referred to as the null hypothesis and always has to state a negative correlation e.g. “there is no correlations between x and x” whilst the second hypothesis also referred to as the alternative hypothesis states there is a relationship between two variables. Whether to adopt the null hypothesis or the alternative one is decided according to the p value. P value indicated the probability, for a given statistical model of the Chi square that, when the null hypothesis is true, the statistical summary would be equal to or more extreme than the actual observed results. Furthermore, according to the rules of Chi square test of independence all the null hypotheses whose p value exceeds the critical value or alpha value of 0,5 are adopted and vice-versa (Mindrila & Balentyne, 2023).

In order to understand the correlation that Chi square test of independence reveals, if any, the contingency or frequency tables are to be analyzed to determine the direction of the observed and expected values which can give the answer to which direction the values are more inclined to go to. They can also be defined as the visual display that organizes and presents frequency counts so that the information can be interpreted more easily and more precise.

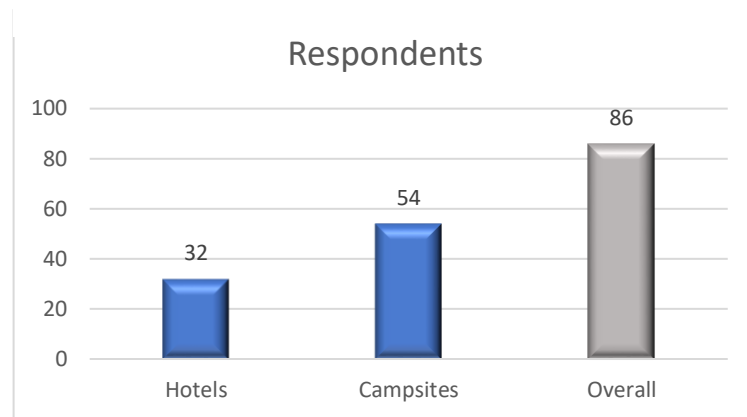
On the other hand pearson correlation coefficient will be used to understand the type and the strength of the correlation between two numerical variables. Its values reach from -1 to 1, where 0 is no correlation, 1 is total positive correlation and -1 is total negative correlation. These results are to be interpreted as follows: a correlation value of 0.75 between two variables would indicate that a strong or significant positive relationship exists between the two. A positive correlation indicates that if variable A goes up, then B will also go up, whereas if the value of the correlation is negative, then if A increases, B decreases (Nettleton, 2014).

5. FINDINGS

5.1 Sample size characteristics

In order to better understand the overall results it is necessary to be familiar with the overall sample size characteristics in accordance to distribution of different groups that is hotels and campsites, as well as their size categories. The whole sample size consists of 86 SME hotels and campsites, out of which 62,7% (54) are campsites and 37,3% (32) are hotels. The overall population of the hotels was 133 and for campsites 188. According to the overall population the hotel sample size covers for 24,3% of the overall SME hotel population in Croatia and the campsite sample size covers for 28,7%. Therefore, even though the campsites expressed in absolute numbers seem to out number the hotels, the overall sample is almost evenly distributed when taking into consideration the representation of the sample sizes to the entire population of the corresponding business group.

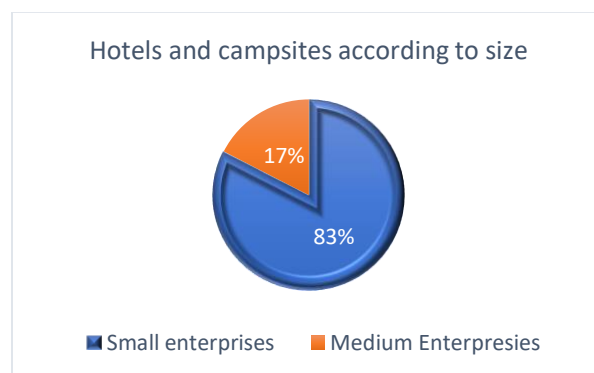
Figure 7: Sample size



Source: Own work

Out of the sample size for both SME hotels and campsites there are 83% of small sized businesses which accounts to 73 responses and 17% of them were medium sized, that is 15 businesses. In the sample size of hotels there was the least medium sized businesses, overall just 6%, whilst bigger part was noticed in campsites where medium sized accounted for almost one quarter that is 24%.

Figure 8: Percentage of sample size according to size



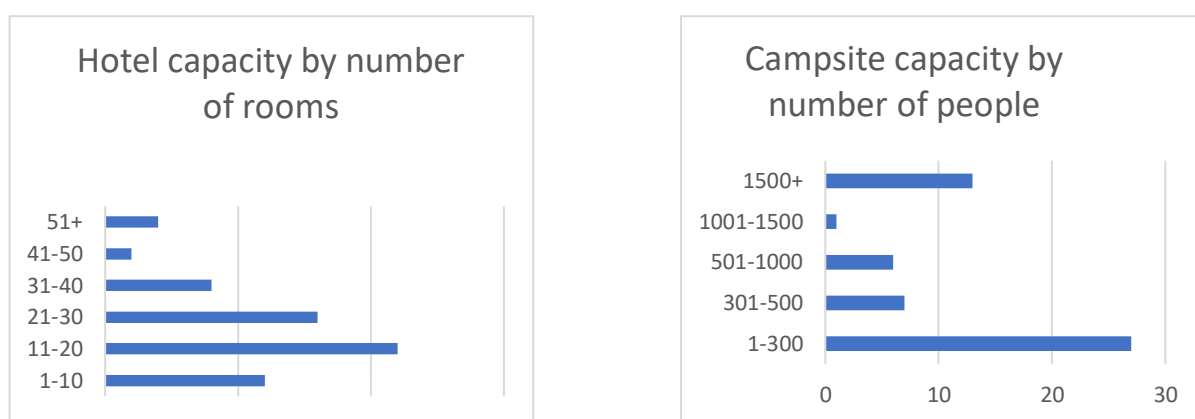
Source: Own work

In terms of capacities the biggest number of respondents in the sample size of hotels were the thresholds 11-20 and 21-30 that together make 59,3% (19) of the overall responses. On the other hand in the sample size of campsites the most responses were from businesses that have the smallest capacities of 1-300 people. The smallest threshold accounted for half of the responses (50%) and the second biggest responders in terms of campsites were the ones in the

largest threshold that have capacity of more than 1500 people and made 24,1% of the overall sample.

Overall, the distribution of responses of both hotels and campsites is quite unevenly distributed where the biggest part was made from the small sized businesses. The most even distribution according to size is to be observed in campsites, that were also far more evenly distributed than hotels in terms of capacities by people or when considering hotels by rooms. Nevertheless, out of the collected data it is surprising to point out that the most responses were from the smaller businesses either in terms of categorization by thresholds or by the official categorization of small, medium and large sized hotels and campsites in Croatia.

Figure 9: Respondents according to capacities



Source: Own work

5.2 Location

In terms of the SME hotels and campsites location according to the destination type the biggest part of the sample, 54 (63%) of them, is located in the coastal destinations. Almost one quarter, is situated in rural destinations and the least of them is to be found in urban destinations. When considering only SME campsites the results of the location are as expected, the biggest part as in the overall sample is in the coastal destinations, the least in urban and a large piece of the pie

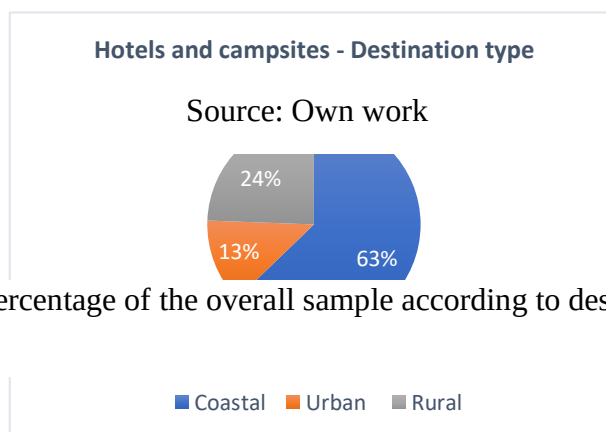
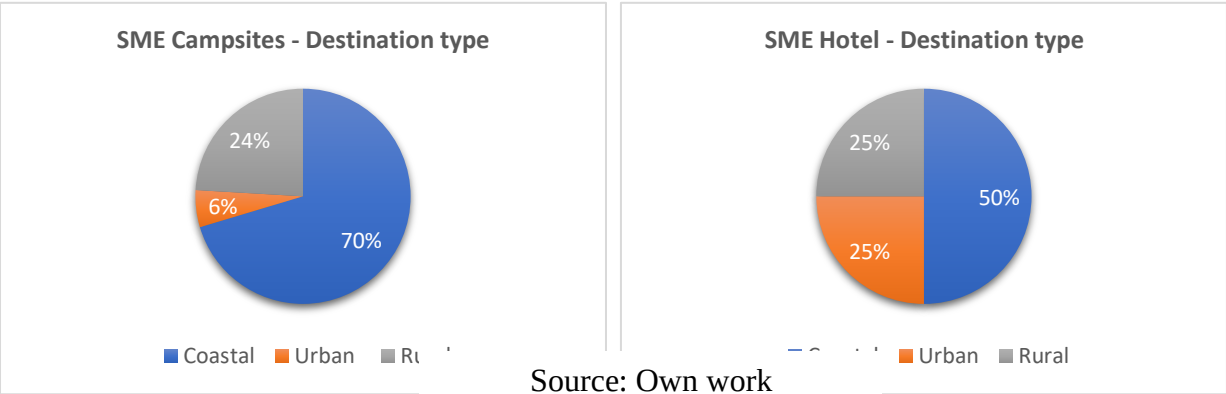


Figure 10: Percentage of the overall sample according to destination type

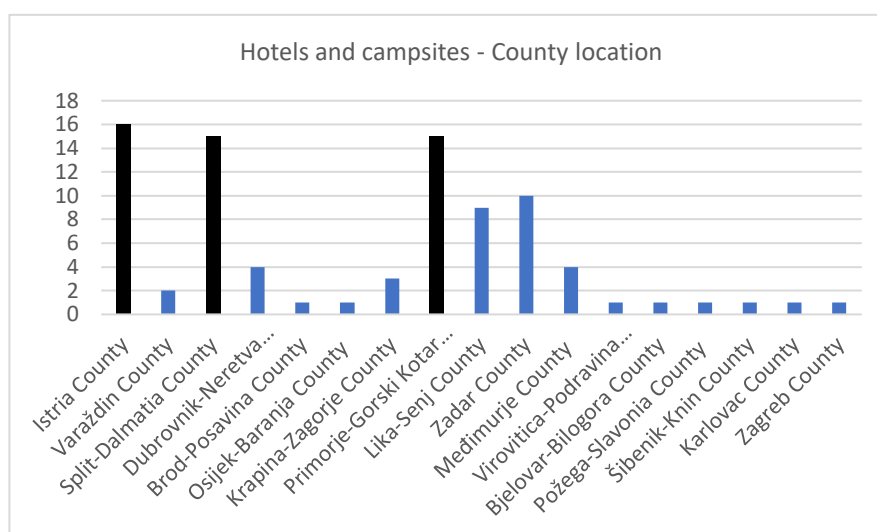
is taken by rural destinations. On the other hand the distribution of SME hotels destination location is distributed in a different way. Majority of the hotels, more precisely half of them, are still to be found on the coast but in comparison to campsites significantly less. The other half is evenly distributed between urban and rural areas. The location findings are overall very expected since the campsites require a lot of space which in urban areas is mostly unavailable, whilst hotels require less therefore are commonly found in those destinations.

Figure 11: Percentage of campsites and hotels according to destination type



In terms of location according to the destination type, the sample is divided into three counties that is Istria County, Zadar County and Primorje-Gorski Kotar County. These three counties account for more than half of the sample size that is 53,5% or 46 small and medium hotels and campsites. Furthermore, Zadar County is the fourth most represented and together with Lika-Senj County and Međimurje county accounts for more than a quarter of all the SME’s. The rest is almost evenly distributed across other counties. All of the above mentioned counties except for Međimurje County can mostly be considered to belong to coastal destinations. However, except for Istria County, they do not have a developed tourism offer in their rural parts. Therefore, even when observing the location distribution by Counties it is found that a majority of the sample size is still located in coastal destinations.

Figure 12: Number of campsites and hotels according to County location

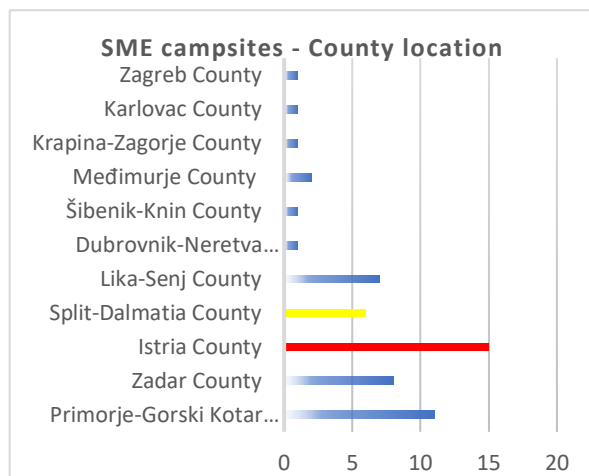


Source: Own work

When observing the results of location distribution by Counties there are certain obvious differences between hotels and campsites. The sample of SME hotels is spread over 14 Counties, which is 3 more Counties than campsites. Also most of them are located in Split-Dalmatia County, almost one third (29%). At the same time the same County is represented by only 11% in terms of campsites. Even bigger difference is when observing the Istria County. The most campsites, almost one third (27,5%) are located in Istria County, which is among the least represented by hotels and accounts for only 1,85% of hotels.

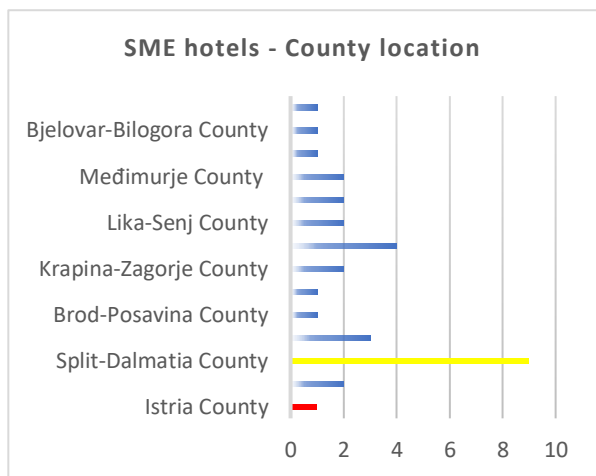
The findings of the location distribution by County show a negative relationship where in a certain County the more campsites are present the less hotels will be present and vice versa. Istria County is the most represented by campsites, whilst Split-Dalmatia County accounts for the most hotels.

Figure 13: Distribution of campsites by county



Source: Own work

Figure 14: Distribution of hotels by county



Source: Own work

5.3 Familiarity with sustainability

When asked about the familiarity with the term sustainable development most often the respondents answered 5 on the 1-5 Likert scale expressing, they are very familiar with the term. Half of the respondents according to Median formula expressed they are familiar and very familiar with the term, resulting in the very high average answer of 4.12 on a maximum of 5. Standard deviation shows that the answers were deviating from the average for 20% which is not very high.

Figure 15: Familiarity of the respondents with the term Sustainable development

Descriptives	
Familiarity - Sustainable development	
N	86
Mean	4.12
Median	4.00
Mode	5.00
Standard deviation	1.03

Source: Own work

Even though, the respondents expressed extremely high familiarity with the term sustainable development, when asked about familiarity with the global sustainable development goals as defined in the 2030 Agenda for Sustainable development the results showed the opposite side of the spectrum. On average the respondents gave answers below the middle value expressing they are poorly familiar or not familiar at all with the 2030 Agenda for Sustainable development. The answers have a relatively high standard deviation and are deviating in the range 1.38 – 4.22 which is 38% higher than when asked about familiarity with the term sustainable development. Most often the answer was 1 expressing the respondents are not familiar at all with the 2030 Agenda for Sustainable Development. The Median or the split average here shows us that half of the respondents scored under 3 (slightly familiar) and the other half above. The fact that the Mean average is lower than the Median tells us that the respondents were more unfamiliar with the 2030 Agenda than they actually were familiar, since the weight of the answers is concentrated on the lower part of the 1-5 Likert scale.

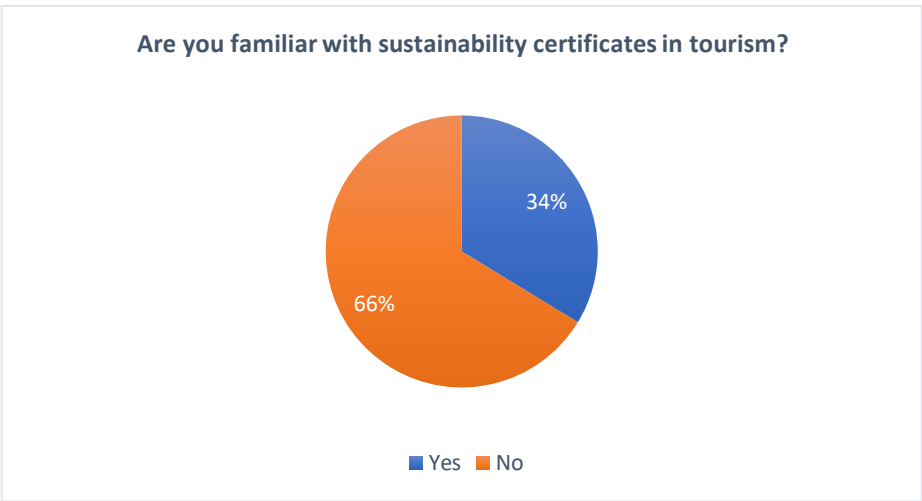
Figure 16: Familiarity of the respondents with the 2030 Agenda for Sustainable development

Descriptives	
Familiarity - 2030 Agenda	
N	86
Mean	2.80
Median	3.00
Mode	1.00
Standard deviation	1.42

Source: Own work

When it comes to familiarity with sustainability certificates in tourism about two thirds of respondents reported they are not familiar with them. When considering the familiarity with the 2030 Agenda for Sustainable Development and the familiarity of sustainability certificates in tourism this could indicate that even though the respondents are very familiar with the term sustainable development they do not possess knowledge or do not perceive the width of the term and are very poorly acquainted with the surrounding important elements of sustainable development such as the 2030 Agenda and the tourism sustainability certificates. The comparison of the three suggests that familiarity of the term sustainable development is high but more detailed knowledge of what it entails, in this case sustainability certificates and 2030 Agenda, is still rather low in this sample size that represents Croatian small and medium sized hotels and campsites.

Figure 17: Familiarity of the respondents with sustainability certificates in tourism



Source: Own work

Furthermore, to test the correlation between the given responses to familiarity of: the term sustainable development, 2030 Agenda for sustainable development and sustainability certificates in tourism, Pearson's correlation coefficient was used to understand the which kind of correlation is present and how strong it is between the above mentioned factors.

Figure 18: Correlation between familiarity factors

Correlation - Pearson's r		
	Familiarity - Sustainable development	Familiarity - 2030 Agenda
Familiarity - Sustainable development	—	
Familiarity - 2030 Agenda	0.464	—
Familiarity - Tourism sustainability certificates	0.297	0.448

Source: Own work

Result of the Pearson' correlation test shows that there is positive correlation between all three of the questions. However, the correlation is not very strong. The results show that there is moderate positive correlation of 0,464 between familiarity of the term sustainable development and the 2030 Agenda. This suggests that respondents that expressed high familiarity with the term sustainable development in the most times expressed express high familiarity with 2030 Agenda. This result was expected but in a higher correlation coefficient, assuming that the ones that are very familiar with sustainable development would also be acquainted with the corresponding agenda in the most times.

On the other hand a weak positive correlation of 0,297 was found between familiarity with the term sustainable development and sustainability certificates, meaning that the ones very familiar with the term sustainable development are not very likely to be familiar with the sustainability certificates in tourism.

Furthermore, there is moderate positive correlation of 0,448 between familiarity of the 2030 Agenda and tourism sustainability certificates. The correlation coefficient suggests that in most cases respondents that are familiar with the 2030 Agenda are also familiar with tourism sustainability certificates. Overall, it can be concluded that respondents that reported high familiarity with the term sustainable development do not necessarily know what 2030 Agenda for Sustainable Development is, even less do they know or are familiar with sustainability certificates in tourism. Nevertheless, results also indicate that the respondents familiar with sustainability certificates in most cases are familiar with the afore mentioned two elements.

Following the assumption that there could be correlation between the given responses in terms of familiarity with the above mentioned terms and the location by destination type or the County in this part Pearson's correlation coefficient was used once more.

The results surprisingly show that there is very weak correlation between the above mentioned factors, which suggests that there is little to no correlation between the familiarity of sustainable development, 2030 Agenda for sustainable development and sustainability certificates in tourism with the destination type and the County the SME's are located in. It could suggest that Croatian SME hotels and campsites no matter where they are located at have little knowledge of sustainability certificates in tourism and 2030 Agenda for Sustainable development.

Figure 19: Correlation between location and familiarity of sustainability terms

Correlation - Pearson's r		
	Location by County	Destination type
Location by County	—	
Destination type	0.095	—
Familiarity - Sustainable development	0.005	-0.135
Familiarity - 2030 Agenda	0.123	0.101
Familiarity - Tourism sustainability certificates	0.017	0.101

Source: Own work

After the respondents have answered “yes” to the question whether they are familiar with sustainability certificates in tourism, they were asked to list the ones they are familiar with. Out of 29 respondents that expressed they are familiar with sustainability certificates in tourism 69% (20) of them listed the certificates they were familiar with. Overall there are 41 mentions of 12 different certificates. The most mentioned one is the Eu Ecolabel which is not surprising since it is the most wide spread certificate in Croatia especially in the camping business. The second most mentioned is ISO certificate followed by Green Key. The least mentioned are Earth Check, EMAS, Green Globe and Eco Domus.

On the other hand, total of 7 respondents mentioned certain companies or services that are not sustainability certificates. This proves that there is still misconception about what sustainability certificate is and that it is often mistaken for some other certificates or services. For example there are a couple of mentions of certificates that were issued by the national tourism board during Covid – 19 pandemic that were certifying good business practice in terms of the Corona virus prevention, but had absolutely nothing to do with sustainability. Furthermore, among the “not a tourism sustainability certificate” were also certificates of sustainable housing and/or building adaption, such as: LEED, BREEAM, DGNB.

Table 1: Responses of participants which certificates they know

Certificate	Eu Ecolabel	ISO	Green Key	Ecocamping	Blue Flag	Green Destinations
Number of mentions	13	6	5	5	2	2
Travelife	Biosphere	Eco Domus	Green Globe	EMAS	Earth Check	Not a tourism sustainability certificate
2	2	1	1	1	1	8
Total number of mentions	41	Total number of certificates	12			

Source: Own work

5.4 Perceived importance of sustainability pillars

In terms of perception of how important is it to carry out specific activities that belong to a certain pillar of sustainability, the respondents were given explanations of what certain pillar stands for and examples of corresponding activities that can be carried out to positively contribute to the given pillar. When answering using a 1-5 Likert scale, how strongly do they agree that it is important to carry out those activities, most often they responded that they completely agree (5) that it is very important to carry out activities that are positively contributing to social, economic and environmental pillar. Respondents on average expressed that they agree and completely agree, the highest point of agreement was in the question of how important is it to carry out activities that are positively contributing the economic pillar which is expected, but the least positive feedback was on the importance of carrying out activities that positively contribute to the social pillar of sustainability.

Figure 20: Responses of participants on importance of carrying activities related to a certain pillar of sustainability

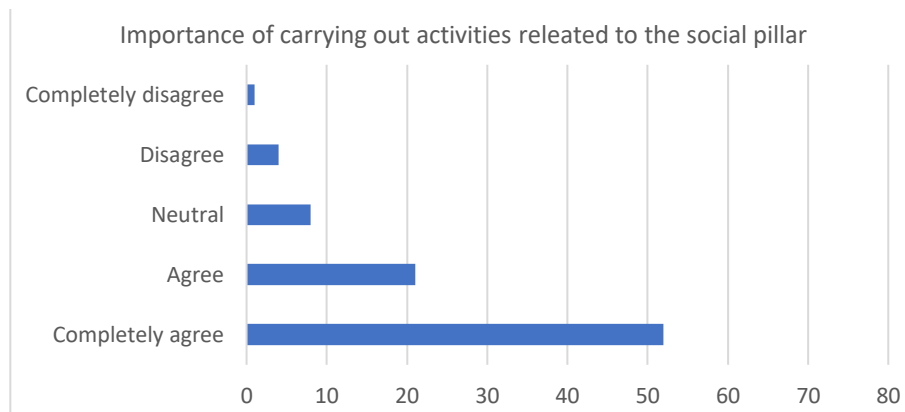
Descriptives			
	Social pillar	Ecological pillar	Economic pillar
N	86	86	86
Mean	4.38	4.65	4.76
Median	5.00	5.00	5.00
Mode	5.00	5.00	5.00
Standard deviation	0.923	0.732	0.685

Source: Own work

Even though, social pillar activities were considered very important, still it was considered the least important of the three, and the answers here deviated the most here. In the figures X and X it can be seen that 73 of respondents expressed they completely agree that it is important to carry out activities that positively contribute to the economic pillar of sustainability, where the social pillar received 52 responses that are expressing complete agreedness. The economic pillar received 41% more responses on perceived importance than the social one. The lacking 41% of the social pillar complete agreement is almost evenly distributed among “agree”, “neutral” and “disagree”.

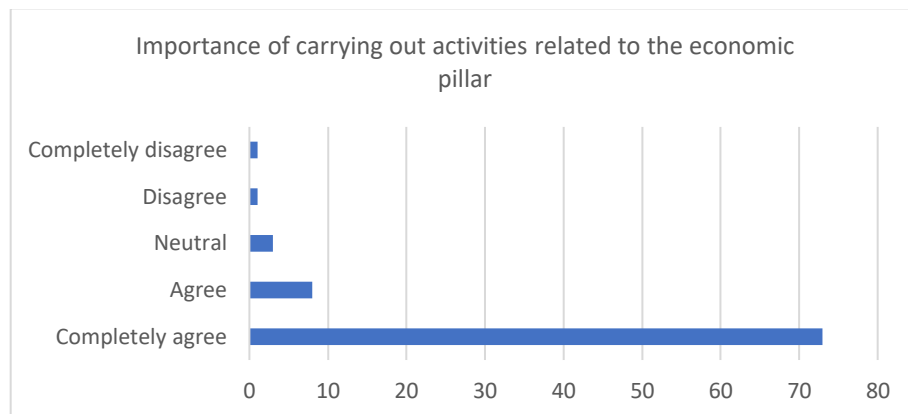
Overall, it can be observed from the results that the respondents perceived that carrying out activities that positively contribute to the economic pillar of sustainability are the most important, followed by carrying out activities towards environmental pillar and as the least important they perceived positively contributing to the social pillar of sustainability.

Figure 21: Importance of carrying out activities of the Social pillar of sustainability



Source: Own work

Figure 22: Importance of carrying out activities of the Economic pillar of sustainability



Source: Own work

In this part it is also noteworthy to analyze how important do SME hotels and campsites perceive sustainability in today's social and business environment. Most often they completely agree (5) that sustainability is important in today's social and business environment, but on average they are one level under and express they agree (4) with the statement. According to median half of the respondents expressed they completely agree.

Figure 23: Attitude towards importance of sustainability in society and business

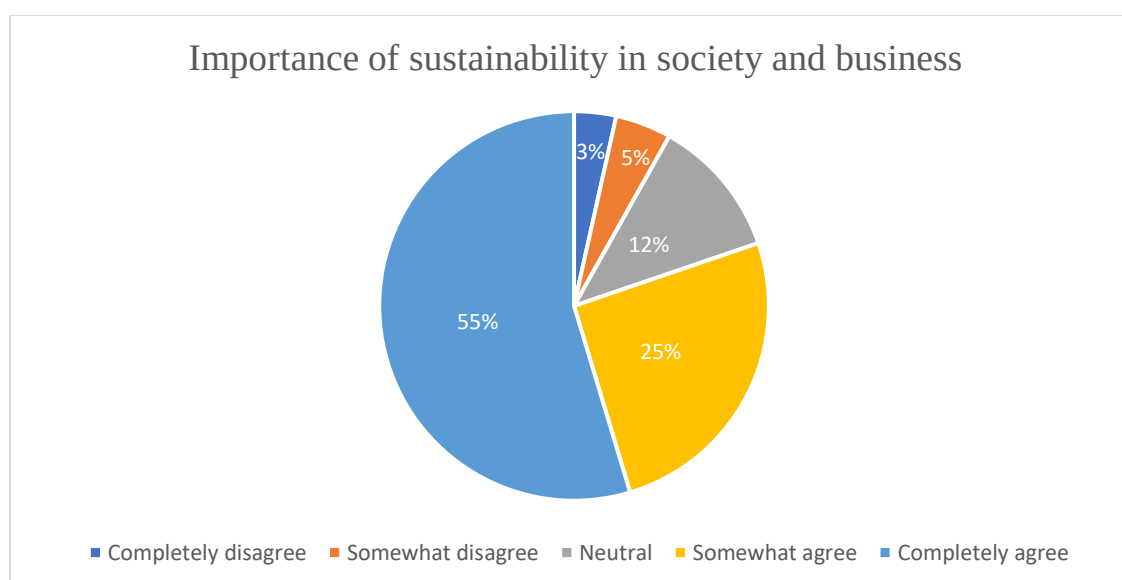
Descriptives

Importance of sustainability in society and business	
N	86
Missing	0
Mean	4.22
Median	5.00
Mode	5.00
Standard deviation	1.06

Source: Own work

The other half of the respondents expressed level 4 (agree) or lower of agreedness on Likert scale 1-5. Respondents that expressed they agree with the statement account for one quarter of the overall results. Only 8% respondents expressed that they do not agree with the statement that sustainability is important in today's business and social environment, whilst 12% remained neutral. Overall the findings show that 80% respondents do perceive that sustainability is an important topic in today's social and business environment.

Figure 24: Attitude towards importance of sustainability in society and business in percentage



Source: Own work

5.4 Attitudes towards potential benefits of sustainability certification implementation

When measuring the attitudes using a Likert scale 1-5 (1-completely disagree, 5-completely agree) respondents have when considering perceived benefits of sustainability certificate implementation in their business, overall the results show that they do perceive that certification does bring various benefits to the business and can increase their performance in the areas highlighted in the questionnaire. The strongest positive attitude respondents have is towards the certificate increasing the promotion and strengthening the recognition of the business on the market. Also, their attitude, according to data shows they agree that when sustainability certificate is implemented, it can attract tourists that have a higher purchasing power. On the other hand the attitudes were more leaning towards neutral (neither agree, neither do not agree) when considering can sustainability certificate result in guests choosing the business because it is certified over the non certified ones, can it increase loyalty and satisfaction of the guests and can certificate lead to operation cost reduction when implemented.

It is noteworthy that even though respondents attitudes show they believe they can achieve better recognition on the market and attract higher paying guests, they are most often neutral when considering that guests prefer sustainability certified facilities.

Figure 25: Respondents attitudes towards benefits of sustainability certification implementation

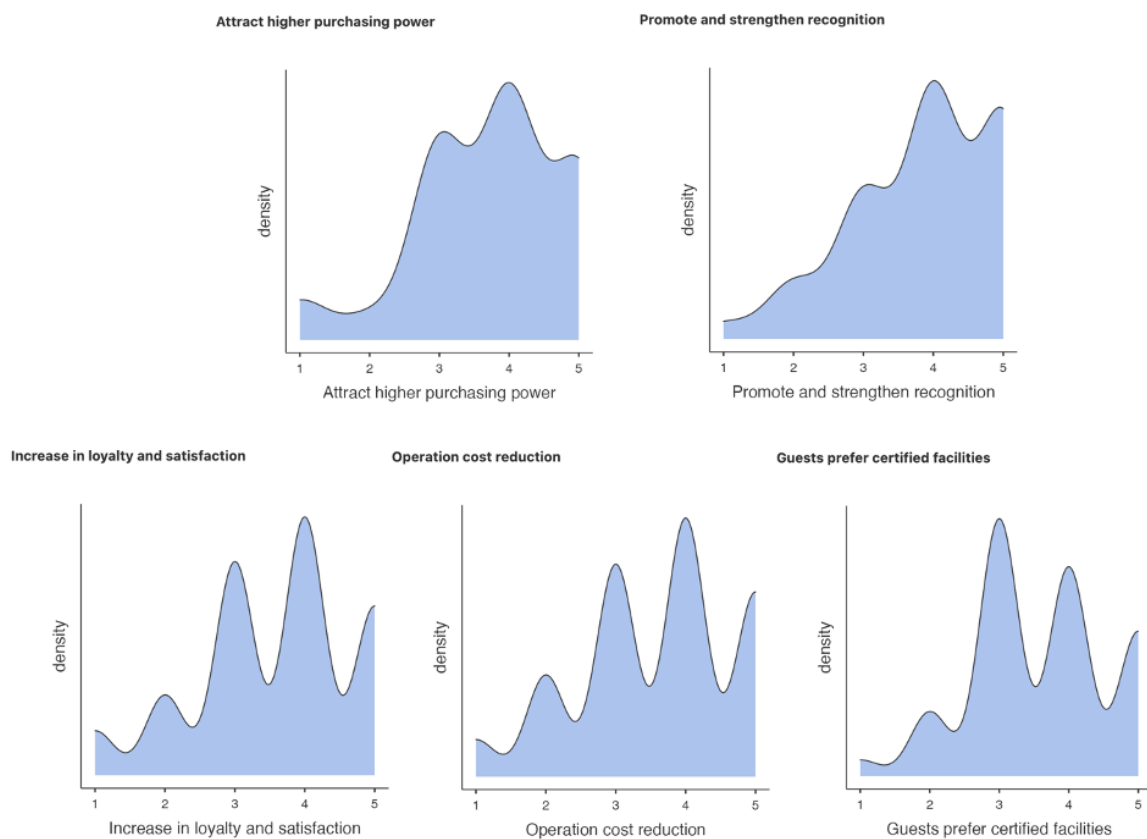
Descriptives			
	Promote and strengthen recognition	Guests prefer certified facilities	
N	86	86	86
Missing	0	0	0
Mean	3.88	3.58	3.58
Median	4.00	4.00	4.00
Mode	4.00	3.00	3.00
Standard deviation	1.03	1.000	1.000

Increase in loyalty and satisfaction	Attract higher purchasing power	Operation cost reduction
86	86	86
0	0	0
3.56	3.72	3.57
4.00	4.00	4.00
4.00	4.00	4.00
1.12	1.07	1.12

Source: Own work

Even though statistical analysis in the figure above shows us there is little discrepancy between the attitudes measured by: mean, median and mod, Figure 25 demonstrates the density of the responses and helps to visualize the differences. The benefits that include attracting higher purchasing power tourists and promotion and recognition strengthening have a consistent upwards direction, showing that the respondents positive attitudes towards these benefits are very strong and can be concluded they that they strongly believe that implementation of sustainability certificates can attract higher paying guests and help raise awareness of the business on the market. However, when it comes to attitudes towards increase in loyalty, operation cost reduction and guests preference toward certified objects it is obvious from the density graphs that the attitudes are more inclined to be neutral, not agreeing nor disagreeing that these benefits could occur.

Figure 26: Density of attitudes towards benefits of sustainability certificates



Source: Own work

In order to understand are there any connections and differences between the capacity of the business and their attitude towards potential benefits of the certification the Chi square test was done coding the capacities of the hotels and campsites as following:

S – Small capacity

Hotels that have 1-20 rooms capacity

Campsites that have 1-500 people capacity

M – Medium capacity

Hotels that have 21-40 rooms capacity

Campsites that have 501-1500 people capacity

B – Big capacity

Hotels that have 41+ rooms capacity

Campsites that have 1500+ people capacity

Following the assumption there could be connections to the attitudes towards potential benefits of the sustainability certificates and the capacity of the businesses the null hypothesis and alternative hypothesis are formulated in accordance to the Chi square test as following:

H0a: There is no relationship between the capacity of the business and the expressed attitude towards the statement: Implementation of sustainability certificate *attracts guests with higher purchasing power*.

H1a: There is relationship between the capacity of the business and the expressed attitude towards the statement: Implementation of sustainability certificate *attracts guests with higher purchasing power*.

H0b: There is no relationship between the capacity of the business and the expressed attitude towards the statement: Implementation of sustainability certificate *helps to promote and strengthen the recognition of the business on the market*.

H1b: There is relationship between the capacity of the business and the expressed attitude towards the statement: Implementation of sustainability certificate *helps to promote and strengthen the recognition of the business on the market*.

H0c: There is no relationship between the capacity of the business and the expressed attitude towards the statement: Implementation of sustainability certificate *helps to increase guests loyalty and satisfaction*.

H1c: There is relationship between the capacity of the business and the expressed attitude towards the statement: Implementation of sustainability certificate *helps to increase guests loyalty and satisfaction*.

H0d: There is no relationship between the capacity of the business and the expressed attitude towards the statement: *Implementation of sustainability certificate enables reduction of operating costs through the application of sustainable management practices.*

H1d: There is relationship between the capacity of the business and the expressed attitude towards the statement: *Implementation of sustainability certificate enables reduction of operating costs through the application of sustainable management practices.*

H0e: There is no relationship between the capacity of the business and the expressed attitude towards the statement: *Guests are more inclined to stay in facilities that have a sustainability certificate and buy their products.*

H1e: There is relationship between the capacity of the business and the expressed attitude towards the statement: *Guests are more inclined to stay in facilities that have a sustainability certificate and buy their products.*

Table 2: Chi square test, p value

Hypothesis	Critical value/Alpha level	P value	Adopt/Reject H0
H0a	0,5	0,586	Adopt
H0b		0,552	Adopt
H0c		0,567	Adopt
H0d		0,530	Adopt
H0e		0,996	Adopt

Source: Own work

According to the rules of Chi square test of independence all the hypotheses whose p value exceeds the critical value or alpha value of 0,5 are adopted and vice-versa (Mindrila & Balentyne, 2023).

In relation to the results of the Chi square test it can be stated that there is no relationship between the capacity of the business and the expressed attitude towards the potential benefits of sustainability certificate implementation. Which suggests that all the business no matter their capacities in terms of rooms or people agree with the above mentioned statements.

5.5 Attitudes towards potential obstacles of sustainability certification implementation

When measuring the attitudes towards potential obstacles of sustainability certification implementation the results vary much more than when measuring potential benefits, and here bigger discrepancy in attitudes can be observed. Most often and on average the respondents agreed that the biggest obstacles in sustainability certification implementation are: lack of time and employees, not knowing the certification system and budget limitations. Lack of time and employees is considered to be the biggest obstacles where respondents answered most of the times were 5-completely agree. Furthermore, as the least obstacle the respondents expressed “Tourists do not care about sustainability”. Here on average they were in between neutral (3) and disagree (2) and in most cases neutral. This obstacle is where the attitudes were deviating the most in the range of 1,52 - 3,8. Second least obstacle, the respondents perceived “Unclear benefits”, nevertheless here most often they also expressed neutral attitudes meaning they do not agree neither agree.

Overall, when analyzing the attitudes respondents have towards potential obstacles upon sustainability certification implementation are neutral. The biggest obstacle was lack of time and employees whilst the least obstacle was tourists do not care about sustainability.

Figure 27: Respondents attitudes towards potential obstacles of sustainability certificate implementation

Descriptives				
	Not knowing the certification system	Complexity of the certification process	Lack of time and employees	
N	86	86	86	
Missing	0	0	0	
Mean	3.60	3.58	3.86	
Median	4.00	4.00	4.00	
Mode	4.00	3.00	5.00	
Standard deviation	1.17	1.05	1.12	

Budget limitations	Unclear benefits of certification	Tourists do not care about sustainability	Employees do not care about sustainability
86	86	86	86
0	0	0	0
3.85	3.41	2.66	3.15
4.00	3.00	3.00	3.00
4.00	3.00	3.00	3.00
1.09	1.12	1.14	1.09

Source: Own work

In order to understand are there any connections and differences between the capacity of the business and their attitude towards potential obstacles of the certification the Chi square test was used once again coding the capacities of the hotels and campsites as following:

S – Small capacity

Hotels that have 1-20 rooms capacity

Campsites that have 1-500 people capacity

M – Medium capacity

Hotels that have 21-40 rooms capacity

Campsites that have 501-1500 people capacity

B – Big capacity

Hotels that have 41+ rooms capacity

Campsites that have 1500+ people capacity

Following the assumption there could be connections to the attitudes towards potential benefits of the sustainability certificates and the capacity of the businesses the null hypothesis and alternative hypothesis are formulated in accordance to the Chi square test as following:

H0a: There is no relationship between the capacity of the business and attitude towards the potential obstacle of *not knowing the certification system*.

H1a: There is relationship between the capacity of the business and the attitude towards the potential obstacle of *not knowing the certification system*.

H0b: There is no relationship between the capacity of the business and the attitude towards the potential obstacle of *complexity of the certification system*.

H1b: There is relationship between the capacity of the business and the attitude towards the potential obstacle of *complexity of the certification system*.

H0c: There is no relationship between the capacity of the business and the attitude towards the potential obstacle of *lack of time and employees*.

H1c: There is relationship between the capacity of the business and the attitude towards the potential obstacle of *lack of time and employees*.

H0d: There is no relationship between the capacity of the business and the attitude towards the potential obstacle of *budget limitations*.

H1d: There is relationship between the capacity of the business and the attitude towards the potential obstacle of *budget limitations*.

H0e: There is no relationship between the capacity of the business and the attitude towards the potential obstacle of *unclear benefits of certification*.

H1e: There is relationship between the capacity of the business and the attitude towards the potential obstacle of *unclear benefits of certification*.

H0f: There is no relationship between the capacity of the business and the attitude towards the potential obstacle of *tourists not caring about sustainability*.

H1f: There is relationship between the capacity of the business and the attitude towards the potential obstacle of *tourists not caring about sustainability*.

H0g: There is no relationship between the capacity of the business and the attitude towards the potential obstacle of *employees not caring about sustainability*.

H1g: There is relationship between the capacity of the business and the attitude towards the potential obstacle of *employees not caring about sustainability*.

Table 3: Chi square test, p value

Hypothesis	Critical value/Alpha level	P value	Adopt/Reject
H0a	0,5	0,832	Adopt
H0b		0,561	Adopt
H0c		0,252	Reject
H0d		0,840	Adopt
H0e		0,147	Reject
H0f		0,376	Reject
H0g		0,149	Reject

Source: Own work

According to the rules of Chi square test of independence all the hypotheses whose p value exceeds the critical value or alpha value of 0,5 are adopted and vice-versa (Mindrila & Balentyne, 2023).

The results of the Chi square test shows that the p value for hypothesis H0b, H0e, H0f and H0g is lower than the critical or the alpha value of 0,5 therefore these null hypothesis are rejected and the alternative H1b, H1e, H1f and H1g are adopted meaning that there is a relationship between the capacity of the business and the attitude towards the potential obstacle of:

- Lack of time and employees. (H1c)
- Unclear benefits of certification. (H1e)
- Tourists not caring about sustainability. (H1f)
- Employees not caring about sustainability. (H1g)

The Chi square test can show whether there is a relationship between two independent variables or not, but can not show what the differences are since it is a statistical method. However, analyzing the frequency of distribution of the expected and observed values in the contingency table will enable to distinguish where the values are more densely distributed. Observed values reveal how real values are distributed within the sample. On the other hand expected values reveal specify what the values of each cell of the table would be if there was no association between the two variables.

In the table 4 the expected and observed values for H1c, indicate that it was expected from the big capacity hotels and campsites to show less strength in attitude towards the obstacle of lack of time and employees than observed, whilst for the small businesses it was expected to show more strength in attitudes than observed. This ratio of expected and observed values, as well as the distribution of observed values indicates that bigger capacity hotels and campsites tend to have stronger attitudes towards this obstacle than smaller capacity businesses, that suggests that the bigger the capacity of the business the more do they perceive lack of time and employees an obstacle when implementing sustainability certificate.

Table 4: Expected and observed values of attitudes toward obstacle „Lack of time and employees“.

Contingency Tables							
Capacity		Lack of time and employees					Total
		1	2	3	4	5	
B	Observed	0	0	2	8	6	16
	Expected	0.744	1.12	3.35	5.21	5.58	16.0
S	Observed	3	4	15	14	15	51
	Expected	2.372	3.56	10.67	16.60	17.79	51.0
M	Observed	1	2	1	6	9	19
	Expected	0.884	1.33	3.98	6.19	6.63	19.0
Total	Observed	4	6	18	28	30	86
	Expected	4.000	6.00	18.00	28.00	30.00	86.0

χ^2 Tests			
	Value	df	p
χ^2	10.2	8	0.252
N	86		

Source: Own work

In the frequency distribution of expected and observed values values in H1e (table 5), the ratio suggests results to be on the contrary of the previous contingency table. Here, analyzing the stronger attitudes in terms of observed vs. expected does not tell us much. However, looking at the weaker attitudes it can be detected that big capacity hotels and campsites were expected to have more values in attitudes 1 (completely disagree) and 2 (disagree) than observed, on the other hand small capacity hotels and campsites had more observed values than expected in the same span. This ratio indicates that the smaller capacity businesses of the sample tend to have weaker attitudes towards perceiving unclear benefits of certification as an obstacle. This suggests that the small businesses do not perceive unclear benefits as big of an obstacle as the bigger capacity businesses do. Nevertheless, distribution in the stronger values of attitudes towards this obstacle still shows us that a majority of small of them perceives them as an obstacle, but weaker than big capacity hotels and campsites do.

Table 5: Expected and observed values of attitudes toward obstacle „Unclear benefits of certification“.

Contingency Tables							
Capacity		Unclear benefits of certification					Total
		1	2	3	4	5	
B	Observed	0	0	8	6	2	16
	Expected	1.49	0.930	5.77	5.21	2.60	16.0
S	Observed	8	5	14	15	9	51
	Expected	4.74	2.965	18.38	16.60	8.30	51.0
M	Observed	0	0	9	7	3	19
	Expected	1.77	1.105	6.85	6.19	3.09	19.0
Total	Observed	8	5	31	28	14	86
	Expected	8.00	5.000	31.00	28.00	14.00	86.0

χ^2 Tests			
	Value	df	p
χ^2	12.1	8	0.147
N	86		

Source: Own work

Contingency table in table 6 presents observed and expected values of attitudes towards an obstacle of tourists not caring about sustainability. The observed values in level 4 (agree) are significantly higher than expected for small capacity businesses and significantly lower for big capacity businesses. On the other hand in level 2 (disagree) bigger capacity businesses were expected to have almost double the observed values than there actually were. This suggests a possibility that small capacity businesses tend to have an attitude that tourists do not care about sustainability much more than bigger capacity businesses. Furthermore, the assumption can be even more strongly posed considering the distribution of observed values. The observed values

for big capacity businesses tend to be distributed between level 1 (completely disagree) 2 (disagree) and 3 (neutral) where 50% of values are in the span of level 1 and 2. For small capacity businesses the distribution of observed values is much more equal than big capacity businesses. Overall the distribution of the observed values and the ratio of observed and expected provide evidence that support the above mentioned assumption that small capacity businesses perceive that tourists are not caring about sustainability much more than big capacity businesses.

Table 6: Expected and observed values of attitudes toward obstacle „Unclear benefits of certification“.

Contingency Tables							
Capacity		Tourists do not care about sustainability					Total
		1	2	3	4	5	
B	Observed	2	6	6	1	1	16
	Expected	3.16	3.72	5.21	3.16	0.744	16.0
S	Observed	11	11	13	14	2	51
	Expected	10.08	11.86	16.60	10.08	2.372	51.0
M	Observed	4	3	9	2	1	19
	Expected	3.76	4.42	6.19	3.76	0.884	19.0
Total	Observed	17	20	28	17	4	86
	Expected	17.00	20.00	28.00	17.00	4.000	86.0

χ^2 Tests			
	Value	df	p
χ^2	8.61	8	0.376
N	86		

Source: Own work

Considering the attitudes towards the obstacle of employees not caring about sustainability as presented in the hypothesis H1g Ch I square test identified there is a relationship with the capacity of the business. Once again for further clarifications the observed and expected values are analyzed in order to provide a possible explanation for the relationship. Big and medium capacity hotels and campsites did not show significant discrepancy between the observed and expected values and were more less in line with each other when weighing the values. However, in the levels 1 (disagree) and 5 (completely disagree) the observed values for small capacity businesses were convincingly higher than expected values. The fact that the observed values were higher provides evidence that small capacity businesses were more keen to perceive employees not caring about sustainability as an obstacle than medium and big capacity hotels and campsites.

Table 7: Expected and observed values of attitudes toward obstacle
„Unclear benefits of certification“.

Contingency Tables

Capacity		Employees do not care about sustainability					Total
		1	2	3	4	5	
B	Observed	1	2	9	2	2	16
	Expected	1.30	2.23	7.44	2.79	2.23	16.0
S	Observed	6	9	19	12	5	51
	Expected	4.15	7.12	23.72	8.90	7.12	51.0
M	Observed	0	1	12	1	5	19
	Expected	1.55	2.65	8.84	3.31	2.65	19.0
Total	Observed	7	12	40	15	12	86
	Expected	7.00	12.00	40.00	15.00	12.00	86.0

χ^2 Tests

	Value	df	p
χ^2	12.0	8	0.149
N	86		

Source: Own work

5.6 Willingness on sustainability certification implementation

When asked whether the respondents are interested in implementing a sustainability certificate 45% (39) of them expressed interest in implementation and almost the same amount or 44% (38) expressed they are partly interested in implementation of sustainability certificate. On the other hand only 10,5% (9) of the respondents expressed they are not interested in sustainability certificate implementation.

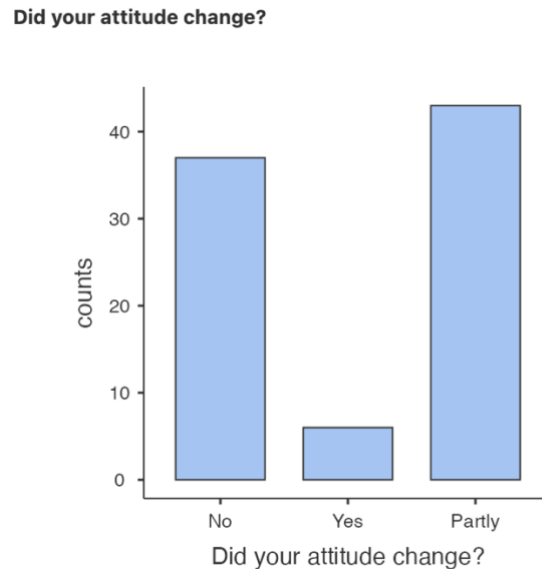
Figure 28: Respondents interest in implementation of a sustainability certificate



Source: Own work

After expressing their attitudes on interest in implementation of sustainability certificate, the respondents were answering questions in regard to potential obstacles as seen in the chapter before. After the questions of potential obstacles have been answered and the respondents were made familiar with them, they were asked whether their attitudes towards implementation of the certificate change. Surprisingly, only 7% (6) expressed their attitudes have changed and 50% (46) of them expressed their attitudes have changed partly. On the other hand 43% (37) had firm non changed attitudes towards certification implementation.

Figure 29: Expected and observed values of attitudes toward obstacle „Unclear benefits of certification“.



Source: Own work

In the contingency table by the distribution of values it can be observed that there were 6 respondents that have changed the attitude towards interest in implementing the sustainability certificate: 2 from not interested, 2 from interested and 2 from partly interested. Here it is not possible to conclude where have their attitudes exactly shifted to, but there is only two other options. E.g. the ones that expressed they are not interested might have changed their attitude towards interested or partly interested. The same can be applied to all other responses. What is interesting to observe is that from the respondents that expressed their interest in implementing the sustainability certificate 46% (18) showed that they partly changed their attitude after considering the potential obstacles. Even more, 60% (23) of those that were partly interested changed their attitude partly, towards interested or not.

Table 8: Distribution of values of attitudes in implementation of the sustainability certificate

Contingency Tables				
Interested in implementing sustainability certificate	Did your attitude change?			Total
	No	Yes	Partly	
Yes	19	2	18	39
Partly	13	2	23	38
No	5	2	2	9
Total	37	6	43	86

Source: Own work

In order to test is there any relationship between the capacity of the business and the destination type they are located in, with the willingness to implement the sustainability certificate and the change of attitude, Chi square test was applied. Here the null hypothesis and the alternative hypothesis are formulated in accordance to the Chi square test as following:

H0a: There is no relationship between the capacity of the business and their interest in implementing a sustainability certificate.

H1a: There is a relationship between the capacity of the business and their interest in implementing a sustainability certificate.

H0b: There is no relationship between the capacity of the business and the change of the attitude toward implementation of sustainability certificate.

H1b: There is a relationship between the capacity of the business and the change of the attitude toward implementation of sustainability certificate.

H0c: There is no relationship between the destination type the business is located in and their interest in implementing a sustainability certificate.

H1c: There is a relationship between the destination type the business is located in and their interest in implementing a sustainability certificate.

H0d: There is no relationship between the destination type the business is located in and the change of attitude towards the implementation of sustainability certificate.

H1d: There is a relationship between the destination type the business is located in and the change of attitude towards the implementation of sustainability certificate.

Table 9: Chi square test, p value

Hypothesis	Critical value/Alpha level	P value	Adopt/Reject
H0a	0,5	0,368	Reject
H0b		0,007	Reject
H0c		0,002	Reject
H0d		0,785	Adopt

Source: Own work

According to the rules of Chi square test of independence all the hypotheses whose p value exceeds the critical value or alpha value of 0,5 are adopted and vice-versa (Mindrila & Balentyne, 2023).

The results of the Chi square test shows that the p value for hypothesis H0a, H0b and H0c is lower than the critical or the alpha value of 0,5 therefore these null hypothesis are rejected and the alternative H1a, H1b and H1c are adopted meaning that there is a relationship between the capacity of the business and:

- The interest in implementation of sustainability certificates. (H1a)
- The change of attitude. (H1b)

Also Chi square test showed there is relationship between the destination type and the interest in implementing a sustainability certificate (H1c).

In order to better understand the relationship between the capacity of the business and their interest in implementing a sustainability certificate contingency table requires further analysis.

By analyzing the observed values it is noteworthy that 39% (20) of the small businesses expressed their interest in implementing a certificate and were lower than the expected values. On the other hand 56% (9) of the big capacity businesses and 52% (10) of medium capacity businesses expressed their interest in implementation, and their observed values were higher than the expected ones. The contingency table provides an insight that small capacity hotels and campsites are less probable to be interested in implementation than big and medium capacity ones.

Table 10: Expected and observed values of the business capacity and interest in implementing a sustainability certificate.

Contingency Tables		Interested in implementing sustainability certificate			
Capacity		Yes	Partly	No	Total
B	Observed	9	7	0	16
	Expected	7.26	7.07	1.67	16.0
S	Observed	20	25	6	51
	Expected	23.13	22.53	5.34	51.0
M	Observed	10	6	3	19
	Expected	8.62	8.40	1.99	19.0
Total	Observed	39	38	9	86
	Expected	39.00	38.00	9.00	86.0

Source: Own work

Furthermore, the contingency table in figure X, shows that the biggest attitude changers were big capacity hotels and campsites where 25% (4) changed their attitude towards interest in

implementing a sustainability certificate after considering potential obstacles. Also, the observed value is significantly higher than the expected one which together with the afore mentioned indicates that the big capacity businesses are more prone to attitude changing after considering potential obstacles to sustainability certification implementation. On the other hand in the group of small capacity hotels and campsites only 1 changed their attitude totaling 1,9% of overall changed attitudes. Additionally, it is worthy mentioning that according to the expected value distribution it was expected that 3,56 of the small capacity businesses would change their mind, which is significantly higher than the observed value of 1. Overall, here it can be concluded that the big capacity hotels and campsites are more likely to change their mind towards implementation of sustainability certificate than the smaller counterparts.

Table 11: Expected and observed values of the business capacity and change of attitude

Contingency Tables					
Capacity		Did your attitude change?			Total
		No	Yes	Partly	
B	Observed	9	4	3	16
	Expected	6.88	1.12	8.00	16.0
S	Observed	20	1	30	51
	Expected	21.94	3.56	25.50	51.0
M	Observed	8	1	10	19
	Expected	8.17	1.33	9.50	19.0
Total	Observed	37	6	43	86
	Expected	37.00	6.00	43.00	86.0

Source: Own work

Even though, destination type did not show to have any relationship with the change of the attitude, the Chi square test showed there is relationship with the interest of implementing the sustainability certificate. The distribution of observed values in the contingency table shows that businesses in rural destinations had the largest interest in implementation of 47%, followed by businesses in coastal destinations with the percentage of 46%. Urban expressed the least interest with 36% interest in obtaining the certificate. Furthermore, hotels and campsites in urban areas according to the expected values were expected to have significantly less responses of not interested than observed. The analysis of the value distribution points out that hotels and campsites located in urban destination types are more likely to not be interested in implementation of a sustainability certificates than their counterparts located in rural or coastal destination types.

Table 12: Expected and observed values of the destination type interest in implementing a sustainability certificate

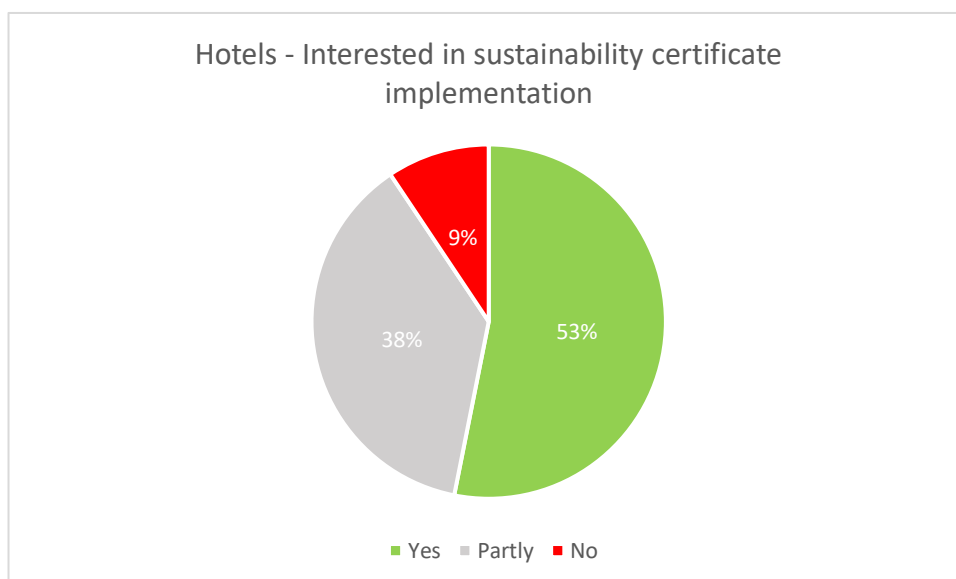
Contingency Tables

Destination type		Interested in implementing sustainability certificate			Total
		Yes	Partly	No	
Urban	Observed	4	2	5	11
	Expected	4.99	4.86	1.15	11.0
Rural	Observed	10	10	1	21
	Expected	9.52	9.28	2.20	21.0
Coastal	Observed	25	26	3	54
	Expected	24.49	23.86	5.65	54.0
Total	Observed	39	38	9	86
	Expected	39.00	38.00	9.00	86.0

Source: Own work

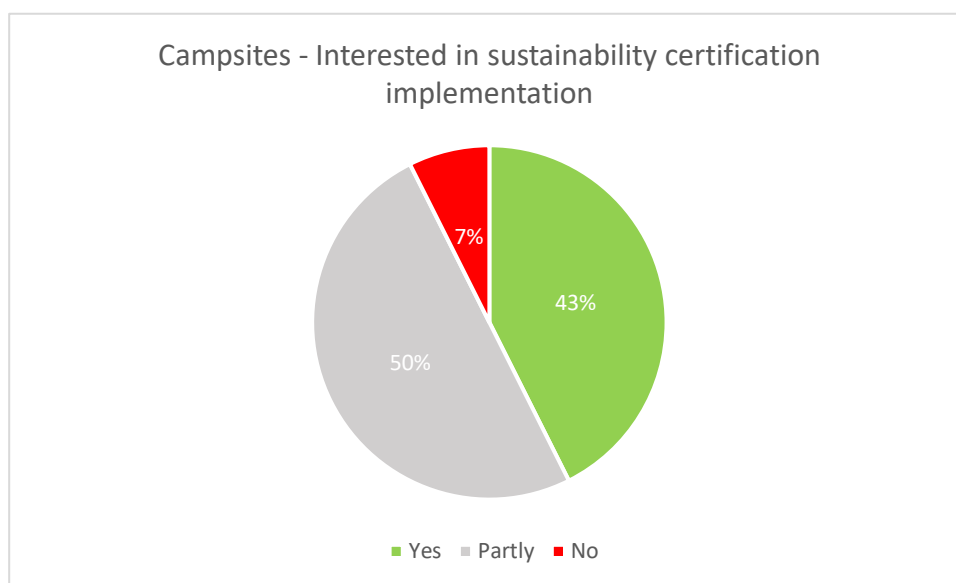
When taking a closer look in the results of willingness of sustainability certificate implementation and the change of attitude there are also certain differences between our two sample population groups. The SME hotels as presented in the figure 29 showed a higher percentage of interest in implementing a certificate that is 10% higher than the campsites. At the same time they expressed by 2% more that they are not interested. Furthermore, partly interested is taking 12% less part in the responses than campsites, which suggests that hotels have a more firm stance on whether they want to implement certificates or not, whilst mostly expressing they are willing.

Figure 30: Interest of hotels for sustainability certificate implementation



Source: Own work

Figure 31: Interest of campsites for sustainability certificate implementation



Source: Own work

To complement the above mentioned, it is noteworthy that hotels when asked are they familiar with sustainability certificates in tourism expressed a significantly higher familiarity rate than campsites, where hotels responded in 46,9% cases they are familiar, whilst campsites only in 27,8%.

Figure 32: Familiarity of hotels with sustainability certificates

Are you familiar with sustainability certificates	Counts	% of Total
Yes	15	46.9 %
No	17	53.1 %

Source: Own work

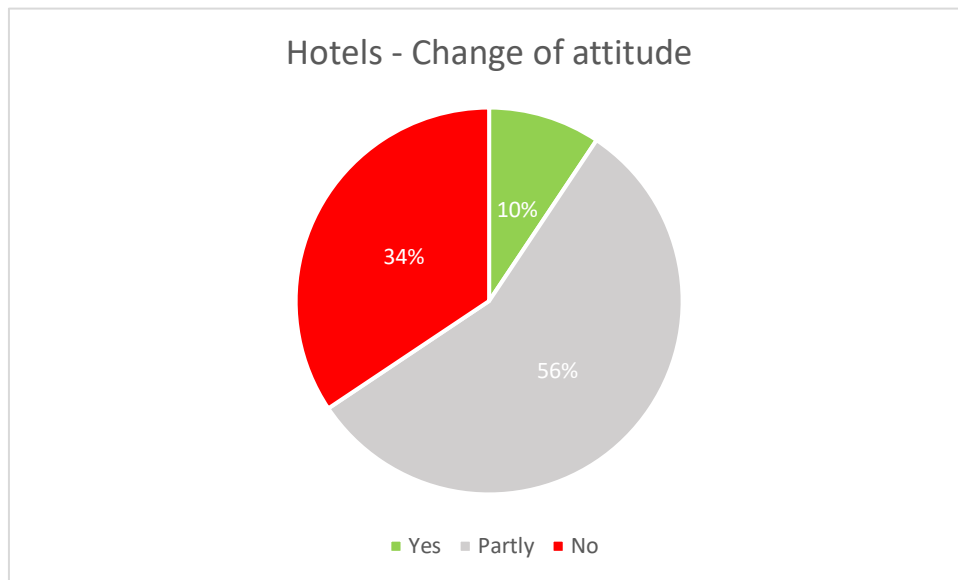
Figure 33: Familiarity of campsites with sustainability certificates

Are you familiar with sustainability certificates?	Counts	% of Total
Yes	15	27.8 %
No	39	72.2 %

Source: Own work

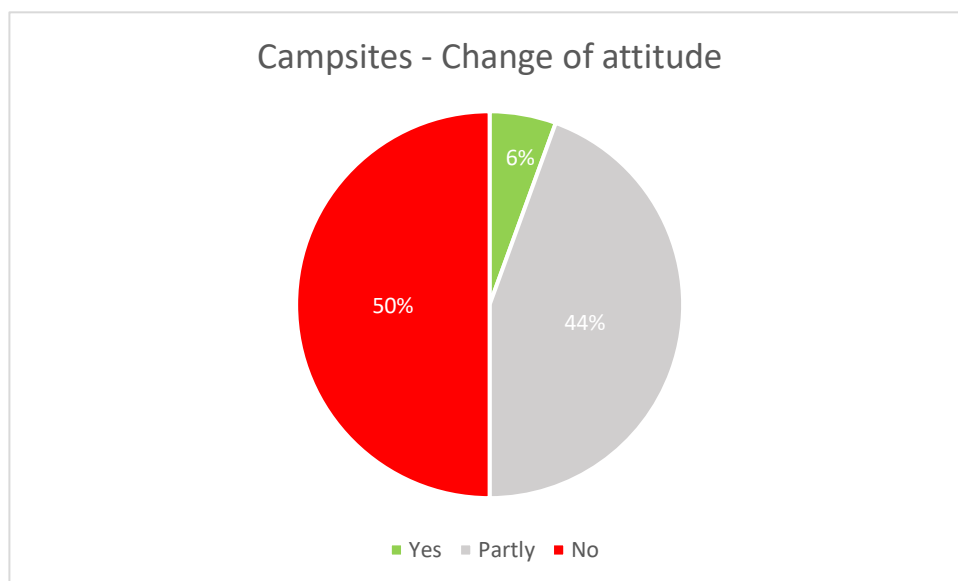
When analyzing the changes in attitude toward sustainability certification implementation, it can be read from the pie charts below that small and medium sized hotels changed their attitude for 4% more than campsites did and 12% more did they partly change their attitude.

Figure 34: Hotels - change of attitude towards sustainability certification implementation



Source: Own work

Figure 35: Campsites change of attitude towards sustainability certification implementation



Source: Own work

6. Discussion

6.1 Familiarity of sustainability certificates and interest to implement.

In terms of perception and knowledge about sustainability and corresponding elements: The Agenda for sustainable development 2030 and sustainability certificates, the results were quite varying. In terms of sustainability as a general term most often the respondents expressed the highest familiarity, which is completely the opposite from familiarity with the 2030 Agenda where mostly the respondents were completely unfamiliar with it. Additionally, the familiarity with sustainability certificates was very low, where only one third expressed they are familiar with them.

These completely opposite sides of the spectrum indicate that, even though respondents express they are familiar with sustainability they do not actually know what sustainability stands for in practical terms of certificates and 2030 Agenda. As the new global social, environmental and other legislative and agendas considering improvements in sustainability is constantly being pushed mainstream, the people pick up on it and understand sustainability only from what is said in the media. This can be further complemented by the fact that even though respondents had almost no clue on the afore mentioned elements, but when asked about importance of sustainability in society and business most often they expressed that sustainability actually is highly important. The fact that they considered sustainability so important could also be one of the key elements that made respondents express high interest in implementing a sustainability certificate.

When asked whether respondents are interested in implementing a sustainability certificate only 10% of them responded not interested whilst the other 90% was interested or partly interested. The high interest in willingness to be sustainability certified could also be a consequence of respondents being able to analyze and consider potential benefits of certification beforehand, as stated in the questionnaire.

Nevertheless, be it consideration of potential benefits for the business or a perception that sustainability is an important issue in today's society and business it can be assumed that the decision or the expressed interest on implementation of sustainability certificate could be considered an intuitively made decision. As stated in the chapter SME managerial perspective, intuitive decision making occurs, when one person is making a decision for the company in a very short time frame without consulting others which brings in bias, based on personal logic, values, intuitive thinking and limited knowledge and information (Kilmann & Thomas, 1975) (Sinclair & Ashkanasy, 2002).

It could be said that intuitive decision making in regard to implementation of sustainability certificate is what happened here. The respondents did not have a great understanding what 2030 agenda is, neither did they know what sustainability certificates are, nevertheless after

considering potential benefits of implementation, or with the idea that sustainability is an important issue, they expressed incredibly high interest in implementation, without thorough familiarity of sustainability agendas and certificates beforehand.

One might assume this decision process could also be identified as bounded rationality model, that is characterized by making decisions in high complexity and time constraining situation where information is limited (Shepherd, Williams, & Patzelt, 2015) (Graham & Sathye, 2017). The situation of expressing interest in implementation of a sustainability certificate was reflecting the above mentioned characteristics of the bounded rationality decision making model, but this model also includes basing a decision on past experiences, knowledge gained from corresponding business networks and biased research and analysis (Driver, Brousseau, & Hunsaker, 1998) (Morales, Kittler, & Walsh, 2020) which here was not the case.

The lack of past experiences and knowledge can further be confirmed by the low response rate when asked to list the certificates respondents were familiar with. Only 20 respondents listed certain sustainability certificates, out of which 4 respondents listed certain products that are not a sustainability certificate.

Since the knowledge and familiarity in the overall sample was very low it can not be taken as true that there is information or knowledge in their business networks, nor could there be past experiences since none of the respondents have any prior certificates, therefore bounded rationality decision making model should be rejected and intuitive one taken as more appropriate when considering implementation of sustainability certificates.

Overall, rather than analysis, information from corresponding business networks or reasoning, here the decision was guided by emotions that make the businesses want to follow the trend of sustainability that they consider highly important and / or consideration of receiving potential benefits. The fact that it was guided by consideration of potential benefits could also indicate that the assumption made by Parrish (2010) and Mihalič, Žabkar, & Knežević Cvelbar (2012) that businesses overall are driven by their own interests and profit seeking motivations could be applied here.

Furthermore, to complement the selfish and profit seeking motivation assumption from Parish (2010) and Mihalič, Žabkar, & Knežević Cvelbar (2012) we can shed a light on the responses on perceived importance of carrying out activities that positively contribute to the specific pillar of sustainability. Here it is noted that mostly all the respondents perceive that it is very important to execute activities positively contributing to environmental, social and economic pillar of sustainability. But, what was interesting to see is that the respondents expressed they perceive that out of the three, the economic pillar contribution is the most important, followed by environmental and at last social. Indicating, that activities that contribute to the economic pillar which among includes revenue and positive balance sheet is set first on the priority list of other activities therefore confirming the afore mentioned assumption.

6.2 Attitudes towards sustainability certification

Overall, the attitudes respondents have towards potential benefits of certification are in the most part positive. They show respondents perceive the certification as tool that helps the business increase their performance by attracting higher purchasing power tourists, promoting and strengthening the recognition on the market, increasing the loyalty and satisfaction of the guests and bring overall only benefit which is in line with the statements made by Mihalič and Font (2002) that stated that certification schemes are a tool that helps to provide benefits such as: cost savings, more efficient marketing, attracting more tourists and creating a stronger incentive to become loyal guests etc.

The weakest attitudes toward potential benefits were expressed when considering can certificate decrease the operational costs and do guests prefer certified facilities. In terms of cost reduction as an obstacle towards certificate implementation, the responses on attitudes gathered in this research support the findings of Claver Cortés, Pereira Moliner, & Molina Azorín (2007), Geerts (2014) Bučar, Van Rheenen, & Hendija (2019) which state there is no connection between operational cost reduction and implementation of sustainability certificates, or even that there could be a negative correlation where certificates increase the cost by introducing certain elements such as air purifiers etc. which could indicate that there is a common thought certificates are unable to reduce the operational costs.

On the other hand, the fact that respondents completely agreed that certificate can help attract higher purchasing power guests, but were also mostly neutral when it comes to the guests preferring certified facilities, could suggest that they believe that sustainability certification is useful only in the niche markets where higher purchasing power eco tourists are to be found. This goes in line with Karlsson & Dolnicar (2015) whose research stated that benefits of sustainability certificates are mostly, if not only valid in niche markets of eco-tourism (Constantin, Ispas & Candrea, 2013) (Karlsson & Dolnicar, 2015) (Tiago, Gilb, Sara, & Teresa, 2021).

In terms of attitudes towards potential obstacles in certification implementation the results were much more consistent than in attitudes towards potential benefits. But the consistency was more leaning on acknowledging the obstacles rather than rejecting them.

The attitudes show that the biggest obstacles for implementation are the lack of time and employees and budget limitations. This suggests that they perceive sustainability certificates in tourism as a big undertake that requires much money, time and employees. Even though in the chapters before it is clarified that most of the certificates are not very expensive e.g. Green Destinations approximately 200-400 Euro and EU Ecolabel 200-600 per year, they are still perceived quite expensive. The reasons for this perception could be quite varied, but at the moment there is no logical explanation to be given why are they perceived to be so demanding

moneywise. On the other hand, as mentioned by Green Hotels Association (2023) and Yanpazarli (2015) that the certification process is timely and requires Human Resources is now complemented by the perception and attitudes of the SME's which showed the strongest attitude that lack of time and employees is the biggest obstacle when implementing a sustainability certificate.

When it comes to differences between the characteristics of the business and their attitude towards the certification it is surprising that there was no connection between the destination type or the capacity of the facility and their attitudes towards potential benefits. However, attitudes and perceptions towards potential obstacles did show certain connections to the capacity of the business.

The Chi square test showed correlation between the obstacle of lack of time and employees and the capacity size of the business. The bigger capacity business or the ones that are exceeding the threshold of 41 rooms for hotels and 1500 people capacity for campsites showed to perceive this more as an obstacle than lower capacity counterparts. Here the suggestion of conclusion could be made that the bigger capacity businesses have much more employees than small or medium sized capacity businesses, therefore the managers have greater human resource managing tasks, leaving not much time for other activities likes of which implementation of sustainability certificates. Whilst on the other hand as noted by Dahles & Susilowati (2017) in the smaller capacity businesses usually the manager who is most of the time owner at the same time does the majority of the work and relies on him/herself to execute certain tasks and probably does not consider lack of employees to be a problem in implementation of sustainability certificate since he/she will be the one that is engaged in executing the entire process.

What is interesting is that the correlation of unclear benefits and the capacity of the businesses did not point out that that bigger capacity businesses had more information and did not perceive this as an obstacle. Rather it showed that the bigger the capacity of the business the more unclear are the benefits of certification. This finding does not go in line with Maroufkhani, Khairuzzaman, & Morteza (2020) claim that the bigger the businesses the more information and knowledge they have. At least the findings of this thesis show that it is not true for Croatian small and medium hotels and campsites in terms of sustainability certification. Which to complement could also indicate that the knowledge of sustainability certificates overall in the Croatian tourism SME market side is very weak.

Even though big capacity businesses perceive benefits as unclear more than smaller capacity businesses, their attitude shows that they believe that tourists do care about sustainability much more than smaller capacity businesses do. This could also indicate that the bigger capacity businesses consider implementation of sustainability certification mostly because of the tourists and their sustainability needs and wants but not because of other benefits that include social and environmental dimension that sustainability certificates also contribute to. On the other

hand the fact that they believe that tourists care about sustainability more than small capacity businesses could indicate that there are some information circling in their network that are shedding the light on the ever-increasing trend of awareness of sustainability and the need to adapt to it.

6.3 Factors influencing the decision on sustainability certification implementation

Willingness to implement a sustainability certificate was surprisingly high, only 10,5% of the respondents expressed they are not interested, whilst all of the others were interested or partly interested. Even after looking at the potential obstacles 43% of them still had their initial attitudes towards willingness to implement.

After running multiple Chi square tests of independence, the results provided insights into certain relationships of the willingness for implementation of sustainability certificates, the changes in attitudes towards the willingness and the capacity of the businesses and their location by destination type.

The first test showed there is a significant relationship between the capacity of the business and their willingness or interest to implement sustainability certificates. According to the distribution of expected and observed values it can be concluded that the bigger the capacity of the business the more probable it is they will be interested in implementation of sustainability certificates.

As mentioned before in the value chain chapter, sustainability certificates can be considered as a complementary element that contributes to the entire value chain that provides additional value for the guest, therefore can increase the overall performance of the business. The bigger the businesses the more elements usually do they have in their value chains and vice versa. Additionally, bigger capacity means there is a greater occupancy to be filled. The higher the occupancy rate the business wants to accomplish, the more elements in the value chain do they need to add, one of which in this case could be sustainability certificates. On the other hand smaller capacity businesses before even troubling themselves with adding more elements in their value chain, have to increase their capacities, thereafter adding more elements in their value chain comes to play. On the contrary if they do not aim to increase capacities but e.g. increase their prices first of all they need to work on crucial and so to be said obligatory elements such as infrastructure, service etc. After they got that right, they can think of complementary add ons such as sustainability certificates in their value chain to help them fill the additional capacities or achieve the situation of being able to charge a premium.

Therefore, the proposed reason for this relationship of the willingness to implement sustainability certificates and the capacity of the small and medium hotels and campsites is no less than the size of the value chain that a certain capacity has. Smaller capacity have different

priorities than bigger capacity ones that have to adapt and implement different elements into their value chain to be more competitive and increase their occupancy ratios.

On the other hand, Chi square test of independence also proved there is a relationship that reveals that the bigger capacities are more likely to change their attitude towards the implementation of sustainability certificate. Here it is important to be reminded of the order of questions in the questionnaire.

First the respondents were given questions to measure their attitudes in accordance to potential benefits implementation of sustainability certificates could bring them, after which the question whether they are willing to implement a sustainability certificate was posed. After that, the respondents answered questions in regard to potential obstacles of implementation, thereafter the question “Did your attitude towards implementation of sustainability certificates change, after considering the potential obstacles?” was asked. Here, referring to the literature in the chapter of decision making one might add that it is just a matter of decision making model that is used in this process.

It can be suggested that the ones that used intuitive decision making model, the one that is guided by emotions and no prior analysis nor research could be the ones whose attitude did not change, because first they considered the potential benefits, imagined the situation of receiving them and guided by emotions did not quite consider the potential obstacles and reaffirmed their attitude that they actually are willing to implement it. On the other hand if a responded used other decision making model such as bounded rationality that is also very typical for our sample size of SME’s it can be concluded that following the logic of the model the emotions did not play a large part in the decision making process, rather logic and rationality did. Therefore, it could be suggested they were not carried away by emotions and allowed their rationality and logics to consider the potential obstacles and in the short time by considering the cost (obstacle) and benefits were more likely to change their mind in accordance to their perception of how manageable is it to implement in their business.

As mentioned earlier, the smaller the business, the more likely it is they will use a intuitive decision making model, on the contrary the bigger they are the less emotions will play a role and the higher the possibility of them using a rational decision making model or more suitable in this example a bounded rationality decision making model. Therefore, it can be said that bigger businesses allow themselves to outweigh the potential benefits and obstacles more than the smaller capacity businesses, therefore be more likely to change their attitudes. On the other hand the smaller businesses, are more likely to be run by one person whose emotions are much less controllable, therefore the first emotion sets the tone for future actions. It would also be expected that the same situation would happen if smaller capacity businesses were posed the potential obstacles first, were the first emotion would be an obstacle and their attitudes would most probably change in the end.

The other relationship found by Chi square in terms of willingness to implement a sustainability certificate was with the destination type. It showed there is a connection that is indicating that hotels and campsites located in rural and coastal areas are more likely to engage in a sustainability certification process than the ones from urban areas.

The reasoning could be the target markets businesses are catering to. E.g. implementation of sustainability certificates can increase the potential to attract niche market of eco tourists (Karlsson & Dolnicar, 2015), whose usual destinations include nature based attractions and unchanged or at least partly changed landscape that rural and coastal destinations can offer, but urban ones can not (Page & Kingston Dowling, 2001). Additionally, urban destinations businesses usually target different markets likes of which MICE, transiting tourists, event tourism etc. which is in most cases in contrast to rural and coastal destinations. Rural destinations businesses often cater to tourists whose activities are based on hiking, trekking, caving, birdwatching, canoeing, safari horseback riding and similar which by definition is a part of eco tourism activities (Fennel, 2020). Furthermore, in line with Fennel (2020) in coastal destinations there are similar activities that are in great supply and demand that include but are not limited to: kayaking, sailing, fishing, cycling etc. which again by definition should be a part of eco tourists preferred activities.

Therefore, it can be suggested that the difference between the destination type location in willingness to implement a sustainability certificate is based on the target markets. Coastal and rural destination hotels and campsites are more likely to implement a certificate in order to be more attractive to their target markets that prefer nature based activities which sustainability certificate according to its criteria is aiming to protect and increase their quality and longevity. On the other hand urban situated hotels and campsites are not in need to implement a sustainability certificate since their target markets will not react to sustainability efforts at least not at the moment. Since it would not bring them much benefit they would most probably perceive certification as costly, timely and non beneficial which then would be in line with the non positive effects of sustainability certification as noted in chapter X(effects of sust cert).

6.4 Difference between hotels and campsites

In terms of differences between hotels and campsites the results were very surprising. First off, the campsites according to the sample size were more willing to take part in the questionnaire for almost 5% more than hotels. Also, they showed greater familiarity with the term sustainability and the Agenda for sustainable development 2030. However, when asked how familiar are they with sustainability certificates were outperformed by hotels, where significantly high 46,9% respondents from hotel sample responded yes, whilst only 27,8% of campsite sample respondents responded yes.

The contrast of familiarity with sustainability and the 2030 Agenda and the sustainability certificates is quite unexpected, since it could be supposed that the more a certain business is

familiar with the agenda or the sustainability itself the more should they be familiar with sustainability certificates in tourism as a practical way of sustainability and the 2030 Agenda implementation. Furthermore, when asked which sustainability certificates are they familiar with, only 16,7% of campsite respondents listed certificates, much lower than 28,1% of hotel respondents.

The high familiarity of hotel respondents with the sustainability certificate is taken as a reason why they expressed they are interested in implementing a sustainability certificate more than their campsite counterparts, that according to the results of the questionnaire showed much less familiarity. However, the change of attitude towards the interest to implement a sustainability certificate was greater in hotels than campsites.

Campsites by their definition are satisfying the needs of tourists for social interaction, escapism, rest and adventure in an open space (Milohnić, Cvelić Bonifačić, & Licul, 2019) and hotels as an establishment provide accommodation, meals, and other services in an enclosed space (Bailey & Ball, 2006). Therefore, the campsites cater to offer more environmentally or nature related services and products and on average they attract more eco conscious tourists which could explain their high familiarity with sustainability. On the other hand the reason for low familiarity of sustainability certificates remains unknown.

However, high familiarity of hotels with sustainability certificates could be explained with the ever-increasing needs and wants of not only tourists but all types of consumers for more sustainability and environmentally friendly products (Liu, Anderson, & Cruz, 2012). Whilst campsites are already offering products and service in line with the aspect of environment friendly, the hotels are not. That could suggest, hotels may perceive sustainability certificates as a way to adapt to this rising trend that is here to stay and implement it to prevent competitiveness and sales decrease and future proof themselves as Font and Mihalić (2002) suggest, therefore making them more interested in implementation of sustainability certificates than campsites but still remaining less familiar with sustainability. Furthermore, if the above made assumption is taken to be true, it would be one more element that contributes to the assumption made by Parrish (2010) and Mihalić, Žabkar & Knežević Cvelbar (2012) about self interest of hotels, that in this case are not so willing to adapt sustainability certificates to be more environmentally friendly, rather to remain competitive on the market and follow the emerging trends.

6.5 Limitations

One of the biggest limitations of this thesis is the lack of available literature on hotels and campsites business relation to the environmentally friendly activities, especially campsites. Furthermore, literature that was found almost never had anything to do with Croatian SME's which lead to making assumed conclusions in the discussion rather than the ones that could be more based and enforced by previous studies in the similar topics. On the other hand more

literature on sustainability certificates especially their value chain could provide better insights in the added value and give a basis for creating a more precise and detailed methodology to be followed.

Furthermore, here the time window could be considered as a limitation. If there was more time to gather the data the sample size could have been bigger, therefore represent the findings and conclusion with a greater confidence than it is now. Nevertheless, the results and the findings provide great reliability and credibility.

In terms of data analysis and application of statistical methods, the limitation was that the author is intermediately skilled, therefore there may have been certain statistical methods or formulas that could have provided more reliable answers to hypothesis or better represent the correlations. Also, this limitation is very tightly connected to the time constraints since a large part of the time for writing the thesis, developing methodology and analysing the results was spent on making the author familiar with all the available and most convenient statistical methodologies to use.

Conclusion

The aim of the thesis was to give better insights into knowledge, perceptions and attitudes that small and medium sized hotels and campsites in Croatia have towards sustainability certificates and its implementation into their businesses also be able to measure the strength of attitudes and opinions on certain aspects of it.

Overall, the aim and the purpose of the thesis was achieved. It is concluded that the familiarity with sustainability is not high, rather can be considered low especially considering sustainability certificates. The attitudes proved to be positively strong towards perceived potential benefits of implementing sustainability certificates into the businesses. It was surprising to find that, according to all the results from the questionnaire the interest to implement sustainability certificates was in most cases not because the business wanted to be more environmentally friendly and contribute to the local communities and the society overall, rather the interests were based on being able to compete on the market effectively and to increase the performance of the business. Additionally, the social contributing activities were considered the least important. Nevertheless, all the respondents have the attitude that sustainability is an important topic in today's both social and business surroundings indicating that sustainability certification and positive contribution to sustainability ought to rise and be more adopted than it is now, either for self serving interests or the good interests for the environment and society as a whole.

Overall, this thesis contributed by giving detailed and precise insights into the perceptions and attitudes that small and medium enterprises in tourism have towards sustainability certificates. These insights can further be used for businesses that are engaged in selling sustainability certificates to better understand how to cater to different groups by their size, location or business category. Additionally, sustainability certification scheme companies could also find the data in this thesis useful for further developing their products to be more suitable for certain business by understanding which obstacles do businesses perceive to be the greatest and work on solving those obstacles or at least put more marketing and promotion efforts into communication to clarify certain topics like of which is the price of sustainability certificate that is considered to be high by the respondents but in reality the prices of most of the sustainability certificates would be expressed in decimal points for businesses on a yearly basis. On the other hand, future researchers that would research similar topics like of which, reasons for implementation of sustainability certificates or similar could use the data provided and concluded assumptions in this thesis as a valuable inputs for their work.

All of the research questions were addressed and the results provided inputs that give the possibility of answering them with high certainty and preciseness.

RQ1: What attitudes do small and medium sized Hotels and Campsites have towards Sustainability certificates?

The first research question was elaborated in detail in previous chapters where the findings answer the question where the overall the results showed that the respondents had very positive attitudes towards sustainability certification implementation and perceived that the implementation can help them increase the loyalty of the guests, their satisfaction better attract the higher purchasing power guests and bring benefit overall. But the attitudes also showed that they are not sure that sustainability certificate can decrease the operational costs and that the average guest prefers the sustainability certified facility over the non certified ones. On the other hand the respondents attitudes were strong that sustainability certification is a timely and expensive process. Furthermore, the bigger the capacity of the business the more they are likely to have an attitude that considers it not only expensive and timely but also considers the benefits of the certification unclear.

RQ2 Which factors can influence the decision of Sustainability certification implementation of small and medium sized Hotels and Campsites?

Based on the results of the responses and statistical analysis it can be said that the main factors influencing the decision on implementation of sustainability certificates are the size or the capacity of the business and the location type they are located in. In terms of capacity it was found that the bigger the capacity of the business the more likely they are to be interested in implementation of sustainability certificates, but also be more likely to change their mind on implementation after considering potential obstacles that could make the process harder. On the other hand destination type location influences the decision on implementation of sustainability certificates in a way that the business situated in urban areas are less likely to be interested in implementation of sustainability certificates than their coastal and rural destination located counterparts.

RQ3: What are the differences in willingness to implement Sustainability certificates between small and medium sized Hotels and Campsites?

Findings proved that the small and medium sized hotels are more likely to be interested or willing to engage in a sustainability certification implementation process. Furthermore it is argued, that the contributing factor for this difference is the difference of the business operating model where campsites already by their definition satisfy certain needs of the eco conscious tourists but hotels do not and are trying to find a way to do so by being more interested in implementation of a sustainability certificate. Additionally, other differences were noticed were campsites were greatly more familiar with sustainability than hotels, which could indicate that

the interest of hotels in implementation of the certificate is not being environmentally friendly but rather finding a way to adapt to a new, unstoppable trend of sustainability in tourism.

As pointed out the most significant limitations were time constraints that did not allow for achieving a greater sample size, the low response rate and the unwillingness of Croatian SME hotels and campsites to take part in the questionnaire, lack of literature for a more sound methodological basis together with the lack of knowledge in statistical analysis, which could have led to more precise conclusions or even new ones.

For any future researchers in this topic area, I recommend to try and broaden the scope by understanding the intentions of the businesses to implement sustainability certificates and include more questions. For better results it would also be useful to use mixed methods and include interviews with the managers of the businesses, in order to be able to scratch the surface better understand the attitude and opinion, see how strong they are and are they in line with the scientific definitions and overall academic knowledge. Additionally, one of the most important recommendations would be to try and balance the responses in accordance to the size and the location of the business to receive more precise results when carrying out conclusions.

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Appendix 1: Questionnaire for Campsites

Dear Sir/Madam,

My name is Duje Tomaš and I am a student of the European master's degree program in Tourism Management, which according to the world ranking lists of the best graduate education programs in 2019 received a high 9th place and in 2022 11th place.

For the purposes of my master's thesis, I am conducting research on the topic of perception and attitudes towards sustainability certificates, case study: Croatian small and medium-sized hotels and camps. The aim of the research is to determine the obstacles, motivations and ways of making the decision to implement the sustainability certificate.

Sustainability is defined as the ability to meet current needs without compromising the ability of future generations to meet their own needs.

The main goal of sustainability is to enable the implementation of business activities that have a positive impact on society, protect the environment and, at the same time, make a profit.

The certificate of sustainable development represents a credible way for business entities to communicate their commitment to sustainability to consumers and thus differentiate themselves on the market.

Filling out the questionnaire takes less than 10 minutes, all collected information will be used exclusively for research purposes. In order to improve knowledge, all participants can receive research results by inquiry.

* The fifth part of the questionnaire was adapted according to the Dest Lab method.

Chapter 1 – General characteristics

1. In which county is your facility located?

- i. Bjelovar-Bilogora County.
- ii. Brod-Posavina County.
- iii. City of Zagreb.
- iv. Dubrovnik-Neretva County.
- v. Istria County.
- vi. Karlovac County.
- vii. Koprivica-Križevci County.
- viii. Krapina-Zagorje County.
- ix. Lika-Senj County
- x. Međimurje County
- xi. Osijek-Baranja County

- xii. Požega-Slavonia County
- xiii. Primorje-Gorski Kotar County.
- xiv. Šibenik-Knin County
- xv. Sisak-Moslavina County.
- xvi. Split-Dalmatia County
- xvii. Varaždin County.
- xviii. Virovitica-Podravina County
- xix. Vukovar-Srijem County
- xx. Zadar County
- xxi. Zagreb County

2. In what type of destination is your facility located?
 - i. Coastal (Destination along the coast, the main motive of tourists: sun and sea)
 - ii. Urban (City, large place, variety of cultural and historical heritage)
 - iii. Rural (Villages, protected areas, e.g. national park, mountains, lakes)

3. What is the capacity of your camp in terms of number of people?
 - i. 1-300
 - ii. 301-500
 - iii. 501-1000
 - iv. 1001-1500
 - v. 1500+

Chapter 2 - Familiarity with sustainable development

4. Are you familiar with the term "sustainable development"?

Likert scale 1 (completely unfamiliar) – 5 (completely familiar)

5. Are you familiar with the global sustainable development goals defined as part of the 2030 Agenda for Sustainable Development?

Likert scale 1 (completely unfamiliar) – 5 (completely familiar)

6. Are you familiar with sustainability certificates in tourism?

Yes/no

Chapter 3 – Perception of importance of carrying out activities related to a specific pillar of sustainability

The social pillar of sustainability cares for workers and residents, i.e. social well-being as a whole, which business does not threaten but positively contributes to.

The ecological pillar of sustainability is closely related to the environment and emphasizes the preservation of natural resources, their protection and nurturing.

The economic pillar of sustainability refers to the ability of long-term profitable business and maintaining the satisfaction of all stakeholders in the value chain.

7. The social pillar of sustainability is an essential part of business and it is important to participate and implement activities that positively affect the well-being of society.

Example: collecting aid for the needy, participating in local events and projects, donations, investing in employees through education, bonuses, and the like.

Likert scale 1 (completely disagree) – 5 (completely agree)

8. The ecological pillar of sustainability is an essential part of business and it is important to participate and carry out activities that affect the preservation of the environment in which we are located.

Example: organizing and participating in waste collection, compensating or reducing CO₂ emissions, avoiding the use of plastic, sorting waste, reducing water consumption, and the like.

Likert scale 1 (completely disagree) – 5 (completely agree)

9. The economic pillar of sustainability is an essential part of business and it is important to regularly carry out activities that make the company economically sustainable.

Example: timely payment of salaries and improvement of employees' working conditions, timely payment to suppliers, distributors and partners, investment in research and development, development of long-term plans for sustainable and smart business.

Likert scale 1 (completely disagree) – 5 (completely agree)

Chapter 4 – Perception and attitude towards the application of the sustainability certificate.

The certificate of sustainable development is a kind of tool that entities voluntarily implement, and it developed from the growing interest of the demand side of the market for sustainable travel and behavior. The sustainability certificate is an operational and communication lever that sends the message: "This stakeholder is committed to reducing negative impacts on society and the environment" and helps differentiate that stakeholder from the rest of the market on the basis of sustainability.

10. It helps to promote and strengthen the recognition of the facility on the market
Likert scale 1 (completely disagree) – 5 (completely agree)
11. Guests are more inclined to stay in facilities that have a sustainability certificate and buy their products.
Likert scale 1 (completely disagree) – 5 (completely agree)
12. The implementation of the sustainability certificate affects the increase of guest loyalty and satisfaction.
Likert scale 1 (completely disagree) – 5 (completely agree)
13. Certified facilities can attract guests with higher spending power.
Likert scale 1 (completely disagree) – 5 (completely agree)
14. Sustainability certification helps reduce operating costs through the application of sustainable management practices.
Likert scale 1 (completely disagree) – 5 (completely agree)
15. Sustainability is an important topic in today's social and business environment.
Likert scale 1 (completely disagree) – 5 (completely agree)

16. Are you interested in implementing a sustainable development certificate?
Yes/no/partly
Chapter 5 - Obstacles to the implementation of the sustainable development certificate.
What do you see as the key obstacles in the implementation of the certification system?
17. Not knowing the certification system
Likert scale 1 (completely disagree) – 5 (completely agree)
18. Complexity of the certification process
Likert scale 1 (completely disagree) – 5 (completely agree)
19. Lack of time and employees to carry out the certification process
Likert scale 1 (completely disagree) – 5 (completely agree)
20. Budget limitations
Likert scale 1 (completely disagree) – 5 (completely agree)
21. Unclear benefits of certification
Likert scale 1 (completely disagree) – 5 (completely agree)
22. Tourists don't care about sustainability
Likert scale 1 (completely disagree) – 5 (completely agree)
23. Employees don't care about sustainability
Likert scale 1 (completely disagree) – 5 (completely agree)
24. There is no obstacle for implementation of the sustainability certificate
Likert scale 1 (completely disagree) – 5 (completely agree)
25. Overall, certificate can bring only benefit for the business
Likert scale 1 (completely disagree) – 5 (completely agree)

26. Do you think there are any obstacles that are not listed?

Open ended question

27. Has your attitude changed regarding the desire for certification after reviewing the potential obstacles?

Yes/no/partly

Appendix 2 – Questionnaire for Hotels

Dear Sir/Madam,

My name is Duje Tomaš and I am a student of the European master's degree program in Tourism Management, which according to the world ranking lists of the best graduate education programs in 2019 received a high 9th place and in 2022 11th place.

For the purposes of my master's thesis, I am conducting research on the topic of perception and attitudes towards sustainability certificates, case study: Croatian small and medium-sized hotels and camps. The aim of the research is to determine the obstacles, motivations and ways of making the decision to implement the sustainability certificate.

Sustainability is defined as the ability to meet current needs without compromising the ability of future generations to meet their own needs.

The main goal of sustainability is to enable the implementation of business activities that have a positive impact on society, protect the environment and, at the same time, make a profit.

The certificate of sustainable development represents a credible way for business entities to communicate their commitment to sustainability to consumers and thus differentiate themselves on the market.

Filling out the questionnaire takes less than 10 minutes, all collected information will be used exclusively for research purposes. In order to improve knowledge, all participants can receive research results by inquiry.

* The fifth part of the questionnaire was adapted according to the Dest Lab method.

Chapter 1 – General characteristics

4. In which county is your facility located?

- i. Bjelovar-Bilogora County.
- ii. Brod-Posavina County.
- iii. City of Zagreb.
- iv. Dubrovnik-Neretva County.
- v. Istria County.
- vi. Karlovac County.
- vii. Koprivica-Križevci County.
- viii. Krapina-Zagorje County.
- ix. Lika-Senj County
- x. Međimurje County
- xi. Osijek-Baranja County
- xii. Požega-Slavonia County
- xiii. Primorje-Gorski Kotar County.
- xiv. Šibenik-Knin County
- xv. Sisak-Moslavina County.
- xvi. Split-Dalmatia County
- xvii. Varaždin County.
- xviii. Virovitica-Podravina County
- xix. Vukovar-Srijem County
- xx. Zadar County
- xxi. Zagreb County

5. In what type of destination is your facility located?
- i. Coastal (Destination along the coast, the main motive of tourists: sun and sea)
 - ii. Urban (City, large place, variety of cultural and historical heritage)
 - iii. Rural (Villages, protected areas, e.g. national park, mountains, lakes)
6. What is the capacity of your camp in terms of number of people?
- i. 1-10
 - ii. 11-20
 - iii. 21-30
 - iv. 31-40
 - v. 41-50
 - vi. 50+

Chapter 2 - Familiarity with sustainable development

7. Are you familiar with the term "sustainable development"?

Likert scale 1 (completely unfamiliar) – 5 (completely familiar)

8. Are you familiar with the global sustainable development goals defined as part of the 2030 Agenda for Sustainable Development?

Likert scale 1 (completely unfamiliar) – 5 (completely familiar)

9. Are you familiar with sustainability certificates in tourism?

Yes/no

Chapter 3 – Perception of importance of carrying out activities related to a specific pillar of sustainability

The social pillar of sustainability cares for workers and residents, i.e. social well-being as a whole, which business does not threaten but positively contributes to.

The ecological pillar of sustainability is closely related to the environment and emphasizes the preservation of natural resources, their protection and nurturing.

The economic pillar of sustainability refers to the ability of long-term profitable business and maintaining the satisfaction of all stakeholders in the value chain.

10. The social pillar of sustainability is an essential part of business and it is important to participate and implement activities that positively affect the well-being of society.

Example: collecting aid for the needy, participating in local events and projects, donations, investing in employees through education, bonuses, and the like.

Likert scale 1 (completely disagree) – 5 (completely agree)

11. The ecological pillar of sustainability is an essential part of business and it is important to participate and carry out activities that affect the preservation of the environment in which we are located.

Example: organizing and participating in waste collection, compensating or reducing CO₂ emissions, avoiding the use of plastic, sorting waste, reducing water consumption, and the like.

Likert scale 1 (completely disagree) – 5 (completely agree)

12. The economic pillar of sustainability is an essential part of business and it is important to regularly carry out activities that make the company economically sustainable.

Example: timely payment of salaries and improvement of employees' working conditions, timely payment to suppliers, distributors and partners, investment in research and development, development of long-term plans for sustainable and smart business.

Likert scale 1 (completely disagree) – 5 (completely agree)

Chapter 4 – Perception and attitude towards the application of the sustainability certificate.

The certificate of sustainable development is a kind of tool that entities voluntarily implement, and it developed from the growing interest of the demand side of the market for sustainable travel and behavior. The sustainability certificate is an operational and communication lever that sends the message: "This stakeholder is committed to reducing negative impacts on society and the environment" and helps differentiate that stakeholder from the rest of the market on the basis of sustainability.

13. It helps to promote and strengthen the recognition of the facility on the market

Likert scale 1 (completely disagree) – 5 (completely agree)

14. Guests are more inclined to stay in facilities that have a sustainability certificate and buy their products.

Likert scale 1 (completely disagree) – 5 (completely agree)

15. The implementation of the sustainability certificate affects the increase of guest loyalty and satisfaction.

Likert scale 1 (completely disagree) – 5 (completely agree)

16. Certified facilities can attract guests with higher spending power.

Likert scale 1 (completely disagree) – 5 (completely agree)

17. Sustainability certification helps reduce operating costs through the application of sustainable management practices.

Likert scale 1 (completely disagree) – 5 (completely agree)

18. Sustainability is an important topic in today's social and business environment.

Likert scale 1 (completely disagree) – 5 (completely agree)

19. Are you interested in implementing a sustainable development certificate?

Yes/no/partly

Chapter 5 - Obstacles to the implementation of the sustainable development certificate.

What do you see as the key obstacles in the implementation of the certification system?

20. Not knowing the certification system

Likert scale 1 (completely disagree) – 5 (completely agree)

21. Complexity of the certification process

Likert scale 1 (completely disagree) – 5 (completely agree)

22. Lack of time and employees to carry out the certification process

Likert scale 1 (completely disagree) – 5 (completely agree)

23. Budget limitations

Likert scale 1 (completely disagree) – 5 (completely agree)

24. Unclear benefits of certification

Likert scale 1 (completely disagree) – 5 (completely agree)

25. Tourists don't care about sustainability

Likert scale 1 (completely disagree) – 5 (completely agree)

26. Employees don't care about sustainability

Likert scale 1 (completely disagree) – 5 (completely agree)

27. There is no obstacle for implementation of the sustainability certificate

Likert scale 1 (completely disagree) – 5 (completely agree)

28. Overall, certificate can bring only benefit for the business

Likert scale 1 (completely disagree) – 5 (completely agree)

29. Do you think there are any obstacles that are not listed?

Open ended question

30. Has your attitude changed regarding the desire for certification after reviewing the potential obstacles?

Yes/no/partly