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**TOURISM
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**UNIVERSITY OF KRAGUJEVAC
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AND TOURISM IN VRNJAČKA BANJA**



THE ROLE OF CSR IN THE DEVELOPMENT OF SUSTAINABLE TOURISM IN SERBIA

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Abstract

Corporate social responsibility (CSR) is a strategy of companies to achieve competitive advantage through reducing a negative impact of their business on the society and environment. In contemporary highly polluted environment, increasing number of customers insist on products and services that are not threatening the natural environment. There are companies in Serbia ready to support the society and development of domestic tourism through CSR programs. CSR strategy becomes successful, sustainable and profitable only when it is in lockstep with a company's business model. Therefore, companies need to consider the influence of CSR strategy on their business performances and choose the one which brings the greatest benefit. The responsibility of a company towards environment strengthens its reputation, increases the value of corporate brand and ensures long-term sustainable development. The aim of this paper is to highlight examples of CSR approach of Serbian companies, especially hotels, and the impact on sustainable tourism development.

Keywords: *CSR, tourism, brand, quality, hotels*

Introduction

Achieving competitive advantage in contemporary market conditions no longer depends solely on product/service quality and costs, but also on company's impact on wider community and natural environment. Intensive competition, together with legislation and powerful NGOs, increases bargaining power of customers who value more socially

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responsible businesses. Companies therefore should question their influence on local community and natural environment, and take the responsibility for such influence. The concept of corporate social responsibility (CSR) in the field of management represents companies' aspiration to ensure competitiveness through reducing a negative impact on society and environment, solving the existing problems which might not be necessarily caused by their activities, and creating a positive impact. Resource-based theory suggests that the environmental protection can help ensuring sustainable competitive advantages. Sustainable development nowadays attracts a special attention of companies and communities. The European Union puts a great emphasis on sustainable development, striving to integrate and reconcile the economic, social, and environmental dimensions of sustainability in its sustainable strategy. In the hotel industry, sustainability plays a key role among corporate travelers, a third of whom look for hotels that are environmentally conscious.

Ignoring environmental issues causes harmfulness which is reflected in increasing sea level, climate change, air pollution, species extinction and lack of resources. Quality management movement provides great help for solving environmental problems and reducing hazards from harmful products. The main goal of this movement is to enable companies to deliver high quality goods in the shortest possible time to market, at minimum cost, and in a manner that emphasizes human dignity, work satisfaction, and mutual and long-term loyalty between the organization and its stakeholders (Gazzola & Pellicelli, 2009). CSR is perceived as a natural progression for those organizations that have already begun their “quality journey” (Hazlett et al. 2007).

A sustainable tourism is a paradox, because sustainable refers to the preservation of natural environment, while tourism development aims at raising profit from increasing tourist turnover which usually destroys the natural environment. Negative externalities associated with tourism development include solid waste, water consumption, electricity usage, CO₂ emission, etc. However, it is possible to develop tourism not at expense of natural environment by deploying CSR strategies. Priority fields in CSR approach for companies within tourism industry concern limiting usage of scarce resources and increasing usage of renewable ones, altogether with recycling and limiting the amount of gas emissions, dirty waters and quantity of solid waste. This is of crucial importance for tourism development, since it is based on the principle of sustainability.

Without protection of natural resources, tourism industry cannot sustain. Sustainable development aims to establish the balance between economic development on one side, and social and environmental development on the other side.

The concept of CSR and its strategic importance

CSR is a relatively recent phenomenon which gained in significance in 1980s (Kok et al. 2001). The main reason for increasing popularity of this concept is constantly growing competition due to markets liberalization and thus, globalization of businesses. It means that almost every company is exposed to international competition, even if it operates solely within boundaries of its domestic market (Milovanović, 2009). CSR means commitment to ethical and transparent business actions for the “common good” and avoidance of harm to humans and nature (Campbell, 2007).

The World Business Council for Sustainable Development (2001) defines CSR as “the commitment of business to contribute to sustainable economic development, working with employees, their families and the local communities”. The aim of CSR approach is to ensure everybody a decent life without damaging the ecological system so that the survival of future generations is endangered (Garvare & Isaksson 2005). European Commission (2001) defines CSR as „a concept where companies integrate social and environmental concerns in their business operations on a voluntary basis by going beyond compliance and investing more into human resources, the environment and their relations with stakeholders“. Corporate social responsibility is also defined as a long-term social contract between an organization and the surrounding communities (Kreng & May-Yao, 2011). Moreover, some authors (McWilliams et al., 2006) find that CSR may be strategic (if a company wants to achieve marketing effects by CSR activities), altruistic (if companies really care about environmental and social problems), or coerced (if a company is forced to exercise CSR activities).

With the development of mass tourism there has been uncontrolled exploitation of natural resources, which are primarily reflected in the decline in the ability to restore them (Milićević et al., 2013). Aspiration for enormous profits, under conditions of strong competition and growing production, often leads to excessive and irrational use of renewable and nonrenewable resources, rising the need of forming various associations and organizations aimed at preserving the living environment, in order to

achieve a balance between economic and environmental objectives. The development that meets the needs of present generations without compromising the ability of future generations to meet their own needs is called sustainable development which is the result of congruence of economic, environmental and social objectives in the long term (Stojković & Leković, 2016).

In the theory of CSR, companies are seen as determinants of social prosperity. It means that differences in the quality of life among countries may be explained by differences in quality of their companies and institutions. Modern business scope includes orientation towards all stakeholders, leading to win-win solutions, trust and transparency (Zwetsloot & Marrewijk, 2004). Instead of maximizing the shareholders value, the focus is now moved to satisfying the stakeholders' expectations (Moir, 2001). Provided that stakeholders are becoming aware of numerous problems that are the consequence of economic activity (pollution, resource excessive usage, workforce exploitation, nature degradation, etc) and start demanding the responsibility from companies, CSR is not a choice any more but a necessity. Media and NGOs play an important role in raising the awareness about this issue among public, provoking customer responses through demand function and encouraging authorities to include social responsibility into the law (Harrison & Freeman, 1999). However, although it seems to be a pressure for companies, they can well benefit from their CSR activities. This is reflected in strengthening the brand and corporate image, increasing external and internal customer satisfaction and loyalty, reducing costs, increasing attractiveness for investors (Đorđević et al. 2009). At the end, it leads to profit creation and gaining the competitive advantage.

Carroll (2000) has proposed four dimensions of CSR: economic, legal, ethical and philanthropic. Economic dimension stands for a company's responsibility towards its stakeholders regarding the operating efficiency, profitability, competitiveness, and the other economic goals accomplishment. This refers to wealth creation for shareholders, on-time payment to employees, suppliers, shareholders and creditors, on-time delivery of quality goods and services to customers etc. This economic dimension of CSR ensures sustainable development of the company and satisfaction of its stakeholders. Regarding the legal CSR, it represents the extent to which company respects the rules and regulations established by the lawmakers. Being responsible in this context ensures the company operates according to the law and it does not risk to be closed or

punished. Ethical responsibility is related to a company's fairness and justness beyond its legal obligation, such as being moral, doing what is considered to be right, just, and fair in the surrounding community. The fourth dimension of philanthropic responsibility refers to the voluntary service and giving. This dimension is perhaps the most sensitive CSR strategy, as it does not mean investment in new technologies, cost-cutting, quality improvement, employee and customer satisfaction, so it is often a subject to the conflict of interests among the stakeholders. Philanthropic activities challenge the primary goal of any company which is profit maximization, and thus they are contradictory to the shareholders' goals.

The care for community and natural environment is often perceived as a part of Total Quality Management (Milovanović, 2014b), a management philosophy that seeks to integrate all organizational functions to focus on meeting customer needs and organizational objectives in order to ensure competitiveness and sustainable development. Philosophy of TQM broadens prior notions of quality in that it includes consideration of continuous business processes improvement, customer orientation, employee and supplier management, altogether with environment preservation and community orientation (Milovanović, 2014a).

Development of TQM concept indicates that quality can be evaluated also by the other stakeholders besides customers. Having this in mind, companies have been increasing their concern about employees, shareholders, customers, suppliers, local communities and especially about the natural environment. By fostering the relationship with stakeholders and showing the care for environment a company differentiates from the competition and enjoys a good reputation. This has served as a powerful tool in the time of recent financial and economic crisis when there was no many other means available for the market battle. International standards for quality management – ISO 9000 are based on the TQM philosophy and the latests version of these includes CSR as an integrated part of management system. It means that every company willing to introduce these standards must practice CSR.

Social and environmental goals are complex and refer to security of people, education, hiring, economic development, ecology, ecosystem protection. CSR strategy considers investment in some of these fields not as a cost, but rather as the future benefit. International standard for corporate social responsibility implementation ISO 26000 contains seven principles: responsibility, transparency, ethical behavior, respecting the

stakeholders, respecting the law, respecting the international codes of conduct, and respecting the peoples' rights.

Today, there is no longer a question “whether” but “how” to combine the principles of social responsibility with profit generation (Epstein & Roy, 2001). A company can choose from a plenty of activities to help solving problems in society and environment. As it is not possible to resolve all the problems, there emerges a need to select the optimal activities. CSR strategy is indeed a deliberate choice of activities that enable the organization to benefit from them as well. This approach is known as strategic corporate social responsibility and it states that a company should choose the activity which will earn the greatest benefit for the company itself. In this way, when company also benefits from its CSR activities, the CSR approach is going to be sustainable over time. In case the company only gives, but receives nothing, it is just a question of time when it is going to abandon CSR approach. It is therefore necessary to consider the influence of each CSR strategy to company's performance and choose the best one. CSR strategy becomes successful, sustainable and profitable when it is in lockstep with a company business model.

Investments in socially responsible activities have to be considered in the form of company financial performance (CFP), because if they do not enhance a firm's bottom line, such investments may not be considered sustainable in a long run. Corporate financial performance can be evaluated through accounting-based measures and market based measures to reflect the short-term profitability and market evaluation of future profitability. For instance, accounting-based measurement tool, ROA (return on assets) shows a company's short-term profitability and the contribution of certain resources allocation to the current profits, while the market-based measures (Tobin's q) indicate the investors evaluation of company's capability to create future profits.

The effect of CSR activities on financial performance was the subject of numerous researches. Results were different – some have proven the positive and other the negative relation between mentioned variables. The results vary considerably from sector to sector due to sector-specific variables. Because each industry faces unique social interests and issues based on internal and external environments, financial returns from investment in a certain dimension of CSR activity may differ depending on the specific industry.

CSR strategy becomes successful, sustainable and profitable when it is in lockstep with a company business model. Having this in mind, it can be concluded that hotel companies may gain benefit through their community involvement because of the great dependency between their operations and local communities (availability of human resources, local demands, suppliers, attractiveness of the destination). Community dimension of CSR would likely help hotel companies to increase both operational efficiency and competitive advantages, leading to high short-term profitability and positive market evaluations of future profitability.

Depending on the degree of connectedness between a firm's business operation and a given social issue, Porter and Kramer (2006) differentiate between strategic and responsive CSR. Strategic CSR refers to those activities addressed at social issues which are closely connected to company's operational contexts, thus enabling the company to generate competitive advantages. On the other hand, responsive CSR represents corporate actions designed to improve indirectly-related social issues and are less likely to have a positive effect on company's performance. It is necessary that the company analysis societal and environmental problems and its own capabilities in order to undertake the right activities. More precisely, the company should concentrate on such problems it is equipped to help resolve and also from which it can gain the greatest competitive advantage. That is a way to harmonize the interests of different stakeholders. Characteristics, mission and values of the company must be considered, its location and environment. Socially responsible communication is very important for gaining the respect and trust among employees, local community, and especially customers.

Strategic approaches to CSR are still in their infancy. It must be understood that the company cannot become socially responsible overnight since time is needed to engage stakeholders and develop a sound CSR strategy. Companies must balance their CSR programs against profitability in order to sustain their survival.

CSR and the Green brands

The construction of high-value brand makes a number of benefits to consumers and thus generates substantial financial returns for company. The value of the brand is perceived differently from the perspective of the company and the consumer. Creating and delivering superior value brand for consumers, resulting in increasing the value of the brand and increase

stock price of the company, and therefore it is justified to a great interest of companies to manage the value of the brand in the long term. In order to development of long-term brand and good relationships with consumers, companies implement concepts of Corporate Social Responsibility (CRS) and sets new environmental standards. The concept of CRS and environmental awareness more and more companies are adopting as part of business policy, according to whose principles guided the business. Responsibility of the company towards the environment strengthens the company's reputation, increase brand equity and provides a sustainable development in the long term. The understanding of CRS contributes to development of new green brands. Green brands and CRS concept enable the growth of satisfaction and loyalty of consumers toward a company, directly implying the improvement of financial performances in business (Mandarić & Sekulić, 2012).

Recent years in the theory and practice of Corporate Social Responsibility is increasingly associated with the operations of successful companies. In developed countries, the issue of corporate social responsibility is actual for several decades, but the interest in CRS in Serbia is recent. The idea of CRS as an important segment comes to Serbia, after the democratic changes in 2000s, after arrival of large foreign companies. Today, more than one decade later, the main promoters of corporate social responsibility on the Serbian market are still large multinational companies, while the number of domestic companies that pay serious attention to this segment is still very small.

Corporate social responsibility, as a segment of the overall social responsibility, is increasingly considered an indispensable condition of the business. Without their fulfilment in the future there will be no safe market performance, or sustainable development, as seen in the micro and macro aspect. CRS allows the company to improve a corporate image in a manner that promotes the current portfolio of brands, providing acquisition and preservation of competitive advantage and contributes to the loyal customers.

By creating and delivering superior brand value to customers, the company ensures the growth of brand value, which reflects the favorable profit performance and the market value of the company. Brand value should be higher than the company's long-term investment in the creation and development of the brand (Mandarić & Petković, 2015). Perceiving the brand as a potential source of competitive advantage, businesses are

finding new ways to promote their products and services and create brand. Evaluation of the brand, significantly affects the market value of the company. The growing interest of businessmen from year to year, attests to the fact that the brand has become one of the main tools for positioning the company in the market and fight for the loyalty and trust of consumers.

Total Corporate Brand Responsibility (TCBR) is a new term which has been introduced for the overall corporate responsibility of brand management process. All companies which want to "survive" and thrive long term, need to understand and support the concept of TCBR. "Sustainability" requires a real change in organizations, which should be implemented within a reasonable timeframe. TBCR should be supported by top management, and in practice most often manifests itself through the company's philosophy towards the environment, employees, community and ethical issues. Fully responsible companies are those that are loyal and dedicated to a brand or market, but loyal and devoted to society as a whole (Mandarić & Sekulić, 2012).

Corporate Social Responsibility, as a segment of the overall social responsibility, is increasingly considered as an indispensable condition of business, without their fulfillment in the future there will be no secure market performance, nor sustainable development, seen from the micro and macro aspect. Improvement of the corporate social responsibility allows the company to build the corporate image, in a manner that promotes the existing portfolio of brands, provides the acquisition and preservation of competitive advantages, and preserve a loyal consumer. All companies that want to "survive" and prosper in the long run, they must understand and support this concept.

Assessment of brand value, significantly affect the market value of the company. The big difference between the book value and the market price (in favour of the market price) is usually attributed to the high value of brands owned by the company. A company, that is able to create a brand of high value, is in a position to achieve sustainable growth and development in the long term. Building brand value is the first step in the process of brand management value. Companies must constantly search for the source of added value that offers consumers some benefits that go beyond the expected functional use of the product. Corporate social business and create green brands can be an important source of value-added brands to consumers. Create superior value for the consumers,

company builds high value brand and achieve high market price. In this way, the company can differentiate itself from other competitors in the industry and significantly increase its market value.

In the past, sustainable development is observed exclusively in terms of the protection of the living environment and the social development planning. Today, the concept of sustainable development a broader context, and in addition to being a component of economic and social development, is strongly reflected in the activities of marketing. Sustainable development concept in marketing is a new development paradigm and modern economic development strategy. Promotion of sustainable marketing and brand management is used to maximize socio-economic benefits and minimizing environmental impact. In recent years, in response to unsustainable development of mass marketing, there are tendencies that further development of marketing adapts to the existing eco-system and economic crisis. Established on ecological principles, a new stage of sustainable development has developed on the "Green Marketing".

Eco-marketing or Environmental Marketing is a concept created in the early 20th century, but today is especially important. Eco-marketing creates awareness of the need to conserve natural resources and protect the living environment and the consumers and socially responsible companies. Contribute to the development of eco-marketing phenomenon is ISO 14020 (guidelines for eco-labelling), which are an integral part of the ISO 14000 series of standards.

Development of Green brands contributed to the rational consumption of resources, Sustainable Economic Development and the development of Sustainable Marketing. Green brands will bring higher profits due to: the reduction of other costs (less material required, lower costs for waste disposal and less harmful effects on the environment) and salary increases due to higher sales and exports. Consumer satisfaction is associated with responsible behaviour of the company which owns the brand and its relationship to society (Kapferer, 2007, p.23). In the context of developing awareness of the importance of social responsibility requirements are placed in front of brand management that continuously adjusts to changes in demand. During the global recession, it is necessary to formulate such a branding strategy that will ensure coordination between achieving competitive advantage in the market and the internal

capacity of the company, taking into account the principle of sustainable development.

CSR in the Serbian tourism industry

There are numerous examples of CSR practices in the Serbian tourism industry (Milovanović & Milićević, 2012). The leading position in this approach have hotel companies, especially those belonging to international hotel chains. Many hotel chains such as Holiday Inn, Accor, Marriott, Hyatt, InterContinental, and others, have already accepted environmental standards and they are in much better position to make an upgrade for energy savings, recycling, water use and the relationship towards the local community. There are also domestic hotels which are very active in this field. Below are presented some examples of successful CSR strategies by hotel companies in Serbia.

InterContinental Hotels Group has implemented a "Green Engage" system for evaluation, management and reporting aiming at efficient use of energy, water, quantity of waste, as well as the impact on the local community. In the Belgrade Continental hotel gas and smoke emissions are controlled on daily basis. The hotel uses only non-toxic ecologic products in a form of concentrate for cleaning. In order to rationalize energy and water usage the hotel uses energy saving bulbs, and it turns off unnecessary light objects, and electric devices. Moreover, the hotel uses its own dump for technical water which quality is controlled once a month. On the regular basis hotel Continental recycles paper, plastics, glass, and all types of oil, metal, and technical waste. It classifies the natural waste for further processing and producing fertilizers. Hotel Continental regularly uses questionnaire and guest book to estimate guests satisfaction and determine their current and future needs in order to create an excellent offer. Practical training for students is also perceived as a part of CSR program.

One of big domestic hotels, hotel "Palas" has obtained award for its CSR activity. Namely, the hotel is being receiving a generations of students to conduct a professional practice. Today, many of students work in prestigious Serbian and international hotels on managing positions, and the best students got the opportunity to start their carrier in the hotel "Palas". Moreover, the hotel was acceded to distance heating and as a result it made workforce and energy savings. Another outcome are proud employees who are satisfied for contributing in this way to natural

environment protection. Chemicals used in this hotel must have security certificate, and inputs are preferred from domestic suppliers. The hotel cares about its employees, and insists on their permanent education.

Hyatt Regency Belgrade hotel has used new technologies to reduce energy usage, and it also has a paper recycling process for all printed materials. Housekeeping department uses microfiber cloth and aerosols which reduces chemicals consumption, and therefore reduces pollution of the natural environment. There are few CSR projects undertaken by this hotel concerning the community, employees and the environment. The hotel has conducted philanthropic activities to support UNICEF program “Violence Free Schools”. It has also organized entertaining and educational program for its employees to enhance a team spirit and mutual trust. This hotel also welcomes hospitality students to complete their university-required practical work there. The hotel offers a job to the best students, who will have the possibility to gain international experience through this chain. Another Hyatt CSR project included strategies for reducing energy and water consumption and curtailing emission of CO₂, as well as solid waste by recycling programs.

Results of the research in changes of the CRS concept through measuring the impact of green components of hotels on customer satisfaction in the Republic of Serbia (Sekulić, Mandarić et al., 2014), which was conducted on a sample of 112 respondents, showed that the application of green business practices in the hotel industry, which is in line with the principles of environmental protection, positively effects customer satisfaction, the intention of the consumer to visit a green hotel, and to be happy to recommend to friends and acquaintances. However, consumers are not willing to pay a higher price of the service in this hotel. On the other hand, the Green Hotels by savings in the consumption of water, energy and reduction of solid waste, can significantly reduce their operating costs, so that the application of green business practices has a double positive effect: first, the customer satisfaction and customer loyalty; secondly, the reduction of operating costs, enabling services and lower prices in these hotels. Green attributes of the hotel affect the satisfaction of the users of hotel services, which implies a positive attitude towards green business practices applied by hotels in their operations, re-visit and recommending to others. Green hotel image is a powerful tool in attracting new guests and building their loyalty.

Green hotels are becoming increasingly important segment of the hotel industry in the world, while building green hotel in the Republic of Serbia, is very rare. Therefore, hotels can be based on the application of "green standards" in business, quickly and easily differentiated from domestic competition. Green business is a means to competition in the hotel business in the modern world. Care for the environment and future generations positively effects the attitude of guests towards these hotels, but also the business results. One must not ignore the significant cost savings, which is made by using green business principles. In order to develop a green hotel intensive education of consumers and hoteliers is required on the importance and benefits that green hotels can provide the wider community.

It is also possible to link city branding and corporate social responsibility. Example of good practice was developed through the application of "Telekom Srbija - Kragujevac talking". City branding is suggested as the appropriate way to describe and implement city marketing (Mandarić, 2015). City marketing application is largely dependent on the construction, communication and management of the city's image. Tourist Organization of Kragujevac follows the contemporary trends in the tourism market, innovates and applies information and communication technology, what contributes to the image of Kragujevac as urban tourist destination. On the other hand, Telekom is a company which, for the purpose of long-term development of its corporate brand and fostering good relations with customers, implement socially responsible concepts. Responsibility of the company towards the community strengthens the company's reputation, increases the value of the corporate brand and ensures sustainable development in the long term. In cooperation with Telekom Srbija there was created the application "Kragujevac story" thanks to which the visitors of the city, whose number is growing, will get to know the history of the former capital of Miloš Obrenović in which there are established the most important institutions of the modern Serbian state. Using a smart phone, tourists can see and hear it ticking "the heart of Serbia" by getting to know the culture and tradition of living in these areas.

City branding provides, on the one hand, the basis for developing policy to pursue economic development and, at the same time, it serves as a conduit for city residents to identify with their city. Interest in branding cities is growing, as there is expectation that strong city brands will increase opportunities for tourism and investment and "sell" cities as

great places in which to run businesses study and live. For companies supporting local society, this is a challenge as they attract a diversity of customers through the CRS project, support national economy and deliver a product/service which is personalized with the customer.

Like a number of modern management concepts, CSR has also being criticized as there is a lack of measurement of CSR performance. As a result, many companies claimed that they have adopted CSR approach, but it was only for marketing purposes, while indeed they did not practice any of CSR activities. CSR was therefore used in some cases as a manipulative tool to mislead the stakeholders. For that reason many scholars question the legitimacy of CSR. Companies must be as committed to CSR implementation as they are to marketing it, and to be transparent about the actual efforts put forth to achieve the results. Although companies within tourism industry have set a number of sustainability goals, such as reducing water usage, carbon dioxide emissions, electricity, etc, the majority of them are failing to effectively conduct the necessary performance based measurements essential to attaining these goals. Since CSR is a relatively new concept, it is natural to be imperfect. However, facing the pressure of stakeholders, companies will have less space for using CSR in manipulative purposes.

Conclusion

Sustainable tourism refers to the preservation of natural environment, while tourism development aims at raising profit from increasing tourist turnover which usually destroys the natural environment. Priority fields in CSR approach for companies within tourism industry concern limiting usage of scarce resources and increasing usage of renewable ones, altogether with recycling and limiting the amount of gas emissions, dirty waters and quantity of solid waste. Without protection of natural resources, tourism industry cannot sustain. Sustainable development aims to establish the balance between economic development on one side, and social and environmental development on the other side.

International hotel chains present in Serbia have developed different projects to deal with environmental and social problems, as well as to improve relationships with clients and employees. Many local hotels in Serbia, which are smaller and not capable to be socially responsible to the large extent, also implement CSR practices, usually starting from improving the satisfaction of employees and clients, and providing

education assistance in hospitality area. This is the cheapest strategy, but very influential – satisfied employees improve the service quality and increase the job retention rate, directly influencing hiring and training costs, as well as customers' satisfaction and loyalty. Hotels capable of implementing programs for the efficient use of resources and minimizing pollution also experience lower costs in the future. Besides hotels, there are also various examples of CSR of other entities from the tourism industry in Serbia. City branding is an example of connecting ICT, CSR and promotion in tourism. Helping the local community to overcome problems leads to creation of trust and positive brand perception. This obviously increases the value of the hotel in the eyes of stakeholders, motivating them to stay loyal to the company and the new members to join.

Responsibility of the company towards the community strengthens the company's reputation, increases the value of the corporate brand and ensures sustainable development in the long term. The big difference between the book value and the market price (in favour of the market price) is usually attributed to the high value of brands owned by the company. A company, that is able to create a brand of high value, is in a position to achieve sustainable growth and development in the long term. Companies must constantly search for the source of added value that offers consumers some benefits that go beyond the expected functional use of the product. Corporate social business and create green brands can be an important source of value-added brands to consumers. In this way, the company can differentiate itself from other competitors in the industry and significantly increase its market value. Actions taken by the company, based on creating of green brands and the implementing CRS, are in function as incentives intent on purchasing and maintaining brand value.

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