

Green Business for Green Meetings (Case Study: Opatija Kongress Hotels)

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In the late 20th century, the World Tourism Organization established a committee focused on the environment. Somewhat later, sustainable tourism is being embraced as best practice by many countries around the world. This study identifies sustainable tourism from a business tourism perspective. According to the Croatian Tourism Development Strategy until 2020, business tourism is at the high quality and high yield end of the tourism spectrum. Business travellers pay more for services and thus, indirectly, pay higher taxes which can then be used to fund environmental or social programs, thereby benefitting the host. In addition, they are more environmentally sensitive and engage in green projects. The favourable geographical position in Central Europe and top quality conference facilities have made the hotels in Croatian town called Opatija particularly popular among organizers of meetings and congresses. This paper examines Opatija congress hotels and the level of implementation of environmentally responsible (green) innovations into business. The research was conducted in four-star Grand Hotel Adriatic in Opatija, interviewing top management about the environmental protection efforts in their everyday business. The analysis has revealed that, by following global trends and needs, the Grand Hotel Adriatic in Opatija respects the principles of green business and, most importantly, has the necessary knowledge and resource for organizing green meetings. Sustainability is no longer considered a passing fad in the hotel industry, but has become a task with many faces and names.

Key words: business tourism, MICE, green meetings, Opatija

JEL classification: M31.

1. Introduction

Nowadays, business tourism is one of the fastest developing and most profitable industries in the tourism sector. The considerably higher revenues generated by this sector determine its priority on both national and international scale. This is mainly due to the high budgets which corporative and other well-off clients spend on business meeting attendances (Šilerova, Maneva and Hřebejková, 2013, 79). Business tourism is of enormous importance to the economies of many destinations world-wide (Mair and Jago, 2010, 77). The communication-educational characteristic of business tourism represents the need for communication between business people, which leads to the organization of business meetings and congress.

There is evidence that consumers are growing increasingly interested in environmental issues, and are beginning to incorporate sustainability into their consumer purchase decisions (Rittichainuwat and Mair, 2012).

Nowadays, in order to meet the demand, the congress centres (in this case hotels) incorporate a variety of green practices into their facilities, including green roofs, solar panels, sustainable green functions, greener transportation alternatives, and the use of environmentally friendly products (Woojin et al. 2013, cited in Doyle, 2010).

2. Business Tourism

The tourism industry can be divided into leisure tourism and business tourism. Ramgulam (et al. 2012, cited in Lawson, 1982) articulated that several factors contributed to the growth of business tourism. These include increased technological advancements in air travel, increased propensity to travel due to increased education, economic growth, rise in disposable income, and expansion of multinational companies, rapid development and growth in professional associations. Other factors are technology at the destination; infrastructure, image and funding availability determine the location of certain business events such as conventions/conferences (Ramgulam et al., 2012, cited in McCartney 2008).

The International Congress and Convention Association (ICCA, 2015) defines business tourism as follows: "Business tourism is the provision of facilities and services to the millions of delegates who annually attend meetings, congresses, exhibitions, business events, incentive travel and corporate hospitality". Although it represents only one form of selective tourism, business tourism, or MICE, as called by eminent scientists (Rogers, 2006, 121), can be considered to be the additional contribution to the main tourism form. The abbreviation MICE indicates: Meetings, Incentives, Congress and Exhibitions. Recently, there has been an industry driven initiative not to use the "MICE Market" label and instead say "The Meetings Industry" (ICCA, 2015).

It is important to note that there are two forms of business tourism, which are presented in Figure 1. The congress industry – or also “congress tourism” – as its mass form, consisting of the convention events; and its individual form, or individual business tourism, which concerns one person’s business-motivated trip (Sikošek, 2012, cited in Rogers, 1998).



Figure 1. Classification of Forms of Business Tourism

Source: Adapted from: Davidson & Cope, 2003; Rogers, 1998; Jago & Deery, 2010; Sikošek 2012, p.69.

Globally, business travel is predicted to grow at an annual rate of 3.6 % by 2019 (Chaing et al. 2012, cited in WTTC, 2009). The International Congress and Convention Association collects data on meetings and events at the international level. It is not possible to get an accurate image of the meetings industry in the examined countries since their reports include only those events that involve more than 300 or 500 participants – although the remainder of such events also play a significant role in shaping the meetings map of a particular country. It is estimated that there are approximately 24,000 different association meetings organised on a regular basis. The ICCA Association Database has collected information on about 80% of them.

Worldwide rankings: Number of meetings per country			Europe rankings: Number of meetings per country		
Rank	Country	# Meeting 2013	Rank	Country	# Meeting 2013
1	SAD	829	1	Germany	722
2	Germany	722	2	Spain	562
3	Spain	562	3	France	527
4	France	527	4	United Kingdom	525
5	United Kingdom	525	5	Italy	447
6	Italy	447	6	Netherlands	302
7	Japan	342	7	Portugal	249
8	Kina	340	8	Austria	244

9	Brazil	315	9	Sweden	238
10	Netherlands	302	10	Turkey	221
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41	Croatia	69	22	Croatia	69

Table 1. Number of Meetings per Country

Source: ICCA Statistics Report 2013, the International Association Meetings Market 2013

Thus, the ICCA recorded 69 international congress events in Croatia in its 2013 report, according to which Croatia holds the 41th position in worldwide ranking and the 22nd position in Europe (ICCA, 2013).

2.1. Advantages and Disadvantages of Business Tourism

As with every tourism activity, business tourism has characteristics similar to all other tourism activities, but it also has its own particular traits. These traits are reflected in the following characteristics: the reduction of seasonal character, with references affecting the extension of the tourist season, higher consumption of meeting participants, communication-educational aspects of conferences and meetings, and interaction with other economic activities, components and drivers, help in shaping the image of a selected business tourism destination (Gračan and Rudančić-Lugarić, 2011, 580).

Meetings and congresses are recognised as making a significant contribution to tourism and, in particular, to host destinations. This is due to the potential that meetings and congresses have for economic resurgence, community and cultural development and building, strengthening and maintaining a destination's unique brand (Presbury and Edwards, 2005, cited in Aitken, 2002). In many cases, events and meetings extend the length of visitors' stay in a destination. They can also lengthen tourist seasons, extend peak seasons, or introduce a new season. Furthermore, they play a part in creating a favourable image of the destination as additional attractions, and image-makers. The meetings and congresses attended by visitors also encourage a positive impact through cultural exchange and the building of friendships, so that business profits from the experience (Presbury and Edwards, 2005 cited in Pearce et al. 1998).

Business tourism has the potential to stimulate the economy through a continuous flow of foreign exchange, create job opportunities, encourage infrastructural and social development, and form linkages with other industries. However, despite all its charming features, this sector also has certain negative economic impacts, influencing inflation, leading to excessive demand for resources, fostering unbalanced economic development and exploitation, and leading to unwanted spill off sectors, all of which collectively increases the vulnerability of countries (Ramgulam et al. 2012, 69). It is estimated that a 5-day congress attended by 146 people would produce about 190 tons of CO₂. The vast majority of greenhouse-gas emissions, nearly 160 tons, would come from air travel to and from the congress, with the rest associated with the congress venue, hotel accommodations, food service items, and ground transportation. Furthermore, a 2000 report by the US Environmental Protection Agency (EPA) estimated that, on average, an attendee at a 3-day meeting used 846 gallons of water (three times as much as the American average) and produced 61 pounds of solid waste (more than 10 times as much as usual). The same congress attendee might have used 21 cans or bottles and perhaps 40 cups and napkins (Guterman, 2009, 1169). This paper will show how the Grand Hotel Adriatic, one of the major providers of business meetings and congress services in Opatija, is trying to solve these problems in an environmentally sustainable way.

3. Green Practice in Congress Hotels

Environmental protection and climate change are issues which have long been debated but only very recently triggered strong international interest. Thanks to a dramatic increase in international media coverage, environmental protection has never been more topical. Environmental protection has shifted from being a matter of social and political conscience, to one of profound communal concern and international significance (Dickson and Arcodia, 2010).

Economically and ecologically unsustainable practices led to changes in everyday business because of the factors that influence the increased interest in corporate responsibility (Arnaudov and Koseska, 2012, 391):

1. Globalization – means imposing personal values to multinational organizations outside the mother country;
2. Customers – that demand products and services from corporate responsible organizations;
3. Parties of interest – put pressure on the implementation of ethical and responsible work in the organizations;
4. International organizations – as United Nations (UN), Organization for Economic Co-operation and Development (OECD), International Labour Organization (ILO), have carried declarations, agreements, manuals that express the corporate norms for responsible working and
5. Sustainable development - pattern of resource use that aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but also for generations to come.

When it comes to hotels, a decade ago, the term “eco-friendly accommodation” usually meant a chilly mountain lodge, eating vegetables from the owner’s garden and recycling trash before hitting the nearby nature trails. Now the term is becoming increasingly compatible with both “luxury” and “cities”, as hotels, with views of skyscrapers and not trees, incorporate sustainable green practices into their policies. (Peršić-Živadinov, 2009)

The need for eco-friendly accommodation results from claims that hotels have the highest energy and water usage and the poorest energy efficiency in the accommodation subset. Because of a hotel’s disposable amenities and products, heating and cooling system, requirements for daily lighting, and water consumption, hotels can be eco-unfriendly businesses (Park and Boo, 2010 cited in Becken et al., 2003). The U.S. Environmental Protection Agency (2000) announced that congresses are the most energy-consuming activity compared to other leisure activities, and the second most water-consuming activity per trip because of the high dependency on hotel stays. Furthermore, in addition to the basic consumption of the hotels’ amenities, congress activities generate a large amount of waste. All this has led to the need of introducing green practice into hotels.

According to Hays and Ozretić-Došen (2014), green practice provides several benefits: long-term cost reduction, ecological sustainability and satisfying the needs of the presently growing segment of customers seeking green services.

It is possible to notice the emergence of a new question concerning the environmental sustainability of meetings, which derives from a broader concept of social responsibility of companies. This emerging field generates new research problems in the meetings industry: the introduction of new terminology (“green meetings”), the investigation of environmental impact of congresses and events, new motives of service suppliers, organisers and participants, and the question of competitive advantage of green meetings (Sikošek, 2012, 69).

3.1. Provided Guidelines for Green Meetings

The Convention Industry Council (CIC) initiated the Green Meetings Task Force in 2003, with the goal of creating minimum best practices for event planners and suppliers. The report suggested two major benefits of green meetings. Namely, green meetings can save planners’ and suppliers’ money and are good for the environment. There is a clearly expressed desire of congress hotels to be recognized for their green efforts.

Nowadays, twenty-two per cent of websites include links to other sites with materials on sustainable events (i.e. materials not devised by the association). The most popular external websites include the following: “Blue Green Meetings”, “Green Meetings Industry Council”, and the David Suzuki Foundation, offering suggestions for green events. There are also a number of sites that are common among different associations in the same region, such as the Environmental Protection Agency (common among American sites) and the “Green Power” site (common among Asia-Pacific sites). Many of the links offer information on how to stage green events, with 8 out of 11 websites linking to pages with checklists created by others (Guterman, 2009).

3.2. Opatija as a Congress City

Business tourism is unique in itself and it reinforces (Ramgulam et al. 2012, 70) Opatija as a preferred destination because of the necessary service infrastructure for this market niche. It also

compliments other sectors, such as the leisure industry, and encourages investments in business tourism facilities, which can lead to the regeneration of other areas.

The tradition of congresses in Opatija is nearly as old as the tradition of tourism. One year after the opening of the first hotel in Opatija (the Hotel Kvarner in 1884), Dr. Theodor Billroth and the Austrian Southern Railway Company organised a meeting of balneologists in 1885. The 4th Congress of Austrian Balneologists, organised by Dr. Julius Glax, was held in 1904, and the 8th International Congress of Thalassotherapy took place in 1908, also thanks to Dr. Glax.

In order to maintain its position on the European convention map, Opatija took care of the infrastructural conditions for proper functioning of the meetings industry and, especially, for efficient marketing. Croatia's inclusion in the EU has increased its credibility.

Convention and Incentive Bureau Opatija, as an integral part of Opatija Tourist Board, is a non-profit organization whose role is to promote Opatija as the major Croatian convention and incentive destination. To the organizers of business meetings, Opatija offers all the advantages of a major convention destination, with the enticing charm of an intimate tourist destination. The combination of experience and tradition in organizing conventions and modern quality accommodation is an excellent foundation for the organization of congresses and events of different types and sizes.

3.3. Previous Green Practice Research

In 2009, the "SEE Business Travel & Meetings" magazine surveyed the partners (in Southeast Europe) of the internet portals specialized in congress tourism - www.kongresniturizam.com and www.SEEmice.net, with intention to reward their efforts, emphasize and commend some of them in a special way, and to award the best of them with the title - The Best GREEN Partner. Based on the obtained survey results, the title was awarded to a hotel group from Croatia (SEE Business Travel & Meetings magazine, 2009).

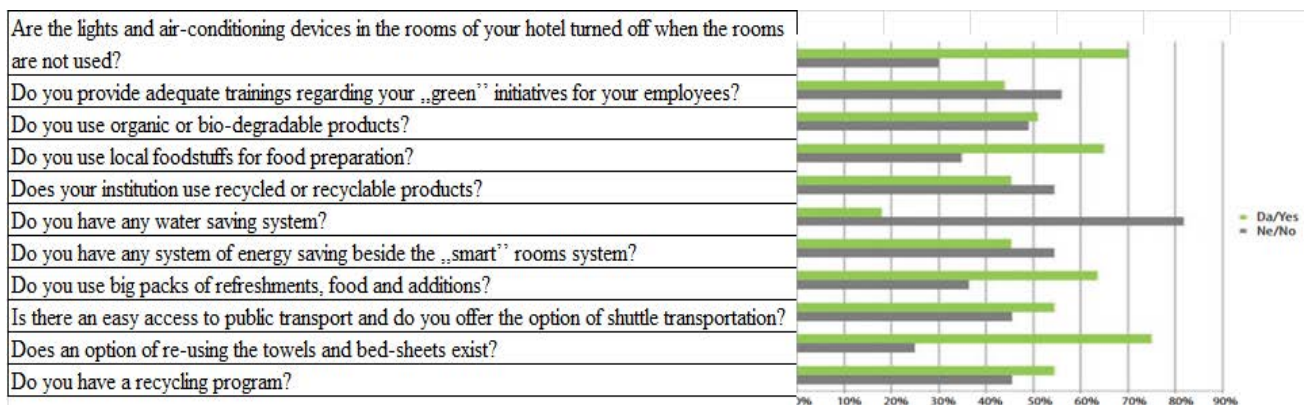


Table 2. The results of the survey, conducted in 4- and 5- star hotels in Serbia, Croatia and Montenegro, obtained in September 2009.

Source: SEE Business Travel & Meetings magazine, October 2009, p.50.

The results of the survey, conducted in 4- and 5-star hotels in Serbia, Croatia and Montenegro, indicate that the "smart" room system, in which the power supply is stopped if the magnetic card is not inserted, is used in the majority of hotels, as well as the option of re-using the towels and bed-sheets and the use of local foodstuffs and suppliers for food preparation. On the other hand, the education of employees regarding "green" initiatives is at a lower level, as well as the implementation of a more efficient water saving system, which is practically still to be developed (SEE Business Travel & Meetings magazine, 2009, p. 50).

4. Green Practice in the Grand Hotel Adriatic

The Grand Hotel Adriatic, the hotel with the longest tradition in congress tourism on the Croatian Adriatic, has a large congress centre, with an amphitheatre-shaped congress hall with 550 seats and a large lobby that can be used as an exhibition space. In addition to the large congress hall, there are seven smaller conference rooms that can accommodate between 14 and 150 persons. "Camelia I" can accommodate 35

persons, while the “Camelia II” and “Fortuna” can accommodate 120 persons. The convention centre is equipped with the latest audio-visual equipment and expert technical support. The hotel is also a member of the ICCA – the International Congress & Convention Association.

In order to examine the level of environmental responsibility and green practice in congress and meeting venues, a survey using questionnaire (adopted from The Environmental Protection Agency model) was conducted in March 2015, interviewing top management members of the Grand Hotel Adriatic.

Based on the interviews, the following conclusions can be drawn: the lights and air-conditioning devices in hotel rooms are turned off when the rooms are not used; local foodstuffs (from local growers) are being used for food preparation; although the hotel has no recycling programs, recycled or recyclable products are used in everyday practice; the hotel provides reusable serving utensils, napkins, and tablecloths when food and beverages are served; the hotel has an energy-efficiency program and a system of energy saving beside the “smart” room system; there is an option of re-using the towels and bed-sheets; the hotel is located near the centre of Opatija so there is no need for guests/attendees to use ground transportation for reaching the centre of the city, although both easy access to public transport and shuttle transportation are provided.

	YES	NO
Are the lights and air-conditioning devices in the rooms of your hotel turned off when the rooms are not used?	X	
Do you provide adequate trainings regarding your „green” initiatives for your employees?		X
Do you use organic or bio-degradable products?		X
Do you source food from local growers or take into account the growing practices of farmers that provide the food?	X	
Does your institution use recycled or recyclable products?	X	
Do you provide reusable serving utensils, napkins, and tablecloths when food and beverages are served?	X	
Do you have any water saving system?		X
Do you have an energy-efficiency program?	X	
Do you have any system of energy saving beside the „smart” rooms system?	X	
Do you use big packs of refreshments, food and additions?		X
Is there an easy access to public transport and do you offer the option of shuttle transportation?	X	
Does an option of re-using the towels and bed-sheets exist?	X	
Do you have a recycling program?		X

Table 3. The results of the survey conducted by interviewing top management of the Grand Hotel Adriatic

Source: author, March 2015.

Similarly to previous studies conducted on a large number of hotels in Southeast Europe, the Grand Hotel Adriatic does not provide training regarding “green” initiatives for its employees; not all products in use are organic or bio-degradable, and there are no bulk dispensers or reusable containers for beverages, food, and condiments. From all of the above, it can be concluded that most of the green business concepts are applied, which makes the Grand Hotel Adriatic convenient for hosting green meetings and events. The hotels which take care of eco- standards are more likely to get big corporate clients. The fact that supports this statement is that the Congress Centre in the Grand Hotel Adriatic holds 150-200 domestic and international congresses, conferences and meetings every year.

5. Conclusion

Tourism development must follow the greening trends in business tourism. The high profitability of this type of tourism, motivation and positive investment activities result from higher daily expenditure of congress participants and the construction and development of additional and currently available accommodation.

Opatija, with a wide range of hotels, has always been the centre of the most important business and entertainment events. From the opening ceremony of the Congress Hall in 1971, with the FIS Congress (International Ski Federation) to the present, the Grand Hotel Adriatic, with its famous professionalism, expert technical support and the latest audio-visual equipment, has been successfully hosting both domestic and international congress events. As already noted, most of the green business concepts are applied in its everyday business, which makes the hotel convenient for hosting green meetings and events.

The existing perceptions of greening indicate the possibility that greening would be a core competence of a convention destination, which in turn can be a competitive advantage in the future.

Accordingly, future development of green practices in the Grand Hotel Adriatic could become a push factor for successful congress and events.



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