

# BUILDING SUSTAINIBILITY ECO TOURISM THROUGH ENVIRONMENT BASED MARKETING

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## ABSTRACT

*This study sought to establish whether there is indeed a relationship between Environment based marketing practices and performance of ecotourism in Indonesia. The population of the study was the 15 tour and travel firms that are eco-certified. A sample of 15 ecotourism destination providers was targeted. Primary data was collected by use of a semi structured questionnaire that was administered to the marketing managers in these firms. All the respondents agreed that their firms practiced environment based marketing. The major factors influencing this decision were to comply with the existing environmental policies and for environmental conservation. The study revealed that in supporting the local communities, the tourist accommodation service providers are involved in various activities from buying products to providing various services such as education facilities and environmental conservation as well offering them employment. The study also revealed that tourist accommodation service providers engage in different practices on their products/services to enhance level of environment based marketing practices. The major practice in this regard was making sure that the product is engaging and simple. Nearly all of the respondents mentioned that there is a relationship between environment based marketing and ecotourism sector in Indonesia. From the findings, environment based marketing has many benefits to the ecotourism sector. The most notable is customer satisfaction as mentioned by majority of the respondents. The study recommends that ecotourism destination service providers in the country should continue to practice environment based marketing since it has benefits that can enhance the performance of their firms. The government of Indonesia should develop a new strategy focusing on sustainable community based ecotourism. This will ensure that the community reaps the socio and economic benefits of development and conservation. It will further boost the respect and understanding between the community, local authorities and the ecotourism destinations.*

**Keywords:** *Eco-tourism, Consumer Behaviour, Consumer Retention, Environment based Marketing, Marketing Strategy*

## I. INTRODUCTION

Tourism development is seen as a way of improving a country's economic and social well-being, but if

this development is not handled carefully, tourists will migrate to competing destinations or attractions. There is a greater need to develop tourism products with a sustainable focus, helping to fit in with the

local environment and ensure its preservation (UNEP, 2012). To remain competitive, major world-class destinations are diversifying to attract environmentally oriented tourist segments. The environmentally oriented segments are growing at a very high rate. It is estimated that the demand for ecotourism is growing by approximately 20% annually on the international market. Tourism is increasingly being used as an economic development tool by many third world countries, thereby helping to generate employment as well as improve the local infrastructure (Weaver, 2012).

Ecotourism is a form of tourism created in cooperation with nature and is a sub-component of the field of sustainable tourism. Its marketing approach therefore must focus on satisfying three types of needs: the needs of the guest in a temporarily changed environment, the need to preserve the natural environment, and the needs of tourism offer providers. As all of these needs are interrelated, the tourism product that can satisfy them also has to be integrated. This is, indeed, where the role of environment based marketing lies, particularly in the ecotourism sector seeking to reap benefits of environment based marketing (Harris et al., 2012).

The tourism sector is an important part of the economy especially in developing countries like Indonesia where it is seen as a source of foreign income. Environment based marketing concept has attracted attention globally as a result of the increasing awareness to conserve the environment and the benefits that accrue when the consumers consume environmentally friendly products. Sustainable tourism development based on natural resources and on historical and cultural heritage is the basis of the future national tourism strategy that will define how tourism in Indonesia is to develop and grow. It is obvious that companies in Indonesia tourism industry must also become involved in the process of creating sustainable competitive advantages to secure their business future.

### **1.1. Concept of Environment based marketing Practices**

Polonsky (2014) defines environment based marketing as an activity designed to generate and facilitate any exchanges intended to satisfy the human needs, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment. Environment based marketing may be defined as a group of activities designed to generate

and facilitate any exchange aimed at satisfying human needs or wants in a way that meeting these needs and wants has the least possible negative effect on the natural environment. Environment based marketing can be seen to serve the following purposes; to develop products that strike a balance between the requirements of consumers for quality, practicality, performance and affordable prices, and ecological acceptability in terms of minimum environmental impact and to create an image of high quality, including environment friendliness that relates to the properties of the product, as well as to the manufacturer and its achievements in the field of environmental protection (Wolmer, 2014).

Environment based marketing practices implies cooperation between suppliers and sellers, partners as well as rivals, in order to achieve environmentally sustainable development throughout the entire value chain, while at the same time, it internally calls for the cooperation of all business functions in finding the best possible solutions for two major guiding principles: profit and long-term, positive contributions to the environment society and the natural surroundings. Hence, environment based marketing has emerged as a - natural result of the social marketing concept (Weaver, 2012).

The application of environment based marketing calls for a pro-active approach towards both customers and other stakeholders, as well as towards the legislator. To gain all the strategic advantages that environment based marketing has to offer requires the willingness to rethink the very foundations on which the mission, vision, strategy and goals of a business are based. This entails commitment and focus not only from top management but also from each individual within a business. This applies equally to all businesses within the aggregate that comprises tourism supply, considering that the tourism product offering is based on the principle of aggregate supply referring to individual partial products with regard to both material and immaterial integral tourism products, thus implying the level (Van, 2014).

Sustainability is not only the right thing to do, but it simply makes good business sense and will remain central to how ecotourism sector is managed. TripAdvisor surveys find that 79% of travelers globally think that it's important accommodation providers have eco-friendly practices and 85% of U.S. hoteliers say they have green practices in place. According to a report by MIT Sloan management review in 2012, 67% of US consumers are now looking for greener products.

A survey of 1300 US travelers by TripAdvisor. Com in 2013 shows that nearly two thirds often or always considers the environment when choosing hotels, transportation and meals (CREST, 2013). This study focused on the relationship between environment based marketing practices and performance of ecotourism in Indonesia.

## 1.2. Concept of Eco-Tourism Performance

The definition of ecotourism was introduced by the The International Ecotourism Society (IES) in 1990 (Fandeli, 2000), which states that ecotourism is a form of travel into the natural areas aimed in conserving the environmental resources and preserve biodiversity, and improve the local communities livelihood. Ecotourism is a form of tourism that is responsible in preserving the nature areas, to create economic benefits and maintain the cultural integrity of local communities, which is also a form of special tourism interest (Fandeli, 2003).

A tourist activities can be regarded as ecotourism if it has met three dimensions: (1) conservation dimensions, namely tourism activities are helping local conservation efforts with minimum negative impacts, (2) educational dimensions, namely the tourists who follow the activities of these tours will get knowledge about ecotourism, unique local biological and socio-cultural lives, and (3) social dimensions, namely the local people who have been key actors in implementing any tourism activities (Hafild, 1995).

Data suggest that among various types of ecotourism, the nature attractions are quite interested or about 10% of the overall tourism enthusiasts (WTO, 2000). In the future looks more positive with the declaration of 2002 as the year of the International Ecotourism, the positive responses have been suggested by more than 93 countries in the world. Indeed, to develop ecotourism is not easy because it must meet the international standards and rules. However, it is not expensive and very profitable in terms of nature conservation and local community empowerment.

Ecotourism based on this criteria is ecological tourism, which is a model of responsible tourism development in an undisturbed nature areas or areas that are managed by the specific rules to enjoy and appreciate any ecosystem services and all forms of traditional culture that support conservation, involving educational elements, has a low impacts of socio-economic and active involvement of local communities.

Ecotourism is a form of tourism that very closely with the principles of the environmental conservation. In developing the strategy of ecotourism it is used the sustainable ecosystem management. Thus ecotourism is very feasible in maintaining the sustainability of ecosystems. Directly and indirectly, activities of ecotourism also play a significant role in efforts to protect and manage the natural habitats and species that are found in them, and creates economic benefits for the surrounding communities.

## 1.3. Concept of Eco-Tourism Performance

The term ecotourism is used interchangeably with sustainable tourism. The International Ecotourism Society (TIES) defines ecotourism as travel to natural destinations, minimizes impact, environmental awareness building, direct financial benefits to conservation, creation of financial benefits and empowerment for local people, respect local culture and supports human rights and democratize movements .The Australian National Ecotourism Strategy defines ecotourism as a nature-based tourism that involves education and interpretation of the natural environment and is managed to be ecologically sustainable. Ecotourism hopes to change the unequal relationships of conventional tourism. Thus, it encourages the use of indigenous guides and local products (UNEP, 2013).

According to UNEP and UNWTO (2013) sustainable tourism takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, and the environment and host communities. Sustainable tourism comprises policies, practices and programs that take into account both the expectations of tourists regarding responsible natural resource management and the needs of communities that support or are affected by tourism projects and environmental scarcities (ILO, 2012).

Ecotourism is a practice adopted by countries that uphold environmental conservation practices, and it aims to co-ordinate, assist and stimulate cultural and environmental tourist development, recognizing the importance of conservation and maintenance of local cultural heritage and the natural resources of the region for present day generations and generations to come (Turner, 2014).

#### 1.4. Eco-Tourism Subsector in Indonesia

Indonesia suggests the high potencies of ecotourism attractions, include the nature ecosystems and its resources, nature biodiversity and traditional values spread in various regions of archipelagoes. However, management of these ecotourism attractions are actually undeveloped in many tourism destinations. Its activities are really still limited to certain nature areas. According to UNEP (2003), the ecotourism planning and management are the most effective tools in conserving biodiversity at the long term. The main ecotourism attractions are based on nature flora and fauna (90%), and local traditional culture (10%). For Indonesia, the ratio may be the nature resources of 60% and traditional culture of 40%, because this country is very rich in traditional culture (Sudarto, 1999). The nature and traditional-culture are the main ecotourism attractions in Indonesia, people need to conserve nature resources in order to sustain any ecotourism objects and attractions. These activities are not so easy because Ryan and Crotts (1997) reported that the impacts of tourism are relatively complex and it is difficult to be managed (Hvenegaard and Dearden, 1998).

This suggests that ecotourism has an important role in the context of sustainable development, because it offers the high potencies for the private sectors to develop and utilize the natural resources potencies, and to support community economic development, particularly in rural areas surrounding the ecotourism destinations (Eagles, 2002).

In Indonesia, tourism started to become an important concept from 1995, when there is a national seminar and workshop organized by the Pakta Indonesia and WALHI at Bogor city. In order to strengthen Indonesian ecotourism movement, participants in the Second National Workshop on Ecotourism held in Bali on 1 to 5 July 1996, declared the Ecotourism Society of Indonesia (Indonesian Ecotourism Society, IES). Activities of this community among others are to increase awareness about the need for nature conservation, to develop the environmental education for the tourists who visit ecotourism destination, and create economic benefits for local communities. Since 1996, tourism discussions, workshops on ecotourism strategic planning and implementation of ecotourism in Indonesia have been performed. The IES was encouraged the first meeting (1997) in Flores city, and second meeting (1998) in Tana-Toraja, South Sulawesi (Sudarto, 1999).

Development of ecotourism in Indonesia was originally driven by non-governmental organizations (NGO), community services and environmentalist. It is more based on a commitment to the environmental preservation, economic development and empowerment of local communities in a sustainable way. Sometimes that commitment is not supported with the professional management, so that there are areas of ecotourism are not sustained. Meanwhile, private sectors have not been interested in doing business in this field, as it must take into account the social costs and the ecological costs (Ditjen PKKH, 2001).

To support the ecotourism development in Indonesia, tourism communities should understand any constraints in ecotourism management. Several constraints have been identified include forest logging (e.g. in the Tanjung Putting), uncontrolled mining (e.g. in the Tanjung Putting) and illegal hunting (generally in Bali). Other threats include flood disasters, social conflicts and environmental insecurities (Sudarto, 1999).

In 1993, tourism in the Asia Pacific regions have contributed U.S. \$ 950 billion and 10% comes from ecotourism activities. Because Indonesia is rich in biodiversity and culture attractions, there are chances for this country to get 10% of this amount. If this happens, Indonesia will get U.S. \$950 million from the ecotourism sub-sector. A potential market for ecotourism is the United States, about 43 millions people ready to do ecotours (Sudarto, 1999).

However, there are five basic principles of ecotourism that should be implemented in Indonesia, i.e.: (1) supporting program in nature conservation, (2) involving the local communities in ecotourism activities, (3) provide economic benefits for the tourism communities, (4) preserve social values, local traditional cultural and religious communities, and (5) comply with regulations related to tourism and nature conservation (Anonymous, 1997; Anonymous, 1998).

One real example that can be described is ecotourism in Bali, it is supported by the Prudential Foundation, which provides funds to empower people in adopting eco-tourism in their village; e.g. the Pelaga - Turn Sidan, Sibatana, Tenganan and Ceningan. These initiatives are likely to slow the development of mass-tourism which can generate any problems of environmental degradation and social disorders (Carroll and Turpin, 1997).

Development of ecotourism in Indonesia should be supported by an active role of local communities by way (Ditjen PKKH, 2001): (1) developing any relationships of partnership with the local communities, (2) involving any local communities in the process of planning, implementation, monitoring and evaluation, (3) creating the local community aspirations and initiatives for the development of ecotourism, (4) having regard to the specificity of local and traditional wisdom, and (5) providing business opportunities and job opportunities for the local community.

### 1.5. Research Problem

Ecotourism is seen as a green alternative to other forms of tourism. Many companies today openly commit themselves to carrying out their business in accordance with environmental principles due to the increased environmental awareness among law makers, environmental groups, consumers, financial institution, insurers, the company's own employees and, most of all, the customers. One of the most important issues affecting the tourist industry in recent years is sustainable tourism. Global tourist industry leaders are realising that sustainable tourism development is critical to the conservation of nature and the preservation of indigenous culture. The need to grow and expand tourism has triggered the need for implementation of environment based marketing practices through a pro-active approach towards both customers and stakeholders of the organization (Scheyvens, 2014).

Nature resources in Indonesia, ecotourism plays a key role in development; however the growth of ecotourism in Indonesia is constrained by a weak policy, legal and regulatory framework; limited level of community involvement, market penetration and product development; limited financial incentives; and increasing environmental degradation (Ecotourism Indonesia, 2014). Indonesia is involved in the development of the Indonesia Safari Codes and Coastal codes which aim at involving tourists in campaigns to conserve destinations in Indonesia to ensure the country's tourism sector remains sustainable. The association tries to reach a large number of community based organizations in areas with rich wildlife resources to promote ecotourism principles and conservation (Spenceley, 2014).

A study was carried out by McNamara (2012) on the significance of environment based marketing on environmental sustainability; the findings revealed that environment based marketing was an important tool in enhancing tourism activities in most tourist destinations in Australia. Parker and Khare (2013) conducted a survey in South Africa laying more focus on environment based marketing for environmental sustainability; it was found that environment based marketing contributed to environmental sustainability and conservation through the use of environmental friendly products which was deemed to boost the health status of consumers. Reichel and Uriely (2012) did a study in Asia and concluded that ecotourism was a key factor in enhancing tourism attraction and corporate image. Most investors from countries that embrace environmental conservation were attracted to invest in countries that practiced ecotourism.

Kinoti (2012), contends that environment based marketing practices in general influence performance and that in relation to individual measures of performance environment based marketing practices have statistically significant effect on innovativeness, effectiveness, competitive advantage, and efficiency but do not influence sales turnover, market share and gross profit. Wanjiru (2012) concluded that urban green spaces and urban ecotourism play an integral role in cost reduction; the findings further revealed that ecotourism highly contributed to foreign investments especially from countries that embrace environmental conservation practices. Gitobu (2014) found out that environmental conservation was the major driver for adoption of environment based marketing by hotels in Mombasa County. Government regulations did not influence adoption of environment based marketing by Hotels in Mombasa County however; adoption of environment based marketing by hotels in Mombasa County led to cost reduction and good public image.

From the foregoing studies, little has been done in relation to environment based marketing practices and performance of eco-tourism. This study therefore attempted to answer the following research question: what is the relationship between environment based marketing practices and performance of ecotourism

### 1.6. Research Objective

The objective of this study was to establish the influence of environment based marketing practices on the performance of ecotourism sector in Indonesia.

The study provides insights on the significance of environment based marketing practices and the performance of ecotourism in Indonesia. It seeks to contribute to the existing body of knowledge in the emerging field of environment based marketing while increasing the understanding on the benefits of environment based marketing practices and sustainability of ecotourism and its importance to economic growth.

The findings of the study will help other firms in Indonesia and marketing managers who wish to practice environment based marketing enjoy the green advantage of differentiation from competition, enhanced brand image, innovation promotion and environmental cost savings through eco - efficiency practices. The study will help the government and entrepreneurs adopt new behaviors to lessen their environmental impacts while providing future researchers and scholars a framework for further research.

## II. LITERATURE REVIEW

### 2.1. Theoretical Foundation

The paradigm of sustainable tourism emerged and is still evolving as a result of developments both internal and external to the tourism industry over several years ago. Ecotourism is a practical as well as theoretical construct. Its aim is to change real-world operations in the tourism industry, as well as improve the understanding of tourism as a social phenomenon. Ecotourism development commenced with the environmental movement of the 1970's and 2013's during which time environmental awareness and a desire to travel to natural location as opposed to build up tourists location made it desirable (Honey,1999).

In the mid-2013s, attitudes within the general tourism industry began to change. The main reasons for the shift in attitude were considered to be: the growing influence of the organized conservation and environmental movements; tourists who demand quality; tourists' awareness of their effect on the environment; and economic motives, as it were becoming profitable to turn green' (Boers & Bosch, 2014).

Jafari (2013, 2014) proposed four platforms of tourism starting from the advocacy right through to the knowledge-based platform. Through the advocacy platform, tourism was considered to be a smokeless industry, the more the better with potential benefits of

direct revenues and employment, supporting a policy of mass tourism (Wolmer, 2014). Cautionary platform viewed conventional mass tourism as unsustainable and is premised on Butler's tourists area life cycle model (Butler, 2013). This model demonstrates the negative impacts inherent within inappropriately managed mass tourism (Weaver, 2012). It proposes that destinations follow an S-shaped growth path from exploration, involvement, development, consolidation, stagnation, and then rejuvenation or decline. This evolution is brought about by a variety of factors including changes in the preferences and needs of visitors, the gradual deterioration and possible replacement of physical plant and facilities, and the change (or even disappearance) of the original natural and cultural attractions which were responsible for the initial popularity of the area.

The advocacy platform supports deliberate alternative to mass tourism while knowledge – based platform acknowledges the possibility that mass tourism can be sustainable if planned and managed appropriately (Weaver, 2012). Although these platforms developed at different times they were additive and parallel, rather than sequential. The platforms represent different viewpoints and their supporters continue to advocate the advantages of their approach to tourism.

Brundtland Commission Report (2013) advances the idea of sustainable development by noting that economic growth and environmental conservation are not only compatible but they are necessary partners, one cannot exist without the other (Harris et al., 2012). Such an aim requires consideration of the relationship between the positive and negative impacts of tourism, as well as the trade-off between various impacts.

In order to achieve better tourism development, Gunn and Var (2012) proposes four goals: enhanced visitor satisfactions; improved economy and business success; sustainable resource use; and community and area integration. Alternative tourism as represented by many small companies emerges in the era of post-modernism to take advantage of the changing consumer platform viewed conventional mass tourism as unsustainable and is premised on Butler's tourists area life cycle model (Butler, 2013). This model demonstrates the negative impacts inherent within inappropriately managed mass tourism (Weaver, 2012). It proposes that destinations follow an S-shaped growth path from exploration, involvement, development, consolidation, stagnation, and then rejuvenation or

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Ecotourism has differentiated its product from other tourism products by focusing on nature, learning and sustainability. There are three distinct tourism products namely the ecotourism experience; the place product; and ecotourism products (O'Fallon, 2014). The tourism experience comprises all that the tourist sees, uses and experiences as part of their tourist encounter. The place product is the tourist destination as the point of consumption of certain components of the ecotourism experience. Finally, the ecotourism product refers to the individual products such as accommodation, attractions, restaurants and souvenirs. The ecotourism product can be further differentiated by its characteristics which make ecotourism a unique type of product.

Green product involves designing of environmentally friendly materials that has less impact on the environment. This includes smaller buildings with efficient use of space as well as designs that accommodate adaptation. Product selection helps firms to carry out their activities using less material than the standard solution and products that are especially durable. Such kinds of products do not need replacement frequently since they can be used for multiple purposes (Jafari, 2014).

Most organizations ensure efficient use of materials through moving products from linear to cyclic use of materials. The products that are designed to be reusable, recyclable, or compostable facilitate this trend. These products are environmentally attractive because they need to be replaced less frequently or their maintenance has very low impact, both of which can reduce costs as well as environmental impact (Balint & Mashinya, 2014).

Buckely et al. (2014) explains that as a result of the public realization that its consumption activities lead to environmental problems, most organizations across the globe are translating their environmental concern into actively purchasing and consuming green products as a way of attracting foreign investors. The emergence of new green products has been one of the main areas of activity in response to the green challenge to ensure that firms cultivate a culture of green product consumption to boost ecotourism (Butcher, 2013). Ecotourism attractions must find a way to provide the means for a fun, relaxing or invigorating vacation experience without harming the environment. Beyond these basic requirements, eco tourists expect an experience that is "informative, educational and accurate".

## 2.2. Green Price and Eco-Tourism Performance

Most consumers will be prepared to pay an additional value if there is a perception of extra product value. The perceived value is defined as the price a customer is prepared to pay for the benefits that the product delivers (Polonsky, 2014). Langerak and Peelen (2012), explains that if social and environmental protection measures cost extra money, this can be passed on to the consumer, making it clear that the price differential is a result of such improvements. Moreover, if costs are reduced through environmental measures, it is ethical to be completely honest in cutting prices or considering discounts to those who can match the organization's own environmental performance (Cater, 2014).

Consumers need to be educated to realize that paying a little more for a green product is worthy and make them willing to pay. This value may be due to improved performance, function, design, visual appeal, or taste. Green price involves producing affordable products that are cost effective to the consumers locally and internationally. Such products and services exhibit features of environmental friendly products that are more likely to attract investors and tourist.

When making pricing decisions, most organizations that embrace green price should decide on a price that will impact profit margins, supply, demand and marketing strategy to the investors (Fennel, 2012). To achieve good results the organization should properly manage and set competitive prices to attract both local and international investors. A few consumers that are aware of the benefits of environmental conservation are more likely to be motivated to purchase a product at a higher premium since they attach a higher value for such products and services (Fennel & Nowaczek, 2010).

### 2.3. Green Place and Eco-Tourism Performance

Organizations that implement green place eco-tourism engage in a critical scrutiny to evaluate the right product, at the right place, at the right time. This is significant in ensuring that organizations are able to position themselves competitively in order to attract potential clients and investors from different countries and especially those that embrace ecotourism (Polonsky, 2014).

Green place has been perceived by most tourists' corporations as a way of differentiating themselves with their competitors by ensuring that the firms are centrally located close to their customers and manufacturers with the objective of reducing transportation costs as well as ensure an effective and efficient delivery of goods and services. To be successful any new green product has to gain access to potential customers through a suitable distribution channel (Government of South Africa, 1996).

The channels of distribution that a company uses can be viewed from a physical and economic perspective. In physical terms, distribution deals with the logistical challenge of getting the product to the consumer given the proximity of the organization to its customers. In the economic terms, distribution is concerned with developing and managing a channel structure which in addition to supporting the physical

distribution of goods is capable of handling the exchanges of information, money and ownership that marketing relies upon.

It is important to note that the choice of where and when to make a product available will have a significant impact on the customers since very few customers will go out of their way to buy green products (Harris, Griffin & Williams, 2012). Moreover, ecotourism place must rely on infrastructure that has been developed in harmony with the environment, minimizing use of fossil fuels, conserving local plants and wildlife, and blending with the natural and cultural environment.

### 2.4. Green Promotion and Eco-Tourism Performance

Green promotion involves promoting products and services that are environmentally friendly, causing no harm to the environment and minimal detrimental effects to the health of the consumers (Polonsky, 2013). Hunter and Green (2013) contend that most investors are more likely to invest in countries that embrace environmental friendly products and services through the use of green promotion. The approaches to promoting eco-tourism are often based on social marketing techniques which are customer-oriented and use the concepts and tools of commercial marketing and advertising companies. Research, planning, targeting, using different tools, and sustaining the scheme over a period until results are achieved are the key ingredients in successful public communications campaigns (UNEP, 2013). In green promotion most countries cultivate a positive cultural, economic and social economic status to positively impact on environment conservation and direct economic benefits to local people and further provide opportunities for consumers to enjoy goods and services that have minimal effects on their health (Balint & Mashinya, 2014).

Promotion of ecotourism can be attained through eco-labeling and eco-sponsorship. Eco-labeling is only one type of environmental performance and refers specifically to the provision of information to consumers about the relative environmental quality of a product. As has been identified by the International Organization for Standardization (ISO), the overall goal of these eco- labels is: "...through communication of verifiable and accurate information, that is not misleading, on environmental aspects of

products and services, to encourage the demand for and supply of those products and services that cause less stress on the environment, thereby stimulating the potential for market-driven continuous environmental improvement. Labels often show the collection and recovery systems available to consumers, the meaning of markings on the packaging itself, and the consumer role in recovery and recycling.

### 2.5. Environment based marketing Practices and Ecotourism Performance

Ecotourism can be a very important source of green growth for many developing countries given their natural endowments, leading to creation of many trade opportunities in remote locations. It is also an excellent vehicle to transfer income from wealthy nations to the various sectors particularly because travelers often venture into remote and economically disadvantaged regions (UNEP, 2011). Tourism choices are increasingly influenced by sustainability considerations (UNWTO, 2012) Sustainability can also build business value itself. For businesses, ecotourism is a business, for NGOs, it is an environmentally friendly activity that will conserve our natural resources and a sustainable wealth creation concept ideal for rural development which includes local employment for donors (ESOK, 2013).

## III. RESEARCH METHODS

### 3.1. Research design

The study used a survey since the data was collected from a sample of the population. According to Orodho (2014), a descriptive survey design is a method used to collect information by interviewing or administering a questionnaire to a sample of individuals and give an account of the status at that point. Descriptive survey research design attempts to determine, describe or identify relationships of variables at a given time. It uses class measurement and comparison to illustrate a situation. Its main characteristic is that the researcher has no control over the variables.

### 3.2. Target Population

According to Cooper and Schindler (2014), a population is the total collection of elements which the researcher wishes to make inferences. The target population of the study included all the 85 eco-certified

tourist accommodation providers licensed under the Ecotourism Indonesia (Ecotourism Indonesia, Naturals issue No.6, 2015).

### 3.3. Sample Design

Cooper and Schindler (2013) defines sampling as a selection of a few items (a sample) from a bigger group (population) to become the basis for estimating or predicting the prevalence of an unknown piece of information, situation or outcome regarding the bigger group. To achieve the intended objective of the study the researcher used a random sampling technique to select respondents from the population. According to Sekaran (2014) adequacy means the sample should be big enough, at least 30% of the population to enable reasonable estimates of variables to be obtained, capture variability of responses and facilitate comparative analysis. Kothari (2014) recommends any large sample to be at least 10% of the target population. The sample of 15 firms was therefore expected to adequately address the objectives of the study.

### 3.5. Data Collection

For this study, primary data was collected by use of a semi structured questionnaire. The questionnaires had three sections: Section A sought data on the profile of the organization and the respondents, while section B focused on the influence of environment based marketing practices and performance of ecotourism sector in Indonesia. Section C focused on the objective of the study which is the relationship between environment based marketing practices and performance of ecotourism sector in Indonesia while section D was general information. Data was collected from the marketing managers or their equivalents. This was considered appropriate since they understand the environment based marketing practices. The questionnaires were administered by a drop and pick later method at an agreed time with the researcher.

### 3.6. Data Analysis

Analysis of data was guided by the research objective. Data collected was both qualitatively and quantitatively analyzed. Creswell (2014) explains that data analysis is the process of inspecting, cleaning, transforming and modeling data with the goal of discovering useful information, suggesting conclusions

and supporting decision making. For quantitative data, analysis was done using descriptive statistics of frequencies, percentage and the mean. Qualitative data was analyzed through content analysis where it was categorized into themes based on the study objective.

#### IV. RESULT

Based on the results of the study, the respondents indicated that their firms practiced environment based marketing. In addition, the study finds a significant relationship between environment based marketing practices and ecotourism performance.

On what contributes to the decision to practice environment based marketing, the major reason according to the findings is to comply with the existing environmental policies. Another major reason is environmental conservation. The study revealed that in supporting the local communities, the ecotourism destination providers buy handicraft items from local communities as well as giving them employment. Majority of the firms also educate the local communities on resource use and management. By supporting the local community, the firm benefits in various ways including healthy/enhanced co-existence between the local communities and the wildlife among others.

The study revealed that ecotourism destination providers engage in different practices on their products/services to enhance environment based marketing. The major practice in this regard is making sure that the product is engaging and simple. Nearly all of the marketing managers affirmed that there is a relationship between environment based marketing and ecotourism sector in Indonesia. According to the findings, the tourist accommodation service providers engage in a variety of practices that show their adherence to environment based marketing. The major practice is resource reduction as affirmed by a vast majority of the marketing managers. This entails water, electricity, use of solar energy, wind power etc. Another major practice is waste management.

Findings further indicated that the practices are performed to a large extent in which case water conservation is the most largely practiced among the firms. Waste management, energy management and green procurement/recycling are also practiced to a large extent. Majority of the marketing managers affirmed that ecotourism products have a social and

environmental impact. A further analysis indicated that the products in majority of the companies meet the market standards. In others they are accessible and have minimum environmental input. Nevertheless, only a few of the managers mentioned that the products are attractive.

From the findings, environment based marketing has several benefits to the ecotourism industry. The most notable is customer satisfaction as affirmed by a vast majority of the marketing managers. It also promotes innovation. On the benefits of environment based marketing to the firms, findings indicated that the firms benefit to a large extent. The most notable benefit is that green products easily sail in the market because of their environmental-friendly nature. Most of the marketing managers in these firms affirmed that they were satisfied with government involvement in ecotourism although some of them were dissatisfied.

From the findings, it is clear that ecotourism destinations providers in the country have embraced environment based marketing practices. This has been greatly influenced by environmental policies in the country. Tourist accommodation service providers mainly support the local

#### V. RECOMENDATIONS

The study recommends that ecotourism destination providers in the country should continue to practice environment based marketing since it has benefits that can enhance the performance of these firms. Secondly, the government of Indonesia should develop measures that ensure more support is given to the ecotourism destination providers in the country. This will boost their morale in practicing environment based marketing which is beneficial to both the firm and the country. Ecotourism destination providers should put more effort in enhancing the attractiveness of their products/services to improve their competitiveness in the market.

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