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# Aims & Scope

*Tourism Today* serves as an international, scholarly, refereed journal aiming to promote and enhance research in the fields of tourism and hospitality. The journal is published by the College of Tourism and Hotel Management, Cyprus and is intended for readers in the scholarly community who deal with the tourism and hospitality industries, as well as professionals in the industry. *Tourism Today* provides a platform for debate and dissemination of research findings, new research areas and techniques, conceptual developments, and articles with practical application to any tourism or hospitality industry segment. Besides research papers, the journal welcomes book reviews, conference reports, case studies, research notes and commentaries.

# Aims & Scope

The scope of the journal is international and all papers submitted are subject to strict double blind peer review by its Editorial Board and by international reviewers. The journal features conceptual and empirical papers, and editorial policy is to invite the submission of manuscripts from academics, researchers and industry practitioners. The Editorial Board will be looking particularly for articles about new trends and developments within the field of tourism and hospitality, and the application of new ideas and developments that are likely to affect tourism and hospitality in the future. The journal also welcomes submission of manuscripts in areas that may not be directly tourism-based but cover a topic that is of interest to researchers, educators and practitioners in the fields of tourism and hospitality.

Decisions regarding publication of submitted manuscripts are based on the recommendations of members of the Editorial Board and other qualified reviewers in an anonymous review process. Submitted articles are evaluated on their appropriateness, significance, clarity of presentation and conceptual adequacy. Negative reviews are made available to authors. The views expressed in the articles are those of the authors, and do not necessarily represent those of the Editorial Board of *Tourism Today* or of the College of Tourism and Hotel Management.

# CONTENTS

Editorial board	2
Aims and scope	3
Note from the editor	6

## Full Papers

Some thoughts on a general theory of hospitality <i>Bob Brotherton</i>	7 - 18
Management of overbookings in the hotel industry – basic concepts and practical challenges <i>Stanislav Ivanov</i>	19 - 32
Perceptions and attitudes towards the hospitality professions in Cyprus <i>Anastasios Zopiatis, George Kyprianou</i>	33 - 46
Residents' perceptions of cultural tourism and quality of life, -A longitudinal approach <i>Suosheng Wang, Yao-Yi Fu, Amanda K. Cecil, Sotiris H. Avgoustis</i>	47 - 61
Do small tourism businesses play a role in urban tourism development? <i>Amanda K. Cecil</i>	62 - 81
Local community structures in events and festivals: opportunities for destination marketing or communities 'caring for place'? <i>Razaq Raj, Nigel Morpeth</i>	82 - 95
A multicriteria approach for the evaluation of tourist resources of Greek prefectures <i>Serafeim Polyzos, Garyfallos Arabatzis</i>	96 - 111
Benchmarking caravan and tourist park operations <i>Bruce Hayllar, Gary Crilley, Barry Bell, David Archer</i>	112 - 133

## CONTENTS

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Managerial perspectives of museum directors in Turkey:  
The balance between custodial and market-focused management  
*Huseyin Ridvan Yurtseven* 134 - 143

Analysing destination performance for tourism marketing  
purposes: The case of Rhodes  
*Dimitris Koutoulas* 144 - 160

## CASE STUDIES/RESEARCH NOTES

Measuring of the attractiveness and intensity of tourism in tourist  
destinations in the Czech Republic  
*Jiří Vaniček* 161 - 170

Timeshare in Greece, an investigation of the causes for  
its unsatisfactory development  
*Theodoros A. Stavrinoudis* 171 - 177

## CONFERENCE REPORTS/BOOK REVIEWS

Košice, Slovakia, Conference  
GEOTOUR 2006, 5 - 7 October 2006 178 - 179

## CALL FOR PAPERS/ANNOUNCEMENTS

Chios, Island, Conference  
1<sup>st</sup> Biannual International Conference  
“Strategic developments in services marketing” 180 - 181

Contributors Information 182 - 185

Notes for contributors 186 - 188

## NOTE FROM THE EDITOR

Welcome to the sixth edition of *Tourism Today*, the journal of the College of Tourism and Hotel Management. As with last year, our journal is available to everyone free of charge from our website at the College of Tourism and Hotel Management.

In this edition, there is an impressive breadth of articles on important aspects of the study of tourism. There are some articles that deal with very broad topics related to the study of tourism and hospitality. Notably, Bob Brotherton explores the field of hospitality from a philosophical point of view. However, some other articles deal with much more narrow concerns in terms of the management of tourism, such as the article by Stanislav Ivanov on how hotels can deal with the practical aspects of overbookings. Most of the other articles in this edition are more narrowly focused articles that are based upon the findings of primary research. Since there is such a range of topics explored, there is something for everyone. For example, the article by Anastasios Zopiatis and George Kyprianou analyzing the perceptions of secondary school students towards hospitality professions should be particularly interesting to those who are involved in hospitality education and will likely also be interesting for those who deal with hospitality management. In addition, Huseyin Yurtseven analyzes managerial perspectives of museum directors and this should be of interest to those who are interested in museum management.

*Tourism Today* continues to improve but this improvement is dependent upon you, the readers, to supply it with quality submission. We encourage our readers to send their submissions to us. As always, any constructive comments that could help us improve the journal would be appreciated.

We wish you a good reading.

Craig Webster  
College of Tourism and Hotel Management

# Some thoughts on a general theory of hospitality

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## ABSTRACT

This is a conceptual paper that explores the issues of the uniqueness, or otherwise, of the hospitality concept, the lack of any systematic theoretical framework to explain and predict the incidence and nature of hospitality in both temporal and spatial contexts and the identification of the key dimensions of the hospitality concept. In doing so it presents a theoretical and logical justification for the separation of hospitality from tourism and/or leisure using the General Systems Theory concepts of necessary and sufficient incidence, postulates a general theoretical model of hospitality that identifies the key variables comprising the model and proposes that the concept of hospitality per se can be operationalised through the use of four main dimensions to facilitate comparative analysis of hospitality occurrences both spatially and temporally.

**Keywords:** Tourism, Leisure, Hospitality Dimensions, Theory, Model

## INTRODUCTION

Although hospitality, as a philosophy/moral imperative, social practice or economic activity, has existed almost since time immemorial the widespread usage of this term to describe those commercial and academic activities based upon it is a remarkably recent phenomenon. Only in the last two decades has 'hospitality' become widely accepted in both of these spheres as the norm for referring to what previously would have been termed hotel and/or catering activity. However, it is well documented that attempts to delineate, define and describe the nature and forms of hospitality have been rather ad hoc and sporadic (see for example, Brotherton, 1989; Brotherton, 1999; Brotherton and Wood, 2000). Much of the academic literature, from fields such as Anthropology (e.g. Harris, 1986), Gastronomy (e.g. Bode, 2000), and Sociology (e.g. Mennell et al, 1992; Beardsworth & Kell, 1997; Warde, 1997; Warde & Martens, 1998) addresses hospitality indirectly as it tends to be seen as either a consequence or sub-set of the primary concern, this often being one focusing on food, food habits, cultures and choices, and/or the relationship between food issues and wider social conditions/issues.

Even in the more specific hospitality literature there is little evidence of any systematic and sustained attempt to develop a robust conceptual or theoretical explanation of the nature, incidence and forms (commercial and domestic) of hospitality. This literature shows that, in addition to the sources referred to above, very limited and scattered attempts have been



made to address these issues in the last two decades (see for example; Burgess, 1982; Cassee, 1983; Hepple et al 1990; Wood, 1994; King, 1995, Jones 1996a & b; Cummings et al, 1998; Lashley, 2000). Perhaps the one exception to this rather dismal litany was the 'In Search of Hospitality' work conducted and published recently (Lashley and Morrison, 2000). However, it would appear that the potential progress this project held for more extensive conceptual work is unlikely to be realised as the impetus it promised appears to have petered out.

The aim of this paper is to move the debate forward by presenting a general theoretical framework capable of explaining the nature, incidence and forms of hospitality per se, regardless of its spatio-temporal location or whether it occurs in a commercial or non-commercial context. More specifically, the key questions this paper seeks to address are as follows:

- Can hospitality be identified as a discrete entity?
- Is hospitality generic or contextually contingent?
- Is it possible to develop a theoretical framework capable of explaining the nature, incidence and forms of hospitality per se?
- Can such a framework be holistic and dynamic in nature, yet allow specific investigation of its constituent parts?
- Will it facilitate the articulation of an appropriate operational definition for hospitality?

It is to these questions, and the issues they raise, that attention is now turned.

### **HOSPITALITY - A DISCRETE ENTITY?**

This issue goes right to the heart of the 'hospitality is unique – hospitality is just one type of service provision' debate that has raged, at least in academic circles for some considerable time. It is also central to the questions this work is seeking to address. If hospitality is just a facet of a larger entity, e.g. tourism or services in general, and logically cannot be distinguished from this as a discrete entity in its own right it is questionable whether any attempt to develop a theory to explain it would have much value.

Much of this debate has been centred around the semantics associated with the wording of any conceptualisation/definition of hospitality, with some authors arguing that this has acted to inhibit the development of more significant thinking on the matter. Indeed Taylor & Edgar (1999) have even gone further than this in arguing that the historically dominant approach of utilising the commercial manifestation of hospitality as a central point of reference for defining what hospitality is, and is not, has constrained thinking and action within, what they refer to as, a '*tyranny of relevance*'.

An alternative, and arguably more objective approach to resolving this discreteness issue may be the use of the 'necessary and sufficient' condition utilised in General Systems Theory

(Flood & Jackson, 199??). In essence, this condition is used to answer the question; is it possible for X to exist in the absence of Y? Or, put another way; is Y necessary for X to exist and, if so, is it a sufficient pre-requisite for X to exist? Logically, if X can exist independently of Y it can be regarded as a discrete entity in its own right. Contextualising this to the debate here would see X as hospitality and Y as one of its close relations, i.e. tourism, travel and leisure. Clearly Y could also be a variety of other service types and it would be possible to explore the necessary and sufficient condition between hospitality and this wider context. However, though this may be necessary (no pun intended!) at a later stage in this work a more parsimonious focus will be adopted here to prove that, logically at least, hospitality can be identified as a discrete entity.

Taking the Popperian falsification approach the classic; *'one black swan disproves the theory that all swans are white'*; proposition becomes relevant here. Taking this epistemological stance and combining it with the 'necessary and sufficient' conditional logic facilitates a definitive answer to the eternal question. This is illustrated by Table 1.

**Table 1.** The Relationships Between Hospitality, Tourism, Travel And Leisure

	Hospitality	Tourism	Travel	Leisure
Hospitality		✗	✗	✗
Tourism	✗		✓	✗
Travel	✗	✗		✗
Leisure	✗	✗	✗	

The vertical list of these concepts/activities represents the question; 'is it possible for X to exist without Y on the corresponding horizontal list?' For example, is it possible for X (Hospitality) to exist without Y (Tourism, Travel or Leisure)? If the answer is yes then one, some, or all of the Y concepts/activities will fall into the *'black swan'* category. Taking each set of X/Y combinations in turn it is possible to explain the clear conclusions demonstrated by the graphics in Table 1.

Firstly, is it possible for hospitality to exist without tourism, travel or leisure? Or alternatively, is the existence of tourism, travel or leisure, individually and/or collectively, a necessary and sufficient pre-condition for hospitality to occur? Clearly the answer is no. Hospitality can exist in the absence of tourism, e.g. domestic hospitality for friends etc living in the same locality, people partaking of food/drink whilst shopping etc. Hospitality can also exist without travel, e.g. individuals frequenting the local pub, neighbours invited for dinner etc. Hospitality can also exist without leisure (time or activities) constituting a pre-requisite condition, e.g. that hospitality provided within a business context such as employee feeding or taking clients out to lunch/dinner.

Taking the same questions for X now being tourism. Tourism can exist without hospitality, e.g. people travel to an area to walk and take their own food & drink. However, tourism cannot exist without travel – the two are inseparable with travel being a necessary, but not a sufficient, condition for tourism. Tourism can also exist without leisure, e.g. business tourism. Similarly when travel is seen as X it can exist without hospitality, e.g. people travel to work, for shopping etc. Travel can exist without tourism, e.g. as previously. Travel can exist without leisure, e.g. business travel. Finally, where leisure is X. Leisure can exist independently of hospitality, e.g. home-based leisure such as DIY, watching TV, reading books etc. It can also exist without tourism and in the absence of travel, e.g. ditto for both.

This leads to the inescapable conclusion that hospitality can be logically distinguished and separated from its nearest neighbours – tourism, travel and leisure. Furthermore, this analysis shows that hospitality, leisure and travel are all discrete concepts and/or activities that may exist independently of each other. Similarly, although tourism may also exist independently of hospitality and leisure it cannot exist independently of travel. Travel is an essential prerequisite for the existence of Tourism, without it tourism is not possible. In this sense travel is a necessary, but not sufficient, condition for tourism. It is not sufficient in its own right because some forms of travel do not give rise to tourism as indicated above.

Thus, while it is undeniable that empirically there are significant inter-relationships between hospitality, tourism, travel and leisure, logically they can be viewed as discrete entities. Though it may be regarded so by some, this exercise is not one of an indulgent, academic navel gazing nature with little value. There are many parallels in other academic disciplines and real world practice. The fact that it is possible to logically isolate one concept, or set of activities, from others generally associated with it is not new. If further evidence is required to substantiate this an examination of the assumptions used, and range of specialisms evident, within economics will provide examples par excellence!

However, before moving on to articulate the model it is necessary to admit that, empirically, there are many more white than black swans. In short, although it is logically possible to identify hospitality as a discrete entity it would be foolish to suggest that it exclusively, or even predominantly, exists in this sense in the real world. As recognised already there are significant inter-connections with tourism, travel and leisure – and indeed wider service activities. These will be embraced in the model as they clearly impact upon the central issues here, i.e. that of questions regarding explanations of the existence, nature and types of hospitality and whether it may be regarded as generic or contextually contingent. This of course does beg the question; if so, what is the point of trying to isolate hospitality from them in the first place?

The answer to this lies in the ecological notion of genotypes and phenotypes, which may be expressed more clearly in terms of species and varieties. Species are collective groupings, comprised of a few or many varieties, and can be separated from other species. On the other

hand, species rarely exist in isolation and their varieties may be manifested in a multiplicity of forms as a consequence of differing genetic mutations, habitats and interaction with other species. What is key here is not the range of relatively superficial, contextually contingent, diversity within a species – although this may be interesting in its own right – but the fact that the varieties comprising the ‘genus’ have a significant degree of commonality underneath the visible surface. For example, the human genome project has recently revealed that despite the apparent diversity in the human species something in the region of 95%+ of human genes are common across all races!

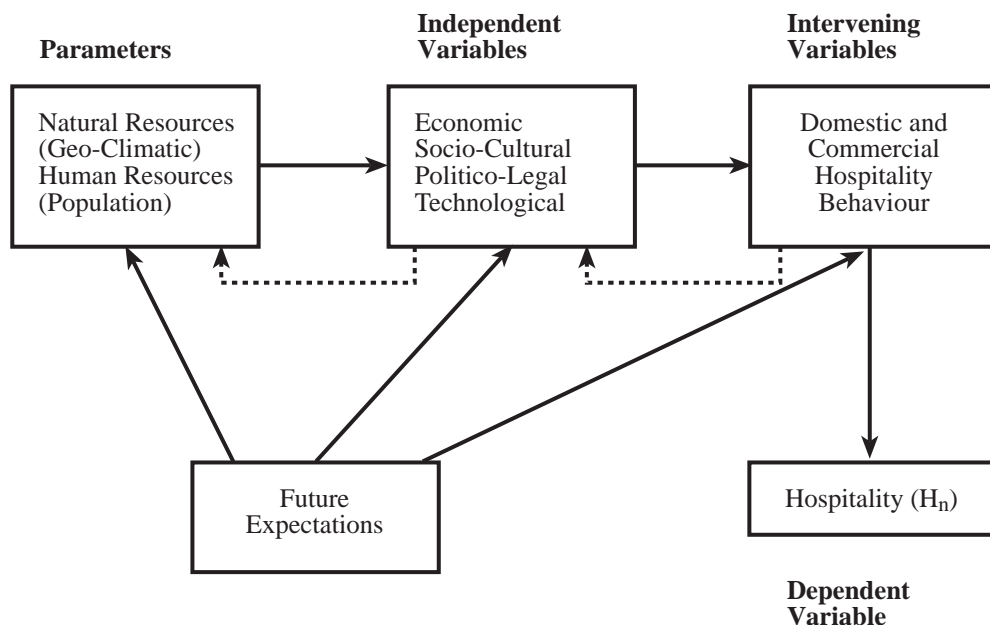
The implication of this being that although hospitality, when viewed from a fairly superficial perspective, clearly differs in its manifestation across time and space it does have a generic core that remains remarkably resilient. The question is; what is this core and how do we identify it? The answer to this will be provided later in this paper.

## THE THEORETICAL FRAMEWORK

The model presented here is capable of explaining why a particular pattern of hospitality exists at a particular point in time, and why different patterns are evident both over time and in different countries/cultures at a given point in time. This suggests a need to identify the basic parameters and variables necessary to build the model and an articulation of how these operate inter-temporally and inter-spatially to connect the longitudinal and cross-sectional facets into a dynamic model.

The model is presented in diagrammatic form in Figure 1. This shows the parameters, independent, intervening, moderating and dependent variables constituting the theoretical framework. Essentially it postulates that the natural and human resources available to a society comprise the basic parameters, within which the independent variables operate to influence (inter-temporally and inter-spatially) the nature, incidence and forms of hospitality ( $H_n$ ) both directly and via their effect/s on the intervening variables. This incorporates the historical ( $t-1...n$ ) and current ( $t$ ) values and influences of these parameters and variables on  $H_n$ . In turn, the moderating variable of ‘Future Expectations’ completes the temporal dynamics of the model by adding the influence of the expected future ( $t+1...n$ ) values of these parameters and variables. Given that the framework may be applied to any specific spatial entity, such as a country or homogeneous coalition of countries, it is also sufficiently generic to cope with either cross-sectional variation or homogeneity. Finally, the ‘feedback loops’ reflect the assertion that the process represented by the model is not entirely linear.

**Figure 1.** A General Theory of Hospitality



This requires some further explanation/justification at this point! It would be possible to see the resource parameters as either another set of independent variables alongside those postulated, or as being subsumed within one or more of these. For example, viewing resources as a facet of the economic factors variable would be understandable. However, this, or any other such, formulation would diminish the overall role and importance of resources in the model. Resources are seen as a parameter through the economist's concept of the Production Possibility Boundary (PPB) that simultaneously addresses the issues of resource availability and allocation. The position of the PPB indicates the productive capacity of an economy or society when all its resources are fully and efficiently employed. Hence, it shows the productive potential of the society. The shape of the PPB illustrating the opportunity cost of alternative allocative decisions and the cost of producing more of some goods/services and less of others.

Two points can be made from this. First regardless of alternative allocative decisions, which are derived from the respective influences of the independent variables in the model, the potential for any society to generate hospitality (commercial or domestic) is determined by the availability of the natural and human resources required to underpin this. This suggests that the greater the quantity and quality of such resources the greater the potential for hospitality to be provided. Second, although resource potential may be high or low, it has to be realised and allocative decisions made to use resources for hospitality purposes if  $H_n$  is to exist at all.

This, of course, is determined by the influence of one or more of the independent variables. However, without the potential embodied in the resource parameters any allocative decisions emanating from the influence of the independent variables are irrelevant. For example, with a zero or very low resource potential any positive economic or socio-cultural propensities to generate hospitality will have little or no effect.

What is particularly relevant here, from a parameter viewpoint, is the ability of a society to generate economic surplus. There is evidence to suggest that the existence of hospitality per se in subsistence, hunter-gatherer, societies was extremely limited in a domestic context and commercially non-existent. This being largely due to an inability to recognise any resource potential that does exist, a lack of know-how or technology to exploit it, and the existence of economic and social practices requiring its exploitation. Subsistence implies a general lack of economic surplus and, when combined with the type of fragmented, small community demographics and socially centripetal forces associated with this type of societal organisation, the need for hospitality of any kind is extremely limited. It is only when know-how develops, societies become more sophisticated, economic surplus is generated and gives rise to trade, and significant clusters of population emerge that the need for, and provision of, hospitality becomes more pronounced both domestically and commercially.

However, once again, this pre-supposes that the resources required to support this activity are available. Without this potential any decision to allocate more resources to providing hospitality becomes a non-decision! Therefore, while it is indisputable that the independent variables are likely to be the primary drivers lying behind a need for hospitality, and its subsequent provision, they can only operate if the resource parameters are favourable.

Given the pre-requisite resource potential the extent to which hospitality exists, its nature and the specific forms it takes at any point in time/space is determined by the independent variables, their consequent impact on the intervening variables, the iterative interplay between the two sets, and the extent to which these influences are modified by the moderating variable. This is a rather complex combinational set and hence difficult to utilise parsimoniously or effectively. Therefore, some simplification is required in representing the model differently as follows.

$$H_n = f(NR, HR, E, SC, PL, T, HB)$$

Where:

- $H_n$  = The nature, incidence and forms of hospitality in any given time period
- NR = Natural Resources
- HR = Human Resources
- E = Economic Factors
- SC = Socio-Cultural Factors
- PL = Politico-Legal Factors
- T = Technology
- HB = Hospitality Behaviour (Domestic & Commercial)

However, as the operationalisation of this model in this format would still be extremely difficult, given the large combinational number of possible values and vectors associated with these parameters/variables and the dynamic inter-temporal overlay of the past, present and future influences of each of these, it is necessary to utilise the *ceteris paribus* (cet par) simplifying assumption so beloved of economists. By adopting this it is possible to isolate both the individual parameters and variables, and their respective temporal influence. For example, to examine the relationship between the historical influence/s of past socio-cultural factors in time periods  $(t-1\dots n)$  on  $H_N$  in the present time period the function would be expressed as:

$$H_N = f(SC_{t-1\dots n}) \text{ cet par}$$

This stating that the nature, incidence and forms of hospitality in the present time period is a function of, or depends upon, the socio-cultural factors operating in past time periods (other things being held equal or constant). Clearly the same type of formulation can be made for all the other components of the model to isolate and examine their past, present and expected future influence/s on  $H_N$ . With regard to the temporal aspects of the model, i.e. the past, current and expected future influences of the variables, the following influences are postulated.

The past  $(t-1\dots n)$  has a 'push' effect on  $H_N$  in the current time period ( $t$ ) and is simultaneously a constraining influence on  $H_N$  in both the current ( $t$ ) and future  $(t+1\dots n)$  time periods. In other words, past values and vectors associated with the independent variables will have acted to push  $H_N$  to its current manifestation but also act as restraining influences (i.e. the effects of tradition and conservatism) on its future development. In this sense the past tends to exert more of a centripetal force on  $H_N$  in ( $t$ ).

The future may, if it is viewed negatively, also have a conservative or dampening effect on  $H_N$  in the current time period ( $t$ ). Alternatively, it is perhaps more likely to have an innovative, developmental effect giving rise to more centrifugal influences. In this sense expectations regarding hospitality in future time periods  $(t+1\dots n)$  may be seen as having a 'pull' effect on  $H_N$  in ( $t$ ).

Influences emanating from the current time period ( $t$ ) will intersect and interact with those centripetal forces emanating from past time periods  $(t-1\dots n)$  and the centrifugal forces arising from expectations of the values/vectors of the independent variables in future time periods  $(t+1\dots n)$ . This implies that  $H_N$  is the product of a dialectical process operating in the current time period. Put simply, this may be regarded as the outcome from the interplay between the opposing forces of conservatism and innovation.

The use of the cet par assumption also facilitates the development of a series of propositions capable of being logically and/or empirically tested. Some examples may suffice here.

- The greater the level of economic activity and trade in the past and present (cet par), the greater the incidence of hospitality, particularly commercial hospitality, in the current time period.
- The more optimistic are the expectations concerning the future state of the global economy (cet par), the greater the incidence of hospitality, particularly commercial hospitality, in the current time period.
- The more limited the volume of travel and trade in the past (cet par), the more limited will  $H_n$  be in the current time period.

Propositions such as these make it possible for the underlying logic, and internal consistency, of the model to be tested objectively. Using this approach it is possible to move beyond the often rather simplistic pronouncements that particular societal, macro, or even global, level values/vectors of any one, or all, of the independent and intervening variables will have some quite vague relationship with, and positive/negative impact on, the extent and nature of hospitality provision per se. In short, there is an opportunity here for considerably more robust academic enquiry into the relationships between these variables and hospitality. Taking this approach will allow the detail of these relationships to be identified and utilised to develop a more extensive and complete explanation of the nature, incidence, and types of  $H_n$  evident in particular socio-temporal contexts.

On the other hand, the framework thus far has concentrated on identifying and explaining the macro, and possibly meso, influences on  $H_n$ . As  $H_n$  is not a unitary concept, but a multi-faceted one comprised of a number of dimensions and their associated elements, leaving the analysis at this point would be partiality writ large! It is to this issue that the paper now turns.

## OPERATIONALISING HOSPITALITY

The theoretical framework advanced above really deals with the underlying reasons for the nature, incidence and broad types of hospitality per se. In this sense it is focused on the macro/meso reasons for the existence, or otherwise, of hospitality. It takes the *what* issue as its starting point and seeks to explain *how* the empirically observable phenomenon of hospitality has been generated. What it does not explicitly address is the micro-level detail embodied in apparently differing forms of hospitality. This requires the concept of hospitality to be operationalised. If the question of; 'is hospitality generic or contextually contingent?'; is to be answered in any meaningful way it will be necessary to analyse the nature, incidence and forms of hospitality via a robust operational definition.

Taking  $H_n$  as the starting point it is clear that the key aspects of any attempt to operationalise the concept of hospitality involve an identification of *where*, *why* and *when* hospitality occurs and *what* is included in it. This gives rise to four dimensions as follows:



- **The Spatial Dimension** – deals with the *where* aspect, and facilitates exploration of the Locations and Places hospitality takes place.
- **The Behavioural Dimension** – is concerned with the *why* aspect, and concentrates attention on the Motives lying behind the provision of hospitality and the Human Processes involved in its delivery.
- **The Temporal Dimension** – focuses on the *when* aspect, or the Incidence of hospitality. This is essentially concerned with the notion of hospitality Occasions.
- **The Physical Dimension** – identifies the Physical Features and Products associated with any given type of hospitality provision.

The combination or aggregation of these four dimensions constitutes the concept of hospitality as, in total, they comprise all the components of any given ‘hospitality situation’. Therefore, they can be used, individually or collectively, to answer the question; are apparently different hospitality situations across either time or space really different or the same (generic or contextually contingent)?

But the question remains; how does this relate to the model specified earlier? The answer is that any given hospitality situation is  $H_n$  in the model and, in turn, if any given  $H_n$  is the product of a combination of elements from the four dimensions it might reasonably be expected that the past, present and future vectors influencing the value of the parameters, independent and intervening variables in the model will also act to influence the nature of the elements, their host dimensions and hence  $H_n$  itself. Thus, the logic loop appears to be closed.

## CONCLUSIONS

Perhaps it is time to be bold here! This paper has proven it is possible to identify hospitality as a logically discrete entity through the application of ‘necessary and sufficient’ conditional logic. In turn, this has provided a basis and rationale for the further exploration of a range of conceptual and theoretical aspects of hospitality. Using this foundation, the paper also provides a coherent and systematic theoretical framework capable of explaining the nature, incidence and forms of hospitality per se, and proceeds to link this to an operational definition of hospitality. The combination of these elements provides a robust conceptual and theoretical basis for both the further development of the model and operational definition and the scholarly study of hospitality at macro, meso and micro levels.

Of course there is much more work to be done. It may, or may not, be possible to quantify some of the relationships postulated in the model. For example, what would be the implications of a 10% increase in the volume of inbound tourism for the volume of hospitality activity in a given country – would this be a proportionate increase or not? It is likely that answers to

questions such as this have already been established by colleagues in the hospitality/tourism fields, or in other disciplines, and these need to be identified in the literature and incorporated to develop the model further. However, there will also be other aspects where such definitive relationships either have not been confirmed, or would be extremely difficult to achieve in this format. For example, it would be rather difficult to quantify the relationships between changes in socio-cultural values and norms and hospitality. Here more qualitative and interpretative work will need to be conducted.

Similarly, at the micro level, there is more work to be done on developing the elements comprising the four key dimensions. The paper hints at some of these but does not go on to develop them fully. Many issues that most colleagues in the hospitality field agree are inextricably linked to the concept, and empirical manifestation, of hospitality are not explored here. For example, there is a need to explore the nature of the motives lying behind the provision of various forms of hospitality in greater detail; the extent to which the obligations, rules, rituals and 'norms' of hospitality are generic or specific; the similarities and differences embodied in the locations and places hospitality occurs; the types of occasions when hospitality is provided, etc., etc.

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# Management of overbookings in the hotel industry – basic concepts and practical challenges

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## ABSTRACT:

The paper examines the possibilities to manage the overbookings in the hotel industry. The basic mathematical model for calculating the optimal number of overbookings is analysed and techniques for calculating the optimal number of overbookings for a hotel with two different types of rooms and for two different hotels which coordinate their reservations are proposed. The managerial decisions and operational procedures connected with walking guests are also discussed.

**Key words:** hotel management, overbookings, walking guests

## INTRODUCTION

Overbooking is a well-known practice in the hotel industry which could be defined as *confirming more rooms than the available capacity of the hotel*. It has attracted the attention of researchers who usually discuss the problem in the context of *yield/revenue management* (for example: Badinelli and Olsen, 1990; Desiraju and Shugan, 1999; Lee-Ross and Johns, 1997; Netessine and Shumsky, 2002; Wirtz *et al*, 2002), while Dukas (1973:23-24) and Stamov and Alexieva (1999:136) provide an overview of overbookings as a *hotel management tool*.

Netessine and Shumsky (2002) use the standard expected marginal revenue technique, applied also in our paper, to calculate the *optimal level of overbookings*. According to it, the optimal level of overbookings is where the expected marginal cost associated with overbooking an additional room is equal to the expected marginal revenue of the same additionally overbooked room. The authors indicate that the optimal overbooking level balances the lost revenue due to empty seats/rooms, and the penalties (financial compensation to “bumped”/“walked” customers) and loss of customer goodwill when the firm is faced with more demand than available capacity (p. 39). They also stress the theoretical and practical problems in calculating the optimal number of overbookings like demand forecasting, non-linear costs of overbookings, dynamic booking limits, variation of capacity (pp. 40-41).

Kotler, Bowen and Makens (1996) analyse the problem as a demand management strategy and outline possible *conflicts* caused by overbookings such as destroying long-term relationships

with customers, their companies and travel agencies, in particular (pp. 439-440). Wirtz *et al* (2002) add that overbookings and other inventory control revenue management practices could cause perceived unfairness or change in the nature of the service as well as perceived lack of customer appreciation (p. 18 – Table 1). The *costs* of involuntarily displacing clients could be enormous, including the potential of future lost business, and poor word-of-mouth (p. 14). In order to avoid or recover from such problems, the authors advise that companies should design service recovery programmes and apply preferred availability policies for loyal customers. Baker, Bradley and Huyton (1994) provide an insight into these practical issues of overbookings and examine the *procedures in walking guests* (pp. 67-68, 129-132), while Kimes and McGuire (2001:11) point out that the key to a successful overbooking policy is to obtain accurate *information* on no-shows, cancellations, and last minute customers to set levels of overbooking that maintain an acceptable level of customer service.

Although widely mentioned in the scientific literature in tourism, the problem has not been approached in a systematic way and only separate aspects of it have been discussed. In this regard, the current paper focuses on the *management of overbookings*, viewed as a *continuous process* in hospitality companies. It summarises the research aspects in the field of overbookings and proposes solutions to specific issues connected with optimal overbookings. The paper is organized as follows: Part II defines the management of overbookings; Part III presents the basic mathematical model behind the management of overbookings, its empirical application and some additional considerations that should be taken into account when setting the optimal number of overbookings; Part IV analyses the managerial decisions to be taken when walking guests with overbookings, and Part V concludes the paper.

## MANAGEMENT OF OVERBOOKINGS – DEFINITION AND CHARACTERISTICS

Management of overbookings can be defined as *a set of managerial techniques and activities connected with continuous planning, reservation and control, aimed at revenue and yield maximization through confirming more rooms than the available capacity of the accommodation establishments*. It includes two groups of activities:

- ✓ Defining and reserving the optimal number of overbookings for each date and its controlled modification according to the market changes and specific demand and booking patterns.
- ✓ Managerial decisions and operational activities connected with walking guests with overbookings (redirecting clients to other hotels).

There are several reasons why hotels overbook:

- ✓ From their practical experience managers know that not all booking confirmed for a particular date will be really used. Because of different reasons some of the guests do not arrive and are considered no show, other bookings are cancelled or amended in the last

minute, the stay of other guests is reduced, and the rooms remain unsold. For nonguaranteed reservations this percentage is much higher than for guaranteed bookings.

- ✓ Rational hotel managers aim at maximizing the revenues and profits of hotels. If they limit the reservations to the available capacity of the hotel because of no shows and late cancellation some of the rooms will be empty and the goal of maximizing the revenues and profits will not be fulfilled.
- ✓ Hotel services are perishable and cannot be stored or moved to other geographical location. The lost revenue from each unsold room is gone forever (Kotler, Bowen, Makens, 1996:84-85).
- ✓ Hotels have fixed capacity. In order match capacity with demand they react to short-run changes in demand with changes in prices and the number of confirmed rooms.

When carefully managed, overbookings do not cause any problems – if  $X$  rooms are confirmed in excess of the available capacity and the same number of rooms are no show or cancelled at the last moment, then the number of the occupied rooms for this particular date will be equal to the available capacity of the establishment and the revenues from overnights, *ceteris paribus*, will be maximum. At the same time, if the last minute cancellations and no shows are less than the number of the overbookings, then some of the clients will not be accommodated and should be walked to other hotels. This incurs costs for the hotel – accommodation at the alternative hotel, transportation to it, etc. On the other hand, if the number of no shows and last minute cancellations is greater than the number of the overbookings, part of the available capacity of the hotel will not be occupied and the hotel misses revenues. That's why, from a broader perspective, the management of overbookings is considered as part of the revenue and yield management of accommodation enterprises (Desiraju & Shugan, 1999; Netessine & Shumsky, 2002).

## OPTIMAL NUMBER OF OVERBOOKINGS

### *The basic model*

Let the random variable  $X$  be the number of rooms of guests holding confirmed bookings for a specific date do not arrive at the hotel (no shows, last minute cancellations, last minute amendments of reservations of already accommodated guests). For simplicity we assume that the hotel sells all its rooms at one rate  $r$ . If the hotel sells all its rooms without overbookings, but guests for  $X^*$  rooms do not arrive, the hotel will have missed benefits of  $X^* \cdot r$ . Therefore the hotel can increase its revenues if it confirms  $X^*$  rooms more than its available capacity. If the guests for  $X^*$  rooms do not arrive the number of the occupied rooms will be equal to its available capacity and its total revenues  $TR$  will be maximal.

What will happen if last minute cancellations, amendments and no shows are  $X_I < X^*$ ? In

this case, the number of rooms of guests holding confirmed bookings is greater than the available capacity of the hotel and some of them  $(X^* - X_1)$  should be walked to other hotels, for which the hotel will pay net costs  $c$  per room/night, or total  $c.(X^* - X_1)$ . But if the last minute cancellations, amendments and no shows are  $X^* < X_2$ , the hotel will have missed benefits  $r.(X_2 - X^*)$  of although less than compared with the situation without overbookings.

In order to calculate the optimal number of overbookings  $X^*$ , we must define the marginal revenues  $MR_{ob}$  and marginal cost  $MC_{ob}$  associated with the overbookings. Let us denote  $F(X)$  as the distribution function of  $X$ , showing the probability of guests holding confirmed bookings for  $X$  number of rooms that do not arrive at the hotel and their rooms remain unoccupied. The total costs of the overbookings  $TC_{ob}$  include the net costs and missed benefits. From a theoretical point of view we have two possible situations:

$$\checkmark \text{ If } , X \leq X^*, TC_{ob}(X \leq X^*) = c.F(X).(X^* - X)$$

$$\checkmark \text{ If } , X^* < X, TC_{ob}(X^* < X) = r.[1 - F(X)](X - X^*)$$

Therefore, the total costs of the overbookings  $TC_{ob}$  are:

$$(1) TC_{ob} = TC_{ob}(X \leq X^*) + TC_{ob}(X^* < X) = r.[1 - F(X)](X - X^*) + c.F(X).(X^* - X)$$

Marginal costs of the overbookings  $MC_{ob}$  are found through differentiating (1):

$$(2) MC_{ob} = \frac{\partial TC_{ob}}{\partial X} = r.[1 - F(X)] - c.F(X)$$

On the other hand, the hotel does not receive any revenues from the unoccupied rooms, as well as from walking guests to other hotels due to overbookings. Thus, its marginal revenues are null<sup>1</sup>:

$$(3) MR_{ob} = 0$$

The hotel can afford to overbook until the marginal revenues from the overbookings exceed the marginal costs from them:

$$(4) MC_{ob} \leq MR_{ob}$$

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<sup>1</sup> See *Additional considerations and extensions* further in the text for a discussion of the case of positive marginal revenue from unoccupied rooms.

In microeconomic analysis total revenues are maximum when  $MR = MC$ , but because we look for an integer solution, the equation may not be kept.

We substitute (2) and (3) in (4):

$$(5) r \cdot [1 - F(X)] - c \cdot F(X) \leq 0$$

$$(6) r - r \cdot F(X) - c \cdot F(X) \leq 0$$

$$(7) r \cdot F(X) + c \cdot F(X) \geq r$$

$$(8) F(X) \geq \frac{r}{r + c}$$

The optimal number of overbookings  $X^*$  is the smallest integer for which inequality (8) is fulfilled (Netessine & Shumsky, 2002:39-40).

We shall illustrate inequality (8) with the following empirical example:

*Example 1:* A hotel has a capacity of 165 rooms. The manager of the hotel finds that the number of the last minute cancellations, amendments and no shows are Normally distributed with mean  $\bar{X} = 13$  rooms and standard deviation  $\sigma = 6$  rooms. The price of one room at the hotel is  $r = 85$  EUR and the net costs of walking of guests are  $c = 155$  EUR. From these initial data we can calculate:

$$(9) F(X) \geq \frac{85}{85 + 155} = 0,3542$$

With the help of Excel through the function “=NORMINV(0,3542;13;6)” we find that to  $\bar{X} = 13$ ,  $\sigma = 6$  and  $F(X) = 0,3542$  corresponds  $X = 10,76$ . Therefore, the optimal number of overbookings is  $X^* = 11$  rooms, and the maximum number of confirmed bookings for a particular date should not exceed  $165 + 11 = 176$  rooms.

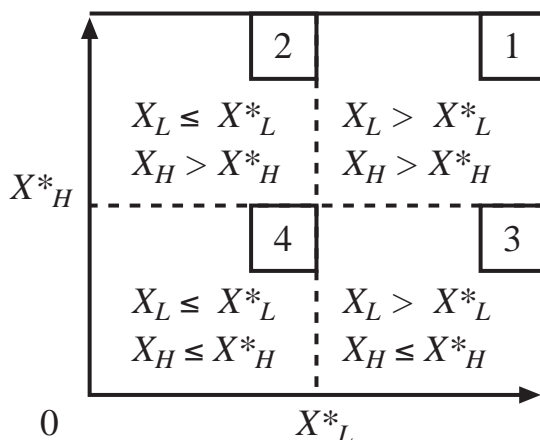
#### ***Additional considerations and extensions***

1. The basic mathematical model assumes that the hotel offers all its rooms at only one rate, which is not practically true. Usually hotels differentiate prices according to the kind of rooms (single, double, triple), type of room (standard, deluxe, studio, suite, apartment), days of the week, market segments, market intermediaries etc., which complicates the price structure and the calculation of optimal number of overbookings. To achieve this, hotels must gather detailed statistic data regarding cancellations, reduction of stay and no shows of confirmed bookings by kinds and types of rooms, days of the week, market segments, types of bookings (guaranteed or nonguaranteed), provided by the marketing information system of the hotel and its own computer reservation system in particular, which keeps the history of each booking request.



2. It is possible that a customer holding a confirmed overbooking for a cheaper room with rate  $r_L$  (e.g. standard room) be accommodated in a more expensive available room with rate  $r_H$  at the same hotel (e.g. deluxe room) rather than being walked. In this case the hotel will have a missed revenue equal to the price difference of the two types of rooms ( $r_H - r_L$ ). The opposite situation is also possible – a client with a confirmed overbooking for a more expensive room to be accommodated in a cheaper room and given refund equal again to the price difference of the two types of rooms ( $r_H - r_L$ ) plus, eventually, a compensation for the inconveniences caused.

The existence of two or more types of rooms in one hotel changes radically the calculation of the optimal number of overbookings which should be done separately for each room type. Let a hotel have only two types of rooms – cheap and expensive.  $X^*_L$  will be the optimal number of the overbookings for the cheaper room with rate  $r_L$ , distribution function  $F(X_L)$  and costs for walking a guest to another hotel  $c_L$ . Analogically,  $X^*_H$  is the optimal number of the overbookings for the more expensive room with rate  $r_H$ , distribution function  $F(X_H)$  and costs for walking a guest to another hotel  $c_H$ . Now we have the following four situations summarised on Figure 1:



**Figure 1.** Possible situations of last minutes cancellations, amendments and no shows for hotel with two types of rooms with different rates

In situations [1] and [2] the last minute cancellations, amendments and no shows for the more expensive rooms are higher than their optimal level ( $X_H > X^*_H$ ). The hotel misses revenues  $r_H \cdot [1 - F(X_H)] \cdot (X_H - X^*_H)$  in both cases from the unoccupied expensive rooms. In [1] the hotel also loses revenue from the unsold cheaper rooms  $r_L \cdot [1 - F(X_L)] \cdot (X_L - X^*_L)$ . In [2] some of the guests that have arrived with confirmed overbookings for the cheaper rooms can be accommodated in the available expensive rooms causing a loss of revenues  $(r_H - r_L) \cdot F(X_L) \cdot (X_H - X^*_H)$ . The rest of the guests in [2] will be walked to another hotel

incurring costs  $c_L \cdot F(X_L) \cdot (X_L^* - X_L - X_H + X_H^*)$ . The sum of the four elements of the costs and missed benefits gives the total costs of the overbookings given  $X_H > X_H^*$ :

$$(10) \quad TC_{ob}(X_H > X_H^*) = r_H \cdot [1 - F(X_H)](X_H - X_H^*) + r_L \cdot [1 - F(X_L)](X_L - X_L^*) + (r_H - r_L) \cdot F(X_L) \cdot (X_H - X_H^*) + c_L \cdot F(X_L) \cdot (X_L^* - X_L - X_H + X_H^*)$$

In situations [3] and [4]  $X_H \leq X_H^*$  which causes costs of walking guests  $c_H \cdot F(X_H) \cdot (X_H^* - X_H)$  in both cases. In [4] this is combined also with costs of walking guests with confirmed overbookings for the cheaper rooms  $c_L \cdot F(X_L) \cdot (X_L^* - X_L)$ . In [3] some of the guests will be accommodated in the cheaper rooms, causing a refund  $(r_H - r_L) \cdot F(X_H) \cdot (X_L - X_L^*)$ . The rest of the guests will be walked to another hotel incurring costs  $c_H \cdot F(X_H) \cdot (X_H^* - X_H - X_L + X_L^*)$ . Thus, the total costs when  $X_H \leq X_H^*$  are:

$$(11) \quad TC_{ob}(X_H \leq X_H^*) = c_H \cdot F(X_H) \cdot (X_H^* - X_H) + c_L \cdot F(X_L) \cdot (X_L^* - X_L) + (r_H - r_L) \cdot F(X_H) \cdot (X_L - X_L^*) + c_H \cdot F(X_H) \cdot (X_H^* - X_H - X_L + X_L^*)$$

The sum of (10) and (11) gives the total costs of the overbookings for both types of rooms:

$$(12) \quad TC_{ob}(X_L; X_H) = TC_{ob}(X_H \leq X_H^*) + TC_{ob}(X_H > X_H^*) = r_H \cdot [1 - F(X_H)](X_H - X_H^*) + r_L \cdot [1 - F(X_L)](X_L - X_L^*) + (r_H - r_L) \cdot F(X_L) \cdot (X_H - X_H^*) + (r_H - r_L) \cdot F(X_H) \cdot (X_L - X_L^*) + c_H \cdot F(X_H) \cdot (X_H^* - X_H) + c_L \cdot F(X_L) \cdot (X_L^* - X_L) + c_L \cdot F(X_L) \cdot (X_L^* - X_L - X_H + X_H^*) + c_H \cdot F(X_H) \cdot (X_H^* - X_H - X_L + X_L^*)$$

Total costs  $TC_{ob}(X_L; X_H)$  are minimal when the marginal costs of the overbookings are equal to the marginal revenues from them for both room types:

$$(13) \quad \left\{ \begin{array}{l} \frac{\partial TC_{ob}(X_L; X_H)}{\partial X_L} = 0 \\ \frac{\partial TC_{ob}(X_L; X_H)}{\partial X_H} = 0 \end{array} \right.$$

When substituting (12) in (13) and fulfilling the mathematical operations we arrive to:

$$(14) \quad \begin{cases} r_H - F(X_H) \cdot (r_H + 2c_H) - F(X_L) \cdot (r_L + c_L - r_H) = 0 \\ r_L - F(X_L) \cdot (r_L + 2c_L) - F(X_H) \cdot (r_L + c_H - r_H) = 0 \end{cases}$$

If  $F(X_L^0)$  and  $F(X_H^0)$  are solutions of (14) then the optimal numbers of overbookings  $X^*_L$  and  $X^*_H$  are the smallest integers such that:

$$(15) \quad \begin{cases} F(X^*_L) \geq F(X_L^0) \\ F(X^*_H) \geq F(X_H^0) \end{cases}$$

We shall illustrate (14) and (15) with the following Example 2.

*Example 2:* A hotel has 2 types of rooms with rates  $r_L = 50$  EUR and  $r_H = 90$  EUR, the net costs of walking guests are  $c_L = 80$  EUR and  $c_H = 130$  EUR. The discrete distributions of last minute cancellations, amendments and no shows of the two room types are:

$X_L$ (number of rooms)	0	1	2	3	4	5	6	7	8
P( $X_L$ )	0.10	0.12	0.15	0.26	0.11	0.12	0.05	0.05	0.04
F( $X_L$ )	0.10	0.22	0.37	0.63	0.74	0.86	0.91	0.96	1.00

$X_H$ (number of rooms)	0	1	2	3	4	5
P( $X_H$ )	0.20	0.28	0.16	0.19	0.11	0.06
F( $X_H$ )	0.20	0.48	0.64	0.83	0.94	1.00

Substituting the symbols in (14) with their numerical values we come to:

$$(16) \quad \begin{cases} 90 - 350 \cdot F(X_H) - 40 \cdot F(X_L) = 0 \\ 50 - 210 \cdot F(X_L) - 90 \cdot F(X_H) = 0 \end{cases}$$

The solution of (16) is  $F(X_L^0) = 0.1345$  and  $F(X_H^0) = 0.2418$ . Therefore,  $X^*_L = 1$  room and  $X^*_H = 1$  room.

3. Some hotels have a joint reservation policy with other hotels – they act as one hotel, have the same rates and clients are accommodated at any of them (they learn the name of the exact hotel at the day of arrival). Rome hotels Centre One, Centre Two and Centre Three are an excellent example. In this situation, we must calculate a joint optimal number of overbookings

for the participating hotels which can be different from the sum of the separate optimal numbers. For simplicity we shall examine the situation of two hotels:

Let  $X_1$  be the discrete random variable of the last minute cancellations, amendments and no shows at the first hotel. Its specific values are  $X_{1i}$  with probabilities  $P(X_{1i})$  and cumulative probabilities  $F(X_{1i}) = \sum_{k=1}^i P(X_{1k})$ . We denote with the discrete random variable of the last minute cancellations, amendments and no shows at the second hotel. Its specific values are  $X_{2j}$  with probabilities  $P(X_{2j})$  and cumulative probabilities  $F(X_{2j}) = \sum_{m=1}^j P(X_{2m})$ .

The joint discrete random variable of the last minute cancellations, amendments and no shows at both hotels is  $X = X_1 + X_2$ .

Its specific values are  $X_n \in [\min\{X_{1i}; X_{2j}\}; \max\{X_{1i}\} + \max\{X_{2j}\}]$ . The probabilities are given with the equation:

$$(17) P(X_n) = \sum_i \sum_j P(X_{1i}) \cdot P(X_{2j}), \text{ for } \forall i, j : X_{1i} + X_{2j} = X_n$$

The cumulative probabilities of  $X$  will be:

$$(18) F(X_n) = \sum_{s=1}^n P(X_s)$$

The total optimal number of overbookings for both hotels  $X^*$  will be the smallest whole number for which inequality (8) is fulfilled, given the cumulative probabilities of equation (17). It can be greater, equal to or less than the sum of the separate optimal numbers  $X^*_1 + X^*_2$ .

Let's illustrate equations (17) and (18) with a numerical Example 3:

*Example 3:* The last minute cancellations, amendments and no shows at the first hotel have the following distribution:

$X_{1i}$ (number of rooms)	0	1	2	3	4	5	6	7	8
$P(X_{1i})$	0.10	0.12	0.15	0.26	0.11	0.12	0.05	0.05	0.04
$F(X_{1i})$	0.10	0.22	0.37	0.63	0.74	0.86	0.91	0.96	1.00

The distribution of the same variable for the second hotel is:

$X_{2j}$ (number of rooms)	0	1	2	3	4	5
$P(X_{2j})$	0.20	0.28	0.16	0.19	0.11	0.06
$F(X_{2j})$	0.20	0.48	0.64	0.83	0.94	1.00

The price of one room at the hotel is  $r = 85$  EUR and the net costs of walking of guests are  $c = 155$  EUR /the same as in Example 1 – see inequality (9)/. Under these conditions the optimal number of overbookings which fulfils inequality (9) is  $X^*_1 = 2$  for the first and  $X^*_2 = 1$  for the second hotel.

Let the hotels coordinate their bookings and act as one hotel. The distribution of  $X = X_1 + X_2$  is:

$X_n$ (number of rooms)	0	1	2	3	4	5	6	7	8	9	10	11	12	13
$P(X_n)$	0.02	0.052	0.0796	0.1322	0.1526	0.1441	0.1343	0.1017	0.0805	0.0485	0.0286	0.0161	0.0074	0.0024
$F(X_n)$	0.02	0.072	0.1516	0.2838	0.4364	0.5805	0.7148	0.8165	0.8970	0.9455	0.9741	0.9902	0.9976	1.0000

The optimal number of overbookings is now  $X^* = 4$  rooms. In this case  $X^* > X^*_1 + X^*_2$ .

If hotels increase their rate to  $r = 100$  EUR, keeping  $c = 155$  EUR, the critical ratio is:

$$(19) F(X) \geq \frac{100}{100 + 155} = 0,3922.$$

Now optimal number of overbookings are  $X^*_1 = 3$ ,  $X^*_2 = 1$  and  $X^* = 4$  rooms, so that  $X^* = X^*_1 + X^*_2$ .

If, on the other hand, the critical ratio is  $F(X) \geq 0,7$ , we can find that  $X^*_1 = 4$ ,  $X^*_2 = 3$ ,  $X^*=6$  rooms which means that  $X^* < X^*_1 + X^*_2$ .

This simple example shows that, keeping constant probability distributions of  $X_1$  and  $X_2$ ,  $X^*$  can be greater, equal to or less than  $X^*_1 + X^*_2$ , depending on the critical ratio given by inequality (8) in each particular case.

4. The basic model assumes that the marginal revenue from the unoccupied room is null. This is true in the case of nonguaranteed reservation. In practice, hotels charge their guests for late cancellations of their guaranteed bookings. To take it into consideration we will denote  $m$  as the revenue from an unoccupied room. The total revenues from cancellation charges for the unoccupied rooms will be:

$$(20) TR_{ob}(X^* < X) = m.[1 - F(X)].(X - X^*)$$

Differentiating (20) we find the marginal revenues of the unoccupied rooms to be:

$$(21) MR_{ob} = m.[1 - F(X)]$$

We substitute (21) in (4):

$$(22) \quad r.[1 - F(X)] - c.F(X) \leq m.[1 - F(X)]$$

$$(23) \quad F(X) \geq \frac{r - m}{r - m + c} = 1 - \frac{c}{r - m + c}$$

Inequality (23) is similar to (8) but instead of  $r$  (room rate), it includes net lost revenue or the opportunity cost of not having overbooked the room – the difference between the room rate and the cancellation charge ( $r - m$ ). It also suggests that the *optimal level of overbookings is inversely related to the amount of the cancellation charge* – the closer the cancellation charge to the room rate, the lower the missed benefit from the unoccupied room, and the less the stimuli to overbook. Our personal observations of booking practices in Bulgarian city or sea-side hotels show that hotels which require prepayment of reservations usually overbook only very small number of rooms or do not overbook at all.

If hotels accept both guaranteed and non-guaranteed bookings than the optimal number of overbookings must be set separately for each booking type.

5. We must also consider the loss of future revenues, caused by the fact that clients with overbookings might not make a reservation at the same hotel, which needs further research, outside of the scope of current paper.

6. The statistical distribution of last minute cancellations, amendments and no shows is influenced by special events – fairs, exhibitions, congresses, sport events and so on. During special events, the demand for hotel accommodation increases significantly, which corresponds to lower number of last minute cancellations and no shows. Thus, the optimal number of overbookings is also lower.

## WALKING GUESTS WITH OVERBOOKINGS

Last minute cancellations, amendments and no shows are random variable which the hotel cannot control. That's why walking guests is inevitable even with most precise planning of overbookings. In this regard several managerial decisions must be taken in order to minimize the negative effects of walking guests with confirmed overbookings:

- ✓ *Who to be walked?* A suitable approach is to accommodate clients on the “first come-first served” basis and walking late arrivals to other hotels. This approach, however, does not take into account the different importance of company's customers. Thus, we must consider also:
  - *Length of stay* – guests with shorter stays (one night) will be walked. Resort hotels could also offer to already accommodated guests to spend their last night at a luxury airport hotel for free (Wirtz *et al*, 2002:15)

- *Regular clients* – Walking a regular client might incur more negative impacts than walking a first-comer. That's why they should never be walked.
  - *Room rate* – Usually hotels walk guests who have paid the lowest rates. This means that hotels prefer to accommodate direct customers at the expense of the clients sent by touroperators and travel agents. Such an approach, although financially reasoned in the short-run, might cause the termination of the contract between the hotel and the touroperator/travel agent in the long-run, especially in systematically walking guests of touroperators and travel agents (Kotler, Bowen, Makens, 1996:439-440).
- ✓ *Where to walk the guests?* The hotel must redirect its guests to another establishment of the same or higher category. If this is impossible (there is no other similar hotel in the city/resort or no rooms are available), clients can be walked to a hotel of a lower category and they must receive a refund equal to the price difference of both hotels. It is possible that the clients receive a full refund for the inconveniences caused by accommodating them in a lower category hotel than their initial booking.
- ✓ *The costs of walking of guests include* the costs of accommodation in the alternative hotel, transportation of guests to it and are paid by the overbooked hotel. The latter can provide as a compensation also a complimentary overnight/lunch/dinner, souvenir, bottle of wine/champagne or other gift.

At practical level, hotel managers are required to establish service recovery programmes with standard procedures to be followed by the receptionists if they find that too many rooms have been overbooked. Baker, Bradley and Huyton (1994:131-132) propose a detailed multi-step procedure which can be summarised as follows:

- Define the number of reserved rooms.
- Check the arrivals list, types of bookings (guaranteed or nonguaranteed), booking remarks and room status to identify possible late or early departures, no shows, last minute cancellations and amendments. This will show how many rooms are expected to be occupied for the particular date.
- Compare the number of reserved rooms and the number of rooms expected to be occupied. The difference between them shows the excessive overbooking.
- Search for internal sources to increase the available capacity of the establishment and accommodating the guests – different room type in the same hotel, rooms used by hotel employees, accommodating clients from two single rooms into one twin (if accepted by the guests).
- Book necessary rooms in alternative hotel in nearest vicinity.
- Decide who to walk.
- Arrange transportation to the alternative hotel and compensation for the inconvenience.
- Inform the general manager, front office manager and the reception personnel about the situation and the decisions taken. Everybody in the hotel concerned with the overbooking should be fully aware about the case.

Regardless of how detailed each programme is, it cannot cover all possible situations. Therefore, front office managers and receptionists have to be periodically trained how to deal with overbookings and take their own decisions in an unfamiliar situation.

## CONCLUSION

The management of overbookings is a complex process, deeply connected with revenue and yield management in hotel establishments. Hotel managers try to forecast tourism demand in order to define the optimal number of overbookings, but from an empirical point of view it is extremely difficult to know how many rooms will be occupied on a specific date. Therefore, walking guests is inevitable and managers must strive to minimize the negative impacts of it.

This paper presented in a systematic way the problems that arise from overbookings – how many rooms to overbook and how to walk guests. We have extended the basic mathematical model to take into account the positive marginal revenues from unoccupied rooms (the cancellation charges of guaranteed bookings), the simultaneous solution of optimal overbooking levels of two differently priced room types, and the optimal number of overbookings for two or more hotels which coordinate their reservation policies. We have also concluded that the optimal level of overbookings is inversely related to the amount of the cancellation charges applied by hotels.

However, not all problems have found suitable solutions. Further research is needed in order to determine the optimal number of overbookings for more than two different types of rooms considering the possibility of accommodating guests in a cheaper or more expensive room at the same hotel. Mathematical models could also include non-linear costs of walking guests as well as the loss of future revenues from clients with overbookings. Hotels must develop service recovery programmes specifying the standard procedures that employees have to follow if they face an overbooking. They could offer some free gifts or services to compensate the involuntarily walked customers. These programmes are to some extent even more important than the calculation of optimal level of overbookings itself, because while mathematical models deal with *variables*, they deal with *people*. And business is about people.

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# Perceptions and attitudes towards the hospitality professions in Cyprus

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## ABSTRACT

The future of the hospitality industry depends on the quality of its people. The purpose of this research activity was to investigate the attitudes of secondary school students towards the hospitality professions. In addition, the study examines students' perceptions towards the hospitality industry of Cyprus so as to identify whether the industry's poor reputation is shared by young individuals ready to make their career decisions. Reflecting on the research findings, a suggestive profile of the secondary school student most likely to pursue a career in the hospitality industry is developed. Finally, the authors recommend specific actions that hospitality stakeholders could initiate in order to improve the perceptions and attitudes towards the professions of their industry.

**Keywords:** The Cyprus Hospitality Industry, Hospitality education, Hospitality professions, Perceptions and attitudes of secondary school students.

## INTRODUCTION AND RATIONALE

Probably the most fundamental challenge facing the hospitality industry is "the attraction and retention of the necessary number and quality of young people" (Lewis and Airey, 2001, p.7). Especially in a country like Cyprus that relies heavily upon tourism revenues, the ability to attract qualified individuals to the industry is crucial. Many local industry stakeholders argue that while the future prosperity of the industry depends on the quality of its people, the Cypriot hospitality industry has failed, for a number of reasons, to project an image that could generate interest amongst secondary school students, and especially those with higher than average value on achievement. Consequently, it is difficult for anyone to present the industry as an attractive career option to secondary school students.

What ever the case, the hospitality industry of Cyprus faces fundamental challenges pertaining to attracting and retaining young individuals in its highly-volatile business environment. Potential labour shortages in the near future, which are foreseen by many industry stakeholders, will disrupt the industry's smooth operation and will diminish its ability to contribute to the

country's economy. The importance of the work force for the successful development of the hospitality industry and our limited knowledge regarding secondary school students' attitudes towards such careers have provided the rationale for the choice of this research.

## LITERATURE REVIEW

Recent years have shown a rapid growth of the hospitality industry in a number of countries. According to recent published statistics by the World Tourism Organization (WTO, 2005), the industry is now one of the biggest employers in many Western countries and a great number of communities depend upon it to provide "quality" work opportunities for their school leavers. This section of the paper aims to present research activities which investigated the attitudes and perceptions of individuals towards hospitality careers.

A number of studies portray hospitality professions as unattractive (Getz, 1994; Koko and Guerrier, 1994; Cooper and Shepherd, 1997). In their 1994 scholarly work, Koko and Guerrier affirm that hospitality professions are "physically repetitive, poorly paid, controlled by task oriented managers and providing limited opportunities for participation and development" (Quoted in Airey and Frontistis, 1997, p. 150). Cooper and Shepherd (1997) viewed tourism as offering low-status careers and Sindiga (1994) concludes that jobs in tourism are often seen as menial and low level. These findings coincide with Getz (1994) which also showed that students perceived tourism jobs as undesirable in Spey Valley, Scotland. In fact, the most important findings from the study was the bad and worsening image of the hospitality industry within the area. This was despite the respondents' high levels of direct experience working in the industry. The study also concluded that sustainability should be a long-term goal, as well as the provision of training and information programs for employees.

In contrast to the previously mentioned research activities, a number of studies revealed positive perceptions and attitudes and enhanced interest towards hospitality professions (Ross, 1992; 1994; Choy 1995; Purcell and Quinn, 1996). Ross' (1994) scholarly work revealed that Australian secondary school students exhibit a high level of interest in managerial level hospitality professions. What is even more important is the finding that these professions attract students with high professional achievement ambitions. This encouraged the author to suggest that hospitality professions are now "regarded as holding considerable promise for future employment and career prospects in many western countries" (Ross, 1994, p. 65). In addition, Ross's findings suggest that some secondary school students may need more information supplied to them regarding factors which may influence their choices towards hospitality professions. More reliable information is important since students' level of interest was partly influenced by the level of familiarity and involvement with the industry.

Murphy (1985) informs us that individual attitudes are positive when there is a tourism related community involved. Owning or operating businesses in such a particular area, thus providing employment to a vast number of local people, has a positive impact on their attitudes and

perceptions. The authors argued that there has been a trend for more positive attitudes to the industry by those who have some contact than by those who have no direct involvement or perceive that they derive no benefit from tourism. Along the same lines, Choy's work (1995) revealed positive attitudes towards tourism employment in Hawaii while Purcell and Quinn (1996) suggest that the main factors that attract individuals towards formal hospitality management education is their positive experience and perceptions with the industry.

Lewis and Airey (2000) investigated secondary school students' perceptions towards tourism careers in Trinidad and Tobago. Their findings suggest that secondary school students have a rather favorable attitude towards a possible career in the tourism industry, which is strongly influenced by both their work values and information about the industry. The respondents believe that "tourism provides good career opportunities for people with high ambitions, that the industry is generally of a high level, not boring, and the jobs are well paid" (Lewis and Airey, 2000, p. 19). Those who are more interested in tourism careers are those who are interested in work values such as 'self development' and working with friendly people.

Airey and Frontistis (1997) looked at the attitudes of young people towards tourism related careers in Greece and the United Kingdom. Their findings suggest that UK students who enjoy the benefits of a well established career support system have a more realistic view of the nature and demands of such professions. In contrast, Greek students have a more positive attitude towards tourism professions but the authors suggest that these views were due to the respondents' relatively unrealistic views about the industry and their limited personal experiences as tourists. Overall, less than 50% of the UK students had a positive attitude towards tourism employment, compared with the surprisingly high 83% of their Greek counterparts. The authors argued that the quality of the hospitality educational system in a particular country plays a significant role in forming students' perceptions.

## RESEARCH METHODOLOGY

The purpose of this research is to examine the perceptions and attitudes of secondary school students towards working in the Hospitality Industry of Cyprus. The following research questions, reflecting the study's primary purpose and objectives were formulated:

- RQ1:** What is the current perception of secondary school students towards the hospitality professions?
- RQ2:** Which are the most identifiable hospitality professions?
- RQ3:** Which hospitality professions are popular to secondary school students?
- RQ4:** What is the profile of the individual most likely to select a hospitality career?

For the purpose of this research activity, a comprehensive literature review was conducted by reviewing secondary data sources collected from books, journal articles, government publications, and hospitality reports and surveys. Reflecting both the issues revealed from

the literature review and the authors' subjective experience, a quantitative questionnaire was developed in order to reveal the feelings and opinions of secondary school students regarding specific issues relevant to their occupational decision-making process.

The target population of the study included all graduating secondary school students currently studying at both public and private schools in Cyprus. Due to financial constraints, the researcher decided to administer 300 questionnaires to ten institutions, both public and private, after obtaining a principal approval by their administration. Out of the 300 questionnaires distributed to the students, 150 were administered to five general public secondary schools, 50 to two public technical schools, 35 to one private Greek school and 65 to two private English schools (private schools that use English as the primary language of instruction). The schools were randomly selected in order to provide representative samples. Finally, utilizing the Statistical Package for Social Sciences (SPSS), the authors analyzed the collected data using both descriptive and inferential statistics. Before administering the survey instrument was tested for reliability by using the test re-test method.

## RESEARCH FINDINGS

*Table 1* displays the demographic profile of the participants in relation to three different variables: sex, type of secondary school currently studying and overall grade.

**Table 1:** Demographic Profile of the Respondents ( $n=227$ )

Variables	Frequency	Valid Percentage
<u>Sex</u>		
Male	134	59.3
Female	92	40.7
<u>Secondary School</u>		
Greek Lyceum	112	51.1
Technical School	35	16.0
Private School / Greek	23	10.5
Private School / English	49	22.4
<u>Overall Students' Grade (Academic Achievement)</u>		
Lower than 11	16	7.1
11-14	41	18.3
15-17	91	40.6
18-20	69	30.8
Other	7	3.1

*Students' Perceptions towards the Hospitality Professions*

A number of questions aimed to investigate students' perceptions towards the hospitality professions. In particular, respondents were asked to express their perceptions towards twelve variables that characterize hospitality professions. Those variables are monetary rewards, nature of work, working hours, employment opportunities, reputation, social prestige, work benefits, opportunities for career development and advancement, working relationships and working environment. The findings revealed were somehow expected. *Table 2*, displays the bipolar scales with students mean score responses on each of the twelve variables.

**Table 2:** Students Perceptions towards the Hospitality Professions

NEGATIVE VARIABLE	1	2	3	4	5	POSITIVE VARIABLE
Poor Salary			*			Excellent Salary
		(3.28)				
Boring Work			*			Interesting Work
		(3.52)				
Irregular Working Hours			*			Regular Working Hours
		(2.97)				
Excessive Work Hours			*			Normal Working Hours
		(3.14)				
Minimum Employment Opportunities			*			Excellent Employment Opportunities
		(3.15)				
Bad Reputation			*			Excellent Reputation
		(3.24)				
Hard Work			*			Easy Work
		(3.22)				
Socially Unacceptable			*			Socially Acceptable
		(3.27)				
Poor Work Benefits			*			Excellent Work Benefits
		(3.28)				
Minimum opportunities for development and promotion			*			Enhanced Opportunities for Development and Promotion
		(3.15)				
Exploitative working relationship			*			Mutually beneficial working relationship
		(3.18)				
Negative Working Environment			*			Positive Working Environment
		(3.52)				

N = 227

Student respondents' perception towards the variables that define hospitality professions in Cyprus ranged between neutral to negative. It is important to note that none of the variables falls towards the positive side of the spectrum. In general, secondary school students believe that hospitality professions offer average monetary rewards, have a rather negative reputation that is socially unacceptable, offer mediocre working opportunities, and opportunities for career development and promotion, and average work benefits. Student respondents also indicate the industry's excessive work hours and non-traditional working schedules.

### *Secondary School Students' Awareness towards Hospitality Professions*

Secondary school student's awareness towards the hospitality professions is essential in the effort to investigate their perceptions and attitudes towards them. The findings confirm the long term assumption shared by many local hospitality experts that the hospitality industry is overshadowed by food and beverage related professions. From the first seven job classifications, presented in *Table 3*, with the highest students' awareness, six are Food and Beverage related. While labeling the industry as being Food and Beverage centered might serve specific operational needs, it can also discourage individuals who would like to pursue a non-Food and Beverage related career.

**Table 3:** Secondary Students' Awareness towards Hospitality Professions – The Top 10 Positions

<b>Profession</b>	<b>No. of Responses</b>	<b>Percent of Total Cases</b>	<b>Rank</b>
Food Server	209	92.4%	<b>1</b>
Chef	199	89.2%	<b>2</b>
Cook	199	89.2%	<b>3</b>
Hotel Manager	181	81.2%	<b>4</b>
Restaurant Manager	158	70.9%	<b>5</b>
Barman	157	70.4%	<b>6</b>
Pastry Chef	145	65.0%	<b>7</b>
Receptionist	135	60.5%	<b>8</b>
Room Attendant	133	59.6%	<b>9</b>
Tour Guide	112	50.2%	<b>10</b>

*Multiple Response Questions - Total Number of Responses 2275; N=227*

Research findings revealed that food servers are the icons of the hospitality industry. Almost 93% of the respondents relate them with the industry as the most recognizable job classification. While this is not a surprise for anyone, it is important to analyze the perceptual and societal norms towards this profession. Unlike Europe and the United States, the vast majority of our food servers are foreigners, mostly part timers, below the age of 30, with moderate to low

monetary rewards, and limited ambitions to pursue this as their professional career. It is apparent that food servers share a rather negative image that discourages many to even consider the hospitality industry as one of their career options. Witness the reaction of a teenager who seeks advice and support to pursue a hospitality career, only to hear “what, you want to become a food server?”

#### *Popular Professions within the Hospitality Industry*

According to the research findings, presented in *Table 4*, the most popular hospitality professions are hotel manager, barman, chef, cruise ship manager, and pastry chef. It is important to note that managerial level positions are much more popular than entry or skilled level positions although our research findings suggest that students’ willingness to supervise others is moderate. That makes us wonder whether secondary school students are aware of what management is and what it entails. It seems that they want to pursue managerial level positions, but they do not want to manage people. A possible explanation revolves around the amount of monetary rewards, since on average managerial level positions earn more money than the others.

**Table 4:** The Ten Most Popular Hospitality Professions

<b>Profession</b>	<b>No. of Responses</b>	<b>Percent of Total Cases</b>	<b>Rank</b>
Hotel Manager	77	33.9%	<b>1</b>
Barman	68	30.0%	<b>2</b>
Chef	49	21.6%	<b>3</b>
Cruise Ship Manager	49	21.6%	<b>4</b>
Pastry Chef	44	19.4%	<b>5</b>
Cook	44	19.4%	<b>6</b>
Night Club Manager	40	17.6%	<b>7</b>
Pilot	39	17.2%	<b>8</b>
Food Server	37	16.3%	<b>9</b>
Lifeguard	37	16.3%	<b>10</b>

*Multiple Response Questions - Total Number of Responses 756; N=227*

Another finding that caught the authors’ attention is the high popularity of “barman” compared to the “food server”. The barman job classification ranks as the second most popular hospitality profession with almost 30%, surpassed only by the hotel manager. It is the only profession ranked in the top 5 which is not at a managerial level. It seems that secondary students relate themselves with bartending due to their exposure with the particular job during their social activities. It is also important to note, that teenagers might consider bartending as an ideal job that enables them to earn money, meet interesting people, work only at night, while at the same time having fun, especially in nightclubs.



In surprisingly high ranks, respondents placed the professions of chef and cruise ship manager. In recent years, Chefs gained tremendous popularity due to the publicity earned from local electronic and printed media. This publicity enhanced the profession's image and reputation, thus making it a more attractive option to secondary school students. If you visualize the chef as simply a cook, working odd hours, in a fast paced and often inhumane environment, it will be logical to shape a rather negative perception of this position. On the other hand if you gain visual awareness of the position's uniqueness, the innovation, the symphony and harmony of taste and textures, and the artistic side of the job, many might shape a much different opinion. Awareness is the key to improving individual perceptions towards a particular profession. The chef position can become the benchmark in how we could enhance the image of other hospitality professions that currently suffer from that perspective.

### *Profile of the Students Selecting Hospitality Professions*

One of the primary objectives of the research activity was to profile the students who are interested in pursuing a hospitality career. In order to gain a better picture as to who would like to pursue such a career, the authors decided to investigate both the type of institution students are currently studying at and their overall academic performance. Findings suggest that hospitality professions attract mostly technical school students with average or below academic performance. This was again an expected finding, especially for industry experts; nevertheless, it is the first time that such an assumption is supported by a scientific research activity.

The findings reconfirm some long term arguments suggesting that hospitality professions attract only individuals with below average academic qualifications. In particular, 47.8% of the respondents who have selected hospitality professions have an overall grade of less than 14 (70/100), while in professions like educators and doctors the percentage drops down to 20%. It is apparent that hospitality professions fail to attract students with above average academic qualifications.

For many years, technical schools have had a rather "notorious" reputation of being the logical alternative for individuals with low academic qualifications. Most of the technical school students are selecting vocational courses that would prepare them for employment in the "technical" professions, such as hospitality entry level positions. Such paths, which are perceived as "easy" or less difficult than others, mainly attract individuals with low academic qualifications.

## RESEARCH IMPLICATIONS AND RECOMMENDATIONS

One of the objectives of the research project was to recommend specific actions that hospitality stakeholders could initiate in order to improve the attitudes and perceptions towards the professions of their industry. What follows is a brief description of nine such actions:

### Action 1: Establishment of the Cyprus Hospitality Educators Association (CHEA)

A number of research participants recommended the foundation of a Cyprus Hospitality Educators Association (*CHEA*), which will strive to improve the image and reputation of hospitality careers by projecting the values of the local industry. Such an association will facilitate a long-term mutually beneficial relationship between industry professionals and educators. In addition, such a development will benefit immeasurably the planning and implementation of genuine internship practices by highlighting deficiencies and indicating ways to bridge the gap between educational theory and actual practice.

### Action 2: Active Government Involvement

When a country's economy depends heavily upon the hospitality industry, the government should take some measures to ensure its continuity and future. Government, and especially the Ministry of Education and Culture, needs to invest more in the industry by enhancing its involvement, which could take a number of shapes and forms ranging from informational campaigns to public high schools, organization of in-school presentations by prominent industry leaders, and the provision of special permission to conduct educational field trips to hospitality establishments.

An even more effective measure is the involvement of the Cyprus Tourism Organization (CTO), a statutory semi-governmental body aim to organize and promote tourism in Cyprus, in an effort to promote the industry's image and reputation in order to attract qualified individuals to its ranks. Presently, the primary objective of the CTO's Strategic Plan for Tourism 2000-2010 (2005), is to increase tourism financial receipts while at the same time maximising the socio-economic benefits for the local population by: (a) increasing travellers' spending, (b) improving the long-standing problem of seasonality, (c) increasing tourism arrivals, (d) increasing the average stay per guest, and (e) increasing of repeat travellers. It is important to note that the current plan focuses solely on increasing financial benefits, disregarding the fact that without qualified human capital this can not be achieved. If you want to earn money from the industry then you need to invest in its human capital.

### Action 3: Hospitality Advisory Boards

Conroy *et al.* (1996) inform us that the American institutions offering hospitality programs utilized advisory boards since their early beginnings. Advisory boards offer advice to program

administrators and faculty, provide valuable feedback regarding the industry's perception of the program's quality, assist students with their industrial placement requirements, offer ideas regarding fundraising, and strategic planning. In addition, the image and reputation of the industry leaders participating in the advisory board would most certainly enhance the program's image, visibility and reputation. Unfortunately, Cypriot hospitality educators failed to recognize the benefits of such a venue.

Reflecting on the research findings, and in particular the problems hospitality professions experience with regard to their image and reputation, advisory boards constitute an inexpensive measure that could alleviate some of these problems. Such an initiative would enhance the cooperation between stakeholders, thus increasing the industry's input in the programs' curriculum development. The authors believe that advisory boards would formalize the education-industry relationship and lay the foundation for more joint efforts in improving the image and reputation of the hospitality professions in an attempt to attract more qualified individuals to the industry.

#### Action 4: Improve the Industry's Image by Committing to a more Employee-centred Mentality

For many years the Cyprus hospitality industry has embraced the philosophy that "the end justifies the means". In other words, all means are justified when the bottom line results, always represented by financial goals and objectives, are achieved. Unfortunately, this pragmatic condition has been externalized to the public and contributed towards the development of a rather negative perception towards hospitality professions.

The ethical approach suggests that both the ends and the means must be justified. While achieving the financial objective is important for all hospitality establishments, especially in a highly competitive environment such as Cyprus, it is not a panacea. Industry professionals have to justify their bottom line results with the means utilized to achieve them. It is time to move away from short-term economic objectives and commit to a more employee-centred approach. Such a shift in mentality will benefit immensely the industry's efforts to attract more qualified individuals to its ranks.

The research study investigated secondary school students' perceptions of the hospitality professions. The findings revealed that students have moderate to negative perceptions on specific factors that define the industry. Many local hospitality stakeholders, with whom the authors talked and shared the study's findings, argued that while a number of student perceptions were unrepresentative of the pragmatic industry conditions, others were more representative. In particular, students' perceptions of irregular and excessive working hours and below average work benefits tend to reflect the actual conditions of the industry. Hospitality stakeholders should not only strive to change students' misperceptions but they should also concentrate their effort to improve the actual conditions of their industry. A pivotal role in

such an effort is a paradigm shift that will enhance the industry's level of professionalism and commit to more employee-centred practices.

#### Action 5: Organized Tours to Local Hospitality Establishments

In order to modify perceptions, we need to enhance secondary students' awareness towards the industry. The Cyprus Tourism Organization in collaboration with the Cyprus Ministry of Education and Culture and the local industry should organize field trips to prominent hospitality establishments in which students will have the opportunity to experience the true qualities of the industry. Industry professionals will have the opportunity to tour students through their establishment; explain to them the operation's mission and goals; define the different divisions and departments, introduce them to current employees, and answer relevant questions. If a picture is a thousand words, then imagine the impact of such an experience on students' attitudes and perceptions towards the industry.

#### Action 6: Improve the Image and Project the Genuine Qualities of Secondary Technical Education

Unfortunately, the Cypriot society perceives secondary technical institutions as inferior, compared to the other public and private secondary schools. Society stereotypes technical schools as providing a chance, some call it an alternative or even a way out, to individuals with lower academic qualifications to learn something that could help them in their future professional development.

The Government, and in particular the Ministry of Education and Culture which oversees secondary education in the country, should strive to reverse this negative perception towards technical schools, by projecting their true qualities and uniqueness of such an educational experience. The difference between regular secondary schools and technical schools is not the quality of the learning experience provided to the students but the nature of it. The authors strongly believe that the government should undertake all necessary measures to enhance the image and reputation of technical education to the public.

#### Action 7: Series of Speeches and Presentations

With the approval of the Cyprus Ministry of Education and Culture, hospitality professionals could visit secondary schools in order to conduct informative speeches and presentations to the students. This face-to-face interaction would most certainly enhance students' awareness since it will enable them to express their concerns regarding the industry and receive comprehensive responses by industry professionals. Along those lines, individual students who expressed their interest towards such professions could be invited to visit a particular establishment with their parents, interact with employees and managers, discuss career potential, and review the physical demands and rewards of the industry.

### Action 8: Put Technology in Use

Secondary school students are internet savvy. While most of the times the internet is used by students for “entertainment” purposes, with the necessary planning and preparation it could be utilized to provide information and generate interest towards the industry. The industry could finance the development of an innovative and interactive internet web site that directly targets secondary school students. The primary objective of this site is to inform students of facts and issues relevant to their country’s number one industry enable them to request information about the industry, seek career advice from hospitality professionals, and exchange, through a forum session, their views and opinions regarding industry related issues. The site should also enable students to link with other relevant web sites such as the Cyprus Tourism Organization, local hospitality establishments, and professional associations. In addition, such a web page can be used to inform secondary school career advisors as to the latest news and trends of the industry. Therefore, the key ingredient of such a technological tool is the interaction of all industry stakeholders with the students in order to enhance their hospitality awareness.

In addition, hospitality stakeholders could utilize the media, both electronic and printed in an effort to present the industry’s activities. It is imperative that the industry’s daily activities are exposed to the general public. In the last couple of years, culinary programs, incorporated in local morning shows, are broadcast almost daily by television stations. Reputable chefs exhibit their culinary expertise and address the viewers’ questions, comments and suggestions. Television executives are quite satisfied with the popularity and acceptability of such programs. It is important to note, that a number of hospitality stakeholders have argued that such programs have enhanced the image, reputation, and social acceptability of culinary professions. Educators agree that this positive media exposure might have contributed to the dramatic increase in their culinary enrolments.

### Action 9: Mentorship Programs Targeting Secondary School Students

Mentoring is the supportive development of the individual employee or student through the use of an experienced person. It is widely recognized that mentoring success depends upon committed individuals and pre-established goals. Mentoring is a low cost technique that if implemented properly has the potential of enhancing the industry’s public image and reputation. Hospitality professionals could become career mentors for secondary school students who are interested in pursuing a relevant career. It is acknowledged that mentoring at such an early stage of the individual’s career decision stage will greatly influence their perception as to what constitutes the hospitality industry. Therefore, mentoring will help students gain a realistic view of the required personal demands and sacrifices of such a career. In the long term, such activities will enable graduated students, to socially assimilate in the organization; thus reducing their anxiety that might cause symptoms such as burnout, turnover and drop out.

## CONCLUSION

The research study investigated secondary school students' perceptions and attitudes towards the hospitality professions. The findings confirmed some long term assumptions expressed by industry stakeholders. The most important finding, which necessitates the immediate attention of all stakeholders, is the relatively low image and reputation hospitality professions "enjoy" amongst secondary school students. It is suggested that the industry provides careers which are relatively unattractive to the vast majority of secondary school students, especially the ones with above average academic qualifications. Findings suggest that the industry is able to attract individuals with average or below academic qualifications who mostly attend secondary public technical schools.

Reflecting on the research findings, the authors presented a number of recommendations that aim to enhance the public image and reputation of the industry. These recommendations are founded on a symbiotic and mutually beneficial relationship amongst hospitality stakeholders, secondary school students, and the Cyprus Government. The quality of this relationship will become the determining factor in all of our efforts to improve the industry, its image, and the quality of individuals attracted by it. Tertiary education has a crucial role in this effort since it represents the bridge by which individuals should successfully pass en-route to a prosperous and long-term career.

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# Residents' perceptions of cultural tourism and quality of life - A longitudinal approach

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## ABSTRACT

Indianapolis has been the focus of considerable public investment and public policy attention during the past several years. A city-wide cultural tourism initiative in 2002 set sights on positioning Indianapolis as a cultural tourism destination. The initiative's two objectives were to improve the quality of life for Indianapolis residents, and enhance visitors' experience by capitalizing on the city's cultural amenities and attributes. Using a three-dimensional model developed by Raphael, Steinmetz, and Renwick (1998), the purpose of this study was to compare the results of the 2004 and 2005 studies and report significant changes in the dimensional ratings. The study also attempted to determine if there was an increase in the level of awareness by residents of the city's cultural tourism initiative efforts over this period.

**Key Words:** Cultural tourism, Quality of life, Indianapolis

## INTRODUCTION

Many cities increasingly see cultural tourism as a driver of future economic growth. However, the full picture of the impact of cultural tourism upon urban environments is not well understood. In 2002, Indianapolis embarked on a cultural tourism initiative. The city-wide cultural tourism initiative set sights on positioning Indianapolis as a cultural tourism destination. One of the initiative's objectives was to improve the quality of life for Indianapolis residents by capitalizing on the city's cultural amenities and attributes. One of the first projects of the Commission was the creation of the Cultural Districts Program to facilitate the cultural development of six distinct neighborhoods or districts that offered a critical mass and unique mix of arts, cultural and hospitality activities. The development of these six neighborhoods was designed to share the unique, authentic and diverse character of Indianapolis and its people with residents and visitors alike. The idea of the cultural districts has been popular in many other urban



areas (Bell & Jayne, 2004). Judd and Fainstein (1999) offered city leaders and other public officials a recipe for prioritizing the needs of suburban tourists over the needs of urban residents. Specifically, the authors recommended the construction of ‘tourist bubbles,’ which could be promoted to the point of displacing the actual city as the ‘principle signifier of a locality,’ an area shield from urban ills (p. 36).

Cultural tourism defined by the Indianapolis Cultural Development Commission is “experiencing the diverse mosaic of places, traditions, arts, celebrations and experiences that the Indianapolis area offers to residents and visitors. It is an important component of an overall tourism plan that emphasizes the total Indianapolis experience” (p. 1). Furthermore, the commission states, “In addition to all the growth and expansion Indy is experiencing and will continue to experience, there is even more to celebrate. A powerful sports schedule, exciting national conventions, landmark anniversaries, and new summer celebrations will together tell the Indianapolis story. It’s a chance for the city to be recognized for the cultural destination that it is” (Indianapolis Cultural Development Commission, 2004, p. 1).

The quality of life of an urban population is an important concern in achieving economic prosperity through tourism development. There are many components involved in measuring a city’s quality of life. A large part is the standard of living and the amount of money and access to goods and services that a population has. These statistics are easily measured. Other statistics that attempt to measure alternative dimensions of urban living, such as mental and physical happiness, culture, and environmental health and safety, are far more difficult to measure. This has created an inevitable imbalance as programs and policies are created to fit the easily available economic numbers while ignoring the other measures which are much more difficult to plan for.

Quality of life can mean many things to different people. Some would argue that in order for a community to enjoy a good quality of life, residents should feel safe from crime, live in affordable and high quality housing, and should have access to education and employment. Indeed, these are basic expectations for a livable community. They go beyond economic status, age, race, household composition, or any other demographic symbol.

According to Jurowski and Brown (2001), attitudes toward tourism may be directly related to how residents feel about their community and surrounding region. A destination’s internal marketing campaigns are imperative to explain the social benefits of tourism to residents looking to reduce opposition and form a favorable destination image (Jurowski, Uysal, & Williams, 1997). Residents’ support for tourism development and the likelihood of recommending their region and supporting tourism funding is based on perceived image (Schroeder, 1996). Destinations must establish the right balance between community needs and interests, while promoting compatible community objectives, symbolic of the values of the residents (Cameron, 1993; Cabrini, 2003).

Therefore, it is an important task for the destination to be able to measure residents' quality of life and show residents any substantial benefits achieved through initiating cultural tourism program in order to obtain a fully social and financial support. Using a model developed by Raphael et al. (1998), a questionnaire was designed with quality of life items being aggregated into three general dimensions: "being" (physical characteristics), "belonging" (environmental characteristics), and "becoming" (emotional, mental and spiritual characteristics). Based on the initial survey conducted in September and October, 2004, another survey was conducted at the same time period of 2005. The purpose of this longitudinal study is to address the following objectives: (a) to establish a baseline index that corresponds to the Indianapolis residents' view of their quality of life and (b) to measure any significant enhancements or decline of residents' perceptions of their quality of life over time with the ongoing advances in promoting Indianapolis as a cultural tourism destination.

Based on the above objectives, five hypotheses were developed as follows which were tested in this study:

H<sub>1</sub>: There is no significant change from 2004 to 2005 in residents' perceptions about cultural tourism development in Indianapolis;

H<sub>2</sub>: There are no significant interactive effects on residents' perception of 'being' on residents' gender, age, level of income, or length of residence, respectively, between the first-time survey period and the second-time period;

H<sub>3</sub>: There are no significant interactive effects on residents' perception of 'becoming' on residents' gender, age, level of income, or length of residence, respectively, between the first-time survey period and the second-time period;

H<sub>4</sub>: There are no significant interactive effects on residents' perception of 'belonging' on residents' gender, age, level of income, or length of residence, respectively, between the first-time survey period and the second-time period;

H<sub>5</sub>: There are no significant interactive effects on residents' perception of 'Indianapolis' attractiveness as a travel destination' on residents' gender, age, level of income, or length of residence, respectively, between the first-time survey period and the second-time period; survey period and the second-time period.

## LITERATURE REVIEW

Cultural tourism is growing with the changing travel trends and tourist demographics. Tourists are currently taking shorter vacations, mainly in urban destinations, and a more sophisticated and educated tourist is emerging. According to Cabrini (2003), Europe continues to attract

increasing numbers of tourists to its cultural locations. The European Commission reported 20% of European tourists are responding to cultural motivations, while 60% of European tourists are interested in cultural discovery during their stay. As tourism popularity and international travel continues to increase, cultural tourism interest will additionally see a substantial increase (Cabrini, 2003). Additionally, interest in cultural tourism peaks for individuals between the ages 45 and 65. As the population life expectancy continues to rise, so will the interest in cultural tourism (Cameron, 1993).

Residents' support for tourism development and the likelihood of recommending their region and supporting tourism funding is based on perceived image (Schroeder, 1996). There are two types of destination image: (a) organic, derived from non-tourism sources, and (b) induced, developed through promotional, advertising and publicity campaigns (Chen & Hsu, 2002). Jurowski et al. (1997) noted internal marketing campaigns are imperative to explain the social benefits of tourism to residents looking to reduce opposition and form a favorable destination image. Destinations must establish the right balance between community needs and interests, while promoting compatible community objectives, symbolic of the values of the residents (Cabrini, 2003; Cameron, 1993).

There are, however, other more subjective ideas of what makes a city an enjoyable place to live. These ideas often revolve around the character of a city. Increasingly cities and regions throughout the developed world are developing locally based measures to assess quality of life. For example, a volunteer civic project called "Sustainable Seattle" introduced the concept of sustainability indicators for a metropolitan region with a pioneering report in 1993. They were inspired by Jacksonville, Florida's "Quality of Life" measures and the State of Oregon's growth-oriented "Benchmarks." The volunteers of Sustainable Seattle were seeking to do something different: measure progress towards true sustainability" (Sustainable Seattle, 2006).

Such studies have assessed over 200 indicators of quality of life. Many researchers have looked at quality of life at the neighborhood, city, county and metropolitan level. Some have collected unique measures of quality of life, reflective of local environmental, social and economic conditions. Most communities have, however, relied on data from the U.S. Census. The concept of "quality of life" as a multi-faceted concept seeks to include a wide variety of critical affecter variables within a unified framework. In this case, the Indianapolis quality of life research methodology defines quality of life as a nexus where physical, environmental, mental, spiritual and emotional characteristics are all considered.

Wennergren and Fullerton (1972) use three indices to measure a community's quality of life: economic, social, and environmental. The geometric mean of the three indices, weighted by the population of the community, is used as an overall measure of community well-being. A series of studies have addressed issues related to the ability of travel and tourism to both enhance and diminish the QOL of local residents in the host community (Cohen, 1978; Linton,

1987; Williams & Shaw, 1988; Jurowski et al., 1997; Perdue, Long, & Allen, 1999). Few studies have also addressed the effect tourism has on improving the overall life satisfaction of the traveler. To date, little is known about the impacts of tourism on the perceived host community well-being.

Anderson and Nurick (2002) consider that the conventional economic appraisal of cultural projects only focuses on the 'measurement of the measurable,' such as visitors attracted, jobs created and income generated. However, the authors argue that an economic appraisal does not reflect considerable effects on the places and regions in which cultural projects are located. The challenge lies in how to measure the changed image and aspirations of a location and the quality of life of its residents due to cultural impact. Their findings indicate increasing evidence that quality of life is becoming an important factor in relocation-related decisions for both skilled workers and business investors. The study further illustrates that cultural projects can greatly strengthen a city's brand or image and cause it to be perceived more favorably.

Kim (2002) investigated how tourism development influences the quality of life of residents in different stages of development. Overall satisfaction with life was used as the measurement for quality of life. The results show that tourism development did affect people's overall life satisfaction. During the initial stage of tourism development, residents may feel stress caused by change, and demand for more public services and infrastructure. People's life satisfaction is higher during the maturity stage of tourism development. When tourism development enters its declining stage, quality of life may also start to decline.

## METHODOLOGY

The following two objectives were established to address the purpose of the study: (a) re-test the 35-question survey administered to Indianapolis residents in 2004 and 2005, and (b) utilize a number of statistical techniques, including central tendency measures, t-tests, and two-way ANOVA to compare the quality of life index scores for each dimension and measure changes from 2004 to 2005 in residents' perceptions about cultural tourism development in Indianapolis.

### *Two-way factorial ANOVA*

Two-way factorial analysis of variance means to consider two factors (i.e., two Independent Variables) simultaneously. If a significant F-value is found for one IV, then this is referred to as a significant main effect. However, when two or more IVs are considered simultaneously, there is also always an interaction between the IVs - which may or may not be significant. An interaction may be defined as: There is an interaction between two factors if the effect of one factor depends on the levels of the second factor. When the two factors are identified as A and B, the interaction is identified as the A X B interaction.

In this study, the focus was on examining the interactive effects rather than the main effects since the aim was to see the varying patterns of demographic data from the 2004 survey to the 2005 survey. In other words, a two step analysis was conducted, first, a t-test to see overall differences for the each DV from 2004 survey to 2005 survey and then a two-way factorial ANOVA to measure possible interactions between the IVs. In the two-way ANOVA, both the interaction and the main effects were examined. If the interaction was not significant, the most complete story was told by the main effects. If the interaction was significant, then the most complete story was told by the interaction.

### ***Instrument Design***

Stanley (1979) found that researchers cannot measure everything and must therefore limit their choices in selecting their instrument indicators using three criteria: (a) the objectives of interpretation, (b) the theoretical values used for the study, and (c) the social and economic priorities of the geographic region under investigation at any given time. From these criteria, he deduced a few general practices that could guide the choice of selecting such indicators: (a) empiricism and previous experience, (b) choosing an appropriate set of indicators that reflect a pre-approved interpretation or action plan, and (c) compliance with a theoretical model.

André, Delisle, Revéret and Bitondo (1999) stated that quality of life indicators should also meet the following criteria: (a) be representative of quality of life, (b) be simple and easy to interpret and communicate, (c) illustrate long-term trends, (d) react to changes in dimensions affecting quality of life, (e) suit the scale of the study, (f) derive their real meaning from a comparison with defined targets or specific thresholds, (g) receive theoretical recognition and comply with standards generally accepted by the experts, (h) be readily available or involve low acquisition costs, (i) be recognized for their quality and supported by sound documentation, and (j) be periodically updated at spatial and temporal intervals, using measuring and sampling procedures suited to the scale of quality of life. Diener (1995) conducted an inventory of indicator selection practices for the quality of life index and found no standard way of choosing indicators for this index. As a rule, he concluded that indicators are chosen intuitively by the researcher.

For the purposes of this study, the researchers relied on an adaptation of a model developed by Raphael et al. (1998) to design, pilot-test, and administer the questionnaire to Indianapolis residents. The original model used a health-based approach to assessing community quality of life and it was applied to Toronto, Vancouver and other North American cities. This community approach to quality of life was centered on people's perception of what would or would not make their lives satisfactory.

The study questionnaire assumed that certain community dimensions affect people's quality of life, and it drew attention to these. Quality of life was assessed on the basis of three major indicators:

- "being," which reflects "who the individual is" and has physical components;
- "belonging," which involves people's relationship with their environments; and
- "becoming," which involves individual activities to achieve individual emotional, mental and spiritual goals, hopes and aspirations .

Again, the research team attracted subjects through a random sampling technique. All research participants were volunteers, 18 years of age or older, and residents of Indianapolis. A public, high-traffic area was identified to collect data during a span of six weeks. The administration of the survey was carried out during all days of the week and in three daily shifts, mornings (8 am to Noon), afternoons (Noon to 4 pm) and evenings (4 pm to 8 pm). The team collected 494 useable surveys whose data was entered into SPSS for analysis.

## RESULTS

### *Residents' Perceptions of Quality of Life*

Table 1 summarizes the questionnaire items aggregated into the three general dimensions of quality of life: "being" (physical characteristics), "belonging" (environmental characteristics), and "becoming" (emotional, mental and spiritual characteristics) as well as the overall rankings from the question on cultural tourism. Those items were measured on a five-point scale ranging from Strongly Agree (1) to Strongly Disagree (5). Thus, the lower the score, the more favorable the response was. Indianapolis residents' perceptions about Being and Belonging dimensions improved from 2004 to 2005. This indicates that residents felt better about their health and their living environment in 2005 than in 2004. The rating on Becoming dimension decreased from 2004 to 2005 which implies that the residents were less happy and had higher stress level.

**Table 1. Means of Quality of Life Items from 2004 and 2005 Surveys**

Item	Mean	
	2004	2005
<b>Quality of Life Factor 1: Being</b>	<b>2.27</b>	<b>1.84</b>
Overall health	2.04	2.10
Physical activity frequency	2.43	1.64
<b>Quality of Life Factor 2: Becoming</b>	<b>2.66</b>	<b>2.90</b>
Being happy	2.58	2.61
Stress level	2.69	3.18
<b>Quality of Life Factor 3: Belonging</b>	<b>2.49</b>	<b>2.35</b>
I feel a sense of community	2.74	2.89
Feeling safe in home during daytime	1.68	1.42
Feeling safe in my neighborhood during daytime	1.96	1.72
Feeling safe in downtown during daytime	1.92	1.67
Feeling safe in my home after dark	2.24	2.02
Feeling safe in my neighborhood after dark	2.70	2.73
Feeling safe in downtown Indianapolis after dark	1.57	2.89
Clean/no litter	2.70	2.33
Nice green city/beautiful parks and gardens	2.83	2.22
No air pollution	2.70	3.09
No noise pollution/quiet	2.62	2.94
Attractive buildings	2.52	2.35
Not too much traffic/easy to get around	3.20	2.83
Safety e.g. city reasonably trouble free	2.88	2.69
Impact on Indianapolis from diversity of lifestyles and cultures	2.70	2.23

### *Residents' Perceptions of Cultural Tourism Development*

In order to examine  $H_1$ , that is if the city's cultural tourism initiative had influenced how residents perceived the cultural tourism development in Indianapolis, we compared means of the cultural tourism items from the two rounds of surveys. Table 2 shows the results. Those items were measured on a five-point scale ranging from Strongly Agree (1) to Strongly Disagree (5). The only one item that received higher ratings in 2005 than in 2004 is: "I am aware of the city's cultural district program." The results imply that the cultural tourism initiative increased their awareness of the city's cultural tourism development.

**Table 2. Means of Cultural Tourism Items from 2004 and 2005 Surveys**

Item	Mean	
	2004	2005
I understand the concept of "Cultural Tourism".	2.24	2.29
Indianapolis is ready to attract cultural tourists.	2.59	2.60
Indianapolis is promoting itself well in the area of cultural tourism.	2.72	2.78
Indianapolis has the potential to succeed as a cultural tourism destination.	2.32	2.38
Indianapolis is an attractive destination for all visitors.	2.26	2.43
I enjoy the cultural attractions the city has to offer	2.36	2.51
Visitors will enjoy the cultural attractions the city has to offer.	2.35	2.46
I am aware of the city's recent accomplishments in cultural tourism.	2.87	2.88
I am aware of the city's cultural district program.	3.04	2.97
Indianapolis needs to continue promoting cultural tourism.	2.07	2.07

Note. Those items were measured on a five-point scale ranging from Strongly Agree (1) to Strongly Disagree (5).

T-tests were performed to measure if Indianapolis residents' perceptions about cultural tourism have significantly changed from 2004 to 2005. Only one item "Indianapolis is an attractive destination for all visitors." was found to be significant from 2004 to 2005. The results are presented in Table 3. In addition, this item received lower rating in 2005 than it did in 2004.

**Table 3. T-Tests for a Comparison of Cultural Tourism Items from 2004 and 2005 Surveys**

Item	t	Sig.
I understand the concept of "Cultural Tourism".	1.094	.275
Indianapolis is ready to attract cultural tourists.	.138	.890
Indianapolis is promoting itself well in the area of cultural tourism.	.539	.590
Indianapolis has the potential to succeed as a cultural tourism destination.	.493	.623
Indianapolis is an attractive destination for all visitors.	2.618	.009
I enjoy the cultural attractions the city has to offer.	1.721	.086
Visitors will enjoy the cultural attractions the city has to offer.	1.836	.067
I am aware of the city's recent accomplishments in cultural tourism.	.379	.705
I am aware of the city's cultural district program.	-1.136	.256
Indianapolis needs to continue promoting cultural tourism.	-.240	.810



*Residents' Perceptions of Quality of Life*

Next, in order to investigate if there is a difference in terms of how residents of different gender, age, length of residency, and income level perceive the three quality of life dimensions in 2004 and 2005 ( $H_2$ ,  $H_3$ ,  $H_4$ ) an ANOVA analysis was conducted. The results are shown in Table 4 and Table 5. It was found that residents' ratings on "being" and "belonging" were significantly improved from 2004 to 2005 for all four demographic variables. The dimension that performed worse in 2005 was becoming and this was the same for gender, age, length of residency, and income.

**Table 4. Quality of Life Dimensions that were Significantly Improved from 2004 to 2005 for Gender, Age, Length of Residency, and Income**

Demographic Variable	F	Sig.
<b>Gender</b>		
<i>Being</i>	89.778	.000
<i>Belonging</i>	17.612	.000
<b>Age</b>		
<i>Being</i>	81.987	.000
<i>Belonging</i>	15.038	.000
<b>Length of Residency</b>		
<i>Being</i>	83.625	.000
<i>Belonging</i>	17.047	.000
<b>Income</b>		
<i>Being</i>	75.543	.000
<i>Belonging</i>	14.970	.000

**Table 5. Quality of Life Dimensions that were Significantly Decreased from 2004 to 2005 for Gender, Age, Length of Residency, and Income**

Demographic Variable	F	Sig.
<b>Gender</b>		
<i>Becoming</i>	29.837	.000
<b>Age</b>		
<i>Becoming</i>	29.310	.000
<b>Length of Residency</b>		
<i>Becoming</i>	28.697	.000
<b>Income</b>		
<i>Becoming</i>	28.223	.000

***Residents' Perceptions of Indianapolis as an Attractive Destination***

As discussed above, one cultural tourism item "Indianapolis is an attractive destination for all visitors" was found to be significant from 2004 to 2005, further analysis was employed to examine if the same effect can be found based on different demographic variables ( $H_5$ ). The results are presented in Table 6. The item received worse rating in 2005 in terms of gender, age, length of residency, and income.

**Table 6. Cultural Tourism that was Significantly Decreased from 2004 to 2005 for Gender, Age, Length of Residency, and Income**

Demographic Variable	F	Sig.
<b>Gender</b>		
<i>Attractive Destination</i>	8.263	.004
<b>Age</b>		
<i>Attractive Destination</i>	8.988	.003
<b>Length of Residency</b>		
<i>Attractive Destination</i>	8.643	.003
<b>Income</b>		
<i>Attractive Destination</i>	7.970	.005

In order to test hypotheses 2 to 5, i.e. to see the changing patterns of all the QOL dimensions (i.e. 'Being', 'Becoming' and 'Belonging') and the variable of 'Indianapolis Attractiveness' based on the demographic variables (i.e. gender, age, income, and residence), two-way ANOVA was employed respectively. Results of all the interaction effects are displayed in Table 7. The results showed that all the interactions are non-significant except for the QOL dimension 'Becoming' based on gender. In other words, none of the hypotheses can be accepted except Hypothesis 3 which can only be partially accepted. The results indicated that, from the time period of the first survey to the time period of the second survey, all these QOL variables as well as the variable of 'Indianapolis Attractiveness' have been following the same pattern across all these demographics. The only exception is the QOL dimension of 'Becoming' based on gender. With regards to the dimension of 'becoming', while males' perceptions of 'Becoming' remain to be of almost no change over these two different survey periods, there is a dramatic change for the females' perceptions.

**Table 7. Variation Patterns from Survey I to Survey II across Demographics (Two-way ANOVA)**

Demographics	Being		Becoming		Belonging		Attractiveness	
	Survey I	Survey II	Survey I	Survey II	Survey I	Survey II	Survey I	Survey II
Gender:								
Male	2.23	1.76	2.77	2.82	2.44	2.31	2.28	2.42
Female	2.30	1.92	2.54	2.98	2.54	2.38	2.24	2.42
Interaction	<i>F</i> =1.15, Sig.: .283		<b><i>F</i>=19.7, Sig.: .000</b>		<i>F</i> =.159, Sig.: .691		<i>F</i> =.133, Sig.: .715	
Age:								
18-30	2.25	1.84	2.64	2.89	2.54	2.39	2.40	2.54
Over 30	2.28	1.85	2.68	2.91	2.46	2.33	2.16	2.35
Interaction	<i>F</i> =.012, Sig.: .912		<i>F</i> =.012, Sig.: .911		<i>F</i> =.058, Sig.: .810		<i>F</i> =.141, Sig.: .708	
Income:								
≤\$30000	2.35	1.97	2.77	3.04	2.61	2.40	2.38	2.39
\$30000- \$60000	2.33	1.85	2.64	2.87	2.49	2.35	2.17	2.41
higher	2.12	1.73	2.57	2.78	2.38	2.27	2.20	2.44
Interaction	<i>F</i> =.432, Sig.: .649		<i>F</i> =.145, Sig.: .865		<i>F</i> =.834, Sig.: .435		<i>F</i> =2.09, Sig.: .124	
Residence:								
≤ 10 years	2.26	1.88	2.66	2.92	2.49	2.32	2.34	2.50
Over 10 years	2.28	1.83	2.67	2.89	2.49	2.38	2.20	2.37
Interaction	<i>F</i> =.508, Sig.: .476		<i>F</i> =.204, Sig.: .652		<i>F</i> =.654, Sig.: .419		<i>F</i> =.003, Sig.: .960	

## CONCLUSION

Cultural tourism development is a feature of cities—old and new—as they seek to revive former industrial and waterfront sites and downtown areas, and establish themselves as competitive cities of culture. At the same time, the rationale for such development has been extended to include quality of life, as well as economic outcomes. The evidence of how much these initiatives contribute to a range of revitalization objectives is limited (Evans, 2005). Over the past several years, research in this area has attributed a wide range of social impacts to participation in cultural programs and activities. Francois Matarasso's influential 1997 report "Use or Ornament?" identified 50 possible impacts deriving from involvement in participatory arts and found that the majority of adult participants in the arts projects he studied, reported that the experience had improved their quality of life.

Occasionally, cultural indicators are being included as part of broader frameworks of socio-economic indicators measuring the quality of life/well-being/sustainability of communities.

The International Federation of Arts Councils and Culture Agencies (IFACCA) define a cultural indicator as "a statistic that can be used to make sense of, monitor, or evaluate some aspect of culture (such as the arts, or cultural policies, programs and activities)" (IFACCA, 2005, p. 11).

However, the breath and depth of available cultural activities to a city's population has been off the policy radar when it comes to making broader urban planning policy decisions, and many indicator systems are adding to the overall confusion of this situation. An example is the Federation of Canadian Municipalities' Quality of Life Reporting System, which, when first published in 1999, did not include cultural or leisure indicators. An independent evaluation subsequently recommended these be developed for inclusion (Janzen, 2003).

Community cultural indicators are beginning to be developed "in their own right", attempting to monitor the quality of life/health/well-being of communities through measures of the "vitality" of local cultural activity, often as part of a "cultural planning" approach. Much of

this work is being developed in North America and Indianapolis is one such example. Even though it is clearly too early to evaluate the impact of Indianapolis' efforts on improving the overall quality of life of its residents, it is nevertheless, an important first step in positively changing the lives of its residents.

Indianapolis's efforts in promoting cultural tourism need to continue to include all cultural offerings and recognize them as important aspects of the city's basic quality of life. These offerings will not only enrich the residents' experiences but educate them about the world they live in. The diversity of the world as represented through the cultural offerings is one way to share the culture and knowledge of different peoples and places.

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# Do small tourism businesses play a role in urban tourism development?

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## ABSTRACT

The purpose of this study was to construct a testable model by investigating the dimensions of small tourism businesses and to explore if these characteristics predict support of tourism development in Indianapolis, Indiana. A proposed model was developed and small tourism businesses were examined in terms of a number of variables. A total of 152 surveys were used in the analysis, which represented a 48.2% response rate; 315 small tourism businesses fit the sample criteria. Statistical procedures were conducted using principal factors extraction with Promax rotation, resulting in a five-factor solution. A multiple regression analysis was then used to distinguish whether support of tourism development could be predicted by these factors. Results indicate that only 5.8% of support for tourism development by small tourism business owners could be explained by this set of independent variables. Even though the proposed model did not result in significant findings, this study has both theoretical and practical implications that add to the body of knowledge.

**Key words:** small tourism business, support for tourism development, urban tourism

## INTRODUCTION

Attaining small tourism businesses' support is perhaps the most ignored facet in urban tourism development. Urban tourism development improves the quality of life for its residents, boosts the city's vitality, and improves its economic position. Urban tourism remains an under-researched topic of study, as is the element of small tourism business in developed urban areas (Hall & Page, 1999; Rogerson, 2004; Shaw & Williams, 2004; Thomas, 2004, 2000).

Many urban governments and policy makers are now relying on tourism for economic regeneration and for strategic local development (Ioannides & Peterson, 2003; Law, 2002; Rogerson, 2004). According to Jurowski and Brown (2001), "When attempting to maximize the benefits for a specific community, planners should gather information about individuals who stand to gain economically from the development, those who are currently using the resource to be developed, those who are attached to their community and those with a strong environmental attitude" (p. 9). A better understanding of the level of support for tourism

development by small businesses is essential to tourism developers, planners, and officials. This information can assist in capitalizing on those small tourism businesses that support tourism development through influence of public policy and provide a better understanding of non-supporters (Jurowski & Brown, 2001). Without adequate information on the small tourism business sector, policymaking and planning may be impeded (Page, Forer, & Lawton, 1999).

As in many cities, Indianapolis has a large number and variety of small tourism businesses that significantly contribute to the economic well-being, as well as, to the authenticity and ambiance of the city. This research uncovered the variables that influence small tourism businesses' support for or opposition to tourism development in Indianapolis and detailed the descriptive, behavioral, and operational differences among these stakeholder groups. From this information, a testable model was developed that identified the strength of the relationship between each of the variables and the support for tourism development.

Little is known about the roles of tourism, small business, and their relationship to economic development (Page et al., 1999). According to Shaw and Williams (1994), there is an absence of studies on small tourism business, even though "the tourism and leisure industry tend to be dominated by a few large businesses operating alongside a large number of small, independent ones" (p. 100). Until the 1990's, small businesses were simply considered a miniature version of large firms, and differences in business objectives, management style, funding, and marketing were unnoticed (Friel, 1999). Furthermore, Curran and Storey (1993) stated that, "many of the major conceptual developments in the area of research have been derived from the small business researchers with no connection to tourism" (as cited in Page et al., 1999, p. 436).

Research on small tourism businesses is needed to assist urban communities in capitalizing on new markets. Today's educated leisure and business travelers are demanding a unique cultural experience that requires more than chain restaurant food and retail mall shopping. As the impact of globalization takes center stage, tourists are now more experienced and knowledgeable regarding language, use of transportation, and travel resources and have increasingly more discretionary dollars to spend on travel (Smeral, 1998). To experience the true flavor of a destination and the culture of the local residents, tourists seek out small tourism businesses. According to Bastakis, Buhalis, and Butler (2004), small and medium tourist enterprises "provide a very diverse range of tourism products and services, facilitate rapid infusion of tourism spending into local economies, while in leisure tourism they usually shoulder the distinctive function of offering a local character to the increasingly homogenized tourism packages" (p. 151). These establishments are typically "off the beaten path" from tourist accommodations and large attractions but are recognized as essential ingredients in the economic well-being of a community and image of a destination (Page et. al, 1999; Simmons, 1994).



Small tourism businesses, such as galleries, independent restaurants, theatres, art studios, bed and breakfasts, and local stores, find it difficult to compete and survive in a chain-dominated economy. However, it is this group of businesses that shapes the destination's image, exposing tourists to the destination's distinctiveness. Small tourism businesses are being ignored or overlooked in tourism planning and development.

The problem was to construct a testable model by investigating the dimensions of small tourism businesses and explore if these characteristics impact support of tourism development in Indianapolis. Each small tourism business was examined in terms of the type of the business activity, type of business ownership, motivation of business ownership, financial success, projected growth, business geographical location, its customer base, and business' level of community involvement. The importance of the study was that support for tourism development leads to increased tourism activities and inevitably increased economic benefit to the community. Successful planning and management of tourism development benefits a community's residents, businesses, and visitors. Building community loyalty to attract more tourists into the community is imperative to the success of any initiative or grass-roots project (Chen, 2000).

The purpose of this study was to identify the small tourism business factors that explain and predict support for tourism development in a community. The objectives of this research are stated in the following two research questions:

1. To what extent can the variation of support for tourism development (dependent variable) be explained by the set of independent variables: type of the business activity, type of business ownership, motivation of business ownership, financial success, projected growth, business geographical location, its customer base, and business' level of community involvement?
2. What is the best linear combination of independent variables to predict support of tourism development in this sample?

## **Hypotheses**

The following eight null hypotheses were tested in this project:

- H<sub>1</sub>: There are no significant relationships between small tourism business' involvement (membership in professional, civic, religious, charitable or volunteer organizations) and support of tourism development.
- H<sub>2</sub>: There are no significant relationships between small tourism business' motivation (such as lifestyle, enjoyment, retirement, and business investment) and support of tourism development.

## DO SMALL TOURISM BUSINESSES PLAY A ROLE IN URBAN TOURISM DEVELOPMENT?

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- H<sub>3</sub>: There are no significant relationships between small tourism business' projected growth and support of tourism development.
- H<sub>4</sub>: There are no significant relationships between small tourism business' financial success and support of tourism development.
- H<sub>5</sub>: There are no significant relationships between small tourism business' clientele base and support of tourism development.
- H<sub>6</sub>: There are no significant relationships between small tourism business' activity type and support of tourism development.
- H<sub>7</sub>: There are no significant relationships between small tourism business' type of ownership and support of tourism development.
- H<sub>8</sub>: There are no significant relationships between small tourism business' location and support of tourism development.

### LITERATURE REVIEW

Although there is a significant amount of literature on small business, few studies address what constitutes a small tourism business, making the term difficult to define and conceptualize (Cressy, & Cowling, 1996; Curran, 1996; Morrison, 1996; Page et al., 1999; Shaw & Williams, 2004; Thomas, 2000, 2004). According to Storey (1994), there is not "a single, uniformly acceptable definition of a small firm" (p. 8). Most small businesses are defined solely in terms of one key element, number of employees, or in the case of lodging, number of hotel beds. Studies have described small business as employing less than 10 people to up to 500 people; the definition is selected and justified by the user on the basis of its value in the project (Storey, 1994; Thomas, 2000). For instance, Friel (1999) defined a micro-enterprise as one employing 10 individuals or less and a small enterprise as one that employs 10-49 individuals, whereas Getz and Carlsen (2005) defined a small tourism business as "less than 20 employees, very small market share, annual revenue less than \$50,000, or limited infrastructure and assets" (p. 239).

The number of employees or number of beds should not be the only variables to determine the size of a tourism enterprise (Buhalis, 1993). Other key elements that should be added to the descriptors include market share, revenue per employee, management and organizational structure, financial strength, operational procedures, decision-making process, entrepreneurial involvement, integration level, internationalization of operation, and managerial expertise (Buhalis, 1993; Quinn, Larmour, & McQuillian, 1992; Reichel & Haber, 2005). Small business owners are easily attracted to the hospitality industry for a number of reasons. Mainly, the barriers to entry are very low, the amount of capital investment to get started is

minimal, and the skill level is typically not at a specialist level (Deloitte Touche Tomatsu, 1994; Quinn et al., 1992). Tourism offers sole proprietors or families an easy access to a number of small or micro-business types (Getz & Carlsen, 2005).

*Small business* and *family-owned* business are often used synonymously in the literature; however, there are a variety of differing components that differentiate the two business types (Getz & Carlsen, 2000; Getz & Carlsen, 2005). Ownership is another element that is commonly used to describe small business; however, motivation and the profile of a small business owner may or may not match those of family-owned and operated establishments. Family-owned small firms may be reluctant to “abandon the enterprise in difficult times” (Getz & Carlsen, 2005, p. 241), and the balance of family life and business becomes critical as a large percentage of tourism businesses are operated by couples (Litz & Stewart, 2000). Business interest may focus on lifestyle, location or leisure preferences instead of profitability in family-owned operations (Ateljevic & Doorne, 2000; Getz & Carlsen, 2000).

Small businesses share distinctive characteristics and functional weaknesses that affect the product, operation, and services that they offer (Bastakis et al., 2004). Carter (1996) identified six categories that distinguish small business firms from large business firms. These include planning, environmental reaction and strategy, business objectives, range of management skills, communication styles, and company performance measures.

Lack of strategic planning, vision, and long-term goals has been identified as a major problem of small business firms (Bastakis et al., 2004; Olsen, 1991). Small tourism businesses are notable for being ‘product oriented’ or ‘family oriented’ versus ‘market oriented’ and find it unavoidable to depend heavily on intermediaries (Bastakis et al., 2004; Buhalis, 1993; Hankinson, 1989). Short-term problems and pressure seem to dominate small business planning and vision (Brownlie, 1994). Many struggle to survive during times when unexpected incidents, such as war, terrorism, and natural disasters occur (Buhalis, 1993).

Small and medium tourism enterprises tend to be weakly managed, lacking the business skill and savvy of larger firms (Bastakis et al., 2004; Brownlie, 1994; Buhalis, 1993; Friel, 1999; Getz & Carlsen, 2005; Page et al., 1999; Thomas, 2000). An incomplete management team is typically inevitable, as most small businesses lack the financial resources to attract specialized managers and personnel necessary to grow the business (Bastakis et al., 2004; Brownlie, 1994). Ioannides and Peterson’s (2003) study revealed that the majority of employers did not require any tourism-related education, experience, or training upon hiring a new employee. Because of the resource constraints, few small business owners provide critical services, such as adequate staff training or supervision of employees (Hankinson, 1989).

Small tourism business is known for low involvement in regional tourism organizations and certification programs, but the need for formal and informal business and social networking is important in small business survival (Copp & Ivy, 2001; Ioannides & Peterson, 2003; Page

et al., 1999). Quinn et al. (1992) noted many small businesses avoid being part of the “system” and opt to operate independently of the larger hospitality community.

Small tourism firms have product and process flexibility, demonstrating the capability to handle non-standard requests and orders and change production based on customer needs and demands (Kuratko, Goodale, & Hornsby, 2001). These small firms can “fill the gap” of heavy demand for products and services during seasonal times in a destination (Ioannides & Peterson, 2003). Buhalis (1993) identified other strengths of small and medium tourism business to include cultural resources, the personal and family relationship to the business, and the entrepreneurial activity.

Social and behavioral researchers have shown growing interest in studying causation among variables (Pedhazur, 1982). Models are typically constructed as a process by which one can visualize interrelationships and directional relationships among factors. Model building has been used extensively by those looking to explain the relationship among tourism impacts, perceived benefits and costs, resident quality of life, attitudes, support for tourism, and a number of other variables. In this study, a spurious relationship was observed as the X variables in the proposed model are all related to a common theme, support of tourism development (Jaccard, Turrisi, & Wan, 1990).

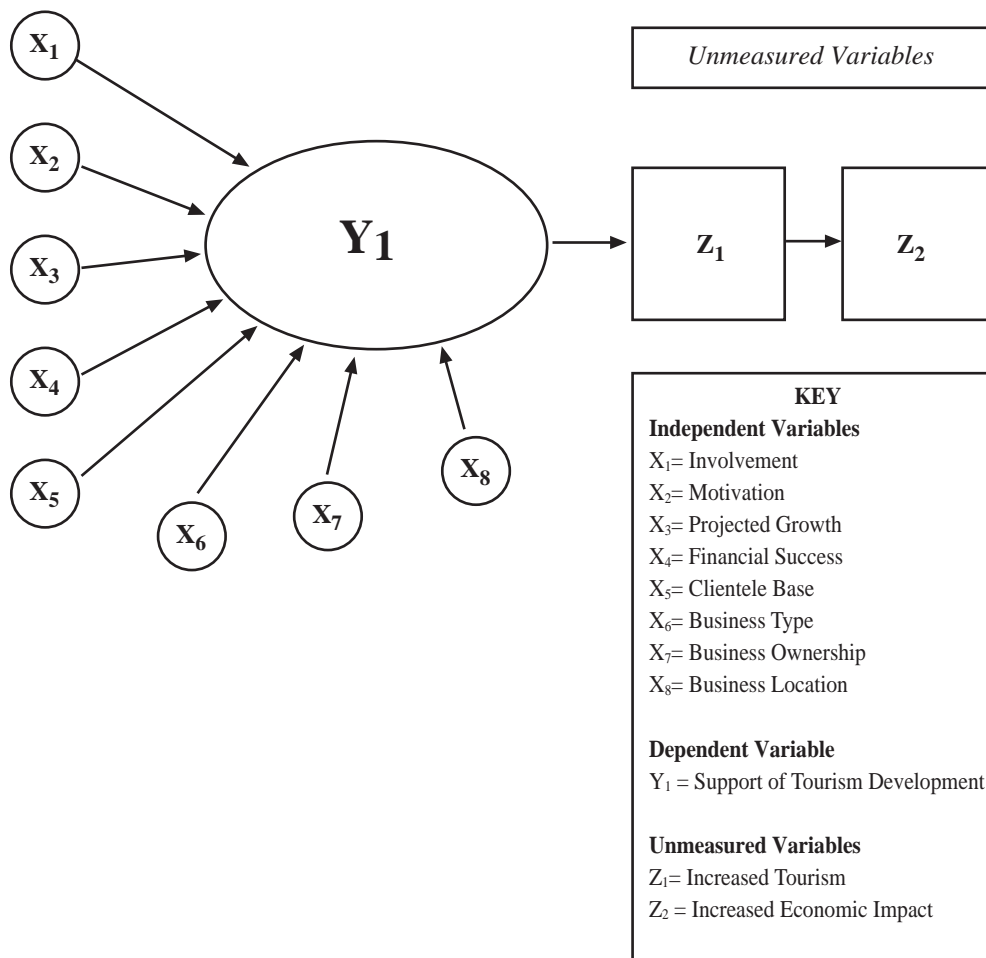
A research model project is used to develop a new model or to test an existing model and provides a systematic process for problem solving and decision making. As described by the U.S. Environmental Protection Agency (2005), a research model involves six important descriptive steps: (a) product description, including the scope, purpose, objectives and participant roles, (b) model description, including the theoretical approach and/or mathematical relationship between variables, (c) model development, including code development, technology requirement, and model documentation, (d) model calibration, or process of refining the model, (e) model assessment or validation, and (f) references.

This study proposes a model for investigating the support of tourism development given the unique characteristics, or factors, that describe and influence small tourism business using the six steps outlined above. The product description of the model includes eight independent variables, five of which are continuous variables and three of which are categorical variables. The proposed model incorporates elements of social theory (Davis, 2001), organizational typologies (Litz & Stewart, 2000), social exchange theory (Chen, 2000; Jurowski et al., 1997), the enlightened self-interest model of business social responsibility (Besser, 1999), and the systemic model (Besser, 1999) as it relates to the predictors. These theories were reviewed and used as the conceptual framework for the study.

Based on these theoretical approaches, support of tourism development may be coded as a number of predictors, including civic, community or professional involvement (X<sub>1</sub>), motivation of the business ownership (X<sub>2</sub>), the potential growth and performance of the establishment

(X3), financial success (X4), and sources of income for the small business firm (X5). Three categorical variables, business type (X6), ownership (X7), and location (X8) have been added to the model to determine differences in the sample's perspectives based on these different segments. Model refinement, validation, and assessment will be addressed in subsequent studies.

**Figure I: The Proposed Model**



## RESEARCH METHOD

The purpose of the study was to examine if any small tourism business factors, or independent variables (IVs), explain and predict support for tourism development, the dependent variable (DV), using a variety of descriptive statistics and multivariate analysis techniques. The study was conducted in the six cultural districts (Broad Ripple Village, Wholesale, Fountain Square/Southeast Neighborhood, Downtown Canal, Mass Avenue, and Indiana Avenue Cultural District) in the greater Indianapolis, Indiana area. These six districts offer a unique mix of arts, cultural, and hospitality activity that define the character of the Indianapolis area.

### Data Collection

The primary researcher mailed a letter to the 315 small business owners in the six districts two weeks prior to the collection of data. The letter detailed the study's purpose and asked for the small business owner's participation. Additionally, it stated when the owner should anticipate a researcher visiting his/her establishment.

A research team of 5 students was assembled and trained in June 2005. All research team members were required to pass the Indiana University Human Subjects test prior to participating in the collection of data. A research team training guide was distributed to and reviewed by each research team member. The team was divided and assigned a cultural district. The research team visited each small tourism business and asked the owner or manager to complete the questionnaire. Surveys were then collected, compiled, and returned to the primary researcher for analysis. This procedure was implemented to give the study an external validity factor that would allow the results to be generalized to a population of small tourism business in the Indianapolis area. Due to the personal contact with the subjects, a high response rate was achieved.

### Sample

The sample for this study was small tourism business owners or managers located in one of the Indianapolis six cultural districts. A small tourism business was defined using two criteria: (a) number of employees and (b) annual revenue. For the purpose of this study, small tourism business was defined as having less than 40 full-time employees and less than \$250,000 in annual revenue. Currently, there were approximately 650-700 businesses in these areas, of which approximately 315 businesses meet the small tourism business criteria for the study. The small tourism businesses for this study were defined using the following categories: (a) art galleries or studios, (b) restaurants, (c) historic attractions, (d) museums, (e) perform/visual art center, (f) unique gift/souvenir shop, and (g) accommodations. The researcher gathered 158 of the 315 surveys for analysis.

### Design of Instrument

The study developed a comparative research methodology using similar survey question items and themes from earlier work by a number of notable researchers in the areas of small business,

economic development, and tourism (Bastakis, et al., 2004, Besser, 1999; Friel, 1999; Getz & Carlsen, 2000; Jurovski & Brown, 2001; Litz & Stewart, 2000; Page et al., 1999; Reichel & Haber, 2005; Thomas, 1998, 2000; Williams & Lawson, 2001). Variables selected for this study were justified using previous theories and concepts presented in the small business and tourism literature. The intent of this process was to select the minimum number of variables that explained the most variance (Pedhazur, 1982).

The 35-question survey instrument was divided into seven sections: (a) general business information, (b) business employment, (c) business operations, (d) business marketing and advertising, (e) performance measures, (f) community involvement, and (g) support of tourism development and comprised of eight independent variables and one dependent variable.

**Table I:** Dependent Variable Used in the Study

Dependent Variable	Measure	Level of Measurement
Support for Tourism Development	Support levels of continued development of the convention center, new sports facilities, improved transportation systems, events, outdoor recreation programs, increased tourism and marketing dollars, efforts to display public art and develop infrastructure	Interval – Likert scale (1-5)

**Table II:** Independent Variables Used in the Study

Independent Variable	Measure	Level of Measurement
Involvement	Membership in professional, civic, religious, charitable, and volunteer organizations	Interval
Ownership Motivation	Factors describing why one started his/her own small tourism business (own boss, appealing lifestyle, market need, business investment)	Interval –Likert scale (1-5)
Projected Performance Growth	Major trends in current and future business performance as it relates to number of customers, overall business revenue, and number of employees.	Interval
Financial Success	Factors indicating business' profitability over three year span and business performance factors (success in customer service, developing new products and services, creating awareness of offerings)	Interval – Likert scale (1-5)
Clientele Base	Percentage of business revenue generated by local residents and tourists.	Interval
Business Type	Primary business activity (art gallery, restaurant, museum, attractions, shows, accommodations, arts centers)	Categorical
Business Ownership	Selections range from individually-owned, for-profit to part of a chain or franchise	Categorical
Business Location	Business location based on Indianapolis historical/cultural district map	Categorical



Steps were implemented to improve both types of validity through multiple ways. First, multiple questions were created to evaluate each predictor and the outcome variable. Second, the format and content of the survey were reviewed by four tourism professionals for appropriateness and usefulness. Next, the questionnaire was pilot tested to a small sample of small tourism business owners who were asked to identify confusing or inappropriate items, themes, or questions. The intent of the review was to verify the directions and ensure statements compiled in the survey are understandable, clear, and concise.

The analysis of the data was conducted using Statistical Package for Social Sciences (SPSS). Mean scores and standard deviations were initially computed, and a variety of descriptive statistics were reviewed and reported. Assumptions including normality of the distribution, homoscedasticity, linearity, and multicollinearity were each evaluated. Additional multivariate statistical techniques, such as factor analysis and determination of correlation coefficients, were used to enhance the predictive accuracy. Using least squares regression analysis, the regression coefficients were estimated so as to minimize the total of the sum of the squared residuals.

## RESULTS

This study addressed two research questions and eight null hypotheses. To answer the research questions and to decide whether or not to retain or reject the hypotheses, principal component factor analysis and standard multiple regression modeling were used. Prior to conducting the analysis, a number of interesting demographic information was reported.

### Demographics

The demographic data provided insight into a number of areas used to describe small tourism businesses. For instance, 55.5% of the respondents indicated they owned and/or operated the small business fewer than five years, with 85.4% of small business owners employing ten or less full-time employees. This sample indicated that “doing what I enjoy while making a living” and “recognized a market need” were the two most favorable responses when asked about their motivations for starting a new small tourism business. Retirement, prestige, and unemployment were viewed as less important.

Small tourism business owners and managers were conservative, yet optimistic, regarding their projections for future employment trends and generation of customer revenue. In fact, 80% of the sample forecasted increases or steady growth in number of customers, average customer spending, and overall business revenue. On the other hand, competition from large business, lack of tourists’ support, inflation, poor cash flow, labor costs, and no support from local government were acknowledged as obstacles to improved performance.

In terms of business performance measures, many small tourism businesses believed they were successful in developing a positive reputation and in achieving customer satisfaction,

and noted generating year-round profit, ability to create awareness as a tourism product, and developing new products as challenges that impede performance levels.

Group membership of small tourism business was reviewed in terms of professional, civic, religious, charitable, and volunteer opportunities. Additionally, respondents were asked if he/she felt a part of the Indianapolis tourism industry and to identify groups or other individuals who have sought their opinion on future development. Surprisingly, over 60% of all small tourism business owners and/or managers participated in two or more organizations. However, only 26.2% of the sample had been asked to contribute their viewpoints on Indianapolis' strategic mission as it relates to tourism development, leaving 21.4% of the sample feeling disconnected from the city's tourism industry.

Finally, the mean score of eight items was reviewed to determine the level of support for tourism development by small tourism businesses. Support for improved transportation and increased support for cultural events, festivals, and downtown events received the highest mean scores; whereas, increased taxes to support infrastructure and support for new sports facilities reported the lowest mean scores of support. An overall mean score for support for tourism development by small tourism businesses was 2.173, translating to a somewhat support rating.

### **Factor Analysis**

Principal factors extraction using Promax rotation was performed on 22 items from the survey measuring a variety of indicators of tourism development support to provide a better interpretation of the factors' meanings. The factor must also have an interpretable dimension explaining the pattern of relationships among the items loading on it. Factors considered had loading scores of .40 or above.

The rotated solution revealed strong factor loadings and a number of items on the eight factors. Nine variables ("change in business performance," "to do what I enjoy while making a living," "to provide a retirement income," "trends in current number of customers," "trends in current customer revenue," "effective responsive to changes in the market," "success in ongoing developing of new projects," "amount of business revenue generated," "trends in future employment," and "percentage of business revenue generated by tourists") were identified as complex variables, those loading on multiple factors.

Based on the initial factor loading analysis, factors one, two, and three retained more than five items loading on the component, while factors five and eight were explained only by two items. According to Comrey and Lee (1992), factor loading of more than .71 is considered excellent, .63 very good, .55 good, .45 fair, and .32 poor. Each factor was individually reviewed in terms of the number of items loading on the factor, the strength of those loadings, and if the factor had an interpretable meaning. Table 3 shows the structure matrix, the interpretable data after Promax rotation.

**Table III:** Principal Component Analysis: Structure Matrix

Items	Components							
	1	2	3	4	5	6	7	8
BP change	-.421						.573	
Investment			.674					
Own boss			.742					
Lifestyle			.700					
Enjoyment			.593		.585			
Retirement			.469				.409	
Profit		.587						
Awareness		.693						
Change		.713		.404				
Membership								-.610
Customer Sat				.916				
Pos Reputation								
New Projects		.789		.925				
% Tourists		.433					.469	
Business Rev						-.436		.517
Antic. Customers	.851							
Antic. Revenue	.860							
Trend Customers	.783						-.489	
Trend Revenue	.740					-.511		
Employ Now						.790		
Employ Future	.408				.695			
Giveback					.844			

Factor one, financial success, had six items loading on it, including anticipated customers, anticipated revenue, current customer numbers, current customer revenue, employment future, and business profitability change. This was the strongest of the five factors explaining 19.9% of the variance. Business performance, factor two, represented 12.4% of the explained variance and was defined using success in generating year-round profit, successful in creating awareness of the tourism product, effective responsiveness to changes in the market, success in developing new projects, and percentage of business revenue generated by locals versus tourists. These two components represented 32.3% of the 53.8% of the variance explained. Factors three, four, and five represented the remaining 21.5% of the variance. Owner motivation had five factor loadings, while perceived self-image had three and owner values had only two.

**Table IV:** Factor Loadings

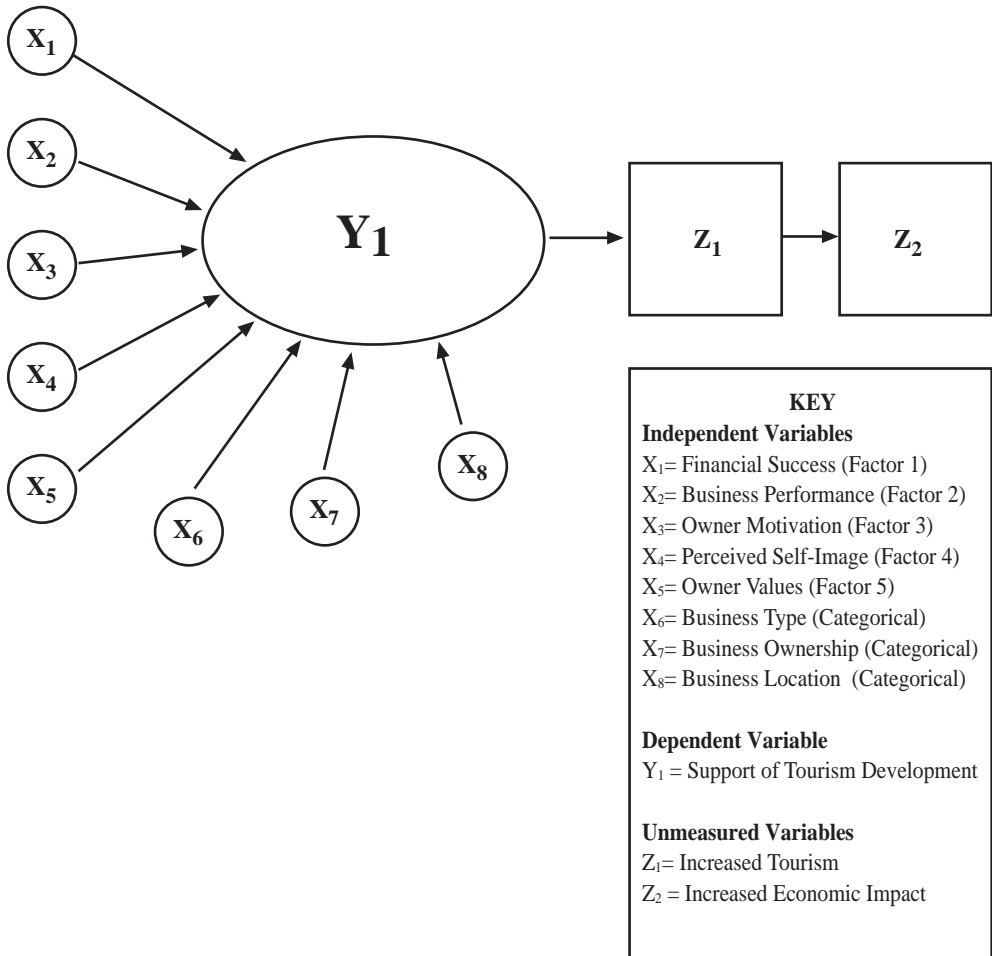
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Factor	# of Variables	Eigen-values	% Variance Explained	Cumulative %
Financial Success	6	4.370	19.864	19.864
Business Performance	5	2.736	12.437	32.301
Owner Motivations	5	2.132	9.692	41.993
Perceived Self-Image	3	1.355	6.161	48.154
Owner Values	2	1.259	5.239	53.87

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These five factors and three categorical variables, business activity type, business location, and business ownership type, were entered into the multiple regression model. The proposed model included small tourism business community involvement and client base, but these components did not emerge as factors and were replaced with perceived self-image and owner values. In fact, group membership and client base only loaded on one factor, which was deemed uninterpretable.

Figure II: Model Design



**CONCLUSIONS AND RECOMMENDATIONS**

In conclusion, the model summary information revealed the  $R^2$  for this data set was .058. This indicated that only 5.8% of the total support for tourism development by small tourism business owners could be predicted by the independent variables of business activity type, business ownership type, business location, financial success, business performance, owner motivation, perceived self-image, and owner values. The ANOVA table and the standardized coefficients, or the converted beta weights, were examined to explore which, if any, of the independent variables contributed to the explanation of the dependent variable. Both reviews supported the conclusion that this set of independent variables did not predict the level of support of tourism development by small tourism businesses.

**Table V:** Analysis of the Variance: Regression

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	9.727	8	1.216	1.082	.379
Residual	158.383	141			
Total	168.111	149			

- a. Predictors: (Constant), business activity type, business ownership type, business location, financial success, business performance, owner motivation, perceived self-image, and owner values
- b. Dependent Variable: total support of tourism development score

**Table IV:** Multiple Regression Analysis: Significance of Beta Weights

Variables	Beta	Sig
Activity Type	.040	.640
Location	-.148	.076
Ownership	-.006	.947
Financial Success	.050	.563
Business Performance	-.129	.157
Motivation	-.031	.723
Self-Image	.112	.208
Values	-.017	.843

Even though the proposed model may not have resulted in significant findings, this study has both theoretical and practical implications. As previously indicated, additional research based on theoretical understanding and improved data collection is important as researchers in this area look to further investigate support of tourism development and understand small tourism businesses. Previous researchers have used a number of dimensions to both describe and define small tourism business owners, and others to predict support of tourism development. While new theory cannot be derived from these findings, this research should be used as a foundation to expand and continue work on future theory development and theory testing in these areas.

Knowledge of what factors influence small tourism business support of tourism development may enable stakeholders to assess the likelihood of a project prior to committing significant amounts of time and financial resources. There are a number of groups and individuals, including tourism planners, officials, and the business community at large, who can take advantage of this study and its results. The demographic portion of this study alone could assist those in positions to promote tourism development to better understand, communicate, and involve small tourism business owners in their future efforts. This stronger understanding of small tourism businesses in the Indianapolis area could lead to a more targeted effort by all stakeholders in the area.

Reaching consensus with small business owners could be described as difficult or impossible, as this population tends to have an individual agenda or not enough time and resources to participate in the city's initiatives. Tourism professionals must begin to reach out to these small businesses and incorporate their interests into the overall direction of tourism planning. Professional training in hospitality has typically encompassed customer service, marketing, and planning techniques. However, these efforts must be expanded for small tourism business to assist with financial management and cash flow, to identify avenues of marketing that is both creative and affordable, to present awareness of the tourism policies, and to introduce channels to become involved and voice opinions in the tourism developmental process. To survive in this current economy, small tourism businesses need the support of local, state, and national governments and other tourism stakeholders.

Several recommendations for future research in the area of small tourism business and support for tourism development were compiled: (a) replication of the study using different populations and geographical areas, (b) use different categories of other small tourism business to enhance the reliability and validity of the instrument and strengthen the scales and variables used, (c) conduct a qualitative study using a multi-method approach to increase increases the feasibility of verifying or validating, (d) use other quantitative statistical methods to yield other significant findings that could contribute to the body of knowledge, and (e) continue investigation of each independent variable and the dependent variable used in the study. Future studies should be conducted in the Indianapolis area after the major tourism projects are complete. Views

may shift both positively and negatively after small tourism businesses see the impact of these new developments.

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# Local community structures in events and festivals: opportunities for destination marketing or communities ‘caring for place’?

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## ABSTRACT

Empirical research was undertaken to gain better understanding of the changing concept of local community structures within the context of community based events and festivals. Qualitative data was collected on the dissolution of spatial boundaries of localities which has emerged through processes of globalisation, yet there is still the capacity for ‘territorial’ and ‘interest’ communities to emerge which articulate a strong sense of local identity, with multi-cultural communities demonstrating cohesive social networks.

The findings of this research show us that events and festivals have the capacity to celebrate community identity particularly in multi-cultural events and festivals within the UK. The case studies within this research demonstrate how the Bradford Mela and in the last decade has developed become a centre piece events for the local economy each year, with local hotels, restaurants, taxis, public transports and small stall traders have planned their business activities around these events. The North Lincolnshire case study demonstrates the effectiveness of particular partnership working between local attendees and communities in creating a range of events and festivals.

**Key Words:** Community structures, partnership, local identity, festivals

## INTRODUCTION

This paper provides insights into the changing concept of local community structures within the context of community based events and festivals, in the sub-region of Yorkshire and Humberside, in the North of the UK. More specifically, this paper explores the composition of local community structures in creating opportunities for community events and festivals in multi-cultural communities. The research investigates the different interpretations of community, the concept of communities ‘caring for place’ and the role of events and festivals

in articulating community identity within distinct localities (Brown, 1997). In exploring the emergence of an 'experience industry, questions are raised about the motivations of destination managers and marketers in 'using' community based events as a tool for tourist promotion (Richards, 2000). Insights from case studies of events and festivals within the sub-region of Yorkshire and Humberside, highlight that the positive benefits of community collaboration with public and private organizations, is the promotion and enhancement of community identity. Historically, events and festivals were associated with key calendar moments, linked to particular seasons and heritage sites, but over the last decade they have changed dramatically and now there is a broad and diverse range of contemporary festivals and events taking place all over the world. In the light of these developments there has been a continuous development of community festivals in recent year.

## **THE CHANGING STRUCTURE OF COMMUNITIES**

The concept of community has complex social, psychological and geographical dimensions with divergent views as to what constitutes a community. Traditional views of 'community,' as defined by the parameters of geographical location, a sense of belonging to that locality and the mix of social and economic activities within that locality have been supplemented with greater dimensions of complexity by analysts. In particular, processes of globalisation have undoubtedly led to the dissolution of spatial boundaries, with local and regional boundaries no longer retaining qualities of the distinct demarcation of communities that they perhaps once did. Analysts such as Butcher et al (1993:12) suggest that 'descriptive community' refers to "a network of people who share a sense of belonging to or membership of, that network", but that there are complex underlying interrelationships involved. For example, there are social and psychological components to the 'descriptive community.' The first is that of 'territorial community,' which refers to what people might have 'in common', as part of a psychological attachment to their geographical location, such as a town, village or neighbourhood. Secondly, 'interest communities' rely not on the focus of place, but are anchored in other characteristics, such as ethnicity, occupation, religion etc. This dimension of community thrives on social networks and social/psychological attachment. Britain has always had multicultural society and people with diverse histories, beliefs and cultures have settled in UK. People from South Asia, Africa and Caribbean initially arrived in UK after the Second World War to help meet labour shortages. These multicultural communities know play important role in the enhancing the cultural diversity of Britain's multicultural communities is spread all over the country, with approximately 30% are settled in the sub-region of Yorkshire and Humberside.

Clearly, whilst some communities might have shared locality and common interests, there are under-pinning complexities which have ramifications for public policy making, particularly in terms of community development goals. A misconception of what community is, or lack of precision or understanding regarding some of these elements can lead to imprecise and ultimately unsuccessful and wasteful policy initiatives. Butcher et al (1993) indicate that

'privatisation' of modern life, may preclude opportunities for meaningful interaction and 'participation' and reduce the ability to be involved in collaborative decision making with service providers. Changes in the dynamic of communities being transformed by the wider political and economic environment, with the risk of social exclusion and unequal power relationships (rather than incorporation), have also been explored by Cooper and Hawtin (1997). They suggest that there can be no one single theory of community involvement, and that there are different aspects to community involvement which incorporate both a consumer and community perspective. These considerations are complicated further by the 'filtering' of various ideological and cultural contexts. Cooper and Hawtin (1997) argue that there is a divergence between communities and 'consumers' in the sense that, now more than ever, people exercise their rights through consumer power. Therefore a more traditional view of 'community', which focuses on citizenship and collective interest, remains only partially relevant. They outline that the consumer relationship with service providers, allows for a potentially greater understanding of consumer choice and therefore consumer satisfaction. In public policy terms communities have the potential, through collaboration with policy makers, to realise a position of community empowerment. An extension of the concept of community empowerment is that of social capital identified by Bullen and Onyx (1999) who argue that it is possible to 'increase' social capital from 'accumulated social trust' created by the myriad of everyday interactions between people. They argue that social capital is a "bottom-up" phenomenon which originates with people forming social connections and networks based on principles of trust, mutual reciprocity and norms of action. The notion of the sense of belonging and membership of social networks, highlighted as 'descriptive community' by Butcher et al (1993) is a key factor in the concept of social capital. Consistent with the concept of social capital, Brown (1997) highlights the concept of 'community caring for place' which involves community actions that accumulate to create a sense of ownership in a locality and visions for sustainability. At the heart of this concept involves, "a vision (with) a community looking forward together saying, yes, this is where we will go, (and) what we will be" (Brown, 1997:280).

Hall, (2000) has become a key proponent on the important role of communities in creating the conditions for sustainable tourism to emerge at the local level (See for example a series of case studies on the role of communities in sustainable tourism in Hall and Richards (1999). He recognises that with increasing globalisation, local communities have a key role to play in articulating future visions for tourism. In a sense this stewardship of local resources is redolent of the role of communities in maintaining traditional events and festivals within the UK. Palmer and Lloyd (1972) chronicle the range of community based events and festivals that have ancient origins and which continue to act as a catalyst for the expression of cultural and community sustainability. Additionally, in the UK, multi-cultural events and festivals are an important form of community cohesion and expression which are examined within the case studies in this paper.

Whilst Murphy (1985) provided important insights into the significance of community-based tourism, authors such as Wall and Mathieson recognise the emergence of burgeoning literature on the linkages between communities and tourism and that:

Residents of ...communities are often encouraged to take greater control of their futures by becoming involved in community planning and thereby influencing decisions about tourist developments in their home areas and protecting desired community attributes (2006: 307).

In the next section we explore the capacity of events and festivals to create a sense of community control and cohesion.

### **EVENTS AND FESTIVALS: ECONOMIC AND COMMUNITY BENEFITS**

Undoubtedly, in addition to creating community cohesion, festivals and events potentially give greater economic life to host destinations, by developing employment, additional trade and business development, investment in infrastructure, long term promotional benefits, and tax revenues. Events and festivals not only generate significant economic benefits, they also provide host destinations with the opportunity to market themselves nationally and internationally bringing people from diverse backgrounds to the destination for the duration of the event or festival. As a result, they have the potential to provide host destinations with a high-status tourism profile. Ryan (1991) claims that an impact assessment should seek to address the issues of how important tourism is to the area and who the economic benefits affect. In addition, events have an important role in a national and local community context of destination planning, enhancing and linking tourism and commerce. Some aspects of this role include, events as image makers, economic impact generators, tourist attractions, overcoming seasonality, contributing to the development of local communities and businesses, and supporting key industrial sectors. According to Hall (1992) the ability of major events to attract economic benefits is often the official justification for hosting the events. He states that

Economic analysis of events provides one aspect of why events are held and the effects that they have on a region. However, while many of the economics impacts of events are quite tangible many of the social are not (Hall, 1992:10).

Economic impacts of events are the most tangible and therefore the most often measured impacts. Economic impacts can be positive and negative, the positive economic impacts of event are visitor expenditure, investment in infrastructure and increased employment. (Getz, 1997). The negative economic impacts can be the inflation of price on goods and services to cash in on the influx of visitors, the event could also run at a loss meaning if it were funded by the local authority, the deficits would have to be made up by local residents through a rise in taxes (Bowdin, 2001; Hall & Page 2002).

However, most impact studies have been written regarding the measurement of economic impacts, such as Adelaide Grand Prix (Burns and Mules, 1989) and UK Sport: Measuring Success (1997). Erkkila (2000) notes demand for such economic information increased in the 1990's at the same pace as industry growth itself and this is perhaps because impact assessment information is produced by both public and private sectors.

## DEVELOPMENT OF COMMUNITY FESTIVALS

Community festivals now play a significant role in income generation for local businesses and create tourism for the local area. Festivals have become more established as tourist attractions over the last 10 years and have generated economic impact on the host communities (Boud-Bovy & Lawson, 1998; Key Leisure Markets, 2001). The expenditure in the local economy is more likely to *support* supplier jobs in tourism-related sectors of the economy rather than *create* new jobs, however, many other factors will also have an impact.

Further more, the typology of festivals or cultural events means that they will be produced for the community primarily and secondarily as a tourist attraction. There are various grounds for community events to occur, including a celebration of religious festivals such as Diwali. Community events can be part of regeneration schemes aimed at giving communities a sense of involvement and community spirit (Goldblatt, 2002; Bowdin, 2001; South East Arts, 1998). Community events are organised by members of the community, community leaders and professional event managers or festival producers. These events are seen by government and community leaders as a way of improving communication in various sections of the community,

In turn Raj (2004) states that festivals are attractive to a host community as it not only increases business opportunities to the local community but also develop a sense of local pride and identity. However, a problem a host community may have with an event is the influx of people and it being unable to cope with this spatial and temporal concentrator. This may have a knock on effect in terms of traffic congestion, crime and vandalism. According to Smith (1989) the socio-cultural impacts result from the interaction between 'hosts' and 'guests'. A number of factors may contribute to difficulties in this relationship. The transitory nature of a visit to a historic centre may be too short to allow any understanding to be established. Repeat visits may be more positive in this context. Visitors, especially those on day visits, have temporal constraints and become more intolerant of 'wasting time', for example in finding somewhere to park. Spontaneity may break down as 'hospitality' becomes a repetitive transaction for the host (Glasson et al 1995).

However, if tourism increases over the time of the event, then due to this exposure, this major stimulates short-term or long-term tourism due to the attention the event has been given. It is also important to look at the event and its overall relationship with its host community. An event can give an area both positive and negative impacts, if these are mainly positive it can give the event a strong association with its host community and destinations.

Examples of this could be Glastonbury, Reading Festival and The Edinburgh Festival. These events have all taken the host communities name and therefore enforced the relationship. Another example of this is the Leeds Love Parade 2000 where the work of (Bowdin et al 2001) reports the event being moved from the city centre to Roundhay Park due to the attendance numbers rising to in excess of 250,000 people. However local residents did not appreciate the litter and the broken glass and the general inconvenience caused on a large influx of visitors. This then led to the event not returning to Leeds in 2001 as a result of local politicians and residents campaigning against it being staged again in the Roundhay Park area.

This also provides the evidence how one event can work well in one area but not another, as in the example of the Berlin Love Parade. This event has been held since 1989 in the same city, contrasted with the Leeds Love Parade only being held once and then stopped after resident campaigning.

## **DESTINATION MARKETING AND THE EMERGENCE OF THE EXPERIENCE INDUSTRY**

There are wider community considerations if events and festivals are used pragmatically as a tool for destination marketing and as part of an 'experience industry' (Richards, 2001). In this respect, Kotler et al. (2003) highlight the marketing challenge of destinations becoming distinctive through destination marketing suggesting that:

Destinations, however may not welcome tourists uniformly. Due to location, climate, limited resources, size, and cultural heritage, some places have few economic choices other than to participate in tourism (2003:720).

The inference is that whilst there might be commercial advantages to businesses, that there might be a corresponding loss of quality of life for residents, and that if destinations are not managed effectively, tourist products will not be sustainable. Likewise, events and festivals might play a role in creating an effective and sustainable infrastructure for tourism visitation but with concern that there is industry and local community cooperation in the management and delivery of events and festivals. Kotler et al. (2003) argue that in the absence of this cooperation there will be discord between communities and destination managers and marketers. Kotler et al. (2003) also guard against the application of 'brutal marketing' which seeks an expanded tourism base without considering how this might disadvantage local communities. In economic and social terms this might place a community at risk of 'economic cycles' based on the monocultural economic activity of tourism. Arguably then, community inspired events and festivals offer the prospect of consolidating local identity, with the capacity to attract tourists whilst retaining community ownership of events and festivals. Kotler et al. suggest that this balance requires attracting "a desired market (which is) harmoniously fit (ted) with a community's culture", and that events should be chosen which are concomitant with the needs of a locality (2003:742).



The increasing homogenous qualities of destinations led Holloway (1997) to dub them as 'cloned destinations, with tourists in search of entertainment and ephemeral experiences. Consistent with this thesis Richards posited that:

Some of the fastest growing sectors of the global economy are related to the consumption of experiences. In addition to the widely cited rapid growth of the Internet, entertainment and tourism have been at the forefront of the development of the experience (2001:57).

His thesis raises ethical issues as to what are the consumable elements, to be promoted as part of an experience sector and what 'social spaces' these experiences will be consumed in. In line with these observations, Richards highlights the competitive process of European regions, promoting urban centres as saleable commodities. Therefore he argues that event-led strategies which market the 'cultural capital' of towns and cities have to consider balancing benefits between tourists and residents. Likewise, Evans warns of the ephemeral nature of this type of event suggesting that the

evolution of the public festival as tourist and visitor attractions presents a *problematique* if their purpose and sustainability is of concern, beyond the calendar cycle of ever growing festival and feasts (1996:1).

For example Leslie (2001) highlighted that during the Glasgow European Capital of Culture event in 1988, "many citizens of Glasgow felt that it was not Glasgow's culture that was being represented but the culture on show was being bought in, expensively, from elsewhere" (2001: 115). The inference was that there was a danger that local communities remained invisible and silent during this form of cultural celebration. Consistent with these concerns, Carnegie (2002) reported on a 'People's of Edinburgh Project' organised by Workers Educational Association (WEA) in collaboration with the City Council and other agencies. The basis of the project was to use city museums as venues and as a

forum for bringing together people from all over the city and to be as representative as possible and for the museums to be left with a final product in the form of objects and memories (tape recorded interviews), taken into the collections for perpetuity in order to better reflect the changing profile of people who make up the city of Edinburgh (2002: 1).

This event was particularly designed to capture oral histories of Edinburgh's multi-cultural communities and "break down the class and cultural barriers associated with museums and other 'high art' forms. For many people crossing the threshold of institutions which reflect the state authority or, in the case of some museums represent colonial rule, can take a lot of courage" (2002 2). Carnegie argues that the "demands on the city to chase the tourist gold" (ibid.) can lead to the alienation of local communities, not least at the time of the Edinburgh Festival, which has associations with 'high culture'. It is apposite that the bidding process of

the European City of Culture Bid for 2008, for UK cities, required bidding cities to articulate how bids were supported by local community commitment and participation, particularly amongst traditionally under-represented groups. This paper now explores the role of communities in creating expressions of local identity and communities 'caring for place' through festivals and events.

## **TOURISM AND COMMUNITY EVENTS IN BRADFORD**

The Bradford Festival Mela has been held annually at Peel Park since 1988. The meaning of Mela is 'Festival' celebrating different themes of culture within community setting. The Bradford Festival Mela has developed into multicultural festival over the years, now it attracts tourists from all different community groups and has created cultural experiences for the visitors in general context. The Bradford Festival Mela attracts over 130,000 people over two days in July with a great economic impact on the city of Bradford, with local small businesses gaining vital revenue from the festival. The Bradford Mela is one of the largest Asian festivals in England attracting visitors from around the country.

The Bradford Festival Mela over the years has developed into an international event that attracts audiences from across the UK, and indeed from throughout the world. Due to the large South Asian Community in Bradford, it attracts family and friends from abroad. They often pick festival time to come back and visit the close family and friends, which increases the tourist to the area. Councillor Margaret Eaton, former Leader of Bradford City Council, said:

The Mela really is the jewel is the crown of the International Festival and a high point in Bradford's tourist calendar. It is also a fine example of why Bradford deserves to have its Capital of Culture bid taken seriously and a great chance for Bradfordians of all cultural backgrounds to get together.

(Yorkshire Post Newspaper, 2002).

An intoxicating Festival in its own right, the Bradford Festival Mela is the largest outside Asia and a rare blend of a party and a pleasure trip. The Bradford Festival Mela has created a unique image in the city, over the last 15 years. The Bradford Festival Mela perfectly illustrates a unique role, bringing people from different cultures together to demonstrate the culture expression, pride and traditional Asian arts to the city of Bradford. The Yorkshire Post newspaper stated that:

THOUSANDS of people of all ages, creeds and colours turned out to celebrate the Bradford Mela this weekend, the biggest Asian-orientated festival in Europe. Peel Park was awash with colour, comedy, music and dance for the free two-day festival, finale to the Bradford International Festival (2002).

The Bradford Festival Mela has transformed into one of the centrepieces of the Bradford International Festival programme. The Mela has demonstrated cultural display over the last 10 years to attract the tourist and built the image of the city of Bradford. A festival that is started by the community can evolve into a festival of vital importance in terms of impacts in economic and social terms on the host community. This can happen to an extent that it can be hijacked by the local authority for their own means, this has removed the detrimental aspects of the event.

An example of the change this is the Bradford International Festival and in particular the Bradford Mela. The Bradford Mela was originally organised by the council and local community until September 2001 when the contract was put to tender by the council to a professional event company, over 30 bids were received and the contract was awarded to UZ limited to run the festival up to and including 2004 (Yorkshire Evening Post 2003). The council believed by tendering out the festival to a non profit making organisation, the festival would be run more professionally.

According to Rhodes (2002) one of the previous organisers claimed that the Mela had been turned into an Asian pop concert and the event had trivialised Asian values. Then in 2002 it was claimed the event organiser was facing financial difficulties (Yorkshire Evening Post, 2002). In March 2004, the festival was handed back to the council with UZ admitting they could not cope with organising this year's festival. The council will now take control of the 2004 festival but have stated they are not responsible for the company's debts (Yorkshire Evening Post, 2003).

The Bradford Mela was started by the local community to raise the cultural awareness among the wider community and celebrates the local culture of Asian community. The whole purpose of Bradford Festival Mela was to bring the local community together to celebrate the diverse cultural aspects and enhance the economic impact on the local economy. Over the last decade Bradford Festival Mela has become a major multicultural event for the city of Bradford and is emblematic of the cultural diversity for the rest of the British society seeking cultural identity through festival and event celebration.

This research has also suggested that whilst unquantified in number, cultural tourism has increased through development of Bradford Mela and provided greater economic and cultural benefits to the local areas. Traditionally, the Bradford Festival Mela has depended on local visitors, in the early years the Mela attracted over 95% of local people to the festival. This image has changed over the last decade now, with visitors attending the event from all over the country and far as South Asia, due to its popularity and image it has created political changes within the local authority to take the Mela in house. Other cities in England such as Bolton, Huddersfield and Leeds have adopted a similar approach to the City of Bradford to develop cultural festivals like the Bradford Festival Mela to create an enhanced image, reputation and status among the South Asian community to attract visitors to the area.

## TOURISM AND COMMUNITY EVENTS IN NORTH LINCOLNSHIRE

In contrast to the Bradford case study, is the rural location of North Lincolnshire within the sub-region of Yorkshire and Humberside. The local authority North Lincolnshire Council has Tourism Unit whose work at a local level is characterised by a 'model of partnership working' within tourism partnership groups set up in local market towns. An interviewed Tourism and Marketing Officer, from North Lincolnshire Council, suggested that the concept of the partnership working with local communities is to bring together "the local authority, the town councils, the voluntary sectors, accommodation providers and tourism and associated related businesses". In the case of the local town of Brigg, there are two community groups, which work with North Lincolnshire Council, on series of community cum tourism events. The combination of the Brigg Community Association and the Brigg Chamber of Trade, with local authority input, has been re-launched as the Brigg Marketing Agency, which meets on a monthly basis, has been successful in attracting private sector funding and external grant funding for an annual calendar of events. This model of collaborative working on event organisation is replicated in other settlements in North Lincolnshire. The Barton Tourism Group was established in 1998, and is an example of the community tourism partnerships created by North Lincolnshire Council's Tourism Unit. The interviewed Chair of this group suggested that the Barton Tourism Group represented the Barton Town Council, in communication with North Lincolnshire Council, had decided to form a partnership to promote Barton as a tourist destination. There are a range of community interest groups represented on the Barton Tourism Group, which include the Town Council, the Civic Society, Chamber of Trade, the Lions, Church groups, which has a philosophy of "being open to any community representation". The group was established in a "matter of weeks" and meetings are scheduled on a monthly basis and are attended by "upwards 20 people". He felt that the Tourism Group reflects the tourism aims of the wider community, in the diversity of community group interests represented. The group was described as being "very informal" and that it generated ideas on tourism which are worked on over "two or three meetings." Over a three year period of the Tourism Group, they have created a range of tourist signage in the town, and town trail leaflets. In line with the community events strategy instigated by North Lincolnshire Council, a Christmas Festival, Motorbike Night, and Arts week, form the basis of this community events strategy for Barton. North Lincolnshire Council has acted as facilitators in applications for external funding on behalf of Barton applying for different sources of European funding. The main aim of the Tourism Group is to "bring people into Barton that will spend money and so there will be an economic spin of".

## CONCLUSION

This paper initially explored the changing qualities of communities within a UK context emphasising the complex dimensions of the concept of community. In particular the dissolution of spatial boundaries of localities has emerged through processes of globalisation, yet there is still the capacity for 'territorial' and 'interest' communities to emerge which articulate a

strong sense of local identity, with multi-national communities demonstrating cohesive social networks. In exploring the concepts of social capital and 'communities caring for place' we argue that there is scope for community empowerment with the emergence of community actions which express community priorities. The discussion and analysis within this paper suggests that events and festivals have the capacity to celebrate community identity particularly in multi-cultural events and festivals within the UK. Whilst community festivals have an important role in income generation the creation of an 'experience industry' (Richards, 2001) makes communities susceptible to 'brutal marketing' (Kotler et al. 2003) where local communities become an invisible part of festivals which are promoted essentially to boost tourist visitation to destinations. The case studies within this paper demonstrate **initially** how the Bradford Mela and in the last decade have developed become a centre piece events for the local economy each year, with local hotels, restaurants, taxis, public transports and small stall traders have planned their business activities around these events. These festivals have become 'educational events' for other communities to understand the different cultural aspects of South Asian Communities, with the Bradford Festival Mela in particular has creating an image to enhance tourism for the City of Bradford.

The North Lincolnshire case study demonstrates the potential for local community groups in collaboration with a local authority to create a range of events and festivals which epitomises how communities can work in partnership with agencies and organisations to celebrate the sense of local community identity.

Whilst it is acknowledged that there is further scope to engage in more in-depth research into the community dynamic within local events and festivals which celebrate local identity, this paper has nevertheless demonstrated how a qualitative approach to research provides important insights into the role of key community priorities in celebrating the special qualities of communities and their physical environments. Undoubtedly whilst there is scope to gather research data adopting a positivistic research approach through the application of quantitative research methods, we advocate a phenomenological research methodology to gain qualitative research insights.

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# A multicriteria approach for the evaluation of tourist resources of Greek prefectures

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## ABSTRACT

Since the decade of '50, tourism, both internationally and in Greece, experiences a continuous rise. It is expected that this rise will continue in the future, though it is possible that its speed may be reduced. The natural, historical, cultural resources and, more generally, the anthropogenic resources constitute a decisive factor for the configuration of a region's tourist attractiveness. They can influence decisively regional tourist development. In the article, it is proposed a new methodological approach about hierarchy and classification of prefectures of mainland Greece and a typological analysis on the resources mentioned above. The hierarchy and classification of prefectures was fulfilled by using the multicriteria analysis of model PROMETHEE II. By using hierarchical cluster analysis, two territorial units are determined. The first concerns the coastal prefectures and the second the mainland country. The article concludes by commenting on the decisive contribution of the natural resources to the configuration of the prefectures' tourist attractiveness.

**Key words:** multicriteria analysis, cluster analysis, regional tourist development

## INTRODUCTION

According to Mill and Morisson (1985) a tourist destination can be viewed as an open system consisting of a number of interrelated subsystems. System's dynamics are characterised by two major processes: (a) internally, there exists a constant interaction among the different subsystems and (b) subsystems also interact with the external environment. The writers cited above state that the tourism system is made up of four subsystems: market, tour, destination and marketing.

In a model proposed by Leiper (1990) tourism sector is described as a system of clients and sellers which is characterised by demand, consumption and supply of various products and services. Products and services are assigned to three major interrelated geographical parameters (i.e elements of the system): (a) the regions or countries of origin, (b) the destination locations

and (c) the networks of tourist distribution. Implementation of such a model can be assigned to any spatial scale (a single tourist resort, a region or a country). However, the whole implementation process must be placed within an interdisciplinary framework of planning that encourages participation of different stakeholders.

Generally speaking, the complex web of tourist-related activities can be translated into a distinctive system of factors. Different combinations of such factors produce specific traveling experiences. These factors may be divided into four categories: (a) the users/consumers category that includes individuals or groups of individuals of various socio-economic, educational and cultural characteristics, (b) the category of tourist-related enterprises that consists of firms offering goods and services associated with tourist consumption, (c) the category of diverse institutional and organizational forms related to tourism and (d) the category of destination places that includes a wide network of tourist resorts receiving holiday-makers flows (reception places) (Leiper, 1990; Komilis and Vagionis, 1999).

The economic benefits acquired during the process of a region's tourist development can be classified into those that are direct or primary and those that are indirect or secondary. The direct benefits consist of:

- private firms' profit,
- income associated with employment in the tourist sector,
- income from rents,
- profits due to employment growth in the wider private and public sectors, and
- taxes, dues and the other kinds of charges imposed by the state, or by the authorities in charge on the regional, prefectural and local administrative levels.

Indirect benefits consist of:

- the purchase of raw materials and services by the tourist enterprises. This process generates income in other enterprises as well as employment and additional tax revenues, and,
- the consumption of primary income that also creates profits in other enterprises, employment, income and taxes (Kotke, 1988; Johnson et al., 1989; Briassoulis, 1991; Lindberg and Johnson, 1997; Wagner, 1997; Marcouiller et al., 2004).

Tourism development in Greece began to evolve shortly after the Second World War. The prefecture of Attiki, -where Athens, the largest Greek urban concentration is situated- was the first place to develop tourist infrastructures. In the following decades, tourism development was progressively spread out to other important attraction poles, being in their majority insular or coastal area as well as places that sustained valuable cultural resources. The above developmental process has resulted in the emergence of a powerful group of tourist-orientated areas, which constitute the main poles of tourist attraction in the country. On the other hand, tourism development in the remaining regions has not evolved satisfactorily. In some respects,

the adoption and reproduction of a developmental model based on organized, mass tourism, has had adverse environmental and socio-economic impacts on the regions relying on such a model. In certain cases, the above model has led to mass agglomerations of accommodation and other tourist-related infrastructure resulting in (a) a significant reduction regarding the quality of tourism services offered and (b) in affecting detrimentally the image of Greek tourist product in a national level (Kousis, 2000; Tsartas, 2000).

Undoubtedly, tourism has had an important contribution in society's wealth not least by creating new sources of income and new employment opportunities. Furthermore, it has played an important role in (a) halting demographic shrinkage of remote insular and rural areas, (b) increasing the flow of exchange and (c) improving the balance of current exchanges. However, the fact that there not exist vertical interactions among the productive sectors of Greek economy decreases the real value of tourist transactions (Briassoulis, 1993; Dritsakis, 1995; Tsitouras, 1998; Pavlopoulos, 1999, Andriotis, 2003).

Tourism development has had so far important impacts not only on the structure of the economy and on production patterns but also on the way of living through urbanization and modernization processes. These impacts include important changes regarding the social relationships, the customs, the traditions and ethics, the familial model as well as land ownership issues, particularly in the coastal and rural communities (Kousis, 1989; Coccosis and Tsartas, 2001). Tourism development and, in particular the model of mass, organized tourism has also had environmental consequences in sensitive areas (coastal regions, wetlands, landscapes of exceptional natural beauties) causing local environmental problems as well as conflicts among different stakeholders (Lagos, 1998; Kousis, 2000; Coccosis and Tsartas, 2001).

The natural resources and environmental characteristics in conjunction with the cultural and historical capital as well as the human resources, the infrastructures and services constitute the pole of 'supply' in the process of a region's tourism development. In particular, the quality and availability of natural and environmental resources are related to certain, basic motives of tourist "demand". Resources of particular attractiveness such as forests, lakes, coasts, wetlands, national parks and landscapes of outmost beauty can contribute to a region's tourist development in a decisive way. Their abundance and variety as well as their protection and management regime are important parameters that influence the level of demand for these resources. Such resources form the base for designing organized holiday packages, and for developing special and alternative forms of tourism (i.e agrotourism, ecotourism, mountainous tourism etc).

The cultural and historical resources compose the second dynamic axis of tourist demand and form the base for travels that have a motive in cultural and historical aspects. Thus, based on the above axis there can be developed various alternative forms of tourism such as cultural, urban and educational tourism. The anthropogenic resources are usually complex (culture, history, environment) as well as of human origin. Their design, construction and use could

be related to the tourists either directly (e.g. thematic park of Disneyland) or indirectly (restored traditional settlements in the countryside). Finally, the landscape resources are usually the outcome of combined elements of different nature. Such elements include the natural environment, the culture and history, as well as the human actions and interventions that influence the configuration of the landscape in a determinative manner by adding value to or removing value from this "resources" (Coccosis and Tsartas, 2001).

The main aim of this article is to propose a creative classification of the mainland Greek prefectures by determining distinctive territorial units/clusters mostly based on tourist resources availability. Hopefully, this resource-based classification can lead to the planning and application of better, more successful as well as site-specific as regional and tourist policy. Thus, an investigation into the "tourist attractiveness" characteristics of mainland prefectures is conducted in order to reveal the similarities of differences and the degree of homogeneity or heterogeneity among the administrative units that compose Greece.

## METHODOLOGY

In Greece there exists a great diversity of tourist facilities due to intense differentiation in environment conditions as well the complex patterns created by the combination of natural, historical, cultural and social elements, and technological advances. In particular, significant climatic variations (areas with Mediterranean, temperate and continental type of climate), diverse geomorphological and hydrological conditions, archaeological monuments of different eras, museums and traditional settlements have created unique patterns of tourism development among the country's regions (Soutsas et al., 2006).

In a regional perspective, the fundamental tourism characteristics, that "affect" and influence directly holidaymakers' flows, can be distinguished into three categories. The first category consists of those characteristics, which are related to the socio-cultural environment and the tradition of each particular region. The second category consists of those, which are related to the existence of sea, while the third category consists of those, which are related to the existence of mountains. In particular, we use indicators related to socio-cultural resources, coastal characteristics and natural resources found in every prefecture. The indicators are further analyzed into seven (7) sub-indicators, which then are assigned to separate variables. The socio-cultural resource indicator is analyzed into (a) the indicator of traditional settlements, (b) the indicator of cultural monuments and (c) the indicator of monuments with international interest. The coastal indicator is analyzed into (a) the indicator of total coastline length and (b) the indicator of sandy coastline length. Finally, the indicator of natural (forest) resources is analyzed into (a) the forest areas indicator and (b) the national parks indicator. The indicator of socio-cultural resources includes archaeological sites and monuments of all ages, museums and interesting traditional settlements. The coastal indicator includes the total length of the coastline and the length sandy coastal areas for each prefecture. Finally, the indicator of natural (forest) resources includes the main mountainous regions, where important

forests, national parks, landscapes of natural beauty, caverns, spring waters, etc exist. The indicator values that have been use in this study derive from the Greek National Land-Planning Project. These data have been used in numerous studies (Komilis, 1986; Kavvadias, 1992; Polyzos and Petrakos 2002; Polyzos, 2002).

To pursue the study's aim two methodologies are used: (a) the multicriteria analysis PROMETHEE and (b) the hierarchical cluster analysis. This article proposes a new methodological approach to hierarchal classification of Greek mainland prefectures. This approach is based on the theory of multicriteria analysis. In particular, it is used the multicriteria method PROMETHEE II (Preference Ranking Organization METHod for Enrichment Evaluation), based on the theory of outranking relations. The theory of outranking relations constitutes a particular methodological current of multicriteria analysis. All the techniques based on the theory of outranking relations operate in two stages. In the first stage it is pursued the development of an outranking relation between the examined alternative activities. In the second stage it is fulfilled the exploitation of the outranking relation, so that the result of evaluating alternative activities can be exported in a desirable form (classification, hierarchy, choice) (Roy, 1991; Doumpos and Zopounidis, 2004).

A main element of these two stages and a basic concept of the particular multicriteria analysis methodological current is the notion of the outranking relation. The outranking relation is a bilateral relation, which allows the estimation of the force of outranking of an alternative activity  $x$  against another alternative activity  $y$ . The more the clues are in favour of the outranking of the alternative activity  $x$ , the more this force increases (agreement of criteria) without at the same time the existence of powerful clues that would reverse the force of outranking (non-agreement of criteria). It applies six (6) types of general criteria with their corresponding functions, in order to determine the outranking between two alternative solutions (a, b) in relation to these criteria (Doumpos and Zopounidis, 2004).

Brans et al. (1986) assume six types of general criteria that they have been used in many cases. If  $H(d)$  is a function directly related to the function of preference  $p$ , then there may be two alternatives solutions (a, b):

$$H(d) = \begin{cases} P(a, b), \text{ outranking of preference a, when } d \geq 0 \\ P(b, a), \text{ outranking of preference b, when } d \leq 0 \end{cases}$$

We use the Gaussian criterion in order to determine outranking between two alternative solutions. Afterwards, the multicriteria indicator estimates the relation of these outranking.

The mathematical form of the model is as follows:

$$\Pi(a, b) = \frac{\sum_{i=1}^k W_i P_i(a, b)}{\sum_{i=1}^k W_i} \quad (1)$$

**Where,**  $k_i$  is the number of criterion  $i$  ( $i = 1, 2, 3, \dots, 7$ )

$W_i$  is the weight of criterion  $i$  ( $i = 1, 2, 3, \dots, 7$ )

$P_i(a, b)$  is a measure of preference for the activity  $a$  in relation to an alternative activity  $b$

The indicator of preference  $\Pi(a, b)$  takes values between 0 and 1.

The criteria (indicators) used in multicriteria analysis PROMETHEE II are the tourist resources i.e. all characteristics within the administrative boundaries of each prefecture that exhibit some tourist interest and “attract” tourist flows. More specifically, there have been used the following criteria (indicators) for each prefecture: the indicator of traditional settlements, the indicator of cultural monuments, the indicator of monuments with international interest, the indicator of coasts, the indicator of sandy coasts, the forest areas indicator and the national parks indicator.

There are examined numerous scenarios (500 in total) that have different distribution of weights of criteria (indicators). Finally, the net flow for each prefecture is the mean of the 500 individual values. The different scenarios about criteria weights in PROMETHEE II are constructed assuming that (a) the weight for each criterion is a uniformly distributed random variable taking value within the interval  $[0, 1]$  and (b) weights are been normalized in order to sum to the unit.

More specifically, for the classification of prefectures two flows are determined:

The outgoing flow that is fixed by the form:

$$\Phi^+(a) = \sum \Pi(a, b), b \in K \quad (2)$$

**Respectively, the incoming flow that is fixed by the following form:**

$$\Phi^-(a) = \sum \Pi(b, a) b \in K \quad (3)$$

Where,  $K$  is the total of alternative solutions (prefectures) that in the present study is 39. The incoming flow declares the total outranking of other prefectures  $b$  against the prefecture  $a$  in all the criteria. Finally, the net flow of each prefecture  $a$  is the quantity with which all the prefectures are compared among them in order to be finally classified, and it is estimated by the following form:

$$\Phi(a) = \Phi^+(a) - \Phi^-(a) \quad (4)$$

The typology of tourist areas - in other words the determination of similar territorial units and the configuration of a map of identity of mainland Greece, based on the tourist resources of the prefectures - is fulfilled by using the statistical methodology of cluster analysis. Cluster analysis is a descriptive method, which in most cases is not supported by a powerful frame of inferential statistics. Cluster analysis has been used in a lot of scientific fields. As a result, bias and tradition inherent to these scientific fields, is introduced into the estimations of the analysis and hence, into the interpretation part.

The main purpose of cluster analysis is the detection of structures that are not obvious in the data. However, its application appears to be finally the imposition of some structure. It always gives a solution regardless of the fact that the sample may belong to a population for which we already know that there do not exist any clusters. In cluster analysis there are created groups (clusters) within which the observations are assigned. Both the number of groups and their classification in a given group are not known in advance (Hair et al., 1998). This method results in clusters with the highest possible homogeneity between the elements and the highest distance for the used variables (Sharma, 1996).

Cluster analysis can be fulfilled by hierarchical cluster analysis techniques or by K-means cluster analysis techniques. By hierarchical cluster analysis successive agglomerations or subdivisions of data are shaped. The fact that the recording of an object (observation) in a cluster is irrevocable is one of the main characteristics of hierarchical clusters analysis techniques (Aldenderfer and Blashfield, 1984; Everitt, 1993, Everitt and Dunn, 1991; Sharma, 1996; Hair et al., 1998).

In the context of this article the hierarchical cluster analysis approach and more specifically the Ward method – that is usually employed in geographic applications – is used. As a criterion of the methods distance metric, the Euclidean distance was used. This method seeks to minimise of distances of a cluster's members from the center of the cluster and to achieve higher homogeneity in the interior of clusters as well as higher separation among the clusters (Everitt, 1993).

In this analysis a model of classification of the 39 mainland prefectures is examined. The criteria taken into consideration in the model and subsequently in the process of determining the clusters are the tourist resources and, consequently, the clusters of prefectures that take shape and have homogeneity in the resources mentioned above. The island prefectures were not included in the research since their tourist attractiveness with regard to domestic tourism is influenced by their overall accessibility. The accessibility of the insular prefectures depends on air or marine links, while the transportation connection in mainland prefectures is exclusively fulfilled through the road network and it has lower transportation cost.

## RESULTS

*Table 1* summarizes the results of the application of the PROMETHEE II method and also presents the overall classification of the Greek mainland prefectures depending on the allocated tourist resources. *Table 2* presents the classification of the five (5) best prefectures while *Table 3* shows the classification of the five (5) worst prefectures based on their tourist resources evaluated during the analysis.

More specifically, the prefecture of Attiki is classified as the best prefecture regarding tourist resources. This prefecture sustains an extensive length of coastline, two (2) out of the country's ten (10) national parks, as well as a rich historical and cultural tradition going back to centuries. In the prefecture of Attiki, like in insular Greece, the model of mass tourism has dominated. The presence of two national parks in conjunction with other organized recreational locations created in the last 20 years has contributed to the development of mountainous tourism and ecotourism. At the same time, the prefecture of Attiki develops the model of urban and cultural tourism, thanks to the presence of a large number of museums and monuments of the Ancient and Byzantine eras (Avgerinou-Kolonia, 2000).

On the other hand, the prefecture of Kilikis is classified as the worst prefecture regarding tourist resources. This is mainly due to the fact that Kilikis is not a coastal prefecture, does not have an important historical and cultural tradition nor does it have important natural resources.



**Table 1:** *The flows of prefecture of Greece with the application of method PROMETHEE II*

Name of prefecture	Value of flows
Attiki	17,82
Evia	8,00
Chalkidiki	6,82
Messinia	5,28
Magnisia	5,22
Fthiotida	4,88
Ioannina	4,69
Aitoloakarnania	4,20
Arkadia	3,14
Ilia	2,01
Lakonia	1,43
Rodopi	1,41
Kavala	1,38
Achaia	1,24
Korinthia	0,56
Fokida	0,39
Evros	0,22
Viotia	-0,26
Grevena	-1,06
Argolida	-1,21
Larisa	-1,49
Thessaloniki	-1,53
Trikala	-1,94
Serres	-2,76
Arta	-2,90
Pieria	-3,00
Drama	-3,02
Xanthi	-3,09
Evritania	-3,52
Preveza	-3,66
Florina	-4,09
Thesprotia	-4,27
Kastoria	-5,22
Lefkada	-5,28
Imathia	-5,60
Pella	-6,00
Karditsa	-6,30
Kozani	-6,31
Kilkis	-7,16

**Table 2:** *The five (5) best prefectures with regards to tourist resources*

Name of prefecture	Value of flows
Attiki	17,82
Evia	8,00
Chalkidiki	6,82
Messinia	5,28
Magnisia	5,22

**Table 3:** *The five (5) worst prefectures with regards to tourist resources*

Name of prefecture	Value of flows
Kilkis	-7,16
Kozani	-6,31
Karditsa	-6,30
Pella	-6,00
Imathia	-5,60

As it is shown in Diagram 1, two territorial units/clusters have resulted from the analysis. In particular, each vertical line indicates combinations of cluster observations, whilst each line's length indicates the distance by which the clusters are combined. Because several distances, especially during the initial stages, are alike as regards length, it is possible someone to make assumptions about the order in which clusters have been combined in previous stages. However, during the final stages the distances by which the clusters are combined, become lengthier. From Diagram 1 it appears that the two-cluster solution mentioned earlier constitutes the optimal solution provided that it is interpretable before the distances, by which the clusters are combined, become lengthy.

The first territorial unit / cluster consist of 6 prefectures (Attiki, Chalkidiki, Evia, Magnesia, Aitolokarnania, Lakonia). A characteristic of this group is that all these prefectures are of coastal nature. This group is characterized by the highest indicators - apart from the indicator of 'national parks' - in comparison with the other group and also the mean of the country (Table 4). The prefectures within the group possess extensive coastlines, rich socio-political resources and significant natural (forest) resources. This combination of tourist-related resources has created the critical conditions for the development of the mass tourism model, which also dominates insular Greece. The attraction of holidaymakers by the sea explains why certain regions – mainly insular and coastal - are more suitable for tourist growth than other that do posses certain resources like beaches. Choosing these regions as a place to visit is closely related to proximity to important urban centers, to beach availability and to their marine

character (Spilanis, 2000). Furthermore, the attractiveness of those places is substantially supported by museums and monuments dating back to ancient Greece as well as to Byzantine era (Avgerinou-Kolonia, 2000).

The second territorial unit/cluster consists of the remaining 33 prefectures that are found in various regions of mainland Greece. This territorial unit presents the lowest values of indicators, both against the other cluster (apart from the indicator of national parks) and against the mean. In these prefectures the model of tourism of the countryside dominates taking various alternative forms (agrotourism, ecotourism, tourism for naturalists, mountainous tourism). In these prefectures the holidaymakers are given the chance of enjoying the natural environment, getting close to exceptional natural ecosystems and landscapes of natural beauties. They can also learn about the local flora and fauna, get closer to unique or rare native species and experience the local rural cultural heritage (historical buildings, localities, villages, abbeys, traditional settlements). They can also observe or even participate to certain local agricultural practices (Iakovidou, 2000).

**Diagram 1:** Classification based on tourist resources indicators  
Rescaled Distance Cluster Combine

CASE	0	5	10	15	20	25
Label	Num	+-----+	+-----+	+-----+	+-----+	+-----+
26. Imathia	26	↓∞				
29. Kastoria	29	↓□				
16. Arta	16	↓□				
20. Karditsa	20	↓↑↓∞				
32. Pella	32	↓□ ↔				
30. Kilkis	30	↓□ □↓↓↓↓∞				
31. Kozani	31	↓↗ ↔	↔			
33. Pieria	33	↓∞ ↔	↔			
35. Florina	35	↓↑↓∞	↔			
3. Viotia	3	↓□	↔			
7. Fokida	7	↓□	□↓↓↓↓∞			
21. Larisa	21	↓↗	↔	↔		
9. Arkadia	9	↓x↓↓↓∞	↔	↔		
18. Ioannina	18	↓↗ ↔	↔	↔		
5. Evr/nia	5	↓∞ ↔	↔	↔		
34. Serres	34	↓□ □↓↓↓↗	↔			
23. Trikala	23	↓□ ↔	↔			
25. Drama	25	↓□ ↔	□↓↓↓↓∞			
37. Evros	37	↓↑↓↓↓↗	↔	↔		
38. Xanthi	38	↓□	↔	↔		
39. Rodopi	39	↓□	↔	↔		
10. Achaia	10	↓↗	↔	↔		
11. Ilia	11	↓x↓↓↓∞	↔	↔		
14. Mes/nia	14	↓↗ ↔	↔	↔		
15. Lefkada	15	↓∞ □↓↓↓↓∞	↔	↔	↔	↔
17. Thesp/ia	17	↓↑↓∞ ↔		↔		↔
19. Preveza	19	↓↗ □↓↗		↔		↔
27. Thes/niki	27	↓∞ ↔		↔		↔
28. Kavala	28	↓↑↓↗		↔		↔
8. Argolida	8	↓□		↔		↔
12. Korinthia	12	↓↗		↔		↔
6. Fthiotida	6	↓x↓↓↓∞		↔		↔
24. Grevena	24	↓↗				↔
4. Evia	4	↓∞				↔
36. Chalk/ki	36	↓↑↓↓↓∞				↔
2. Aitol/nia	2	↓↗ □↓↓↓↓∞				↔
22. Magnisia	22	↓↓↓↓↗		□↓↓↓∞		↔
1. Attiki	1	↓↓↓↓∞		□↓↓↓∞		↔
13. Lakonia	13	↓↓↓↓∞				↔

**Table 4:** Formation of clusters based on the indicators of tourist resources

	Indicator of						
	Traditional settlements	Cultural monuments	Monuments with international interest	Coasts	Sandy coasts	Forest area	National parks
<b>1<sup>st</sup> cluster:</b>							
Mean	7.07	5.00	4.69	4.61	4.04	3.21	1.33
Number of prefectures	6	6	6	6	6	6	6
<b>2<sup>nd</sup> cluster:</b>							
Mean	2.03	1.48	1.46	0.66	1.25	2.25	2.36
Number of prefectures	33	33	33	33	33	33	33
<b>Total:</b>							
Mean	2.80	2.00	1.95	1.27	1.68	2.40	2.20
Number of prefectures	39	39	39	39	39	39	39

## CONCLUSIONS

The classification of prefectures in territorial units is thought to be necessary in order to acquire an explicit and holistic view about the potential capacity of a region to develop its tourism sector bearing in mind that there exists a great dissemination and diversity regarding tourist resources.

In the present article, for the classification and the typological analysis of prefectures of mainland Greece, there were selected variables/indicators concerning the characteristics of prefectures which present tourist interest (coasts, forest resources, social – cultural resources) and ‘attract’ the tourist flows. By means of the multicriteria analysis PROMETHEE II the prefectures of mainland Greece are classified and consequently the best and worst prefectures are determined. The prefecture of Attiki has been evaluated as the best prefecture, since it maintains a lot of museums and monuments referring back to ancient Greek and Byzantine times. These historical and cultural assets have been proved critical for the growth of urban and cultural tourism. On the other hand the prefecture of Kilkis has been ranked as having negligible potential.

Having as a base the variables that were used, the above cluster analysis results to two territorial units: (a) the first unit includes the coastal prefectures and (b) the second unit includes the

prefectures of the mainland country. In the first unit, the model of organized mass tourism (conducted mainly in the summer period) dominates. The social and productive infrastructures for many of these regions depend to a large degree on the development of tourism. In the second territorial unit the countryside tourism dominates. This is because the continental hinterland sustains resources of exceptional quality that constitute the base for developing alternative forms of tourist development. In the local level, the development of mountainous tourism, ecotourism and agrotourism contributes positively to the promotion of a sustainable model of tourist development. The alternative forms of tourism can become for the country a parallel market to the organized mass tourism of the summer period.

As a conclusion, we could say that the classification of the prefectures and the determination of territorial units could contribute to the estimation of possibilities of a more rational exploitation and development of tourist resources. Additionally, it can create the conditions for having available alternative solutions to choose from, depending on the economic or social objectives. The combined use of multicriteria analysis and cluster analysis is regarded as particularly up to date in the context of making more rational and programmed exploitation decisions about tourist resources. These methodologies provide the decision-making authorities (National Organization of Tourism, Municipalities, etc.) with the essential tools for exercising an effective developmental and tourist policy, based on the comparative advantages of each geographical area. Generally speaking, the indicator-driven hierarchical ordering, that is presented in this work, can facilitate the formulation of a policy based on the need for site-explicit "treatment". This ordering can mitigate existing inequalities related to the quality of management of tourist resources and, thus it can contribute the increase of the country's level of development.

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# Benchmarking caravan and tourist park operations

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## ABSTRACT

There are an estimated 1,825 caravan and tourist parks spread throughout Australia. Collectively they are the second largest provider of short term accommodation (19.7%) after motels (37.6%) (Australian Bureau of Statistics, 2004). These caravan and tourist parks vary in scale, complexity and level of service provision; much like other sectors of the accommodation industry.

However, while there has been ongoing interest, expansion and upgrading of caravan and tourist parks throughout Australia, particularly along the Pacific Coast, there has been relatively little attention paid to caravanning (and caravan parks) as social phenomenon and even less in terms of their business dimensions. Partly this is a consequence of the dispersed nature of the industry but also a reflection of its perceived status within the overall accommodation sector.

This study examines two fundamental areas of management performance, visitor service quality and operational management, with a view to assisting caravan and tourist parks operators to develop national industry driven benchmarks for both these key areas. Preliminary benchmarks are established and recommendations for their further development are proposed.

**Key Words:** Benchmarking, Caravan park, Visitor service quality, Customer satisfaction, Operational management.

## INTRODUCTION

### *BACKGROUND TO THE INDUSTRY*

There are an estimated 1,825 caravan and tourist parks spread throughout Australia. Collectively they are the second largest provider of short term accommodation (19.7%) after motels (37.6%) (Australian Bureau of Statistics, 2005). These caravan and tourist parks vary in scale, complexity and level of service provision; much like other sectors of the accommodation industry. They range from small-scale businesses of 20-25 sites situated in regional and rural areas to large resort-style operations along coastal New South Wales (NSW) and Queensland. Many of this latter group has recreation rooms, barbecues, resort-style pools, restaurants, tennis courts and mini-golf courses. 'Chalets', 'villas', 'beach houses' and 'cabins', as well as the traditional caravan and camp sites, make up their accommodation mix.

The majority of caravan and tourist parks is located outside the major cities and are often the major form of accommodation available in regional areas. Data from the Domestic Tourism Monitor (1998) indicates that 31 per cent of all holiday nights in tourist accommodation in regional Australia are spent caravanning or camping. National Visitor Survey data (2003) estimated that the caravanning and camping sector accounted for over 30 million domestic visitor nights. In respect of international visitors, over one million nights were spent in campervans and the majority of these would have been spent in a caravan park or camping ground.

In economic terms, the Australian Bureau of Statistics estimated that caravan parks generated direct revenue of \$844 million in 2003-2004. Nearly 90% of this income was received from accommodation. Further, analysis by the Bureau of Tourism Research (Occasional Paper 31, 1998) identified the importance of this sector of the tourism industry to regional Australia when it stated that the caravan and camping industry is worth in excess of \$1.5 billion annually to the Australian economy and directly employs more than 15,000 people (see also Ward & Lee 1999). This pattern is likely to continue with a reported annual 15 per cent growth in caravan and camping activity ([www.caravanandcampingsa.com.au](http://www.caravanandcampingsa.com.au)).

In Australia, caravan and tourist parks are typically small businesses and many are operated by family companies. The majority of sites operate independently while others are members of co-operative marketing groups such as *Top Tourist* and *Big 4*. These groups operate along similar lines to those of hotel and motel chains. The largest of these, *Top Tourist*, is a national organisation with over 180 members ([www.toptouristparks.com.au](http://www.toptouristparks.com.au)).

While there has been ongoing interest, expansion and upgrading of caravan and tourist parks throughout Australia, particularly along the Pacific Coast, there has been relatively little attention paid to caravanning (and caravan parks) as social phenomenon (Marles 2005 – pers. comm.) and even less in terms of their business dimensions. Kelly's (1994) work on caravan

parks as the 'cinderella' of the Australian hospitality sector was a timely (now dated) recognition of their role in supplying accommodation in regional areas. More recently, Prideaux & McClymont (2005) examined the travel characteristics of caravanners, while Cridland (2003) in his pithily titled work investigated caravanning in the context of the 'migratory patterns' of 'grey nomads'.

The above notwithstanding there has, relative to other sectors of the accommodation and hospitality sectors, been only modest consideration by researchers of fundamental management issues such as customer service (including satisfaction). Partly this is a consequence of the dispersed nature of the industry but perhaps also a reflection of its perceived status within the overall sector (Whitmont & Bailey, 2002 -pers. comm).

Taken from the perspective of the consumer, the indicators they have of 'performance' are often tied to caravan park rating or 'star' systems that were initially instigated by motoring organisations ([www.aaatourism.com.au](http://www.aaatourism.com.au)) and more recently through the marketing groups noted above. However, rating schemes are typically input measures and are not necessarily concerned with site management or the satisfaction of customers. Indeed, customer service outputs are typically of little concern in such rating systems.

At the enterprise level, given the small-business and family managed nature of these businesses, many operators do not have ready access to management expertise or possess the financial resources necessary to engage in the management or administrative development of empirically based customer service or operational management processes. These resource limitations are further exacerbated by their location -many are isolated from both capital-city based expertise and the best practice operations of comparable businesses operating in similar markets.

As a first step toward gaining a clearer understanding of the caravan 'business', while at the same time making some contribution to its performance, the research team identified service quality, including key marketing concepts such as satisfaction (Oliver, 1997) and operational management as two foundation areas for some initial investigation within the context of a much broader applied research program. The work undertaken and reported here was funded under the auspices of the nationally funded Sustainable Tourism Co-operative Research Centre.

### *RESEARCH OBJECTIVES*

In developing our approach to examine the above we were cognisant of the necessity to work closely with industry. Caravan and tourist park operators are typically resistant to change and conservative in their approach to business (Whitmont & Bailey, 2002 -pers. comm). Thus, in order to undertake research which may ultimately challenge existing management practices and culture, the research had to be seen as both a collaborative partnership - working with caravan and tourist park managers and owners - and of direct benefit to them.

Given this reasoning it was determined that benchmarking, where there is a clearly identifiable and tangible 'product', would be a worthwhile approach. Methodological processes for this industry engagement were developed with a view to examining both customer outcomes and management performance. The aim was to determine best-practice measures which would ultimately be available to all the industry. With these considerations in mind, three key objectives for the study were established. These objectives were to develop for caravan and tourist park sites:

- a set of national operational management benchmarks;
- a set of national service quality benchmarks; and
- a decentralised knowledge management process for the national dissemination of the practices, protocols and benefits of the project.

Taken together, it was our view that once developed, customer and operational benchmarks would provide the basis for improving the quality of service provision to caravan and tourist park customers, improve management performance, and lead to the sustainability of their businesses.

In addition to these more practical objectives relating specifically to caravan parks, the research also sought to: develop a benchmarking 'process' that may have application more broadly for tourism operators and managers; and to provide a theoretical framework for managing the relationship between operational performance outcomes and customer service quality. These latter research outcomes were aimed to move the paper beyond the case specific nature of the extant research project (Bell & Crilley, 2002a; Crilley, 2005).

## **REVIEW OF LITERATURE**

### *INTRODUCTION*

The notion of benchmarking as a business tool has its origins in the relatively straightforward idea of comparing an organisation's performance with that of a successful competitor and, further, to use the information gathered to increase competitive advantage through the adoption and monitoring of best practice. Importantly, benchmarking is not a static concept but rather part of the process of continuous improvement (Elmuti & Kathawala, 1997; Bendell, Boulter & Goodstadt, 1998).

Dorsch and Yasin (1998) provide an extensive overview of the literature of the application of benchmarking in the services, manufacturing and public sectors. Bendell, Boulter and Goodstadt (1998, pp.82-84) suggest that the approach to benchmarking can be conceptualised around four key areas: internal benchmarking; functional benchmarking; generic benchmarking; and competitor benchmarking.

Internal benchmarking is concerned with the measurement of organisational processes over time. Thus it seeks to compare present with past performance on identified indicators. Internal benchmarking has the advantage of enabling an organisation to examine change over time based on improved internal processes. The major disadvantage is its potential lack of relevance to industry best practice.

Functional benchmarking is based on an examination of best practices in non-competitor organisations or related industry sectors. While functional benchmarking may lead to innovative or novel approaches, its lack of direct comparability at a functional level is a potential disadvantage.

Generic benchmarking is similar to functional benchmarking but is broader in scope in that it compares business processes that cut across a variety of functions in different industries. Its capacity to compare processes and outcomes with direct competitors is a significant limitation.

Finally, competitor benchmarking is concerned with the gathering of data which has direct industry relevance, often from competitors. Potentially this is a valuable source of information but notions of confidentiality and the potential loss of competitive advantage often weaken its implementation.

While Bendell, Boulter and Goodstadt (1998) conceptualise benchmarking around the four key areas, in practice organisations are likely to use some combination of each. 'However, effective benchmarking needs to extend the process to the identification of gaps in performance and the implementation of improvement strategies' (Bell & Crilley, 2002a, p.85).

### *BENCHMARKING IN TOURISM*

In tourism, the hospitality sector has been the principal proponent of benchmarking, particularly in the area of hotel operations (Cano, Drummond, Miller & Barclay 2001; Wober, 2002). Phillips and Appiah-Adu (1998) in their study of benchmarking in the United Kingdom, argued that the most successful hotel groups in the future will be those who use benchmarking as a strategy for continuous improvement. At the same time they were critical of those organisations that focused on benchmarking purely in terms of financial management.

In the United States, Morey and Ditman (1995) examined the efficiency of general managers as a method for establishing benchmarks. Other studies, for example Min and Min (1997) proposed a range of different processes and approaches to benchmarking. Bell and Crilley (2002a, p.86) in drawing these studies together noted that 'while some standardisation of reporting systems and sharing of information appears to have taken place across industry groups such as hotel franchise chains, the pooling of longitudinal data to establish continuous review benchmarks for the specific sector is not evident in the hospitality literature'.

In the broader tourism area there have been studies of destination benchmarking (Kozac & Rimmington, 1998; Kozac & Nield, 2004; Fuchs & Weirmair, 2004); tourism websites (Schegg, Frey, Steiner & Murphy, 2002); service quality (Fach, 2000); bed and breakfast operations (Miciak, Kirkland & Ritchie, 2001); visitor attractions (Gilling, 1999); and corporate travel management (Bell & Morey, 1995.) Hudson's (1997) study of tour operators in northern Australia; Davidson's (2000) work on higher education tourism courses; and a self-assessment report of performance in the meetings industry (Meetings Industry Association Australia, 2000) are examples within the Australian context. The establishment of the National Tourism Satellite Account (Australian Bureau of Statistics, 2000) is an illustration of a macro approach to the development of 'benchmark' tourism indicators.

In respect of caravan and tourist parks specifically, there have been some attempts to establish standards as performance 'benchmarks' in Australia, for example by *AAATourism* ([www.aaatourism.com.au](http://www.aaatourism.com.au)). However, standards in this circumstance are typically concerned with facilities (much like a rating system) and do not take into account the interactions of visitor service quality with management performance.

Commercial research organisations have also become involved in benchmarking studies of the financial performance of the caravan park sector. For example, the *Entrepreneur Business Centre* (EBC) conducts ongoing benchmarking studies of caravan park operations in Australia ([www.ebc.com.au](http://www.ebc.com.au)). The EBC collect data on key performance indicators including among others, a range of income and operating cost measures, turnover, and occupancy rates. However, the methodology and data generated are considered commercial in-confidence and consequently unavailable for consideration in the context of the present study.

A study commissioned by the Sustainable Tourism Co-operative Research Centre on the benchmarking of small hotels may provide some further insight for the project but these data are not accessible at the time of writing (Sears, 2005 – [pers.comm](http://pers.comm).)

In spite of the individual work noted, 'in relation to the concept of benchmarking as a process of continuous improvement, most studies do not address the longer-term strategic issues; more often presenting one-off studies of business performance or industry developments at a particular point in time. This weakness of excluding the longer-term strategic issues was reinforced in the Bergin, Jago and Deery (2000) analysis of benchmarking in the hospitality industry, and Dorsch and Yasin's (1998) review of benchmarking in the public sector' (Bell & Crilley, 2002a. pp 86-87).

In the context of this study, and the weaknesses identified above, the work of the Centre for Environmental and Recreation Management (CERM) at the University of South Australia is apposite. The work of CERM is underpinned by the notions of Total Quality Management (TQM) which, in part, advocates the involvement of all stakeholders in the strategic decision-making of a business. Utilising these principles, CERM has been conducting collaborative

research projects across various sectors of the leisure industry since the early 1990s. However, the CERM approach has not typically been applied to commercial enterprises nor in accommodation settings typical of caravan parks.

The CERM approach involves stakeholders (management, customers and employees) in the process of developing key operational management indicators and customer service quality attributes. Operational management indicators include: finance; facilities; human resources; marketing; utilities; and services. These standard criteria are then able to be compared with like firms on similar operational indicators. Over time these indicators become benchmarks by which all participating organisations can compare their performance against others.

Similarly, service quality indicators are developed in consultation with customers; examining what they see as the essential dimensions of customer service quality. These include attributes such as cleanliness, maintenance, staff interactions and value for money. Customers are then required to record both their expectations of the identified attribute (in essence its importance to them) and then to note the extent to which performance on the characteristic has been achieved by the organisation. The difference between expectation and performance identifies service 'gaps' – either positive or negative. Currently, over 200 organisations participate in the CERM PI® benchmarking program (Crilley, 2001-pers. comm.; Howat, Crilley, & Murray, 2005 ).

### *CONCLUSION*

While it is recognised that benchmarking has the capacity to both monitor and improve performance within the tourism industry, its application has been limited primarily to the hospitality sector. Even with such application, implementation strategies tend to be 'one off' audits or reviews rather than ongoing programs of intra sector comparison and quality improvement programs.

Conversely, the CERM approach addresses the limitations of some existing programs while at the same time providing a framework for longer term strategic planning with specific sectoral applications. Bell and Crilley (2002a) argue that the CERM methodology is cost effective and provides sustainable benefits to all parties concerned. While the tourism industry has not been specifically targeted in the past, the caravan industry was seen as a sector with substantial potential for the application of a modified CERM PI® framework.

## METHODOLOGY

### INTRODUCTION

The overriding 'template' for the project was modelled on the CERM approach. Given the objectives of the study, two discrete, yet interrelated processes of instrument development and data collection were required – the development of operational management indicators and the development of service quality attributes and related implementation protocols for each. The overriding rationale was to design a series of research protocols and indicators in a grounded manner to ensure that they were both relevant and meaningful to the managers of caravan and tourist parks. Three research phases were implemented. The work involved in each of these phases and their outcomes is noted in the following.

#### *Instrument development*

For the purposes of each phase, project team members located and liaised independently with caravan and tourist park management and staff. In respect of *operational management(OM)* indicators, instrument development sessions were conducted with management and staff at eight different pilot sites. Existing CERM PI@ indicators were used as a basis for the initial discussions. Focus groups were held with managers and staff and were organised around four key areas/questions:

1. Work Tasks - what are your main work responsibilities?
2. Task Relationships - can these responsibilities be grouped, for example, facilities or administration?
2. Work Performance - as a staff member/manager, how do you know when you are doing a good job?
3. Site/Operational Performance - what things do you use to rate or judge the quality of a caravan/tourist park?

Following the development of draft indicators, further meetings were held at selected sites to clarify and refine the indicator descriptors. Finally, the indicators were discussed with representatives of the Caravan and Camping Industry Association (NSW). The indicators were then formally trialled in Phase 2 of the project.

*Visitor service quality (VSQ)* indicators were developed through customer/visitor focus groups. Seventeen sessions were held at selected caravan and tourist park sites in South Australia, Victoria and Queensland. The main objective of these sessions was to identify key aspects of service quality that were important to visitors. Multiple sessions were conducted at some sites to ensure that visitors from a range of categories (for example, different age groups) were given the opportunity to provide input into the indicators. Visitors were either issued with a written invitation to attend the sessions upon arrival at the park or verbally invited by project staff once they were in the park.



Each focus group was conducted according to a standard protocol and facilitated by a member of the research team who introduced the project and the purpose of the session. Similar to the operational management protocol, the group focused on four key areas/questions, viz:

1. Expectations - what do you look for (expect) when you visit a caravan/tourist park?
2. Performance (Positive) - What is the best caravan and tourist park you have visited and what services or facilities make it stand out from the rest?
3. Performance (Negative) - what would spoil your visit to a caravan/tourist park?
4. Contributing Factors - what other factors contribute to the quality of your caravan or tourist park experience?

Individual responses were recorded on individual cards and displayed. These responses were then reviewed by the group to develop some form of overall consensus. This process provided an opportunity for key points to be clarified while engaging in sometimes broad ranging discussion. At the conclusion of the session, cards were collected and collated by the researcher.

Interestingly, there were no specific issues raised by visitors in terms of the broader 'environment' impacting upon the quality of their visit. However, it could be that visitors, as with park staff in their focus groups, see the environment as outside of the realm of control of caravan park managers. Arguably, considerations relating to the macro environment in which the park is located are perhaps more closely linked to the destination choice decision-making process.

Taken together, the focus group results, discussions with industry collaborators and input from the three University-based research units were used to develop instruments and protocols in preparation for Phase 2, the pilot study.

### *Pilot study*

Phase 2 involved field testing the instruments and protocols at eight pilot sites – three in NSW and Queensland and two in South Australia. Only the VSQ indicators were field tested with customers. In respect of the OM indicators, no raw management/operational data were collected. Each site was requested to examine the data requirements of the instrument and to model these requirements with their existing data sources and recording mechanisms.

Following the pilot phase, interim reports were prepared for each site followed up by visits from the research team. These visits were used to discuss the interim outcomes and to clarify and assist with any data collection/management issues being experienced on-site. The project then moved to the third phase, the main study.

### ***Main study***

Following the pilot study, the structure and content of both the VSQ instrument and the OM template were finalised. The main study involved further data collection from the eight pilot sites along with an additional twelve sites throughout NSW, Queensland, South Australia and Western Australia. In this larger sample, an attempt was made to gather data from three specific geographic locations, urban, coastal and inland. These were defined as follows:

- Urban sites – sites located on the fringe of capital cities which serviced tourist needs (as distinct from people using the caravan site as a place of semi-permanent residence).
- Coastal Sites – sites located adjacent to the coast. This was the largest group surveyed as they make up the significant majority of caravan and tourist park sites in Australia.
- Inland Sites – sites located away from the city and coast. Many of these are located on transit routes and usually in close proximity to a major inland town.

## **DISCUSSION AND RESULTS: VISITOR OVERVIEW**

From the 21 caravan and tourist parks originally agreeing to participate in the study, a total of 2,126 visitor service quality responses were collected from 17 sites, and operational management indicators from 18. The following three sections reflect the outcomes from these data sets.

### ***VISITOR PROFILES***

An overview of the visitors who responded to the questionnaire is as follows:

- 56 per cent of those who responded were from Queensland followed by South Australia (27%), NSW (11%), and Western Australia (6%)
- 54 per cent of respondents were females
- 54 per cent of respondents were in the 40-64 years age bands while the 50-59 year olds were the largest single group (21%).
- more than 90 per cent of respondents were staying with a member of their family reinforcing the image of caravan and tourist parks as ‘family’ oriented venues.

### ***SITE RESPONSES***

#### ***Location***

- As noted in the methodology, sites were grouped according to location – Metropolitan, Coastal or Inland. Consistent with overall park developments and use, more than 65 per cent of responses were from coastal sites.

### ***Reason for choosing park***

- A site's location (27%) and its 'membership of well-known park group' (18%) accounted for nearly half the total responses. In terms of location, it is unclear whether this is related to the specific location of the park itself or the destination overall. The membership factor is particularly interesting given the relatively low ranking of 'accreditation', and to a lesser extent, the 'star rating' on site choice. It is likely that consumers view park-group membership as an implicit quality standard. These data have significant marketing implications for individual operators and the industry overall.

### ***Accommodation***

- The type of accommodation used at each site reflects ongoing trends in the development of caravan and tourist parks. Caravan /campervan sites still make up more than 40% of overall site use.
- Cabins with superior facilities, in particular ensuite bathrooms, account for more than 35% of visitors. As noted later it is likely that 'high yield' cabins will continue to be developed by operators given the comparative return on investment for each individual cabin 'site'.

### ***Purpose of Visit***

- Visitors were primarily in the park for a holiday of less than two weeks (34%) or part of an extended holiday or lifestyle visit (32%).

### ***Number of Other Parks Visited***

- More than half the visitors (55%) were regular caravan and tourist park users having previously visited seven or more sites. This pattern may be indicative of the age group within the sample and/or the number in the sample who were on an extended lifestyle holiday.

### ***Period of Stay***

- As would be expected, the majority of visitors used the parks during the late Spring and Summer months.

## **DISCUSSION AND RESULTS: VISITOR SERVICE QUALITY (VSQ)**

### ***INTRODUCTION***

Section A of the VSQ questionnaire asked respondents to rate both their level of *expectation* (E) and the level of *performance* (P) achieved from 1 ('disagree') to 6 ('very strongly agree').

The Expectation (E) mean calculated from the data refers to the extent to which visitors believe a particular service attribute or level of quality should be provided/expected at a caravan and tourist park. A high mean may represent the impact of the visitors' previous caravan and tourist park experience or their more general views on expectations of customer service quality.

Alternatively, a low mean on expectations may indicate the visitor has limited interest or need for this service attribute or has lower service quality expectations generally.

The Performance (P) mean measures how a service attribute or an aspect of service quality is perceived to be performing. A high mean for performance may indicate an attribute of service quality perceived by visitors to be well delivered. A low performance mean may be indicative of a problem requiring correction. Alternatively, it may be due to the unique circumstance of a particular site which is understood and accepted by management.














These two means are used to calculate the 'VSQ gap' for each visitor service quality attribute—that is, the extent to which performance does not meet expectation thus:

$$\text{Performance Mean (P) - Expectations Mean (E) = VSQ Gap}$$

Where performance exceeds customer expectations, the VSQ Gap may also be positive. As a corollary, a positive performance gap, or indeed a match between expectation and performance for an attribute suggests higher levels of customer service which may contribute to greater levels of satisfaction (Howat, Murray & Crilley, 1999).

The performance of caravan and tourist parks on each of the service quality attributes contained within the questionnaire is noted in Table 1. Further, the preliminary national VSQ Gap (either positive or negative) is identified.

**Table 1:** Visitor Service Quality 2003/04

VSQ ATTRIBUTES		Expectation (E)	Performance (P)	VSQ GAP National Median
1. Safety and Security		4.6	4.4	-0.2
2. Park cleanliness		4.9	4.9	0.0
3. Park maintenance		4.7	4.9	0.2
4. Range of recreational facilities		4.6	4.7	0.1
5. Accommodation comfort (cabins, on-site vans etc.)		4.7	4.9	0.2
6. Site layout		4.6	4.7	0.1
7. Staff efficiency		4.7	5.0	0.3
8. Staff friendliness		4.8	5.0	0.2
9. Staff knowledge of local attractions & facilities services		4.6	4.7	0.1
10. Staff put in extra effort to help		4.5	4.6	0.1
11. Management of park		4.6	4.7	0.1
12. Suitable secondary services		4.4	4.4	0.0
13. Value for money		4.6	4.5	-0.1

**Key\***



*Strengths:* Attributes with high expectations ratings, high performance ratings and small negative or positive VSQ gaps.



*Monitoring:* Attributes that could benefit from monitoring in the future.



*Areas for development:* Attributes with high expectations ratings, comparatively low performance ratings and large VSQ gaps (particularly when compared to the national figures).

\*Given the exploratory nature of this study and its goal of building benchmarks, the research team, based on prior CERM PI ® experience, determined that a VSQ gap of + or – 0.2 would be considered as a strength or an area for development. Further testing of these assumptions will take place with more robust data as a result of an increased sample size and diversity of operations as the project develops.

### NATIONAL STRENGTHS

In reviewing the data outlined in Table 1, it is clear that the caravan and tourist park industry is performing well in broad terms in meeting the visitor service quality expectations of its customers. In particular in the areas of: Park Cleanliness; Park Maintenance; Comfort of Accommodation; Staff Efficiency; and Staff Friendliness.

In each case, these service quality performance outcomes also have amongst the highest levels of expectation. While further investigation with visitors to discriminate between the relative importance of visitor service quality attributes would be necessary to draw definitive conclusions, arguably the above attributes are also fundamental to overall visitor satisfaction. The effectiveness of staff in dealing with customers is a point of particular note.

### AREAS FOR MONITORING AND DEVELOPMENT

Two particular issues, *Safety and Security* and *Value for Money* stood out as requiring further consideration or action by park managers.

*Safety and Security* was not in the highest group in respect of expectations but clearly visitors have some apprehension about the performance of the parks on this attribute. Further research is needed to gain insight into the particular aspects that are of concern to visitors. For example, are visitors concerned with the theft of their belongings; personal safety; or traffic movements around the site and the potential for endangering young children?

*Value for Money* presents a particular challenge to park managers. Historically, caravan and tourist parks developed as venues that provided well located, readily available and affordable accommodation for families or budget conscious singles. In earlier times, there were likely lower expectations about the level of service and quality of facilities provided. Such expectations were also matched by park tariffs. However, with the diversity and growth of facilities and services provided by parks, the prices of all forms of accommodation have risen. One could be drawn to the conclusion that prices may have outstripped service and facility provision. Further research is needed to tease out this service quality attribute.

It should be noted that an analysis of individual parks on each of these attributes has been reported by the principal researchers to the caravan and tourist park sites participating in the study.

### VISITOR RELATIONS

A further series of measures were incorporated into the data that are also indicative of visitor service quality. These indicators are broad 'outcome' responses by visitors: levels of satisfaction; recommendation to others; intention to revisit the park; and the level of problems experienced and resolved.

### ***Level of Satisfaction***

- Nearly 90 per cent were satisfied or very satisfied with their visit.

### ***Recommendation to Others***

- Over 85 per cent of visitors indicated they would recommend the caravan and tourist park site to others - a positive indicator of overall customer satisfaction.

### ***Intention to Revisit***

- More than 75 per cent of visitors indicated their intention to revisit the park. It is unclear from the data whether those who indicated they would not return is a consequence of a poor service quality outcome or simply a destination decision.

### ***Problems Experienced, Reported and Solved***

- Over 25 per cent of visitors responding to this question experienced some problem during their visit.
- The extent to which problems are resolved when reported is an important service quality indicator. If action is not taken, visitors may feel that their requests are not being taken seriously by the manager or that management is unsympathetic to meeting customer service expectations. The nature of the problems experienced is not clear from the data and requires further investigation. For example, some problems may not be able to be resolved in a timely manner and others beyond the control of management. However, of the 25 per cent of visitors who experienced problems, over 40 per cent of these were reported to management. Of those reported, just under half were resolved.

### ***Value for Money***

While more than 80 per cent of visitors agreed that the caravan and tourist park provided good value for money, there are some inconsistencies in the data. The VSQ attributes outlined in Table 1 suggest that value for money is a problem with at least some parks. Further investigation of this variable, including comparisons with complementary studies using similar conceptual frameworks, is required. One such assessment of the value of using similar attributes and measures for visitor management has been made by Crilley (2005).

## **DISCUSSION AND RESULTS: OPERATIONAL MANAGEMENT INDICATORS**

### ***INTRODUCTION***

Data for this part of the project were collected using the Operational Management Questionnaire. Following completion of the main study, data across the 17 sites were combined. The median was adopted as the 'benchmark score' in preference to the mean. By using the median in the calculations the distorting influence of very small or very large figures typically associated with calculating the mean are minimised. This decision was also based on the previous benchmarking experience of CERM.

Nineteen indicators of operational management were measured. The indicators were replicated for each site to enable individual operators to compare their data to national benchmarks. The data reported reflect the 'national benchmark' calculated from the returns of each sample site. Given the sample size, these benchmarks should be considered provisional at this time. The indicators, and the national benchmark associated with each indicator, are noted in Table 2.

*Table 2: Operational Management Indicators – National Benchmarks*

<b>Indicator</b>	<b>National Benchmark</b>
<b>INCOME SHARE</b>	
Cabins	49%
Powered Sites (no ensuite)	25%
Ensuite (powered) Sites	6%
Unpowered Sites	1%
Secondary Spend	7%
<b>COST SHARE</b>	
Cleaning	12%
Maintenance (routine)	10%
Energy (gas, electricity)	8%
Water	2%
Marketing	7%
Labour	44%
<b>OTHER by unit cost/income</b>	
Labour cost to gross revenue	32%
*Operational expense recovery	N/A
Site occupancy	37%
Cabin cleaning and maintenance costs	\$11.13
Secondary services per visitor night	\$ 0.99
Secondary services by sites occupied	\$ 2.44
Labour cost per visitor night	\$ 5.44
Labour cost per site occupied	\$12.07

\*The data for this variable were not incorporated at the request of key stakeholders.

However, these data were reported, in confidence, to each site within their individual reports.

For the sake of completeness it has been noted in the table to acknowledge that it has been considered.



### *OPERATIONAL MANAGEMENT INDICATORS*

In respect of income, the importance of 'new' accommodation types is highlighted in the data. The income from cabins, in their various forms, accounts for nearly half the total revenue and provides 10% more income than all other sources combined.

Anecdotal evidence suggests that the potential yield from cabins is driving caravan and tourist park operators towards their development at the cost to other sites. Given the returns, such a move makes economic sense. However, it is unclear whether the demand for cabins is being driven by new customers to caravan and tourist parks or existing customers changing their accommodation preferences. Further research is needed to investigate these changing demand patterns.

A further economic consideration in respect of costs concerns the labour/ income tradeoffs of increasing the number of cabins. Cabins require more ongoing maintenance and attract additional cleaning costs when compared to 'traditional' forms of site usage. Keeping labour costs in check given their percentage of cost share is therefore fundamental to the relative profitability of site operations. It should be noted that, in terms of the reliability of the self reported data in the study, the Australian Bureau of Statistics (2005) report approximately the same labour cost share.

The impact of income from secondary spending is also noteworthy. The goods and services associated with secondary spend (for example food, drink, gas, and bike hire) provide the same income as ensuite sites and un-powered sites combined. The income /expense equation in respect of these two is difficult to calculate from the data and would, in any case, have site specific characteristics.

Site occupancy rates are generally lower than other accommodation sectors. Hotels for example typically have break even occupancy rates of greater than 55 per cent. However, these rates may be very much related to both seasonality and the relative capacity of the individual site. For example, sites may be under occupied in winter and autumn (excess capacity) and have excess demand for sites in spring and summer (under capacity). A better understanding of this variable can only be answered at the individual site level.

Marketing expenditures are also relatively low which may be directly correlated to the excess capacity scenario noted above. Again, site specific data would need to be examined on this variable.

### **SUMMARY AND IMPLICATIONS**

The caravan and tourist park industry is a substantial provider of short term accommodation. However, it is a sector that up to quite recently has not attracted significant academic attention.

This study sought to in part redress this apparent neglect by investigating two management fundamentals – service quality and operational management. Our study found that there were high levels of satisfaction with the service outcomes of caravan and tourist park sites generally. The particular strengths were: park cleanliness; park maintenance; quality of accommodation; staff efficiency; and staff friendliness. Those areas requiring monitoring or action were: safety and security; and value for money.

In addition to these attributes, other indicators of service quality were identified in the area of visitor relations. These indicators are broad ‘outcome’ responses by visitors including: levels of satisfaction; recommendation to others; and intention to revisit. In terms of visitor satisfaction, a significant majority (90%) were either satisfied or very satisfied with their visit. There were also significant recommendation levels with over 85 per cent indicating they would recommend the site to others. Seventy five per cent indicated their intention to revisit the park.

In terms of operational management, the benchmarks identified are in their early stages of development. However, the various benchmarks do provide some indicative data for managers of caravan and tourist parks. From their perspective, the current data will allow them to examine their relative performance against the identified national benchmarks. It will also enable them to study the internal distribution of income and expenses across their own data. While not reported due to commercial in-confidence considerations, each site was provided with a precise breakdown of their own income and cost ratios for the purposes of direct comparison with the benchmark data.

#### *MANAGEMENT IMPLICATIONS AND CONTRIBUTIONS TO RESEARCH PRACTICE*

Benchmarking studies typically focus on short term outcomes and are typically not used strategically (Bergin, Jago and Deery – 2000). The work undertaken in this study has attempted to look beyond simple measurement and provides a basis for both short term management interventions and strategic planning. The contribution here is to highlight the interdependence of both forms of benchmarks and how they might be used as part of an overall management strategy - an apparent limitation in existing benchmarking discourses.

To move this reasoning to a practical level, a manager could in the short term examine the relationship between greater levels of staff training (an operational cost) and visitor rated levels of recommendation (a visitor service quality outcome). If improved staff training leads to higher recommendation levels (and the potential for repeat visitation) the manager may engage in more strategic thinking about longer term employment and training practices. Equally, decisions on overall human resource management might be made in the context of cutting back on specific services and examine their impact on operational performance and visitor satisfaction.

While the above focuses on the intersection of theory and practice, this study contributes a methodological dimension through its adaptation and extension of the CERM model into the accommodation / hospitality sector. In this study the development of both operational management indicators and visitor service quality attributes were driven by stakeholder groups and not ‘artificially’ constructed. This process brought commitment from each of the stakeholders – particularly the site managers. In the context of other research groups engaging in benchmarking studies, it is a replicable and recommended process.

### ONGOING WORK

Given the outcomes of the project there is now a need to more clearly theorise the findings in the context of the extant literature. Theorising of this nature is beyond the scope of the current paper but a companion document is under development.

The findings of this research project have been presented at the conferences of each state caravan and camping industry association. Further, a user friendly version of the project is to be placed on the national industry association website. We are also investigating the establishment of a national data base for self reporting, on a subscription basis. This would require broad agreement on both the sets of indicators, their measurement and what is regarded as credible ‘benchmarks’..

Work is also being undertaken to increase the sample in terms of diversity and size to make the indicators more robust. An expanded data set will provide more detailed information and allow for clearer segmentation of the various markets and issues identified with the current study.

In terms of the study’s objectives overall, this is very much a living project. While substantial work has been undertaken, the data and its interpretations are evolving.

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# Managerial perspectives of museum directors in Turkey: The balance between custodial and market-focused management

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## ABSTRACT

In recent years museums have changed from being custodial institutions to becoming focused on audience attraction. New emphasis is placed on museum-audience interactions and relationships. This change in the purpose and priorities of museums has impacted upon the nature of museum management. Museum management can have different emphases regarding service delivery depending on the prevailing management style. The two different styles evident in museum management, are custodial management and market-focused management. The key purpose of the paper is to determine if there are significant differences between the levels of managerial perspectives of museum directories in Turkey. The research is focused on custodial preservation and educating and entertaining the public developed by Gilmore and Rentschler. The significant finding of the research is that the levels of managerial perspectives of museum directors in Turkey are not homogeneous. The research concludes by assessing both the theoretical and managerial implications for museum management.

**Keywords:** Museum management, custodial management, market-focused management, museum directors in Turkey.

## INTRODUCTION

Museums are developing management strategies to help them become more successful. Changes in managing museums reflect the changing directorial role. Museum marketing has been conceptualized in three main periods (Gilmore and Rentschler, 2002): the foundation period (1975-1983), the professional period (1988-1993), and the entrepreneurial period (1994-present). These changes have impacted upon the internal organizational factors such as structure, complexity and diversity of services (Abraham, Griffin and Crawford, 1999; Cadogan, Sundqvist, Salminen and Puumalainen, 2002; Daniel, 2001; Goulding, 2000; Hickman and Mayer, 2003; Javalgi, Whipple, Ghosh and Young, 2005; Mitchell and Orwig, 2002; Morgan and Strong, 1998; Ngai, 2005; Rowley, 1999; Weerawardena, 2003; Wilson and Boyle, 2004) and have increased the need for museum directors to have the orientation and skills of marketing managers, in addition to their custodial skills (Rentschler, 2001). The

entrepreneur focuses on the furtherance of the organization through creative programming. In contrast, the custodial manager focuses on the traditional activities of research and collections (Gilmore and Rentschler, 2002). Managing museums entails understanding both the custodial role and the need to attract visitors (Gilmore and Rentschler, 2002; Kotorov, 2003).

The key purpose of the paper is to determine if there are significant differences between the levels of managerial perspectives of museum directors in Turkey. The research is focused on custodial preservation and educating and entertaining the public developed by Gilmore and Rentschler (2002). The significant finding of the research is that the levels of managerial perspectives of museum directors in Turkey are not homogeneous. The research concludes by assessing both the theoretical and managerial implications for museum management.

### **THEORETICAL FRAMEWORK**

The core and augmented elements of service delivery in a museum context are: education, accessibility, and communication (Gilmore and Rentschler, 2002). The education of the public on the nature and scope of collections and exhibitions is central to the entire museum service product. Accessibility of the museum service includes ease of use of the physical facilities, the proximity of core product for visitors, range of offerings of different markets and availability of museum services. The communication aspect of the museum service includes the nature and scope of interactions, entertainment and interpretation (Gilmore and Rentschler, 2002). These dimensions of museum service delivery can be expanded and adapted to suit different museum service situation and contexts, depending on the nature and purpose of the museum. Museum directors need to focus attention on all dimensions encompassed in the overall offering of the museum service (Gilmore and Rentschler, 2002).

All museum staff is responsible for delivering and implementing the dimensions (education, accessibility, and communication) as external marketing performance. That is marketing activities are delivered to the external market (visitors) by individual members of staff. Given that marketing is carried out by staff at all levels in the organisation, an organisation needs effective internal communication, interdepartmental co-operation, staff who are able and willing to do the job and two-way communication with visitors for the museum service to be successful (Gilmore and Rentschler, 2002).

Interaction in a museum context implies face-to-face interaction between directors and other managerial networks. Interdepartmental co-operation is a pre-requisite for a museum to deliver excellent service in terms of education, accessibility and communication. Effective management requires formal procedures and both informal and formal communication to ensure co-operation occurs at all levels. The development of key skills and competencies is crucial to the cross-functional dimensions of internal management performance and service delivery. Given the importance of repeat visits in any local marketplace, there is a need to establish long-term commitment (and build relationship) with visitors. Therefore, it is important for a museum



to undertake activities that will encourage longer-term relationships with visitors. To achieve this, useful market information is required (Gilmore and Rentschler, 2002).

In summary, effective and successful management in a competitive environment develops and sustains long-term relationships with museum users. To achieve this aim, museum directors need to co-ordinate the museum’s resources in order to implement relevant strategies, develop successful communication methods both externally (between the organisation and the visitor) and internally (between management, staff and volunteers) and successfully deliver both core and augmented service dimensions (Gilmore and Rentschler, 2002). Table 1 illustrates the services marketing model for museum management.

**Table 1: Service Marketing Model for Museum Management**

<b>Managing museum resources/director goals</b>	
<p><b>Internal performance:</b></p> <ul style="list-style-type: none"> <li>• Internal communication &amp; interdepartmental co-operation</li> <li>• Staff knowledge &amp; ability to deliver service</li> <li>• Feedback and communication between managers, staff, volunteers &amp; visitors</li> </ul>	<p><b>External performance:</b></p> <ul style="list-style-type: none"> <li>• Education</li> <li>• Accessibility</li> <li>• Communications</li> </ul>
<b>Short and long terms interactions with markets</b>	

Resource: Gilmore and Rentschler, 2002:9.

Museum management can have different emphases regarding service delivery depending on the prevailing management style. The two different styles evident are custodial management and market-focused management. The different emphases of custodial and market-focused management are illustrated in Table 2.

**Table 2:** Different approaches to the management of museums:  
Custodial managers and market-focused managers

<b>Product/service dimensions</b>	<b>Emphasis of custodial management</b>	<b>Emphasis of marketing management</b>
<b>Education</b>	<ul style="list-style-type: none"> <li>• Value and importance in aesthetic terms</li> <li>• Maintained, designed for preservation of collections</li> </ul>	<ul style="list-style-type: none"> <li>• Relevance to visitors</li> <li>• Create impact, differentiation, visitor-friendly environment</li> </ul>
<b>Accessibility</b>	<ul style="list-style-type: none"> <li>• Standard opening hours, limited proximity of customers to some valuable collections</li> </ul>	<ul style="list-style-type: none"> <li>• Proactive staff-visitor interactions and proximity encouraged</li> </ul>
<b>Communication</b>	<ul style="list-style-type: none"> <li>• Predominantly passive observation encouraged</li> <li>• Standardized messages/attention, impersonal approach, little attempt to involve visitors</li> </ul>	<ul style="list-style-type: none"> <li>• Visitors participate in experience</li> <li>• More individualized messages/attention. Personal approach and emotional involvement of visitors</li> </ul>

Resource: Gilmore and Rentschler, 2002:10.

The directors of both museums recognise the need for efficient custodial management and effective marketing management-for both visitors and for public markets. However, the balance is not yet complete. The management dilemma is to become better marketing managers without losing creativity and expertise in custodial management (Gilmore and Rentschler, 2002). The current climate in museum management recognises the need for a change and a more entrepreneurial approach (Rentschler, 2001). However directors' roles need to be extended to balance the development and preservation of creative art works with the creative management of the museum as a market-oriented organisation (Gilmore and Rentschler, 2002). The willingness and ability of individual managers to adapt and develop their internal communication and co-operation is a prerequisite for successful development of the service marketing. Successful museum management may require a combination of different management styles. However, this needs careful consideration in relation to how each aspect should be

managed. The custodial style works well with education, the core dimensions of the museum service. All staff should know the value, history and context of education, as it forms the core part of the service delivery. The more augmented dimensions of service delivery such as interaction, interpretation, communications and accessibility need to be addressed, particularly in relation to complex and interactive, staff-visitor exchange service queries. This requires a greater marketing emphasis. Diversity, degree of variability and complexity of individual customer service requirements are valid experiences in museums. This is an inherent characteristic of the multi-dimensional museum service and the varying degrees of customer needs, requirements, perceptions, experience and ability to comprehend instructions and directions. Therefore, recognising the importance of the augmented aspects of the museum service is vital. A key purpose of museum directors is to continually develop and improve all dimensions of service to visitors (Gilmore and Rentschler, 2002).

## METHODOLOGY

The research tool was a questionnaire consisted of two sections. In the first section, questions of service marketing model for museum management developed by Gilmore and Rentschler (2002) were used to compare levels of internal performance (internal communication & interdepartmental co-operation; staff knowledge & ability to deliver service; feedback and communication between managers, staff, volunteers & visitors) and external performance (education, accessibility, communications) of museum directors in Turkey. Questions in the second section developed by Gilmore and Rentschler (2002) measured levels of custodial management (education: value and importance in aesthetic terms; maintained, designed for preservation of collections / accessibility: standard opening hours, limited proximity of customers to some valuable collections / communication: predominantly passive observation encouraged; standardized messages-attention, impersonal approach, little attempt to involve visitors) and marketing management (education: relevance to visitors; create impact, differentiation, visitor-friendly environment / accessibility: proactive staff-visitor interactions and proximity encouraged / communication: visitors participate in experience; more individualized messages-attention, personal approach and emotional involvement of visitors). On the Likert-type scale employed in the first and the second sections, 1 represents very low level of importance while 5 indicates very high level of importance (1=not very important, 2=not important, 3=neutral, 4=important, 5=very important).

The population studied in this research is museum directors in Turkey. There are 128 museums on the Republic of Turkey Ministry of Culture and Tourism, Museums of the General Directorate of Monuments and Museums' web page in 2005. The questionnaires were posted in June 2005. By the end of October 2005, a total of 91 (71.09%) usable questionnaires had been collected. The questionnaires were analysed using SPSS 10.0 for Windows. Conformingly, the reliability test done for the research shows an alpha value of 56.21, which indicates reliability.

### ANALYSIS OF FINDINGS

Because of non-parametric situation, Wilcoxon Signed Ranks Tests were used to analyse levels of internal performance and external performance of museum directors in Turkey. The analysis of the tests is summarized in Table 3. That is statistically significant difference between the level of internal performance and the level of external performance. The level of internal performance is higher than the level of external performance.

**Table 3:** Mean Importance Rating of Service Marketing of Museum Directors in Turkey

Items of Service Marketing	Mean	Wilcoxon Signed Ranks Test
<ul style="list-style-type: none"> <li>• Internal communication &amp; interdepartmental co-operation</li> <li>• Staff knowledge &amp; ability to deliver service</li> <li>• Feedback and communication between managers, staff, volunteers &amp; visitors</li> <li>• <b>Internal performance (total)</b></li> </ul>	<p>4.7253</p> <p>4.7802</p> <p>4.5495</p> <p><b>4.6850</b></p>	<b>0.000</b>
<ul style="list-style-type: none"> <li>• Education</li> <li>• Accessibility</li> <li>• Communication</li> <li>• <b>External performance (total)</b></li> </ul>	<p>4.3956</p> <p>4.4615</p> <p>4.6374</p> <p><b>4.4982</b></p>	

Except for create impact, differentiation, visitor-friendly environment (0.000) and more individualized messages/attention-personal approach and emotional involvement of visitors (0.000), there are no statistically differences between levels of custodial management and marketing management items. With regard to total analysis of the tests, communication and total (education-accessibility-communication) tests were statistically significant. Education, accessibility and communication means of custodial management are higher than means of marketing management. Table 4 shows the analysis of the tests.

**Table 4:** Mean Importance Rating of Custodial Management and Marketing Management of Museum Directors in Turkey

Custodial Management	Mean	Marketing Management	Mean	Wilcoxon Signed Ranks Test
• Value and importance in aesthetic terms	4.3187	• Relevance to visitors	4.4396	0.542
• Maintained, designed for preservation of collections	4.7253	• Create impact, differentiation, visitor-friendly environment	4.3516	0.000
• <b>Education</b>	<b>4.5220</b>	• <b>Education</b>	<b>4.3956</b>	<b>0.027</b>
• Standard opening hours, limited proximity of customers to some valuable collections	4.2967	• Proactive staff-visitor interactions and proximity encouraged	4.1429	0.165
• <b>Accessibility</b>	<b>4.2967</b>	• <b>Accessibility</b>	<b>4.1429</b>	<b>0.165</b>
• Predominantly passive observation encouraged	3.8571	• Visitors participate in experience	3.6044	0.391
• Standardized messages / attention, impersonal approach, little attempt to involve visitors	4.2637	• More individualized messages/attention. Personal approach and emotional involvement of visitors	3.6154	0.000
• <b>Communication</b>	<b>4.0604</b>	• <b>Communication</b>	<b>3.6099</b>	<b>0.000</b>
<b>Total</b>	<b>4.2923</b>	<b>Total</b>	<b>4.0308</b>	<b>0.000</b>

## CONCLUSIONS

The main purpose of this research was to determine if there were significant differences between the levels of managerial perspectives of museum directors in Turkey. The research was focused on custodial preservation and educating and entertaining the public developed by Gilmore and Rentschler (2002). The significant finding of the research was that the levels of managerial perspectives of museum directors in Turkey are not homogeneous. Museum

directors are predominantly custodial, but performances of their museums show some elements of marketing. In relation to education, museum directors in this study recognise the need to balance their activities by maintaining the safety of collections and also by creating impact and differentiation. In relation to accessibility, museum directors operate standard opening hours. In relation to communication, visitors are encouraged to engage in predominantly passive observation rather than participating in the experience. This finding supports the Gilmore and Rentschler (2002)'s study. In their study and this study, the museum directors illustrated both custodial and market-focused behaviour in relation to the education, accessibility and communication aspects of museum service delivery. Activities of museum directors in Turkey are more focused around the custodial management, but they know that being market-focused is important. The challenge for museum directors is to decide what approach best meets the needs of the museum, staff expertise and the nature of the visitor (Gilmore and Rentschler, 2002). Recognition of the multi-dimensional nature of the museum experience, and consideration of the value of both management approaches is vital in any organisational rethink. By recognising the multi-dimensional nature of service delivery, museum directors can ensure that the benefits of both custodial and marketing management styles are used to achieve cohesion.

#### **APPENDIX 1:**

##### **Museums that directors answered the research questionnaire in Turkey**

Adana Archaeology Museum, Adana Ataturk Museum, Adana Ethnography Museum, Adana Misis Mosaic Museum, Afyon Museum, Agri Ishak Pasha Museum, Aksaray Museum, Ankara Augustus Temple Museum, Ankara Anatolian Civilizations Museum, Ankara Ataturk Center of Culture (Museum Complex), Ankara Ethnographical Museum, Ankara Gordion Museum, Ankara Roman Bath Museum, Ankara II. Turkish Grand National Assembly Republican Museum, Ankara Independence War Museum (I. Turkish Grand National Assembly Building), Ankara State Museum of Painting and Sculpture, Antalya Museum, Antalya-Alanya Museum and the Ruins, Antalya-Alanya Dim Cavern, Antalya Perge Theatre (Skene), Antalya Santa Claus, Antalya Side Museum, Aydın-Milet Museum, Aydın Museum, Aydın Historical Ruins, Bilecik Sogut Museum, Bursa Museum, Bursa-Iznik Museum, Canakkale Museum, Denizli Museum and Historical Ruins, Diyarbakir Historical Ruins, Diyarbakir Museums and Historical Cultural Heritage, Edirne Museum, Erzurum Archaeology Museum, Erzurum Museum, Erzurum Yakutiye Madrasa Turkish-Islamic Works and Ethnography Museum, Gaziantep Museum, Hatay Museum, Isparta Museum, Isparta Yalvac Psidia Antiokheia, Icel-Anamur Museum and Historical Ruins, Icel-Silifke House of Ataturk, Istanbul Archaeology Museum, Istanbul Hagia Sophia Museum, Istanbul Hagia Sophia Museum Mahmut I Library, Istanbul Caria Museum, Istanbul-Fethiye Museum (Pammakaristos), Istanbul Imrahor Monument, Istanbul Museum of Classical Ottoman (Divan) Literature, Istanbul Galata Mevlevi House, Istanbul Rumelihisar Museum, Istanbul St. Irene, Istanbul Small St. Sofia, Istanbul Tekfur Palace, Istanbul The Great Palace Mosaic Museum, Istanbul Topkapı Palace Museum, Istanbul Turkish and Islamic Arts Museum, Izmir Agora Museum, Izmir Archaeology Museum, Izmir

Ataturk Museum, Izmir Bergama Museum, Izmir Birgi Cakiraga Mansion, Izmir Cesme Museum, Izmir Ephesus Museum, Izmir Ethnography Museum, Izmir Odemis Museum, Izmir Tire Museum, Izmir Virgin Mary Museum, Kars Museum, Kayseri Historical Ruins, Kayseri Museum, Kocaeli Museum and Ruins, Konya Mevlana Museum, Konya Museum and Ruins, Malatya Museum, Manisa Museum, Mardin Museum, Mugla-Fethiye Museum, Mugla-Bodrum Underwater Archaeology Museum, Mugla-Marmaris Fort and Archaeology Museum, Mugla-Milas Museum, Mugla Museum and Historical Ruins, Nevsehir Museum, Nigde Museum, Ordu Ethnography Museum, Osmaniye Karatepe-Aslantas A Late Hittite Fortres, Samsun Museum and Ruins, Sanliurfa Museum, Tekirdag Museum, Trabzon Museum, Van Museum and Historical Ruins.

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# Analysing destination performance for tourism marketing purposes: The case of Rhodes

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## ABSTRACT

The in-depth analysis of a destination's performance is a prerequisite for effective tourism planning and for efficiently using available marketing funds. Decisions concerning issues such as marketing strategy, market segmentation and product development, should be based on the actual situation that a destination faces. By making decisions according to well-documented facts, the risk of unsuccessful policies is minimised. However, not all destination marketing organisations (DMOs) are competent to successfully conduct these kinds of analysis. Their insufficiency may be attributed to the lack of destination marketing know-how and/or the availability of necessary data. An overview of the destination performance in the case of Rhodes, one of Greece's major tourist destinations, has revealed, among others, the deficiencies in situation analysis characterising the island's DMOs. These deficiencies are reflected in the marketing activities conducted and funded by those organisations and the poor market performance of Rhodes in recent years. Based on the situation analysis of Rhodes, a *Destination Performance Analysis Tool* is proposed to support decision making for the destination marketing and planning task with the necessary data. This tool reflects the requirements of destination marketing and planning at the local and regional level. Recommendations about the collection of tourism statistics and other performance data are also made.

**Key Words:** destination performance analysis, tourism marketing, Rhodes

## INTRODUCTION

Tourism marketing is performed on two distinct levels (Freyer, 1999; Koutoulas, 2001): On the **micro-level** individual enterprises perform the marketing task in order to promote their offerings on the market. On the **macro-level** several types of organisations are involved in promoting destinations or tourism-related industries.

Micro-marketing is performed, among others, by providers of individual tourism products, such as hotels, transport companies and visitor attractions, as well as by the travel trade, such as travel agencies. Macro-marketers, on the other hand, include government agencies and co-operative organisations of varying forms. This paper will focus on the latter.

Macro-marketers differ in regard to geographic scope, industries represented and legal form. For instance, a tourism organisation may represent a destination on the local, regional, national or even international level. It may be limited to one sector such as hotels or encompass all tourism-related businesses of a destination. And it may have the form of a government agency, a not-for-profit association or a private company that has won the contract to provide marketing services to local authorities or associations (Koutoulas, 2003).

The present paper deals with destination marketing, i.e. the marketing task performed by vertically structured tourism institutions representing the destination at the local, regional, national or even multinational level (according to Krippendorff, 1971, *vertically structured tourism institutions* are co-operative associations consisting of partners from different industries and economic levels, thus representing several or even most aspects of a destination's tourism offerings). These institutions called **destination marketing organisations** (DMOs) take many forms, with convention and visitors bureaux (CVBs) being the dominant form of DMOs especially at the local level (Getz, Anderson & Sheehan, 1998; Freyer, 1999; Palmer & Bejou, 1995; Koutoulas, 2005a). The concept of these co-operative marketing organisations is to involve all stakeholders both in funding and decision-making (Coccosis & Tsartas, 2001). Stakeholders may include government agencies, professional associations, individual companies etc.

Present-day market conditions make it necessary for DMOs to employ a strategic marketing approach, considering the intensifying competition among tourism destinations in regions such as the Mediterranean (Koutoulas 2006). According to Freyer (1999), marketing research is the basis for conducting market analysis and strategic diagnosis. This diagnosis evaluates the destination's present position and establishes the direction the DMO should follow in order to overcome the destination's shortcomings and problems in the tourism marketplace and achieve better results. The next steps are formulating marketing objectives, marketing strategies and the marketing plans for implementing the strategies (Middleton, 1988). In short, the following path should be followed by strategically oriented DMOs:

- Step 1: Marketing research
- Step 2: Market analysis and strategic diagnosis
- Step 3: Formulation of marketing objectives
- Step 4: Formulation of marketing strategies
- Step 5: Formulation of marketing plans (tactical marketing)

In practice, however, this strategic approach is not employed by those DMOs that do not engage in professional marketing. Many organisations still lack the understanding and the know-how of strategic marketing planning and use their marketing funds in an inefficient manner. The case of Rhodes is used in the present paper to illustrate the disparity between the diagnosed market conditions and the actions taken by the respective DMOs.

## DESTINATION PERFORMANCE ANALYSIS IN THE CONTEXT OF THE PRESENT PAPER

According to Coltman (1989:4-5),

a **tourist destination** can be described as an area with different natural attributes, features, or attractions that appeal to nonlocal visitors - that is, tourists or excursionists. These attributes, features, or attractions can vary as much as types of tourists vary. For example, whereas Disneyland attracts one type of tourist (generally, the family trade), the Las Vegas casinos attract a completely different type of tourist because casinos do not have much appeal to the family trade.

A large number of texts have been written in regard to destination marketing and management analysing numerous aspects of this task (see, for example, Krippendorf, 1971; Jefferson & Lickorish, 1988; Gunn, 1988; Goodall, 1990; Go, Milne & Whittles, 1992; Heath & Wall, 1992; Seitz & Wolf, 1991; Laws, 1995). However, destination marketing practitioners may find it difficult to apply these approaches in their line of work, especially in the case of DMOs lacking any expert staff or experience in mid- or long-term planning. For instance, research by the author of the present paper currently underway is showing that most Greek DMOs do not employ professional marketing planning.

For the needs of these unsophisticated marketing organisations, some form of easy-to-apply destination performance analysis is needed to assist them in their decision-making process for matters such as target markets and marketing budget allocation. Research conducted for the island of Rhodes has shown that the following key tourism indicators can be collected quite easily by a local-level DMO and are proving to be very useful for monitoring destination performance and for deciding on strategic marketing issues (Koutoulas 2005b):

- Tourist traffic (measuring tourist arrivals at points of entry or commercial accommodations as well as overnight stays)
- Source markets (measuring the share of tourists according to place or country of origin)
- Income (measuring, for instance, the average daily rate charged by commercial accommodation providers)
- Capacity utilisation (measuring, for instance, occupancy or overnight stays per available hotel bed)
- Seasonality (calculating the monthly distribution of tourism traffic)
- Average length of stay (dividing total overnight stays with total tourist arrivals)

A bit more sophisticated is the calculation of accommodation performance indicators such as revenue per available room (or revPAR) in the case of hotels, provided that the necessary data is being collected in a systematic way.

Monitoring the fluctuations in these indicators on a monthly or yearly basis guides DMOs in regard to corrective action that has to be taken as well as in regard to decisions concerning marketing strategy.

## OBJECTIVES AND RESEARCH CONDUCTED

The aim of this paper is to stress the value of market analysis for marketing planning and budget allocation and to propose easy-to-apply destination performance analysis techniques that help both lower the risk and raise the efficiency of the marketing task of DMOs.

The present paper is based on research conducted on behalf of the Chamber of Commerce of the island of Rhodes, the first and most mature mass tourism destination of Greece. This research has been part of a consultation appointment concerning the creation of a new DMO of Rhodes aimed at supplementing the existing DMOs that are characterised by a lack of marketing expertise (Koutoulas 2005b).

Two aspects of the research conducted are relevant to the present paper:

- Collection of destination performance-specific data
- Interviews with all local tourism stakeholders of Rhodes from the private and public sectors.

In consideration of the limited space of the present paper, a brief overview of these findings is presented below.

## RESEARCH FINDINGS

The collection and analysis of basic tourism indicators has shown how tourism developed on Rhodes since the 1950s. Based on readily available data and the interview findings, the following picture can be drawn (Koutoulas 2005b):

The vast majority of tourists are visiting Rhodes on inclusive tours organised by tour operators. Tour operators provide through their charter flights most of the airlift capacity connecting Rhodes with European source regions.

There has been accelerating growth in **tourism traffic** to Rhodes since the 1960s (Figure 1). This growth continued until the 1990s, with overnight stays in the island's hotels rising from 8.1 million in 1990 to 10.8 million in 1999. However, a period of decline followed with overnight stays dropping to 8.6 million in 2003. Drops in tourist traffic before 1999 mainly reflect political crises such as the coup d'état in Greece in 1967, the invasion of Cyprus in 1974 or the first Gulf war in 1991.

The year 1999 has been a turning point in the policy of major European tour operators towards Greek tourist destinations, with the former showing their preference for newer destinations in non-EU countries such as Turkey and Egypt, an accelerating trend especially after the introduction of the Euro. This change has been strongly felt on Rhodes with local businesses witnessing a significant loss of tourism traffic. Recent political crises in both Turkey and Egypt restored part of these losses in 2005 according to industry reports.

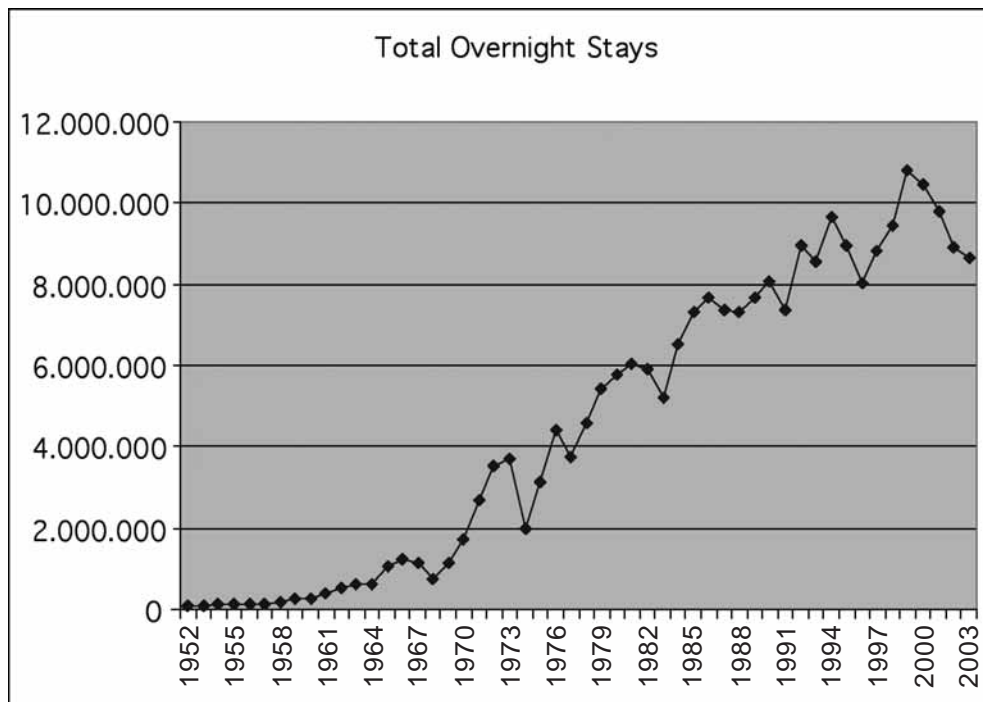
Additionally, tourism traffic to Rhodes was deeply affected by the European economic depression taking effect in 2001. In short, the prolonged period of dropping visitor numbers lasting for five years between 1999 and 2004 – the first in the history of Rhodes – has been attributed to the following causes:

- Economic depression in the major source markets of Rhodes. Most Eurozone countries witnessed a huge drop in GDP growth after 2000 that also affected tourism demand. For instance, GDP growth in Germany dropped from 3.1% in 2000 to -0.2% in 2003, contributing to a 13.4% drop in Mediterranean-bound travel of Germans between 2001 and 2004. The drop of Rhodes-bound Germans was even higher with -18.5% arrivals from Germany between 2001 and 2004 or -29.1% between 1999 and 2004 (International Monetary Fund, 2006; Deutscher ReiseVerband, various years).
- Loss of market share, with tourist destinations outside the Eurozone gaining the most. Turkey, for instance, grew its market share on the German market every year since 1999 resulting in a share of 14.2% of Mediterranean-bound Germans in 2005. Greece has been constantly losing market share since 1998, thus dropping to 8.1% in 2005 (Deutscher ReiseVerband, various years).

There are two more factors explaining the drop in tourist traffic to Rhodes:

- The absence of Rhodes from the “new tourist market” developing around Internet-based distribution and tourist flows generated by low-cost carriers. Rhodes receives only one low-cost carrier (GB Airways) offering limited capacity as opposed to the numerous flights covering many Italian and Spanish resorts.
- The absence of Rhodes from niche markets concerning special interests and special requirements that are witnessing a significant growth and, instead, the continuing orientation of local DMOs towards the monoculture of highly commoditised “sea and sun”-type holidays provided by tour operators. Tour operators control most of Greece-bound holiday traffic, as 84% of all Britons, 78% of Germans, 77% of Dutch and Austrians, 80% of Norwegians and 94% of the Swedish visiting Greece use charter flights operated by these companies as part of inclusive tours (Koutoulas 2004). The share of tour operator-controlled, inclusive-tour holiday travel is even higher in the case of Rhodes.

**Figure 1:** Total overnight stays per annum at hotels operating on Rhodes for the period 1952-2003



Sources: National Statistics Service of Greece/Greek National Tourism Organisation, Rhodes Hotel Association, Logothetis 1992

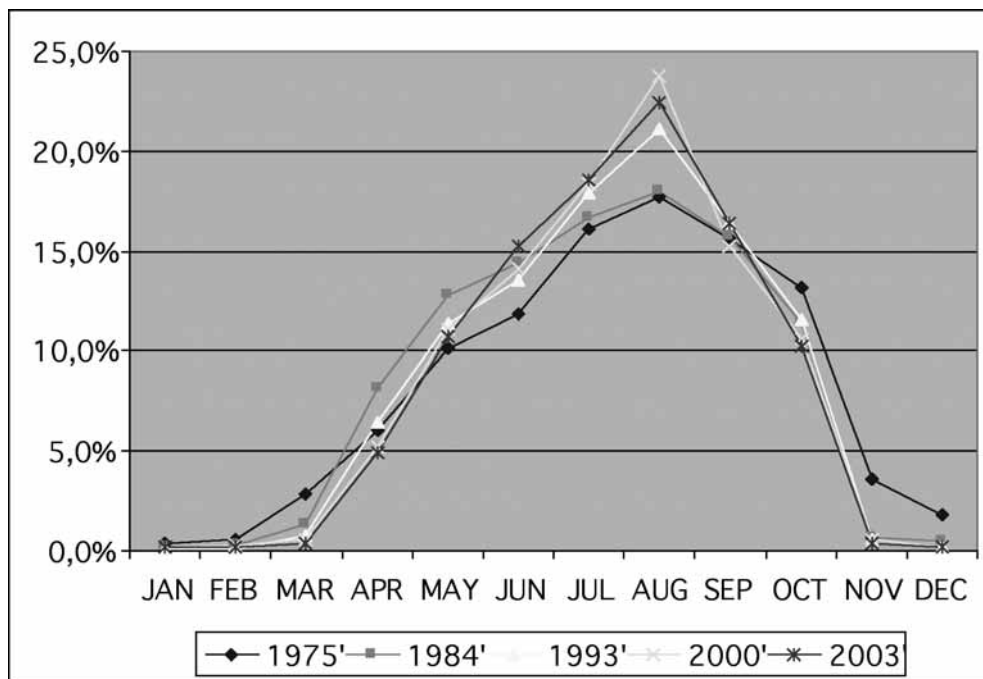
There has been a continuous intensification of **seasonality** in tourist traffic on Rhodes over the last decades (Figure 2). The share of the summer months (June-September) of total tourist traffic has been steadily growing since the 1970s. For instance, 61.3% of all overnight stays at the hotels of Rhodes were registered during these four months in 1975. This share grew to 64.7% in 1984, to 68.9% in 1993 and finally reached 72.6% in 2003 (Table 1). This worsening situation is in contrast with other Mediterranean destinations such as Spanish and Turkish resorts that have managed to achieve a smoother seasonal distribution of tourist traffic.

**Table 1:** Share of overnight stays at hotels operating on Rhodes registered for the period between June and September as a percentage of total annual overnight stays for selected years

Year	Share of overnight stays for the period between June and September
1975	61.3%
1984	64.7%
1993	68.9%
2000	71.4%
2003	72.6%

Sources: National Statistics Service of Greece/Greek National Tourism Organisation, Rhodes Hotel Association, Logothetis 1992

**Figure 2:** Monthly share of overnight stays at hotels operating on Rhodes for selected years



Sources: National Statistics Service of Greece/Greek National Tourism Organisation, Rhodes Hotel Association, Logothetis 1992

The rising seasonality is accompanied by a dropping average length of stay on Rhodes (Table 2). Tourists made on average 8.3 overnight stays in Rhodian hotels in 2001, significantly

lower than the 9.7 overnight stays in 1991 and the 9.9 overnight stays in 1981.

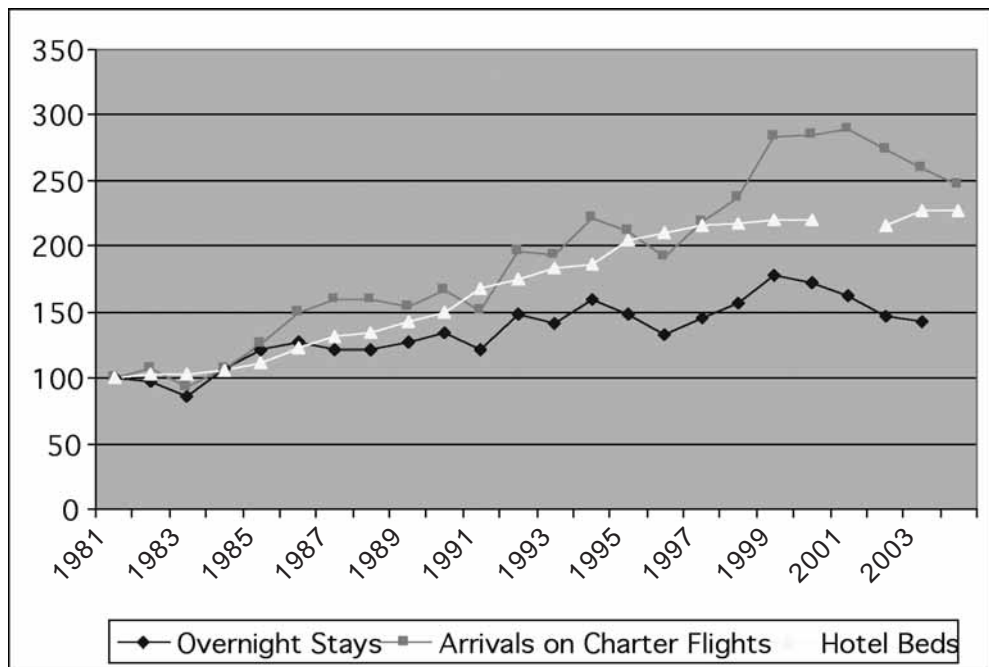
**Table 2:** Average number of overnight stays at the hotels of Rhodes for selected years

Year	Average number of overnight stays
1981	9.9
1991	9.7
2001	8.3

Sources: National Statistics Service of Greece/Greek National Tourism Organisation, Logothetis 1992

The dropping average length of stay is coupled with a relatively faster development in tourist arrivals compared to overnight stays over the last three decades. In addition, hotel bed capacity has been steadily outgrowing overnight stays since 1987, as is shown in Figure 3.

**Figure 3:** Comparative development of overnight stays at the hotels of Rhodes, arrivals on charter flights and hotels beds for the period 1981-2004 (1981 = 100)



Sources: National Statistics Service of Greece/Greek National Tourism Organisation, Rhodes Hotel Association, Hellenic Civil Aviation Authority, Logothetis 1992

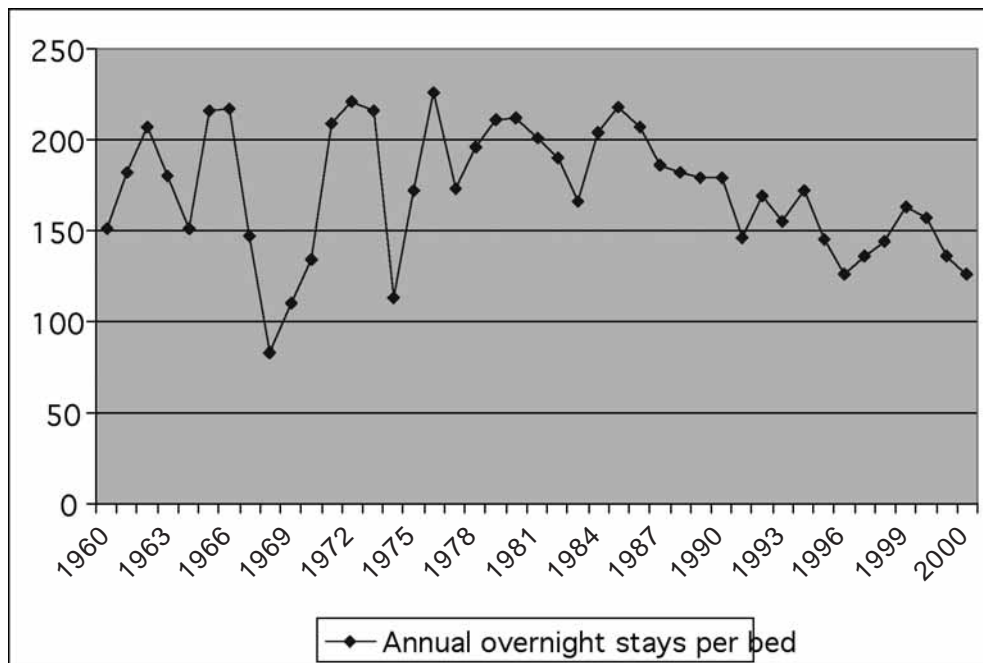


These developments have led to a growing **underutilisation of hotel capacity** on Rhodes attributable to:

- dropping visitor numbers
- dropping overnight stays
- increasing seasonality
- a drop in the average length of stay
- a comparatively faster growth in hotel bed capacity than overnight stays.

The growing underutilisation of hotel capacity is highlighted in Figure 4, showing the annual overnight stays per available hotel bed. A continuous drop in overnight stays per hotel bed has been registered between 1999 and 2003, with the respective numbers falling from 163 to 126 overnight stays, much lower than the overall average of 173 overnight stays for the period 1960-2003. This number used to exceed 200 overnight stays until the late 1980s, a period characterised by frequent overbookings. The highest performance was recorded in 1976 with 226 overnight stays per bed, almost twice as much as in 2003.

**Figure 4:** Annual overnight stays per available hotel bed



Sources: National Statistics Service of Greece/Greek National Tourism Organisation, Greek Chamber of Hotels, Rhodes Hotel Association, Logothetis 1992

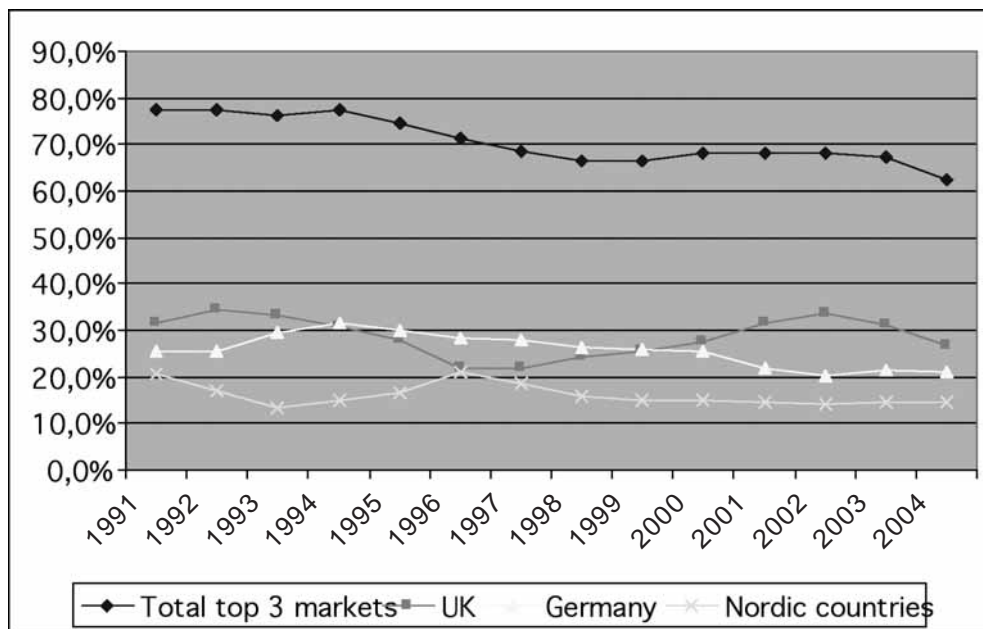
**Table 3:** Arrivals on charter flights in Rhodes from major source markets

Country of origin	Arrivals on charter flights in 2004	Maximum number of arrivals on charter flights for any year	Year with maximum number of arrivals	Change 2004/year with maximum number of arrivals (%)
UK	312 245	431 481	2002	-27.6%
Germany	244 252	344 521	1999	-29.1%
Nordic countries	171 172	202 374	1999	-15.4%
Italy	114 797	114 797	2004	0.0%
Austria	78 540	78 540	2004	0.0%
Netherlands	52 196	71 096	2000	-26.6%
Belgium	40 566	44 046	2003	-7.9%
Poland	23 977	23 977	2004	0.0%
Israel	23 031	101 188	1999	-77.2%
Switzerland	20 160	35 094	1998	-42.6%
Slovakia	15 936	16 135	1999	-1.2%
Czech Republic	15 285	20 969	1997	-27.1%
France	13 937	16 809	2003	-17.1%
Hungary	8 318	12 282	1998	-32.3%

Source: Hellenic Civil Aviation Authority

An overview of the source markets shows the drop in visitors from the three major markets of Rhodian tourism. Arrivals from the UK, Germany and Nordic countries fell in regard to both absolute numbers and their share among total arrivals, dropping as much as 29.1% over the last years (Table 3 and Figure 5). The combined share of the top-three markets fell from 77.3% in 1994 to 62.6% in 2004, their lowest in the history of Rhodian tourism. However, British tourists had a record year quite recently, when they achieved a share of 33.5% of total arrivals on charter flights in 2002.

**Figure 5:** Share of arrivals on charter flights from the UK, Germany and the Nordic countries among total arrivals on charter flights in Rhodes for the period 1991-2004

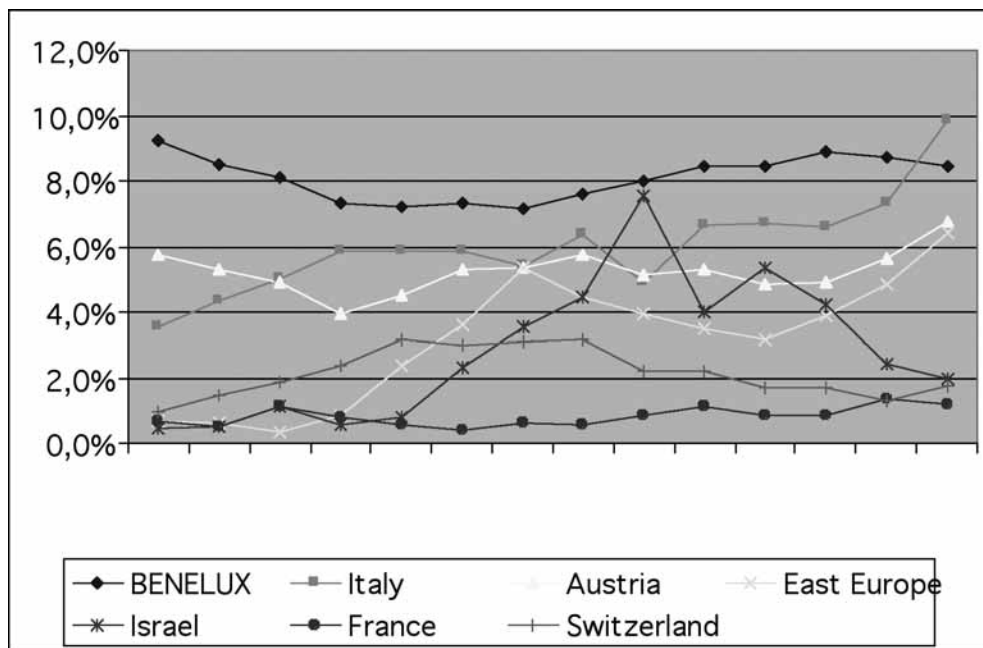


Source: Hellenic Civil Aviation Authority

At the same time, several secondary markets of Rhodian tourism were witnessing significant growth. As shown in Figure 6, tourists from Italy, Austria and East Europe peaked in 2004. Italians almost tripled their share from 3.5% in 1991 to 9.9% in 2004. The share of tourists from France and the BENELUX countries also had a rising trend in recent years and none of the secondary markets – with the exception of Israel and Switzerland – had fared worse than the top-three markets.

Another growing source market for Rhodes was Greek tourists. Their share of total overnight stays at hotels on Rhodes grew from 6.1% in 1999 to 8.8% in 2004 (source: Rhodes Hotel Association).

**Figure 6:** Share of arrivals on charter flights from selected countries among total arrivals on charter flights in Rhodes for the period 1991-2004



Source: Civil Aviation Authority

The aforementioned readily available statistics and simple calculations made, present a DMO with input that is useful for marketing planning and budget allocation purposes. However, according to the interview findings and a review of the action plans of all regional tourism actors, none of the organisations involved in marketing Rhodes on the tourism market has used this very basic market analysis in its decision-making process (Koutoulas 2005b). These DMOs active at the local, prefectural and regional level do not employ professional marketing skills and do not engage in strategic marketing planning.

For instance, PROTOUR, the local DMO of Rhodes has been formed by all of the island's municipalities and professional associations. Financed in part through a local tax, PROTOUR has an annual budget that has been exceeding the 1 million Euro mark for several years now. Its staffing is limited to a part-time employee. Recently, PROTOUR has started working with PR agencies in Germany and the UK. No professional marketing planning has been made and the plans decided by its board do not exceed a 12-month period. There is no strategy in place to guide the actions of this DMO or to evaluate results and the effective use of funds.

PROTOUR has been spending most of its funds on promotion in the two major source markets of Germany and UK. Funds were used mainly for printing brochures and participating in travel trade fairs as well as for occasional ads.

As was shown by the research findings, no targeted marketing activities have been conducted aiming at attracting specific market segments in the major markets. No systematic effort has been made to develop the secondary markets. No systematic effort has been made to attract individual tourists at a time when Rhodes is totally dependent on tour operator-generated business. Following several failed marketing campaigns to attract out-of-season tourism during the 1990s, no effort is being made to decrease seasonal fluctuations.

Interviews among board members of PROTOUR revealed that many of them are satisfied with the current situation and that they do not expect better results from the funds.

## RECOMMENDATIONS AND CONCLUSIONS

Basic destination performance analysis as has been presented above has not been utilised to support the marketing planning process of the local DMOs of Rhodes. The following **discrepancies** between this destination performance analysis and the actual marketing activities of the island's major DMO have been identified (Koutoulas 2005b):

- Marketing funds have been spent mostly on the declining markets of Germany and the UK.
- Source markets with a significant potential for the tourism of Rhodes were ignored, as there has been no market research and analysis.
- Promising markets such as the conference and incentive travel market have not been dealt with in a professional manner.
- Marketing funds have been spent on activities that are irrelevant to the objective of growing the market in a measurable and sustainable way.
- Pressing problems of the destination's tourism industry such as increasing seasonality, dropping capacity utilisation in the accommodation sector and overdependence on tour operator-generated tourist traffic were not addressed.
- There has been no product development activity in order to face the high seasonality and the underutilisation of hotel capacity.

In order to support the marketing task of DMOs in situations similar to the one of Rhodes, the following **Destination Performance Analysis Tool** is proposed. The aim of this tool is to assist DMOs with limited strategic marketing know-how in easily analysing and diagnosing basic market conditions. This tool based on market data that is usually readily available at no cost, will support strategic planning, budget allocation and performance measurement. However, considering the kind of readily available market data, only very basic market

segmentation can be performed based mainly on country of origin. More sophisticated market segmentation requires conducting additional market research.

The proposed **Destination Performance Analysis Tool** is aimed at supporting the marketing task at the local or regional level with some very basic input. It is not appropriate for national tourism marketing whatsoever, as the latter's requirements for sophistication and complex analysis cannot be met by this tool.

The proposed **Destination Performance Analysis Tool** consists of two modules:

#### ***Data Collection Tool***

A database should be created comprising data for as many years as possible that must be constantly updated with newer data. Data covering several decades will help understanding trends in tourist traffic and detecting the phases in a destination's life cycle. Organising collected data in simple Excel sheets is sufficient for further analysis and evaluation. Data categories include:

- Arrivals per months and per place of origin at points of entry (e.g. airports, ports, border crossings, train stations etc.)
- Arrivals per month and per place of origin at commercial accommodations (e.g. hotels, camp sites, apartments etc.)
- Overnight stays per month and per place of origin at commercial accommodations (e.g. hotels, camp sites, apartments etc.)
- Occupancy rate of commercial accommodations (e.g. hotels, camp sites, apartments etc.)
- Average daily room rates charged at commercial accommodations (e.g. hotels, camp sites, apartments etc.)
- Tickets sold or attendance of major tourist attractions per month (e.g. museums, theme parks, national parks, festivals etc.)
- Tourism-related incoming bank transfers

The collection of this data may be either through secondary research (by collecting published reports and statistics) or through primary research (by sending a questionnaire to hotels, visitor attractions etc.).

#### ***Data Analysis Tool***

The following key **Destination Performance Indicators** should be calculated and constantly updated provided that the corresponding primary data has been collected:

- Tourist arrival curve (measuring arrivals at points of entry or at accommodations)
- Overnight stay curve
- Accommodation occupancy rate curve
- Tickets sales/attendance curve

- Average length of stay (for the overall market as well as per country or place of origin)
- Share of source markets in arrivals (per country or place of origin)
- Share of source markets in overnight stays (per country or place of origin)
- Seasonal distribution of arrivals (at points of entry or at accommodations)
- Seasonal distribution of overnight stays
- Seasonal fluctuations in accommodation occupancy rates
- Seasonal fluctuations in average room rates charged at commercial accommodations
- Seasonal distribution of ticket sales or attendance at major tourist attractions
- Revenue per available room – revPAR (calculation based on occupancy and average room rate charged at commercial accommodations)

Analysis of these key indicators will provide useful information concerning:

- Development of tourist traffic per country or region of origin
- Market segmentation in its most basic form by spotting declining and emerging markets as well as more or less attractive markets according to country or place of origin
- Seasonality trends
- Performance of local businesses (accommodations, visitor attractions)
- Early warning on trends that will negatively affect the destination
- Results of marketing activities and efficiency of spent marketing funds

This kind of analysis may help, for instance, to immediately spot the more attractive source markets in regard to seasonality and length of stay and to direct marketing funds accordingly. It also helps in immediately detecting negative developments and in taking corrective action when necessary.

In short, the application of the Destination Performance Analysis Tool and the constant monitoring of the Destination Performance Indicators will assist those local or regional DMOs lacking advanced marketing know-how and appropriate staffing. This easy-to-apply, low-cost method of market analysis will support their decision-making process in matters such as target markets and marketing budget allocation and help them become more effective in marketing their destinations.

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# Measuring of the attractiveness and intensity of tourism in tourist destinations in the Czech Republic

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## ABSTRACT

To be able to manage and develop tourism and to assess the importance of individual towns, micro-regions and regions, we need an unbiased method for the evaluation of a tourist destination from various points of view. The tools for the evaluation of the influence of tourism on a municipality, a micro-region or a region should, in our opinion, include the attractiveness of a tourist destination (ATD). To determine the ATD, we used results of primary marketing research carried out among tourists in individual tourist regions in the Czech Republic. We defined the ATD from the average distance of the tourists' place of residence from the destination, the average number of tourists and visitors per day in the given region and the number of days spent in the destination. This paper has confirmed the possibility of using the ATD for complex evaluation of the degree, type and intensity of tourism in the researched destinations. It proved to be true that the ATD calculated from non-economic data significantly correlates with economic benefits of tourism in the given destination.

**Key Words:** Attractiveness of a tourist destination, Czech Republic, monitoring of visitors, economic benefits of tourism, quantitative marketing research.

## INTRODUCTION

Tourism has become a significant phenomenon in our age and an important aspect of economic policy of many regions. There are various methods to evaluate the benefit of tourism from the economic point of view, such as the payment balance of the state, the creation of direct job openings and indirect support provided by this field to other fields of economic activity. The importance of tourism also overlaps with the non-economic sphere; it contributes to the creation of the image of the state abroad and encourages cooperation of individual tourist destinations in various countries. Therefore, the competitiveness of tourist destinations has often been researched with the aim of identifying the attractiveness of a tourist area. Destination attractiveness can be defined as a combination of the relative importance of individual benefits and the perceived ability of the destination to deliver individual benefits<sup>10</sup>. The dimensions of destination attractiveness consist of core and augmented attributes<sup>15</sup>. In previous tourism research, the core dimension of cultural attractiveness included various heritage resources<sup>14</sup>, such as history, music, paintings, folklore, and special events<sup>12</sup>. In contrast, the augmented dimension represented functional and physical attributes that usually influence visitors'

evaluation of the core attributes. These included accommodation and catering facilities, transportation, guiding and other auxiliary services, environmental management accessibility, quality of service, affordability or climate. Thinking of destination attractiveness as a collection of functional attributes might, however, be rather limited in the context of cultural tourism experiences because they depend as much on the setting as they do on its symbolic significance<sup>13</sup>. Several authors have suggested that places were best understood by focusing on their symbolic meaning<sup>12,16</sup>. Nevertheless, physical attributes of destinations continued to be important to legacy tourists<sup>11</sup>. Previous studies suggest that the attractiveness of cultural destinations includes learning, awareness and understanding of other cultures, cultural exchange, and stronger cultural identity for visitors with cultural background different from that of the hosts<sup>7,8</sup>. For visitors with the same cultural background as the hosts', the attractiveness of a destination depends on aspects like family bonding, community pride, and ethnic identity<sup>6,9</sup>.

In general, we can say that destination attractions are tourism supply factors, which represent the driving forces generating tourism demand<sup>17</sup> and also primary sources or determinants of measuring destination attractiveness<sup>10</sup>. Another measurement of a destination's competitive position relative to other destinations is estimated along seven attributes – facilities, accessibility, quality of service, overall affordability, location image, climate and environment, and attractiveness<sup>18</sup>. The tourism industry recognizes the need to maintain its main assets, for example the attractiveness of destinations. While it is now generally recognised that tourism will be a successful industry only if it is managed in an ecological and sustainable manner, some efforts are still needed to move towards a broader and more integrated approach to the tourism development<sup>19</sup>. Another way how to measure the attractiveness of a location is to view it from the quantitative point of view. And this was the subject matter of the research presented in this paper.

Sometimes statements about the attractiveness of a tourist destination expresses only a personal opinion of a speaker, and is free of any unbiased criteria used for the determination of the extent of attractiveness. The subjective understanding of the attractiveness of a tourist destination by its visitor is very significant; nevertheless, the potential of a destination is also influenced by a number of physical factors. Tourism is a certain type of service, and like other commodities and services, it fulfils its customers' needs. Therefore, what we can influence is the quality and type of the provided services and the range of additional services which increase the attractiveness of the basic product or service.

The basic step in the determination of the attractiveness of a tourist destination in our research was the determination of the number of visitors. On the border of a municipality or a region there are no "border controls" where visitors could be counted. Therefore, we have to take advantage of an indirect method, which means that we carry out marketing research and ask visitors to a certain destination whether they visited a certain place of interest and whether they stayed overnight in the region. Results of such marketing research can show us the

number of visitors and their structure (tourists staying for more days, one-day-visitors, people on business trips etc.)

### **THE USE OF MONITORING FOR THE CALCULATION OF THE ATTRACTIVENESS OF TOURIST REGIONS<sup>4</sup>**

To determine the attractiveness of tourist regions, we used results of primary marketing research carried out among tourists in individual tourist regions in the Czech Republic<sup>1,2,3</sup>. Such division of the Czech Republic is not identical with its administrative regions; individual tourist regions form geographic units with similar places of interest.

When estimating the number of tourists, we used the data about the number of tourists in individual regions of the Czech Republic published by the Czech Statistical Institute based these figures on the numbers of people accommodated in hotels and similar facilities. Monitoring enabled us to determine the ratio of such tourists in individual tourist regions; from these two numbers we were able to estimate the number of tourists and one-day visitors (see table 1).

We defined the attractiveness of a tourist destination as follows:

$$\text{Attractiveness of a tourist destination (ATD)} = d * n * f / 1000 \quad /1/$$

where  $d$  is the average distance of the place of residence from the destination and  $n$  is the average number of tourists and visitors per day in the given region,  $f$  is the number of days spent in the destination. Of the number of customers and the average amount of money spent per day and person, we were able to calculate the total amount of money spent by tourists during their stay in the specific region a year.

**Table 1:** The number of visitors, ATD of individual regions and money spent by visitors

Tourist regions of the Czech Republic	Number of tourists per year accord. to the ČSÚ	Estimated number of tourists and one-day-visitors per year	General attractiveness of the region	Total amount of money spent by tourists per year in billions of CZK
Prague	3 863 989	5 926 363	65 570	28.2
Prague environs	803 835	2 734 852	12 039	4.3
South Bohemia	572 701	1 190 144	4 556	2.5
The Šumava Mountains	736 264	1 753 010	7 836	3.9
The Plzeň Region	224 038	1 061 233	889	1.1
Spas in Western Bohemia	615 805	1 031 773	5 156	4.1
North-Western Bohemia	353 122	809 327	2 048	1.2
North of Bohemia	385 572	1 013 330	1 822	1.1
The Český Ráj Region	194 251	371 350	1 023	0.7
East Bohemia	643 381	1 603 713	2 991	2.2
The Vysočina Region	392 255	952 691	2 653	1.5
South Moravia	1 282 097	2 513 508	8 132	4.3
Central Moravia	286 113	875 856	2 074	1.2
North Moravia and Silesia	993 210	2 852 000	4 706	3.8
The Krkonoše Mountains	873 056	1 568 364	4 688	5.2

ČSÚ – Czech Statistical Institute

## THE DETERMINATION OF THE ATTRACTIVENESS OF SELECTED TOWNS AS TOURIST DESTINATIONS

A group of students worked on a research task in which they determined the attractiveness of selected towns in the Czech Republic<sup>6</sup>. Towns were selected with regard to students' permanent residence. At present we have data from 14 towns and villages in the Czech Republic which have a different status on the tourist market as far as their tourist potential and the type of places of interest are concerned. The selected municipalities are of different sizes and different numbers of inhabitants. This paper introduces the results of monitoring in the following towns and villages: Jindřichův Hradec, České Budějovice, Kutná Hora, Olomouc, Přerov, Brno, Karlovy Vary, Kolín, Plzeň, Domažlice, Sušice, Kvilda, Strakonice and Nová Bystrice.

The monitoring of visitors was carried out in all the selected municipalities. We used a questionnaire which had two parts. The first part was identical for all the selected destinations, the second part of the questionnaire contained questions specific for individual destinations and its target was to discover the interest of visitors in individual local places of interest; in addition to that, students tried to estimate the number of one-day-visitors and tourists in each town. The group called one-day-visitors apparently includes people who spend less than 24 hours in the destination and who arrive either from home or from a different destination for a short trip.

The number of respondents in each town was between 200 and 300 (mostly 300) and the questionnaires were filled in throughout the year; the number of respondents in individual seasons reflected the expected number of tourists in individual seasons. It means that most people were addressed in summer. Respondents were addressed in various locations within the selected municipality, namely in places where tourists most often "appear" and they were selected randomly regardless their nationality, which enabled us to estimate the percentage of foreign visitors in the specific town. During the research, students asked the respondents where they came from and also about some aspects of their stay (the reason for their coming, how long they were going to stay in the town, whether they stayed in the selected town, or whether they stayed somewhere else in the Czech Republic and came to the town just for a short visit). The structure of visitors is apparent from Table 2.

Because we also knew the average number of days spent by individual visitors in a specific region during one stay, we were able to calculate the ATD according to equation no. 1. The results of our calculation are showed in table 3. We can see that the ATD expresses a certain "integral" quantity which describes the degree and intensity of tourism in the given destination. For example the largest number of one-day-visitors and tourists is in České Budějovice, however the ATD of Karlovy Vary is nearly three times as high, as shown in the table below. It is shown that Karlovy Vary boasts three times greater economic benefit brought by tourism than České Budějovice. The table also includes data concerning the capital city of Prague

which is a single city and an independent tourist destination at the same time. In table 3 other quantities which describe the intensity of tourism were calculated.

**Table 2:** Numbers of visitors, length of stay and distance from their residence

	Numbers of visitors			Average	
	per year	% of foreigners	per day	distance in km	number of days
Jindřichův Hradec	174 000	21	477	383	3.5
České Budějovice	577 000	47	1 581	680	2.3
Kutná Hora	210 000	52	575	1234	1.0
Olomouc	420 000	42	1 150	774	2.4
Přerov	83 000	35	227	291	2.4
Brno	525 000	29	1 454	412	4.0
Karlovy Vary	478 000	51	1 310	650	8.3
Kolín	88 000	14	241	181	0.5
Plzeň	391 000	42	1 072	612	2.2
Domažlice	21 000	16	58	94	1.8
Sušice	150 000	26	411	297	5.5
Kvilda	120 000	4	329	164	2.8
Strakonice	40 000	6	110	190	4.7
Nová Bystřice	29 000	12	79	180	3.7
Prague	5 930 000	46	77 000	883	4.7

The table below shows, among others, the “intensity of tourism“ which expresses the average number of visitors who can be met in the destination on a day related to the number of inhabitants in the destination. In this aspect, the mountain village of Kvilda is significantly different, since the determined intensity is significantly higher than in other destinations. If we relate the number of tourists to the area of the destination, then the largest density of tourists is in Prague and Karlovy Vary. The last relative quantity is the attractiveness of a tourist destination related to one permanent inhabitant of the destination. As we will show below, the ATD is connected with the economic effect brought by tourism to a destination, and in this context the smallest destinations (Kvilda, Sušice and Nová Bystřice) show the highest relative benefit per one inhabitant.

**Table 3:** The calculation of the attractiveness of a tourist destination (ATD) and the intensity of tourism

	Attractiveness of a tourist destination	No. of inhabitants in a destination	Intensity of tourism *)	Size of destination in ha	Density of tourists **)	ATD / number of inhabitants (***)
Jindřichův Hradec	640	22 700	7,4	7 427	0,22	0,028
České Budějovice	2 470	94 600	3,8	15 555	0,23	0,026
Kutná Hora	710	21 100	2,7	33 041	0,02	0,034
Olomouc	2 140	100 800	2,7	10 336	0,27	0,021
Přerov	160	46 900	1,2	5 849	0,09	0,003
Brno	2 400	367 700	1,6	23 032	0,25	0,007
Karlovy Vary	7 070	51 500	21,1	5 909	1,84	0,137
Kolín	20	29 500	0,4	3 500	0,03	0,001
Plzeň	1 440	162 600	1,4	13 765	0,17	0,009
Domažlice	10	10 800	1,0	2 461	0,04	0,001
Sušice	670	11 500	19,7	4 563	0,50	0,058
Kvilda	150	170	541,5	4 517	0,20	0,882
Strakonice	100	23 400	2,2	3 648	0,14	0,004
Nová Bystřice	50	3 400	8,6	8 174	0,04	0,015
Prague	65 570	1 170 600	6,6	49 606	1,55	0,056

\*) The average number of daily visitors per the number of permanent inhabitants of the municipality

\*\*) Average number of daily visitors per 1 hectare of the area of the destination

\*\*\*) The attractiveness of the tourist destination related to one permanent inhabitant (it actually expresses the benefit of tourism per one inhabitant of the destination).



## THE RELATIONSHIP BETWEEN THE ATTRACTIVENESS OF A TOURIST DESTINATION AND ECONOMIC BENEFITS OF TOURISM.

The close correlation between the ATD and economic benefits of tourism for a destination has been documented in our previous work<sup>5</sup>. The data about the cost of tourists' stays is rather distorted, since it is not easy for visitors to estimate their expenses accurately. It can be very difficult to answer the following question "How much did you, on average, spend during your stay on accommodation, food and other things per day?", if we consider that the respondent often travels with all his family and stays in various places. His/her expenses can vary significantly on individual days.

Therefore, we used data from both the researches (regions and towns) to determine the correlation between average expenses (which influence the sales of local businessmen) and the ATD. It means we had a total of 29 pieces of data obtained for regions, large towns and smaller villages. Moreover, the data for Prague differ significantly from data obtained for other destinations since nearly three fifths of all foreign tourists visit only Prague and its environs reachable during a one-day trip. Therefore, we calculated the correlation including Prague and excluding it. Since the equations differ according to the aspects we select, we attempted to find the simplest relations in which the difference between the calculated and discovered value of sales is as small as possible. We concluded that the economic benefits (expressed as the sales of service providers) of tourism for the given destination can be calculated from the following relationship:

*economic benefit of tourism for the specific destination (in mil. of Euros/year) = 0.019 ATD /2/*

Two specific examples: the benefit of tourism for Prague is approximately Euros 1 billion a year, and for Karlovy Vary the value is Euros 0.2 billion a year.

## CONCLUSIONS

The paper summarizes the information regarding the utilisation of quantitative marketing research for the purpose of determining the attractiveness of a tourist destination (ATD). To determine the ATD, we used the results of visitor monitoring in fifteen tourist regions of the Czech Republic during 2005, and in addition to that, we used data from research carried out in fourteen municipalities (towns and villages) in the Czech Republic during 2005. Due to the fact we used a standardized questionnaire and a standard method of monitoring, we were able to compare the character and intensity of tourism in selected destinations. The basic pre-requisite for the quantitative assessment of the intensity of tourism in the given location is the estimate of the number of visitors. The method of estimating the number of visitors has been described above. The results of the monitoring and the estimate of the number of visitors enabled us to determine the ATD. This paper has confirmed the possibility of using the ATD for complex evaluation of the degree, type and intensity of tourism in the researched destinations. Beside ATD, values characterizing the intensity of tourism related to the number of inhabitants or the

size of the destination were calculated. Future research will focus on the determination of time lines of ATD measurement for selected destinations and the application of this method for the evaluation of selected destinations abroad in cooperation with our partners. We will also focus on more precise estimates of the number of visitors to individual destinations. This method can be used to measure the attractiveness of individual events organised in a destination (festivals, sports competitions, congresses etc.).

It is important for people who are in charge of the management and marketing of a tourist destination to obtain feedback when they make marketing decisions or decisions regarding changes in destination image. It is becoming apparent that the ATD could be a suitable tool for the comparison of various destinations, or it could be used to determine the changes of ATD in time. It has been shown that the ATD calculated from non-economic data significantly correlates with economic benefits of tourism in the given destination.

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# Timeshare in Greece, an investigation of the causes for its unsatisfactory development

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## ABSTRACT

This paper aims to examine and present in an analytic way causes and conditions which inhibit the satisfactory growth of Timeshare in Greece up to day. Its working hypothesis is that Timeshare's growth in Greece is insignificant. The method applied to support this hypothesis and to identify and record the causes in question consists of an extended review of the Timeshare literature as well as of research conducted by means of a questionnaire sent to all Greek Timeshare enterprises. The results of the research procedure shed light to the principal reasons of the unsatisfactory development of Timeshare in Greece.

**Key words:** Timeshare, Greece, tourism, tourist development

## INTRODUCTION

Timeshare is a modern tourist product, the rapid international growth of which turned it to one of the most dynamic products associated with holidays and recreation. It satisfies the essential needs of the modern tourist, namely reliability, flexibility and long-term value in holiday options (W.T.O., 1996). The vital elements of tourist supply (e.g. accessibility, regional attractions, lodgings) influence directly the Timeshare market and its operation (Stavrinoudis, 2004). Critical elements for the success of the product are the legislation regulating the rights and obligations of Timeshare owners and the degree to which the latter are protected from illegal acts (Tasiana, 2005).

Despite the international development of Timeshare, the product was not innocent of malfunctions and problems. International literature records the existence of a number of factors inhibiting the products' development. A substantial number among them were of legal nature (e.g. mortgages, absence of valid title deeds). In certain cases, the problems were associated with the lodgings' construction and their standards, while in many countries serious problems arose from the application of aggressive and often misleading selling techniques which created an international negative image of the product (Sanchez and Sorsa, 2001; Euthumiatou-Poulakou, 2003; Nash, 1997; Downes, 1995). In many cases the real value of the product as well as its cost were not clearly indicated to prospective buyers. These problems often contributed to

the emergence of local problems and weaknesses which in their turn forbade a substantial development of the product (Pantazis, 2003; Rezak, 2002).

The international development of Timeshare almost passed Greece by, despite encouraging initial predictions. The local timeshare market saw, during the last twenty years, limited growth concerning its essential components (number of resorts, number of owners etc.). The components in question fell short compared to their counterparts in other tourist competitive countries (Spain etc.).

## **METHODOLOGY**

The working hypothesis of this paper is that Timeshare's growth in Greece is insignificant. In order to verify and support the hypothesis in question the first step was to gather and analyze quantitative data of the products' development in the country. Secondly, a scientific investigation of the causes and conditions leading to the unsatisfactory development of the product in Greece was conducted by means of an extensive review of the Timeshare literature. The examination of legal, corporate and financial parameters of Timeshare's development in Greece gave birth to the first estimations-assumptions concerning the unsatisfactory aspect of the latter and its causes. The principal research question took shape out of these estimations-assumptions. A constructed questionnaire was composed, including questions seeking to test on the one hand the veracity of the assumptions and estimations and on the other to identify the products' weaknesses and the causes which obstructed its satisfactory development. The research was conducted in the period from March to July 2003. The questionnaires were sent by the Post to the senior managers of all enterprises active in the Greek Timeshare sector at the time. On the whole, 60 questionnaires were sent, of those, 38 were returned filled in, and, out of them, 36 were proven usable.

## **TIMESHARE IN GREECE, EVIDENCES FROM ITS UNSATISFACTORY DEVELOPMENT**

Timeshare was introduced in Greece with the provision of Law 1652/86, which was on the one hand an attempt to adopt the modern and internationally prevailing perceptions concerning the tourist market, and, on the other, a means for palliating the weaknesses of Greek tourism and Greek hotels in particular. The legal frame as regards Timeshare was completed with the Ministerial Decision no. 9953/11/15.12.87 and the Presidential Decree no 182/25.08.99 which implemented the Community Directive 94/47/EC in the National Law (Euthimiatou-Poulakou, 2003).

According to the data referring to the year 2003, in Greece, 13.000 Greek and 9.000 foreign families have acquired Timeshare, while only 42 resorts (most of them located in well established- popular tourist destinations) are affiliated to R.C.I. Greece exchange system. The members of R.C.I. Greece have acquired rights mainly in Greece and, at a lesser degree, in

the Canary Islands, Spain and Cyprus (Source: Union of Greek Timeshare Enterprises, R.C.I. Greece). It is clear that Greeks prefer to buy Timeshare in Greece, since the domestic demand is strong even at the exchanges level. Foreign owners of Timeshare in Greek resorts, who are also members of R.C.I. Greece, are of various nationalities, the United Kingdom being the predominant country of origin followed by other tourist generating countries such as Sweden, Germany and France.

From the aforementioned data it is clear that tourist demand and consumption incited by Timeshare at the national level are minor compared to the total annual tourist demand (14 million arrivals of foreign tourists in 2003). It can judicially be claimed that the presence of Timeshare in the context of Greek tourist product has not contributed considerably to the growth of Greek tourism, nor has it substantially achieved its objectives and even less has it matched the expectations raised during the first stages of its development in the country.

### **THE REASONS OF TIMESHARE'S UNSATISFACTORY DEVELOPMENT IN GREECE**

It is of great interest the investigation of the causes and conditions that led to the low demand for Timeshare purchase in Greece and to the limited infiltration of the product among Greek hotel owners. They are indeed paradoxes in need of clarification, since Greece, which failed, until now, to achieve a satisfactory development of the Timeshare product, happens to be one of the most important tourist destination countries worldwide.

In Greece the legislative interventions functioned rather as obstacles to the free growth of the business action. The Greek legislator classified Timeshare as "lease" rather than shared-ownership. The Greek legislation's shortcomings are indeed confirmed by the research involving Timeshare enterprises, since 77,8% of the companies questioned pointed to the need for improvement in this field. Simultaneously, the late adoption of the Community Directive no 94/47/EC granted a considerable extension to the period of insufficient control over the market, generating a negative climate and favouring the sense of insecurity felt by prospective purchasers (Manikis, 1998).

The fact that only hotels and tourist complexes which meet specific requirements could be integrated in the Timeshare system hindered the potential spread of the product in the secondary residence. 54,3% of the enterprises questioned, answered that the nature of the product allows its adaptation to sectors such as the secondary home. And yet, up until now, Timeshare has failed to expand to this vacation form. At the same time, the regulation for inclusion of only a percentage of lodgings beds into Timeshare had a restrictive effect as it did not allow for the introduction of hotels which would have specialized and operated exclusively in Timeshare and also played a prohibitive role in the inclusion of small capacity lodgings (Asiminaki, 1997; Zacharatos et al., 1992).

The majority of Greek lodgings integrated in Timeshare are situated in coastal regions and are based on the mass tourism model. They operate primarily during the aestival period thus limiting the number and quality of offered facilities-amenities, a fact responsible for their diminished competitiveness. The fact that Greek Timeshare lodgings dispose of an average of only 35 saleable weeks per year is indicative of their limited capacity of intervals.

The tendency to consider Timeshare as a crutch for financially-challenged hotels which can thus cover their obligations to the banks became one more obstacle in the course of the product. Characteristically, 23,5% of the enterprises questioned, as to the conditions which led them to the decision to integrate Timeshare, mention the economic and tourism recession. As far as the benefits of enterprises active in the Timeshare sector are concerned, 61,8% name the increase of money flow and related advantages.

The lack of businessmen disposing of the necessary know-how generated administrative problems in the operation of resorts and, as a consequence, ended up offering low quality services. Moreover, the Greek Timeshare enterprises have until now failed to collaborate in view of their common objectives. The Greek Timeshare market was marked by a real absence of management, consulting and resale companies. 77,8% of the enterprises which responded to the questionnaire deem the absence of resale companies as important and their development necessary.

The limited number of Timeshare enterprises in Greece is also responsible for cutting down considerably their abilities to secure financing. The fact that only 3 enterprises employed external funding to make new investments during their introduction in the Timeshare sector is worth mentioning. The development of Timeshare was also negatively affected by the lack of motives for businessmen who might have been interested in integrating their resorts in the Timeshare system, as well as by the absence of measures, which would facilitate the financing schemes for prospective purchasers (Stavrinoudis, 2004).

In parallel, the cost of marketing and promoting Timeshare is particularly high, in some cases reach 45% of the sale value of a specific interval. It is worth noting that according to 17 out of the 36 enterprises, the high cost of marketing and promotion is one of the essential problems of Timeshare in Greece. At the same time, hotel owners feel insufficiently protected from salesmen employing illegal practices, a proof of which lies in the fact that 25 enterprises suggested modifications of the existing legislation so as to secure market control and protection of hotel owners from marketing companies.

The bad reputation of Timeshare internationally accompanied the product in Greece, a country where there was no shortage of unscrupulous "professionals" who by seeking fast profits damaged the product. The sales companies used a great variety of selling techniques, a number of which were quite costly (Themelidis, 1996). This led to a justified, up to a certain degree, reserve, emitted by hotel owners and prospective Timeshare owners alike. When Timeshare

enterprises asked to express their estimations on the principal factors obstructing Timeshare growth in Greece, 86,1% of them point to the fact that the public is sketchily informed. Of special interest is also the fact that 66,7% mentioned the presence of amateurs in the market as a problem of capital importance.

The growth of Timeshare in Greece was supported mainly by domestic demand. However, the temperament of Greeks as vacation buyers does not agree with the vacation model advocated by Timeshare. The questionnaire data reveals that 12 out of the 36 companies involved consider the Greek mentality and the way Greeks perceive their vacations as one of the principal reasons of the unsatisfactory development of Timeshare in the country. The Greek propensity to traditional forms of ownership deters Greeks from becoming familiar with and eventually from adopting the “Timeshare idea” (Stavrinoudis, 2004).

The small number of non-resident Timeshare owners, the majority of whom comes from countries which have been sources of tourists for Greece all along, limits the Timeshare effort towards the enhancement and differentiation of the country’s tourist product. It also underlines the failure to bring forth any essential changes concerning the economic impacts of tourism on the country as well as the desired differentiation in the way of production and diffusion of the offered product.

## CONCLUSIONS

The study of Timeshare and its distinctive features in Greece is a subject not devoid of interest, since Greece has yet to witness a success in proportion to the international standards. Timeshare is actually still going through a long-lasting phase of recession as regards integrated enterprises, number of owners and sales volume. Given that Greece is a classic and internationally recognized tourist destination, in which the product was imported consciously and with all due legislative care taken, it is of some importance to determine the causes and conditions which did not allow the fulfillment of the product’s promises.

In conclusion, the reasons of the unsatisfactory Timeshare growth in Greece can be summarized as follows:

**Institutional reasons**, pertaining to the Greek Law and the way Timeshare legislation was adapted in order to match the existing national legal frame. The institutional frame that regulates Timeshare in Greece imposed a number of restrictions, which influenced negatively the growth of business action. The goals set for Timeshare were also to a certain degree mistaken, as far as the role of the new product in the context of Greek tourism is concerned.

**Operational reasons**, with regard to the way integrated enterprises functioned and more importantly the familiarization with the product and the market. Greek businessmen did not pay adequate attention to the product, declined essential collaboration with other enterprises,



treated the product in an amateur way, applied wrong and inadequate marketing techniques and failed to identify the target market.

**Endogenous reasons**, concerning Timeshare shortcomings, its price and the economic requirements it entails, its multidimensional and complex nature and, it goes without saying, the international negative image.

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# GEOTOUR 2006

*Košice, Slovakia*  
*5 - 7 October 2006*

## FOREWORD

The 5th International GEOTOUR Conference in Košice was devoted to a subject that is much discussed in Slovakia, but where the potential of country was not really utilised – rural tourism development. During the last decades, rural communities all over Europe and their traditional lifestyle became endangered. Rural areas were traditionally the places, where due to relative closeness, adherence to traditions and the small size of the communities, the “memories of indigenous culture” could be preserved. Presently, the agricultural policy of EU, migration after employment, mass media influence, the opening up to outside influences and the orientation towards consumerism has caused that local cultural memories are being lost at a swift pace. The rural dialects get little educational support, the folk-lore gets replaced by scientific views and book-learning, the local crafts are replaced by goods purchased in supermarkets, local food is being replaced by products of food industry and thus the colour and flavour of the rural areas are being turned grey.

One of the ways to prevent the extinction of all the local, site-specific knowledge is to put back value on the traditions. Today, the perception of value is, however largely determined by external factors. If the local people find that visitors do admire their folk-lore, dresses, hand-woven goods, locally produced products as well as works of craft and art, then they would be encouraged to upkeep this knowledge and competencies.

Thus e.g. if the archaeological findings are not taken away from the excavation sites, but at least a part of them are kept in the nearby villages and together with replicas enable the establishment of small local museums, then people may develop pride in “their” historical heritage.

If the local agricultural products (food and beverage) can be marketed at local outlets, they could be made an attractive tourism product, special to a given locality. This would encourage the continuation of such production. But apart from the question of mere production, the legislation has also to support the small local producer. A small wine producer with 2-3 wine-barrel output, is not in the position to undergo all the rigorous tests needed for wines that are marketed to the public. Still, he could offer a number of visitors the hospitality of his small wine cellar, making a visit to the given area a memorable event to the tourist. But if that is illegal, he closes his treasured wine cellar exclusively to his own kith and kin, excluding the tourists.

The sites of geotouristic or mining heritage importance are usually located in a rural environment. If properly linked to rural tourism, the geotouristic part can gain further added value.

To start rural tourism, human resource development is needed together with a change of attitudes of rural inhabitants. Proper planning and future work is important, if rural tourism is to become sustainable. For all that, funding is necessary. The EU offers a wealth of addressable resources, but to manage them, grant oriented people are needed in the rural areas. The aim of the conference was to bring together specialists who can discuss and propose working solutions as well as outline problems needing solutions. The presenters shared examples of successful projects and thought together regarding solutions to outlined problems. The field trip to the Slovakian and Hungarian part of the Tokay wine growing area has shown the specific benefits of various approaches to wine production and its integration to rural tourism.

The conference aims were thus achieved. The 80 participants from 15 countries gave a new momentum to the development of rural tourism in Slovakia. We express our gratitude also to the section chairpersons, who helped to manage the flow of valuable presentations<sup>1</sup>.

Košice, 27 November 2006

G.M. Timčák  
Conference Chairman

<sup>1</sup> The list of participants can be found at [www.kgptour.tuke.sk](http://www.kgptour.tuke.sk)

# **1<sup>st</sup> Biannual International Conference “Strategic developments in services marketing”**

27 – 29 September 2007  
Chios Island, Greece

Jointly organized by:

**The UNIVERSITY OF THE AEGEAN**  
Greece

**&**

**The UNIVERSITY OF GLASGOW**  
Scotland, U.K.

in collaboration with:

**Greek Marketing Academy**

## **CONFERENCE AIM AND OBJECTIVES**

Major changes over the last thirty years have underlined the increasing importance of the service sector, for both developed and developing economies throughout the world. As a result, service industries have become increasingly competitive, motivating practitioners to seek differentiation and competitive advantage through the application of contemporary marketing practices. The marketing and management academic community around the world, responding to such a need, has recently escalated its research efforts making thus services the central focus of its interest.

The First Biannual International Conference in Services Marketing aims to provide the opportunity to discuss and update current issues on Services Marketing. The presentation of double blind refereed research papers will generate constructive exchange of approaches and international practices, leading to a critical contribution to the knowledge and originality of Service Providers. Apart from educators and researchers, the Conference welcomes the participation of practitioners in the Services Marketing sector, who wish to present their papers prepared according to academic standards. A number of academic keynote speakers will be invited so as to provide leadership and cohesion pertaining to the research topic contributions of stakeholders in the Services industries sectors.

## CONFERENCE TRACKS

The program of the Conference introduces an innovative approach, the Content Matrix in structuring the tracks: Paper's submission should be in accordance to following matrix (11 research topics X 11 service industries):

<b>Research Topics</b>	<b>Service Sectors</b>
• <i>Research Modeling</i>	• <i>Financial Services</i>
• <i>Consumer Behaviour</i>	• <i>Tourism, Travel &amp; Hospitality</i>
• <i>Service Quality – Customer Satisfaction</i>	• <i>Health</i>
• <i>Product Policy – Branding</i>	• <i>Transport and Shipping</i>
• <i>e-Marketing – Distribution Channels</i>	• <i>Retailing</i>
• <i>CRM and enabling Technologies</i>	• <i>Sport</i>
• <i>International Services Marketing</i>	• <i>Education</i>
• <i>Pricing</i>	• <i>Professional Services</i>
• <i>Promotion</i>	• <i>Telecommunications</i>
• <i>Internal Marketing</i>	• <i>Arts</i>
• <i>Ethics</i>	• <i>Culture - Heritage</i>

## CONFERENCE LOCATION

Chios Island is located in North-Eastern Aegean Sea and according to many historians is the homeland of Homer. The city of Chios, situated on the eastern coast of the island, birthplace of many ship-owners, built on the ruins of the ancient and medieval city, is the administrative, economic and intellectual centre of the island.

The archaeological findings, the orthodox churches, the Byzantine monasteries and the medieval castle-villages and fortresses of the island, combined with picturesque landscapes and beaches create a unique spiritual and natural environment.

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*Conference website:* <http://www.ba.aegean.gr/sdsm>

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## NOTES FOR CONTRIBUTORS

### **Manuscript Submission Procedure:**

Manuscripts should be written as understandably and concisely as possible with clarity and meaningfulness. Submission of a manuscript to *Tourism Today* represents a certification on the part of the author(s) that it is an original work and has not been published elsewhere; manuscripts that are eventually published may not be reproduced for one year following publication in *Tourism Today*. Submit your paper, book reports and conference reports via e-mail to the Editor: Craig@cothm.ac.cy. Feedback regarding the submission will be returned to the author(s) within one or two months of the receipt of the manuscript. Submission of a manuscript will be held to imply that it contains original unpublished work not being considered for publication elsewhere at the same time. Each author will receive three complimentary copies of the issue. Contributors can correct first proofs, if time permits it.

### **Manuscript Length**

Full papers should be between 2,500 and 4,000 words. Research notes or case studies should be up to 1,500 words. Commentaries should be up to 1,200 words. Book and conference reviews should be 1,000 words long. Full papers and research notes should have up to six key words to indicate to readers the topic of the paper.

### **Manuscript style and preparation**

- All submissions (full papers, research notes, case studies, commentaries, and book or conference reviews) must have a title of no more than 14 words.
- Manuscripts should be double-line spaced, and have at least a one-inch margin on all four sides. Pages should be numbered consecutively.
- The use of footnotes within the text is discouraged – use endnotes instead. Endnotes should be kept to a minimum, be used to provide additional comments and discussion and should be numbered consecutively in the text and typed on a separate sheet of paper at the end of the article.
- Quotations must be taken accurately from the original source. Alterations to the quotations must be noted. Quotation marks (“ ”) are to be used to denote direct quotes. Inverted commas ( ‘ ’ ) should denote a quote within a quotation.
- Include the name(s) of any sponsor(s) of the research contained in the manuscript.
- Tables, figures and illustrations are to be included in the text and to be numbered consecutively (in Arabic numbers) with the titles.

- Tables, figures and illustrations should be kept to a minimum.
- The text should be organized under appropriate section headings, which, ideally, should not be more than 500 words apart. Section headings should be marked as follows: primary headings should be typed in bold capitals and underlined; secondary headings should be typed with italic capital letters. Authors are urged to write as concisely as possible, but not at the expense of clarity.
- Author(s) are responsible for preparing manuscripts which are clearly written in acceptable, scholarly English, and which contain no errors of spelling, grammar, or punctuation. Neither the Editor nor the Publisher is responsible for correcting errors of spelling or grammar.
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### **Manuscript Presentation**

For submission, manuscripts of full papers, research notes and case studies should be arranged in the following order of presentation:

- *First page*: title, subtitle (if required), author's name and surname, affiliation, full postal address, telephone and fax numbers, and e-mail address. Respective names, affiliations and addresses of co-authors should be clearly indicated. Also, include an abstract of not more than 150 words, acknowledgements (if any), and up to 6 keywords that identify article content.
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### **Reference Style**

In the text, references should be cited with parentheses using the “author, date” style - for example (Ford, 2001; Jackson 1998, 2002). Page numbers for specific points or direct quotations must be given. The Reference list, placed at the end of the manuscript, must be typed in alphabetical order of authors. The specific format is:

- *For journals*: Tribe, J. (2002) The philosophic practitioner. *Annals of Tourism Research*, 29(2), 338-357.

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- *For books and monographs:* Teare, R. and Ingram, H. (1993) *Strategic Management: A Resource-Based Approach for the Hospitality and Tourism Industries*. London, Cassell.
- *For chapters in edited books:* Sigala, M. and Christou, E. (2002) Use of Internet for enhancing tourism and hospitality education: lessons from Europe. In K.W. Wober, A.J. Frew and M. Hitz (Eds.) *Information and Communication Technologies in Tourism*, Wien: Springer-Verlag.
- *For reports:* Edelstein, L. G. & Benini, C. (1994) *Meetings and Conventions*. Meetings market report (August), 60-82.

