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CONTENTS

Tourist guides are in direct contact with the tourists on the group package tours. They play an important role in creating tourist experience and the perception of a destination and travel company. For that reason, the purpose of this study was to determine customers' perceptions of service provided by tourist guides in group package tours which were organized by Serbian travel agencies. Research model used 16 items of service quality which were grouped into four dimensions. The paper provided results and indicated the items of tourist guide service quality that should be improved. Further, it was explored how the four service factors were related to reputation of travel agency and word-of-mouth marketing. The results of regression analysis showed that dimensions of service quality of tourist guides influence the reputation of a travel agency and word-of-mouth marketing, whereby the importance of tourist guides in group package tours was again confirmed.

This paper discuss about the main issue of the environment and the initiatives taken by the tour operators in the conservation, minimization of the environmental degradation, as an undeniable fact the tourism industry is one of the major contributor of pollution. The comparative approach has been adapted from the sustainability tourism handbook by the European tourism commission is followed in the paper, different perceptions and approach taken by the tour operators towards the environmental sustainability are compared and presented. And much has already been written on the direct, physical impacts of tourism on ecosystems and host communities (Matthieson and Wall, 1982; Jenner and Smith, 1992; Price, 1995). Yet so far, only a few researchers have attempted to explore ways in which industry may be involved creatively in regulation (Poon, 1993; Goodall, 1995; Eaton, 1996), which insists on the assessment of the role of the tour operators in the environmental sustainability.

Under the neoliberal economic model promulgated by the International Monetary Fund, many countries such as Costa Rica have changed economic policy to emphasize international tourism. With the increase in tourist arrivals, tourism is considered a major generator of foreign

BOOK REVIEWS:

EDITORIAL

This is the seventeenth issue of TOURISMOS, starting its ninth year of publication. In the previous fourteen issues, our multidisciplinary journal aimed at providing a platform that supports the transmission of new scholarly discoveries in the fields of tourism and hospitality, and we have been excited about offering a platform that supports scholars in building upon intellectual treasures and advancing our understanding about various fields of research in novel and meaningful ways. Capitalising on this effort, we now focus on furthering our scope and consolidating our position in both conceptual developments and practical applications in tourism, travel, leisure and hospitality.

All research papers and case studies presented in this issue, address a number of topics namely tourism marketing, tourism planning and development, tourists' motivations and perceptions about tourism destinations, sustainable development, hotel management, the impact of country-specific macroeconomic factors on hotel chain expansion, social media in destination marketing, travel demand and economic growth, and management of special events.

Based on the previous analysis, we trust that you will enjoy reading the present issue, and we look forward to presenting you our next in autumn 2014!

Paris Tsartas
Editor-in-Chief

Evangelos Christou
Editor

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CUSTOMER SATISFACTION AND ONLINE HOTEL REVIEW EVALUATION

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In this article, we analyse the relationship between customers' satisfaction with several types of hotel attributes and reviewer's descriptive information included in online hotel reviews. In particular, we consider the possibility of a causal relationship between reviewer's descriptive information and customer satisfaction ratings. For this purpose, we construct dummy variables that represent the characteristics of reviewer's descriptive information and use them as explanatory variables in a multivariate ordered probit model. From our empirical results, we find that reviewer's descriptive information related to hotel's attributes have substantial effects on corresponding customer satisfaction. In particular, the evaluations of service and hospitality have substantial effects on all satisfaction variables.

Keywords: *Markov chain Monte Carlo (MCMC); multivariate ordered probit model; polychoric correlation; reviewer's descriptive information; text-mining*

JEL Classification: C11, C35, M31

INTRODUCTION

In the tourism and hospitality industry, many web sites offer online hotel reviews. Online hotel reviews provide tourists with several kinds of descriptive information on accommodations. Furthermore, most online hotel reviews provide reviewers' satisfaction ratings for several hotel attributes. For example, online hotel reviews on *tripadvisor.com* provide reviewer ratings on a 5-point scale for several hotel attributes: value, rooms, location, cleanliness, service, and sleep quality. Online hotel reviews describe how hotel services are good and/or poor. Further, reviewers post their descriptions and ratings of hotel services at the same time. Thus, these descriptions could be regarded as the reasons why reviewers assign a score for hotel services. Thus, in this sense, they are not word-of-mouth (WOM) information.

The present study explores which types of descriptive information in online hotel reviews affect customer satisfaction ratings by estimating a multivariate ordered probit model for reviewer satisfaction ratings. The data used in this article are taken from online reviewers' evaluations of a traditional Japanese inn. Before applying the multivariate ordered probit model, we investigate the characteristics of the contents of descriptive information in online hotel reviews. We use a text-mining tool to characterize reviewer's descriptive information, and construct dummy variables that represent the characteristics of descriptive information. These dummy variables become explanatory variables in the multivariate ordered probit model. As far as we know, there does not exist a study that utilizes reviewer's descriptive information on hotel services as explanatory variables for analysis of customer satisfaction.

The remainder of this article is organized in the following manner. In the next section, we review literature related to the current analysis. In the third section, we briefly summarize the multivariate ordered probit model employed for analysing customer satisfaction. In the forth section, we provide an explanation of the characteristics of the data used in this study, and present the empirical results of applying the multivariate ordered probit model to the unit records data for a traditional Japanese inn. Finally, in the fifth section, we provide brief concluding remarks.

LITERATURE REVIEW: ANALYSIS OF SARISFACTION

Numerous studies have been devoted to analysing customer satisfaction in the field of tourism and hospitality research; for example, Kozak (2001b), Yuksel and Yuksel (2001a, 2001b), Bowen and Clarke (2002), and Ryan and Cessford (2003) review the research on tourist satisfaction. Studies on customer satisfaction often use a *C*-point scale to measure satisfaction (Tonge and Moore, 2007, Sandvik and Grønhaug, 2007, Doğan et al., 2012). In the literature on tourism, most of the studies regarding consumer satisfaction use discrete ordinal data, considering them continuous. For example, Tonge and Moore (2007) calculated sample means of satisfaction and importance measures and found that the gap between the two means was statistically significant. Kozak (2001a) and Yu and Goulden (2006) use ordinal data in the same manner as Tonge and Moore (2007). Further, many studies employ structural equation models, which include factor analysis, to analyse tourist satisfaction (Sirakaya et al., 2004, Thompson and Schofield, 2007, Silvestre et al., 2008). These analyses often use the values of ordinal data. However, since these values only indicate the order of the degrees of satisfaction, they are meaningless per se; nevertheless, it is useful to examine the magnitude of the relation between the ordinal values. Therefore, an ordered probit model can be used for statistically analysing the data of such ordinal choices. In the existing literature on tourist satisfaction, few studies employ an ordered probit model. The studies by Oliveira and Pereira (2008) and Hasegawa (2010) are an exception. Oliveira and Pereira (2008) employ an ordered probit model to examine how the socio-demographic characteristics of tourists and the different aspects of a trip affect tourists' evaluations of 30 different aspects of a destination. In general, a multivariate ordered probit model can be employed when the questionnaire contains two or more attributes, such reviewer ratings of hotel attributes. Hasegawa (2010) applies a multivariate ordered probit model to tourist satisfaction derived from several aspects of a trip to Hokkaido, an island in Northern Japan. He estimates the model using a simulation-based Bayesian method and investigates the relationship between overall satisfaction and the degree of satisfaction from individual aspects of the trip according to the estimation of the Bayesian multivariate ordered probit model.

In this article, we characterize the contents of online hotel reviews by using a text-mining tool, and construct dummy variables that represent the characteristics of descriptive information included in online hotel reviews. Thereafter, we estimate a multivariate ordered probit model for satisfaction ratings using several hotel attributes with the dummy variables for reviewer's descriptive information.

METHODOLOGY: MULTIVARIATE ORDERED PROBIT MODEL

Now, let y_{ij} denote the ordinal discrete response of individual i to question j for $i=1,\cdots,n$ and $j=1,\cdots,m$, that is, $y_{ij}=c$ for $c=1,\cdots,C$. Further, let z_{ij} denote the latent variable of individual i to question j such that

$$y_{ij}=c \quad \text{if} \quad z_{ij}\in(\gamma_{j(c-1)},\gamma_{jc}], i=1,\cdots,n; c=1,\cdots C; j=1,\cdots,m, \tag{1}$$

where γ_{jc} is a cutoff point for the j ordinal response. Further, we specify that

$$-\infty=\gamma_{j0}<\gamma_{j1}=0<\gamma_{j2}<\cdots<\gamma_{j(C-1)}=1<\gamma_{jC}=\infty, j=1,\cdots,m, \tag{2}$$

where the conditions $\gamma_{j1}=0$ and $\gamma_{j(C-1)}=1$ are required for establishing the identifiability of the cutoff parameters (see Chen and Dey, 2000, pp.135-136). Further, we use the following transformation for the cutoff points:

$$\delta_{jc} = \log\left(\frac{\gamma_{jc} - \gamma_{j(c-1)}}{1-\gamma_{jc}}\right), c = 2,\cdots,C-2$$

(see Chen and Dey, 2000, p.140). It is assumed that the latent variable z_{ij} is determined by the linear model

$$z_{ij} = \mathbf{x}_{ij}'\boldsymbol{\beta}_j + u_{ij}, i = 1,\cdots,n; j = 1,\cdots,m,$$

where $\mathbf{x}_{ij} = (x_{ij1},\cdots,x_{ijk})'$ and $\boldsymbol{\beta}_j = (\beta_{j1},\cdots,\beta_{jk})'$. Defining $\boldsymbol{\beta} = (\boldsymbol{\beta}_1',\cdots,\boldsymbol{\beta}_m')'$ and

$$\mathbf{z}_i = \begin{pmatrix} z_{i1} \\ \vdots \\ z_{im} \end{pmatrix}, \mathbf{X}_i = \begin{pmatrix} \mathbf{x}_{i1}' & \cdots & 0 \\ \vdots & \ddots & \vdots \\ 0 & \cdots & \mathbf{x}_{im}' \end{pmatrix} = \mathrm{diag}(\mathbf{x}_{i1}',\cdots,\mathbf{x}_{im}'), \mathbf{u}_i = \begin{pmatrix} u_{i1} \\ \vdots \\ u_{im} \end{pmatrix},$$

the linear model for the latent variables is rewritten as

$$\mathbf{z}_i = \mathbf{X}_i\boldsymbol{\beta} + \mathbf{u}_i, i = 1,\cdots,n.$$

Now, we assume that $\mathbf{u}_i \sim \mathrm{N}(\mathbf{0},\boldsymbol{\Sigma})$, that is,

$$\mathbf{z}_i \sim \mathrm{N}(\mathbf{X}_i\boldsymbol{\beta},\boldsymbol{\Sigma}), i = 1,\cdots,n, \tag{3}$$

where $\boldsymbol{\Sigma}$ is an $m \times m$ positive definite covariance matrix. Equations (1), (2), and (3) establish a multivariate ordered probit model. Following Hasegawa (2010), we estimate the multivariate ordered probit model by using the simulation-based Bayesian method, that is, the Markov chain Monte Carlo (MCMC) method.

We can use the multivariate ordered probit model (3) to investigate the relationship y_1 and the others $(y_2,\cdots,y_m)$. By omitting the suffix i in (3), we consider population regression, that is $\mathbf{z} \sim \mathrm{N}(\mathbf{X}\boldsymbol{\beta},\boldsymbol{\Sigma})$, where $\mathbf{X} = \mathrm{diag}(\mathbf{x}_1',\cdots,\mathbf{x}_m')$. We then divide $\mathbf{z}$ as $\mathbf{z} = (z_1,\mathbf{z}_{(-1)}')'$. Suppose that z_1 is a latent variable associated with a dependent variable of interest y_1 and $\mathbf{z}_{(-1)}$ is a vector of latent variables corresponding to the other ordinal variables. Multivariate normal model $\mathbf{z} \sim \mathrm{N}(\mathbf{X}\boldsymbol{\beta},\boldsymbol{\Sigma})$ can be used to predict z_1 given $\mathbf{z}_{(-1)}$ (see Hoff, 2009, pp.118-120). Then, we have

$$p(\mathbf{z} \mid \mathbf{X},\cdots) = p(z_1,\mathbf{z}_{(-1)} \mid \mathbf{X},\cdots) = p(z_1 \mid \mathbf{z}_{(-1)},\mathbf{X},\cdots)p(\mathbf{z}_{(-1)} \mid \mathbf{X},\cdots),$$

where "$|\cdots$" denotes the conditioning of the other unspecified variables in the equation. On the basis of the property of multivariate normal distribution, we obtain

$$z_1 \mid \mathbf{z}_{(-1)}, \mathbf{X}, \cdots \sim \mathrm{N}(\tilde{\mu}_1, \tilde{\sigma}_{11}), \tag{4}$$

where

$$\tilde{\mu}_1 = \mathbf{x}_1'\boldsymbol{\beta}_1 + \boldsymbol{\sigma}_{(-1)}'\boldsymbol{\Sigma}_{(-1)}^{-1}(\mathbf{z}_{(-1)} - \mathbf{X}_{(-1)}\boldsymbol{\beta}_{(-1)})$$
$$\tilde{\sigma}_{11} = \sigma_{11} - \boldsymbol{\sigma}_{(-1)}'\boldsymbol{\Sigma}_{(-1)}^{-1}\boldsymbol{\sigma}_{(-1)}$$
$$\mathbf{X} = \begin{pmatrix} \mathbf{x}_1' & \mathbf{0}' \\ \mathbf{O} & \mathbf{X}_{(-1)} \end{pmatrix}, \boldsymbol{\beta} = \begin{pmatrix} \boldsymbol{\beta}_1 \\ \boldsymbol{\beta}_{(-1)} \end{pmatrix}, \boldsymbol{\Sigma} = \begin{pmatrix} \sigma_{11} & \boldsymbol{\sigma}_{(-1)}' \\ \boldsymbol{\sigma}_{(-1)} & \boldsymbol{\Sigma}_{(-1)} \end{pmatrix}.$$

$\boldsymbol{\alpha} = \boldsymbol{\Sigma}_{(-1)}^{-1}\boldsymbol{\sigma}_{(-1)} = (\alpha_1, \cdots, \alpha_{m-1})'$ becomes a coefficient vector of $\mathbf{z}_{(-1)}$ in the regression of z_1 on $\mathbf{z}_{(-1)}$, given $\mathbf{X}$ (see Hasegawa, 2010). The coefficients of explanatory variables in $\mathbf{X}$ can be calculated from $\mathbf{x}_1'\boldsymbol{\beta}_1 - \boldsymbol{\sigma}_{(-1)}'\boldsymbol{\Sigma}_{(-1)}^{-1}\mathbf{X}_{(-1)}\boldsymbol{\beta}_{(-1)}$.

EMPIRICAL RESULTS

Data collection

This study used online hotel reviewers' evaluations that were posted on an online review web site, say *B*. Site *B* is one of the biggest online hotel review sites in Japan. The hotel considered in this study, say *A*, is an *Onsen Ryokan* located in Hokkaido. *Onsen Ryokan* is a traditional Japanese inn with its own private hot-spring bath (Rowthorn et al., 2009, p.102). Since this study does not intend to evaluate the management of this *Onsen Ryokan* but to reveal the feasibility of the methods proposed in this article, we anonymised this *Onsen Ryokan* as *A* and the online review website as *B*. (In addition, for more details on *Onsen* (hot spring) and *Onsen Ryokan*, see travel guidebooks on Japan, such as Rowthorn et al. (2009). Further, for a detailed introduction to Hokkaido, see Rowthorn et al. (2009, pp.578-643).

Table 1. Definitions of variables

Explained variables	
Variables	Definition
SatAll	Overall satisfaction that takes five ordinal choices from 1 (Dissatisfied) to 5 (Satisfied).
SatRoom	Satisfaction with guest rooms that takes five ordinal choices from 1 (Dissatisfied) to 5 (Satisfied).
SatBath	Satisfaction with hot-spring bath that takes five ordinal choices from 1 (Dissatisfied) to 5 (Satisfied).
SatBF	Satisfaction with breakfast that takes five ordinal choices from 1 (Dissatisfied) to 5 (Satisfied).
SatDinner	Satisfaction with dinner that takes five ordinal choices from 1 (Dissatisfied) to 5 (Satisfied).
SatServ	Satisfaction with service and hospitality that takes five ordinal choices from 1 (Dissatisfied) to 5 (Satisfied).
SatClean	Satisfaction with cleanliness that takes five ordinal choices from 1 (Dissatisfied) to 5 (Satisfied).
Explanatory variables	
price	Logarithm of price of one night stay at the accommodation.
female	A dummy variable that takes 1 if the reviewer is female, and 0 if the reviewer is male.
age3	A dummy variable that takes 1 if the reviewer in his/her 30s, and 0 otherwise.
age4	A dummy variable that takes 1 if the reviewer in his/her 40s, and 0 otherwise.
age5	A dummy variable that takes 1 if the reviewer in his/her 50s, and 0 otherwise.
age6	A dummy variable that takes 1 if the reviewer is aged 60 or above, and 0 otherwise.
quarter1	A dummy variable that takes 1 if the reviewer stayed at *Onsen Ryokan A* between January 2010 and March 2010, and 0 otherwise.
quarter2	A dummy variable that takes 1 if the reviewer stayed at *Onsen Ryokan A* between April 2010 and June 2010, and 0 otherwise.
quarter3	A dummy variable that takes 1 if the reviewer stayed at *Onsen Ryokan A* between July 2010 and September 2010, and 0 otherwise.
Explanatory variables (reviewer's descriptive information)	
food_p (food_n)	A dummy variable that takes 1 if a reviewer's descriptive information includes positive (negative) words and/or phrases about meals and 0, otherwise.
bath_p (bath_n)	A dummy variable that takes 1 if a reviewer's descriptive information includes positive (negative) words and/or phrases about hot-spring bath and 0, otherwise.

service_p (service_n)	A dummy variable that takes 1 if a reviewer's descriptive information includes positive (negative) words and/or phrases about service and hospitality and 0, otherwise.
room_p (room_n)	A dummy variable that takes 1 if a reviewer's descriptive information includes positive (negative) words and/or phrases about rooms and 0, otherwise.
equip_p (equip_n)	A dummy variable that takes 1 if a reviewer's descriptive information includes positive (negative) words and/or phrases about facilities and amenities of accommodation and 0, otherwise.
price_p (price_p)	A dummy variable that takes 1 if a reviewer's descriptive information includes positive (negative) words and/or phrases about price of accommodation and 0, otherwise.
clean_p (clean_n)	A dummy variable that takes 1 if a reviewer's descriptive information includes positive (negative) words and/or phrases about cleanliness and 0, otherwise.
season	A dummy variable that takes 1 if a reviewer's descriptive information includes words and/or phrases about seasons and events and 0, otherwise.

Staying in an *Onsen Ryokan* usually includes dinner in the evening, followed by breakfast the next morning. Therefore, hot-spring baths and meals are important aspects for the evaluation as well as quality of the guest rooms, service and hospitality, and cleanliness. In fact, the online hotel review evaluation comprises ratings on customer satisfaction derived from several hotel attributes, namely, guest rooms, hot-spring baths, breakfast, dinner, service and hospitality, cleanliness, and overall satisfaction (the definitions of the variables are provided in Table 1). Satisfaction with regard to these attributes is measured using a 5-point scale. Furthermore, the online hotel review evaluations include reviewer's descriptive information. The aim of this article is to analyse customer satisfaction indicated through reviewer's descriptive information using a multivariate ordered probit model.

We used the online evaluations of reviewers who stayed at *Onsen Ryokan A* for the period between October 2009 and September 2010 and posted their reviews on website *B*. We collected all the online reviews of *Onsen Ryokan A* for the corresponding period from website *B*. As a result, the data comprised 925 unit records, which included the reviewers' descriptive information, satisfaction ratings for several hotel attributes, price for a one-night stay at the inn, gender and age of reviewers, and period of stay. The reviewer satisfaction ratings represent a reviewer's overall satisfaction with staying at the inn and their satisfaction with hotel attributes, i.e., guest rooms, hot-spring bath, breakfast, dinner, service and hospitality, and cleanliness. Eliminating unit records with missing values, we obtained 879 unit records for this estimation. Since these unit records were not randomly sampled from the population, the analyses were restrictive. One reason for this is that the unit records are presumed to be a sample from the population of responses of virtual online reviewers. Table 1 presents the definitions of the variables that are used in the current analysis.

Descriptive results

Table 2 provides the frequencies and percentages of the unit records under each category of satisfaction. According to this table, the percentage of overall satisfaction ratings (**SatAll**) of 4 and 5 points was 87.14%. With regard to satisfaction from individual items, the percentage of ratings of 4 and 5 points was highest for the hot-spring bath (**SatBath**) (87.71%) and lowest for the guest rooms (**SatRoom**) (72.59%). *Onsen Ryokan A* is an established inn in Hokkaido, but its room accommodations and facilities are rather old. This may have led to the relatively low satisfaction with guest rooms.

Table 3 provides the values of the polychoric correlation and Pearson's correlation. These values were calculated using **R** version 2.11.1 of the package **psych** (for details on polychoric correlation, see, for example, Olsson, 1979). The data relating to satisfaction were measured using a 5-point scale; in other words, they are ordinal data. Therefore, Pearson's correlation was not suitable for calculating the correlation between any two sets of these data. Instead, the polychoric correlation was used to calculate the correlation between two ordinal variables. From Table 3, it is evident that the values of polychoric correlation are fairly larger than those of Pearson's correlation are. In other words, the values of Pearson's correlation underestimated the relationships between two of these ordinal variables. According to the polychoric correlation, satisfaction with service and hospitality (**SatServ**) had the largest effect on overall satisfaction (0.78), and satisfaction with cleanliness (**SatClean**) had the second-largest effect (0.74); moreover, satisfaction with the hot-spring bath (**SatBath**) had the smallest effect (0.59). Further, it must be noted that the magnitudes of the relationships between overall satisfaction and satisfaction with the hotel's attributes are reconsidered after the multivariate ordered probit model is analysed in the next subsection.

Volume 9, Number 1, Spring 2014, pp. 15-35
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Table 2. Summary statistics (Satisfaction)

Satisfaction	Dissatisfied 1	2	3	4	Satisfied 5
SatAll	9 (1.02)	18 (2.05)	86 (9.78)	428 (48.69)	338 (38.45)
SatRoom	16 (1.82)	40 (4.55)	185 (21.05)	395 (44.94)	243 (27.65)
SatBath	6 (0.68)	18 (2.05)	84 (9.56)	362 (41.18)	409 (46.53)
SatBF	4 (0.46)	17 (1.93)	143 (16.27)	377 (42.89)	338 (38.45)
SatDinner	12 (1.37)	26 (2.96)	107 (12.17)	298 (33.90)	436 (49.60)
SatServ	21 (2.39)	39 (4.44)	135 (15.36)	354 (40.27)	330 (37.54)
SatClean	11 (1.25)	22 (2.50)	161 (18.32)	420 (47.78)	265 (30.15)

Notes: Values in parentheses denote percentage.

Table 3. Correlation matrix

	SatAll	**SatRoom**	**SatBath**	**SatBF**	**SatDinner**	**SatServ**	**SatClean**
SatAll		0.67	0.59	0.65	0.73	0.78	0.74
SatRoom	(0.58)		0.40	0.35	0.32	0.50	0.70
SatBath	(0.49)	(0.33)		0.35	0.36	0.45	0.46
SatBF	(0.55)	(0.31)	(0.30)		0.69	0.43	0.41
SatDinner	(0.62)	(0.28)	(0.29)	(0.59)		0.50	0.42
SatServ	(0.70)	(0.42)	(0.37)	(0.37)	(0.45)		0.64
SatClean	(0.64)	(0.63)	(0.38)	(0.35)	(0.35)	(0.55)	

Notes: Values without parenthesis denote the polychoric correlations. Values in parentheses denote Pearson's correlations.

The data of the online hotel review evaluation includes the reviewer's descriptive information. After a preliminary morphological analysis using text-mining software **ttm** (*TinyTextMining*, Matsumura and Miura, 2009), we selected 12 types of words and/or phrases: words and/or phrases related to the guest rooms (**room**), hot-spring bath (**hot-spring**), meals (**meal**), service and hospitality (**service**), cleanup (**cleanup**), facilities and amenities of accommodation (**f & a**), and price of accommodation (**price**); positive and negative words and/or phrases (**positive** and **negative**); sentences with negative polarity (**not**); words and/or phrases regarding family members or friends lodging with the reviewer (**family**) and regarding seasons and events (**s & e**).

Table 4. Number of appearance in the reviews

	room	**hot-spring**	**meal**	**service**	**cleanup**	**f & a**
room	(481)	367	419	224	45	240
hot-spring		(644)	571	286	48	274
meal			(753)	335	50	310
service				(392)	38	170
cleanup					(61)	36
f & a						(348)
price						
positive						
negative						
not						
family						
s & e						

	price	**positive**	**negative**	**not**	**family**	**s & e**
room	66	461	246	214	200	55
hot-spring	80	629	289	253	236	59
meal	94	727	332	292	266	74
service	55	375	201	187	162	47
cleanup	5	57	46	40	30	9
f & a	53	335	185	181	145	41
price	(107)	103	50	55	45	12
positive		(844)	357	318	302	77
negative			(379)	213	138	42
not				(333)	135	43
family					(311)	48
s & e						(80)

Notes: Values without parenthesis denote the number of joint appearance, while values in parentheses denote the total number of appearance. **room**: *words and/or phrases about rooms.* **hot-spring**: *words and/or phrases about hot-spring bath.* **meal**: *words and/or phrases about meals.* **service**: *words and/or phrases about service and hospitality.* **cleanup**: *words and/or phrases about cleanup.* **f & a**: *words and/or phrases about facilities and amenities of accommodation.* **price**: *words and/or phrases about price of accommodation.* **positive**: *positive words and/or phrases.* **negative**: *negative words and/or phrases.* **not**: *sentences with negative polarity.* **family**: *words and/or phrases about family members or friends lodging with reviewer.* **s & e**: *words and/or phrases about seasons and events.*

Table 4 presents a cross-tabulation of the number of appearances of the 12 types of words and/or phrases in the reviews. Values without parenthesis denote the number of joint appearances, while values within parentheses denote the total number of appearances. For example, from the 879 reviews, words and/or phrases regarding rooms appeared in 481 reviews, and those regarding rooms and positive statements appeared together in 461 reviews. Words and/or phrases regarding meals appeared most often (753), and those regarding the hot-spring bath and rooms were the second- and third-most common, respectively (644 and 481). The qualities of meals and rooms (whether good or bad) may have had considerable influence on customer satisfaction with *Onsen Ryokan A*. Further, there were 844 positive words and/or phrases and 379 negative words and/or phrases. However, it must be noted that positive and negative words and/or phrases appeared together in 357 reviews. In other words, reviewers tended to give positive and negative impressions in the same review.

The above preliminary analysis suggests that the qualities of several aspects of *Onsen Ryokan A* that appeared in reviewers' descriptive information influenced reviewers' satisfaction with the hotel. Therefore, in the next subsection, we incorporate the reviewers' descriptive information into a multivariate probit analysis.

Posterior results of multivariate ordered probit model

In this sub-section, we estimate the multivariate ordered probit model by using the online hotel reviewers' data described in the previous sub-sections. Table 5 provides the summary statistics of explanatory variables (**female**, **age**, **quarter**, and **price**). In addition, considering the analyses of reviewers' descriptive information, we construct dummy variables that correspond to the 12 types of words and/or phrases in the reviewers' descriptive information. **food_p** is a dummy variable that is set to 1 if a reviewer's descriptive information included positive words and/or phrases regarding meals, and 0 otherwise; **food_n** is a dummy variable that is set to 1 if reviewers' descriptive information includes negative words and/or phrases regarding meals; **bath_p** and **bath_n** are dummy variables that respectively correspond to positive and negative evaluations of the hot-spring bath; **service_p** and **service_n** are dummy variables that correspond to positive and negative evaluations of the service and hospitality respectively; **room_p** and **room_n** are dummy variables that correspond to positive and negative evaluations of the rooms respectively; **equip_p** and **equip_n** are dummy variables that correspond to positive and negative evaluations of the facilities and amenities of the accommodation respectively; **price_p** and **price_n** are dummy variables that correspond to positive and negative evaluations of the price of the accommodation respectively; **clean_p** and **clean_n** are dummy variables that correspond to positive and negative evaluations of cleanliness respectively. Further, **season** is a dummy variable that is set to 1 if reviewer's descriptive information includes words and/or phrases regarding seasons and events, and 0 otherwise. Table 6 presents the summary statistics of these dummy variables.

Table 5. Summary statistics (Explanatory variables)

Gender (**female**)		Age (**age3**, **age4**, **age5**, **age6**)				
Female	Male	10~20	30	40	50	60~80
419 (47.67)	460 (52.33)	264 (30.03)	298 (33.90)	167 (19.00)	109 (12.40)	41 (4.66)

Quarter (**quarter1**, **quarter2**, **quarter3**)			
Oct/09~ Dec/09	Jan/10~ Mar/10	Apr/10~ Jun/10	Jul/10~ Sep/10
206 (23.44)	243 (27.65)	217 (24.69)	213 (24.23)

Price (Yen) (**price**)						
Mean	SD	Min	25%	50%	75%	Max
11774.5 (131.5)	3328.6 (37.2)	7500.5 (83.8)	9500.5 (106.1)	10500.5 (117.3)	12500.5 (139.6)	27500.5 (307.2)

Notes: For Gender, Age, and Quarter, values in parentheses denote percentage. For Price, values in parentheses denote those converted into US dollars. The exchange rate used in the table is an average of daily exchange rates from October 2009 to September 2010.

Table 6. Summary statistics (reviewer's descriptive information)

food_p		**food_n**		**bath_p**		**bath_n**	
0	1	0	1	0	1	0	1
228 (25.94)	651 (74.06)	707 (80.43)	172 (19.57)	375 (42.66)	504 (57.34)	768 (87.37)	111 (12.63)
service_p		**service_n**		**room_p**		**room_n**	
0	1	0	1	0	1	0	1
549 (62.46)	330 (37.54)	788 (89.65)	91 (10.35)	642 (73.04)	237 (26.96)	770 (87.60)	109 (12.40)
equip_p		equip_n		price_p		price_n	
0	1	0	1	0	1	0	1
713 (84.11)	166 (18.89)	827 (94.08)	52 (5.92)	788 (89.65)	91 (10.35)	862 (98.07)	17 (1.93)
clean_p		**clean_n**		**season**			
0	1	0	1	0	1		
702 (79.86)	177 (20.14)	798 (90.78)	81 (9.22)	800 (91.01)	79 (8.99)		

Notes: Values in parentheses denote percentage.

The estimated equations are presented below:

$$
\begin{aligned}
z_j &= \beta_{j,1} + \beta_{j,2} price + \beta_{j,3} female + \beta_{j,4} age3 + \beta_{j,5} age4 \\
&+ \beta_{j,5} age5 + \beta_{j,7} age6 + \beta_{j,8} quarter1 + \beta_{j,9} quarter2 \\
&+ \beta_{j,10} quarter3 + \beta_{j,11} food\_p + \beta_{j,12} food\_n \\
&+ \beta_{j,13} bath\_p + \beta_{j,14} bath\_n + \beta_{j,15} service\_p \\
&+ \beta_{j,16} service\_n + \beta_{j,17} room\_p + \beta_{j,18} room\_n \\
&+ \beta_{j,19} equip\_p + \beta_{j,20} equip\_n + \beta_{j,21} price\_p \\
&+ \beta_{j,22} price\_n + \beta_{j,23} clean\_p + \beta_{j,24} clean\_n \\
&+ \beta_{j,25} season + u_j,\ j = 1, \cdots, 7,
\end{aligned}
\tag{5}
$$

where equation j = 1 corresponds to the overall satisfaction (**SatAll**), and equations j = 2 to 7 correspond to the satisfaction with rooms (**SatRoom**), the hot-spring bath (**SatBath**), breakfast (**SatBF**), dinner (**SatDinner**), service and hospitality (**SatServ**), and cleanliness (**SatClean**), respectively. According to the above specification, a reviewer who satisfied the following conditions was selected as a "reference reviewer": male in his twenties or younger who stayed in *Onsen Ryokan A* for the period between October 2009 and December 2009. Further, the values of dummy variables of the reviewers' descriptive information of the reference reviewer are equal to zero. The MCMC simulation was run for 15,000 iterations with a thinning interval of 5; the first 5,000 samples were discarded as the burn-in period. The posterior results obtained thereafter were generated using Ox version 6.21 (Doornik, 2009). We set the prior distributions in the following manner:

$$
\begin{aligned}
&\boldsymbol{\beta}_j \sim \mathrm{N}(\mathbf{0}, 100\mathbf{I}_{25}), \boldsymbol{\delta}_j \sim \mathrm{N}(0, 100\mathbf{I}_2), j = 1, \cdots, 7 \\
&\boldsymbol{\Sigma}^{-1} \sim \mathrm{W}(10, 50\mathbf{I}_7),
\end{aligned}
$$

where $\boldsymbol{\delta}_j = (\delta_2, \delta_3)'$, and $\mathrm{W}(10, 50\mathbf{I}_7)$ denotes a Wishart distribution with degrees of freedom 10 and scale matrix $50\mathbf{I}_7$.

Table 7. Posterior results of multivariate ordered probit model

	SatAll	SatRoom	SatBath	SatBF	SatDinner	SatServ	SatClean
intercept	1.1613**	-0.5190	0.1348	2.3092**	2.5115**	0.5244	-0.0283
price	-0.0363	0.1282**	0.0771	-0.1623**	-0.1761**	0.0267	0.0805*
female	0.0432	-0.0038	0.0063	0.0006	-0.0615**	0.0242	0.0060
age3	0.0510*	0.0185	0.0464	0.0685**	0.0020	0.0316	0.0344
age4	0.0420	0.0694**	0.0852**	0.0437	-0.0328	0.0049	0.0488
age5	0.0254	0.0202	0.0242	0.0572	-0.0433	-0.0365	0.0332
age6	0.0435	0.0985*	0.1451**	0.0988	0.0208	0.0186	0.0456

quarter1	-0.0657**	0.0150	-0.0301	-0.0541	-0.0437	-0.0185	-0.0043
quarter2	-0.0411	0.0052	-0.0143	-0.0392	-0.0531	-0.0045	0.0181
quarter3	-0.0664*	0.0061	-0.0255	-0.0074	-0.0044	-0.0069	-0.0163
food_p	0.1074**	-00055	-0.0220	0.1740**	0.3567**	0.0364	0.0384
food_n	-0.2044**	-0.0947**	-0.1017**	-0.2568**	-0.3892**	-0.1123**	-0.0967**
bath_p	0.0151	0.0273	0.2534**	-0.0211	-0.0386	0.0015	0.0113
bath_n	-0.0709**	0.0040	-0.3027**	-0.0112	-0.0093	-0.0295	-0.0093
service_p	0.1766**	0.1568**	0.0622**	0.0848**	0.1291**	0.3470**	0.1464**
service_n	-0.3375**	-0.1175**	-0.1768**	-0.1349**	-0.1660**	-0.5288**	-0.1532**
room_p	0.0983**	0.2883**	-0.0048	0.0497*	-0.0070	0.1040**	0.1090**
room_n	-0.2239**	-0.3352**	-0.0113	-0.1012**	-0.0511	-0.1293**	-0.1619**
equip_p	-0.0039	0.0261	0.0159	-0.0208	0.0307	0.0001	0.0459
equip_n	0.0106	-0.0304	0.0198	0.0648	0.0345	-0.0327	0.0228
price_p	0.0312	0.0259	0.1016**	0.0115	-0.0940**	-0.0048	0.0053
price_n	-0.0848	-0.1384*	-0.1041	-0.0259	-0.0681	-0.0137	-0.1426*
clean_p	0.0178	0.0191	0.0039	0.0276	0.0129	-0.0114	0.1244**
clean_n	-0.0236	-0.0413	-0.0724	0.0255	-0.0322	0.0045	-0.2647**
season	-0.1056**	0.0004	-0.0146	-0.1053**	-0.0155	-0.0374	-0.0176
γ_{j2}	0.1776**	0.2236**	0.1881**	0.2002**	0.2089**	0.2448**	0.1755**
γ_{j3}	0.4809**	0.5726**	0.5047**	0.5878**	0.5645**	0.5750**	0.5608**

*Notes: The values are posterior median. "**" and "*" denote that zero is not included in the 95% and 90% credible interval, respectively.*

Table 7 presents the summary of the posterior results of the estimation of (5). As mentioned below, from Table 5, we found that the price of accommodation, reviewer's gender and age, and the dummy variables of reviewers' descriptive information have substantial effects on customer satisfaction in the estimation of (5). The following observations can be made from the results in Table 7:

- First, the reviewers' descriptive information for the hotel's attributes has substantial effects on the corresponding customer satisfaction. In other words, **room_p** and **room_n** have positive and negative effects on the satisfaction with rooms (**SatRoom**), respectively; **bath_p** and **bath_n** have positive and negative effects on the satisfaction with the hot-spring bath (**SatBath**), respectively; **food_p** and **food_n** have positive and negative effects on the satisfactions with breakfast (**SatBF**) and dinner (**SatDinner**), respectively; **service_p** and **service_n** have positive and negative effects on the satisfaction with rooms (**SatServ**), respectively; **clean_p** and **clean_n** have positive and negative effects on the satisfaction with cleanliness (**SatClean**), respectively.
- The dummy variables of positive and negative evaluations of service and hospitality (**service_p** and **service_n**) have substantial positive and negative effects, respectively, on customer satisfaction with regard to all the attributes. Consequently, we conclude that the hotel's service and hospitality are very important aspects for the reviewers' hotel evaluations.

- With respect to overall satisfaction (**SatAll**), the dummy variables for negative evaluations of meals, the hot-spring bath, service and hospitality, and guest rooms (**food_n**, **bath_n**, **service_n**, and **room_n**) have a substantial negative effect, whereas the dummy variables for positive evaluations of meals, service and hospitality, and guest rooms (**food_p**, **service_p**, and **room_p**) have a positive effect. This result indicates that it is important for the managers of *Onsen Ryokan A* to improve the quality of meals, hot-spring baths, and service and hospitality in order to improve customer satisfaction; otherwise, customers may immediately have negative impressions of the hotel.
- With respect to satisfaction with guest rooms (**SatRoom**), apart from the dummy variables for guest rooms (**room_p** and **room_n**), the dummy variables of negative evaluations of meals, and positive and negative evaluations of service and hospitality (**food_n**, **service_p** and **service_n**) have a substantial effect. Guests staying at *Onsen Ryokan* usually dine in their own guest rooms, in a separate private dining room, or in a communal dining area. Therefore, since one of the optional services of staying in an *Onsen Ryokan* is to have dinner served in the guests' rooms, the evaluations of meals as well as service and hospitality may be factors that determine customer satisfaction with rooms. Further, the price of accommodation (**price**) has a positive effect, and the dummy variable for negative evaluations of price (**price_n**) has a slightly negative effect. Since *Onsen Ryokan A* is an established hotel in Hokkaido, customers would be satisfied even if the price were high, given that the services and hospitality provided were consistent with the high price. However if the services and hospitality provided were not consistent with the high price, customers have negative impressions of guest rooms.
- With respect to satisfaction with the hot-spring bath (**SatBath**), apart from the dummy variables for the hot-spring bath (**bath_p** and **bath_n**), the dummy variables of negative evaluations of meals (**food_n**), positive and negative evaluations of service and hospitality (**service_p** and **service_n**), and positive evaluations of price (**price_p**) have a substantial effect. The reason why the negative evaluation of meals (**food_n**) has a substantially negative effect on satisfaction with the hot-spring bath is unclear, although the tetrachoric correlation between **bath_n** and **food_n** is relatively high. Positive evaluations of price

(**price_p**) included words and/or phrases regarding the affordability of accommodation. Since the quality of the hot-spring bath is high for the price of accommodation, the positive evaluation of price seems to have a substantially positive effect on satisfaction with the hot-spring bath. Further, the dummy variables for some age groups (**age4** and **age6**) have a substantial effect on satisfaction with the hot-spring bath. In particular, people aged over sixty were satisfied with the hot-spring bath.

- With respect to satisfaction with breakfast (**SatBF**), apart from the dummy variables for meals (**food_p** and **food_n**), the dummy variables of negative evaluations of guest rooms (**room_n**), positive and negative evaluations of service and hospitality (**service_p** and **service_n**), and seasons and events (**season**) have a substantial effect. Like most *Onsen Ryokan*s, *Onsen Ryokan A* offers buffet-style breakfasts that include both Japanese and Western dishes in a communal breakfast area. Therefore, the reason why negative evaluations of guest rooms (**room_n**) have a substantially negative effect on satisfaction with breakfast is unclear. Some guests stay at *Onsen Ryokan A* for family events such as the celebration of a family member's 60th birthday. Since *Onsen Ryokan A* offers buffet-style breakfasts in a communal breakfast area, the area is occasionally congested during peak periods. This congestion may create a negative impression among guests and ruin their celebratory mood. Hence, the dummy variable for seasons and events (**season**) may have a substantially negative effect on satisfaction with breakfast. Further, the price of accommodation (**price**) has a negative effect on satisfaction with breakfast. Some guests are unsatisfied with the breakfast because of the price.
- With respect to satisfaction with dinner (**SatDinner**), apart from the dummy variables for meals (**food_p** and **food_n**), the dummy variables of positive and negative evaluations of service and hospitality (**service_p** and **service_n**) and positive evaluation of price (**price_p**) have a substantial effect. Further, the price of accommodation (**price**) and the dummy variable for gender (**female**) have a negative effect on satisfaction with dinner. Since some guests are unsatisfied with dinner because of the price, the price of the accommodation (**price**) has a negative effect. Moreover, some guests feel that the price of the

accommodation is affordable; however, they are of the opinion that the quality of dinner is low --- consistent with the affordability of the accommodation. Thus, the positive evaluation of price (**price_p**) has a negative effect. Further, since the reference reviewer is male, female reviewers are more critical of the quality of dinner.

- With respect to satisfaction with service and hospitality (**SatServ**), apart from the dummy variables for service and hospitality (**service_p** and **service_n**), the dummy variables of the negative evaluation of meals (**food_n**) and positive and negative evaluations of guest rooms (**room_p** and **room_n**) have a substantial effect.
- With respect to satisfaction with cleanliness (**SatClean**), the dummy variables of negative evaluation of meals (**food_n**), and positive and negative evaluations of guest rooms and service and hospitality (**room_p**, **room_n**, **service_p** and **service_n**) have a substantial effect apart from the dummy variables for cleanliness (**clean_p** and **clean_n**). Insufficient cleaning of guest rooms has a negative effect on satisfaction with cleanliness. Substandard tray services also have a negative effect.

Table 8 provides the posterior results of the model with ordinal explanatory variables using equation (4). The following observations are evident from Table 8:

- All customer satisfaction ratings derived from several of the hotel's attributes, that is, guest rooms, hot-spring bath, breakfast, dinner, service and hospitality, and cleanliness, have a substantially positive effect on the overall satisfaction level. In particular, satisfaction with dinner (**SatDinner**) has the largest effect (the posterior mean of α_5 is 0.2868), and satisfaction with service and hospitality (**SatServ**) has the second-largest effect (the posterior mean of α_6 is 0.2640); satisfaction with breakfast (**SatBF**) has the smallest effect (the posterior mean of α_4 is 0.0873). The order of the magnitudes of effect on overall satisfaction is different from the order of the values of the polychoric correlation stated in Table 3. It is important to note that the values of the posterior mean of s in Table 6 are derived under the control of explanatory variables, while those of the polychoric correlation in Table 3 are not. If we do not consider the effects of explanatory variables, we may wrongly evaluate the effects of customer satisfaction derived from the previously mentioned hotel attributes.

- The dummy variables for gender (**female**) have a positive effect on overall satisfaction, while the dummy variables for quarters (**quarter1** and **quarter3**), negative evaluations of service and hospitality and guest rooms (**service_n** and **room_n**), and the dummy variable for seasons and events (**season**) have a negative effect on overall satisfaction.

Table 8. Posterior results of model with ordinal explanatory variables

SatAll				
		Mean	SD	Median
room	(α_1)	0.2222	0.0393	0.2218**
hot_spring	(α_2)	0.1348	0.0304	0.1344**
breakfast	(α_3)	0.0873	0.0363	0.0871**
dinner	(α_4)	0.2868	0.0355	0.2867**
service	(α_5)	0.2640	0.0357	0.2638**
cleanliness	(α_6)	0.1851	0.0442	0.1849**
intercept	(β_1)	0.2059	0.2946	0.2107
price	(β_2)	-0.0330	0.0310	-0.0331
female	(β_3)	0.0535	0.0156	0.0532**
age3	(β_4)	0.0197	0.0187	0.0196
age4	(β_5)	0.0111	0.0221	0.0110
age5	(β_6)	0.0276	0.0253	0.0276
age6	(β_7)	-0.0262	0.0394	-0.0259
quarter1	(β_8)	-0.0421	0.0204	-0.0422**
quarter2	(β_9)	-0.0236	0.0214	-0.0238
quarter3	(β_{10})	-0.0575	0.0216	-0.0574**
food_p	(β_{11})	-0.0227	0.0199	-0.0227
food_n	(β_{12})	0.0120	0.0193	0.0121
bath_p	(β_{13})	-0.0145	0.0174	-0.0145
bath_n	(β_{14})	-0.0178	0.0232	-0.0179
service_p	(β_{15})	-0.0296	0.0188	-0.0298
service_n	(β_{16})	-0.0604	0.0267	-0.0601**
room_p	(β_{17})	-0.0146	0.0217	-0.0147
room_n	(β_{18})	-0.0605	0.0268	-0.0606**
equip_p	(β_{19})	-0.0271	0.0201	-0.0273
equip_n	(β_{20})	0.0029	0.0322	0.0026
price_p	(β_{21})	0.0380	0.0261	0.0380
price_n	(β_{22})	0.0107	0.0483	0.0100
clean_p	(β_{23})	-0.0133	0.0217	-0.0132
clean_n	(β_{24})	0.0505	0.0311	0.0507
season	(β_{25})	-0.0770	0.0261	-0.0769**

*Notes: "Mean," "SD" and "Median" denote the posterior mean, posterior standard deviation and posterior median, respectively. "**" and "*" denote that zero is not included in the 95% and 90% credible interval, respectively.*

CONCLUDING REMARKS

In this study, we analysed the relationship between customer satisfaction with several hotel attributes and reviewers' descriptive information using the Bayesian multivariate ordered probit model. The data used in this study were gathered from online hotel reviews of a traditional Japanese inn with its own private hot spring (*Onsen Ryokan*). We used several reviewer or customer satisfaction ratings and constructed dummy variables that represent the characteristics of reviewers' descriptive information in online hotel reviews.

The reviewers' descriptive information for the hotel's attributes had substantial effects on the corresponding customer satisfaction ratings. Therefore, reviewers' descriptive information must be incorporated in the analysis of customer satisfaction. Further, the dummy variables of service and hospitality had substantial effects on the customer satisfaction ratings for all attributes. Therefore, hotel's service and hospitality were very important aspects for reviewers' evaluations of the hotel. In particular, negative evaluations of service and hospitality had a significant effect on overall satisfaction. According to Table 8, all the customer satisfaction ratings derived from several attributes of the hotel had a substantially positive effect on overall satisfaction. However, the order of the magnitudes of the effect on overall satisfaction in Table 8 was different from that of the values of the polychoric correlation in Table 3. It is important to note that the values of the posterior mean of αs in Table 8 were derived under the control of explanatory variables, while those of the polychoric correlation in Table 3 were not. If we do not consider the effects of explanatory variables, the effects of customer satisfaction derived from the previously mentioned hotel attributes may be wrongly evaluated.

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ENDNOTES

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RESIDENTS' PERCEPTIONS OF TOURISM IMPACTS AND ATTITUDES TOWARDS TOURISM POLICIES

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The purpose of this paper is to explore residents' perceptions of tourism impacts and how they affect attitudes towards local tourism policies. Particular attention is paid to the analysis of community attachment and employment sector of residents. This study presents the results of a quantitative survey among residing families of a small mountain community located in the North-East of Italy. The findings reveal that residents perceptions on economic, environmental and socio-cultural impacts affect their support to local tourism policies. Residents who perceive positively tourism impacts are more willing to support future tourism development policies. The analysis has also demonstrated that native-born residents generally perceive negatively tourism impacts and are less willing to support any increase in the overall number of tourists, supporting the well know social exchange theory. Some implications for the tourism planning and management of the destination are also discussed.

Keywords: *residents' perceptions, tourism development, tourism policies, community attachment, social exchange theory.*

JEL Classification: *L83, M1, O1*

INTRODUCTION

Tourism is widely perceived as an economic development tool for the local community, providing factors that may improve quality of life such as employment and investments opportunities, tax revenues, restaurants, accommodation services, natural and cultural attractions, festivals, and outdoor recreation opportunities (Andereck et al., 2005; Kiriakidou and Gore, 2005; Kandampully, 2000). On the other hand, tourism can also lead to negative effects on resident's quality of life such as, for example, an increase on traffic, parking problems, crime, cost of living, and changes in hosts' lifestyle (Tosun, 2002; Brunt and Courtney, 1999; McCool and Martin, 1994).

Since the 70s, residents' attitudes and perceptions toward tourism impacts on their community has been broadly analysed by managers of the tourism industry, policy makers and academicians (Andereck et al., 2005; Andereck and Vogt, 2000; Jurowski et al., 1997; Lankford, 1994; Perdue et al., 1987; Doxey, 1975; Young, 1973). In particular, Ap (1992) suggested a theoretical framework, namely the "social exchange" theory, to capture the motivations that lead residents to have a positive or negative attitude towards tourism.

Since tourism relies heavily upon the goodwill of the local residents, their support is essential for its development, successful operation, and sustainability of the industry in the long term (Vargas-Sánchez et al., 2011; Aguiló and Roselló, 2005; Sheldon and Abenoja, 2001; Garrod and Fyall, 1998; Ap, 1992; Brida et al., 2011). In fact, the sense of residents' community attachment not only influences residents' perceptions of the impacts of tourism (Dodds and Butler, 2010; McCool and Martin, 1994; Um and Crompton, 1987; Sheldon and Var, 1984), but also the relationship between residents and tourists. Tourists are more favourable attracted by destinations in which residents are more friendly, honest and hospitable (Fallon and Schofield, 2006). Therefore, the local community must increasingly be involved and given an active role, participating in the planning and management of local tourism policy (Simpson and Bretherton, 2009; Dyer et al., 2007; Brehm et al., 2004) in order to obtain its agreement and support.

The main purpose of this study is to determine and assess how residents' perception towards local development tourism policies is affected by residents' perception of tourism impacts on economic, environmental and socio-cultural aspects. Additionally, this study explores how community attachment (measured by the length of residence) and/or economic dependence on the tourism industry (expressed through the nature of resident's job) affect residents' attitudes and perceptions toward tourism development.

The dataset comes from a survey on residents' attitudes and perceptions towards tourism development in Folgaria, a small mountain community located in the North-East of Italy. To reach our aims we performed a multiple regression analysis to estimate the determinants of residents' attitudes toward tourism policies. The specification of the regression model was based on the social exchange theory (Ap, 1992) and on findings from previous studies.

The paper is structured by first describing the literature related to residents' perceptions of tourism impact. It next describes the small mountain community of Folgaria, the structure of the questionnaire and the statistical methodology. Finally, the results of the research are discussed.

LITERATURE REVIEW

Tourism Impacts

The academic literature has analysed community reactions to the local development of tourism since the early writings of Young (1973) and Doxey (1975). Several studies have highlighted that tourism impacts on the host destination are of economic, environmental, and socio-cultural nature (among others Ogorelc, 2009; Vargas-Sánchez et al., 2009; Diedrich and Garcia-Buades, 2008; Andereck and Roselló, 2005; Kayat, 2002; Andereck and Vogt, 2000; Long et al., 1990). A comprehensive review of recent studies related to tourism impacts on the host destination are found in the work by Easterling (2004) and, more recently, in Deery, Jago and Fredline (2012). The literature review suggests that each tourism impact category includes positive and negative effects and, sometimes, residents' perceptions are contradictory.

On the positive hand, economic tourism impacts are mainly perceived by residents as a mean to generate employment, develop local economy, increase investments and economic diversification (Kayat, 2010; Vargas-Sánchez et al., 2009; Diedrich and Garcia-Buades, 2008; Liu and Var, 1986), improve local and state tax revenues, additional income, and economic quality of life (Dimitriadis et al., 2013; Huh and Vogt, 2008; Haralambopoulos and Pizam, 1996). Conversely, on the negative hand, residents perceive an increase in the cost of living, i.e. in prices of goods and services, and an unequal distribution of the economic benefits (Andriotis, 2005; Andereck and Vogt, 2000; Haralambopoulos and Pizam, 1996; Liu and Var, 1986).

The environment is central in tourism research since the 80s and it continues to be an interesting topic in a time when global policies are aimed at ecological problems, such as pollution, depletion of natural resources and deforestation (Kuvan and Akan, 2005). In particular, the potential of tourism activities as a mean of environmental preservation and conservation have been widely investigated (Kuvan and Akan, 2005; Stewart et al., 1998; Bramwell and Lane, 1993). To this regards, Doswell (1997) suggests that tourism is a tool that stimulates environmental conservation and improvement. On the negative side, many studies suggest that tourism causes traffic and pedestrian congestion, parking problems, disturbance and destruction of flora and fauna, air and water pollution, and littering (Frauman and Banks, 2011; Jago et al., 2006; Andereck et al., 2005; Jurowski and Gursoy, 2004; Brunt and Courtney, 1999; McCool and Martin, 1994). In this context, a number of studies on sustainable tourism development have been made with the primary aim to study the combination of environmental conservation, local people's livelihood and economic prerequisites of tourism (Ogorelc, 2009; Chia-Pin et al., 2009; Ernoul, 2009; Hunter and Shaw, 2007; Gössling and Hall, 2006).

Tourism impacts also exert socio-cultural effects, such as increased intercultural communication, the modification of traditional cultures, the increase in crime, in costs of accommodation and the waiting time to deliver services (Martin, 2008; Diedrich and Garcia-Buades, 2008; Andereck et al., 2007; Andereck et al., 2005; Haralambopoulos and Pizam, 1996; Ross, 1992; Perdue et al., 1991; Dogan, 1989). Puczkó and Rátz (2000) underline that incorrect tourism development can lead to increase stress on the community and to a negative change in the destinations' socio-cultural and physical characteristics. Dogan (1989) suggests that tourism also causes a change in habits, daily routines, social lives, beliefs, and values. Tourism can also produce positive socio-cultural effects, such as an increase in the community services, recreational and cultural facilities, cultural events and cultural exchanges (Brunt and Courtney, 1999; Gilbert and Clark, 1997; McCool and Martin, 1994; Perdue et al., 1990; Liu and Var, 1986). Finally, the academic literature (among others Goodwin, 2006; Nyaupane et al., 2006; Pagdin, 1995) focuses also on the role that tourism plays in terms of social and cultural preservation, revitalization of ethic culture, and promotion of indigenous arts and crafts industries in the host regions with an increasing concern about the ethical behaviour of both tourism businesses and tourists.

Social Exchange Theory

Among the several theories developed in an attempt to understand and examine the host perceptions toward tourism, we can find the attribution theory (Pearce, 1989), the dependency theory (Preister, 1989), the social representation theory (Andriotis and Vaughn, 2003), and the social exchange theory (Ap, 1992). This latter one is the most widely used by scholars (Nunkoo and Ramkissoon, 2010; Accinelli et al, 2008; Harrill, 2004). The social exchange theory is based on the idea that each human behaviour or social interaction is made because people want to exchange goods or activities with others (Homans, 1961). As stated by Ap (1992), this is "a general sociological theory concerned with understanding the exchange of resources between individuals and groups in an interaction situation". People's satisfaction with an exchange interaction is obtained by the evaluation of the outcomes, which can be both economic and social, and the interaction itself.

From a tourism perspective, the social exchange theory means that residents examine costs and benefits as a result of tourism and, if their assessment is positive, also their attitude towards this type of industry will be positive. Therefore, residents perceiving more positive (benefits) than negative (costs) effects arising from tourism are likely to support the exchange (King et al., 1993) and are likely to be inclined to be involved in the exchange. In general, this type of residents displays positive attitudes and perceptions toward the tourism industry and, therefore, they encourage the future local tourism development (Gursoy et al., 2002; Ap, 1992). On the basis of this theory, we can describe residents' support of tourism development as a function of personal benefits, positive and negative impacts of tourism, and experience within the tourism industry (Ogorelc, 2009).

Determinants of Residents' Perception of Tourism Impact

A number of different variables influencing residents' perceptions of tourism impacts have been identified in the literature. Most of these variables are linked to the socio-demographic and economic profile of the residents, such as age, gender, and level of income (Sharma and Dyer, 2009; Petrzelka et al., 2005; Haley et al., 2005; Dogan, 1989), or to residents' attachment and relationship to the local area and connection with tourists (for a complete review of the literature see Deery et al., 2012; Easterling, 2004).

With the aim to describe residents' relationship to the local area, some studies have examined the role of the community attachment value (Ryan and Gu, 2010; Woosnam et al., 2009; Andereck et al., 2005). The community attachment is defined as the "extent and pattern of social participation and integration into community life, and sentiment or affect toward the community” (McCool and Martin, 1994). Generally, community attachment has been measured in a variety of ways as the length of living and/or having been born and/or grown up in the community (McGehee and Andereck, 2004; Jurowski et al., 1997; Lankford and Howard, 1994; Um and Crompton, 1987; Sheldon and Var, 1984). The relationship between community attachment and tourism impacts is yet controversial: some studies suggest that the longer an individual resides in a community, the more negative is the attitude towards tourism development (Harrill and Potts, 2003; Lankford and Howard, 1994; Lankford, 1994; Um and Crompton, 1987), other studies demonstrate that this relation is not true in every situation (Andereck et al., 2005; McGehee and Andereck, 2004; Gursoy et al., 2002; McCool and Martin, 1994).

In support of the social exchange theory, many studies suggest that residents, who are economically dependent on tourism industry, are generally more favourably disposed towards tourism than those who are not (Andereck et al., 2007; McGehhe and Andereck, 2004; Sirakaya et al., 2002; Brunt and Courtney, 1999; Haralambopoulos and Pizam, 1996). Ap (1992) highlights that this relationship exists thanks to the existing trade-off between costs and benefits. However, some authors disagree with these statements and in different studies conclude that residents being economically dependent on tourism find more negative associations with the tourism industry manifesting a strong negative attitude towards it (Williams and Lawson, 2001; Pizam, 1978). On the other hand, Andereck, Valentine, Vogt and Knopf (2007) suggest that the more residents have knowledge about tourism and have intensive contact with tourists, the more they have a positive perception of the benefits gained through tourism. Conversely, Lankford and Howard (1994) did not find any significant relation between residents’ attitudes and the degree of the contact with tourists. Finally, Some researchers have also analysed the influence of the distance between their place of residence and tourism activities, obtaining no consensus on the results (Sharma et al., 2008; Jurowski and Gursoy, 2004; Harrill, 2004; Sheldon and Var, 1984).

DESCRIPTION OF THE GEOGRAPHICAL AREA

Folgaria is a small mountain community located in the Province of Trento, in the North-East of Italy (see Figure 1), with a total area of only 72 km2 and a population density of nearly 44 inhabitants per km2 (total resident population 3,112 calculated at January, 1, 2010).

Even if it is a relatively small tourist destination, it is the biggest among all other municipalities in the surroundings (Lavarone and Luserna), with which Folgaria forms a strong conglomerate named “Plateau of Folgaria, Lavarone and Luserna”. This conglomerate is a mature alpine destination that in 2008 has attracted 467,510 tourists (excluding second homeowners and tourist in private homes), 353,049 (75.5%) of which were attracted to Folgaria.

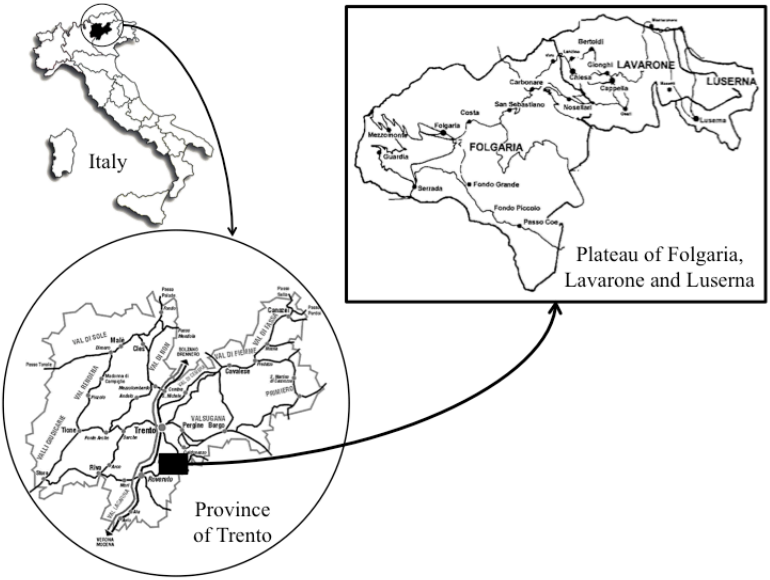

Figure 1. Map of study site.

The main constrains that the conglomerate faces are geographical dispersion, crowding out of young people, declining role of traditional activities, lack of collaboration between tourism suppliers, dependence of seasonality and under-utilization of infrastructures (Statistics Service-Provincia Autonoma di Trento 2006). The previous mentioned factors and individualism of small and medium suppliers of tourism production results in lower quality of the services available on the market, a strong dispersion of the potential benefits of cooperative behaviour among tourism actors and a downward trend since 2006 of tourists’ presence in the studied area.

DATA AND METHODOLOGY

Data Collection and Questionnaire

A questionnaire was administrated to a sample of 294 resident families, excluded second homeowners, in various villages of the agglomeration of Folgaria. The data collection was conducted from the last week of January to the last week of March 2009 and for each family only one adult person was interviewed.

Families were selected using systematic sampling method with sampling interval equal to four, i.e. about 1 every 4 resident families was selected, as we were in possession of the alphabetic list of all resident families of the municipality.

Items used in the questionnaire to examine the impacts of tourism in Folgaria are derived from the related tourism literature (Aguiló and Roselló, 2005; Andriotis, 2002; Gursoy et al., 2002; Andereck and Vogt, 2000; Ryan et al., 1998; Faulkner and Tideswell, 1997) and are listed in Appendix A. The questionnaire is divided into two parts: the first part contains 39 statements regarding the residents' perceptions (27 statements) and opinions (12 statements) on tourism measured by a 6-point Likert scale; the second part contains same socio-demographic and economic characteristics of the respondent and the level of reliance on tourism.

The first part can be further divided into five blocks of statements regarding the following topics: 1) economic impacts of tourism; 2) environmental impacts of tourism; 3) socio-cultural impacts of tourism; 4) future development policies; 5) impacts of seasonality.

Research Methodology

As stressed in the introductory paragraph, this research aims to investigate how residents' attitudes towards local development tourism policies are affected by residents' perceptions towards tourism impacts and to verify and quantify how this relation is influenced by community attachment and employment sector, reflecting the works of other scholars in past research.

To reach our aims, we first conducted a descriptive analysis to explore residents' perceptions and opinions obtaining a profile of the sample, information on community attachment (native-born or not) and employment sector (tourism workers or not). The t-tests between native-born and non-native born residents and between workers in tourism industry and workers in other sectors were reported in order to complete the conclusion obtained by the descriptive analysis. Prior to accept the results of the t-tests we have conducted an analysis of the effect size due to the different sizes of the sub-samples. In our research we have used the coefficient of determination (R2) as a measure of the proportion of variance shared by the two characteristics or variables (in this case we have compared the "native-born" vs. "non-native born" and "workers in the tourism sector" vs. " workers in other sectors"). The formula for the calculation of this index is given by Acock (2008) and it is equal to R2=t2/(t2+df). The author suggests that a value between 0.01 and 0.09 indicates a small size effect, between 0.10 and 0.25 indicates a medium effect and above 0.26 a large effect.

To explain the variability and to summarize the 39 statements regarding perceptions and opinions of the residents, two PCA with Varimax rotation were applied separately: one for the group of perception statements and one for the group of opinion statements.

Only factors with eigenvalues greater than 1 and individual items with a factor loadings of 0.50 and above (Hair et al., 1998) were selected. Cronbach's alpha reliability coefficient (Cronbach, 1951), was computed to evaluate the internal consistency of each factor. While the suitability of factor analysis was determined by the Kaiser-Meyer-Olkin (KMO, Kaiser, 1974) and by the Bartlett's test of sphericity (Bartlett, 1954).

Finally, numerous regression analyses were estimated to reach our aim, i.e. to assess which impact variables are the most important to explain residents' support of tourism development policies. Each regression model was estimated using as dependent variables the factors extracted from the residents' opinions on policies' statements and as independent variables the factors extracted from residents' perceptions of tourism impacts. To complete our analysis we have estimated every regression model for each sub-sample: community attachment (native-born vs. non-native born) and employment sector (workers in the tourism industry vs. workers in other sectors). In addition, to test the difference between two regression coefficients, related to the same variable and calculated across two sub-samples, we have performed a series of Z-tests calculated as in equation 2 (Paternoster et al., 1998):

$$z = \frac{b_1 + b_2}{\sqrt{\sigma_{b_1}^2 + \sigma_{b_2}^2}} \qquad (2)$$

Where b_1 and b_2 are the two coefficients obtained from the estimation of the regression model in two samples, and σ^2 is the estimated variance of the coefficient.

EMPIRICAL RESULTS

Descriptive Analysis

The average age of respondents is 48 years old and the sample is equally divided among the genders (51% are female). The average number of components of the family is 3 persons and the average number of children under 18 per family is less than 1 (0.6), indicating that familiar nuclei are small conglomerates (in accordance with the overall social trend at national level). On average the net household annual income is about €33,000 (the modal income class is between €15,000 and €28,000). The majority of the sample was born in the nearby town of Rovereto and lives in the main centre of Folgaria. With respect to the length of residence in the place, most of the residents are native-born in Folgaria (58%) and the rest of the sample indicated, however, quite a long period of residence in the town (21 years). The majority of the respondents (56.6%) stated that they are not currently employed in the tourism sector, neither were in the past 5 years (67.3%), besides 62.2% of the respondents stated that in their family, no other member works in the tourism industry. Residents' perceptions and opinions on tourism's impact and policies, with a full set of mean scores and *t*-tests between native-born and non-native and between workers in the tourism filed and non tourism workers, are shown in Appendix A. Results of the R^2 suggest that only two statements have a value between 0.10-0.25 (interaction with tourists in the winter season and interaction in the summer season in the comparison between workers in the tourism sector and workers in other sectors) and the remaining statements have a value less than 0.09, indicating that the *t*-tests were not affected by a size effect.

In general, respondents recognize the positive economic benefits of tourism. In particular, respondents agree on saying that tourism attracts more investments and spending to Folgaria ("Tourism causes an increment of investments at the destination", mean value 5.11). However they also believe that prices of many goods, services and real estate have increased because of tourism ("Tourism causes an increase in good prices", mean value 5.17). As we can note, there are some significant differences only with respect to the employment sector and not with respect to the length of residence. Workers in the tourism sector are, on average, more in agreement than workers in the other sectors with the statements affirming that tourism causes an increase in life standards and tourism causes more positive than negative economic effects, they also partially agree with the idea that tourism benefits only small groups.

In terms of positive environmental impacts, respondents show a conservative approach towards the issue (mean value generally stated between 2.99 and 4.42). In general, residents believe that tourism causes traffic congestion, noise, and pollution. Workers in the tourism sector are, on average, less in agreement than the workers in other sectors with the negative environmental impacts of tourism, particularly with references to the problems of crowding and inaccessible places for local residents during the high season, traffic congestion, noise, pollution, and the environmental destruction due to the construction of tourist facilities. Native-born residents are, on average, more in agreement than non native-born on the idea that construction facilities destroy the environment, perhaps due to the fact that they have seen major changes during the years and they are able to compare the current situation of the destination to how it was in the past.

With respect to the socio-cultural aspects of tourism impacts, local residents, in particular native-born and workers in the tourism sector, consider the experience of meeting tourists from all over the world, and from abroad, a valuable happening ("Meeting tourist is a valuable experience", mean value 5.17). Local residents, and particularly workers in the tourism sector, also recognize the power of tourism to increase the availability of recreational facilities (like swimming pool, tennis courts, ski slopes, etc.) for local people ("Tourism has led to an increase in service for residents", mean value 5.06). On average, the local community does not perceive tourist's presence to cause a decrease in quality of life ("Tourism causes a lower quality of life", mean value 2.52) and tourism to cause an increase in crime problems ("Tourism causes security and crime problems", mean value 2.69). As expected, on average workers in the tourism sector declared to have grater daily interactions with tourists (in both winter and summer), than workers in other sectors. What is important to note is that the former are more in agreement with the fact that the contact with tourists is a positive experience and, therefore, they also believe that the interaction with the tourists enable residents to expand their cultural knowledge and enhance local traditions and costumes.

Concerning local policies on tourism development in Folgaria, local residents generally support new programs oriented towards the preservation and valorisation of natural resources ("Natural conservation”, mean value 5.1). Workers in the tourism sector differ significantly from workers in other sectors because the former would prefer local policies to be more focused on the promotion of tourism and on the development of new tourist attractions (like entertainment parks, tourist services, etc.), on the construction of new services and commercial activities (like restaurants, shops, etc.). Local residents, and in particular workers in the tourism sector, are keen to change the actual flow of tourists during the year (“Seasonality tourism policy”), however they don’t want to decrease the number of tourists in the high season, indicating the willingness to prolong the two seasons (“Decrease tourism during the main season”). On the other hand, local residents, and in particular workers in the tourism sector, consider important the adoption of specific tourism policies to increase the tourism presence during the low season and therefore increase the actual total number of tourists (“Increase tourism during the low season”).

Factor Analysis

In order to reduce the 39 variables and represent both the opinion of the residents towards the future development policies and the perception of the residents towards the economic, environmental and socio-cultural impacts of tourism, two separated PCA with Varimax rotation ware conducted. As regards the opinion statements (see Table 1), the initial procedure produced a four factors solution with eigenvalues greater than 1 representing 64.53% of the total variance. Two items with factor loadings less than 0.50 were removed from further analysis. A revised factor solution with 10 remaining items was generated consisting of four factors with eigenvalues greater than 1, representing 69% of the total variance of the variables. The KMO measure of sampling adequacy (KMO=0.659) and the Bartlett’s test ($p<0.001$) confirmed that the analysis is appropriate. Cronbach’s alpha showed acceptable reliability, except for factor 3 (Table 1). Table 1 shows the results of the factor analysis.

The first factor was labelled “Winter tourism” and includes the opinion that the development policies in Folgaria should be oriented towards the implementation and expansion of winter tourism, increasing the availability of: ski slopes, new accommodation opportunities and structure with more than 50 beds, new services, and commercial activities (as restaurants, shops, etc.).

The second factor, labelled “Seasonality”, contains three items related to seasonality policies. In particular, there is an opposite effect between the maintenance of the actual tourism flow and the decrease of the total number of tourists in the main season (to decrease the overall total number of tourists) on one hand, and the development of all year round tourism policies, to increase the tourism presence during the low season thus increasing the actual total number of tourists, on the other hand.

The third factor, "Environment and culture", explained 13.96% of the total variance with a reliability coefficient of 0.55, lower than the recommended level, and contains only two items: new environmentally-oriented programs for the preservation and valorisation of natural resources, should be developed ("Natural conservation"); and new cultural attractions should be offered on the territory, such as museums, auditoriums, etc. ("New cultural attractions"). Technically, it is recommended to remove factors with fewer than three items from further analysis (Costello and Osborne, 2005). However, this factor was retained because it represents an important aspect of the development policies in Folgaria that we want to investigate in the following regression analysis to estimate which of the economic, environmental or socio-cultural perceived impacts determine this aspect.

The final factor, "No seasonality", contains only one item "Increase tourism during low season and decrease during high season" so, following Costello and Osborne (2005), we decided not to use this factor as the dependent variable in the following regression model.

As regards the perception statements (see Table 2), the initial procedure produced a seven factor solution with eigenvalues greater than 1 representing 61.46% of the total variance. Six items with factor loadings less than 0.50 had to be removed from further analysis. A revised factor solution with 21 remaining items was generated consisting of four factors with eigenvalues greater than 1, representing 62.36% of the total variance of the variables. The KMO measure of sampling adequacy (KMO=0.782) and the Bartlett's test ($p<0.001$) confirmed that the analysis was appropriate and Cronbach's alpha showed acceptable reliability for all factors. The results are described in Table 2. Note that, although factors 3, 5 and 6 contain only two items; they were retained because they represent important aspects of the local residents' perceptions of tourism's impacts.

Table 1. Results of factor analysis for opinions about tourism policies

Measure items[a]	Factor loadings	Communality
Factor 1: Winter tourism		
Winter tourism expansion	0.7786	0.6546
Ski positive	0.7898	0.6460
Incentive new hotels of more than 50 beds	0.7825	0.6862
Increase new services	0.6956	0.5788
Eigenvalue (% Variance explained)	2.647 (26.47)	
Reliability (α)	0.7685	
Factor 2: Seasonality		
Maintenance of current tourism flow	0.8172	0.6711
Decrease tourism during the main season	0.6936	0.6796
Increase tourism during low season	-0.7707	0.7390
Eigenvalue (% Variance explained)	1.760 (17.60)	
Reliability (α)	0.6609	
Factor 3: Environment and culture		
Natural conservation	0.8473	0.7272
New cultural attractions	0.8076	0.6912
Eigenvalue (% Variance explained)	1.396 (13.96)	
Reliability (α)	0.5451	
Factor 4: No seasonality		
Increase tourism during low season and decrease during high season	0.9031	0.8261
Eigenvalue (% Variance explained)	1.097 (10.97)	
Total variance explained (%)	**69.00**	

[a] 6 Likert-type scale, where 1=total opposition/disagreement and 6=total support/agreement.

The first factor, labelled "Positive cultural-environmental impacts", groups six items related to statements that describe the positive environmental and cultural impacts of tourism. The second factor, labelled "Positive socio-economic impacts", groups six items related to the statements that describe the positive economic and social impacts of tourism. In particular, this factor contains statements related to the improvement of the standard of life and the increase in investments at the destination. The third factor, labelled "Interaction", groups two items related to the daily interaction between local residents and tourists in both seasons. The fourth factor, labelled "Negative socio-cultural impacts", groups three items related to the negative impacts of tourism on the local habits, traditions, culture, and quality of life. The fifth factor, labelled "Negative environmental impacts", contains two statements related to crowed problems and inaccessible places to the local population during high season, and the problems of traffic congestion, noise and pollution. The last factor, labelled "Benefits not for residents", includes two statements that assert that the economic benefits and the new job possibility created by tourism are mainly for small group of people and for not-local people.

Table 2. Results of factor analysis of residents' perception of economic, environmental and socio-cultural impacts of tourism.

Factors and items[a]	Factor loadings	Communality
Factor 1: Positive cultural-environmental impacts		
Tourism causes more positive environmental effects than negative	0.6370	0.5447
Tourism provides an incentive for the conservation of natural resources	0.6692	0.5690
Interest of tourists in the local culture	0.6480	0.5468
Interest of residents in tourists' culture	0.6141	0.5927
Culture is perceived authentic	0.6056	0.6232
Tourism brings more positive than negatives social effects	0.6275	0.6967
Eigenvalue (% Variance explained)	5.428 (25.85)	
Reliability (α)	0.7523	
Factor 2: Positive socio-economic impacts		
Tourism causes an increment of investments at the destination	0.6698	0.4729
Tourism causes an increase in life standards	0.7324	0.6371
Because of tourism facilities are at a higher standard	0.6038	0.4972
Meeting tourists is a valuable experience	0.5157	0.4573
Tourism has led to an increase in services for residents	0.6176	0.5538
Tourism incentives the restoration of historic buildings	0.5248	0.5133
Eigenvalue (% Variance explained)	2.305 (10.97)	
Reliability (α)	0.7673	
Factor 3: Interaction		
Interaction with tourists in the winter season	0.8842	0.8314
Interaction with tourists in the summer season	0.8976	0.8347
Eigenvalue (% Variance explained)	1.545 (7.36)	
Reliability (α)	0.8308	
Factor 4: Negative socio-cultural impacts		
Tourism causes undesirable effects on locals'	0.6388	0.6332

Factors and items[a]	Factor loadings	Communality
habits		
Tourism causes changes in traditions and cultures	0.7983	0.6850
Tourism causes a lower quality of life	0.6839	0.5652
Eigenvalue (% Variance explained)	1.438 (6.85)	
Reliability (α)	0.6828	
Factor 5: Negative environmental impacts		
Tourism causes crowd problems	0.7404	0.6571
Tourism causes traffic congestion, noise, and pollution	0.8323	0.7552
Eigenvalue (% Variance explained)	1.262 (6.01)	
Reliability (α)	0.6875	
Factor 6: Benefits not for residents		
Tourism benefits only a small groups	0.8175	0.7326
Tourism creates jobs more for externals than residents	0.8010	0.6959
Eigenvalue (% Variance explained)	1.117 (5.32)	
Reliability (α)	0.6641	
Total variance explained (%)	**62.36**	

[a] 6 Likert-type scale, where 1=total disagreement and 6=total agreement.

Regression Analysis

In order to explore whether the perceived impacts of tourism have any significant effects on the perception of each policies, taking into account community attachment and employment sector a regression analysis was conducted with the factors extracted in the previous two PCAs. In specific 5 models are presented: for the entire sample, for workers in the tourism industry, workers in other sectors, native-born in Folgaria, and non-native born in Folgaria. The results of the regression models calculated for the whole sample are shown in Table 3, while the results of regression models estimated for each sub-sample are displayed in Table 4. As regards the Z-test, no effect of impact factors was significantly different between the analysed models. It is important to note that, generally, results give support to the social exchange theory.

As shown in Table 3, the three factors “Positive cultural-environmental impacts”, “Positive socio-economic impacts”, and “Negative socio-cultural impacts” were found to have significant effects on policies for the development of new infrastructures. This means that those who perceive the global tourism impact positively would give support to the local tourism development policies for winter tourism expansion, and increase of infrastructures (hotels of more than 50 beds and ski slopes) and services. Examining the results obtained for the sub-sample (Table 4), we can note that residents who do not work in the tourism sector (Model II) are less willing to support the development of new infrastructures if they hold a negative perception of the socio-cultural tourism impacts linked to a loss of quality of life and to the change in traditions and cultures.

Table 3. Results of the regression model for the whole sample.

	Tourism development policies		
	Winter tourism	Seasonality	Environment and culture
Positive cultural-environmental	0.402**	-0.080	0.036
impacts	(0.051)	(0.072)	(0.057)
Positive socio-economic	0.340**	-0.157*	0.260**
impacts	(0.055)	(0.067)	(0.077)
Interaction	-0.019	-0.066	0.073
	(0.055)	(0.064)	(0.060)
Negative socio-cultural impacts	-0.114*	0.229**	0.078
	(0.055)	(0.063)	(0.064)
Negative environmental	-0.072	0.137*	0.077
impacts	(0.050)	(0.064)	(0.058)
Benefits not for residents	-0.031	0.192**	0.041
	(0.057)	(0.069)	(0.061)
Constant	0.001	-0.002	0.012
	(0.053)	(0.059)	(0.060)
Adj. R^2	0.281	0.123	0.064
F	18.767**	6.687**	2.970**

*Standard errors in parentheses. * p<0.05, ** p<0.01*

Native-born residents (Model III) who negatively perceive tourism impacts in Folgaria are in agreement with seasonality policies, i.e. they would decrease the total number of tourists in the main season, producing a decrease in the overall number of tourists, or they would maintain the current tourism flow as it is. This is reasonable because, according to the social exchange theory, those who perceive more costs than benefits are less inclined to host tourists and to make the exchange. Model I shows that the more residents holding a job in the tourism sector perceive the positive socio-economic impacts of tourism, the more they will support policies for the increase of tourism presence in the low season and therefore the increase of the overall tourism presence during the year. On the other hand, for residents employed in other sectors (Model II) the negative perception of socio-cultural impacts is more important and unique, pushing them to support seasonality policies, indicating that, for them, socio-cultural impacts are more important than economic or environmental impacts. Finally, only the positive perception of socio-economic tourism impacts lead residents to support new programs related to the preservation, conservation and valorisation of natural resources, and new cultural attractions ("Environmental and culture" factor).

Table 4. Results of the regression models

	Model I	Model II	Model III	Model IV
N	111	138	144	101
Factor 1: Infrastructure				
Positive cultural-environmental impacts	0.353**	0.423**	0.407**	0.374**
	(0.088)	(0.062)	(0.077)	(0.078)
Positive socio-economic impacts	0.207*	0.394**	0.337**	0.337**
	(0.100)	(0.062)	(0.077)	(0.078)
Interaction	-0.108	-0.020	-0.037	0.019
	(0.109)	(0.077)	(0.076)	(0.079)
Negative socio-cultural impacts	-0.056	-0.147*	-0.150	-0.071
	(0.089)	(0.067)	(0.076)	(0.086)
Negative environmental impacts	-0.059	-0.077	-0.101	-0.026
	(0.072)	(0.070)	(0.067)	(0.077)
Benefits not for residents	-0.099	0.028	-0.012	-0.059
	(0.081)	(0.079)	(0.082)	(0.086)
Constant	0.095	-0.051	-0.019	0.040
	(0.101)	(0.077)	(0.073)	(0.084)
Adj. R^2	0.154	0.349	0.260	0.253
F	4.727**	16.639**	9.525**	7.840**
Factor 2: Seasonality				
Positive cultural-environmental impacts	-0.121	-0.023	-0.106	-0.084
	(0.071)	(0.109)	(0.092)	(0.105)
Positive socio-economic impacts	-0.332**	-0.067	-0.156	-0.158
	(0.083)	(0.091)	(0.088)	(0.114)
Interaction	-0.097	0.013	-0.069	-0.094
	(0.068)	(0.099)	(0.074)	(0.098)
Negative socio-cultural impacts	0.151	0.276**	0.294**	0.187
	(0.081)	(0.094)	(0.083)	(0.103)
Negative environmental impacts	0.085	0.127	0.171*	0.042
	(0.074)	(0.096)	(0.073)	(0.115)
Benefits not for residents	0.096	0.200	0.221**	0.062
	(0.074)	(0.104)	(0.076)	(0.105)
Constant	-0.137	0.134	-0.083	0.058
	(0.079)	(0.095)	(0.072)	(0.095)
Adj. R^2	0.174	0.073	0.183	0.024
F	5.829**	2.683*	6.517**	1.105

	Model I	Model II	Model III	Model IV
N	111	138	144	101
				(*p*=0.366)
Factor 3: Environment and culture				
Positive cultural-environmental impacts	0.084 (0.087)	0.033 (0.078)	0.044 (0.083)	0.059 (0.088)
Positive socio-economic impacts	0.220* (0.106)	0.283** (0.100)	0.296** (0.098)	0.231 (0.142)
Interaction	0.105 (0.112)	0.051 (0.079)	0.018 (0.075)	0.156 (0.097)
Negative socio-cultural impacts	-0.064 (0.093)	0.177 (0.090)	0.115 (0.083)	0.037 (0.112)
Negative environmental impacts	-0.030 (0.084)	0.165 (0.088)	0.138 (0.079)	-0.015 (0.093)
Benefits not for residents	0.008 (0.082)	0.053 (0.094)	0.010 (0.078)	0.028 (0.114)
Constant	-0.062 (0.105)	0.012 (0.098)	0.065 (0.079)	-0.104 (0.098)
Adj. R^2	0.011	0.102	0.077	0.018
F	1.022**	3.088**	2.058 (*p*=0.062)	1.303 (*p*=0.264)

Model I: sub-sample of workers in the tourism sector. Model II: sub-sample of workers in other sectors. Model III: sub-sample of native-born in Folgaria. Model III: sub-sample of non-native born in Folgaria. Standard errors in parentheses.
* $p<0.05$, ** $p<0.01$

As indicated above, two statements regarding tourism development policies ("More specific attraction and promotion for tourists", "Incentive new hotel of less than 50 beds") are not included in any factor and, therefore, were not analysed in the above regression models. Furthermore, one factor ("No seasonality") was removed because composed only by one variable. This variable "Increase tourism during low season and decrease during high season" along with the other two variables were analysed in separate Logit models (see Appendix B, Tables B.1 and B.2). These latter analyses were conducted in order to complete our study and to determine any further effects of the perceptions of tourism impacts. To estimate each Logit model we have previously transformed the three variables into three dummy variables equal to 1 when the give rate is greater than 3 (0 otherwise).

Following the results of the Logit model (Appendix B, Table B.1), we can observe that the more negative is the perception of the environmental impact the highest is the residents' propensity to support policies for a decrease of seasonality. Furthermore, we can note that native-born residents (Appendix B, Table B.2, Model III) are less willing to support the deseasonality of the tourism flow when they consider the interaction with tourists in all year round as a positive experience.

In general, the Logit model for the whole sample, and for native-born residents (Model III), shows policies for the development of more specific attractions for tourists and promotion are supported only when tourism is perceived to exert positive cultural, environmental and socio-economic impacts and when the interaction with tourists is considered as a positive experience. Also the propensity to incentive the construction of new hotels with less than 50 beds is positively linked to the positive perception of the socio-economic impact but is negatively connected with the negative perception of the socio-cultural impact. In addition, non-native born residents have a higher propensity to support deseasonality policy if they agree with the statements on the unequal distribution of the economic benefits.

DISCUSSION AND CONCLUSIONS

The present paper offers a contribution to tourism planners when residents' support is needed for the implementation of their development policies and consequently for a better acceptance of tourism by the community. In the case of mountain destinations with similar features as Folgaria, it can be concluded that winter tourism policies would be supported by the community only if they have a positive perceptions regarding environmental, economic, and socio-cultural impacts. Residents will be more inclined to support such policies if they perceive that tourism causes positive effects on the environment and when positive environmental effects exceed negative effects. Residents perceiving tourism as a cause of increase of the level of investment at the destination and better public services will support policies aiming at the conservation of environmental and cultural resources.

Despite the recognition of the benefits of tourism, some problems need, however to be further addressed. In establishing the roles the public and private sectors play in the context of sustainable tourism planning and development, the findings suggests that there is a need for a more cohesive interaction amongst implementing stakeholders, in the consideration of sustainable development. For better validation of the findings and its linkage to sustainability, key issues include the need for responsible planning and management, where a balance must be found between limits and usage so that any change can be monitored. This requires long-term management and recognition that change is often cumulative, gradual and irreversible. Hence, in order to address the sustainability of tourism, the economic, social and environmental aspects of sustainable development must include the collective interests of all stakeholders. The public sector must participate in the education and preparation of stakeholders in using data, exercising judgment, evaluating risks and solving the concerns of all parties concerned in the practice of destination management. A second step to address tourism aversion is to collect more information about the attitude of local residents towards the possibility to implement tourism, using again the instrument of public discussions or workshops with experts. The implementation of more integration and more acceptance towards visitors, should be achieved especially by developing some programs aimed at incrementing the cultural exchange between tourists and residents (through public events, for example). Finally, the effort of tourism managers should be oriented towards the implementation of tourism policies with a focus on incremental tourism presence during off-seasons (for example, through the organization of events) and in doing so, reducing the negative impacts caused by excess concentration of visitors during the main season. In particular, this study shows that residents without a direct economic benefit from tourism and with a negative perception of the socio-cultural tourism impacts are less willing to support winter tourism development. This group of residents also prefers to maintain the current peak of tourism, instead of distributing the tourism flow all year round, when they negative perceptions of socio-cultural impacts. By the contrary, residents receiving direct economic benefit from tourism and perceiving positive socio-economic impacts are more willing to support policies that attempt to distribute tourism activities homogeneously during all year round. Finally, native-born residents with strong negative perceptions of tourism impacts prefer policies tending to concentrate tourism during particular periods of the year (i.e., they prefer high seasonality of tourism). Those residents who perceive socio-cultural, environmental and economic impacts positively would perceive benefits more strongly, thus supporting the appropriateness of social exchange theory in explaining residents' responses in the study area.

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ENDNOTES

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Appendix A. Mean value and Standard Deviation (SD), t-test.

Measure items[a]	Sample	Native-born residents			Workers in the tourism sector		
		Yes	No	Prob	Yes	No	Prob
N	294	164	118		125	163	
Economic impacts of tourism							
Tourism causes an increment of investments at the destination	5.113 (1.05)	5.147 (1.03)	5.093 (1.02)	0.663	5.177 (0.95)	5.080 (1.08)	0.425
Tourism causes an increase in life standards	4.704 (1.25)	4.575 (1.39)	4.852 (1.03)	0.071	4.959 (0.98)	4.509 (1.40)	0.003**
Tourism causes an increase in goods prices	5.165 (1.16)	5.161 (1.17)	5.130 (1.17)	0.828	5.187 (1.04)	5.151 (1.25)	0.797
Tourism benefits only a small groups	3.625 (1.61)	3.632 (1.66)	3.612 (1.50)	0.919	3.160 (1.53)	3.994 (1.58)	0.000**
Tourism creates jobs more for externals than residents	3.213 (1.50)	3.215 (1.50)	3.147 (1.48)	0.707	3.033 (1.47)	3.316 (1.51)	0.117
More positive than negative economic effects	4.860 (1.25)	4.806 (1.31)	4.962 (1.13)	0.320	5.151 (1.04)	4.644 (1.34)	0.001**
Environmental impacts of tourism							
Tourism causes more positive environmental effects than negative	2.990 (1.51)	2.865 (1.52)	3.178 (1.49)	0.087	3.161 (1.34)	2.846 (1.62)	0.080
Because of tourism facilities are at a higher standard	4.216 (1.44)	4.104 (1.44)	4.364 (1.39)	0.130	4.376 (1.32)	4.093 (1.50)	0.095
Tourism causes crowd problems	3.838 (1.61)	3.871 (1.62)	3.788 (1.57)	0.668	3.540 (1.53)	4.043 (1.63)	0.009**
Tourism causes traffic congestion, noise, and	4.419 (1.55)	4.463 (1.53)	4.322 (1.57)	0.450	4.048 (1.57)	4.747 (1.43)	0.000**

Measure items[a]	Sample	Native-born residents			Workers in the tourism sector		
		Yes	No	Prob	Yes	No	Prob
N	294	164	118		125	163	
pollution							
The construction of tourist facilities destroy the environment	3.398 (1.61)	3.598 (1.64)	3.197 (1.53)	0.039*	2.944 (1.39)	3.789 (1.67)	0.000**
Tourism provides an incentive for the conservation of natural resources	3.458 (1.51)	3.414 (1.53)	3.530 (1.50)	0.528	3.667 (1.42)	3.267 (1.53)	0.025*
Socio-cultural impacts of tourism							
Meeting tourists is a valuable experience	5.166 (1.10)	5.309 (0.95)	5.017 (1.21)	0.025*	5.411 (0.86)	5.000 (1.19)	0.001**
Tourism has led to an increase in service for residents	5.059 (1.13)	5.117 (1.08)	4.983 (1.15)	0.319	5.266 (0.98)	4.907 (1.17)	0.006**
Tourism causes undesirable effects on locals' habits	3.104 (1.48)	3.146 (1.47)	2.991 (1.48)	0.387	2.760 (1.30)	3.360 (1.54)	0.001**
Tourism causes changes in traditions and cultures	3.490 (1.62)	3.518 (1.58)	3.431 (1.66)	0.657	3.347 (1.55)	3.578 (1.67)	0.234
Tourism causes a lower quality of life	2.512 (1.53)	2.417 (1.53)	2.583 (1.49)	0.371	2.376 (1.42)	2.606 (1.58)	0.203
Interaction with tourists in the winter season	4.074 (1.66)	3.944 (1.74)	4.228 (1.57)	0.166	4.871 (1.32)	3.449 (1.65)	0.000**
Interaction with tourists in the summer season	4.246 (1.53)	4.149 (1.53)	4.357 (1.54)	0.269	4.828 (1.28)	3.806 (1.56)	0.000**
Interaction with tourists is a positive experience	4.690 (1.26)	4.665 (1.25)	4.684 (1.30)	0.902	5.024 (1.14)	4.447 (1.27)	0.000**
Interest of tourists in the local culture	3.365 (1.54)	3.241 (1.56)	3.535 (1.47)	0.115	3.532 (1.53)	3.229 (1.54)	0.101
Interest of residents in tourists' culture	3.226	3.062	3.441	0.037*	3.544	2.969	0.001**

Measure items[a]	Sample	Native-born residents			Workers in the tourism sector		
		Yes	No	Prob	Yes	No	Prob
N	294	164	118		125	163	
	(1.51)	(1.50)	(1.48)		(1.39)	(1.55)	
Tourism incentives the valorization of local tradition	3.979 (1.57)	3.833 (1.61)	4.136 (1.50)	0.112	4.344 (1.43)	3.691 (1.64)	0.001**
Tourism incentives the restoration of historic buildings	4.285 (1.49)	4.207 (1.61)	4.379 (1.30)	0.342	4.371 (1.47)	4.199 (1.51)	0.335
Tourism causes security and crime problems	2.689 (1.55)	2.665 (1.61)	2.607 (1.43)	0.757	2.552 (1.44)	2.789 (1.62)	0.200
Culture is shown authentically	3.638 (1.39)	3.642 (1.38)	3.624 (1.41)	0.915	3.584 (1.28)	3.663 (1.47)	0.636
Tourism brings more positive than negatives social effects	4.419 (1.28)	4.299 (1.32)	4.602 (1.20)	0.049*	4.616 (1.24)	4.270 (1.30)	0.023*
Future development policies in Folgaria							
Winter tourism expansion	3.101 (1.75)	2.963 (1.76)	3.316 (1.69)	0.094	3.256 (1.63)	2.988 (1.84)	0.199
Ski positive	3.663 (1.70)	3.665 (1.75)	3.698 (1.64)	0.871	3.816 (1.65)	3.513 (1.72)	0.134
Natural conservation	5.153 (1.17)	5.256 (1.11)	5.009 (1.25)	0.082	5.176 (1.03)	5.143 (1.26)	0.812
New cultural attractions	4.679 (1.32)	4.720(1.33)	4.626 (1.35)	0.566	4.688 (1.27)	4.669 (1.37)	0.903
More specific attraction and promotion for tourists	4.705 (1.41)	4.753 (1.41)	4.707 (1.36)	0.786	5.040 (1.18)	4.450(1.50)	0.000**
Incentive new hotels of more than 50 beds	3.569 (1.83)	3.593 (1.90)	3.553 (1.76)	0.859	3.772 (1.83)	3.380(1.82)	0.074

Measure items[a]	Sample	Native-born residents			Workers in the tourism sector		
		Yes	No	Prob	Yes	No	Prob
N	294	164	118		125	163	
Incentive new hotel of less than 50 beds	4.493	4.623	4.357	0.182	4.569	4.438	0.504
	(1.65)	(1.67)	(1.58)		(1.68)	(1.61)	
Increase new services	4.133	4.273	4.009	0.203	4.418	3.913	0.014*
	(1.72)	(1.70)	(1.71)		(1.57)	(1.79)	
Seasonality							
Seasonality tourism policy	2.815	2.726	2.904	0.379	2.464	3.069	0.002**
	(1.66)	(1.67)	(1.64)		(1.42)	(1.78)	
Decrease tourism during the main season	2.081	2.000	2.105	0.515	1.847	2.247	0.013*
	(1.36)	(1.29)	(1.37)		(1.18)	(1.44)	
Increase tourism during low season	4.726	4.779	4.716	0.744	4.968	4.547	0.029*
	(1.63)	(1.61)	(1.59)		(1.48)	(1.70)	
Increase tourism during low season and decrease during high season	3.694	3.654	3.765	0.588	3.434	3.880	0.027*
	(1.68)	(1.75)	(1.56)		(1.65)	(1.68)	

[a] 6 Likert-type scale, where 1=total opposition/disagreement and 6=total support/agreement.

Appendix B

Table B.1 Results of the Logit model for the whole sample.

	Increase tourism during low season and decrease during high season (*Dummy*)	More specific attraction and promotion for tourists (*Dummy*)	Incentive new hotel of less than 50 beds (*Dummy*)
Positive cultural-environmental impacts	-0.090 (0.130)	0.427** (0.161)	0.268 (0.150)
Positive socio-economic impacts	0.008 (0.130)	0.608** (0.168)	0.377* (0.155)
Interaction	-0.022 (0.131)	0.450** (0.156)	0.153 (0.152)
Negative socio-cultural impacts	0.132 (0.129)	-0.075 (0.189)	-0.337* (0.147)
Negative environmental impacts	0.381** (0.127)	-0.126 (0.168)	-0.197 (0.158)
Benefits not for residents	0.053 (0.131)	0.226 (0.220)	0.228 (0.158)
Constant	0.145 (0.129)	1.634** (0.194)	1.163** (0.157)
McKelvey & Zavoina's R^2	0.050	0.200	0.119
Wald	10.57 (p=0.103)	26.63**	15.47*

Standard errors in parentheses
* p<0.05, ** p<0.01

Table B.2 Results of the Logit regression models.

	Model I	Model II	Model III	Model IV
Increase tourism during low season and decrease during high season (Dummy)				
Positive cultural-environmental impacts	-0.141 (0.220)	-0.042 (0.171)	-0.242 (0.208)	-0.007 (0.201)
Positive socio-economic impacts	-0.269 (0.255)	0.166 (0.161)	0.192 (0.169)	-0.188 (0.216)
Interaction	0.031 (0.245)	0.024 (0.186)	-0.375* (0.177)	0.407 (0.223)
Negative socio-cultural impacts	-0.095 (0.205)	0.304 (0.176)	0.262 (0.179)	-0.092 (0.219)
Negative environmental impacts	0.439* (0.205)	0.334 (0.179)	0.488** (0.179)	0.531** (0.217)
Benefits not for residents	0.026 (0.215)	-0.018 (0.191)	-0.192 (0.192)	0.475** (0.217)
Constant	0.003 (0.238)	0.282 (0.196)	0.048 (0.180)	0.237 (0.216)
McKelvey & Zavoina's R^2	0.071	0.065	0.138	0.153
Wald	6.27 (p=0.393)	7.10 (p=0.312)	13.44*	13.94*
More specific attraction and promotion for tourists (Dummy)				
Positive cultural-environmental impacts	0.058 (0.251)	0.542* (0.222)	0.545* (0.225)	0.351 (0.234)
Positive socio-economic impacts	0.582 (0.393)	0.618** (0.192)	0.743** (0.252)	0.501* (0.246)
Interaction	0.559 (0.309)	0.237 (0.205)	0.746** (0.274)	0.336 (0.207)
Negative socio-cultural impacts	0.23 (0.336)	-0.118 (0.227)	-0.259 (0.272)	-0.029 (0.283)
Negative environmental impacts	-0.522 (0.266)	0.145 (0.208)	-0.173 (0.245)	-0.035 (0.244)
Benefits not for residents	0.393 (0.607)	0.201 (0.222)	0.493 (0.386)	0.196 (0.289)
Constant	2.023** (0.391)	1.326** (0.258)	1.959** (0.353)	1.446** (0.273)
McKelvey & Zavoina's R^2	0.204	0.226	0.330	0.147
Wald	11.78 (p=0.067)	15.01*	18.76**	8.51 (p=0.203)
Incentive new hotel of less than 50 beds (Dummy)				
Positive cultural-environmental impacts	0.374 (0.224)	0.217 (0.206)	0.349 (0.246)	0.221 (0.211)

Positive socio-economic impacts	0.112 (0.265)	0.474* (0.203)	0.548* (0.222)	0.131 (0.246)
Interaction	-0.025 (0.254)	0.268 (0.207)	-0.017 (0.241)	0.289 (0.220)
Negative socio-cultural impacts	-0.175 (0.236)	-0.441* (0.189)	-0.303 (0.197)	-0.436 (0.239)
Negative environmental impacts	-0.258 (0.249)	-0.232 (0.225)	-0.171 (0.220)	-0.088 (0.241)
Benefits not for residents	0.05 (0.256)	0.291 (0.196)	0 (0.219)	0.481* (0.244)
Constant	1.13** (0.260)	1.277** (0.246)	1.29** (0.224)	1.057** (0.243)
McKelvey & Zavoina's R^2	0.062	0.187	0.143	0.163
Wald	5.28 (p=0.508)	11.92 (p=0.064)	10.40 (p=0.109)	8.94 (p=0.177)

Model I: sub-sample of workers in the tourism sector. Model II: sub-sample of workers in other sectors. Model III: sub-sample of native-born in Folgaria. Model III: sub-sample of non-native born in Folgaria. Standard errors in parentheses * p<0.05, ** p<0.01

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AN INVESTIGATION INTO THE SUSTAINABILITY OF INDEPENDENT TRAVEL AGENCIES IN ITALY

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This summary paper is an attempt to indicate what the current situation of Italian independent travel agencies is in the light of the economic crisis and major changes that lately have affected the industry. The study is based on a strategic analysis of the industry to identify whether or not independent agencies are sustainable in the long term by adopting a strategy that includes the process of disintermediation, and, it will provide recommendations to the management of independent travel agencies regarding how such agencies should respond more proactively to the recent crisis, by taking advantage of opportunities rather than primarily responding defensively. The economic crisis in Italy is definitely creating huge concerns to travel agencies, causing sometimes agency closures. However, from the data collated and analysed the researchers noticed that the crisis is in part changing the industry in favour of travel agencies. In the researchers' opinion, agencies should be aware of such 'positive' changes and use them as the basis for their future success..

Keywords: *Italian, Travel, Strategy, Changes, Future*

JEL Classification: *L83, M1, O1*

INTRODUCTION – THE TRAVEL AGENCY BUSINESS

Like other travel sectors, the Italian travel agent industry is going through a period of unprecedented change. It operates in a complex and dynamic environment, where major challenges arise from technological advancements and the low cost airlines' popularity, changing customer buying patterns as well as stimulating rivalry levels within the industry. As a consequence, tourism enterprises, particularly intermediaries and tour operators, are changing their way of operating as innovative business models are introduced by organisations. Previous literature outlined how rapid IT developments (Bigné et al., 2008; Holloway, 2006; European Travel Commission, 2011), even though it provided huge opportunities for tourism intermediaries, has also led to the start of a disintermediation process.

According to Porter (1998), the fundamental purpose of strategy is to build a competitive advantage that is sustainable and therefore resists erosion by competitors' behaviour or industry evolution. The economic crisis in Italy is definitely creating huge concerns to travel agencies' revenue and profit, causing sometimes agency closures. However, from the data collated and analysed the researchers noticed that the crisis is in part changing the industry in favour of travel agencies. In the researchers' opinion, agencies should be aware of such 'positive' changes and use them as the basis for their future success.

LITERATURE IN THE SUBJECT DOMAIN

Changing consumer behaviour - always difficult

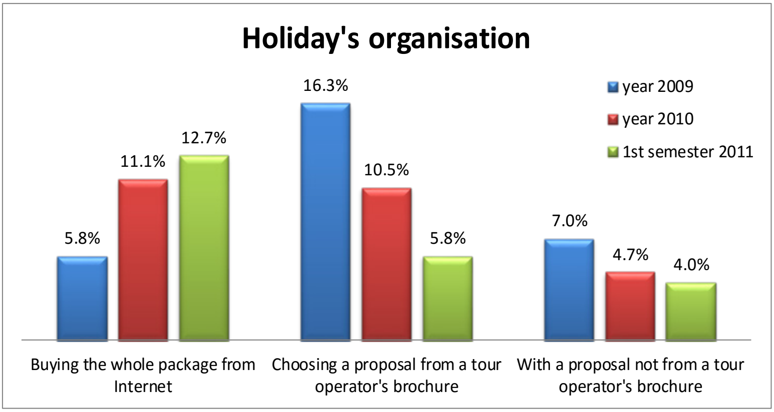
The tourist buying decision presents some unique aspects given that tourism is a service rather than a product and that production and value delivery happens concomitantly. Services are essentially intangible and do not result in the ownership of anything (Kotler and Armstrong 1994). It is an investment with no tangible rate of return, and the purchase is often prepared and planned through savings made over a considerable period of time (Moutinho, 1987).The travel agent plays a fundamental role in affecting determinants of tourism behaviour and possesses the means to create the antecedents of success or failure of the holiday (Ryan, 1997). Poor or inappropriate advice that leads to an unsatisfactory holiday determines the future behaviour of the customer.

Changing consumer buying patterns have been investigated by previous researchers, particularly in relation to the impact of the Internet (Riley et al., 2009; Lo et al., 2003; Law et al., 2004) and of the recent economic crisis (Purnell, 2010; Aidi, 2009). On the one hand, customers walking into a department store may have already researched their purchase online and come to the store armed with information about the product and the best available deals (The Economist, 2004) with the consequence sometimes of "deconstructing the purchasing process". However, different countries have different cultures and habits and in Italy, for instance, people are twice as likely to buy offline as online after researching on the Internet (The Economist, 2004). On the other hand, according to Purnell (2010), since the recession set in, people are cutting back on travelling and staying at home to economise. Even if sometimes business travellers swap an overseas meeting with video conferencing, people are always going to travel; just they are now likely to do it differently. Customers have become more demanding and more technologically competent. They seek value for money with tourist destinations that are attractive and appealing (Stylos and Andronikidis, 2013), and are more critical and less loyal; they look for holidays tailored to individual requirements and there is a search for authenticity as well as for sustainable practices and ethical choices (Aidi, 2009).

According to ISNART (National Institute of Tourism Research), in the 2011 first report about tourism behaviour, the number of Italians that have had a holiday has decreased from 17.7 million in 2007 to 15.6 million in 2010, with the lowest level in 2009 (14.8 million) and a sign of recovery in 2010 (16.1 million). Despite the reduction in the travellers' numbers, in 2011 the actual number of holidays has increased by 5%. However, the rise has concerned only Italian destinations (+ 8.1%), whereas travel abroad have fallen by 6.3%. The average holiday expenditure has shown a different trend related to destinations, with travellers spending less for holidays inside Italian borders and spending more for travelling abroad. The predominant information channels used in order to find a suitable holiday are word of mouth, personal experience and the World Wide Web, not only as an information channel but also as a vehicle of special offers (ISNART, 2011). Moreover, stays in private houses (friends and family's houses or second houses) have risen significantly since the first quarter of 2010. It seems that the traditional intermediation is more valued by people that choose to go abroad. However, in the first quarter of 2011, only 2.5 % of travellers have chosen a holiday based upon the advice of travel agencies. For holidays in Italy, 24% of travellers have booked directly through the World Wide Web, and only 3% has booked through a travel agency. For holiday abroad, 14.4% has booked online. Additional information of the booking of holiday services is shown in Figure 1.

Total of services booked through the travel agency:
Year 2009: 29.1%
Year 2010: 26.2%
1st semester 2011: 22.6%

Figure 1: Way of organisation of the main holiday. Source: adapted from Turismo e Attualità, 2011.



Even if the drop in holidays purchased through the travel agency is minimal, it is clear that there is a market share that slips from travel agency in favour of the web or the direct booking with the accommodation provider (D'Amato, 2011).

Strategic management – always important

The importance of strategic management (in all business disciplines) has never been greater (Enz, 2010). With the increasing environmental turbulence, the field of hospitality must provide strategic approaches that address challenges and opportunities into the future. Developing a strategy consists firstly of decisions regarding what the company is and what it wants to become, in other words defining the firm's objectives, its 'business definition', its mission statement and its vision for the future. Moreover, the company should align its objectives with the extant environment. The strategy implies therefore an analysis of the firm's environment, taking as central focus of attention customers, their needs and preferences (Van Looy, Gemmel, Van Dierdonck, 2003).

As suggested by Johnson, et al (2011) the macro-environment consists of broad environmental factors that impact to a greater or lesser extent on firms' performance within the market, such as issues in political, economic, social, technological, environmental and legal environments. An analysis of these factors provides broad data from which to identify "variables" or "drivers" that will impact the nature of the future environment in which a firm will be operating (Walsh, 2005) which Johnson et al (2011) has identified as key drivers for change.

The analysis of the macro-environment is a starting point to investigate how general environmental factors affect the firm's industry and therefore investigate industry's sustainability that is achievable by implementing a value creating strategy that is not simultaneously being implemented by competitors and when other firms are unable to duplicate the benefits of this strategy (Barney, 1991). Porter (2008), in the update of his revolutionary 1979 article, suggests that to sustain long-term profitability the firm must respond strategically to competition and that competition for profits goes beyond established industry rivals to include four other competitive forces: customers, suppliers, potential entrants and substitute products.

Competitor analysis of the Italian travel industry reveals that rivalry in the travel agent sector is becoming fiercer because of low barriers to entry that increase rivals' number; powerful buyers with low costs; and suppliers that are trying to re-organise in order to control distribution channels. Furthermore, there are many players of about the same size, they have similar strategies, the industry's margins are relatively low and the perishable nature of tourism products impacts to cut prices and sell the product while it still has value so that competition often takes the form of price discounting (Porter, 2008) and it is very difficult for traditional travel agencies to compete in the same way.

Some analysts argue that industry analysis needs to include a ‘sixth force’ that is represented by complementors which puts pressure on profitability (Johnson at al. (2011). However, Porter (2008) suggested that they cannot be considered a sixth force determining industry profitability since the presence of strong complementors is not necessarily bad for industry profitability, as their presence may increase profits by increasing demand for an industry’s products. Consistently, Johnson et al. (2011) claimed that complementors, even though competing, may cooperate to increase the total industry value available. Considering travel agencies, cross-selling of complementary travel products may include for example travel insurances, visas, transfers from airports to city centres, airport car park tickets, car rental, and sightseeing city cards.

Creating competitive advantage – always vital

Analysis of the industry structure helps organisations identify a sustainable competitive strategy, offer value that gives the organisation advantage over it rivals (competitive advantage) which not only enables the firm to survive but also deliver superior performance. Amongst strategies proposed by Porter (cost leadership, differentiation and focus), the differentiation strategy is very popular in hospitality because of the huge opportunities for differentiation, given that hospitality services are often complex and satisfy self-identity and social affiliation needs (Enz, 2010). Attributes on which to differentiate need to be chosen carefully and first of all there must be clarity about the two key factors: the strategic customer, their lifestyle and aspirations (on whose needs the differentiation is based) and key competitors. Differentiation allow higher prices but usually involves additional investments, for instance in Research and Development (R&D), branding or staff quality (Johnson et al., 2011).

Sustainability – always now a must

The fundamental purpose of any strategy is not just to build competitive advantage, but to build a competitive advantage that is ‘sustainable’. According to Porter (1998), strategies’ sustainability requires that the competitive advantage of the company resists erosion by competitors' behaviour or industry evolution. Therefore, barriers that make imitation of the strategy difficult are required and because such barriers are never insurmountable the firm has to continually improve its position. The approach suggested by Andler (2011) is based on Porter's model discussed earlier and aims to reduce the power of the five competitive forces. Independent travel agencies in Italy can reduce the threat of new entrants by creating alliances (partnerships) with suppliers, developing retaliation tactics and creating alliance groupings with related products or services. However, in order to pursue the differentiation strategy, focusing on small, niche tour operators gives the chance to offer an added value to customers who are looking for something different from the more standardised products offered by large tour operators. Moreover, medium-sized tour operators are committed to travel agencies not having strong consumer brands of their own and are therefore willing to pay higher commissions than the industry average (Harris and Duckworth, 2005). Such action, increases also customers' loyalty and separate the purchase decision from the price, giving therefore a stronger structural negotiation position towards both buyers and suppliers. After that, the threat of substitutes can be reduced by keeping track of possible substitutes and by engaging in surveys to learn about customers' preferences so as to anticipate their needs.

Review of related studies

Literature in recent years has focused on the topic of the Internet impact on travel agencies. Law, Leung and Wong (2004) have indicated that the Internet enables businesses to improve their competitiveness and performance, the Internet being a new communication and distribution channel for e-travellers and suppliers of travel services and products. On the one hand, suppliers are enabled to sell their products globally to potential travellers at any time, achieving higher revenues, lower distribution costs, and a larger market share; although still the adoption of the Internet in use by small and medium sized hotels is low due to perceived problems with technology (Chan, 2012); on the other hand, the Internet allows travellers to communicate directly with suppliers to request information and to purchase products/services at any time and in any place (Olmeda and Sheldon, 2001).Some tourism researchers have argued that traditional distribution systems will probably be replaced by electronic distribution systems (Sheldon, 1997; Buhalis, 1998) and that vertically integrated (re-organised) companies are increasingly taking control over supply and distribution (Harris and Duckwotrh, 2005); however, others suggest that travel agents still have a number of opportunities to provide on-going added value to customers in terms of convenience, flexibility, through dynamic packaging, security and expertise (Harris and Duckworth, 2005; Palmer and McCole, 1999).

An analysis carried out by FIAVET (Italian Association of Travel and Tourism Enterprises) in 2008 has outlined that travel agents felt threatened firstly by the economic situation and the consequent risk of losing clients, secondly by the Internet and customers organising travel in autonomy, whereas the competition by vertically integrated and re-organised tour operators didn't seem to worry agents, but interestingly the reasons for this are not given and therefore the present research has investigated this aspect as well.

METHODOLOGY – A HYBRID DESIGN

Research design

A mixed research method (hybrid) has been adopted by the authors. This choice has enabled triangulation to take place: semi-structured interview with travel agents were a valuable way to triangulate data collected through secondary analysis and through primary data collection via questionnaires to customers.

Analysis of secondary data has been adopted and has provided a background to the research, to give an initial picture of the context in which Italian travel agencies operate. After this qualitative data collection regarding industry experts' perception of major changes and semi-structured interviews with travel agencies' owners was carried out. Six interviews were conducted in the north-east of Italy. A list of themes and questions was set in advance and was divided into three sections: major environmental changes and their impact on the travel agency, major forces that are increasing competition and finally travel agency's strengths and opportunities. Furthermore, quantitative data was generated from primary data collected through questionnaires to Italian consumers about their opinions and behaviours towards travel agents, services expected, and online travel purchases. A total of 64 respondents concentrated in the north-east of Italy participated in the questionnaire survey. 27 pre-coded closed/forced choice questions were asked. Questions were divided into behavioural variables, opinion variables and attribute variables and were translated from English to Italian.

Data analysis

Quantitative data collected through questionnaires were analysed using the IBM SPSS Statistics, software package for survey analysis, version 20. Data collected was analysed and presented using SPSS main procedures that included reliability, descriptive and variance analysis. Reliability analysis was carried out using Cronbach's Alpha as a measure of internal consistency. Prior to using many statistical tests, the researcher established the distribution of values for the dependent variable questions in order to check if data were normally distributed or not. Descriptive analyses carried out in this research included frequency analysis for which tables and graphs were created. An analysis of variance (Anova) was then carried out to examine relationships between the independent and dependent variables from the questionnaire. Non-parametric tests (Mann-Whitney U test, Kruskal–Wallis) were used as data distributions were predominantly not normal.

The data collected through interviews was analysed using the qualitative data analysis software (CAQDAS) HyperRESEARCH version 3.0.3. Six cases were created; each interview assigned to a different case. After that, 23 codes (representing themes) were created divided into 8 groups; source materials were scanned for interesting ideas and concepts that were labelled with corresponding (thematic) codes. The analysis included also the quantification of some of qualitative data through the creation of the frequency report that showed how often codes were used and where. Such a report enabled also the creation of code maps representing major themes discussed during interviews.

RESULTS

The aim of the current research was to find out whether Italian independent travel agencies are sustainable or not, in the light of major changes which are currently affecting the industry, not only changes in the macro-environment of the industry, but also in forces that drive competition. In this section, findings from the three sources of information (secondary data, questionnaires and interviews) are discussed. Table 1 shows the frequency report of the (thematic) codes from the interviews conducted, these findings are interwoven in the discussion which follows.

Table 1: Frequency report of interviews' codes

Code	Total	Min	Max	Mean	Std Dev	Bar Graph
Internet	18	2	4	3	0.632	
Consumers	27	1	6	4.5	1.871	
Economic crisis	18	0	8	3	2.757	
Technology as a support	11	1	3	1.833	0.753	
Technology as a threat	2	0	1	0.333	0.516	
Diversification	6	0	2	1	0.894	
Fear of using the credit card online	4	0	1	0.667	0.516	
Competition from hotel chains and airlines	6	0	2	1	0.632	
Internet competition	5	0	2	0.833	0.753	
Major strenghts	33	3	10	5.5	2.345	
Competition from agencies	11	1	2	1.833	0.408	
Liberalisation's effects	6	0	3	1	1.095	
How future looks like	11	0	4	1.833	1.835	
Tour operators competition	15	1	3	2.5	0.837	
Ways to compete	20	1	7	3.333	2.422	
Being part of a network	8	0	2	1.333	0.816	
Collaboration with niche tour operators	2	0	1	0.333	0.516	
Major weaknesses	10	0	4	1.667	1.506	
New technologies as substitute to travel	4	0	1	0.667	0.516	
Family business as an advantage	2	0	1	0.333	0.516	
Communication with customers	10	1	4	1.667	1.211	
Choose operators to work with	5	0	2	0.833	0.753	
Destinations' stability and natural disasters	3	0	3	0.5	1.225	
Total: 23	237					

Changes in the external environment

The industry is clearly going through a period of significant change and is redefining itself. From the interview data what stood out is that the major changes affecting the sustainability of agencies in Italy are connected with the economic crisis, changes in consumer behaviour and the increasing use of Internet, which however can be seen either as an advantage or a threat to agent's activity.

Not only are consumers becoming very demanding, but also they are suspicious and wary and sometimes the advice of the agent is taken as an opportunity to sell a specific product. Nowadays consumers are very well informed: the client that goes to the agency very often has already researched the web, not only for places or accommodations, but also for comments, thanks to portals such as Tripadvisor. This sometimes creates confusion and non-realistic ideas: online prices are not always clear and this creates difficulties in the sale even with clients that truly want to buy in the agency because they consider the internet is not so safe.

According to interviewees, nowadays the simplest products (such as low cost flights and single hotels) are disappearing from travel agencies. The general belief is that the Internet is cheaper but, according to agents, prices that are available online are the same that travel agencies apply. With flights, for example, agencies charge a fee in exchange for additional services that give an added value to the product. With hotels, agencies' networks usually have commercial agreements that enable them to have better rates than if the room were booked directly with the hotel.

However, from interviews and previous literature, it also emerged that Italians are still worried to use credit cards online and this is sometimes the impetus that makes them book through travel agencies.

Clearly the economic crisis as one of the major factors impacting on the industry came to light in the secondary data analysis. However, it was during the semi-structured interviews that the researchers had confirmation of the perception of the situation's severity. The agents interviewed made it really clear that the economic crisis was and is the major threat for travel agencies at the moment and the huge uncertainty for their future and their survival. The crisis is impacting on the whole industry: not only impacting on consumer behaviour but also the behaviour of competitors and suppliers. Considering consumer behaviour, people have changed their holiday's habits but are still travelling: only 5 respondents to questionnaires from 64 completed have claimed they have never booked a tourism service during the year. From the three sources of information used in the current research, it emerged that travellers are spending less on their holiday because of the economic crisis; although the agents interviewed were of the opinion that this was more a matter of prudence, fear and lack of confidence, than a real drop in available funds. However, it was a general feeling that middle class families were the most affected by the situation. From the questionnaire responses it emerged also that people who travel alone or with their partners were booking tourism services more frequently than people travelling with friends and family. The researchers discovered also that a high proportion of questionnaire respondents (61%) were still visiting the travel agency to get information, advice or to book services. However, in agreement with the previous literature (ISNART, 2011; D'Amato, 2011), there is clearly a market share that slips from travel agencies in favour of the web and direct booking and from the questionnaire analysis it emerged that respondents with a higher level of IT competence travel more than others but rely less on travel agencies and contact more often service providers directly. Not all agencies in fact offer an adequate level of expertise and sometimes this might not be in line with graduates' higher expectations. Summarily, level of education was the variable with the strongest impact on questions asked concerning travel and holidays, whereas age influenced participants' answers only about access to online travel agencies: the younger the traveller, the more frequent the access to online travel agencies. Therefore the researchers forecast an increase of the market share that will slip from traditional agencies, given the generational change and the general higher level of IT competence in younger persons. Agencies have to take into consideration this aspect and find a way to differentiate with this kind of competition. Next, on one hand, gender also impacted on questionnaire responses suggesting that women enjoy visiting travel agencies more than men and also consider them a more secure way of booking services than using the web; on the other hand, there was no significant variance between differing occupational groups and the way participants answered the questionnaires. This absence of relations may have depended on the limited sample size compared to the number of options to choose from, and may be further investigated in future research.

Forces that drive competition – always to be considered

To investigate major forces that drive competition in the industry, interviews with agents were inspiring. Forces driving competition have clearly changed under the influence of the economic crisis and latest events, making the 'travelling' scenario quite different from some years ago. As a consequence of the latest events, such as political tensions in different countries and the economic crisis that caused the failures of numerous agencies and tour operators in Italy, customers want to feel more safeguarded when travelling, they are more cautious and more willing to rely on agencies for advice and to be guaranteed more even if they have to spend a bit more. In this way customers' bargaining power is sometimes reduced. From differing sources of information, the researchers noticed that the economic crisis, on the one hand, is surely creating huge problems for agencies' profits and surpluses, but on the other hand, it appeared that some "advantages" are coming from the situation that independent agencies should be aware of and use as a basis of future success. It emerged from the interviews that, if on one side customers are more afraid of booking on their own, suppliers (tour operators, airlines and hotels) are relying more on agencies because of the crisis, acknowledging economic benefits. As a consequence, the bargaining power of the suppliers appears not as strong as previously – this emerging from secondary data analysis when considering also the fact that tour operators are not so vertically integrated (re-organised) and that the agents interviewed were not afraid of networks of agencies linked to tour operators.

In fact, large tour operators in Italy don't have the means to have their own points of sales and recreate what is happening in Northern Europe. Attempts towards more vertical integration are made by the larger operators, however, at the moment, the majority of them are not selling directly and agencies are still offer the standard option. However, tour operators are trying to link themselves to groups of agencies and networks, where a number of agencies focus on the selling of particular brands. Two major groups currently exist, created in 2011: Welcome Travel which is a network controlled by Alpitour and Costa Cruises, and Bluvacanze/Cisalpina that now is owned in part by MSC Cruises. What is interesting to note is that the agents interviewed do not perceive such groups linked to tour operators as a threat: no one network, in fact, at the moment is so well structured to represent the only distribution channel. In Italy there is huge fragmentation in the agencies' industry. Apart from networks linked to tour operators, there are also others that count numerous agencies (such as Giramondo, BravoNet, etc.); therefore, no tour operator can choose to sell only through its agencies or give them preferential sale conditions, because other networks that represent a huge part of the distribution can decide easily not to sell a determined operators' products. According to interviewees, a network to be strong enough should have at least a quarter of the agencies in Italy (around 3000) and have coverage over the territory. No one at the moment is so strong. For all these reasons, according to the respondents, in today's scenario the agency that is not part of a network doesn't make sense: independent travel agencies have to side with someone to be stronger, to have better commercial agreements and therefore to increase their commercial power. The power of 'partnerships' no less.

Moreover, 'low-cost networks' of agencies that were creating huge problems to traditional travel agencies seem to be having some problems since the economic crisis started. Their business model was based on price reduction thanks to an exploitation of scale economies (economy of scale) but, according to agents, with the reduction of customers' number, they are no longer able to sustain themselves with volumes and therefore have very low profit margins.

The way forward

Overall, the researchers noticed that, when thinking about the future, interviewees are without certainties because of the economic crisis that has been impacting on the sector since 2008 and which peaked at the end of 2011, when this research was carried out. However, it appears to the researchers that a way forward for Italian independent travel agents exists in the light of analysis included in this study report. Of course, the process of disintermediation is going to continue and only agencies able to adapt will survive. Specific strengths to focus on have been identified: travel agencies perform better than travel websites in term of the human touch and personal service and the current research outlined that respondents believe that travel agencies offer more customised services than online travel agencies along with a higher level of expertise. Moreover, the research pointed out that a large percentage of respondents expect best guidance from a travel agency to the point that surprisingly up to 45% of participants claimed they would be willing to pay a fee to an expert travel agent in exchange for excellent services and valuable advice. The researchers therefore agree with Dall'Ara (2009) in saying that independent travel agencies might continue to add value to their activity acting as influential consultants with deep knowledge and experience. According to different authors, such as Johnson et al. (2011) and Enz (2010), a differentiation strategy allows higher prices but involves additional investments and requires the company to distinguish its product or service on the basis of attributes such as employees' skills and experience, better service or complimentary services, intense marketing activities or better supplier relationships leading to better services. So differentiation on the basis of improved service thanks to deep knowledge and experience of employees is required in the case of independent Italian travel agencies. Interviewees seem to be conscious of this aspect and many claimed that knowledge, experience and professionalism are the real strength of independent travel agencies today.

Until some time ago it was more a race for price but, with the economic crisis and all the changes in the external environment, professionalism has become the real strength, and it is what clients are looking for. Professionalism is the way to retain; it was always the way, but in more wealthy periods (better times) clients were more attracted by the (cheaper) price whereas in the present situation security is more valued. Agents are well informed and have a perception of what is going on; therefore most professional agencies discourage customers from booking with a tour operator that has not a sound economic position, even if the risk is to lose clients. Fundamental is the understanding of clients' requirements, which is very often a difficult task. This is learned and acquired with experience, training, and sales techniques. Finding the right product for the client is what counts the most, and the recommendation of a safe product, which has been tested. If all these aspects are possible, the client will be satisfied and will be willing to go back to the agency. Nowadays customers tend to be less loyal; customer care is therefore essential. Giving the right advice, even when the product is a low cost flight, is fundamental to build loyalty but also to generate positive word of mouth that, according to interviewees, is the most effective way to communicate and attract customers. Therefore, agents all agreed that it is really important that they avail themselves of reliable staff who are well qualified and prepared to offer valid service. The strength of independent travel agencies is also the impartial advice that they offer to the client, something that is more uncertain when the advice comes from agencies linked to tour operators. After that, being selective with the thousands of tour operators and collaborating only with the dependable and serious ones is fundamental to keep agencies' business up and running as well as concentrating sales on some operators to receive economic advantages and, finally, keeping an eye on small, niche tour operators to offer an added value to customers looking for something different.

According to Swarbrooke and Horner (2007), the travel agent still plays a fundamental role in affecting determinants of tourism behaviour. As said earlier an high proportion of people are still visiting the travel agency and it depends on the agent if customers will book through the agency or not, if they will use the same agency in the future and if they will give a positive or negative word of mouth to relatives and friends. Word of mouth is, in fact, the most powerful way to communicate with customers and to promote a business, according to agents canvassed.

CONCLUSIONS AND RECOMMENDATIONS

The overall purpose of the research was to establish whether or not Italian independent travel agencies are sustainable.The economic crisis in Italy is definitely creating huge concerns to travel agencies' revenue and profit, causing sometimes their closure. However, from data analysis the researchers noticed that the crisis is in part changing the industry in favour of travel agencies. In the researchers' opinion, agencies should be aware of such 'positive' changes and use them as the basis for their future success. In other words, independent agencies should respond more proactively to the crisis, by taking advantage of opportunities rather than primarily responding defensively. According to Wilson and Eilertsen (2010), it is common to respond to economic and financial crisis by reducing operational costs, stopping new hiring, laying off employees and/or reducing training and development expenses. Contrarily, during such a crisis, organisations should take actions in order to pursue opportunities. The analyses carried out showed how competitive forces have changed with the economic crisis, therefore, it emerges clearly that many customers are worried about latest events and as suggested by agents canvassed they need to be reassured and safeguarded, something they cannot have when booking online. Tour operators, airlines and hotel chains also are offering to travel agencies better commercial agreement because of the difficulties to reach the customers directly. Moreover, the crisis also slowed down competition from 'low cost networks'.

In order to build a sustainable competitive advantage, at this particular moment, Italian independent travel agencies should try to improve their position by building barriers that make it difficult to erode or destroy the competitive advantage they have. The approach proposed by Andler (2011) in the literature review is based on Porter's Five Forces model and aims to reduce the power of competitive forces. On the one hand, it is probably the right moment to create alliances (partnerships) with suppliers, to build better relationships, reducing suppliers' bargaining power. It was in fact highlighted that suppliers need travel agencies at this moment. It is crucial that the agent is aware of changes extant in the external environment, such as economic position of tour operators, countries' political and social situation, but also be well informed about destinations and infrastructures' details. Another tactic to consider is to focus on specialised niche tour operators which not only give better terms of sale but also give the chance to offer a more personalised service to customers. In this way agencies decrease bargaining power of customers by offering a valuable service, creating customers' loyalty and separating purchase decision from price. A last consideration is connected with the small size of Italian independent travel agencies described in the introduction, it should be remembered that small organisations have an advantage in terms of response speed and flexibility and have relatively less to gain from cost-cutting and are therefore forced to look outward during periods of crisis.

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Endnotes

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HOW SMALL HOTELS WOULD PENETRATE IN THE ALL-INCLUSIVE MARKET: AN ALTERNATIVE APPROACH

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The present paper proposes and evaluates a novel, alternative holiday package for small hotels helping them to gain share in the all-inclusive market. The examined package tour includes accommodation in small hotels and meals in a number of local, traditional, small restaurants. For this, a relevant survey attempting to understand tourists' attitudes and behaviour towards all-inclusive packages as well as the alternative one was held in the island of Kos, Greece. Furthermore, a case study concerning a preliminary feasibility appraisal about a possible application of this package in a real hotel has been examined and presented. The survey shows that there is a noteworthy interest for the new package while the results of the feasibility analysis seem to be financially promising.

Keywords: *Tourists' attitudes, holiday packages, small hotels; feasibility appraisal*

JEL Classification: *L83, M1, O1*

INTRODUCTION

From the macroeconomic point of view, great attention is paid to the potential beneficial economic effects of tourism on economic growth (Cuccia and Rizzo, 2011). In Greece, tourism holds a prominent position in the local economy: Greece is 16th in tourist arrivals globally, and 12th in global tourism revenue (2008 data). Tourism represents 17% of National GDP and almost 20% of employment. Greece is the 4th most popular tourist destination in the European Union for the year 2010, according to the Euro barometer poll, while it holds in 2010 the 2nd place among 41 countries across Europe, South Africa, Morocco, Tunisia, New Zealand, Brazil, Canada and the Caribbean, in the European Blue Flag Program with 421 beaches and 9 marinas. Existing hotel infrastructure consists of 9,559 hotel establishments providing for 732,279 hotel beds in total (2009). The average per capita tourism expenditure is about 700 €, while a concentration of hotel supply is obvious: 52% of hotel beds are in Crete, Macedonia and Dodecanese.

Moreover, five star hotels represent only 3% in the distribution of Units (2009 data) and four star ones represent 12%. According to the 2009 Greek Hotel Branding Report, the branded hotels in Greece account only for 4% of the total number and 19% of total availability of rooms, while in other European countries this figure lies between 25 and 40%. Only 113 brands operate in Greece representing 431 hotels with a brand affiliation and respective room capacities and 97 hotels that are members of international hotel consortia (IGA, 2011). In Greece the development of tourism started in the middle of the '70s, when the demand for new destinations was high, affecting country's fiscal progress. The importance of tourism on the long run economic growth of Greece has been investigated in the past (Dritsakis, 2004).

In many Greek destinations tourists consume all-inclusive packages. These kinds of packages have grown rapidly in the last decades. It is remarkable that, since there has been a debate on package tours going on for many years, several authors express their opinion about all-inclusive packages either supporting or arguing against them (e.g. Baum and Muhambi, 1994; Enoch, 1996; Davies and Downward, 1998; Chakkeung and Wai-Yan, 2004; Jui Chi, 2007). Other authors connect all-inclusive operations and packages with sun-sea-sand destinations (Sharpley and Knight, 2009; Alegre and Pou, 2008) or with special tours such as wildlife tourism (Curtin, 2010). Alegre and Pou (2008) claim that "compared to other types of board, all-inclusive packages first lead to a reduction of destination's revenues from tourism and second are causing a significant change in the distribution of tourist expenditure among economic agents (spending in the country of origin is higher for all-inclusive tourists, while spending in the destination is substantially lower)".

Thus, the present work proposes and evaluates a novel, alternative holiday package for small hotels aiming to help them (and the local restaurants and other small businesses as well) to gain share in the all-inclusive market dominated by four- or five-stars resort hotels. For this, a survey (presented in the next Sections) was held in the island of Kos, in

Dodecanese, Greece (Figures 1 and 2) during the months of July, August and September 2010 in order to examine tourists' attitude and behaviour towards all-inclusive packages, as well as to investigate the interest and the demand of the alternative holiday package. Subsequently, a preliminary financial analysis and feasibility appraisal of a possible application of this package in a real hotel of the island has been developed and their main findings are presented in Section 4. The main concluding remarks are presented in Section 5.

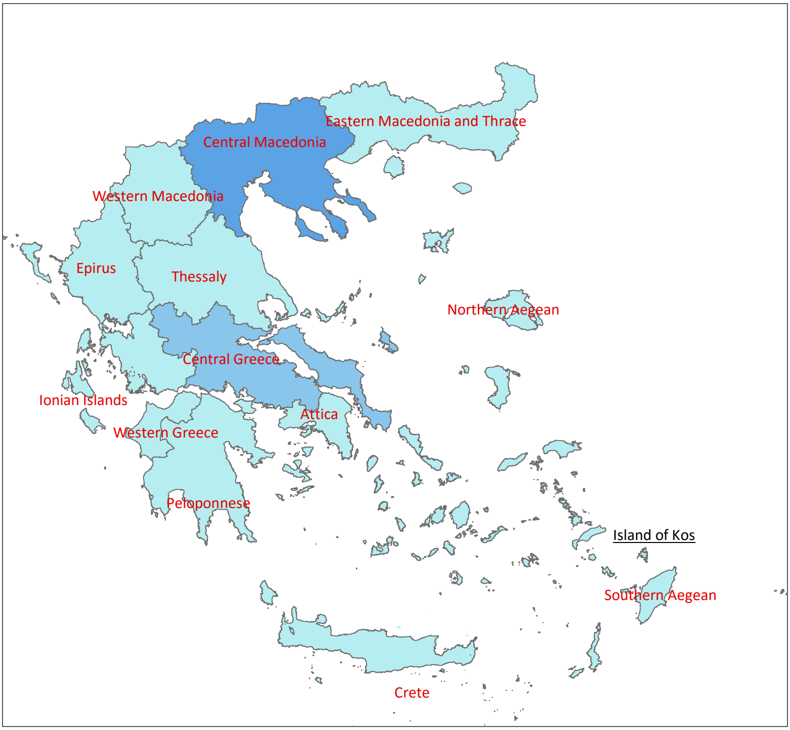

Figure 1. The map of Greece

THEORETICAL FRAMEWORK

Generally, according to Westwood et al. (1999) a trip concludes three stages: the pre-consumption stage, the consumption stage and the post-consumption stage. The difference between the simple package tours and the all-inclusive packages is what they include. Specifically, the simple package tours include transportation and accommodation. On the other hand the all-inclusive packages include not only transportation but also meals, drinks, events, sports and sometimes visit to archaeological places (Anderson, 2012). No matter which kind of package tour a tourist has bought, the consumption of a leisure trip differs from the consumption of every other product. The main difference of a leisure trip is that the tourist cannot try it or even use it directly (Zacharatos, 2000). It is to a great extent produced and consumed at the destination (Prebensen and Foss, 2011).

Figure 2. The map of the island of Kos

The package tours usually are formed by tour operators and they are sold either from them or from smaller companies which cooperate with them. In other words, the distribution channel has wholesale (tour operators) and retail (travel agencies) components. The former are responsible for the development of package tours, the latter for their commercialisation (Campo and Yagóe, 2007). Thus, the tour operators produce and offer the products of tourism industry. What they usually do is bundling, which means that they create packages (Rewtrakunphaiboon and Oppewal, 2008). Because motives, constraints and decision modes are different in a couple, a family and a party of friends, tour operators should adapt holiday packages to them (Decrop, 2005). Companies not only compete with the tour operators in the country but also the tour operators all over the world. It is believed that tour operators can affect the international trends in tourism (Cavlek, 2002).

Mass tourism was –and still is– dominated by tour operators offering low cost, standardised package tours, mainly to destinations ideal for "Sea, Sun, Sand" vacations. Mass tourism encourages high-volume arrivals but low-value clientele that normally adopt all-inclusive tour packages (Odunga and Maingi, 2011). However, the social and economic forces that have been destabilizing employment, gender, and age roles have not left leisure unscathed (Hendry et al., 2002). Tourism consumption patterns do change and according to the World Tourism Organization, tourism demand trends since many years reflect the increasing importance of outdoor activities, awareness of ecological problems, educational advances, aesthetic judgement and improvement of self and society (known also as Special Interest Tourism).

Special interest forms of tourism do not necessarily mean alternative as well. Special forms are defined by the special motives that induce travel, while alternative forms of tourism are related to the way the travel is organised and to the tourists' willingness to learn about the host area etc. (Avdimiotis et al., 2009). As a result, in today's society there are several indications of changed values such as a growing consciousness of nature included climate change and a search for real and authentic experiences. In this way, tourism sector in mature destinations needs to adapt their product to these changes in order to find new elements of attraction different in some sense, than those offered by other competitive destinations (Payeras et al., 2011). To address this, tourist businesses need to be innovative and present a new choice of cultural, gastronomic, sporting etc activities (González Tirados, 2011). The objective of mature tourist destinations should not be only to increase the number of tourists but to increase tourism revenue (Alegre et al., 2011). In other words, there is a need for an alternative approach.

On the other hand, nowadays Greece is a country which copes with severe economic issues. Tourism is an industry which could bring significant economic benefits to the country (European Commission, 2011). Travel and tourism visitor exports are expected to generate 1.7 billion € (22.8% of total exports) in 2011, growing by 7.9% per year (in nominal terms) to 19.9 billion € (21.2%) in 2021 (WTTC, 2011). However, tourism requires urgent strategic management action in order to compete with other destinations such as Spain and Turkey (Buhalis, 2001). According to tourism experts, a new growth model to better develop the unexploited potentials of the tourism sector would include facilitating investment in it; improving the coordination of tourism promotion efforts; creating a better marketing infrastructure and promoting niche markets; developing more synergies with sectors such as culture, sports, gastronomy etc. with a view to improving value-for-money and positioning Greece as a high-quality tourist destination (European Commission, 2011).

In Greece the regions where all-inclusive packages are mostly sold are Crete, Corfu, the Rhodes and Kos. That kind of package concludes accommodation in four or five stars hotels, which have many amenities. Tourists, who consume these packages usually, stay at the resort hotel and they rarely visit the rest region. As a result, the local economy of these regions is affected (Alegre and Pou, 2008). The small enterprises such as restaurants, tourist shops, cafeterias etc have reduction in their revenues (Andriotis and Vaughan, 2009). Small hotels try hard to rival these effects and struggle to survive. This phenomenon is very common on the island of Kos (a rather mature destination), where the number of resorts hotels is increasing. The present work is about the all-inclusive packages and how the small hotels can compete with them in a way that would be in accordance with the new tourism consumption patterns discussed previously. In an increasingly competitive industry, tourist firms should make what many organizations do, i.e. regard effective service quality evaluation and identifying ways to improve it as keys to competitive advantage (Greenland et al., 2006). Thus, tourism managers are faced with the necessity of estimating future values of demand in the short term despite the limitations of scarcity, volatility and uncertainty (Croce and Wöber, 2011).

UNDERSTANDING TOURISTS' ATTITUDES TOWARDS HOLLIDAY PACKAGES

Due to the increasing competition in the tourism industry and continuously changing consumer behavior and needs, the private tourism sector started since many years to focus on customer satisfaction (Gronau et al., 2012). Thus, in order to find a way to increase competitiveness of small hotels and restaurants in the all-inclusive market, a survey was held in the island of Kos during the summer 2010. Since the nature of hospitableness considers hospitality as behaviour and experience (Hemmington, 2007), the purpose of this survey was to examine tourists' attitude and behaviour towards all-inclusive packages by exploring the profile of the people who visit the island, the type of package they had bought and finally the prospect of a new, alternative all-inclusive package which differs from the others. The alternative holiday package proposed and examined here includes accommodation in three stars hotels and meals in local restaurants.

Table 1. The profile of the sample

Category	Description
Gender	32.26% male, 67.74% female.
Relationship status	59.14% married, 40.86% single.
Age	The majority (>80%) were age 25 plus with the largest number (32.1%) falling into the 36–45 age bracket.
Travel companions	The majority travelled with their partners (43.2%) or other family members (49%).
Length of stay	The most popular length of stay was 7 days (46.2%), followed by 14 days (29.6%).
Destination visited	The majority (35.84%) visited Kos followed by Kardamena (23.84%), Tigaki (12.72%), Mastichari (8.78%), Kefalos (7.35%) and Marmari (7.17%), while the remaining 4.3% visited other places of the island.
Degree of loyalty to the destination (I)	The majority (73.66%) had visited Kos before and just 26.34% were first time visitors to the island.
Degree of loyalty to the destination (II)	The majority (81.72%) will visit Kos again (21.71% in the next year) and just 16.85% will not.
Type of holiday	Just 23.66% of the interviewees were independent travellers versus the remaining 76.34% package buyers (55.2% from tour operators and 21.14% from travel agents).
Way of hotel finding and selection	43.01% from internet, 39.07% from travel agency recommendation, 7.58% from friends/family recommendation, 10.39% through brochures, TV, etc.
Hotel category	22.4% five star hotel, 36.02% four star hotel, 28.14% three star hotel, 8.2% two star hotel, while 5.2% didn't know.
Annual income of the interviewees	16.54% had less than 15,000 € annual income, 25.77% 15,000-29,000 €, 21.92% 30,000-49,000 €, 15.38% 50,000-69,000 €, and 20.38% had more than 70,000 € annual income.

The sample was 558 questionnaires completed by the tourists leaving the island, as they were waiting at the Kos airport for check-in. The questionnaires were in four languages: Greek, English, German and Italian. The data were analysed using the SPSS software. The questionnaire consists of 26 multiple-choice questions and one “open” question. The questionnaire has been adapted from a similar one developed by Lergou (2008). The profile of the sample is given in Table 1 while the nationality of the tourists participated in the survey is shown in Table 2.

Table 2. Sample analysis by visitors’ nationality

	Frequency	Percentage
English	233	41.8%
German	127	22.8%
Italia	82	14.7%
Dutch	40	7.2%
Swedish	34	6.1%
Finnish	22	3.9%
Greek	8	1.4%
Other	12	2.2%
Total	558	100.0%

The survey showed that Kos is a destination for youth tourism and for families. The percentage of the tourists who stayed on the island for one week was 46.2%. There was a 3.6% in the sample who stayed on the island less than one week. For those Kos was an intermediate destination. They flight to Kos and then they visit smaller islands around Kos without airports. Visitors who travel individually were 23.7%. Table 3 shows how they did their reservation.

Table 3. Sample analysis by way of reservation

	Frequency	Percentage
via telephone	61	10.9%
via internet	267	47.9%
through other channels	230	41.2%
Total	558	100%

British and Finnish visitors seem to make their booking through internet, while German seems to be keener to the traditional way of reservation by visiting a travel agent. Most tourists found the hotel they stayed through internet, when the 39% stayed at the hotel recommended by the Tour Operator. Table 4 concerns visitors’ age and hotel category, while Tables 5 and 6 show how visitors’ nationality and visitors’ age may affect the holiday package respectively. From Table 4, it is remarkable that four star hotels are most popular to visitors aged 36-45 years old, while three and five star hotels are most popular to visitors aged more than 56 years old and 26-35 years old respectively. From Tables 5 and 6 one could mention that all-inclusive packages are very common to Swedish, Dutch and German visitors, as well as to age categories 36-45 and 26-35 (almost one out of two of them buys a holiday package of this type).

Table 4. Crosstab visitors' age and hotel category

		Hotel Category					
Visitors' Age		Don't know	2**	3***	4****	5*****	Subtotal
17-25	Number	3	17	39	36	15	110
	% Subtotal	2.7%	15.5%	35.5%	32.7%	13.6%	100.0%
26-35	Number	5	11	26	40	32	114
	% Subtotal	4.4%	9.6%	22.8%	35.1%	28.1%	100.0%
36-45	Number	9	7	41	80	42	179
	% Subtotal	5.0%	3.9%	22.9%	44.7%	23.5%	100.0%
46-55	Number	6	10	36	41	29	122
	% Subtotal	4.9%	8.2%	29.5%	33.6%	23.8%	100.0%
>56	Number	6	3	15	4	5	33
	% Subtotal	18.2%	9.1%	45.5%	12.1%	15.2%	100.0%
Total	Number	29	48	157	201	123	558
	% Subtotal	5.2%	8.6%	28.1%	36.0%	22.0%	100.0%

According to Corcoran et al. (1996), the date of booking depends on the destination. The influence of the Tour Operator is higher in the late bookings. In our sample 27.7% of the tourists asked did their reservation 2-3 months earlier (Table 7). From Table 7, it seems that the date of booking has not remarkable influence to the holiday package. All-inclusive packages are not all similar to each other. For example most of them include accommodation and meals, as well as sports, events etc. In this survey 65.5% of all-inclusive packages consumed included accommodation, meals, drinks, events and sports. In order to examine the satisfaction of each service of the package a relevant evaluation question was given. The possible answers were: not at all; poor; average; good; excellent. As it was shown 49% mentioned that the food was good and only 2.9% were not at all satisfied from food. About drinks that included in the packages 52.2% were satisfied from them.

Table 5. Crosstab visitors' nationality and holiday package

Visitors' Nationality		Holiday Package: Accom-moda-tion	Bed and break-fast	Half-board	All Inclu-sive	Self Cate-ring	Sub-total
English	Number	32	43	38	73	47	233
	% Subtotal	13.7%	18.5%	16.3%	31.3%	20.2%	100.0%
German	Number	4	10	56	55	2	127
	% Subtotal	3.1%	7.9%	44.1%	43.3%	1.6%	100.0%
Italian	Number	11	30	12	29	0	82
	% Subtotal	13.4%	36.6%	14.6%	35.4%	0.0%	100.0%
Dutch	Number	12	1	5	20	2	40
	% Subtotal	30.0%	2.5%	12.5%	50.0%	5.0%	100.0%
Swedish	Number	0	3	11	18	2	34
	% Subtotal	0.0%	8.8%	32.4%	52.9%	5.9%	100.0%
Finnish	Number	9	9	1	2	1	22
	% Subtotal	40.9%	40.9%	4.5%	9.1%	4.5%	100.0%
Greek	Number	1	4	2	1	0	8
	% Subtotal	12.5%	50.0%	25.0%	12.5%	0.0%	100.0%
Other	Number	0	2	2	8	0	12
	% Subtotal	0.0%	16.7%	16.7%	66.7%	0.0%	100.0%
Total	Number	69	102	127	206	54	558
	% Subtotal	12.4%	18.3%	22.8%	36.9%	9.7%	100.0%

In general 88.3% who bought all-inclusive were satisfied from their package and 90.3% would buy again in the future a similar package (see Table 8). Usually the hotels, which offer all-inclusive packages, are of four or five stars and they are located in the suburbs. As a consequence tourists rarely visit other places. Thus, the next question was about the number of times they went out of the hotel. It is important to mention that a 7.3% of them didn't go out of the hotel, while 34.9% of them went out less than three times. On the other hand, 58.7% had meals in restaurants out of the hotel.

Table 6. Crosstab visitors' age and holiday package

Visitors' Age		Holiday Package: Accom-moda-tion	Bed and break-fast	Half-board	All Inclu-sive	Self Cate-ring	Sub-total
17-25	Number	19	31	29	24	7	110
	% Subtotal	17.3%	28.2%	26.4%	21.8%	6.3%	100.0%

26-35	Number	9	19	28	49	9	114
	% Subtotal	7.9%	16.7%	24.5%	43.0%	7.9%	100.0%
36-45	Number	23	18	39	85	14	179
	% Subtotal	12.8%	10.1%	21.8%	47.5%	7.8%	100.0%
46-55	Number	11	22	27	43	19	122
	% Subtotal	9.0%	18.0%	22.1%	35.3%	15.6%	100.0%
>56	Number	7	12	4	5	5	33
	% Subtotal	21.2%	36.3%	12.1%	15.2%	15.2%	100.0%
Total	Number	69	102	127	206	54	558
	% Subtotal	12.4%	18.3%	22.8%	36.9%	9.7%	100.0%

In order to examine the demand for an alternative holiday package, which include accommodation in small hotels and meals in a number of local, traditional restaurants, the tourists of the sample were asked about. The percentage of people who bought an all-inclusive package and they would buy the new package was 76.2%. Table 9 shows the percentages for the intention for buying an all-inclusive package in the future and the interest for the alternative package.

Table 7. Crosstab holiday package and date of booking

		Date of Booking					
Holiday Package		Don't remem-ber	Few days earlier	2-3 months earlier	4-8 months earlier	8-12 months earlier	Sub-total
Accom-moda-tion	Number	1	18	19	20	11	69
	% Subtotal	1.4%	26.1%	27.5%	29.1%	15.9%	100.0%
Bed and break-fast	Number	0	45	28	19	10	102
	% Subtotal	0.0%	44.1%	27.5%	18.6%	9.8%	100.0%
Half-board	Number	0	56	39	23	5	127
	% Subtotal	0.0%	44.1%	30.7%	18.1%	7.1%	100.0%
All Inclu-sive	Number	3	69	56	60	18	206
	% Subtotal	1.5%	33.5%	27.2%	29.1%	8.7%	100.0%
Self Catering	Number	1	11	13	18	11	54
	% Subtotal	1.8%	20.4%	24.1%	33.3%	20.4%	100.0%
Total	Number	5	199	155	140	59	558
	% Subtotal	0.9%	35.7%	27.7%	25.1%	10.6%	100.0%

Table 8. Crosstab satisfaction from all-inclusive package and buying again an all-inclusive package

		Buy again an All-inclusive Package		
Satisfaction from All-inclusive		Yes	No	Subtotal
Yes	Number	175	7	182
	% Subtotal	96.2%	3.8%	100.0%
No	Number	11	13	24
	% Subtotal	45.8%	54.2%	100.0%
Total	Number	186	20	206
	% Subtotal	90.3%	9.7%	100.0%

Table 9. Crosstab buying an all-inclusive package and interest for the alternative package

		Interest for the Alternative Package		
Buy again an All-inclusive Package		Yes	No	Subtotal
Yes	Number	141	45	186
	% Subtotal	75.8%	24.2%	100.0%
No	Number	16	4	20
	% Subtotal	80.0%	20.0%	100.0%
Total	Number	157	49	206
	% Subtotal	76.2%	23.8%	100.0%

As it is shown in Table 9, 68.4% (141 out of 206) of the visitors that would buy again an all-inclusive package, they are also potential buyers of the alternative package. It is important to mention that the percentage of those who would not consume again an all-inclusive package is only 9.7% (20 out of 206). In addition, people who consume all-inclusive packages seem to be familiar with them, as it was not the first time they bought a holiday package of this kind. Specifically, in a relevant question, 78.6% of the visitors with an all-inclusive package had already bought a similar package in the past

FEASIBILITY APPRAISAL OF THE ALTERNATIVE HOLIDAY PACKAGE

According to the survey, it seems that there is a demand for the alternative package. The next part of the work concerns the feasibility appraisal of a possible application of this package in a three star hotel in the island of Kos. Therefore, a marketing analysis and a comparative assessment of three different relevant scenarios were considered. In our (real) case the hotel is built in 1990, it has 40 rooms/80 beds and the alternative package would be applied after a renovation of it. The cost for this investment is estimated as 200,000 €. The new package will differ from the traditional all-inclusive packages as it will include accommodation in a three star hotel and meals in local restaurants. The tourists who will buy this package will have the opportunity to choose everyday among seven different restaurants. The management of the hotel is going to sign contracts with the owners of the restaurants and they will sell the package to Tour Operators. The latter ones have a wide distribution channel helping hotels to promote their products. Thus, they will sell the packages and the hotel management will pay the cooperative restaurants. This package is better for those who want to experience the culture of the country and it's a nice way to experience the place they visit. This package will give the opportunity to tourists to taste local food in traditional restaurants.

Furthermore, this package would strengthen the local economy. Simultaneously, the alternative package has many of the advantages of an all-inclusive package. In addition, applying the alternative package would help smaller hotels to gain market share in the all-inclusive market. The three scenarios examined here are the following:

- Scenario A examines selling only bed and breakfast packages;
- Scenario B examines selling only the alternative package (accommodation the hotel and meals in seven joint local restaurants);
- Scenario C examines selling both bed and breakfast packages and the alternative one.

The estimation of the demand of each package in Scenario C is based on the findings of the survey. Specifically, it has been assumed that the demand of the alternative package is at least equivalent to the percentage of the interviewees who had visited the island through an all-inclusive package and answered that they would buy the alternative package as well (157 out of 558, according to the Table 9). Considering this percentage, the revenues of the alternative package in Scenario C are about 28% of total revenues (corresponding to approximately 11 rooms of 40, on average), while the remaining revenues come from bed and breakfast packages.

The revenues and the costs of each scenario were estimated and then there were compared according to economic rates such as Return on Investment (ROI), Net Present Value (NPV) and Internal Rate of Return (IRR). Tables 10 and 11 show the costs and the revenues estimates for each scenario for the first three years of operation after the hotel renovation and the application of each scenario. As it can be seen, Scenario C is the most expensive because the hotel has to improve its products and to increase the number of its staff. On the other hand, Scenario B is less expensive because the hotel will decrease the staff and so the cost will be declined. Furthermore, Scenario B would raise the revenues of the hotel. These revenues include the fees for the cooperative restaurants. It seems that the alternative package would be profitable.

Table 10. Estimated costs for each scenario

	First Year	Second Year	Third Year
Scenario A	122,135 €	126,498 €	130,586 €
Scenario B	112,410 €	115,359 €	118,552 €
Scenario C	125,751 €	130,637 €	135,281 €

Table 11. Estimated revenues for each scenario

	First Year	Second Year	Third Year
Scenario A	248,120 €	264,008 €	276,864 €
Scenario B	501,800 €	512,166 €	567,254 €
Scenario C	335,121 €	368,106 €	408,126 €

Table 12 shows the economic evaluation for the three scenarios. Scenario B has the highest ROI, which seems sound as this scenario has the highest revenues. Regarding the Net Present Value evaluation, an investment will be profitable if the NPV is positive. It is obvious that all of the three scenarios are acceptable. The IRR of the three scenarios are also compared: Scenario A has IRR 11.5%, which is quite good; Scenario B has IRR 9.0%, which would be marginally accepted as this rate is close to the bank interest of the loan needed for the renovation. The IRR of Scenario C is 17.0%, which is a very good rate for an investment as well.

Table 12. Estimated ROI, NPV and IRR for each scenario

	ROI	NPV	IRR
Scenario A	0.63	27,020 €	11.5%
Scenario B	1.95	12,805 €	9.0%
Scenario C	1.05	35,819 €	17.0%

Finally, the payback period is also examined. Scenario A has a payback period of two years and eight months, Scenario B has a payback period of two years and six months and Scenario C of two years and eight months. Since these findings are more or less similar, it is not easy to conclude which scenario is preferable based on the payback period. Moreover, according to the above overall evaluation, all the three scenarios are accepted. The choice of the scenario depends on the hotel strategy and the management goals and targets.

CONCLUDING REMARKS

Tourism enterprises and industries are under tremendous competitive pressures from countries competing as new destinations that benefit from resources that are intact or hardly exploited, or have very favourable economic conditions including low wages and soft currencies (Surugiu et al., 2012). On the other hand, the decision-making processes of tourism firms are being conditioned by the profound transformations taking place in both client demand and destination dynamics (Fernández et al., 2011). However, packaged tourism will always be important to tourists who seek to save money and to those who have little experience traveling abroad, as well as to tourists who seek to engage in pre-arranged tours during their sojourns, including nature tours (Spears and Rosenbaum, 2012). In this context, the present work proposes and evaluates an alternative holiday package in order to help small hotels to gain share in the all-inclusive market. Thus, the understanding of tourists' attitudes and behaviour towards all-inclusive package tours has been attempted through a relevant survey in a sample of tourists in the Greek island of Kos.

Based on the findings of the survey, the alternative holiday package has been evaluated through a preliminary feasibility analysis of its application in a relevant case-study. The examined package tour includes accommodation in small hotels and meals in a number of local, traditional restaurants. It should be noted that, even its rather simple form, the proposed here alternative holiday package, is, in fact, an example of new service development in the tourism or tour operating industry. In other words, it is an innovating approach illustrating how firms would compete in increasingly mature markets: they would depend on innovation as the means by which they either gain cost leadership or differentiate themselves from their competitors. Regarding the simplicity of the present approach, Jones et al. (1997) claim that “innovation is likely to be simple and relatively unsophisticated due to the nature of innovation being carried-out, and dynamic and flexible due to the nature of firms operating in the industry context”.

A conclusion from the present analysis could be that, as the survey shows, there is a noteworthy demand for the alternative holiday package proposed here. In addition, according to the feasibility analysis and appraisal of a relevant case-study presented here, its application seems to be financially promising. Thus, this holiday package could be a way for small hotels to gain share in the market of all-inclusive, while it is attempting to be consistent with the new tourism consumption patterns of a growing search for real and authentic experiences and willingness to learn about the host area. Additionally, apart from the probable advantages and other benefits for small hotels associated with the alternative package, it should be noted that its application could also help local restaurants, tourist shops, cafeterias and other small businesses to have growth in their revenues, helping them to survive. In other words, it could lead to an increase of local economy’s revenues from tourism, resulting in a considerable change in the distribution of tourist expenditure (i.e. higher spending in the country of destination), especially if as many local small enterprises as possible participate in such holiday packages, incorporating the choice of numerous cultural, gastronomic and sporting activities.

On the other hand, even if the survey presented here shows that there is a need for the examined package, as well as the subsequent preliminary feasibility appraisal indicates that its implementation from a small hotel would be economically reasonable, an even more consistent and clear-cut evaluation is required, through an holistic, in-depth, rich, multi-dimensional, intensive study. For this purpose, a case study approach in a real life context could be adopted. But this would be the subject of a future work.

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SERVICE QUALITY OF TOURIST GUIDES AND THEIR ROLE IN TRAVEL AGENCY MARKETING

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Tourist guides are in direct contact with the tourists on the group package tours. They play an important role in creating tourist experience and the perception of a destination and travel company. For that reason, the purpose of this study was to determine customers' perceptions of service provided by tourist guides in group package tours which were organized by Serbian travel agencies. Research model used 16 items of service quality which were grouped into four dimensions. The paper provided results and indicated the items of tourist guide service quality that should be improved. Further, it was explored how the four service factors were related to reputation of travel agency and word-of-mouth marketing. The results of regression analysis showed that dimensions of service quality of tourist guides influence the reputation of a travel agency and word-of-mouth marketing, whereby the importance of tourist guides in group package tours was again confirmed.

Keywords: *tourist guides, service quality, travel agency*

JEL Classification: *L83, M1, O1*

INTRODUCTION

"The main goal of all marketing activities of a travel company is satisfying the needs and wishes of potential tourists in the way that ensures increased sales and profit in the long run. Business results of a travel company depend largely on the satisfaction of customers" (Đeri, Plavša & Čerović, 2007: 70). "Tourist satisfaction is a key for tourist companies and destinations to retain existing and attract new tourists. Satisfaction with purchased tourism product or service results two basic benefits for tourist company:

– Increasing tourist loyalty and
– Positive "word-of-mouth" marketing" (Đeri, 2009: 53-54).

Due to specific characteristics of the service, meeting consumer needs in service industries is much more difficult than in the production sector. That is why a lot of attention is paid to the employees, especially those who have the most contact with the consumers. From the viewpoint of the consumer of a service, the employees are not only the creators and providers of a service, but they are also an integral part of it (Bowen & Schneider, 1985).

Travel agencies hire tourist guides for group package arrangements to guide the travellers throughout the tour. Tourist guides are the first line of service providing and are in direct contact with the tourists, which is why they play an important role in shaping the tourist experience and the perception of a destination (Wang, Jao, Chan & Chung, 2010).

Aware of the importance of a tourist guide in group package arrangements, the purpose of this paper is to determine the quality of tourist guides in Serbian tourist industry and whether their quality influences the reputation of a travel agency that they represent and "word-of-mouth" marketing.

LITERATURE REVIEW

Group package arrangements are comprised of linked industries such as hotel industry, traffic etc. Each component must be delivered as it was arranged to satisfy the passengers. The job of tourist guides is to coordinate these components and connect them into a whole. They are the main link between the tourists and their behaviour can have a crucial influence on the tourist perception of the quality of passenger service. Many authors emphasize that the quality of a tourist guide can be the key item of the tour and that the guide's presentation can improve or ruin the tour (Quiroga, 1990). With their knowledge and interpretation of the attractions of a destination, their ability to communicate and service, they can transform a plain tourist visit into an event or an experience (Ap & Wong, 2001). Prakash, Chowdhary & Sunayana (2011) claim that a proper training is crucial for future tour guides so they could make the best possible impression of destination.

For many people the job of a tourist guide is their dream job (Mak, Wong & Chang, 2011). However, to be successful in this line of work is not easy. Cohen (1985) emphasizes the diverse roles of a tourist guide: providing safety and protection, informing, encouraging group interaction, role of a surrogate parent, scout, mentor, leader, mediator and entertainer. Pond (1993) lists the following most important roles of a tourist guide:

- Leader who is ready to take responsibility;
- Teacher who helps the passengers understand the places they are visiting;
- Ambassador who spreads hospitality and presents a destination in a way which creates the desire in the passengers to re-visit;
- Host who can create pleasant surroundings for the passengers;
- Mediator who knows when and how to fulfil the previous four roles.

There are different definitions of a tourist guide depending on the organization. The World Federation of Tourist Guide Associations defines a tourist guide as a person who guides the visitors in the language of their choice and interprets the cultural and natural heritage of an area which a person normally possesses an area-specific qualification usually issued and/or recognized by the appropriate authority (WFTGA, 2003). According to the Tourism Low of the Republic of Serbia from the year 2009, a tourist guide is “a natural person, who according to a previously established program, provides the services of guiding, showing and expert explanation of natural cultural-historic, archaeological, ethnographic, economic and other attractions”. Although there are numerous definitions of a tourist guide, the main areas in the job description include explaining an area in an amusing and inspiring way, working in a clearly defined cultural/geographical space and specialized linguistic knowledge (Ap & Wong, 2001). According to Skanavis and Giannoulis (2010), interpreters (i.e. tourist guide) are often the main awareness/educational source for many visitors, either through personal contact or through interpretive publications, exhibits or films. Therefore they influence the reputation of the area and the organization.

In the Republic of Serbia, the work license of a tourist guide is issued by the Ministry of Economy and Regional development after taking a certain number of exams (Regulation on the Programme and Method of Taking the Professional Exam for tourist guides and tour escorts, 2010) Although it is not conditioned by an academic title, many tourist guides graduated from a university or the department for tourism. A tourist guide can work as a permanent employee of a travel agency or as a freelancer. Aside from the monthly pay, they can earn extra money from the tourist tips and a percent of the sold facultative trips.

Rabotić (2010) in his paper classifies the obligations, qualifications and work areas of a tourist guide which can be seen in Table 1.

Table 1. Obligations, qualifications and the work area of a tourist guide

Obligations and responsibility	Executes the tour and the sightseeing of a city in a way that is demanded by the client or the way it is required by the announced program, taking in the account the route (itinerary), schedule and the timetable; Cultivates a friendly atmosphere and tries to fulfil special demands of the user, whether it is a large tourist group or smaller companionship with special interests; Honours the code of professional behaviour.
Necessary qualifications	Wide-range general knowledge, with a special emphasis on history, geography, art and architecture, economy, politics, religion and sociology of the work area; Specialized knowledge of a language – excellent speaking, but also knowing special terminology from various domains; Has skill to work with people and the ability to communicate efficiently, which creates "the art of guiding".
Work area	Detailed interpretation; Tourist guide is a well-informed mediator between the newest research in many thematic areas and different level of interest of the users; Culturally and geographically defined work area is necessary due to the demanded and expected depth and width of knowledge, combined with practical skills and itinerary planning.

Source: (Rabotić, 2010).

Out of numerous tourist services offered on a trip, guiding service is one of the most important ones. Wang, Hsieh, Chou & Lind (2007) constructed an instrument to measure service quality with group package arrangements called GPTCCC. The instrument included six dimensions with 22 items in total. The importance of the role of a tourist guide in grading the quality of group package arrangement is also shown by having two dimensions of this instrument refer to the sector of a tourist guide and a local guide. The ability of tourist guides to give quality service is not of vital importance only to the business success of a travel agency, but also to create a general image of a presented destination.

In the research of Wang, Hsieh & Chen (2002) it is stated that photographs of tourist guides should be in the brochures of group package arrangements. Mossberg (1995) deems that the presentation of a tourist guide can influence the image of a company, loyalty of users and "word-of-mouth" communication. Therefore, the contribution of a tourist guide can differentiate a tour from the one offered by the competition.

Wong & Wang (2009) conducted a research into how much is emotional endowment significant in the work of a tourist guide. The results have shown that it can increase the profit of tourist guides and travel agencies can lead to repurchase and positive "word-of-mouth" communication. Min (2012), states that emotional intelligence is very important in the work of a tourist guide and that using the skills of emotional intelligence tourists' mood can be regulated.

Hung (2008) recommends that service quality of a tourist guide is evaluated through 3 components: 1) core service delivery, 2) customer orientation, 3) communication effectiveness. Core service refers to the essence of guiding service which the guide must consistently deliver (e.g. conduct the agreed itinerary of the tour and make sure that the transport, accommodation, food and tourist activities are conducted easily and safely). Customer orientation refers to placing needs and wishes of the tourists ahead of those of the guide. Communication refers to the exchange of information (presentation of the itinerary, presentation of the attractions, answering tourist questions etc.).

METHODOLOGY

The instrument to measure service quality of tourist guides in this study was taken from the research of Heung (2008) which is also taken from the work of authors Zhang & Chow (2004). It measures 16 items of quality which were grouped into four dimensions. Those dimensions are "professional attitude and ability", "teaching and communication abilities", "professional experience", and "personal integrity". Likert 5-point scale was used to measure the items, with 1 being "I completely disagree" and 5 being "I completely agree".

Sample

A questionnaire was used to collect data. The data were collected from June till September of 2012. The questionnaires were distributed to the users of tourist package arrangements via the internet as well as personally to travel agencies which further forwarded the questionnaires to their tourist groups. 168 users of package arrangements participated in the research, from 14 travel agencies in the Republic of Serbia. Socio-demographic characteristics of examinees can be seen in table 2

There were much more female responders compared to male responders. Nearly 60% of the responders were in the groups between 20 and 40 years of age. The majority of responders obtained graduate and post-graduate education level. More than half of the responders said that their personal net monthly income was lees then 20.000 RSD. The sample travel agencies are: KonTiki Travel, Modena Travel, Rapsody Travel, Argus Tours, Grand Tours, CMC Group – travel agency, Šajka – travel agency, Moj Svet d.o.o., 1A Travel, Matico Travel, Sunny Travel, Go2travelling, Filip Travel and Kaladoukas Holidays.

Table 2. Examinees profile (N=168)

Demographic characteristics	Percentage
Sex:	
Male	10.7%
Female	89.3%
Age:	
younger than 20	13.1%
21-30	39.3%
31-40	20.2%
41-50	13.7%
51-60	11.9%
over 60	1.8%
Education:	
primary	6.0%
high school	16.7%
college	10.1%
graduate	39.3%
post-graduate	24.4%
PhD	3.6%
Monthly income:	
less than 20,000 RSD	56.0%
20,001-40,000 RSD	9.5%
40,001-60,000 RSD	15.5%
60,001-80,000 RSD	6.5%
80,001-100,000 RSD	7.1%
over 100,000 RSD	5.4%

Data analysis

For the data analysis software package SPSS 11.5 was used. To process demographic data descriptive statistics was used. To analyze service quality of tourist guides, arithmetic means and standard deviation were used. To determine connection between items of service quality, reputation of a travel agency and "word-of-mouth" marketing, Pearson's coefficient of correlation was used. To measure the influence of the dimension of quality of a tourist guide on the reputation of a travel agency and "word-of-mouth" marketing, regression model was used.

RESEARCH RESULTS AND DISCUSSION

Arithmetic means of 16 items of service quality of tourist guides were in the range of 3.82 to 4.58. The highest score was given to the items related to whether the tourist guide was clean and neat (M=4.58), civil and pleasant (M=4.36), accurate (M=4.29), provided clear information about the safety and security (M=4.23), had knowledge of the destinations visited (M=4.22). The lowest score received the items related to whether the tourist guide was capable of solving problems (M=3.82), paid attention to details during the travel (M=3.84), had sense of humour (M=3.87), was always helpful (M=3.94), was social (M=3.96).

If the research results are compared with the paper of Heung (2008), what can be noticed is that in the best graded items, the items related to the accuracy of a tourist guide and giving clear information about the safety and security coincide, while in the worst graded items, the ability of the tourist guide to solve problems and whether the guide paid attention to details during the trips coincide. What is interesting is that in this paper the sociability of a tourist guide is in the group of worst graded items, and in the paper of Heung is in the group of best graded items.

Table 3. Assessment of service quality of tourist guides

	Items of service quality of tourist guides	Mean	St.deviation
Q1	Tourist guide was accurate.	4.29	1.170
Q2	Tourist guide gave clear information about safety and security.	4.23	1.199
Q3	Tourist guide gave daily information about the touristic itinerary.	4.07	1.164
Q4	Tourist guide had good communication and teaching abilities.	4.18	1.080

Q5	Tourist guide was social.	3.96	1.168
Q6	Tourist guide was respectful to the tourists.	4.07	1.214
Q7	Tourist guide was always helpful.	3.94	1.320
Q8	Tourist guide had shown good training for his/her work.	4.07	1.209
Q9	Tourist guide looked clean and neat.	4.58	.906
Q10	Tourist guide was civil and pleasant.	4.36	1.079
Q11	Tourist guide had a sense of humour.	3.87	1.155
Q12	Tourist guide had knowledge of the destinations visited.	4.22	1.231
Q13	Tourist guide paid attention to details during the travel.	3.84	1.242
Q14	Tourist guide was able to solve problems.	3.82	1.040
Q15	Tourist guide delivered all services promised in the itinerary.	4.02	1.395
Q16	Tourist guide was honest and reliable.	4.16	1.212

All the items of service quality of tourist guides were grouped in four dimensions or factors (Houng, 2008). The lowest score was given to Factor 2 referring to professional attitude and ability. Reliability measure (cronbach alpha) was very high on all four factors.

Table 4. Assessment of dimensions of quality and reliability of tourist guides service quality

Dimensions of service quality of tourist guides	Mean	Standard deviation	Cronbach alpha
F 1: Teaching and communication abilities	4.1329	1.02295	0.9399
F 2: Professional attitude and ability	3.9173	1.05445	0.9277
F3: Professional experience	4.2791	.94517	0.8587
F 4: Personal integrity	4.2575	1.11784	0.9433

To determine the correlation between all the items of quality, and the correlation between the items of quality and reputation of a travel agency, that is of “word-of-mouth” marketing, Pearson’s coefficient of correlation was used. It showed that there is a positive correlation of medium and strong intensity between all individual items of service quality of tourist guides. By measuring the correlation between the reputation of a travel agency and individual items of quality, it was determined that the strongest link is with the item “Tourist guide delivered all services promised in the itinerary”, and there is no link with the item “Tourist guide looked clean and neat”. As far as “word-of-mouth” marketing is concerned, the situation is the same, with the difference of a strong correlation established with the item “Tourist guide was always helpful”. There is a very strong correlation between the reputation of a travel agency and “word-of-mouth” marketing.

Authors Zhang & Chow (2004) performed importance/performance analysis in their paper, using this model to measure service quality of a tourist guide. They discovered that the item “Tourist guide looked clean and neat” is found in the fourth quadrant (possible overkill). This means that it has little importance and high grade of quality. By this it can be explained why in this paper there is no correlation between this item and the reputation of a travel agency and “word-of-mouth” marketing.

Table 5. Pearson’s coefficient of correlation

Items	Travel agency reputation	word-of-mouth marketing
Q1	0.379(**)	0.449(**)
Q2	0.375(**)	0.446(**)
Q3	0.388(**)	0.296(**)
Q4	0.320(**)	0.423(**)
Q5	0.301(**)	0.428(**)
Q6	0.362(**)	0.497(**)
Q7	0.469(**)	0.622(**)
Q8	0.464(**)	0.582(**)
Q9	-0.057	0.052
Q10	0.310(**)	0.447(**)
Q11	0.289(**)	0.284(**)
Q12	0.442(**)	0.447(**)
Q13	0.298(**)	0.337(**)
Q14	0.345(**)	0.353(**)
Q15	0.530(**)	0.651(**)
Q16	0.458(**)	0.546(**)
Travel agency reputation	1	0.788(**)

*** Correlation is significant on 0.01 level (2-tailed)*

Upon measuring correlation, linear regression was used to determine dependency of the reputation of a travel agency on the service quality of tourist guides. Coefficient of determination showed that dimensions of service quality of tourist guides influence the reputation of a travel agency by 26%, namely, that other factors influence the reputation of a travel agency in a large percent. Factor 1, "Teaching and communication abilities", has the highest influence.

Table 6. Influence of dimensions of touristic guides' service quality on the reputation of a travel agency

Dimensions of service quality of tourist guides	Beta	Sig
Factor 1: Teaching and communication abilities	.520	.039
Factor 2: Professional attitude and ability	.487	.019
Factor 3: Professional experience	-.967	.000
Factor 4: Personal integrity	.363	.046
R=.514 R Square =.265 Adj. R=.246, F= 14.123, p<0.001		

Dimensions of service quality of tourist guides influence "word-of-mouth" marketing by 35%, and Factor 1, "Personal integrity" has the highest influence.

Table 7. Influence of tourist guides' service quality on "word-of-mouth "marketing

Dimensions of service quality of tourist guides	Beta	Sig
Factor 1: Teaching and communication abilities	.415	.078
Factor 2: Professional attitude and ability	.415	.032
Factor 3: Professional experience	-.944	.000
Factor 4: Personal integrity	.616	.000
R= .595 , R Square =.354 Adj. R= .338, F= 2..515, p<0.001		

CONCLUSION

This research dealt with determining service quality of tourist guides in Serbian travel industry and examining how much their quality influences the reputation of a travel agency, and how much their quality influences "word-of-mouth" marketing. Group package arrangements of different travel agencies in Serbia were taken as a material to analyze their users, namely tourists.

Results have shown that the service quality of tourist guides is satisfactory, that is, all measured items are above average. However, there are still items which need improvement to raise service quality on a higher level. That primarily refers to "Professional attitude and abilities" dimension which incorporates the following items: tourist guide 1) was able to solve problems, 2) paid attention to details during travel, 3) had sense of humour, 4) was always helpful, 5) had shown good training for his/her work.

What is interesting is that tourist guides pay a lot of attention to their appearance, therefore, they look clean and neat, and that it is the only item without a correlation with the reputation of a travel agency and "word-of-mouth" marketing. It was determined that the following items have the highest correlation with the reputation of a travel agency and "word-of-mouth" marketing: tourist guide 1) was always helpful, 2) had shown good training for his/her work, 3) had knowledge about the destinations visited, 4) delivered all services promised in the itinerary. Relating to that, the owners of travel agencies should work more on the improvement of service quality of their tourist guides by promoting these items of the service.

This study has confirmed that the service quality of a tourist guide is significant for the reputation of a travel agency and "word-of-mouth" marketing. Therefore, if the tourist guide delivered quality service, the reputation of a travel agency will be better and tourists will say positive things about that travel agency to others, which will improve sales of touristic arrangements. Taking this in consideration, travel agencies should carefully select their tourist guides, who will have the necessary skills and abilities to emit quality service. It can be concluded that this research produced useful information about the condition of service quality of tourist guides in Serbia, their strong and weak points and again confirmed the influence of service quality of tourist guides on the reputation of a travel agency and "word-of-mouth" marketing.

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ENVIRONMENTAL SUSTAINABILITY: THE TOUR OPERATOR'S PERCEPTIONS

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This paper discuss about the main issue of the environment and the initiatives taken by the tour operators in the conservation, minimization of the environmental degradation, as an undeniable fact the tourism industry is one of the major contributor of pollution. The comparative approach has been adapted from the sustainability tourism handbook by the European tourism commission is followed in the paper, different perceptions and approach taken by the tour operators towards the environmental sustainability are compared and presented. And much has already been written on the direct, physical impacts of tourism on ecosystems and host communities (Matthieson and Wall, 1982; Jenner and Smith, 1992; Price, 1995). Yet so far, only a few researchers have attempted to explore ways in which industry may be involved creatively in regulation (Poon, 1993; Goodall, 1995; Eaton, 1996), which insists on the assessment of the role of the tour operators in the environmental sustainability.

Keywords: *environment, sustainability, tour operator and perceptions.*

JEL Classification: *L83, M1, O1*

INTRODUCTION

Tourism is one of the largest and fastest growing global industries, creating significant employment and economic development, particularly in many developing countries. Tour operators are an important part of this growth. According to the International Federation of Tour Operators, outbound tour operators represent 12 percent of international arrivals, while in Europe they represent 35 percent of leisure air holidays. This figure does not take into account packages sold by inbound tour operators, or incoming agents, directly to tourists in destinations. This growth has led to an increase in the negative environmental and social impacts of tourism, from resource consumption, pollution and the generation of wastes. Tourism activities can also disrupt or destroy local cultures and introduce unwanted activities such as drugs and prostitution. Because of their significant market share, tour operators are in part responsible for these negative impacts of tourism, as they determine where many tourists go and which facilities they use. They also act in some ways as a catalyst bringing other tourism sectors together.

Also tour operators play a central role in the tourism industry. As intermediaries between tourists and tourism service providers, tour operators can influence the choices of consumers, the practices of suppliers and the development patterns of destinations. This unique role means that tour operators can make an important contribution to furthering the goals of sustainable tourism development and protecting the environmental and cultural resources on which the tourism industry depends for its survival and growth.

A clean and pristine environment, with authentic local culture and friendly people, are the reasons why people travel. It is thus in the tour operators' interest to preserve the environment in their destinations and to establish good relationships with local communities, to improve the quality of their tourism products and increase customer satisfaction. More and more surveys show that customers respond positively to actions taken by tour operators to improve the sustainability of their businesses. Besides strengthening their brand values and reputations with consumers, integrating sustainable principles into tour operators' business practices can also create better relationships with suppliers, staff and local communities, increasing their respect as a partner in destinations and limiting the risk of problems or conflicts. A strong positive reputation and a low risk of conflict can lead to increased access to key resources such as capital, the ability to develop products in an increasingly competitive market, and motivated and loyal staff. From a financial standpoint, sustainable practices can also increase revenue and shareholder value, particularly through the generation of more repeat business, acquisition of new clients, cost savings and increased operational efficiency. To address the negative impacts of tourism, the industry needs new tools and methods that can prevent environmental and social harm while developing and managing tourism activities in ways that contribute to sustainable development and protect tourism resources. Effectively integrating sustainability into the tour operators’ business will mean considering environmental, social and economic aspects throughout the process of developing a holiday package.

Recently, Harry Recher (1999) predicted that "Australia will lose half of its terrestrial bird species in the next century." Frank Talbot (2000) wrote that "without fresh thinking and fundamental attitudinal and management changes the Great Barrier Reef will not 'survive' as we enjoy it today.... It will be slowly and continuously degraded both biologically and aesthetically."Tour operators role on environmental sustainability is expressed in the words of Sternberg (1997, p. 9), a company "cannot afford to ignore any stakeholder concern that might affect its ability to generate long-term owner value." And in layman words, the precautionary principle can be taken to mean "better safe than sorry" or "prevention is better than cure". The principle thus assumes action prior to an activity being carried but and before its results are known (Paterson, 2007). Despite these simplifications of the principle's remits, its application is far from straight forward (De Sadeleer, 2002).

LITERATURE REVIEW ON SUSTAINABILITY

The Brundtland Commission's brief definition of sustainable development as the "ability to make development sustainable—to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs" is surely the standard definition when judged by its widespread use and frequency of citation. Brian Barry has argued that in order to pursue their idea of the good life – whatever that happens to be – future people will have need of some basic resources, such as food, water, minimum health and so on (Barry, 1999). Barry thus argues that our obligations lie with ensuring that we do not prevent future generations from meeting their basic needs. This, in turn, forces us to consider and appropriately revise our levels of pollution, resource depletion, climate change and population growth. In the words of Collins Earth is to be treasured and nurtured, something precious that must endure (Collins 1980: 6).

The European Commission defines corporate social responsibility as "a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment." (European Commission, 2001, p. 5) It is related to complex issues such as environmental protection, human resources management, health and safety at work, relations with local communities, relations with suppliers and consumers.Liu (2003) has observed that sustainable tourism became a critical research topic in tourism management (at both micro and macro levels) in the 1980s. Continuos efforts have been made to formulate suitable, sustainable tourism programs with different conditions and different levels in different countries. Most researchers agree that a successful sustainable tourism program requiers support and participation from the government, local communities, visitors, tourism businesses, and other influences such as media and international forces, as well as certain non-governmental organisations (Butler, 1999; Dewhurst and Thomas, 2003; Horobin and Long, 1996; Lele, 1991; Liu, 2003). However, Dewhurst and Thomas (2003) and Liu (2003) pointed out that successful examples of sustainable tourism often begin at the micro or firm level. Thus, a tourism firm's voluntary participation can play a crucial role in the success of a sustainable tourism program (Rangel, 2000).

And in terms of consumption of the natural resources like water, fossil fuels, metals and other minerals must not be extracted at a faster rate than their slow deposit on the earth's crust. Substances must not be produced faster than they can be broken down and reintegrated into the cycles of nature or to be deposited into the earth's crust. The productive services of nature must not be exploited at a higher rate than can be created and renewed. Basic human needs must be met with the most resource-efficient methods possible, including equitable resource distribution. (Gehrke, 2000, p.27). Which to some extent is used heavily by the tourism industry suppliers like hotels, golf resorts using water and the air transportation industry which is the backbone of the travel and tourism sector consumes lot of fossil fuels and emits the greenhouse gases in to the atmosphere at a massive rate.

Self regulation has been described as preferable to traditional command-and-control forms of regulation because it allows companies to use environmentally-responsible practices to increase competitive advantage (see Smith, 1990; Eden, 1993). However, critics have suggested such measures may be too shallow to produce effective regulation, or that the full commercial advantages of these measures have yet to be utilized (Cairncross, 1995:188; FOE, 1995). Many have now proposed that a pro-active response to environmental responsibility may actually result in environmental regulation plus competitive advantage in business (e.g. Elkington *et al*, 1991; Schmidheiny, 1992; Gladwin, 1993; Cairncross, 1995; Porter and van der Linde, 1995). The term, 'sustainable tourism' emerged in geographical debate in the 1990s to describe tourism development without such negative environmental or social impacts (e.g. Nelson, *et al*, 1993; Burns and Holden, 1995; Coccossis and Nijkamp, 1995). Sustainable tourism needs to be defined more closely in terms of achievable targets of social and environmental performance for business (Goodall, 1995; Goodall and Stabler, 1996).

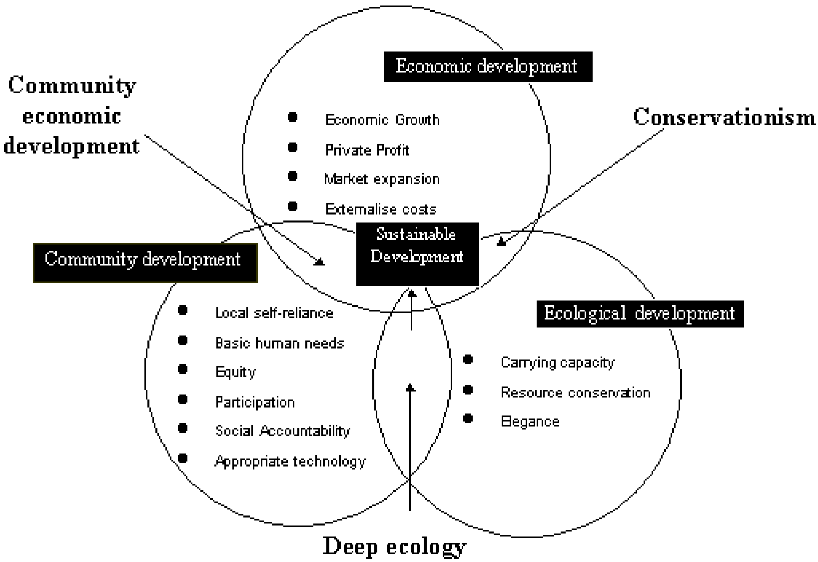

Figure 1. Sustainable Development
Source: *http://lewishistoricalsociety.com/wiki2011/tiki-read_article.php?articleId=110* *(Accessed the 15th February 2013, at 16.00)*

THE CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY, DISCLOSURE AND THE CONTROVERSIES

The term 'environment' is used to describe our surroundings – both the natural physical surroundings such as the land, water, climate, plants and animals that we can see, and the places in which we live with their social, cultural, economic and spiritual dynamics (usually called the human environment). People depend on the natural environment for survival. Our food, medicines, shelter, fuels and clothing are all sourced from it. For example, a farmer's crop relies on adequate water, sunshine, fertile soil, unpolluted air and soil, and balanced insect life and micro-organisms. Without any one of these, the crop is threatened and the farmer may not have enough food to feed the family or to sell in the market. Corporate provide inadequate environmental disclosures which showed no relationship with the firm's environmental performance (Wiseman 1982; Harte and Owen 1991; Fekrat, Inclan and Petroni 1996), and still others even showing a negative association between environmental disclosures and environmental performance (Patten 1991, 1992, 2002; Hughes, Anderson and Golden 2001). Ullmann (1985) criticized these inconclusive results and attributes them to inconsistent definitions of measures of social performance, disclosures and economic performance and deficiencies in databases available. He argued that CSR models developed in prior studies are misspecified because the relationship between firm strategy and social responsibility decisions is not included in the empirical tests. Ullmann proposed that these data need to be analyzed from the context of theories, hence the title of his paper, "data in search of theory".

Numerous studies from the 1980s through to 2000s report either no significant or negative relationship between environmental disclosure and performance (see Wiseman 1982; Rockness 1985; Patten 1991, 1992, 2002; Freedman and Jaggi 1996; Hughes, et al. 2001). As a result, Freedman and Jaggi (1996) conclude that environmental disclosures as they exist cannot be used as a proxy for environmental performance. Stakeholders are "groups and individuals who benefit from or are harmed by, and whose rights are violated or respected by, corporate actions." (Freeman, 1998, p. 174). The stakeholders power, prior studies (Christopher and Hassan 1996; Craswell and Taylor 1992; Mckinnon and Dalimunthe 1993; Malone, Fries and Jones 1993; Frost 1999) suggest that the wider the shareholder dispersion, the greater the likelihood that firms disclose more information. It also appeals to intuition that firms with widely dispersed ownership are more likely to incorporate good environmental performance in their strategic planning in order to attract investors. A growing volume of research offers empirical support to the fact that the market incorporates the firm's environmental performance in their assessment of the firm's unbooked environmental liabilities which investors consider in their stock valuation (Barth and McNichols 1994; Cormier and Magnan 1997; Hughes 2000; Clarkson, Li and Richardson 2004).

Nasi et al. (1997) found that forestry companies in Canada and Sweden focused on issues that were relevant to the most powerful stakeholders rather than on those issues that were relevant from an ethical or socially responsible point of view. On the one hand, some scholars argue that companies can "do well by doing good" (Godfrey, 2005; Margolis et al., 2007; Porter and Kramer, 2011). It is also based on the belief that not meeting the needs of other stakeholders can destroy shareholder value through, for example, consumer boycotts (e.g., Sen et al., 2001), the inability to hire the most talented people (e.g., Greening and Turban 2000), and punitive fines by the government. With regards to stakeholder management, prior literature has suggested and empirically shown that it is directly linked to superior financial performance by enabling firms to develop intangible assets in the form of strong long-term relationships, which can become sources of competitive advantage (e.g., Hillman and Keim, 2001).

Watts and Zimmerman (1978) argue that corporations use socially responsible activities to reduce the risk of governmental intrusions that may affect firm value. Hence, the government can be viewed as a powerful stakeholder which the management needs to satisfy. It is conceivable that companies belonging to highly sensitive industries will face more stringent government regulation as these firms are more likely to damage the environment through the use of hazardous substances and/or discharge of hazardous wastes and effluents. Prior studies (Deegan and Gordon 1996; Jaffar, Iskandar and Muhamad 2002; Chan and Kent 2003; Elijido-Ten 2004) provide evidence that firms belonging to environmentally sensitive industries (ESI) provide more environmental disclosures most likely to minimize government sanctions thus suggesting positive relationship.

BARRIERS IN IMPLEMENTING SUSTAINABILITY

The literature suggests a range of issues limiting supplier's ability to respond to buyers' requirements for sustainability. First, sustainability activities may carry a financial cost, or they are at least perceived that way (Bohdanowicz *et al*. 2011). Cash flow and ever-diminishing tour operator contract rates are blamed by many authors for the lack of financial investment in technical solutions (Bastakis *et al*. 2004; Font *et al*. 2006; Tapper 2001). Payback from no-cost/low-cost measures could be used to fund technical solutions that require initial financial investment; however, a lack of willingness or ability to engage means that this opportunity is not always exploited.

Second, human barriers include resistance to change, a lack of qualified staff and training programmes, a lack of understanding and the inability to plan (Amoah and Baum 1997; Bohdanowicz *et al*. 2011; Dong and Wilkinson 2007). Tour operator resources and those of their suppliers may be too limited to engage in technical assistance or investment programmes (Schwartz and Font 2009). The third issue cited repeatedly is lack of demand. A “green gap” exists between the results from surveys claiming customers want sustainable products and their actual purchasing behavior. Also, the industry has been encouraged to demonstrate its efforts to make *all* holidays more sustainable at no increased premium (ABTA 2011). It is in this context that tour operators claim to face a huge challenge in the perception and reality of Health and Safety (H&S) as the barrier to implementing environmental measures. For over a decade, hotel managers have been bombarded with H&S codes of practice, Hazard Analysis of Critical Control Points, legionnella procedures and more. Managers are wary of implementing new initiatives that appear to conflict with H&S.

There are very similar comparisons in the building trade between “minimum standards” of codes of practice for safety versus “best practice initiatives” for sustainability (Dong and Wilkinson 2007). The EC Travel Package Directive (1990), transposed into UK law by the Package Travel Regulations 1992, which places liability on tour operators for the performance of their suppliers. This factor alone is a significant barrier to environmental sustainability (Schwartz and Font 2009; Schwartz *et al*. 2008; Tapper 2001). Regulation 15(1) provides that the tour operator is liable to the consumer for proper performance of the obligations under the contract, whether these are performed by the tour operator or any of its suppliers (Grant and Mason 2007; Saggerson 2007). It is obvious; therefore, which criteria will take priority in supplier management. The standard response of tour operators, fearful of compensation claims, has been to show increased due diligence through a stricter level of control over their suppliers and the application of risk management strategies. Personal communication with tour operating staff highlights that even they are wary of making suggestions for environmental improvements due to the apparent H&S environmental conflict. Operatives usually prefer to fall on the side of caution and over apply the solutions to manage or eliminate the risk without understanding the consequences of doing so.

Service recovery methods in hotels tend to focus on applying discounts or providing free services, rather than being guided by hotel contract law (Bech-Serrat 2011) to avoid potentially higher court costs.

A tour operator is liable for their negligence (measured by UK standards) and supplier's negligence (measured by local standards). UK standards are used in the destination as a yardstick not because they are applicable (or liable against), but because understanding local standards in each destination is more difficult than applying one blanket set of standards, whether these are higher or lower. This does, however, generate a fear of the unknown and reticence to make changes. Most aspects of quality that the client or tour operator will expect are not part of the contract established between the hotel and the tour operator, or the hotel and the direct customer—much of the contract is based on unspoken expectations law (Bech-Serrat 2011; Grant and Mason 2007). For example, there is no standard that says that pools must be lit at night, but if that's the accepted practice and therefore the accepted standard, there might be liability but under quality complaints (strict liability) and Health & Safety complaints (fault liability). In this case, operatives usually prefer to fall on the side of caution and over apply the solutions to manage the risk without understanding the consequences of doing this. Fear of not meeting health standards leads for example to the overuse of pesticides, over chilling of foods, the use of disposable rather than reusable plastic, over-wrapping of prepared food, and so on.

RESEARCH METHODOLOGY

Based on the sustainable development principles, a comparative frame work has been put in place for the evaluation of the perceptions of the tour operators on the environmental sustainability. The objective was

1. To assess the perceptions of the tour operators on the environmental sustainability principles
2. To compare the perceptions of the different tour operators from Europe, Canada, China and India

The tour operators can been chosen on the convenient sampling basis and of course they are most renowned operators like Thomas Cook , Cox and Kings , Kuoni, Butterfield and Robinson from Canada, Travel Markets India Corporation from India and Imperial tours from China. The websites and broachers have been scrutinized for the information on social and environmental responsibility initiatives of the corresponding tour operators for data collection and comparison.

DISCUSSION - PERCEPTIONS ON ENVIRONMENTAL SUSTAINABILITY

Use of natural resource

The tour operator Thomas cook, who has fight operations follow ISO 14001 standards for energy efficiency and Kuoni charter flights are also involved in energy saving experiments. The all three tour operator Thomas cook, Kuoni and Cox & Kings do follow the natural resource conservation by the Travel life certification system in their partner hotels.

Waste minimization

Waste minimization in-terms of reduce, recycle, re-use is a part of all the tour operator business because it leads cost cutting & saving, which leads to better financial performance. But there is also factor where waste minimization cannot be controlled by the tour operator itself when it comes to the destination public area and surroundings.

Conservation

In terms of conservation Thomas Cook, Cox & kings and Kuoni are involved in the bio-diversity projects with the help/co-operation of international organization. In fact these conservation are needed because of the exploitation & degradation are done upon the environment by the business only, because tourism business heavily depends on the natural resources of the host destination as an product offering to the consumer/tourist.

Prevention

Thomas Cook, Kuoni and Cox & Kings has detailed in their website about the sustainable travel tips to the consumers/tourist in term of energy consumption, wildlife behavior, responsible travel tips, alternative transportation, respecting the host culture and understanding, behavioral ethics etc. A step further Kuoni has conducted environmental workshops

Volume 9, Number 1, Spring 2014, pp. 127-143
UDC: 338.48+640(050)

in Bulgaria & Thailand for environmental conservation and prevention of degradation.

Rehabilitation & reclamation

Thomas cook is a part of Born free foundation and Spana, which conserve the working animals and its welfare. Both Kuoni and Cox & Kings also a part of reduce my carbon foot print programme by carbon offsetting along with Thomas cook. Cox & Kings is sponsoring for the planting trees in Peru, Kuoni has contributed for the construction of dams in Kenya for local and hotel benefits.

Science and technology

Travel life awards given to the partner hotels of the tour operator (Thomas Cook and Kuoni) promote resource conservation. The ISO 14001 certification provided to the Thomas cooks flight services are also results of innovation in science & technology. Kuoni charter flights participation in Atlantic Interpretability initiative to reduce emissions also pave way for development in science & technology for cutting carbon emission. But none of the tour operators invest in science & technology themselves for the betterment of the environment but through partnership only.

CONCLUSION

As it is very clear that the perceptions and actions towards the environmental sustainability in terms of carbon emissions, resource utilization, conservation and contribution for wild life differs from one operator to another and there is lot of lessons to be learned from the each operators to protect the environment. Like the case of Thomas cook there were very good at environmental conservation.

The tour operators suppliers such as the accommodation and transportation sectors play a major role in the environmental participation but they should be brought under the careful guidance of the tour operators in terms of the environmental conservation rather than concentrating on the cost and service standards of these suppliers. Especially the resorts, golf resort and the air transportation sector which are major resource utilizes and polluter of the environment. There are lots of lesson to be learned from tour operators, because each one of them see and approaches environmental sustainability in a different angles. For example Thomas cook and Kuoni focuses on natural resource utilization and efficiency management, they have also involved in wild life (Bio-diversity) and animal's conservation projects including promotion of eco tourism product in East African region by Kuoni. Both Thomas Cook and Kuoni are involved in recycle & reuse projects, including education consumers/tourist on sustainable travel tips, behavior with wildlife conservation and prevention. On the other hand Cox & Kings has involved in protecting Amazon forest in Peru and in the conservation of the tigers, they also educate the consumer / tourist in sustainable travel, conservation and prevention.

The cases of Imperil Tours from China and TMIC from India are far behind from the understanding of the practices because of the barriers to sustainability reason. The Butterfly and Robinson from Canada are already following sustainability through their product offer strategy of biking and walking tours and also through philanthropy tour product. As a whole picture none of the tour giants like Thomas cook, Kuoni, Cox & kings seems to perceive the environmental sustainability totally in their operations and the tour operators from emerging economies need to learn and follow a lot from the developed ones to sustain the environment. As of recommendation, it could be better to come up with a set of environmental sustainability principles, which has to be followed by the tour operators to gain the trust of the stakeholders and these principle should be implemented by the independent governments & tourism board irrespective of destinations.

Which is expressed in the words of Ozsomer *et al.*, 1997 as "Firm's are not likely to invest in new technologies and products, especially environmentally-friendly sound products, if they do not sense a positive attitude from the government and demand from customers '? Research suggest that firms perceive uncertainty in government policy or customer demand as a risk or threat, and thus are not likely to make new investments in related innovations (Ozsomer et al, 1997; Rangel, 2000; Soderbaum, 2000; Vazques *et al.*, 2001; Von Krogh and Roos, 1995).

Carbon offsetting programs – does it really work? Is another area which request research.

Volume 9, Number 1, Spring 2014, pp. 127-143
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THE ENVIRONMENT AND THE FUTURE OF TOURISM

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Under the neoliberal economic model promulgated by the International Monetary Fund, many countries such as Costa Rica have changed economic policy to emphasize international tourism. With the increase in tourist arrivals, tourism is considered a major generator of foreign exchange but with externalities subsidized through degradation of local environments. Such development is considered inefficient and unsustainable resource use. Eco-tourism is environmentally friendly due to its small-scale, community based, and reliant on local commodities. Eco-tourism is significant in a world of increasingly scarce natural resources and environmental degradation. A world of environmental limitations requires a shift in tourist modalities. The policy challenge is to decentralize the tourist sector and reorient towards broad-based eco-tourism.

Keywords: *Eco-tourism, environmental degradation, sustainability, community development*

JEL Classification: *L83, M1, O1*

INTRODUCTION

As countries such as Costa Rica and Cuba strive to lessen the social and economic impact on the health of the environment, tourism must be examined for its effect on environmental degradation. The literature is clear that mass, conventional resort tourism has a generally negative impact on the environment and local communities (Dasenbrock, 2002; Davies and Cahill, 2000; Thomas-Hope and Jardine-Comrie, n.d; Grandoit, 2005). It is also clear from environmentalists such as James Speth (2008) and Jim Hansen (2010) that the environmental crisis is deep, pervasive, and can no longer sustain "business as usual." As Speth put it, "we are running out of environment" (2008: 100). Environmental degradation and growing limitations on resource exploitation call for a new perspective for the tourist industry. One alternative strategy in Costa Rica has been to integrate tourism with environmental concern centered on ecotourism. Ecotourism's potential, however, is predicated upon the state's willingness to recognize the significant and essential role played by empowered local communities. This paper argues that ecotourism offers several benefits including mitigating environmental degradation, empowering local communities, providing sustainable employment opportunities, and providing a more meaningful and "holistic" experience for tourist and host. Ecotourism also has the potential adapt to a future world of environmental limitations of resource scarcity.

THE GROWTH OF TOURISM

Cultural encounter between groups either out of curiosity or for political or economic reasons is as old as our species. Culture contact is perhaps the most significant change agent for much of human history. One of the earliest travelers was the Greek historian Herodotus who visited various areas on North Africa and Egypt in the fifth century BC. Early Europe, in the twelfth-fourteenth centuries for example, witnessed many scholars who traveled to educational institutions in England, France, and Italy for academic pursuits. Perhaps the most intrepid of early European travelers was Marco Polo and his thirteenth century travels through Central and East Asia. Encounters such as the above were instituted for practical economic or research interests rather than purely for leisure reasons.

Mathieson and Wall offer a definition of tourism as "the temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs" (1982: 1). True tourism, however, did not begin in earnest until the sixteen through nineteenth centuries when the political and economic elite of Europe sent their sons (and daughters) on the "Grand Tour" of European capitals to broaden their education and/or improve their social graces. As a consequence of the Enlightenment, Black suggests that science and philosophy were beginning to see foreign travel as a significant element in the quest of knowledge and cross-cultural awareness (1992). The Grand Tour follows as a modern equivalent of the Roman pattern where wealthy individuals would visit Greece and Egypt for personal edification (Gyr, 2010).

Large-scale commercial tourism began in the second half of the nineteenth century as more reliable transportation systems and technologies developed. By the 1840s, Thomas Cook began offering all-inclusive travel to South and East Asia to the general population. By the 1890s, Cook was booking thousands of travelers for his trips that included one around the world tour. By the beginning of the twentieth century in the United States, for instance, travel for pleasure to see "the sights," such as the Grand Canyon or Yosemite Park was increasingly popular among the middle classes as travel amenities increased and travel costs fell. The aftermath of World War II and the booming post-war economy in the United States saw a further increase in middle class travel to international destinations. The era of commercial mass tourism was about to begin as the middle class experienced greater disposable income, improved communications technologies gave access to “exotic” foreign locations, cheaper air transportation and sophisticated regional tourist infrastructure development.

The nature, meaning, and composition of tourism is related to the economic and technological circumstances of the period in which it develops. As a more mature consumer culture develops, the satisfaction of desires and the pursuit of pleasure evolve into a ethos of great power. Advertising is increasingly sophisticated and pervasive in defining the meaning of the good life and the standard of living organized around the amount of consumption we engage in. Advertising suggests that through consumption one gains self-assurance of identity status on the one hand, and through foreign-based tourist consumption the simulacrum of being globalized.

Contemporary international tourism relies on the ability to develop intricate long-distance supply lines, intense terra-forming of local habitats and ecosystems, and the increase of large scale manufacturing of commodities. The investment, production, distribution and consumption of tourist related commodities accounts for over nine percent of world GDP in 2011, according to the WTTC (2011). In their latest report, the World Travel and Tourism Council (WTTC) estimates that international tourism composes one of the great economic sectors of the world economy, employing 255 million people and generating over US$6.3 trillion in GDP (WTTC, 2011). There is literally not a place on this earth that is not in some fashion involved with tourism and the supply chains that support it.

TOURISM AS A NEOLIBERAL DEVELOPMENT ALTERNATIVE

For many resource poor countries of the Caribbean commercial tourist development is seen as a significant means of generating foreign exchange. Multilateral agencies such as the International Monetary Fund promote tourism as a development alternative. Such development appears attractive since there are numerous multinational companies with the experience, resources, and technology for developing tourist retreats. For many Caribbean nations that produce agricultural commodities of limited value-added, tourism is an attractive alternative. Found throughout the Caribbean and Central America are massive resort establishments such as Montego Bay in Jamaica, Guanacaste in Costa Rica, Punta Cana in Dominican Republic and Rodney Bay in St. Lucia. Tourism is class based with tourist operations such as Apple bringing in plane loads of middle class tourists to all-inclusive destinations as well as exclusive elite establishments such as found in Soufriere, St. Lucia and Roatan, Honduras.

Throughout the Caribbean the low-skilled labor intensive nature of tourism means that the industry takes advantage of the available cheap labor force. For average earning per hour, of eight sectors listed by Jules in his St. Lucia study, five pay more than hotels and restaurants (2005: 22). Tourist employment tends to be seasonal, often menial with low wages and limited benefits or protections. Employment levels are also susceptible to downturns due to various disasters, conflicts and socio-political instability. As in Tijuana, Mexico, and the Caribbean coastal areas of Costa Rica, many people do not earn sufficient wages in a relatively expensive economy where most goods are imported due in part to an extremely anemic domestic industry. Historically, to circumvent the lack of adequate employment opportunities inhabitants of St. Lucia, for example, could migrate to Canada or Great Britain. Migration to these countries today is much more difficult and no longer operates as a "release valve" for those desperate for work.

Polly Pattullo's investigation of Caribbean tourism lead her to ask the central question: who benefits from this growth? Her answer is that the industry remains essentially under foreign control. It is mostly foreigners who operate the airlines and cruise ships, own most of the resorts and hotels, and own or control tour operations and food imports (1996). Most revenue generated by tourism escapes the island and is repatriated abroad. Helen Bain estimated that 75% of revenue leaves the Caribbean (2007: 27) while for St. Lucia in particular the loss is over 56% (Jules, 2005: 6). The degree of leakage is due in part to the lack of strong backward links to the local economy. The problem of limited usage of local resources is due, as the Caribbean Development Bank pointed out, to the "high price of local produce, due in part to small scale of production, inconsistency of supply and poor quality of products were also deterrents to reliance on local supplies" (Bain, 2007: 27). Furthermore, most countries cannot provide the capital or technological inputs needed to construct and maintain a modern resort.

For all-inclusive resorts and package deals, most of what is consumed is imported from abroad rather than procured locally, including most agricultural produce such as orange juice, tomatoes, and chicken. In an attempt to capture as much leakage as possible St. Lucia has instituted a program to encourage agricultural production to satisfy the needs of resorts, hotels and restaurants. The Sandals Group of resorts has agreed to work with St. Lucian farmers to improve produce to substitute imports (Bain, 2007; Jules, 2005). In the Dominican Republic, Law 69 mandates that companies must consider local sourcing when products are essentially the same in cost and quality (World Bank, 2010). In the Dominican Republic, for example, the Partnership for Ecologically Sustainable Coastal Areas is supported by the Punta Cana area resorts.

While the growth of the tourist industry has provided an alternative to the traditional focus on agriculture, it nevertheless is a form of direct foreign investment dependency in which it is foreign capital that controls most of the industry. In this case, both capital and tourist are sensitive to events such as the twin towers attack on September 11th, the SARs outbreak, or the recent global recession which has had a dramatic effect on tourist visitation. A significant major outcome of these events is in the area of employment where St. Lucia experienced a surge in unemployment after the events of September 11th. Thus the major risk of market-led direct foreign investment is the ease of capital and tourist flight.

THE SOCIAL AND ENVIRONMENTAL COSTS OF TOURISM

Most tourist resorts, such as those owned by Sandals or Melia, are immediately familiar to most visitors. All the amenities of home are to be found such as air conditioning, the same sort of bathroom configuration, internet, television, toiletries, and familiar food. The materials used in the construction of rooms, galleries, dining area and kitchen are generally of world-class luxury standards. The final cost of resort development may be in the tens of millions of dollars, not including the government revenue for infrastructure. Many, if not most, of the resorts I have visited generally are able to accommodate many hundreds if not thousands at a time.

The construction of large-scale tourist resorts have a tremendous environmental impact. The amount of construction material that has to be imported from overseas are expensive as are the food, blankets, towels, televisions, radios, etc. Due to fiscal policies there are various import and exchange rate costs that must be borne by the host government. Additionally, new infrastructure must be constructed in support of the resort: highways, water treatment, sewage treatment, and improvement or linking of local electrical needs to the national grid. Depending on the location, other costs may include air and water pollution, beach or river dredging, land dispossession of local inhabitants, habitat destruction including coral reefs and mangrove swamps. These costs to accommodate the international tourist are negative externalities that come either out of limited local budgets or through loans from agencies such as the IMF or regional Inter-development Banks. These costs are presented to the public as national development plans in the best interest of the country. In Costa Rica the large tourist establishments are very powerful and have considerable influence over relevant policy. For instance, the government's Costa Rica Tourist Institute has designed a green certification program to encourage tourist establishments to be environmentally sensitive. However, there is reported considerable "greenwashing" where businesses engage in superficial efforts of minimal environmental benefit in order to receive a green certificate (Roberto Sanchez, personal communication).

There is a series of external cost not borne by the multinational resort is the often unplanned worker settlements that grow up around the resort area. McMinn and Cater provide an example of such tourist-based overdevelopment for the town of San Pedro in Belize (1998) and Edwards outlines the same unplanned squatter settlements for Jamaica (2009). The creation of such communities can lead to soil erosion, destruction of watersheds, and habitat destruction. These costs as well as providing physical service such as sewage and electricity are costs covered by government expenditure or local alternatives, if covered at all.

Traditional commercial tourism also has social costs that affect the degree of environmental sustainability possible. Foreign tourists also arrive with a cultural package of motivations and expectations. In "Anthropology of Tourism," Amanda Stronza quotes Valene Smith who defines a tourist as a "temporarily leisured person who voluntarily visits a place away from home for the purpose of experiencing a change" (2002: 265). Who are these tourists and what do they seek? To visit a foreign resort is to be placed in a "liminal" state between two worlds where often the conventional rules that govern social life are perceived not to be operant. Stronza refers to modern tourism as the "anti structure of life" in which the tourist attempts to escape from something rather than a search for something meaningful (2002). Tourism can represent a form of freedom from Max Weber’s “iron cage” of everyday life, of meaningless and demanding jobs and the stress of modern living with its constant demand for consumption. Commercial tourism presents a fantasy world of food, drink, sunny beaches, and entertainment.

Dean MacCannell, a pioneer in the culture of tourism, sees modern life as one of inauthentic commercialism that leads to forms of alienation and thus a quest for some approximation of authenticity elsewhere. However, he believes this gives "rise to a modern form of alienation of individuals interested only in the model of the life-style, not in the life it represents" (1976: 32). In this regard, the tourist is interested in the moment, the superficiality of some supposed authenticity of experience. The tourist approaches the foreign destination and its attractions not essentially to learn about the other in any substantive way but to be entertained, excited by the exotic, and allowed to forget that the "iron cage" that awaits him or her back home. For instance, Sandals Resorts entices a get-away luxury experience,

“Come experience the very pinnacle of all-inclusive excellence in the Caribbean. Sandals delights couples in love with supremely luxurious accommodations, gourmet candlelit dining for two, gorgeous tropical settings and some of the world's most exquisite beaches in Jamaica, St. Lucia, Antigua, and the Bahamas.”

The Paradisus Punta Cana Resort offers an all-inclusive stay with 11 restaurants, nine bars, a casino, spa, "action park" and an exclusive golf course. The caribbean.com website beckons the tired, harried potential tourist: "Welcome to the Caribbean Sea and hundreds of tropical Caribbean Islands some call paradise. As befits heaven-on-earth, there is much to enjoy, see and do. Beaches, boats, banks and bikinis are Caribbean vacation essentials." The world of the "all-inclusive" resort with its packaged tourist attractions, all-you-can-eat and drink, the luxury of room service, and maids to clean up is of critical importance to the majority of tourists. Such tourism is about a certain experience and feeling rather than a quest for knowledge and understanding of those beyond their parochial horizon.

Many resorts, however, do offer adjunct packaged eco-adventures into the forests and mountains in the surrounding vicinity or what Luis Vivanco calls the "pleasure periphery" (2006: 176). In areas of Monte Verde and Santa Elena, Costa Rica, you find zip-lines, Tarzan Swings, canopy bridges, and all-terrain rental vehicles to thrill the visitor interacting with the cloud forests. The residual of such experience are the stories and photographs that support your out-of-context and transitory experience for your friends back home. What is lost, if not carefully husbanded with additional knowledge, is the experience as a link in creating and preserving a healthy and diverse environment in the consciousness of the visitor.

I have witnessed many local/indigenous events enacted for the bused-in tourist group and question what is it the tourist perceives or understands. Without an understanding of the social and cultural context of place and history, what is comprehended beyond the initial commodified experience? Wendy Hillman suggests that once local or indigenous objects or events becomes the focus of the tourist's gaze, that object or event becomes a commodity, that is, a unit measured by the economy (n.d.). She adds, that this "value is normally gauged by a monetary worth... this devalues the meaning and significance for indigenous populations and possibly its authentic value for tourists" (ibid). The presented culture and heritage loses its meaning in its original sense to those viewing the performance and is therefore transformed into a commoditization, a facsimile of its original self. Two years ago in Panama City, Panama, I met a young Kuna woman dressed in her traditional cloths and I asked to take her picture. She said yes, for a US dollar. Certainly a "pseudo-event," as Daniel Boorstin put it, but did it have substantive meaning, especially for the Kuna woman? “Worldwide, we are seeing the transformation of cultures," writing Davydd Greenwood in the early days of international tourism, "into 'local color,' making peoples' cultures extensions of the modern mass media. Culture is being packaged, priced, and sold like building lots...as the tourist industry promises that the world is his/hers to use" (1977). Greenwood's assessment is most valid when the culture activity (dance, art, etc.) is extracted out of its native environment and exhibited in a "sterile" setting.

Locals attempt to satisfy the touristic demand and as a result often re-conceptualize the meaning of authenticity. A sense of negotiation plays out in which both local and tourist may have a satisfying experience but which changes the original non-tourist context. Many observers of the impact of tourism such as Deborah McLaren believe this to be the case. McLaren suggests that “Local people must compete for tourist dollars and sometimes exploit each other or their cultures and environments for short-term economic benefits. This is especially true when locals market their history, ceremonies, religion, and culture” (1998: 47). This marketing, according to McLaren, often overlooks the realities of poverty and hardship of local people and tends to idealize, for the benefit of the tourist, their culture. For example, on a recent trip to Cuba I attended a dance performance where various costumed dancers whirled around in colorful robes. The audience was impressed by the energy, color and dance routine of the performance. There was, however, no background information on the meaning of the performance. I happened to be sitting next to a Cuban American who informed me that the dancers were representations of various Orishis gods and that the dance was about love, betrayal and the moral issues involved. Without her commentary the performance would have been meaningless. Additionally, the tourist brings a set of values and expectations that inform tourist perception. The encounter between tourist and local, then, is what Boorstin refers to as a "pseudo-event" in which the tourist sees what they choose to see, not what they should see (Stronza, 2001: 271). LePree concurs with this observation stating, "This happens not only as a result of the marketing strategies employed that glorify the cultural 'other,' but is also occurring due to the host culture's own adoption of the commoditization paradigm in order to sell their cultural tourism product" (2008-09: 70).

This diminution of heritage and cultural identity cannot be challenged by those locals who work within the traditional tourist site. They often are part of the exotic and almost invisible background as maids, cooks, servers, gardeners, etc. This is not to say, of course, that the encounter between host and tourist is always negative or leads to questioning one's cultural identity (see, for example, Nash and Smith, 1991; Gmelch, 2003). But much of the interchange between tourist and local is more on a transitory or superficial level engaging in incidental pleasantries. The question is what is the meaning and outcome of the interchange between tourist and local? Addressing this exchange, Stuart Hall states that "...identity is always a question of producing in the future an account of the past, that is to say it is always about narrative, the stories which cultures tell themselves about who they are and where they come from" (1995: 5). When communities control the exchange they determine the content of the narrative. True understanding comes from the exchange of stories about which one is culturally and politically, and the historic or contemporary context behind the narratives. This ability to interact and exchange narratives of meaning has a greater opportunity of expression within a localized, small-scale ecotourism environment than within such an all-encompassing resort experience where the idling bus is waiting to take one back to the resort. It is not only a question of who constructs the narrative but also under what conditions that narrative is conveyed.

It is clear to many that mass commercialized tourism is not environmentally or culturally sustainable. The concentration of tourists and their consumption activities place a serious burden on the environment. This includes increased social waste disposal, air and water pollution, traffic congestion, and interference with local land and water habitats. Such concentrations of money may lead to such social problems as prostitution, increased introduction of alcohol and drugs, and crime. Unless the government provides significant oversight these conditions lead to a diminution of the quality of local life.

ECOTOURISM, COMMUNITY EMPOWERMENT, AND ENVIRONMENTAL SUSTAINABILITY

Ecotourism is seen as an alternative experience for discerning tourists seeking a more meaningful encounter in another cultural milieu. Ecotourism is defined as, "purposeful travel to natural areas to understand the culture and natural history of the environment; taking care not to alter the integrity of the ecosystem; producing economic opportunities that make the conservation of natural resources beneficial to local people"

(Caren, 2000: 221). Ecotourism fulfills the need for sustainability but, as Joshua LePree explains, includes the added dimension of an interpretive experience of the local ecology (2008-09: 59). The definition used in this paper includes human ecology and the impact of tourism on local culture, social structure and environment. It is in many cases more than just adventure but a search for understanding. The International Ecotourism Society (TIES) estimates that by 2004, ecotourism was growing three times faster than conventional mass tourism (online at www.ecotourism.org). Ecotourism is at the forefront of the tourist industry with Costa Rica (followed by Belize) as the model.

Ideally, the construction of eco-friendly structures minimizes the impact on the land, trees and animal habitat. At the same time, businesses are encouraged to utilize biodegradable and local building materials as well as purchase goods from local farmers, fishermen, and craftsmen. The effect of such actions is to create backward linkages into the local economy providing employment, less expensive inputs, and allowing others to "buy in" as stakeholders to the idea of ecotourist development. Ecotourism provides a greater opportunity to disperse tourists over a wider area thus mitigating the environmental problems associated with catering to dense populations (Dasenbock, 2002). Dispersal also creates more opportunity for more local people over a wider area. This can have a further synergistic effect of creating more service employment.

Stem, Lassole, Lee and Deshler add that "community self-determination and participation" along with a emphasis on local, small-scale development is critical (2003: 323). Guy Marris emphasizes that communities must have an active and direct participation in the management of ecotourist activities and establishments (2001). Such community-based development differs from mass commercialized tourism in that it is generally small-scale utilizing when possible local resources and relying on a more intimate and substantive contact between host and guest. Often the hotels and restaurants are locally owned and usually take on a more distinctive or authentic appearance based on local culture and tastes. For many ecotourist establishments there is a confluence of business and lifestyle, that is, a way of living. The International Ecotourism Society estimates that while almost 80% of revenue from all-inclusive resorts is captured by foreign actors, the Society believes up to 95% of revenue by ecotourism remains in the locality and region. Small, locally owned establishments tend to buy locally. The Society suggests further that ecotourists spend more money, an estimated $90 per day versus $62 per day by beach holiday visitors (online at www.ecotourism.org).

A focus on community as agent encourages a sense of empowerment among local inhabitants. Such empowerment involves the growth of "knowledge, confidence, power, skills, and access to knowledge" that enables locals to effectively take charge of their communities (Pleno, 2006). The idea of empowerment centers on the ability of communities to increase control over their lives. Empowerment necessarily involves renegotiating with the state to increase independence to take action aimed at social and political change. In other words, to the degree possible communities should engage in self-organizing and power-sharing (in terms of opportunities, benefits, and decisions) with a minimum of state control. In the case of tourism, it is the ability to determine the contours of how to meet the expectations of the tourist within a context of local cultural meaning. If the tourist experience is not made up of discrete and disjointed parts but takes place in a more "holistic" in-depth atmosphere of localism, then the tourist has the chance to understand the complexities of the meaning and relationship between nature and community. This understanding can be seen as a reification or affirmation of the empowered community. Within the confines of mass tourism, however, the mundaneness or difference of everyday community is not very relevant and are "not promoted as worth viewing," as one hotel owner told Vivanco, "...we don't have culture here for people to see. The attraction we sell here is nature" (2006: 164-165). This statement reflects the lack of a sense of empowerment, the idea of self-worth and the uniqueness of local communities.

The mass tourist is out of context but the ecotourist comes with a different "mindset" in that part of the experience is to understand the local cultural and environmental context. The ecotourist is, in a sense, interested in a more holistic encounter. In Costa Rica more opportunities exist for understanding the reality of what people do. For example, a visit to the Asociación Comisión de Mujeres Indigenas de Talamanca one learns about this rural matrilineal society that operates an organic cocoa plantation through discussions (questions and answers) of chocolate production, how their society works, and the issues, obstacles and opportunities they face as a business and an indigenous community. Another example is CoopeSarapiqui, a fair trade coffee cooperative. Several hours is spent learning how the coop is structured, its relationship to surrounding small coffee fincas, and the business of producing and selling coffee as a cooperative. The guide discusses the life of the coffee tree, the water reclamation ponds that also function to grow fish that is sold in their cafe, and the "green belt" that surrounds the coop's land. But is this not still the "tourist gaze?" No, because the context of the visit is not contrived but "real," and the visit but a small interruption of the coop's daily routine of making a living.

Two experiences in Costa Rica exemplify the difference in two types of ecotourism. In the first case there is an ecolodge at the edge of Tortuguero National Park that offers an eco-experience resplendent with foods mostly catered to foreign tastes, a swimming pool with bar, and gasoline power watercraft for traveling into the park. The second is a locally family owned hotel that was part of the pueblo of Tortuguero which served local foods under more rustic surroundings, and simple but clean rooms. In the village there are opportunities for chance encounters with locals. In the latter case, at the hotel we had dinner and discussion with a women's activist group to talk about Tortuguero's development and their role in the community as women. The ecolodge, on the other hand, was isolated from the local population by a river as well as by a defined meaning of ecology that is divorced from a natural history that includes the local people who have lived near the park for decades.

ECOTOURISM AND THE CHALLENGES TO THE STATE

Small island developing nations often have few alternative means of generating foreign exchange. With the decline in the value-added for many tropical crops on the international market and the collapse of various preferential programs such as the Lomé Convention, many nations turn to international tourism. The growth of popularity of ecotourism or nature tourism has many governments "marketing" green tourism for the revenue it generates. Everybody wants to feel good about their environmental footprint and this is recognized by government and the tourist industry in their marketing campaigns. Costa Rica's slogan is "No Artificial Ingredients," and is meant to suggest pristine environments, wholesome nature, and personal health. Such advertising campaign can potentially lead the influx of tourists to love such pristine and wholesome places to death but not recognize the social reality behind such beauty.

A significant responsibility of the state is to safeguard its environmental patrimony and at the same time develop resources for the generation of revenue. Environmental sustainability is an expression of a country's development strategy and, as in the case of Costa Rica for instance, sustainability is often in conflict with the need to generate revenue exploiting resources rather than conserving them. The goal of development traditionally involved increasing the Gross Domestic Production, that is, the wealth generated by economic activity. Traditional development, however, has not been effective in alleviating poverty or advance community growth. Recognizing the impasse of conventional efforts, James Speth suggests that a more inclusive idea of development is needed. “True development,” he concluded “requires profound institutional changes that empower poor people to contribute to and benefit from the economy… It entails investing in the human, social, environmental, and physical assets of the poor, expanding their access to productive resources, social services and basic infrastructure” (1999: 16). Ecotourism as community development offers an effective alternative to the chronic misdirection of conventional development. Experience suggests that local inhabitants and eco-establishments intuitively understand that striving for short-term gain instead of long-term health means squandering limited and precious resources.

The state, however, must provide leadership and resources to help nurture ecotourism. Such leadership must be nuanced, focused yet sensitive to the structure and dynamics of the community. An example of the role government should play is found in the development of "communal councils" in Venezuela (Bain, 2008). Communal councils are community based bodies that are charged with the responsibility to take charge of their own local development. Community groups with little experience and divergent interests are provided workshops in proposal writing, governance, and management. There is a process for seeking administrative help when needed. I have visited communal councils on two visits to Venezuela and realize that some councils are very effective and some are not, but what is significant is that they are attempting community coalescence and empowerment within a history of state domination.

Developing a sense of common ground and common destiny is not easy but with proper leadership and government support such unique organizations are capable of managing much of their own development needs. The state, in other words, cannot approach the nurturing of ecotourism as "business as usual." In this regard, Weinberg, Bellows and Ekster warns that "the problems are known to local communities and public officials. The challenges are also technologically fixable and economically viable. The obstacles are political. The communities exist in larger political systems that lack the capacity to control economic action. In other words, the political process is not capable of keeping the economic system in check" (2002: 378). This may be true if the state sees ecotourism as just another source of generating revenue and feels threatened by the prospect of community empowerment.

The consequence of empowerment may be a willingness to confront the state, or the elites that dominant the state, in terms of policy. Observers such as Eva Garen (2000) find the Costa Rican state either indifferent or holding different and contradictory positions (via Costa Rica as a green paradise) on preserving the environment. Cattle ranching, banana and pineapple plantations, and logging remain critical sources of revenue even though they are very destructive of the environment and local communities. The success of empowerment can be viewed as dangerous to a state desiring to implement its ideas of development without resistance by civic society. In Puerto Viejo, Costa Rica, I met with a local women's group that was successful in blocking plans for a large, upscale marina to be built near the town. While the marina would have serviced the boating elite, the activists believed that the few jobs created would be vastly off-set by environmental degradation to the coastal waters as well as greater air pollution in the town. Such a sense of empowerment is a powerful lesson to those who have been convinced previously of their political marginality (Pleno, 2006).

This new form of ecotourism, one which is integrated into the culture and psychology of cross-cultural contact between host and tourist, addresses the need for community development, employment, and poverty alleviation. Its effect has the potential to create more substantive linkages with the domestic economy as well as unleashing the creative energies of local inhabitants. Whereas control over costs, wages, and development are often in the hands of resort multinational companies, a diverse, de-centered ecotourist economy is controlled by local interests and empowered communities. The contributors to the book, Alternatives to Economic Globalization, see this process as one of "localization." The authors call for policies that are local in nature and "increase democratic control of the economy by communities... to achieve maximum self-reliance nationally and regionally in a way that ensures more sustainable forms of development" (Cavanagh & Mander, 2004: 110). They add that "the greater the self-reliance of a community or nation, the greater the scope for local flexibility and adaptation to local circumstances" (ibid:

10). Resort based commercialized tourism meets the needs of corporate interests while local-based (eco- or cultural) tourism meets the needs of community.

CONCLUSION: A NEW CONSCIOUSNESS IN A WORLD OF LIMITATIONS

Clearly tourism has an important role to play in cross-cultural communications and in personal connections between different cultures. But at the same time tourism based on mass consumption and environmental despoliation is dysfunctional and in the long-run unaffordable. Recognizing the economic and environmental transformations on the horizon, it is plausible to assume that three great trends are moving toward an intersection of the three: environmental collapse, capitalist economic dysfunction, and consumer-induced cultural alienation. The result is an end of a capitalist oriented hegemonic epoch similar to the ending of European feudalism in the fifteen century. It appears that we may be entering an era of another "great transformation," as the German economic historian Karl Polanyi put it. The capitalist age that Polanyi wrote about has led to an ever-increasing exploitation of and alienation from the natural world.

According to Vic Cox, "The United States, with four percent of the world's population, accounts for 22% of world energy consumption. Its per capita consumption is 14 times greater, and CO2 emissions rate 18 times greater, than the low-income countries with 41% of the world's population" (2001). The limitations of our natural environment, from water, minerals, habitat to global climate change, means that our global consumption patterns is increasingly problematic. Speth quotes Vaclav Havel's conclusion of where we stand. "It's fascinating to me," Havel writes, "how preoccupied people are today with catastrophic prognoses, how books containing evidence of impending crises become bestsellers, but how very little account we take of these threats in our everyday activities..." (Speth, 2008: 200). The power of the hegemony of economic growth and expansion can be seen in recent attempts to dismantle the Environmental Protection Agency's environmental rules and regulations as well as the agency's ability to research and plan for climate change (New York Times, 2011). The contemporary ethos of capitalism to expand and accumulate profit through ever-increasing consumption as expressed by mass resort tourism is beyond the limitations of finite resources.

The North American Hopi Indians have a word for the state of the global environment and the capitalist economic/cultural structure that support it. The Hopi word, Koyaanisqatsi, means life out of balance or life disintegrating. According to Speth, capitalism and its associated values perpetuate a bias that "favor the present over the future and the private over the public... [and where] values today are strongly materialistic... [placing] high priority on meeting human needs through ever-increasing purchase of material goods and services" (ibid: 61, 62). Inherent in capitalism is a rapaciousness of physical and human resources-- nature is a resource and humans are consumers-- in which short-term gain trumps long-term costs (Roberts, 2012; McKibben, 2011). It does so through the values of profit, wealth, growth, competition, and material possession. At a point in history when resources were plentiful these values were conducive to economic and social development. This has led to a process of economic and environmental imperialism. "The forces that we are concerned with," Berry declares, "have control not simply over the human component of the planet but over the planet itself, considered as an assemblage of natural resources available to whatever human establishment proves itself capable of possession and exploitation" (1999: 146). In this evolving era of limitations, however, this worldview and its values have become dysfunctional.

The result, Speth argues, is that consumerism and materialism presents an "approach to life and social wellbeing that elevates the material conditions of life over the spiritual and social dimensions" (2008: 147). In this regard we lose connection to community, history and to ourselves. We then seek solace in the superficial or transitory pleasures such as brought on by mass tourism. In our search, David Korten tells us, "We pursue money as a measure of our worth, go shopping to distract us from our loneliness, dominate and destroy to affirm our existence" and embrace dogmas "that affirm the disabilities of our alienation..." (2006: 253). Leonardo Boff, a leading Latin American liberation theologian, believes that "we are currently living a great crisis. It is a crisis of the civilization; by this, I mean a crisis of the global meaning of our existence in this world" (2003: 47). There are many who see the need for a new consciousness to replace a cultural worldview no longer compatible with the economic and environmental needs of the future (Raskin, 2002; Korten, 2006; McKibben, 2011; Berry, 1999).

In the transition to a new world of limitations the values of individualism and consumerism are dysfunctional. In his look to the future, Paul Raskin sees a "great transition," one that "envisions a profound change in the character of civilization in response to planetary challenges" (2002: 54). Thomas Berry agrees that we entering a period of transition, one he refers to as the Ecozoic Era. "We are now experiencing a moment of significance' he writes, "far beyond what any of us can imagine. What can be said is that the foundations of a new historical period, the Ecozoic Era, have been established in every realm of human affairs" (1999: 201). The future limitations of scarcity, he continues, means that the industrial technological "paradise" is slowly being replaced with an understanding and need for a "mutually enhancing human presence within an ever-renewing organic-based Earth community" (ibid). Ecotourism, I believe, offers the potential to feed the human spirit for connection and meaning to both the natural world as well as the cultural world of distant local inhabitants in this new era.

What does tourism mean or what should it be about. Is it to fulfill hedonistic pleasure as a form of escapism or a means toward self-actualization through social connection? Many observers suggest a cultural, environmental and economic crisis, one finding expression in mass resort tourism. It does not feed the human spirit but only the value of consumption and distracted pleasure beyond Weber's "iron cage." At one moment in contemporary history this system could be absorbed. But McKibben believes that moment of hedonistic expression is no longer viable. In a new world of environmental limitations, eco-tourism offers the potential for self-actualized cross-cultural contact. As capitalism must be transformed to save the global environment, so too must tourism be transformed to meet a future new world and new way of being.

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TOURISMOS: AN INTERNATIONAL MULTIDISCIPLINARY JOURNAL OF TOURISM
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SYNERGISTIC EFFECTS OF CULTURAL RESHAPING ON A CITY'S HOSPITALITY ENTERPRISES

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This study aims to detect the synergistic relations between the dynamics of the hospitality industry and a city's efforts towards cultural revitalization, as a main part of its general urban regeneration. To this end, we analyse in detail the case of Bilbao, which in 2010 was awarded the Lee Kwan New World City Prize. This European city has extensive experience in territory and urban regeneration, and a significant leadership record in the cultural realm. Our analyses draw on a series of in-depth interviews with managers from the hospitality, commercial, cultural and public sectors. Another central aim of this paper is to gather conclusions that may be extrapolated to similar contexts and to offer recommendations for action both to the hospitality industry and to public bodies.

Keywords: *Hospitality industry, urban regeneration and cultural revitalisation, public bodies, synergies, externalities*

JEL Classification: *L83, M1, O1*

INTRODUCTION

Throughout history, cities have been an expression of complex creative interaction as well as the physical environment in which that interaction could take place. Cities act as the "nodes" needed in the new economy of services associated with the production and consumption of culture. Cities drive talent and serve as a basis for creativity and innovation. It can be argued that no form of technological or business innovation has arisen and been developed at any remove from cities

(Castells, 2000). Therefore, there is no disagreement that planning and development policies for city regeneration must include the goal of converting the city into a creative metropolis (Landry, 2000), and configuring it as an environment capable of attracting human capital that will lead to the creation of diverse and creative communities (Cooke, 2008; Florida, 2002; World Bank, 2003). In this process, once again, the feature of complexity and foundation of culture are both inherent.

As projects of urban regeneration with new facilities and infrastructures develop within a city, the importance of these tangible elements can be seen by the way in which they foster a suitable environment for the incorporation of new services of high added value into the growth horizon. Like other cities, Bilbao left behind an essentially industrial economy which by the 1980s was in clear decline. This marked a step towards growth in the tertiary sector, — personal and related services —, the quaternary sector, — transport services, communication, finance and administration —, and the quinary sector, — health services, education, research and leisure, including the arts, to use the terminology originally developed by Foote and Hat (1953). More specifically, the developments in areas of urban regeneration and cultural revitalisation are intended to lead to the growth of supply and demand for leisure and artistic services, predominantly in sub-sectors such as audio-visual, media, edition, arts drama, museums and historical heritage (Manito 2006).

The transformation of Bilbao came relatively late compared to other European and American cities, yet it is nonetheless paradigmatic because it clearly reflects the work public and private agents have performed in urban governance, the provision of infrastructures and the growth of a private services fabric (Rodríguez *et al.* 2001; Rodríguez and Abramo 2011). It is a useful example for the main aim of our research, which is to analyse the growth dynamics, and identify the conditions of the environment arising from processes of urban regeneration and cultural revitalisation which enable the growth and consolidation of the hospitality industry in a city. In the next section of this work, we shall summarise the development and current situation of the industry. The third section sets out our empirical study and discusses the analysis and lines of action for the hotel and catering industries and for public authorities, using the case of Bilbao. Finally, the work introduces concluding remarks that can be extrapolated to other cities.

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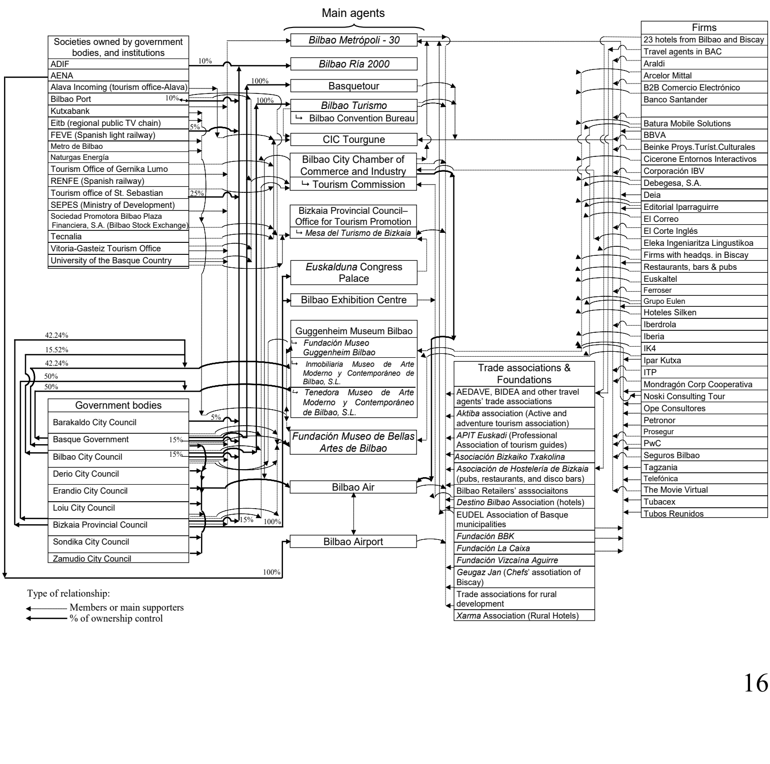
RECENT CULTURAL REVITALISATION AND CURRENT SITUATION OF INFRASTRUCTURES FOR URBAN AND CULTURAL TOURISM IN BILBAO

The aim of providing physical infrastructure spaces and services in a city is to favour conditions for the services sector, encouraging trade, leisure and recreation. Starting with the recommendations of the first General Planning Scheme, drafted by Bilbao City Council in 1987, other landmarks in the urban and cultural regeneration of Bilbao include the creation of Bilbao Metrópoli 30 and Bilbao Ría 2000, S.A. Echoing the ideas of a number of widely referenced authors (Landry 2000, Florida 2002), the main task of the association Bilbao Metrópoli 30 has been to act as a forum for strategic deliberation on the future of Bilbao and neighbouring municipalities in order to attract and retain what they have called their most important asset: professional people1.

Figure 1. Agents involved in the production of services for the general public, tourists, and visitors to Bilbao, with their financing organisations or owners



For its part, the executive arm in this urban regeneration was Bilbao Ría 2000, S.A. a joint stock company owned by the central, provincial and municipal governments, with a number of state-owned companies involved as the former owners of the land earmarked for regeneration.

Figure 1 gives a list of the main agents involved in services for the general public, visitors and tourists in Bilbao. The most relevant groups are in the second column. The other boxes are grouped by legal format or ownership, showing the member organisations of the respective boards of trustees, in the case of central agents that are foundations or associations, and in the case of companies, the owners, with their respective shareholdings. In the case of foundations or associations, we have included only the principal members of the board of trustees or financing group.

An issue that deserves mentioning is the number of advisory bodies with overlapping areas of competence with respect to Bilbao. For example, the task of proposing tourist strategies and promoting them for Bilbao is the responsibility of *Basquetour* (within the framework of the autonomous community of the Basque Country), the Office of Tourism Promotion (at a provincial level, under the Provincial Council) and Bilbao Tourism (at municipal level, under Bilbao City Council). Responsibility for tourism-related analyses in the city lies mainly with CIC Tourgune, the Tourism Board and the Tourism Commission. Although it might seem this overlaps or is a waste of resources, the multiplicity of entities should not in itself be viewed as negative, as it gives way to the involvement of municipal, provincial, autonomous and national government bodies, the public sector companies they control and a large array of private companies, foundations and associations willing to take part[2]. In the case of the advisory bodies, this involvement has also been vital for spreading awareness of its relevance for tourism management. However, as we shall see in the empirical study, up to an extent this seems to have caused communication and coordination difficulties between some of these advisory and decision-making bodies.

The involvement of a network of public agents, with the amenities and infrastructures it has created and currently administers, has provided an urban environment in which culture can be both a quality for social inclusion and wellbeing in the city and an instrument for promoting its economic development (Smith and Warfield, 2008), particularly to help develop its tourist industry. As a consequence, nowadays there is a "political and economic macrostructure", as stated by Marino (2010), into which the hospitality sector could fit. We shall now turn to the hotel industry, the chief private agent involved in this network.

THE HOSPITALITY INDUSTRY IN BILBAO

In general, tourism attracts a total expenditure of around €3.66 billion to the autonomous community of the Basque Country, of which nearly €1.6 billion is spent in the province of Biscay alone[3]. Although there are no specific data for the case of Bilbao, other figures for tourist supply and demand given below (see Table 1) may help to form an idea of the dimension of the tourism sector for the city.

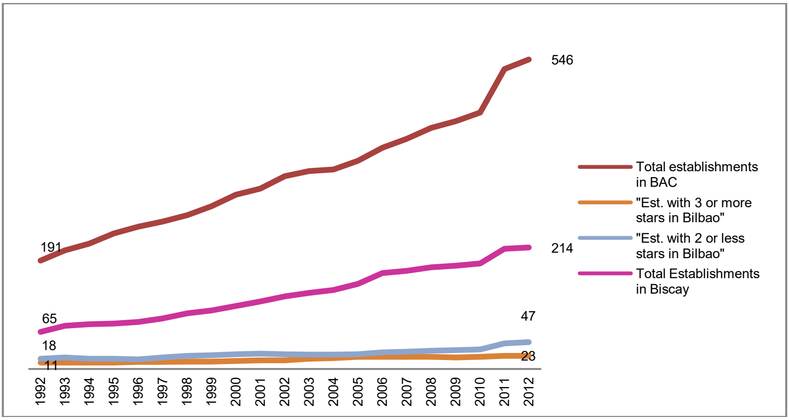


Figure 1. Evolution in the number of hotels in Bilbao and Biscay
Source: Eustat

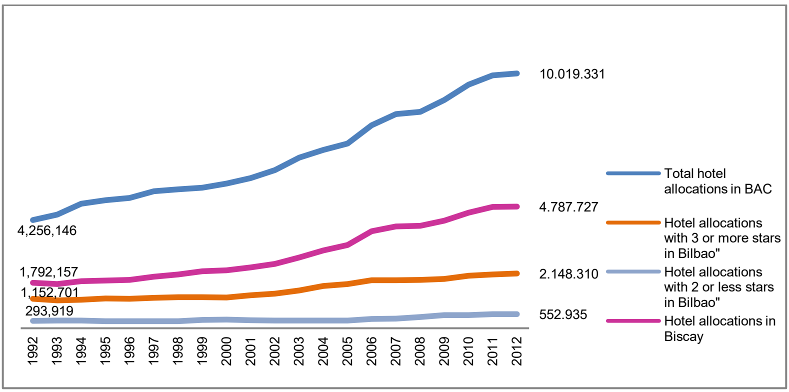


Figure 2. Number of hotel allocations in Bilbao and Biscay
Source: Eustat

Tourism has gradually consolidated its position in Bilbao, as evidenced by the opening of new hotel establishments (Figure 1), the increase in the availability of hotel places in Bilbao and in the province of Biscay in general (Figure 2), and in the consolidation of the occupancy rates of hotels and guest houses (Figures 3 and 4).

In the case of Bilbao, between 1992 and 2013, there was an 81% increase in beds in hotels with 3 or more stars, and a 75% increase in lower category establishments, including pensions and hostels. In the province of Biscay, the overall increase in the number of establishments was even greater, over 200%. Nonetheless, these larger increases need to be viewed in the context of the smaller average size of the hotels and the smaller total number of beds.

To date, this increase in the number of hotel establishments and beds has not led to a saturation of supply. On the contrary, it has developed apace with an increase in demand. This is evidenced by trends in the statistics on hotel occupancy. In the Basque Country in general, and in Biscay and Bilbao in particular, the rate is now close to the average occupancy rates in Spain, having started from a position of considerably lower occupancy (See Figure 3)[4]. As the graph shows, in the first three years, occupancy rates oscillated between lows of 30% and highs of 60%. From 2001 these percentages increased and since 2008 there has been a slight drop as a result of the economic recession to a range of approximately 30% to 70%.

Regarding the category of accommodation and day of the week, prior to its revamping as a destination for urban tourism, in the past Bilbao was distinctive for having businesspeople as its main group of hotel customers. This has not been the case during the last years, where occupancy rates at week-ends compared to working days have systematically been higher, in hotels above or below the three-star category threshold (Figure 4), a clear sign of a relatively greater proportion of tourist visitors.

In general, we can conclude that the capacity of the hotel industry in Bilbao and Biscay has increased over the two last decades apace with an increase in demand, and that this increase does not seem to have led to an overcapacity, nor resulted in worse competition conditions between hotel companies. In fact, the number of hotels has risen once again during the last years despite the general economic recession (Figure 1). It is also true that the industry has weathered the economic crisis relatively well. For example, in 2010 there was a 5% fall in the average offer of allocations in Bilbao, compared to an average fall of 5.1% for Spain as a whole.

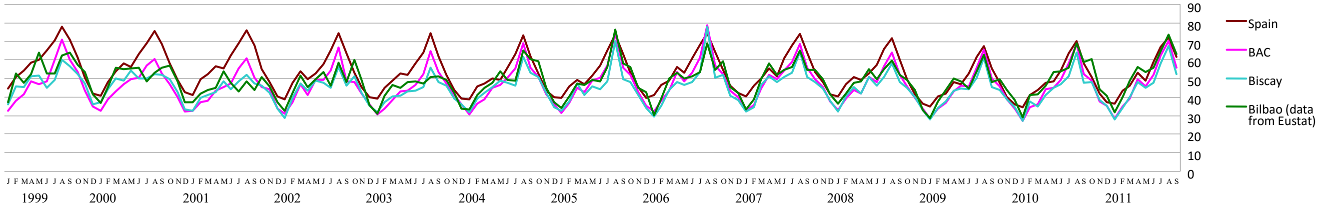


Figure 3. Seasonal evolution in the rate of hotel occupancy. Comparison between Spain, the Basque Country, the province of Biscay and Bilbao (from Jan.1999 to Sept. 2011)

Source: INE; Eustat

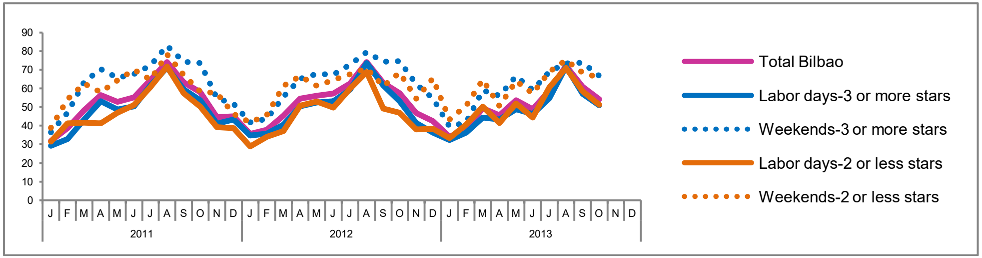


Figure 4. Seasonal evolution in the rate of hotel occupancy for Bilbao according to week time and category of accommodation

Source: Eustat

Table 1. Basic statistics of the tourism and services industry in Bilbao

	2010	2011	2012
Visitors	684,274	726,000	734,215
Non-nationals	243,341	255,734	281,477
Nationals	440,933	470,266	452,738
Hotel establishments	55	57	57
Person nights	1,281,521	1,386,219	1,417,659
Hotel beds	2,582,085	2,598,328	2,622,632
Hotel bedrooms	1,379,637	1,390,091	1,390,091
Bed occupancy (annual average)	63.3%	64.9%	66.1%
Revenue per available room (RevPAR)	€46.8	€46.8	€47.6
RevPAR Inter-annual variation	-5.0%	0.0%	1.1%
Cruise liners visiting Bilbao Port	33	53	50
Passengers	43,400	77,345	65,953
Air traffic (passengers, Bilbao Airport)	3,888,955	4,045,613	4,171,092
Conferences held	397	374	329
Delegates	74,900	64,990	70,243

Sources: Eustat (www.eustat.es); Bilbao Turismo (www2.bilbao.net/bilbaoturismo); Bilbao Airport (www.aena-aeropuertos.es); Bilbao Port (www.bilbaoport.es); Hosteltur: *Barómetro de Rentabilidad y Empleo 2010, Barómetro de Rentabilidad y Empleo 2011, Barómetro de Rentabilidad y Empleo 2012* (www.hosteltur.com)

For example, in 2010 there was a 5% fall in the average offer of allocations in Bilbao, compared to an average fall of 5.1% for Spain as a whole. In summer 2011, prices in Bilbao were also up 4%, well below the Spanish average of 8.2%[5]. This lower increase in comparison to other Spanish cities is a sign of the efforts the hotel industry made to increase the destination's appeal by cutting prices[6 7]. Finally, throughout 2012, the occupancy rate grew by 1.1%, a modest figure compared to Barcelona (3,3%), but well above the general negative average among Spanish urban destinations (-4.6%)[8].

Having analysed the recent developments and current situation of the hotel industry in particular, the purpose of the qualitative empirical research is to test some of the ideas and issues raised, taking the case of Bilbao as reference. In particular, we aim to find answers to the following questions:

1. - What is the profile of the tourist visiting the city? Is there such a thing as cultural tourism in the city?

2. - What are the main reasons for the success of the urban regeneration and cultural revitalisation process, and for the boom in the tourism industry?
3. - Behind a city's lure for tourists, to what extent is its cultural appeal something to be differentiated from the efforts made towards its urban conditioning? Also, is this cultural appeal a passing fad, or rather, a lasting trend?
4. - What are the strategic lines of collaboration between public and private tourist agents? Is there coordination or collaboration in setting and implementing objectives? Are there overlapping competences?

EMPIRICAL RESEARCH

The empirical research consisted of in-depth interviews conducted with the heads of the five following tourism promotion bodies:

Interviewee No. 1: Head of the association *Destino Bilbao*, set up in 2001 and including twenty-three 2, 3, 4 and 5-star hotels located in Bilbao and neighbouring municipalities.

Interviewee No. 2: Manager of *Bilbao Turismo, S.A.*, a joint stock company owned by Bilbao City Council, created with the aim of supporting the economic development of Bilbao, fostering collaboration between public and private agents.

Interviewee No. 3: President of the Spanish Business Association of Travel Agentsfor the Basque Country (AEDAVE), which includes various travel agencies operating in the Basque Country.

Interviewees No. 4 and 5: Head 1 and Head 2[9] from the joint stock company *Bilbao Ría 2000, S.A.*

Interviewee No. 6: Tourism consultant from the Provincial Council of Biscay.

The interview procedure was based on a script of subjects developing the four main topics posed above.

Tourism profiles

In the case of Bilbao, there are differences of opinion as to the nature of tourism, with some classifying it as *cultural tourism* and others as *urban tourism.* On the other hand, the interviewees did agree with the idea that the cultural attractions the city has to offer, particularly the Guggenheim Museum, have served to give it a global image and place it on the international list of destinations. They were also unanimous in their belief that the city's cultural offer is an important spur for urban tourism. As for the kind of product provided, the prevailing type in Bilbao is metropolitan tourism, or *city breaks*.

Interviewee 1:

[Speaking about cultural tourism and the importance of culture in the tourism industry initially] "The key element has a name and it's 100% cultural tourism… As a starting point, anyway... Then from there, naturally the city has to evolve, and a city that wants to live off tourism cannot tie itself to a single attraction or a specific market niche, especially if there is a chance to expand".

Interviewee 2:

"For me, our strategy is not one of cultural tourism. It's a strategy of urban tourism, in which we're emphasising … not just the culture product; we're emphasising the culture product, the shopping product, the gastronomy product and to an extent …. what you could call the identity product […] Are there people who come exclusively to see the Guggenheim Museum? Of course there are, but…I think our product… is much more of an urban than a cultural destination […] I think our city is an urban destination which has, I believe, four components: culture, gastronomy, the identity of the city and shopping".

Interviewee 3:

"By urban tourism we mean the sort of tourism where a visitor…wants to get to know the city... You do get that in the case of Bilbao. 'Cultural'? Well…Generally speaking, nobody comes…or rather very few people… or rather not everyone comes for the culture in itself, as such, with a capital C. But there's no doubt that [it comes] within urban tourism and among visitors who enjoy going to cities, like Barcelona, Madrid, Bilbao, Valencia, London, Paris, etc., etc". In other words, they don't go to the country, they go to a city, in this case to Bilbao. But the culture is a given because they visit the Guggenheim Museum, but it's not the same as someone who says "I love the Antonio López exhibition and I'm going to Madrid to see it.[…] It's urban tourism that is called *city breaks* in English".

In contrast, some interviewees suggest that the Guggenheim Museum stamps a clearly cultural profile on tourists to Bilbao and by extension tourists to Biscay in general and even the wider Basque Country, and that there is a clear distinction between the tourist offer here and in other destinations.

Interviewee 6:

"At the end of the day, the figures speak for themselves: of the 1,053,000 visitors to the province last year nearly a million…or…over a million went to the Guggenheim. […] The reason? If you had to sum up what it is that makes this destination different from many others, for example elsewhere in Spain… well, obviously it's the [Guggenheim] Museum".

Main reasons for success in urban regeneration and cultural revitalisation

Various reasons were given for Bilbao's success in urban regeneration and cultural revitalisation. For example, interviewees mentioned the fact that the projects undertaken had not centred on sports or cultural events of a limited duration, which tend to leave a legacy of oversized facilities, with all the resulting problems (indefinite maintenance, competition with the existing offer and price-cutting, obsolescence and deterioration, etc.).

Interviewee 1:

"As a concept, what Bilbao has managed to generate is sustained growth in visits with the infrastructure that's been developed around it. These cities [on the contrary] have created an infrastructure for one huge event and after that they've got to try to fill it come what may. The concept is quite different, it's completely different."

There is even more consensus concerning the idea that the success of Bilbao's urban regeneration and cultural revitalisation has been due to a process of deliberation and implementation of strategies, over a period of many years.

Interviewee 2:

"The transformation of the city has been planned".[...]"25 or 30 years ago, Bilbao Metrópoli 30 designed a strategy for reflecting on how we were going to get ourselves out of that profound crisis, and a lot of public and private agents were mobilised and in a way they sat down to think...they sat down to think what the key themes and star projects were… though I don't like calling them star projects... the business-attracting projects could… pull away at the problems we had. And there were plenty of them: very high unemployment […], a massive drop in the work force in the industrial sector, social issues, environmental problems, etc."

Interviewee 3:

"I think here in general, in the Basque Country, and in this case, in Bilbao, maybe the steps that have been taken when it comes to building because of certain decisions have been, have …basically got it right, although at the time people didn't think so.[…] I think when they decided to set up the Guggenheim, something like that at that time, with the economic crisis just past … nobody envisioned that or at least hardly anyone did, but the people who did it got it right".

Interviewees 4 and 5:

"The success of the public investment policies within metropolitan Bilbao is based on the Revitalisation Strategy Plan [of 1987], which very clearly identified the key actions… the things that were important for productivity, for improvement… And investments have been made with a serious plan, which with time, and we're talking about twenty years, has yielded some quite spectacular returns. But it's very interesting, and it's something that we have to stress elsewhere, that if you look, people see the Guggenheim and they say: 'Well this is the magic wand… now with this …with the Guggenheim, let's see...what we can buy, what we can do'. And you go and you say to them: 'yes, sure…, but if you look at the last 20 years of investment, the Guggenheim represents one and a bit per cent of public investment'" […]

Although in some ways these opinions contradict those mentioned in other cases analysed (for example, Murphy and Boyle 2006 for the case of Glasgow), in their belief that the most important factor was that the very people involved in regeneration of the city seized opportunities, they also state that there was an already established strategy and it was then added to the opportunity that arose from attracting such a famous brand as the Solomon R. Guggenheim Foundation, to Bilbao.

Another question involves the extent to which locating the Guggenheim Museum in Bilbao was expected to have a positive impact on tourism Here there is some agreement on the idea that those responsible for the decisions did not anticipate the outcome.

Interviewee 3:

"In a game of soccer, you can score a goal by dribbling the ball all the way up the field from one penalty area to the other but it's very rare. So in this case they scored the goal with the Guggenheim, for example".

Interviewee 6:

"I think the people who saw the possible location of a resource like the Guggenheim didn't think for a moment that it would have such an impact".

The cultural and urban phenomena in the consolidation of tourism in a city

All the interviewees felt that the tourism industry in Bilbao is not a fad, that it is a growing industry, on the road to further consolidation. Nonetheless, they emphasised that either it still has some way to go or that there are possible dangers that might hinder this process of consolidation: the fall in the cost of travel and hotel rates over recent years, the dispute among retail establishments and tourist managers about opening hours, and the lack of coordination amongst tourist agents when it comes to offering a complete and convenient tourist service for the customer among other issues, show that the industry is not yet consolidated.

Interviewee 1:

"Obviously, no one's going to open up shop if they're going to lose money, and nobody's going to stay closed if they think they can turn a euro or two".

"What needs to happen with private initiative? It simply needs to mature".

Interviewee 3:

"Yes, judging by what has happened with all the other cities around the world that have entered these dynamics, some just through natural generation years ago and others later in the day, like Bilbao, through a planned, induced process of generation… There's no turning back […] I mean, it's not just a passing fad".

Interviewees 4 and 5:

"Bilbao now forms part of the global list of cities that are worth visiting. And once you get on that list, you might leave, but…well…you're there, you're well placed".

Interviewee 6:

[In reference to the response of hotel companies to the crisis] "We've managed to do away with that myth that this is an expensive destination. For a range of different reasons we've developed a name as a destination for impulse buyers, in other words people who are really influenced by offers […] We have to keep an eye on the situation so that it doesn't degenerate. In the end, that can have a certain impact as well. There are lots of other experiences we can learn from".

Some interviewees insist on the idea that compared to other regions of Spain, tourism in the Basque Country is in an incipient phase as evidenced by the fact that there is a relative lack of culture for the hospitality business, the hotel industry and in intermediation in preparing travel schedules, as well as a certain absence of package holidays. However, this is partly due to the high percentage of tourists and visitors who have traditionally come to the Basque Country under their own steam, especially to Bilbao. This leads some to consider it necessary to promote the destination directly to the target audience; and at the same time, some consider that there is potential for growth in the package holiday service.

Interviewee 2:

"As a destination we have very little push from tour operators. Here we have lots of "free-lance" visitors. So [when promoting the destination at the point of origin] not only do we have to target the tour operators, we also have to target the end customer to some extent"

Interviewee 3:

"In terms of tourism, the Basque Country is a long way behind other areas in Spain, such as the Costa del Sol. Or Andalusia...[…] We're still complete beginners in that whole area".

Interviewee 6:

"In any other destination, where you have a tool, a route or an attraction this big, they would have created packages around it, to make it easy to buy. [Historically] we have promoted self-managing tourism. The result is that we have lost a lot of resources in the value chain. So in our first deliberation, we were very clear about this: we want to operate like any other mature tourist destination in the world".

Strategic lines of collaboration and coordination between agents

There was some difference of opinion as to the relations with and among public agents. However, the interviewees agreed that the greatest level of coordination is with and between the city council and the provincial government. The main reasons for this greater coordination are obvious. First of all, Bilbao and its city council stand within the province of Biscay, which comes under the jurisdiction of the Provincial Council; in other words, there is a large territory which is the responsibility of both organisations. On the contrary, the Basque Government has competences and resources that have to be distributed between the three Basque provinces of Biscay, Guipuzcoa and Alava. Secondly, the interviewees coincided on this point because they represent organisations that are closer to local interests — in this case the interests of public and private agents from Bilbao.

Interviewee 1:

"By definition, we have a much closer relationship with the provincial government and the city council [than with the Basque government] and it's much smoother[...]With *Bilbao Turismo* and the provincial government it's just a matter of picking up the phone.

Interviewee 2:

"I have another complaint: If we're talking about marketing, I have a product here, and let's say that product is city breaks […]. So what happens? If I go to a market like China, the star of my marketing strategy has to be the most international city, which is Bilbao; Bilbao, a city that has been at the Shanghai Expo, which has business contacts with China[…]When the Chinese travel agents come here, they have to spend two nights in Donosti [San Sebastian], because the [Basque] Government is always balanced and fair'"And I coincide far more with the Provincial Government for one simple reason. At the end of the day, what is the provincial government offering me? Quite simply, they're offering to extend the tourist space of Bilbao and turn it into a broader product".

Other interviewees are more critical of the difference in the circumstances, aims and priorities of the public institutions and private companies:

Interviewee 3:

"One of the things we always miss —and we often tell them this— is for them to let private enterprise participate more… We feel there's a lack of trust and approachability and a one-to-one relationship between the institution or institutions and private enterprise, in the case of the travel agencies. And I think the situation is very similar for the hotels and the other agents; it's a widespread complaint. […] Because suddenly they decide to hold a promotion in New York and they haven't consulted anyone at all […]. What I mean is that, before that, we want a [joint] strategy definition"

"And then there's something else as well, which is that the institutions work more slowly than private enterprise… The institutional way of doing things is slower and it follows certain parameters; they want their presence and their work to be seen, whereas we're more concerned with doing business. That's more or less the basic difference".

And he gives some specific examples:

"For example, the Canary Islands is a really strong market. The people from the Canaries travel a lot. Well, here at Aedave and the member agencies we're tired of telling the Basque Government to hold a product presentation in the Canary Islands. Encourage people to come here… it's really easy. But they say no. Why? Milan. Milan's perfect, wonderful, but, first of all it's much more expensive and secondly, well, OK, the Italians come, but there are tens of thousands of foreign residents in the Balearic Islands and the east coast. That's a market, a target group, with people who in theory have time on their hands; they're retired, they have money, and they'd be delighted to come on a break to Bilbao to see the Guggenheim, have a few tapas, and so on…"

One of the issues which is considered to be closely related to urban tourism is that of the retail opening hours, especially in the holiday seasons, which are especially important for tourist influx, such as Easter, and the fiestas of Bilbao in August, the same month when commerce and the catering industry tend to close their businesses.

Interviewee 2:

"When is it important for the shops to be open? During special periods, right? Easter is a special period and Christmas is a special period. […] For me Easter is more important, but for the retailer less so.[...] We've worked quite a bit on the *fiestas* of Bilbao […]. Our commitment is not to "seasonalize" [opening hours and calendars], but to de-seasonalize".

Interviewee 6:

"I really think that right now urban tourism *per se* faces a series of handicaps compared to other kinds. […] The services the city offers […] On Sundays, for example, there's no range of places to eat. […]And there's also a serious problem with nightlife, where there are also serious handicaps in terms of closing times".

DISCUSSION

From the analysis of the experience of Bilbao, we can see that there has been a positive relationship between urban reorganisation and cultural revitalisation coordinated with it, and a quantitative increase in hotels. To a great extent, the newness of the hotel facilities built up in recent times correlates with the high standards of quality of urban reorganisation and the cultural revitalisation efforts of the city.

It is clear that a necessary prerequisite for these two positive relations is the existence of a body to generate inter-institutional consensus in urban reorganisation. This process involves a major planning boost, a great capacity for urban management, keeping decisions and execution separate from the different political cycles and in general, a strategic vision that frames each action within an overall system of urban development. In this context, the hospitality industry has known how to take advantage of the favourable conditions of urban reorganisation and cultural revitalisation, adapting them to the established quality requirements.

Nevertheless, the hospitality industry, and the tourist industry as a whole, will remain dependent to a large extent on public initiative, which is manifested in this context by the network of general public services which agents, visitors and tourists described above. This political and economic infrastructure which has “a coordinated and decisive influence over the (private) organization” (Marino, 2010) will be necessary to maintain, despite the current context of economic crisis that we are currently facing.

This mesh of public and private bodies calls for fluid coordination among public and private agents. The evidence from the case studied here is that public bodies not only overlap, but in certain fields there also seem to be some gaps in the use of imaginative forms of knowledge transfer between these bodies and private agents from the tourism industry (Clarke et al. 2009) in order to allocate public resources more efficiently. At the same time, it would be advisable to give the private sector a greater role in tourist promotion strategies. Because Bilbao is not noted for its historical heritage, its appeal must be based on care for and improvement in the urban environment, modernity and creativity and its range of consumer services.

Finally, with respect to the end user, in the case of Bilbao the profile is that of someone who essentially goes for weekend breaks, on non-programmed trips, attracted by the unfamiliarity and novelty of the destination, the city's new cultural facilities and the new hotel infrastructure of recent years. Even if it is not the only or the primary reason for their visit, the most important feature for tourists is culture, and particularly the architecture of the Guggenheim Museum Bilbao and to a lesser extent, its art exhibitions. The city and its surrounding region’s tourism industry still have a long way to go to find imaginative ways to offer a valued pack of services for a user who, contrary to what happens in other destinations, acts mainly autonomously.

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ENDNOTES

1. See www.bm30.es/homeage_es.html
2. For example, the advisory and supervisory bodies of Bilbao Tourism alone encompass over one hundred companies and organisations.
3. These figures include amounts spent both by residents in the autonomous community and external tourists and visitors. By province, revenue for 2010

came to 514, 1,592 and 1,557 million euro for Alava, Biscay and Guipuzcoa, respectively, according to Eustat figures. See www.eustat.es

4. The *Instituto Nacional de Estadística* (INE) provides no comparative figures specifically for Bilbao. However, in a comparison of the data for Bilbao offered by the Basque Statistics Agency (Eustat) and the average for Biscay and the Basque Country, we can see higher percentages of hotel occupancy in recent years.
5. Data taken from the *Barómetro de la Rentabilidad y el Empleo de los Destinos Turísticos Españoles*. Results for 2010 and summer 2011, respectively.http://www.exceltur.org/excel01/contenido/portal/listawrap.aspx?nid=199
6. As the communications manager of the Hotel Ercilla, José Luis Martínez Caballero, says: "Hotels in Bilbao are no longer experiencing the boom of the Guggenheim:"…"Some tremendous expectations were built up when the city was in vogue, but in reality they have not been fulfilled. Being realistic, it was always difficult to imagine that the hotel business could be so successful". Article from *El País,* 31 August 2009, "El sector hotelero mantiene su apuesta por Euskadi a pesar de la crisis"
7. Based on statements by Interviewees 1, 3 and 6 in the interviews conducted for this study.
8. *Barómetro de la Rentabilidad y el Empleo de los Destinos Turísticos Españoles*. Balance Definitivo 2012. http://www.exceltur.org/excel01/contenido/portal/listawrap.aspx?nid=199
9. Positions not disclosed at the request of the interviewees.

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KEY PERFORMANCE INDICATORS FOR HOSPITALITY INDUSTRY: A STUDY FROM THE TOURIST STATE OF UTTARAKHAND, INDIA

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Hotel in developing economies must create effective competitive strategies for survival, since they exist in an environment where stakeholders are demanding more from every organization. Consequently, they should focus on reliable and critical performance indicators, absolutely important for the success of hotels and adopt a comprehensive performance measurement framework that meets the requirements of the dynamic environment. This research is undertaken to identify the key performance indicators in hospitality industry of Uttarakhand and to find out the influence of managerial characteristics on the choice of performance indicators. Data was collected from a sample of 143 hotel managers of two major tourist locations using questionnaire over a six weeks period. Results indicate that financial indicators are still prevalent and most preferred key performance indicators in the elite managerial segment of almost all hospitality organizations. The study suggests that hospitality managers need to rethink about the choice of their performance indicators.

Keywords: *Hospitality Industry, Key Performance Indicators.*

JEL Classification: *L83, M1, O1*

INTRODUCTION

India is known worldwide for its unprecedented natural and man-made attractions since time immemorial. Its language, culture, cast and creed, value, tradition, folklore, dances and music attract tourists from all continents year round. Its 28 states are filled with various attractions which quenches the thirst of all kinds of tourists (Bagri et al., 2010). The tourism industry in India is ample and vibrant, and the country is fast becoming a major global destination. Tourism is one economic sector in India that has the potential to grow at a high rate and has the capacity to capitalize on the country's success in the services sector (Ministry of Tourism, Government of India, 2011). As per statistics updated by the Indian Ministry of Tourism, the foreign tourist arrivals in India continued to grow from 2.54 million in 2001 to 6.58 million in 2012. World Travel and Tourism Council (WTTC) forecasted that the demand for travel and tourism in India is expected to grow significantly between 2013 and 2023, which will place India at the third position out of 184 countries of the world (WTTC, 2013). Further, the travel and Tourism Competitiveness Report 2011 of the World Economic Forum ranked India 12th in the region and 68th overall in its Travel and Tourism Competitiveness Index. India is well assessed for its natural resources (ranked 8th) and cultural resources (24th), with many World Heritage sites, both natural and cultural, rich fauna, many fairs and exhibitions and strong creative industries.

Hotel Industry is inextricably linked to the tourism industry and the growth in the Indian tourism industry has fuelled the growth of Indian hotel industry. The enormous increase in tourism has caused the hotel business to outgrow national boundaries and become global in character. The thriving economy, increased business opportunities and Common Wealth Games in India have acted as a boon for Indian hotel industry. The constant transformation has made hotel industry more functional and practical and has gained a level of acceptance world over (Annual Report, Indian Ministry of Tourism, 2011). However, these hotels operate in a highly competitive environment as a consequence of a number of factors, namely, the emergence of new tourism destinations, the rise in customer expectations, increase in hotel capacity, worldwide recession and a sharp rise in operational costs thus declining profitability for hotels. These trends require hotels in India to be more efficient and competitive in meeting the needs of their customers. The ability of Indian hotel operators to adequately respond to these challenges will determine their long-term success.

Uttarakhand: Tourism and Hospitality Industry

Uttarakhand State, known as *Devbhoomi* (the land known for its association of Hindu Gods and Goddesses) is located in the northern part of the country sharing international boundary with Nepal and Tibet (China) in the north, Himachal State in the west and north-west, Uttar

Pradesh State in the south and Nepal in the east. Approximately 250 km. north of National capital Delhi, the state of Uttarakhand is easily reachable by road, rail and air transportation from Delhi, the national capital of India. Nature, adventure, wildlife, culture, heritage, pilgrimages, yoga and meditation, a cocktail of opportunities for unlimited experiences, are the strengths of this mountainous state. The state abodes the four important shrines of Hindu religion and has diverse geographical features ranging from mountains, peaks and forests with breathtaking spectacular views of snow-capped Himalayas and its valleys, glaciers, rivers along with the famous world heritage sites the Valley of Flowers, Nanda Devi Biosphere Reserve and the first national park of India, Jim Corbett National Park, which have made Uttarakhand State as an astonishing land in the northern part of India. The basins of the great rivers like the Ganga and Yamuna and others never fail to attract nature based tourists to enjoy the warmth hospitableness of the local community (Negi, 1997; Bagri et al., 2010). This rich culture, tradition, and lifestyle have enticed many pilgrims, mountaineers, trekkers and nature lovers to enjoy the breathtaking beauty of the region. The tranquility of the Himalayas attracts many tourists from America, Europe, Australia and Asia continents year round. The data summarized in table 1 indicates the number of domestics and foreigner tourists visited Uttarakhand and the rank of the state in India.

Table 1: Number of Tourists Visited Uttarakhand, India

Year	Tourist Arrivals		Rank in India	
	Domestic	Foreigner	Domestic	Foreigner
2006	16666525	85284	7	15
2007	19803280	95975	6	15
2008	20546323	99910	7	15
2009	21934567	106470	8	15
2010	30206030	127258	7	16
2011	25946254	124653	8	17
2012	26827329	136350	NA	NA

Source: India Tourism Statistics, Ministry of Tourism, Govt. of India, (2006-2012).

Significant advantages and opportunities in terms of developing tourism and tourism related activities in an integrated manner are largely available in almost the areas of Uttarakhand State. With the creation of a separate state of Uttarakhand in 2000, tourism is viewed as one of the key sectors of economic growth and development in the state, both from the point of view income and employment generation as well as a source of revenue for the state. According to the statistics of Ministry of Tourism, Government of India, the percentage share of Uttarakhand in domestic and foreign tourist visits during 2012 was 2.6 % and 0.7 % respectively (Indian Tourism Statistics, Ministry of Tourism, 2012). In view of this tourism has placed a higher demand for the quality hotels in the state as more affluent travellers travel to the tourist places of this area. The present study is based upon Dehradun and Mussoorie - two important tourist towns of Uttarakhand which attract significant percentage of recreationist for summer vacations and for fun and visiting scenic attractions (table 2).

Table 2: Number of Tourists visited the study area during 2010-2012

Location	Number of Tourists Visited (2010)			Number of Tourists Visited (2011)			Number of Tourists Visited (2012)		
	Dom.	**For.**	**Total**	**Dom.**	**For.**	**Total**	**Dom.**	**For.**	**Total**
Dehradun	1401942	20699	1422641	1496137	19864	1516001	1686745	21884	1708629
Mussoorie	1098870	5926	1104796	1114305	5982	1120287	1199306	5985	1205291

Source: Tourist Statistics, Uttarakhand Tourism Development Board, 2010-2012.

Uttarakhand is a preferred destination for the nature lovers, but hotel industry has not sufficiently developed at the same rate as the attraction sector (Bagri et al., 2010; Mehta, 1999; Pande, 1997). Hospitality industry of Uttarakhand is facing numerous new challenges which affect the performance of hotel organizations. These challenges related to hotel management such as managerial attitude, average infrastructure and interior, unskilled employees, non-availability of customized services, lack of innovation in offerings, services and processes etc. These factors may contribute to their poor performance in terms of low level of service quality, low level of customer satisfaction and moderate level of average occupancy rates. These challenges compel hospitality managers to rethink about current performance measurement practices. Choosing performance indicators is a challenging and dynamic process. Performance indicators may be appropriate today, but the system needs to be continually re-assessed as strategies and competitive environments evolve. The management is responsible for making a strategic decision on adoption and use of various performance indicators.

Hence, this study attempts to examine the link between hotel performance measurement and managerial characteristics. By examining this link, the key performance indicators and managerial attitude towards effective and efficient organization performance would be identified so that improvement in hotel performance could be achieved.

Objectives of the study

The paper sets out to outline the key performance indicators (KPIs) in hospitality industry in Uttarakhand. Specifically, the objectives of this study are:

- To identify the key performance indicators for hospitality industry used by managers for performance measurement.
- To find out the influence of managerial educational qualification on choice of key performance indicator.

HYPOTHESIS:

H1 = Usage of performance measurement dimensions does not differ significantly across the education level of hospitality managers.

H2 = Performance measurement dimensions practiced by hospitality managers in different hotel category does not differ significantly.

LITERATURE REVIEW

Several studies have been carried in terms of tourist destination analysis in the Uttarakhand state of India and some of the significant work include Singh & Kaur (1985), Bagri (1993), Pande (1997), Negi (1997), Mehta (1999), Bagri & Gupta (2001), Joshi (2001), Bainjwal (2002), Bharadwaj (2002), Bagri (2003), Bagri & Mishra (2005), Thapliyal (2006). These studies deeply studied the rich potential reservoir of tourist places and mainly focused on pilgrimage, natural attractions and ethnic and cultural treasures of the state providing a broad overview of mountain tourism attraction on the basis of available information. However, these studies lack any findings on key performance indicators for measuring the performance of hotels units of Uttarakhand. No published research is available regarding the different indicators adopted by hospitality managers in this region regarding performance measurement.

It is acknowledged that improving business performance has been one of the central tenets of management and remains fundamental to organizational success (Neely, 1999). Measuring performance plays an important role in planning and decision-making and makes the link between strategy intent, competitive environment, revenue generation, service delivery process, and strategic evaluation (Fitzgerald et al, 1991; Kaplan and Norton, 1992; Doran et al., 2002; Folen et al., 2005; Haktanir & Harris, 2005). The increasing importance and value of people in the hotel industry make the traditional practices no longer appropriate for measuring performance and gain competitive advantage. Therefore, organizations need to set clear goals and objectives, develop criteria for measurement and measure performance, evaluate that performance and compare the performance against the goals and objectives of the organization.

Financial Performance Indicators

Despite the development of performance measurement systems for the hospitality industry, researchers including Brander-Brown & McDonnell (1995), Atkinson & Brander-Brown (2001), Harris & Mongiello (2001), Beatham et al. (2004), Haktanir & Harris (2005) and Wadongo et. al. (2010) have pointed to the reluctance of hotels to use balanced measures and rely solely on financial measures. Traditional measures of performance were excessively profit based (Brander-Brown & McDonnell, 1995), short-term oriented (Denton & White, 2000), unbalanced (Harris & Mongiello, 2001), unsatisfactory for competitive advantages (Evans, 2005; Phillips, 1999), past based (Atkinson & Brander Brown, 2001), little market oriented (Phillips & Louvieris, 2005) and non-holistic (Phillips, 1999). Therefore, over reliance on them is no longer relevant for today's managers. Due to limitations of financial measures and the impact of global and increasing competition in the hotel industry, hotels should rethink their current performance measurement based on financial to a more balanced measurement which has both financial and non-financial dimensions (Atkinson & Brander-Brown, 2001; Harris & Mongiello, 2001; Evans, 2005)..

Non-financial Performance Indicators

Although, financial performance measurement is important, the use of a more comprehensive set of indicators may offer greater opportunities for measuring the strategy and organizational effectiveness in the longer terms. Therefore, to remain competitive, organizations now need to consider non-financial or operational results. Several research findings (Harris and Mongiello, 2001; Atkinson and Brander-Brown, 2001) in performance management are advocating an emphasis on both financial and non-financial dimensions such as competitiveness, service quality, customer satisfaction, organizational flexibility, resource utilization, and technology. It is important for performance measures to direct attention to such non-financial factors as service quality and customer satisfaction (Fitzgerald et al., 1991). Moreover, there has been an increasing recognition within the hotel industry of the importance and value of people; employees as well as guests in the service delivery process, which has led to suggestions that hotels need to develop better performance information relating to such key areas as employee morale and employee satisfaction (Fitzgerald et al., 1991). Chan (2004) reported on the use of non-financial measures in the balanced scorecard as a performance management system to support reporting on various management activities.

Wadongo, et al. (2010) identifies the financial and non-financial key performance indicators of hotels such as total revenue achieved, food and beverage sales, total operating costs, total sales, customer satisfaction surveys, relative market share, room occupancy, and delivery speed flexibility. Huang et al, (2007) study reveals that non-financial performance measures (i.e., the learning and growth perspective, internal process perspective, and customer perspective) not only directly influence the financial performance measures, but also indirectly affect performance through the cause-and-effect relationships among different perspectives. The study of Evans (2005) concludes many hoteliers were using both financial and non-financial measures to measure the performance of their hotels in northern England. While investigating the application of balanced scorecard in White Lodging Services, Denton and White (2000) justifies the relevance of both financial and non-financial measures for balanced performance of hotel.

NON-FINANCIAL PERFORMANCE INDICATORS

Although, financial performance measurement is important, the use of a more comprehensive set of indicators may offer greater opportunities for measuring the organizational effectiveness in the longer terms. Therefore, to remain competitive, organizations now need to consider non-financial or operational results. Research findings of Harris & Mongiello (2001) and Atkinson & Brander-Brown (2001) in performance management advocate the emphasis on both financial and non-financial dimensions such as competitiveness, service quality, customer satisfaction, organizational flexibility, resource utilization, and technology. Various researchers (Fitzgerald et al., 1991; Denton & White, 2000; Chan, 2004; Evans, 2005; Huang et al, 2007; Ramdeen et al., 2007; Wadongo, et al., 2010) also justified the relevance of both financial and non-financial measures for balanced performance of hotel and revealed that non-financial performance measures not only directly influence the financial performance measures, but also indirectly affect performance through the cause-and-effect relationship.

KEY PERFORMANCE INDICATORS (KPIS) FOR HOSPITALITY INDUSTRY

Key Performance Indicators are the selected indicators considered significant for monitoring the performance of strategic objectives, outcomes, or key result areas absolutely critical and important to the success and growth of the organization. The purpose of KPI is to provide to decision makers in the organization measurable indicators for judging the hotel performance and for measuring the achievements of organizational objectives. These KPIs can help hospitality managers in their efforts to ensure efficient and effective management of resources and to achieve the main objective of profit maximization through stakeholders' satisfaction. The development and use of the KPIs should form the basis for the analysis of an organization's current performance, its future requirements and the improving strategies required for ongoing success. As key indicators are uniform for all organizations, they assure managers a tool for benchmarking with other in order to improve their own performance.

For the present study, critical and measurable KPIs for hotel performance measurement are identified through reviewing research papers published in management Journals. The research of Atkinson & Brander-Brown (2001), Phillips & Louvieris (2005) and Bergin-Seers & Jago (2006) have shown that dimensions of employees, customers and finance were the key performance indicators to performance measurement in small and medium-sized hotels. The work of Neely et al., (2005) highlighted the competitive environment dimension, quality of service and external environment as others main KPIs for hotels. Additional performance dimensions of organizational learning, innovation and creativity are included, based on the research of Lynch & Cross (1990); Kaplan & Norton (1992; 2001); Neely et al., (2005) and Folen et al., (2005) who suggest that these performance dimensions are important to any organization regardless of their operating context and industry sector. By reviewing the existing literature on performance measurement in hospitality industry, researchers have identified KPIs in six major performance dimensions for the study. These dimensions are financial performance, competitiveness, employees performance, operational efficiency, innovativeness and service quality.

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RESEARCH METHODOLOGY

The present study was based on Dehradun and Mussoorie as these two selected tourist towns enjoy maximum tourist visits for leisure and recreational purposes and saturated with the number of hotel properties including the hotels units of internationally recognized branded hotel chains. Dehradun has town hotels, which serve both tourists and business clients, while Mussoorie hosts mainly vacation hotels that are influenced by the seasonality of tourism. The population of the study was composed of managers, owners and other professionals of classified and unclassified hospitality organizations in selected tourist towns of Uttarakhand. The researchers used a cross-sectional research design to gather primary data. By using this research design, data can be collected within a short period of time and less expensively. Based on the above criteria, a sample size of 143 managers and owners was chosen. The sample work was conducted between January and March 2012.

A questionnaire as a survey instrument was developed to measure the managerial demographic characteristics and key performance indicators of hotels. In order to obtain detailed information concerning the performance measurement practices, semi-structured interviews were also carried out. The first section of the questionnaire included questions on managerial demographics (age, education, current position and work experience). The second section included 25 performance indicators identified in the review of literature. The managers were asked to respond to them indicating their perception on importance each of the 25 performance indicators measured on a five-point Likert scale (1 – no importance to 5 – essential). The questionnaire was pilot tested using managers of three hotels in Dehradun who were considered representative of the study population. Data thus received was systematically arranged, tabulated and analyzed. Mean, Standard Deviation, ANOVA were used to analyze the data. Analysis was performed using SPSS version 15. The value of Cronbach's alpha for the key performance indicators of hotel performance was 0.792 which implies that these 25 performance indicators were reliable and consistent measures of performance dimensions of hotels.

DATA ANALYSIS

DEMOGRAPHIC PROFILE OF MANAGERS

From Table 3, shows the demographical characteristics of respondents. 74 (51.75%) of respondents were from age group of 31-40 years and 48 (33.57%) were from 41–50 years. 13 (9.1%) were from age group of 51–60 years. This shows that there is a balance of young and aged workforce (at managerial level) in the hotel industry of Uttarakhand. The percentage of the females employed in the hotel industry was 6.29% in Uttarakhand region. This low percentage of the employed females may due to the traditional mindset of the society which prefers that the women work in specific professions like education. The highest number of the managers (43) (30.1%) indicated they had a professional degree in hotel management; 38 (26.6%) had a diploma in hotel management. Only 19 (13.3%) of all respondents had graduation degree. 69 (48.3%) respondents had working experience in the hospitality field for 5-10 years; 35 (24.5%) respondents had 10-15 years working experience in this field. Only 14 (9.8%) respondents had working experience less than five years in the hospitality industry. This indicated that the managers used in the sample are relatively experienced in hospitality operations in Uttarakhand. Respondent managers were selected from different categories of hotels i.e. Classified and unclassified.

Table 3: Demographic Characteristics of Respondents

Demographic Characteristics		No of Respondents	%
Age	21-30 Years 31-40 Years 41-50 Years 51 and above	8 74 48 13	5.59 51.75 33.57 9.09
Gender	Male Female	134 9	93.71 6.29
Education Level	Graduation Post -Graduation Diploma in HM Degree in HM Others	19 35 38 43 8	13.3 24.5 26.6 30.1 5.6
Length of Service	< 5 Years 5-10 Years 10-15 Years 15-20 Years > 20 Years	14 69 35 20 5	9.8 48.3 24.5 14.0 3.5

Hotel Category	One Star	20	14.0
	Two Star	22	15.4
	Three Star	30	21.0
	Four Star	26	18.2
	Five Star	9	6.3
	Unclassified	36	25.2
Total Number of Respondents		**143**	**100**

KEY PERFORMANCE INDICATORS IN HOSPITALITY INDUSTRY

The composite mean scores of the key performance indicators are presented in Table 4. The managers' composite mean scores for performance ranged from 4.83 down to 2.88. These results indicate that the managers in this study demonstrate reasonable use and value of a wide range of performance indicators. The study reveals that financial performance was regarded much more highly than non-financial performance measures, both in level of use and level of importance for decision making. The key performance indicators in descending order are total revenue achieved, total room sales, customer satisfaction, room occupancy, staff appearance and friendliness, sales growth, food and beverages sales, monitoring employee innovativeness, customers' complaints and number of product and services innovated per year.

On a Likert scale of 1 to 5, the managers' lowest mean score was 2.88 for staff turnover and the highest mean score was 4.83 for total revenue achieved. The empirical research results clearly indicated that the majority of the respondent managers almost exclusively monitor financial dimensions of performance. Modest attention is being paid to non-financial dimensions such as customer satisfaction, degree of competitiveness, innovativeness, and resource utilization indicators. Results of the study are consistent with the findings of previous studies (Atkinson & Brander-Brown, 2001; Gosselin, 2005; Ismail, 2007; Jusoh et al., 2008). These results are also consistent with that of Joshi (2001) who surveyed Indian companies and found a high rate usage for financial indicators.

KPIS ACROSS EDUCATION LEVEL OF HOTEL MANAGERS

The mean of different dimensions of performance measurement across the different level of education presented in Table 5 reveals that financial performance scored highest mean across the respondents of different educational categories. At the same time this factor has scored highest among all education category respondents.

Table 4: Key Performance Indicators in Hospitality Industry of Uttarakhand

Key Performance Indicators	**Mean**	**Std. Dev.**	**Rank**
Financial Performance			
Total Revenue achieved	4.83	0.428	**1**
F& B sales	3.95	0.850	**7**
Total Room sales	4.61	0.557	**2**
Room Occupancy	4.22	0.826	**4**
Sales Growth	4.00	0.712	**6**
Competitiveness			
Total Operating cost	3.80	0.744	
Relative Market share	3.40	0.733	
Number of new customers acquired	3.27	0.822	
Degree of Competitiveness	3.70	0.628	
Employee Performance			
Staff skill & competence	3.32	0.745	
Staff appearance & friendliness	4.00	0.605	**5**
Staff speed & Responsiveness	3.79	0.830	
Staff Turnover	2.88	0.868	
Operational Efficiency			
Customer Retention	3.69	0.628	
Flexibility and ability to adjust customers needs and want	3.46	0.648	
Ability to meet customer requirements on time	3.29	0.589	
Resource utilization	3.79	0.730	
Level of ICT usage	3.28	0.716	
Hotel suppliers delivering on time	3.49	0.502	
Innovativeness			
Monitoring employee performance in terms of Innovation	3.89	0.689	**8**
Number of product and services innovated per year	3.85	0.639	**10**
Service Quality			
Customer Satisfaction	4.42	0.686	**3**
Customer Complaints	3.90	0.794	**9**
Maintaining star hotel classification rating	3.31	0.560	
Attitude, behavior, and expertise of employees	3.71	0.756	

One-way ANOVA analysis was carried out with the assumption that men of different performance dimensions does not differ significantly across the educational level of representative hotel managers. From the table 6, it is clear that calculated value of F (4,138) is greater than the tabulated value of F (2.37, α = .05) for all dimensions. Correspondingly, the observed p-value of 0.000 for all dimensions is well below the chosen alpha of 0.05 (0.000 < 0.05). Hence the null hypothesis is rejected, indicating that there is a significant difference in the mean of different performance measurement dimensions across the different educational category of sample hotel managers of selected tourist towns of Uttarakhand.

Table 5: Mean of performance dimensions across Education

Education Level	Financial Performance	Competitive-ness	Employee Performance	Operational efficiency	Innovative-ness	Service Quality
Graduation	4.2526	3.5132	3.1974	3.4298	3.7895	4.0789
Post Graduation	4.0343	3.5286	3.4571	3.4571	3.6857	3.7286
Diploma in HM	4.5737	3.9408	3.9934	3.7281	3.7807	3.9474
Degree in HM	4.3209	3.8140	3.2326	3.4225	3.4496	3.7384
Others	4.1250	3.0625	3.4375	3.2292	4.1250	3.6875
Total	**4.2979**	**3.6958**	**3.4965**	**3.5023**	**3.6783**	**3.8339**

Table 6: ANOVA with Educational level

		Sum of Squares	df	Mean Square	F	Sig.
Financial Performance	Between Groups	5.623	4	1.406	9.639	.000
	Within Groups	20.126	138	.146		
	Total	25.749	142			
Competitiveness	Between Groups	7.702	4	1.926	9.728	.000
	Within Groups	27.315	138	.198		
	Total	35.017	142			
Employee Performance	Between Groups	14.161	4	3.540	17.090	.000
	Within Groups	28.587	138	.207		
	Total	42.748	142			
Operational efficiency	Between Groups	2.979	4	.745	11.464	.000
	Within Groups	8.965	138	.065		
	Total	11.944	142			
Innovativeness	Between Groups	4.480	4	1.120	10.044	.000
	Within Groups	15.389	138	.112		
	Total	19.869	142			
Service Quality	Between Groups	2.582	4	.646	5.045	.001
	Within Groups	17.661	138	.128		
	Total	20.243	142			

KPIS ACROSS HOTEL CATEGORY

The mean of different dimensions of performance measurement across the different category of hotels as summarized in Table 7 indicates that financial performance scored highest mean across the respondents of different categories of hotels. At the same time this factor has scored highest among all respondents of different hotel category.

One-way ANOVA analysis was carried out with the assumption that mean of different dimensions of performance does not differ significant across the hotel category of respondents. From the table 8, it is clear that calculated value of F (5, 137) is greater than the tabulated value of F (2.37, α = .05) except the factor like Innovativeness dimension. Correspondingly, the observed p-value of 0.000 for all dimensions except innovativeness is well below the chosen alpha of 0.05 (0.000 < 0.05). Hence the null hypothesis is rejected, indicating that there is a significant difference in the mean of different performance dimensions across the different factors of hotel category except in the case of Innovativeness dimension. This indicates that managers, irrespective of their hotel category, believe innovativeness as a critical and strategic performance measurement dimension and encourage employees to generate innovative ideas about services and delivery process to enhance customer satisfaction and retention.

Table 7: Mean of performance dimensions across hotel category

Hotel Category	Financial performance	Competiti-veness	Employee Performance	Operational efficiency	Innovative-ness	Service Quality
One Star	4.6000	3.5000	3.0000	3.3333	3.6667	3.2500
Two Star	4.3333	3.8750	3.2083	3.2500	3.4444	3.5000
Three Star	3.9333	3.2500	2.9792	3.2778	3.5833	3.8125
Four Star	4.0650	3.4875	3.4750	3.4042	3.7250	3.7313
Five Star	4.4585	3.8720	3.6250	3.6138	3.6992	3.9390
Unclassified	4.0000	2.2500	2.7500	2.8333	2.6667	2.7500
Total	**4.2979**	**3.6958**	**3.4965**	**3.5023**	**3.6783**	**3.8339**

Table 8: ANOVA with Hotel Category

		Sum of Squares	df	Mean Square	F	Sig.
Financial Performance	Between Groups	6.159	5	1.232	8.615	.000
	Within Groups	19.590	137	.143		
	Total	25.749	142			
Competitiveness	Between Groups	9.024	5	1.805	9.513	.000
	Within Groups	25.993	137	.190		
	Total	35.017	142			
Employee Performance	Between Groups	6.133	5	1.227	4.589	.001
	Within Groups	36.616	137	.267		
	Total	42.748	142			
Operational efficiency	Between Groups	2.897	5	.579	8.772	.000
	Within Groups	9.047	137	.066		
	Total	11.944	142			
Innovativeness	Between Groups	1.583	5	.317	2.362	.042
	Within Groups	18.286	137	.133		
	Total	19.869	142			
Service Quality	Between Groups	3.859	5	.772	6.453	.000
	Within Groups	16.384	137	.120		
	Total	20.243	142			

DISCUSSION

The calculated ranking of the key performance indicators in the hospitality industry can be analyzed by both managerial characteristics and stage of the performance measurement practices in Uttarakhand, which still lacks sophistication especially in hospitality firms. The study reveals managers rank financial indicators such as total revenue achieved (4.83), total room sales (4.61), room occupancy (4.22), sales growth (4.00), food and beverage sales (3.95) superior than non-financial indicators such as customer satisfaction (4.42), staff appearance and friendliness (4.00), innovativeness (3.89), customers' complaints (3.89) and number of product and services innovated per year (3.85). It shows that they are still focusing on financial measures of performance while ignoring non-financial measures. These results also suggest that managerial educational qualifications and their hotel category have no effect on the choice of key performance indicators. This indicates that traditional or financial performance measures are still prevalent and more preferred key performance indicators in the elite and educated management segment of almost all the hospitality organization.

It is widely acknowledged that tourist destinations are becoming more competitive and hotels must catch up with effective performance measurement trends in order to remain in existence and be competitive. Hotel industry of Uttarakhand faces many challenges with regard to improving the profitability of operations and exploiting the new opportunities that have arisen due to the growth in the economy and the changing nature of tourism in India. There are doubts that the current performance indicators do not address the critical issues that the modern hospitality manager needs to understand. The only way to underpin these types of development is to establish effective performance indicators to evaluate different aspects of hotel operations and their outcomes. Furthermore, it is also observed that managers in the hospitality industry are still using traditional management style, and are not emphasizing on process advancement, customer orientation, application of scientific methods and techniques, and the role of human capital in service delivery, which can improve business performance. Most hospitality organizations are yet to embrace comprehensive management information systems that can capture the necessary information in all performance dimensions. The hospitality managers need to rethink about the choice of their performance indicators. Therefore, hotels need to invest in comprehensive performance management systems suitable for the hospitality industry that will enable the managers to capture both financial and non-financial data.

CONCLUSION

The study discusses many issues of relevance to the growing literature in the field of performance measurement while providing hotel organizations with a practical tool to help them select an effective performance indicators. The research reported in this paper provides an understanding that hotel managers of two major tourist locations should incorporate both financial and non-financial performance indicators in their performance measurement. From the study, it can be concluded that the perception of hospitality managers towards key performance indicators is overwhelmingly dominated by financial dimensions with inadequate or little attention being paid to non-financial measures. This demonstrates that performance measurement within the hospitality industry is not balanced. They need to incorporate both financial and non-financial performance measures in their performance measurement systems. Demographic characteristics of hotel managers such as educational qualifications and category of hotel do not influence the managers' choice of key performance indicators. The fundamental point is whatever happens in an organization is the effect of a variety of different causes that are prompted by customers (internal and external), employees (whose behavior affects the organization), and other stakeholders (e.g. shareholders, suppliers, and investors). Financial and non-financial key performance indicators provide vital information to the organization for tracking and predicting business performance against strategic objectives in a way that complements financial measures.

LIMITATIONS AND SCOPE FOR FUTURE RESEARCH

Finally, there exists a limitation of the current research that warrants discussion. The industry population surveyed represents hospitality managers in some selected classified and unclassified hotels of Uttarakhand; therefore it is not appropriate for this study to make the claim that the findings are applicable to the hospitality industry outside Uttarakhand. However, it is hoped that the study can be reproduced to test the extent of the applicability of the findings. On the other hand, this limitation may provide an opportunity for future research on the performance measurement practices and changing performance measurement dimensions in emerging and established hospitality industry. Future research could use a larger sample to enable a test for key performance indicators adopted by the hospitality industry and cause-and-effect relationships between managerial characteristics and performance measurement practices. Furthermore, there need for research to explore broader model inclusive of all other factors that influence performance measurement in the hospitality industry in a single model such as the Balanced Scorecard.

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ARE BUTLER'S TOURISM AREA LIFE CYCLE AND PLOG'S PSYCHOGRAPHIC MODEL CORRECT?

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There are over 200 citations according to Butler and Plog's models while only few researches have criticized these models considering the validity of the models in research and their limitation. Therefore, this paper aims to present the limitations of these two models to apply in tourism research. Using a case study of Thailand, the paper illustrates complicated nature of the destination and diversification in tourism activities applying the four characteristics of tourism product from marketing aspect. Finally, it analyzed the applicability of the Chaos Model of tourism in terms of understanding the complexity of tourism in recent situation in comparison to those two models that can be wrong under conditions of how the model was created and their research validity.

Keywords: *Butler's model, tourism area life cycle, Plogs' model, Limitation, Thailand, complexity of tourism*

JEL Classification: *L83, M1, O1*

INTRODUCTION

In tourism field, Butler's life cycle model and Plog's Psychographic model are very popular. These models have been discussed and cited in several academic researches, with over 200 citations for each. Many scholar, like Haywood in 1986 to Garay and Canoves in 2011, have used these two models in their research assessing different aspects such as how the tourist-area life cycle be made operational. Only few researches have criticized these models considering the validity of the models in research and their limitations. For instance, McKercher (2005) pointed that Butler's work usually in consort with Plog's idea and was used to support the belief that tourism destroy tourism and need to be controlled.

This paper aims to present the limitations of these two models to apply in tourism research. Using a case study of Thailand the paper illustrates complicated nature of the destination and diversification in tourism activities. Finally, it analyzes the applicability of the Chaos Model of tourism in terms of understanding the complexity of tourism in recent situation in comparison to those two models.

LITERATURE REVIEW

This section explains how the Butler tourism area life cycle and Plog's Psychographic Personality model work including the critical points from different scholars regarding these models.

Butler's model

Butler's (1980) graph clearly marks a section of the S-curve as the critical range of elements of capacity (Figure 1). Thus, it is strange that no author has discussed in detail about the carrying capacity for tourism even though this part is most essential for its conceptualization (Singh, 2011). In other words, traditional life cycle from marketing including "introduction, growth, maturity and decline" still has been criticized in terms of validity of the life cycle concept. It is better to combine this model with other models such as Boston Consulting Group's portfolio to provide a more comprehensive framework and more powerful basis to classify diverse categories of products (Barksdale et al, 1982). From this point, the destination life cycle was modified without considering this fact.

Basically, the product life cycle underpin the proposition in market growth and competitive characteristics. On the other hand, the destination life cycle also illustrated the pattern of its life-to-death analogy that helped re-orientate thinking about tourist area by suggesting new relationships. The life cycle model as presented in Figure 1 comprises different stages: a development stage, a consolidation stage, a stagnation stage and either decline or rejuvenation stage (Butler, 1980). In addition as it can be seen in Figure 3 the characteristics of tourist destination life cycle presented different patterns in each stage. It mainly explained from the beginning that visitor will come to an area in small numbers and restricted by lack of access, facilities and local knowledge. With marketing effort to raise awareness the number of visitors will increase and the area's popularity will grow rapidly. From this stage, the environmental impact becomes important often needing control in the tourism activities especially with regards to the carrying capacity. From this point, Haywood (1986) argued that the carrying capacity is more complex and a perceptual issue. Therefore, Butler's life cycle model needs to emphasize on how to measure whether the tourist reached to the consolidation or stagnation stage. In addition, it is also necessary to determine how to properly define the carrying capacity of particular area.

Butler himself had mentioned the limitations of his study mainly on obtaining data on visitors for a long period in any particular area that creates the problem in testing the basic hypothesis and modeling the curve for specific areas. Singh (2011) reported that the Butler' model may take at least a hundred year to understand how the tourist areas develop and have a life cycle to prove the model as well as concerning a carrying capacity and deal with associated problems. But scholars have not provided any appropriate solution to address such limitations.

Clearly there have been recent interpretations about the development of tourist destination but Richard Butler has been studying these elements for few decades. Garay & Canoves (2010) attempted to test whether Butler's model can be applicable to a long term historical study of a destination in simple analysis or it needed to be combined with other aspects. Tooman (1997) also stated that the empirical tests of the Butler' model has been proven inconclusive resulting in the inherent complexity of destinations. Another point is that it is not clear what destination actually mean in Butler' model. In fact, it was undefined and not clear whether it indicated to brands, or positioning, or product classes (McKercher, 2005).

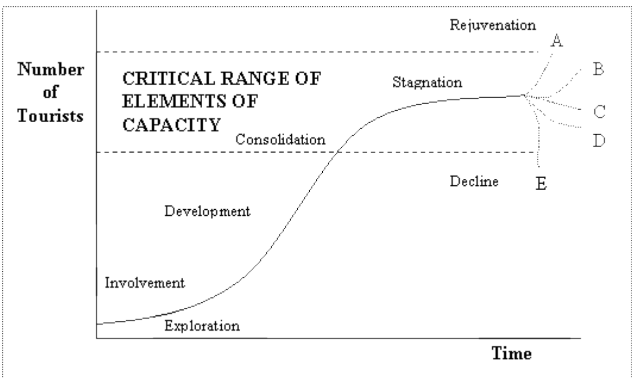

Figure 1. Hypothetical Evolution of a Tourist Area Life Cycle

Source: Adapted from Miller and Gallucci (2004)

Plog's model

According to Stanley Plog's model (2001), a pioneer in the psychographics of travelers, the type of tourists a destination attracts was categorized into the destination's position of Butler's cycle as shown in Figure 2. Plog's categorization (2001) is based on the level of personality types. The model identified five personality types in terms of the level of comfort they desire and how intrepid is their travel preferences. The personality types ranged from Dependables, through Near- Dependables, Mid centrics, and Near-Venturers, to Venturers on the extreme end. Figure 3 further illustrates that all types of tourists as mentioned in the typology (Figure 2) have different behavior while traveling. For example, Venturers are outgoing and self confident in their behavior. Such travelers are characterized by considerable degree of adventured activities, self-confidence, willing to reach out, and experiment with life. On the other hand, Dependables or Psychocentric are the people who prefer the familiar travel destinations, like commonplace activities at travel destinations, considerable relaxation, and enjoy tour packaging with heavy scheduling of activities. These types of travelers were criticized as less income and less time than Venturers (Plog, 1974).

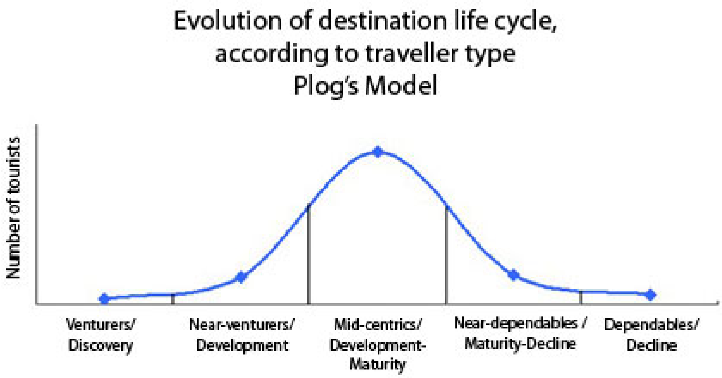

Figure 2. Evolution of destination life cycle according to traveller type Plog's Model

Source: *Stanley Plog (2001)*

Venturers, who travel frequently, take long trip and spend more per day, avoid crowded or touristic places, accept unconventional accommodation, prefer authentic local arts and craft, and dislike event staged for tourist. They are more fascinated to explore this type of tourist to the new product development and addressing their needs. They are interested and can help to move goods and service more quickly and efficiently through the distribution system. It was often criticized that this type of Venturer are fixed in long term and never change to other types.

However, Plog also stated that once the destination become popular, the mid-centric audience starts to arrive. The tourism business started to increase more activities in varied sectors such as chain resort, tourist shops as it can be summarized in Figure 3 to show in detail the characteristics of traveller in each typology. By this time, allocentrics start to move out from the destination where it has lost its sense of naturalness, and a smaller number of Near-venturers also visit the place.

Many academics have criticized the mechanism of Plog's model to indicate the limitations. Liu et al (2008) stated that the validity of Plog's model need to resolve more empirical work on destination planning as the study was replicated to test Butler's life cycle model. It thereby allows a comparison between the frameworks and such comparison would assist tourism related organizations in making more informed choices about assessing their own point in the destination life cycle. Singh (2011) also pointed out the limitation of Plog's model regarding the fact that individual tourists are combined in both short and long life in cycles. In addition, he argued that the destination alone could not explain tourist life cycles, as tourists are complex in varied aspects requiring detail understanding of the collaboration and partnership regarding the destination and tourist characteristics.

DISCUSSION

This section discusses the limitations of Butler's and Plog's model and why both models are wrong. As it can be seen in the Figure 3, there are several criticism from varied scholars, which can be divided into two specific areas; limitation of understanding tourism complexity and its methodology.

Butler's model

Understanding tourism complexity

McKercher (2005) argued that Butler's destination life cycle model failed to consider the definition of destination, as it can be destination branding by using marketing terminology. From this point, destination is not single product clustered geographically. It is not straightforward to categorize the movement of tourism applying the traditional product life cycle. It was considered ineffective analytical tools for analyzing multi-product venture. Validity of traditional Life cycle needs more consideration. Barksdale et al (1982: 77) pointed the major limitation of the life cycle model. According to them, in Butler's model all products or brands-in the same stage of cycle- face the same risks and enjoy the same opportunities, which ignores the reality of the marketplace. It is the primary limitation on the usefulness of life cycle model as a framework for strategic decision.

Tourism product, in particular, destination is more multifaceted where unclear scopes, difficult to measure the achievement from which logical factors- economic, community- in one stage, how it moves to next stages from "development into consolidation" are still blurred. Haywood (1986) suggested six conceptual and measurement decisions: unit of analysis, relevant market, pattern and stages of the tourist area life cycle, identification of the area's shape in the life cycle, determination of the unit of measurement, and the relevant time unit. Interestingly, product life cycle is developed to understand the marketing terms, when Butler's destination life cycle adopt it without considering marketing elements such as sales volume, specific target, terms of investment, and the competitors. From this point, to achieve the maturity point for long life cycle; the model misses the aspects of sustainable development in terms of providing solution or strategy before reaching to maturity and decline stage. Therefore, it can be concluded that the model is not appropriate to use alone without other supportive models.

The simplicity of Butler's model did not provide the reflective understanding towards the special characteristics of tourism products from the four basic elements created by Kotler et al (2003). Those four elements are: (1) Intangibility, (2) Perishability, (3) Inseparability, and (4) Variability in terms of consistency management. Intangibility represents high risk associated with services. It is difficult to evaluate service before the experience. In the destination life cycle model it is also hard to forecast the destination condition before tourism demand arrives.

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Plog	Allocentrics		Mid-Centrics	Psychocentric	
	Venturers	Near-venturers	Mid-centrics	Near-dependables	Dependables
Butler	**Discovery**	**Development**	**Maturity**	**Maturity -Decline**	**Decline(1) Rejuvenation(2)**
Characteristics of the destination life cycle	- No specific facilities - Only local facilities - Physical fabric unchanged by tourism - Little significance to economic and social life of permanent resident	- Begin to provide facilities for visitor - High contact between visitors and locals - Local involve to provide catering for visitor - Tourist season emerging and adjustment change in social pattern - Some organization in tourist travel arrangement can be expected - Start pressure put upon government to improve transportation	- Well defined tourist market area - Heavy advertising - Local & involvement control will decline - Local fade out - Up to date facilities provide by external organization - Major franchise chain represented but few psychocentric (Dependable)	- Peak numbers of tourist have been reached - Capacity levels - Exceeded attendant environmental social, economic problem - Good reputation but no longer in fashion - Repeat visitor	**Decline (1)** - No newer attraction - Target weekend and day trips - Tourist facilities often replaced - Less attractive to tourists - Hotel may become a condominiums, retirement homes **Rejuvenetion (2)** - Man-made attraction casino - New market may be not allocentric section - More target on specific interest /activity group - Timeless attractiveness
Characteristics of traveler	- Travel frequently - Love to explore the world - Take relatively long trip - Spend more per day than average traveler - Prefer unusual, undeveloped destination - Avoid crowded, touristy places - Accept unconventional accommodations - Enjoy participating in local customs & habits/ prefer authentic local arts and craft - Dislike events staged for tourists - Prefer free, independent travel - Enjoy activities when traveling - Seek new experience each year	- Excited about the new destinations that they learn from venturer friends - Prefer greater comfort, ask for more services such as hotels restaurants, shops etc.	- Love to travel to the location that has a reasonable infrastructure that was built to meet the needs of the near-venturers	- Similar to dependables but not so timorous as the dependables - Travel less, stay only for short time, - Arrive on package tours when they do travel - Spend little money as the same with dependables	- Unadventurous, cautious & conservative in their thinking and spending habits - Prefer popular brands and locations - Desire little activity - Favor emulating the choices and behaviors of others rather than making an original choice - Prefer comfortable, familiar brand names for lodging, food and beverage - Happy when everything is just like home except scenery
New emerging tourism product	(1) Community Base tourism (2) Special Interest Tourism (3) Adventure tourism (4) Spiritual tourism (5) Health tourism (6) Cultural Heritage tourism (7) Mice tourism (8) Sport tourism (9) Medical tourism (10) Slow tourism (11) Senior tourism				

Perishability is related to ways of understanding capacity and demand management. Butler's model emphasized the supply side but considered an unclear target market, as illustrated by the implications in each stage, particularly carrying capacity and the limits of growth. Weaver (2000) argued that carrying capacity is a subjective and complex social construct rather than an ecological absolute. McKercher (2005) argued that this model can be used to identify potential risk factors at each stage, but it was not designed to be a predictive model. Instead, it represents an on-going process that continues to involve the local community in tourism, contact between hosts and guests, investment, destination image, and marketing activities. *Inseparability* refers to the relationship between tourists and destinations. As tourists and destinations become part of the tourism mechanism, a moment of truth is required regarding how to manage the destination as well as the visitors. The model must consider the fact that individual tourists are unpredictable, and it is difficult to understand different dimensions of their expectations and motivation. It is important to focus on the products that satisfy tourists rather than using time and the number of tourists to identify changes.

Finally, *variability in terms of consistency management* is also crucial. The model must consider the volatility of tourism demand, such as negative events and natural disasters. Wang (2009) stated that tourists are affected primarily by *safety and health* issues, which are the key to maintaining demand in both international and domestic markets. *Income* is one of the most frequently used explanatory variables when investigating tourist demand (Jensen, 1998; Dritsakis, 2004). The *change of international and domestic policies and plans,* such as bans on or liberalization of the tourism market and governmental efforts toward environmental concerns, may result in increasing numbers of tourist arrivals (Kim & Wong, 2006). All of these elements must be considered as main drivers of tourism development. As noted, destinations are complex. It is not sufficient to apply only "time" and numbers to analyse tourism development, particularly in the recent situation in which tourism products have become complicated.

Dhalla and Yuspeh (1976) argued that the product life cycle can be misleading and may force marketers and planners to discontinue their products prematurely when they enter a decline stage. Singh (2011) also compared evolution and the life cycle. It should be emphasized that evolution is usually a linear process, unlike the life cycle. It is therefore important to consider this divergence, in which some branches come to a dead and others do not.

Methodology of Butler's model

Another limitation of Butler's model is the methodology used in his research. Garay and Canoves (2011) noted that the main weakness of the methodology used in Butler's destination life cycle is the time horizon of analysis. This type of analysis requires long-term data and analysis. The evolution and decline of tourism has not necessarily been associated with the course of one large life cycle; it may undergo several consecutive life cycles connected with the stages of tourism. Johnston (2001) noted that numerous studies have examined destination areas much larger than the resort-city scale of Butler's model. In fact, the sampling site was limited and impractical when applied to multiple site development in the tourism sector. Resorts are not good representatives of tourism destinations as a whole.

Plog's model

Scholars have also criticised Plog's model regarding its fit with Butler's destination life cycle model. Plog's model emphasized the psychology of travel for 16 major sponsor airlines with the aim of determining who is not flying, why they are not flying, and what can be done to interest them in flying (Plog, 1974). Interestingly, this hypothesis was subsequently tested to categorise the typology of tourists. Due to this fact, the validity and trustworthiness of Plog's research is questionable and can be considered the limitation to considering it for wider application.

Dimanche and Hautz (1994) stated that the concept used in Plog's model has been subject to little independent empirical verification. Cooper et al. (1999) also noted that the concept fails to account for the fact that tourists travel with different motivations on different occasions. For example, a vacationer may take a winter ski vacation to an allocentric destination, followed later in the year by a main holiday to a psychocentric destination. Although travelers may be allocentric in nature, financial or other factors may cause them to demonstrate mid-centric travel patterns (Crossley & Jamieson, 1993). Garay and Canoves (2011) reported that changes may be prevented by money and health. Lowyck et al. (1993) also noted that people are complex, and it may not be possible to place travelers in a single category.

Similarly, Smith noted that the theory was designed for U.S.-based travelers and does not work well for other nationalities. Lastly, the model does not predict realistic travel behaviour or present empirically verifiable concepts, and it does not explain a large percentage of all tourism behaviour. Therefore, it is impractical for use by tourism marketers. Litvin (2006) stated that Plog's model should be supported by a theory that clearly understands and avoids "abstruse new terms" and "complex multivariate formulations" to prevent the model from being ineffective as a predictor of travel behaviour. This could help researchers to understand people's travel aspirations.

Considering both Butler's and Plog's models, it can be concluded that Butler's destination life cycle is limited in its use due to misleading facts (McKercher, 2005; Barksdale et al., 1982; Haywood, 1986; Singh, 2011). Plog's model is also considered an imperfect model with unclear boundaries for application (Liu et al., 2008; Dimanche & Hautz, 1994; Litvin, 2006). Liu et al. (2008) stated that these two models only consider predictable phases of the destination experience unless proactive plans are undertaken to avoid the slide toward decline.

Tourism is complex and diverse. One destination can be distinguished from other destinations or tourism products in this case. Figure 4 illustrates a realistic and practical approach. These two models may be appropriate to the recent situation or for strategic marketing plan development. Both models can be used in academic contexts to identify problems, but they should be applied with other models to support a solution.

The new national tourism plan of Thailand (2012-2016) aims to position Thailand as one of the top seven tourism destinations in Asia, as indicated by The Travel & Tourism Competitiveness Report Index. The target markets are clearly divided by regions and activities, such as Europe, Asia, America, and the BRIC group as well as honeymoons, health tourism, sports tourism, and community-based tourism.

This section discusses the case of This section discusses the case of Chiang Mai (CNX). This is a good example that is positioned as a cash cow in the Boston Consulting Group. This destination is part of the product class for Thailand, which can be seen in other destinations such as Bangkok, Pattaya, Krabi, and Trang in different stages. A competitor analysis or market share and positioning could be appropriately supported by the destination life cycle. The Boston Consulting Group focuses on product portfolio analysis, in which each product unit is classified according to its potential for growth and its competitive position. Thus, we will use this case to explain the situation of the destination.

TOURISMOS: AN INTERNATIONAL MULTIDISCIPLINARY JOURNAL OF TOURISM
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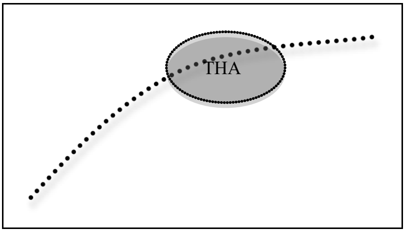
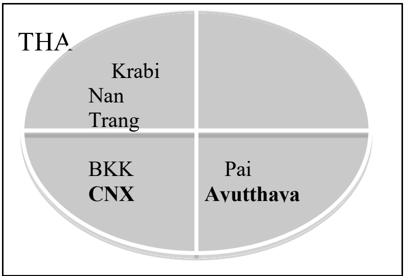
Figure 4: Application of tourism complexity: A case of Thailand



Destination Life Cycle: Thailand (THA) is in maturity stage



Boston Consulting Group Metric (BCG): Thailand combines different destinations or product classes, which classified by market share and market growth

Destination Life Cycle A Case of Chiang Mai	Target by traditional market	Target by lifestyle/product	Motivation/ Determinant	Plogs's Psychology model
Chiang Mai <u>Urban areas</u>- Maturity Allocentric to Dependables **<u>Other areas-</u>** Venturer to Near Venturer	Inbound market - Western - Asian	-Backpacker -Leisure honeymooner -Retirement -volunteerist -community base tourist	- Escapism - Relaxation - Wonderust - Health conscious - Spiritual fulfillment - Develop knowledge skills -Adventurous Basic Determinant - Health - Income - Time - Safety of destination	Mix- all in one destination including - Venturers - Near Venturers - Allocentrics - Near Dependables - Dependables
	Domestic market	- Urban traveler - leisure traveler -volunteerist		

Figure 4. Application of tourism complexity applying Butler's and Plog's Models

As noted by Garay and Canoves (2011), the destination life cycle does not offer a complete guide on how the transition from one life cycle to the next actually occurs. However, if we combine this model with the BCG, it may improve. Moreover, the typology of different tourists in one destination can be divided as presented in Figure 4. The target market and decision process have shown varied factors related to the conflict between Butler's destination life cycle and Plog's model.

According to Miller and Gallucci (2004), a practical approach suggests that Butler's model cannot be used with all market segments, whereas Plog's model does not explain extrinsic and intrinsic motivation caused by external circumstances or internal characteristics. According to Swarbrooke (2006) from demand side, tourists' motivations are complex and diverse. Therefore, internal or external determinants are needed rather than focusing only on tourists' personalities. In addition, the supply side as the sustainable tourism development from exploiting pooled or shared resources is often perceived as being complicated, (Dodd and Butler, 2009).

Plog (1974, 2001) may have gone too far to make his model realistic because he presumed that personality determines not only tourist behaviour but also the evolution of destinations. Destination personality may be an analogy for the destination image that we talk of today or the concept of brand personality proposed in marketing. However, the development, evolution, or life cycle of a destination is too complex to be accommodated within the personality framework (Chen et al., 2011).

The chaos model of tourism may be correct

The limitations of Butler's destination life cycle model and Plog's model are raised in an attempt to identify the correct model in this case. The author finds that there are no entirely accurate models for tourism because the field is multi-disciplinary. The most flexible model to understand the nature of tourism was created by McKercher (1999) based on the principles of chaos theory and complexity theory. He stated that the model is open, with movement occurring broadly from the traveler to the outputs. Each element of the model is connected with other elements, either directly or by no more than one step. Together, nine elements are connected from the traveler. Those elements include communication, consideration of factors that influence the electiveness of the communication vectors used, the destination or internal tourism community (consisting of all business involved in tourism at the destination), external tourism agency, and other tourism-related externalities, such as alternative tourism destinations. The other elements are non-tourism-related externalities or macro-environmental forces, such as changing political, economic, or social conditions, war, or natural disasters that affect people's ability to travel, Outputs from the system may be both desired and undesired, and rogues or chaos makers can push a system to the edge of chaos.

McKercher (1999) noted that this model was developed in an attempt to explain the relationships between the varied elements constituting a tourism system that are not fully explained by the existing models. Russell (cited in Butler, 2006) stated that blending the destination life cycle with the principles of chaos and complexity theory can help to better understand the evolution of destinations.

CONCLUSION

It cannot be denied that tourism destinations are complex and not clearly defined. The summary can be divided into supply and demand aspects with varied functions in each part.

On the supply side, Butler’s destination life cycle model can be considered incorrect based on two main aspects: the fact that the model was created to understand the complexity of tourism destinations and the validity of the research. Many limitations of this model have been noted that may force marketers and planners to discontinue their destinations during declines. Interestingly, there are no cycles in tourism; it is more likely a chaos system or multi-layered dialogue that is not linear.

On the demand side, Plog’s model was created to understand tourist behaviour. However, as mentioned earlier in the limitations, Plog’s model can also be considered incorrect. For example, the concept fails to account for the fact that tourists travel with different motivations on different occasions. In addition, people are complex, and it may not be possible to place travelers in a single simple category. The theory was designed specifically for U.S.-based travelers and is not applicable for other nationalities. These factors can be considered the limitations of the model.

Overall, the chaos model of tourism proposed by McKercher (1999) may be more appropriate to blend these two models for further development in the tourism context. However, for sustainable tourism development, it is also necessary to emphasize understanding of global changes and the movement of tourism in future research.

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EMERGING RURAL DESTINATIONS: THE CASE STUDY OF FLORINA, WESTERN MACEDONIA, GREECE

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Rural tourism seems to be an appropriate tool for the revitalization of the declining rural areas and the assurance of a sustainable future. For this reason the present paper builds on the viewpoint that the future of rural tourism destinations is inextricably connected to the implementation of best practices. The development of rural tourism in Greece faces a series of major contradictions; taking this into consideration, the case study focus on the emerging rural destination of Florina, in North Western Macedonia that has been awarded by the European Commission as one of the 10 best European destinations for agrotourism (2007). The aim of the paper is to identify and discuss tourism strategies and "good practices" that can clearly improve the quality of tourism offer in equivalent rural areas.

Keywords: *rural destination, agrotourism, best practices, Florina/Greece*

JEL Classification: *L83, M1, O1*

INTRODUCTION

In Europe, tourism has long been considered as a key-component for the regeneration and economic restructuring of rural areas, particularly where traditional agrarian industries are in decline (Williams & Shaw 1998, Gannon 1994, Gronau & Kaufmann 2009). Rural tourism is one of the main priorities of tourism development in many European countries – including Greece– for two main reasons: a) the market for rural holidays is growing, while b) at the same time the future of many rural regions is uncertain, due to changes in agricultural practice (including the effects of the Common Agricultural Policy in the EU) or the increasing attractiveness of urban living standards.

The aim of this study is to contribute to the investigation of examples of agrotourism best practice in Greece and to examine the characteristics of success at emerging rural destinations, using Florina, Western Macedonia, Greece as a case study. Following an extended literature review, the study –that is still in progress– is based on both primary and secondary research, namely data collection from local authorities and administrative records, semi-structured interviews with tourism stakeholders in Florina and field (observational) research at the destination.

DEFINITIONS OF RURAL AREAS, RURAL TOURISM AND AGROTOURISM

Rural areas are heterogeneous and problematic to define: most people can recognize a rural area when they see one, but few can agree on a short definition. Debates aside, common features of rural space are:

- spaces where human settlement and infrastructure occupy only small patches of the landscape, most of which is dominated by fields and pastures, woods and forest, water, mountain and desert;
- places often with low population density where the majority of people spend most of their working time on farms;
- abundance and relative cheapness of land;
- high transaction costs, associated with long distance and poor infrastructure (adapted by Ashley & Maxwell, 2001 as cited in Holland, Burian & Dixey, 2003:5).

However, the definitions of tourism that capitalize on rural landscape, culture and activities as tourist attractions have proven to be a very difficult task. More specifically, the main difficulty in trying to define "rural tourism" and "agrotourism" (or "agri-tourism" or "agricultural tourism") is that there are many different definitions in literature in different parts of the world (see Rátz & Puczkó 1998), while in some countries –Greece for example– the two terms are often used as synonyms. Moreover the term "farm tourism" appears also quite often, complicating the picture even more. In an attempt to unravel such issues Boučková (2008:15) has reached the conclusion that "in most definitions, a difference is made between rural tourism as a wider concept and agritourism as one of the forms of rural tourism". In more detail, we could underline the following:

Rural tourism

...is essentially an activity which takes place in the countryside. It is multi-faceted and may entail farm or agricultural tourism, cultural tourism, nature tourism, adventure tourism, and eco-tourism (Boučková 2008:12).

...is a recreational experience involving visits to rural settings or rural environments for the purpose of participating in or experiencing activities, events or attractions not readily available in urbanized areas. These are not necessarily agricultural in nature (Lobo, 2009).

...covers not only farm tourism or agrotourism (which is generally what rural tourism means for most people), but also special interest nature holidays, touring in rural areas and residential tourism, and the services include –besides accommodation– events, festivities, outdoor recreation, production and sale of handicrafts and agricultural products, etc. (Rátz & Puczkó, 1998).

Agrotourism

...refers to the act of visiting a working farm or any agricultural or agribusiness enterprise for the purpose of enjoyment, education or active involvement in the activities of the farm, ranch, vineyard (wine tourism) or enterprise (Lobo, 2009).

...is directly linked to agriculture; it is made up of tourism products directly connected with the agrarian environment, agrarian products or agrarian stays (Jansen-Verbeke & Nijmegen, 1990) including stays on a farm, either in rooms or camping, educational visits, meals, recreational activities, and the sale of farm produce or handicrafts (Apostolou & Papanis 2007).

...is a specific form of rural tourism, with the following features: a) close relation to nature and countryside of rural areas, b) direct relationship to agricultural activities or traditional buildings with agricultural function, c) provided by entrepreneurs whose dominant activity is farming (registered farmers according to the country's law) (Boučková 2008:17).

Rural tourism studies are focusing mostly on the benefits for the local community since rural tourism provides the means not just to counteract economic decline but to ensure a sustainable future. However, we should never forget that tourism development can have negative impacts on residents: especially in rural areas, displacement of people from their land, competition for other natural resources such as water, forest, and wildlife or even aesthetic pollution or loss of the local identity are likely to be some of the most challenging issues for the destinations. That is why sustainable tourism development should be achieved by or through the following (Swarbrooke, 1996, Rátz & Puczkó, 1998):

- Contribution to rural incomes;
- Creation of intersectoral linkages along the supply chain;
- Consumption of local products;
- Development of value added tourism products
- Job retention or even job creation;
- Increased job diversity;
- Infrastructural development, contributing also to the growth of other economic activities;
- Forestalling outmigration by the indigenous population;
- Landscape and nature conservation;
- Maintenance or even rejuvenation of rural arts and crafts as tourist attractions;
- Opportunities for social interaction for the –often isolated– local people.

Farm facilities and infrastructure -such as basic transport- are in place, thus the critical strategy for the destination is to adapt them for tourism purposes, market the rural attractions, and draw clients, particularly domestic visitors, from the cities (Holland, Burian & Dixey, 2003:10). As for the increase in rural tourism demand, especially in Europe during the last two decades, there is evidence that it is associated with the development of the short-break holiday market, the demand for more activity-based holidays and the numbers of more conscious and sophisticated consumers "reacting" against mass tourism (Shaw & Williams 1994:236, Walford 2001:332-333, Dodds & Butler 2010).

RURAL TOURISM IN GREECE

The concept of agrotourism, as used in Greece, embraces tourism activities carried out in non-urban regions by individuals mainly employed in the primary or secondary sector of the economy (Iakovidou 1992, 2066). Such activities typically involve small tourism units of family or cooperative type, which offer accommodation, goods, and/or other services and provide a supplementary income for rural families and/or an independent income for women living in rural areas (ibid).

Rural tourism in Greece is strongly associated with the so called "rural idyll" and highly romantic notions of rural life even in official sources (Kizos & Iosifides 2007:63-64), and it promotes and supports moderate and small-scale tourist services, the local agricultural production, the manufacture and trade of traditional products, and the local culture and natural wealth. The sectors and businesses mostly interested in rural/agro-tourism are: businesses offering traditional accommodation, traditional restaurants and cafes, local product manufacturers and tradesmen activities businesses, museums of all sorts clubs (cultural, natural etc.), co-operatives (women's, agricultural etc.), local authorities and schools & educational institutes.

During the last decades, the development of Greek agro-tourism has been incorporated within the EU strategy; the latter instituted funding programs for its promotion and subsidized agrotourism activities. The above-mentioned programs are: Regulation 1257/1999; the Regional Operational Programs (ROP) of the 1st, 2nd and 3rd Community Support Framework Support (CSF) and the Community Initiatives Leader I, Leader II and Leader Plus. Table 1 shows the rural tourism investments financed in Greece by LEADER I,II and plus:

Table 1. Rural tourism investments financed in Greece by LEADER I,II and Plus

	LEADER I	**LEADER II**	**LEADER +**
Budget	161.8 million €	343.95 million €	316 million €
Rural tourism investments	82.6 million €	114 million €	135 million €
Accommodation units	279	540	210
Beds	2,700	4,600	No available data
Created job positions	834	2,340	No available data

Source: Simeonidou 2009:31

As we notice, Community Initiative Leader with a total budget of 821.75 million Euros subsidized the creation of 1.209 accommodation units with more than 7.300 beds and offered more than 3.174 job positions in rural areas during the last two decades.

The managing authorities for the related funds are, most commonly, the Ministry of Rural Development and Food, prefectures, regions or local action groups (development agencies). As for the targets of agrotourist programmes, as set out by the Greek Ministry of Rural Development and Food (minagric.gr, Kizos & Iosifides 2007:63), these are:

- diversification of activities for farmers;
- new and non-agricultural incomes for farmers;
- development of new activities in rural areas;
- improvement of living standards and working conditions for rural populations;
- prevention of rural depopulation;
- promotion of and support for rural women's social and economic role;
- promotion and support of local food and handicraft products;
- environmental protection;
- preservation of the cultural heritage;
- utilization of the architectural heritage.

The development of agrotourism in Greece seems however to face a series of major contradictions and a great divergence between official rhetoric/objectives and reality. Kizos & Iosifides (2007) examined whether Greek agrotourism can be considered "real" agrotourism or... more "tourism" and less "agro". As for the main reason for the contradictions and the distorted course that agrotourism development has taken in Greece, it seems to be the lack of coherence and strategy at the national level in terms of imposing strict criteria for financial eligibility, the creation of structures for the constant monitoring of investments and the establishment of specialized marketing agencies.

THE CASE OF FLORINA PREFECTURE, WESTERN MACEDONIA, GREECE

Florina: General Information[2]

The Region of Western Macedonia in Northern Greece, comprised of the prefectures of Kozani, Grevena, Kastoria and Florina, is the only one in the country that has no access to the sea; however its visitors can enjoy the serene beauty of many lakes and the rough beauty of many rivers as well. Florina borders to the north with the F.Y.R.o.M. and to the west with Albania. The Lake "Megali (means Big) Prespa" is the point where the three countries meet, forming the tri-national point. Towards the Greek interior, Florina borders with the prefectures of Pella, Kozani and Kastoria.

The region covers a surface area of 1,924 sq.km, with an abundant succession of scenery, and an average altitude of 650 m. that rises to 2,524 m. at the summit of Voras. Morphologically, the prefecture consists of mountainous and semi-mountainous areas and lowlands. The total size of Prespa in Greece is no larger than 330 sq.km but in such a small natural space exist a wide variety of flora and fauna features, some rare and declining. The "Prespa National Park" covers an area of 249.5 sq.km, while the "core" -the zone of strict protection- covers almost 50 sq.km. It is one of the most important and famous National Parks of the country. The prefecture's climate is clearly continental with cold winters, heavy rainfall and snow and an average annual temperature of 11.5 1oC, although there is a noticeable difference between the three plateaus of Amynteo, Florina and Prespes.

The prefecture's population that counts 54,768 inhabitants (0,5% of the country's population) is distributed in an urban centre, the town of Florina (14,279 inhabitants), a semi-urban centre Amynteo (3,636 inhabitants) and in a total of 88 communities, with populations ranging from... one (Milionas in Prespes) to 1,821 Florinians (Filotas). The prefecture suffered a huge loss in human resources during the 50s and 60s as a result of domestic and external migration and displacement, caused by the unfavourable political conditions that were prevalent during the foreign occupation, the subsequent civil conflict, and also the warped course of economic development.

Economic activities, which are determined by the area's geographical position, its subsoil, geomorphology and climate, are described as follows: Agriculture and cattle-breeding constitute the primary sector's most dynamic fields. Along with fishing, the exploitation of forests and the mines they compose 30% of the prefecture's Gross National Product (GNP), marking Florina as a chiefly agricultural and cattle breeding prefecture.

The secondary sector, which corresponds to 25% of the prefecture's GNP, consists mainly of the manufacturing, electric power production and construction branches. The Florina Chamber of Trade and Industry was founded in 1938. The Industrial Park at Florina began operating in 1986. Presently, 600-650 manufacturing firms operate in the prefecture. 17% of these are operate in the field of wood and furniture, 17% in the metal, 15% in the field of food and beverages (including the reputable wines of Amynteo and the renowned soft drinks with natural carbonated water), 14% in construction and transportation and 9% in the textiles/ footwear/ clothes branches. The Public Power Corporation (PPC) is the main company active in the field of electric power production. The tertiary sector, which represents 45% of the prefecture's GNP, includes the commercial branch with 917 shops. Moreover, 391 leisure and recreation businesses are in operation.

Tourism in Florina

Florina holds one of the latest positions amongst the 54 prefectures of Greece, as far as prosperity indexes are concerned. However the prefecture's natural wealth, along with its diversity, climate, alpine environment and traditional culture make Florina into an ideal place for winter and summer tourism. Having no access to sea, tourism development in Florina focused on alternative forms of tourism, such as agro- and ecotourism. Local communities realized, early enough, that agrotourism development can support rural economies, through multiplying the demand of local products, creating new work places and supplementing local income.

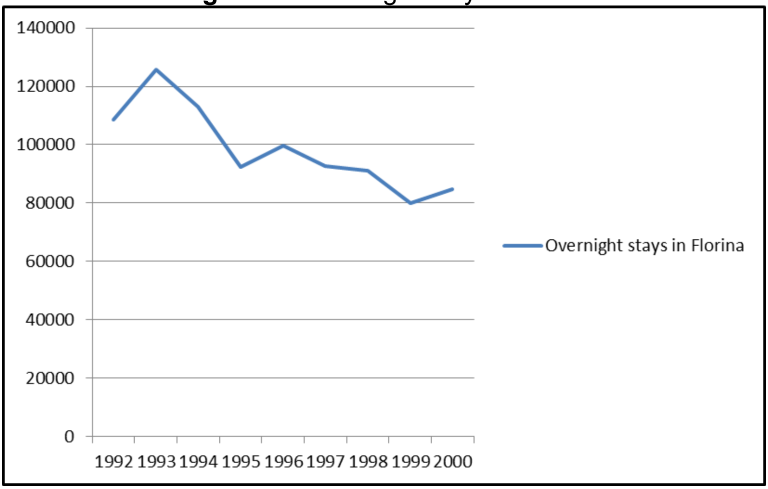
As seen on the diagram 1, accommodation figures fluctuated highly during the previous decade. According to the prefecture’s Culture and Tourism Agency, tourism arrivals increased during the years between 1994 and 1966, and decreased during year 1997, before start rising again during 1998 and 1999. The data recorded for tourism arrivals seem to follow the data recorded for nights spend in Florina.

Use Tourism arrivals in Florina decrease dramatically. In 1993, 70.933 tourists visited Florina whilst in 2002, just 42.065. Decreasing started some years ago, since in 2000 and 2001, tourism arrivals were just 46.526 and 43.013 respectively. However, during the last decade, through the exploitation of Community and National Programmes (LEADER, INTERREG, Regional Operational Programme, etc.), Florina’s tourism infra- and superstructure has significantly upgraded while, especially, accommodation facilities are continually improving.

Three mountain ranges (Varnountas, Vernon and Voras), six lakes, a clear and pronounced distinction between the four seasons, the natural environment, the Vigla Pissoderi Ski Center, the European walking routes E4 and E6, the potential for alternative forms of tourism, the infrastructure and the activities being developed by two of the most important, both at national and European level, environmental organizations, “Arcturos” and the “Society for the Protection of Prespa” (SPP).

Moreover there are archaeological sites with findings and historical monuments of Hellenistic, Byzantine and post-Byzantine eras, traditional settlements, historical buildings (of Macedonian or neoclassical architecture) and interesting museums. We should also mention Florina’s cross-border locations and the possibility offered by local tourist agencies to organize brief excursions to neighboring countries, artists' workshops, the Network of Folklore Collections, the area's traditional cultural identity, its customary and cultural events, the “wine roads” (Petres - Aghios Panteleimonas - Amynteo - Xino Nero), the local products and distinctive Balkan flavors.

Diagram 1. Overnight stays in Florina



Concisely, the area's most significant tourism attractions are:

An interesting detail is that boatmen (fishermen) of the village “Psarades” take visitors on boat tours to the rock paintings and cave hermitages of “Megali Prespa” Lake in all seasons, while various activities, such as canoe, kayak and rowing, are organized in the beach of “Koula” during the summer months; this beach is also great for swimming. Worth mentioning is also the Prespes cultural festival, held on the islet of Aghios Achillios in the last ten days of August every year. It attracts artists of worldwide reputation. The programme includes concerts, poetic evenings and an outdoor animated feast to which everyone is welcome.

The north-western prefecture of Florina has been picked by the European Commission as one of the 10 best European destinations for agrotourism. More specifically, Florina was among the 10 European regions awarded as "Best Emerging European Rural Destination of Excellence (EDEN) 2007" during the 6th European Tourism Exhibition that took place in Portugal . This annual European quest for excellence in tourism is developed around a theme, chosen by the Commission together with the relevant national tourism bodies. According to EDEN official website "The key feature of the selected destinations is their commitment to social, cultural and environmental sustainability. The recipients of the award are emerging, little known European destinations located in the 27 Member States and candidate countries. The EDEN project helps to spread the sustainable practices used in the chosen destinations across the Union and to turn these places into all-year-round venues."

Florina is the destination which fulfilled all the criteria of the competition such as traditional establishments, rich natural and cultural attributes, a wide range of local products, rich popular art, many local customs, local cuisine, many events organized in the spirit of agro tourism and many activities organized in the countryside. Florina was particularly praised for the ski resort Vitsi and the mountaineering paths on Mounts Varnous, Vernon and Voras leading to the Prespes Lakes.

In more detail, amongst its assets it was appreciated that Florina (EDEN website):

- is an emerging tourist destination actively promoting rural tourism
- has a survey on a strategic plan of development of rural tourism
- the whole prefecture has signed up to a "local Contract of quality", (e.g. the use of plastic chairs is not permitted in hotels and rented rooms, hotels and restaurants must use local produce for the preparation of meals etc.) ,
- a "local network of tradition and folklore" promotes tourism with promotional material in many different European languages and actively participates in international tourist fairs
- organises annual seminars on the development of improved rural tourism procedures
- has a very rich cultural and historic heritage and many popular art exhibitions

- has many well preserved local customs and that events such as local feasts are organized on a regular basis
- has several cultural parks
- promotes a wide variety of local products (dishes, wines) and enhances local entrepreneurship and fosters female business partnerships and networks
- participates in programs concerning the development of rural tourism
- has a renown national park (Prespes)
- has international alpine routes and its own Ski centre
- has 6 lakes (some of them on the borders of Northern Greece)
- has the ability to organize adventures in nature, sports and rural activities for tourists
- has a nature reserve centre (for the protection of wild life such as bears, wolves)
- has traditional settlements and villages with excellent infrastructure
- participates in many international projects (e.g. promotion of wine and beans products, nest project on the development of a standard for sustainable development in INTERREG projects, participates in LEADER Programs and some areas are part of NATURA 2000)
- is a member of the “euro-villages” network.

The inFLORINA-center of organization, information and promotion of tourism is the first company for tourism management and development in Greece (http://www.inflorina.gr). With services such as supplying tourism services, organizing conventions and shows, publications, vocational training, business counselling and advertising, e-commerce, inFLORINA has all the necessary tools to achieve main goals such as:

- the vertical and horizontal networking of the region’s businesses,
- the development of innovative services,
- the encouragement and development of entrepreneurial activity in the wider field of tourism,
- to provide full services to businesses,
- and the promotion and advertisement of the wider region, by establishing a powerful brand name which will act as an “umbrella” for the whole area, rendering it recognizable.

In Florina there is accommodation of all categories, levels and prices according to modern quality standards, especially in the city of Florina, Prespes and along the areas of Aghios Panteleimonas-Amynteo-Aetos-Sklithros-Nympheo. Most hotels in the city of Florina are "typical" hotels, while many of the accommodation units in villages are old houses converted into traditional lodgings (bed and breakfasts, or B&Bs). These traditional apartments are concentrated mainly in Nympheo, Prespes and other mountainous villages.

It should be mentioned that all 65 accommodation units –meaning 22 hotels, 12 traditional guesthouses, 5 furnished apartments/houses, 24 rooms to let and 2 luxury manors– are open all year round (Data from the City of Florina Development Agency & Destination Management Company Inflorina.gr). Most traditional guesthouses, apartments or rooms to let in Florina are remarkable examples of local architecture fitting in with the breath-taking environment: made of stone, with traditional wooden furniture, fireplace and local decoration. The vast majority of the accommodation units are Small Medium Enterprises (SMEs) and many of them are family businesses; this is an extra reason explaining why they are considered as ideal destinations for families with young children, couples and for anyone who seeks a quiet family environment. The medium cost per night for a double room at a traditional guesthouse of B Class varies from 40–60 Euros. Prices usually include a rich breakfast consisting of traditional products and local homemade delicacies: fresh milk, mountain tea, orange juice and pies, eggs, fresh bread with butter, cheese, honey and jams, "trachana" or "chilopites" (traditional pasta soup).

CONCLUSIONS

Any successful tourism development depends on issues, such as the quality of the product, accessibility and infrastructure of the destination, availability of skills, the interest of investors, destination image and repeat visitation (Dermetzopoulos, Bonarou, & Christou 2009). As Holland, Burian & Dixey (2003:5) underline, in most of these aspects, rural areas may well be at a disadvantage compared to urbanized and more developed areas. The lack of policy co-ordination between rural development and tourism development along with the low priority provided to rural areas by central governments have been and still remain probably the most challenging obstacles to overcome for rural destinations (see also Korstanje 2012).

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In Greece "rural hospitality" is more or less connected to an agribusiness product consisting mainly of accommodation services, catering and leisure time services in –usually mountainous– rural destinations of exceptional –or even rare– flora and fauna. The Greek case study and more specifically the case of Florina in North-Western Macedonia that has been awarded as "Best Emerging European Rural Destination of Excellence 2007" testify that European Initiatives can be proven as important catalysts stimulating local tourism projects integrated within rural development processes. The EU has placed tourism support high in the development agenda and has established a dedicated web site, while also supports the already mentioned pilot project "European Destinations of Excellence" that apart from others aims at the exchange of good practices in tourism.

Very important is, moreover, the notice that "It is not clear if globalisation, changes in consumer demand and the Internet will benefit the sector. It appears to have made consumers more mobile and flexible as shoppers. It may well be that it leads to a dichotomy where some companies successfully adapt to these forces while others fail to adapt and become unable to compete." The development of new products and services and the supply's adaptation to global customer trends requires a great deal of innovation, as well as matters of improving quality through interpretation (Gallo & Krupka 2008:6, Skanavis & Giannoulis 2010). Yet, most innovations currently happen outside the tourism industry and are only later adopted by organizations within it; this is partly due to the unique structure of the industry and the particular nature of its product (Gretzel 2008:5). Tourism experiences consist of a variety of products and services that need to be created, marketed and sold by a multitude of businesses which are typically small and do not engage in research and development-related activities, or at least not to the extent common in other industries (ibid.). The successful development of a tourism enterprise in a rural area extremely needs to take into consideration two facts: a) that both in local and global tourism market it is destinations, not individual businesses that at first compete to attract more customers and b) that if you are not online you… are not on sale.

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ENDNOTES

1. Both authors have contributed equally to the paper.
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REGIONAL AIRPORTS, TOURISM AND DEVELOPMENT: TWO PORTUGUESE CASE STUDIES

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Air transport underwent profound changes in recent decades. Some airport facilities were privatized although others remained under public control, all pursuing commercial purposes through specialization/diversification of its business models, which proved to be quite profitable for infrastructures above a certain traffic threshold. For smaller ones, public funding proved indispensable to their survival. Stockholders, including tourism organizations, saw increased potential for regions with investment realizations in regional airports. This paper presents the Portuguese case studies of Évora and Bragança, and illustrates different models of attracting investments to develop regional airports, thus attracting air services and facilitating economic development, tourism in particular.

Keywords: *Regional Airports, Tourism and Economic Development, Business Models, Funding and Strategic Partnership, Operational and Economic Sustainability*

JEL Classification: *L83, M1, O1*

INTRODUCTION

There is a generalized opinion among researchers that transport infrastructures are potentially influent in the economic performance of the regions mainly by "(…) expanding the use of existing resources (labor, capital, etc.), attracting additional resources (…), and making (…) economies more productive", (Fox and Porca, 2001:104). However Izquierdo (1997) argues that those facilities by themselves don't generate economic development in general nor regional development as they have to be considered as elements of the territory. As pointed out by the European Investment Bank (EIB, 1998) the transport infrastructure contributes indirectly to this aim, and may "[…], act as a catalyst in promoting development" (EIB, 1998:9). It is not easy to establish the true essence of the relationship between transport infrastructures and regional development (Macário and Silva, 2009), mainly because two types of impacts which Vickerman (1996) classifies as: non-space impacts - those occurring as an imposition in the economic activity, in general, by the investment in infrastructures; and space impacts – those occurring as a consequence of different performances, in different places too, by the infrastructures themselves. Nevertheless, transport infrastructures are a crucial point in Regional Economics. They have a strong influence to determine which industries would have to locate prior to other, in order to maximize the utility of those infrastructures.

Air transport has undergone deep changes in recent decades. Terrorism, political instability, the rise in oil prices, the financial crisis throughout the world, had caused an upheaval in the sector. Many air infrastructures were privatized although others remained under public control, both pursuing commercial purposes through strategies of specialization and/or diversification of its business models. These models proved to be quite profitable, but only for airports above a certain threshold of traffic; for the smaller ones public funding remained indispensable to their survival. Nevertheless, public and private entities, regional and central governments, as well as tourism related organizations, understood the increased potential for their regions with the realization of investments in some regional airports. Since tourism is the main beneficiary of this new paradigm, in many regions where such projects were carried out the regional tourism bodies and the private sector jointly leverage the whole process through strategic partnerships and creation of funds for financing (Figueiredo, 2010).

This paper presents two Portuguese case studies with distinct neighboring tourism facilities and business models: the regional airport of Évora (in the South) and the regional airport of Bragança (in the North). The paper aims to illustrate two different models of attracting the interest of investors and to assess how the public and private regional agents are organized and are investing in the development of those airports in order to attract air services, facilitate the economic development - the tourism in particular. To achieve such a goal the paper is organized as follows: after this introduction, chapter two presents a short state of the art about regional airports as assets for tourism and economic development; chapter three underlines the sustainability of regional airports concerning funding and strategic partnerships; chapter four is dedicated to both Portuguese case studies of Évora and Bragança regional airports; finally, chapter five is the overall conclusion with a proposal for the evaluation of impacts of regional airports on tourism and economic development.

REGIONAL AIRPORTS AS ASSETS FOR TOURISM AND ECONOMIC DEVELOPMENT

In the context of AIRDEV Project[1] it's under discussion how airport's interactions with surrounding communities generate value, in order to determine its real socio-economic impacts and to identify new business opportunities.

The economic impact of transportation systems on regional development, and in particular of airport infrastructure, has been at the center of attentions. In general, regional impacts generated by the existence of an infrastructure, such an airport, will be greater the more services it offers and the wider the range of destinations it allows. However, and from a commercial point of view, this relationship may be non-linear mainly because airlines will provide prior flights to the most attractive destinations than to those less important. Size and endogenous characteristics of each region are important too, as the so called new economy activities will be attracted easier to larger regions with a significant population and market sizes than to smaller ones sparsely populated and with a weak entrepreneurship dynamic. Those territories not only offer a wider potentially suitable labour market but also provide a larger one for goods and services produced. The overall conclusion is that, within limits, air transport stimulates further growth in the economy but it is also fostered by the dimension of the hinterland itself which adds to airport management a requirement of strategic marketing (Silva and Macário, 2008).

Indeed, air transport is an important input for the development of non-leisure-based industries, mainly for those which promote interpersonal linkages. In fact, not only the transport of air passengers is crucial to some of those industries, but also many of "(…) such firms also rely on a range of air freight services to provide quality service to customers and to operate just-in-time production management" (Button and Taylor, 2000:209). But air transport is also an important issue for the success of tourism in a lot of regions, mainly for two reasons: i) changes in technology affect both size and speed of aircrafts, and ii) the real cost of travel fell through low cost packages and tourist discounts. Thus, "(…) as market demand is highly elastic at the lower price level, this has led to a large increase in demand (…)", (Cole, 1998:430). Button and Taylor (2000) consider the related impacts of both non-leisure-based industries and tourism in terms of four main effects:

- Primary effects: these are direct and immediate benefits to a region for the creation of new services and/or the expansion of others still existing. They may include the need for some physical improvements over the local airport but they may bring some local benefits too on account of wages and incomes the workers and the companies consequently spend in the region. Although these are gains to the local economy usually they are of short term and limited in magnitude;
- Secondary effects: these are longer term effects. Usually they are linked with local economic benefits of air service operations mainly due to the employment involved directly with the handling of aircraft, passengers and cargo. Also there are very important indirect secondary effects over the local economy concerning the on-going income flow of air service operations in terms of employment and income - in general, and of taxation revenue for local authorities - in particular. The secondary effects size over the territories depends upon airport operations of both, volume and nature;
- Tertiary effects: these are effects over the local economy resultant of air transport services at the disposal of both individuals and companies. Usually, the development of business activities require the use of transport modes in general, but those engaged with the *new economy activities* are surely involved with air mode in particular because they need easy inter-personal contacts only possible with high speed and quality transport services. Usually, these companies sets act as basis for local economic development mainly because not only they present a considerable geographical mobility, but also they belong to an important growth sector;
- Perpetuity effects: there are several empirical evidences that infrastructure investment reflects itself into the regional economy by raising the activity level and stimulating the productivity thus acting as a catalyst for higher economic growth in the appraisal area. Thus air transport services development, acting as a kick-start

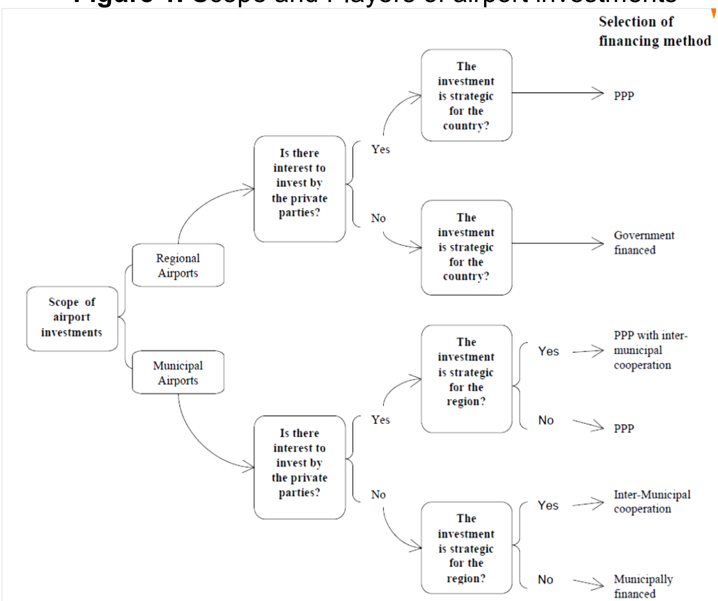
mechanism, may set in progress larger and longer term crossed regional economic development processes of wide scope and density, leading to profitable scale economies too.

THE SUSTAINABILITY OF REGIONAL AIRPORTS: FINANCE, STRATEGIC PARTNERSHIPS, TOURISM AND SOCIAL RELEVANCE

Airports in general are characterized by strong sunk costs, making them hard to be financed at the level of a municipality alone, mainly if the main beneficiaries are inter-regional, thus being difficult to define the project financing sources. Even aviation may fail to meet the full external costs generated by its own activities (noise and pollution)[2] and fail to pay for direct costs generated by the activity itself, as for example motorways to link the airport to targeted cities (Whitelegg, 2000).

A question subsists: how to decide what kind of public and/or private cooperation is better for each kind of infrastructure project, in order to maximize social benefits? For this analysis, the scope of the investment has to be defined (Figure 1).

Figure 1. Scope and Players of airport investments



Source: own elaboration

Public private partnerships (PPP) make more sense for semi-public or club goods, because there is interest by both parts to share risk management and maximize profit. An airport is a non-rival good, as long as the demand doesn't exceed the airports capacity, but has the potential to become an excludable good, as it is technically possible to restrain the use of the airport for certain purposes (Table 1).

Table 1. Reference table for type of good

	Excludable	Non-excludable
Rivalrous	Private goods (Foods, Costume, Auto)	Semi-Public goods (Toll, road, hospital, Post and Telecom)
Non-rivalrous	Club goods (Highway and Bridge, Comfort station)	Public goods (National defense, Common Highway, Lighthouse)

Source: Own elaboration based on Chang and Liu (2008)

.

It is, then, a club good, but has still certain fuzzy properties that cannot be modelled through this simple table (Table 1). In addition to that, an airport has monopolistic properties that cannot be understated, because it generates what is called X-inefficiency, turning these infrastructures vulnerable to an inefficient operation and interests of the owner (Button, 2010). This is particularly true to both regional airports of our case studies, which are owned by the municipality, where the introduction of competition mechanisms is rather difficult. It is even debatable if these ownerships are not run by electoral and personal endeavours.

The 18th article of the Portuguese law nº159/99, 14th September, states that it is competent to municipalities to maintain, invest, finance and operate municipal airfields and municipal heliports. That implies that a Public-Public Partnership between the government and the municipality is not feasible legally[3]. At the same time, the scope of the law may change with the terminology change to regional airport, and become a project of national interest, turning a Public-Public Partnership possible between the Ministry of Transportation and the municipality[4], but this doesn't make sense, as the transfer of budget is done by the government to the municipality. Both articles don't mention inter-municipal partnerships, and that possibility could be a solution for the airfields' expansion to regional airports. The involvement of the private sector in regional airports owned by municipalities is also relatively debatable, since there is no interest developing an infrastructure which depends mainly on two possibly inexistent factors: the demand by airlines; and the demand by customers. The factors which can increase those demands in our regional airports, notably linked to tourism, will be discussed later in this paper.

It will be difficult to improve the airports' infrastructure if the government has already endorsed another transport policy[5], thus transport infrastructures may become also concurrent. When a certain transport infrastructure is expanded, the amount of investment may be recovered by an increase of the price for use, but that may generate adverse selection, as economic agents may use a less efficient transport infrastructure in terms of speed or cost, for example, and compromise the investment's profitability and payback period, on one side, and reduce their economic performance overall, on the other.

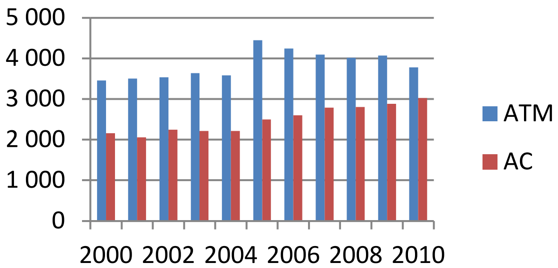
Tourism is a great source of income for airports. A great part of an airport's revenue is based on the retail present in the airport, even in the smallest regional airport. Still, considering the growing demand of rural tourism in Portugal (Vaz and Dinis, 2007), the airports can directly benefit from their location in rural areas. Regional airports have a strong role to play, developing market niches on their own, facilitating the mobility of tourists that arrive to the main coastal areas and turning the rural areas more accessible. For example, tourism has been the main beneficiary of the regions that have managed to capture the Low Cost Carriers. In many regions where such projects were carried out, the regional tourism bodies and the private sector jointly manage to leverage the whole process through strategic partnerships and creation of funds for financing (Figueiredo, 2010). A regional airport can be a good spot to increase some kinds of air sports and activities oriented towards tourism, such as air festivals, and local demand of innovative products. Aero clubs have strong dynamics in those activities, as they organize events that attract the surrounding population, and generate small scale benefits mainly to the operation of the airport. New trends in tourism, referred as Adventure Tourism, bring also new areas of business, which can be the step to undertake before even considering an infrastructure's expansion.

Beyond the purely economic aspects related to the airports - regional airports also develop functions that are socially relevant. For example, small airports can provide a public service of extreme importance to those places where medical care is not available and which require urgent transport to bigger cities. Aside from that, a regional airport increases the mobility on the local population. A good example is the business traveller, who needs to be in time at a business meeting. Small airplanes making regular carriers may help to develop local business. The raise of this issue may attract the interest of regional entrepreneurial associations to invest in the regional airport, in order to keep it open.

TOURISM AND THE REGIONAL AIRPORTS OF BRAGANÇA AND ÉVORA. TWO PORTUGUESE CASE STUDIES

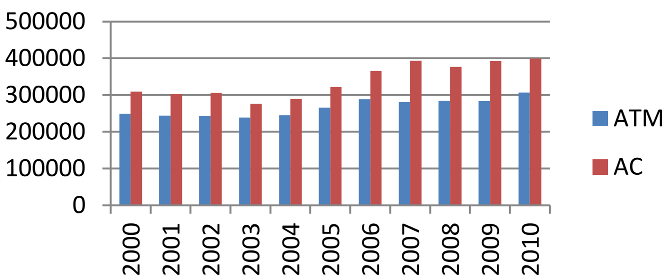
Bragança and Évora are located in the NUTS III[6] Alto Trás-os-Montes (ATM) and Alentejo Central (AC), respectively. The investment effort made in the last decade by both regions to increase their tourism market is reflected in the above figures (Figure 2, 3, 4 and 5).

Figure 2. Lodging capacity (nº of beds)



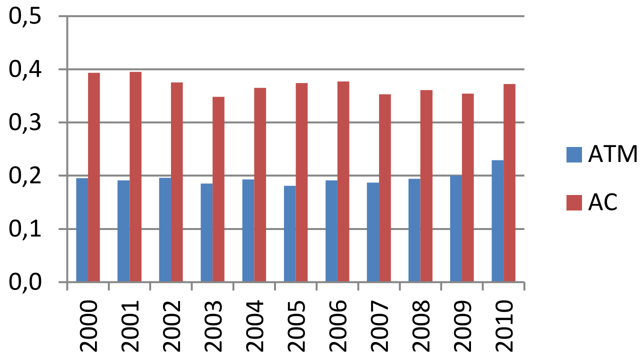
Source: INE (www.ine.pt)

Figure 3. Number of overnight stays



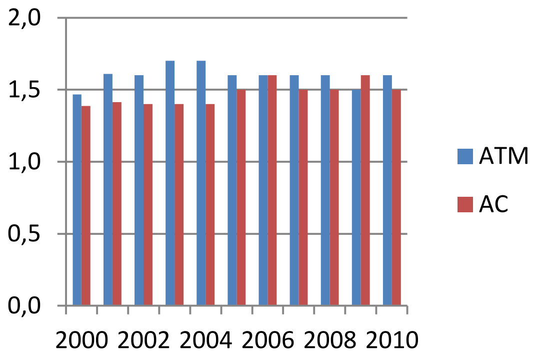
Source: INE (www.ine.pt)

Figure 4. Net bed occupancy rate



Source: INE (www.ine.pt)

Figure 5. Average stay



Source: INE (www.ine.pt)

The analysis of the lodging capacity of ATM tells us that, according to the number of overnight stays in the region, the supply of beds is clearly above the demand, resulting in poor bed occupancy ratios in the last decade. Since those lodgings are already in place, one of the pillars for the development of tourism is guaranteed, and the increase of tourism marketing and of tourists´ mobility can contribute significantly for the number of overnight stays in the region, and, finally, for the growth of the regional income. Following this, the development of the regional airport of Bragança can be the missing link between excessive supply and deficit demand, since lower times of travel can allow tourists for longer stays or more frequent short-stays. Moreover, the proximity of Spain can extend the catchment area of the airport to a greater potential demand.

The case of AC is more delicate to analyse. This region has managed to attract a higher number of tourists (measured by the number of guests in hotel establishments) then the ATM region, may be because Évora is a world-renowned city, for its cultural heritage, and medieval attractions. Like ATM, also AC presents a low average stay, showing that both regions are demanded for short-breaks. In spite of the higher values of AC, both regions have low net bed occupancy ratio. Since there is a great potential for tourism in the regions, those values should be source of preoccupation for local authorities and tourism agents. Near AC (more precisely in Beja, Baixo Alentejo), an international airport has taken lots of investments to attract low-cost carriers to boost regional tourism as a consequence. The airport of Évora, if expanded to allow passengers, would generate unnecessary competition among airports of the region. Hence it is not expected to be used for commercial transport of air passengers, but instead to cargo transportation, in the long run. Currently the airport of Évora has an important role on air sports activities.

It can be said that both regional airports of Bragança and Évora have adopted different business models, but none of these are oriented towards a really tourism development. To increase tourism, both in the airport and in the region, the business models actually implemented must be imperatively compatible with the transport of small aircrafts. In the case of Évora, the airport isn't equipped with a passenger's terminal, nor with a cargo terminal, and the airport of Bragança has only a terminal with a maximum capacity of 16 passengers. According to the municipality airport's master plan, the main objective of the future operation of Bragança's airport is to increment the number of passengers. It seems to us that it is the best business model solution, as the area of the district of Bragança is one of the most remote regions in the country, aside from the islands.

In the case of Évora, an industrial aeronautical park in the neighbourhood of the airport has been built, for an initial investment of 12 million €. The firm EMBRAER, SA, the forth world's largest aircraft manufacturer, undertake great investments to build two new factories, totalling 148 million €, which are set to attain full level of production in

2014, and generate great local employment. This business model can ensure good perspectives of revenue for the municipality (sale of land, taxes payments, aeronautical taxes revenues), and for the local population, with as foremost effects the creation of employment and growth of the GDP.

CONCLUSIONS

In general, regional impacts generated by the existence of an infrastructure, such an airport, will be greater the more services it offers and the wider the range of destinations it allows. However, the size and endogenous characteristics of each region are important too, as the so called *new economy activities* will be attracted easier to larger regions with a significant population and market sizes than to smaller ones sparsely populated and with a weak entrepreneurship dynamic. Nevertheless, regional authorities and stakeholders, including tourism organizations, saw increased potential for regions with investment realizations in regional airports. For smaller regional airports, public funding proved indispensable to their survival, but strategic partnerships can be designed to involve the main beneficiaries (eg. tourism industry). The two Portuguese regional airports presented on this study reflect two different business models of airport and two different development goals. One (Bragança) oriented to increase the number of air passengers and planning to really contribute to tourism development of the region. The other (Évora), besides being a national reference on air sports activities, managed to attract an important aeronautical industry and is planning the cargo transportation in the long run. Both, implementing their plans can impact positively on the regional economy and boost the external image, thus attracting tourists.

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ENDNOTES

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2. As the land surrounding the airports are owned by the municipalities, our two Regional Airports Case Studies do not generate significant levels of noise and pollution, thus avoiding the creation of pressure groups to stop the growth of the infrastructure.

3. Reinforced by the article 8, paragraph c) of the Portuguese law of Local Finances nº 2/2007, 15th September.
4. Article 8, paragraph b) of the Portuguese law of Local Finances nº 2/2007, 15th September.
5. Great investments on PPP have been made in the development of the Portuguese motorways network in the 2000's, generating strong financial commitments for the next years.
6. Portuguese statistical regions.

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AGRITOURISM POTENTIAL OF GREENHOUSE ENTERPRISES ESTABLISHED AT DİKİLİ-KAYNARCA REGION IN İZMİR-TURKEY

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Availability of geothermal water resources, suitability of climate for greenhouse plant cultivation and high potential of tourism increases the applicability of agritourism in Kaynarca Region, in Turkey. Closeness and connectivity of region to both Bergama and Dikili, which have high cultural tourism attraction and improvements in cruise tourism, respectively, would provide the integration of agritourism to other tourism types. Therefore, an alternative tourism can be uncovered and both national and international tourism demand can be increased in area. In this study, determination of the available potential of greenhouse enterprises of Kaynarca Region in Turkey, related to agritourism has been presented.

Keywords: *Agritourism, greenhouse, Kaynarca, Dikili, Bergama*

JEL Classification: *L83, M1, O1*

INTRODUCTION

Tourism has been defined as the entire relationships and events caused by travelling of people far from their usual working environment, permanent residences and habitats where they can demand the goods and services produced by tourism enterprises and by their temporarily accommodation, by AIEST (Kozak et al., 2010).

Tourism can be classified as recreational, cultural, sport, religion (faith), economic, political, congress and family tourism (Usta, 2002).

Rural tourism is a type of tourism, which is combined with rural culture, natural environment and agriculture, and which can be easily integrated into other tourism activities. Therefore, rural tourism, enriched with context by the regional, national and international initiatives, can attract people to the rural areas in many countries. Rural tourism is divided into village tourism, farm tourism, green tourism and agritourism (Soykan, 1999).

Agritourism has emerged in agricultural and naturally charming areas as a result of developing international tourism. It usually covers all tourism activities in rural areas, and hereby shows some similarities with rural tourism. Nilson defines the agritourism as a sub-branch of rural tourism. Hence, rural tourism generally bounds to environment, while agritourism bounds to cultivated area and farmer (Çıkın et al., 2009).

Agritourism is carried on rural enterprises, which integrates commercial dimension of tourism with active farming. It utilizes natural, ecological and environmental resources, integrates agriculture and forestry; fishery, livestock and agricultural activities; farm culture and daily farm life (Kozak, 2009). Agritourism enables accommodation facilities, participation of tourists to work programs such as milking, animal breeding, plant harvesting etc., in farm enterprises whose main task is providing farm products to customers. Potential agritourism activities usually include the ones such as farmer's bazaar, flower exhibition, street stalls, antiques, tractor driving, riding horses, agri-fairs, agri-museums, cycling tours, souvenirs, hunting, fishing, teaching to cook local foods and rural training centers (Avcıkurt and Köroğlu, 2008).

Agritourism not only includes conservation of agricultural lands and utilization of agri-products in tourism but is an alternative tourism also, which has developing economical dimension as an alternative tourism. Nowadays, various tourism alternatives are seen relating to international touristic demands. Fruit harvesting in orchards where the agricultural activities are intensive is one of these alternatives (Çıkın, 2009). Additionally, socio-economic and external factors affect the participation of agri-producers in agritourism. Producers perceive tourism as a social phenomenon (Polovitz et al., 2001).

Greenhouse cultivation is a type of agriculture which enables efficient and high yielded fresh vegetable and flower production. Soilless culture as a part of greenhouse horticulture showed a quick development, since it is independent from available soil conditions, prevents soil borne problems, harmful effects of soil chemicals such as Methyl Bromide (Van Os et al., 2001; Giannakou and Anastasiadis, 2005). The technology utilized in soilless culture is well developed. The growers recognize production as profitable. All these reasons make soilless culture attractive for supply and demand sides of agritourism (Nelson and Pade, 2007).

Brief background of Dikili-Kaynarca Region and Bergama tourism

The region is located on the Dikili-Bergama highway and vast number of tour buses uses this route especially in summer season. Increasing importance of Dikili Port in Northern Aegean Sea caused to frequent visits of cruiser tourists. The tourists who come to Dikili Port are taken for a visiting to local and universal heritages in Bergama through the daily trip tours to Bergama.

Dikili is a popular summer resort and coastal town located in the Aegean Region of Turkey. It is situated 120 km north of İzmir. It has a large port enough to accommodate three passenger ships at the same time, and has good land transport connections.

Accommodation facilities are generally in the form of hotels and pensions in Dikili. Type, number and the capacity of the accommodation facilities in 2010 are given in Table 1 (Baykal et al., 2013).

Table 1. Type of accommodation facilities and bed capacities in Dikili (2010)

Facility type	Number	%	Number of beds	%
Hotel	10	34.5	989	49.4
Motel	3	10.3	85	4.2
Pension	11	37.9	363	18.1
Camping	2	6.9	137	6.8
Service area	2	6.9	380	19.0
Holiday village	1	3.4	50	2.5
Total	**29**	**100.0**	**2004**	**100.0**

Table 2. Change of visitor numbers in years in Dikili

Year	Turkish	Foreigner	Transit	Total
2007	465	1399	4403	6267
2008	686	2317	8864	11867
2009	809	2796	6628	10233
2010	1584	768	14903	17255
2011	1419	1021	17392	19832

Entrance of foreign visitors into Dikili is generally via seaway. Since the business purpose entrances are few, they can be defined as “traveller”. Although the increase in numbers is evident in years, there is no stability or regularity (Table 2) (Baykal et al., 2013).

Bergama is populous, historical and central town of the same area. Moreover, when compared with other counties of İzmir relating to social-economic development grade, it is in fourth place in terms of agricultural indicator (Kaplanoğlu and Meriç, 2011). It is 27 km inland from the nearest seacoast and located at the east of Dikili. The history of the town reaches to The Hellenistic Period (283-133 B.C.) and it is included in the UNESCO World Heritage Tentative List. Touristic organizations play main role in tourism of Bergama. Foreign visitors generally prefer 8-15 days tours called “Anatolian Tours”. 88% of them stay one night in negotiated hotels. The number of daily visitors from İzmir and Ayvalık is more than nightly accommodated ones (Table 3) (Baykal et al., 2013). Besides, the distance between Bergama and İzmir positively contributes to total daily visitor numbers (Table 4).

Table 3. Number of arrivals to facility, nightly accommodations and average day of stay in Bergama in 2010

	Foreigner	**Domestic**	**Total**
Number of arrivals to facility	498	1613	2111
Number of nightly accommodations	1958	6061	8019
Average day of stay	3.9	3.8	3.8

Table 4. Total number of daily visitors of museum and historical sites in Bergama in 2010 and 2011

	2010	**2011**
Bergama Museum	25833	25416
Acropol	295927	301723
Asklepion	155959	154976
Basilica	36535	36906
Total	**514254**	**519011**

Greenhouse vegetable production in Dikili-Kaynarca Region

Greenhouse production, as soilless culture, started in 2002 in Kaynarca Region. It is carried out in the area more than 700 da. While there was 1 greenhouse enterprise in the region in 2002, total number reached 4 enterprises in 2011. Region is attractive for investors due to easy connection to İzmir and İstanbul markets, advantages of Dikili Customs, suitability of geothermal water resources and climate.

In this research, identification of agritourism potential of greenhouse enterprises established in one of the largest and important greenhouse areas of Turkey and as well as Europe is presented.

MATERIALS AND METHODS

The study was carried out in Kaynarca Region, which is located between Bergama (39^{o}07`04.73``N, 27$^{o}$11`00.47``E) and Dikili (39^{o}04`20.73``N, 26$^{o}$53`17.71``E) Towns, in İzmir-Turkey, in the August of 2011. The distance of the region to Dikili and Bergama is 9 and 17 km, respectively. It is one of the most important greenhouse areas of Turkey and Europe together with Antalya, mainly due to the availability of geothermal water resources and suitability of climate.

There are 4 greenhouse enterprises in the region. Names are indicated as A, B, C and D, due to the privacy demands of the enterprises during the research.

Field study of the research was performed in the form of at least 2 hours face to face interviews by either management or production manager of the enterprises after the necessary appointments. Because of the heavy workload and starting of the production season, interview demand was rejected by the enterprise D and therefore it couldn't be included into the study.

Total 30 questions were asked for each (A, B and C) enterprise. While 12 of them were prepared to clarify the general structure, 18 of them were aimed to define the agritourism potential, viewpoint and approach of the enterprise (Table 5).

In the case of negative response to "Q17 - Do you think to start agritourism activities in the following years?", it was assumed positive in order to continue to the interview and proceeded to next questions.

Table 5. Questions of the face-to-face interviews for greenhouse enterprises

Q1	What is the name of enterprise?
Q2	When was the enterprise established?
Q3	What is the total number of employees? How is the distribution?
Q4	What is the total area of the enterprise?
Q5	What is the total greenhouse area of the enterprise?
Q6	What are the products?
Q7	Why was this region chosen?
Q8	What are the greenhouse types?
Q9	Which heating system is utilized for production?
Q10	What is the production schedule?
Q11	Do you use good agricultural practices (GAP) in your enterprise?
Q12	Do you have quality management system in your enterprise?
Q13	How do you evaluate the Dikili-Bergama Region in terms of tourism?
Q14	What is tourism in your opinion?
Q15	What is rural tourism in your opinion?
Q16	What is agritourism in your opinion?
Q17	Do you think to start agritourism activities in the following years?
Q18	Would you employ new and experienced labor for agritourism? (Do you think that your available personnel are qualified in terms of language, agricultural and tourism skills and experiences? Why?)
Q19	What is your opinion on the new investment such as a new pension or hotel for the accommodation of visitors?
Q20	Do you think to expand your enterprise for agritourism? How do you perform it? (As a new small or medium scale greenhouse in a new area or as an addition to the available enterprise?)
Q21	Do you think to increase crop diversity for agritourism? Why?
Q22	Do you think to start other agricultural activities such as orchard, animal breeding etc. in addition to the greenhouse production? Why?
Q23	Do you think to establish sales stand in the enterprise or near the highway? Why?
Q24	If you are utilizing the geothermal energy for greenhouse heating at the moment, do you think to plan other touristic activities utilizing geothermal energy when the local conditions are convenient?

Volume 9, Number 1, Spring 2014, pp. 253-264
UDC: 338.48+640(050)

Q25	Do you think to organize certification programs for the visitors during their accommodation?
Q26	Do you think to install kitchens where visitors can cook or prepare their harvested crops in your available enterprise?
Q27	Do you think to introduce your production technology to the visitors?
Q28	Do you think to include visitors to the harvest either in a separate greenhouse or in the available greenhouses?
Q29	Do you think to include visitors to handling/packaging?
Q30	Do you only think to introduce your enterprise or to include visitors to whole activities? Why?

RESULTS AND DISCUSSION

The achieved results during the study have been given below in accordance with the questions.

The first established enterprise in the region is A. It has the largest total and greenhouse area and the highest employment number. For all enterprises, the reasons for choosing the Kaynarca Region for investment are suitability of climate, geothermal water, closeness to the market and Dikili Customs. Since the production is ended in July, total employee numbers of the enterprises are reduced in this month (Table 6).

Table 6. General properties of the greenhouse enterprises

Enterprise	Date of establishment	Greenhouse area (da)		Total area (da)	Employee Number				
					Manager	Technician	Officer	Worker	Total
A	2002	544	Plastic: 339 da	3100	2	38	45	485*	570
			Glass: 105 da						
B	2006	40.8	Whole Plastic	243	1	-	-	40 – 45*	41 – 46
C	2006	150	Plastic: 120 da	3000	2	14	3	121*	140
			Venlo type 30 da						

*In production season.

All enterprises are growing vegetables in soilless culture (Table 7). Production season reaches from August to June (11 months).

One enterprise has GlobalGAP and TN10; another one has GlobalGAP and BRC (A Grade) certification. Yet the other one has no certification. While geothermal heating is utilized in enterprise A and C, production is carried out by fossil fuel (coal) heating in B.

Enterprise A has a seedling nursery. All enterprises prefer to grow additional products such as orchards and field crops (Table 7).

Table 7. Products and growing areas of the greenhouse enterprises

		A (da)	**B (da)**	**C (da)**	**Total (da)**
Greenhouse	Tomato	396	40.8	150	586.8
	Pepper	60	-	-	60
	Melon	67*	-	-	67
	Lettuce	67*	-	-	67
	Seedling	21	-	-	21
Open Field	Walnut	-	15	-	15
	Olive	-	25	-	25
	Other orchards	1600	-	-	1600
	Barley	-	-	800	800
	Wheat	-	-	800	800

* Melon and lettuce are grown in the same area since the production seasons are not overlapped.

Although two enterprises accepted Kaynarca as the tourism region, they indicated negative effects of the lack of accommodation and promotion, domination of culture tourism and stereotyped tourism understanding in the region; relating to the answer to “Q13 - How do you evaluate the Dikili-Bergama Region in terms of tourism?”. Other enterprise asserted the future of tourism in the region is weak.

It has been determined that either the enterprises have no idea about tourism, rural tourism and agritourism or have lack of information. Thus; one enterprise did not answer the Q14, Q15 and Q16; others perceived the rural tourism and agritourism as the same concepts. It is therefore attributed to the origins of the interviewers, i.e. not from tourism but from agriculture sector.

All enterprises answered “No, at the current state” to the “Q17 - Do you think to start agritourism activities in this enterprise in the following years?”, which forms the basis of the study. The reasons were:

- The risk of occurrence and spread of diseases and pests,

- Necessity of the preservation of hygiene conditions,
- Exigency of not to take risks in terms of competition and use of input.

Because of the mentioned reasons above, enterprises tend to accept minimum number of visitors even with rendezvous.

Even though the enterprises were in doubt against the agritourism activities, one of them believed that agritourism could help the promotion of the greenhouse enterprise. Additionally, if it can be efficiently planned, integration of agritourism in future actions thought to be benefical by enterprise A. In this case, such activities should be carried out in a separate area where occurrence and spread of the diseases and pest will have minimum impact on main greenhouse enterprise. The other two enterprises indicated that agritourism could be carried out sustainably and economically in 5000 sqm greenhouse fitted with separate equipment and crew, in their readily available enterprises, rather than heading to investment expenditure for new agritourism infrastructure. In this case, the issue "risk of occurrence and spread of diseases and pests" should always be kept in mind.

In terms of agritourism, quality of human resources of the enterprises has been low. All enterprises have agreed to necessity of employment of an expert and foreign language training.

However different vegetables were grown using soilless culture technique in greenhouses, enterprises grew only tomato except A. Enterprise A and C believed that, increasing the product diversification would be effective in attracting the interest of tourists. Since the application of different cultivation techniques is mandatory for the production of different vegetables in the same greenhouse, separated soilless tomato greenhouse having 5000 sqm was predicted to be sufficient by enterprise B.

Due to the negative effects of stench and risk of spreading pests and diseases, integration of a new business such as livestock into the available enterprise within agritourism concept was rejected by enterprise B and C. However, starting of investment for 300 livestock and considering its integration to the potential future agritourism activities in the region were indicated by enterprise A.

Due to the high risk of contamination, participation of visitors to harvest and packaging was rejected by enterprise C, while participation of visitors to harvest was considered when assembled a new greenhouse by enterprise A and B. On the other hand, participation of visitors to packaging was found acceptable only if products are handling and transporting to a roadside shop, i.e. not to export, by enterprise A.

Additionally, it was found to be possible to include the tourists into packaging under the supervision of an observer, because of the low level risk in packaging among the whole greenhouse business, by enterprise B.

Assembling a roadside shop selling greenhouse grown vegetables was stated to be unnecessary by the enterprise B and C, since this would impose new costs and lead to loss of prestige for both enterprises. However, purchasing attempt for suitable area to assembly a roadside shop by enterprise A has been ended unsuccessfully in recent years.

Even though training and certification of the tourists relating to practiced agricultural activities during the accommodation was welcomed by all enterprises, enterprise B and C tended to carry out such activities together with universities and institutes.

Installation of kitchens where harvested products could be cooked or readied to consumption by tourists themselves was favored only by enterprise A and B. Facilitation of this kind of service even with new kitchen assembly was considered to be beneficial both for enterprises and tourists, since many visitors maintain their life out of agricultural or rural lands.

CONCLUSION

Due to the high investment costs, difficulty of maintaining hygiene conditions and unsuitability of available human resources' quality and quantity, applicability of agritourism in the Kaynarca Region was not predicted at current state by the enterprises involved in this research.

Even though Dikili-Bergama Region is accepted as a tourism area, greenhouse enterprises did not concern themselves as part of the supply side of tourism. Moreover, they tended to accept minimum number of visitors under certain conditions even with rendezvous.

Beyond that general approach, assembling an accommodation facility separated from greenhouse enterprise for the tourists was planned by the one of the enterprises. In case of the investment, cultural tourism in Bergama, ecotourism and rural tourism in Kozak Plateau, coastal and cruise tourism in Dikili and thermal tourism in Dikili-Kaynarca, which are continued in the same region with greenhouse production, could be integrated around agritourism concept. In this way, agritourism can be a tool for competition, marketing and presentation together with an example of a good practice in terms of domestic and foreign tourism.

As a result, due to the available structures and mechanisms, enterprises were not willing for agritourism. However, agritourism can be developed in the region by the awareness created in cooperation between public and/or local administration, non-governmental organizations and universities in following years.

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WORKAHOLISM IN TOURISM SECTOR: THE CASE OF TAIWAN

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The main purpose of this paper is to examine the question of whether or not it would be beneficial for the tourism sector to recruit workaholic employees since they might be more suitable for this type of industry. A total of 2,000 questionnaires were distributed to employees working in the tourism industry in Taiwan and 420 valid samples were returned with a return rate of 21%, from them 82 were identified as workaholics. Workaholism in our research is differentiated in three categories: low-level, high-level and burnout workaholics and it's analysed by their relationship with work achievement and enjoyment, work involvement and inner work drivers. The core findings indicate that there are significant differences between high-level workaholism and the other categories. Therefore, it is suggested that tourism managements should select employees with high-level workaholism and this paper can serve as an indicator to assess recruiting procedures in the future.

Keywords: *Workaholism, Involvement, Inner drivers, Achievement and enjoyment*

JEL Classification: *L83, M1, O1*

INTRODUCTION

Workaholism is viewed negatively in many studies (Schaufeli, Shimazu, & Taris, 2009; Snir & Harpaz, 2012) and it is criticized as a bad phenomenon since it might have a negative impact on the health of employees due to the long work and overtime hours (Fotiadis & Vassiliadis, 2013; Mudrack, 2006; Snir & Harpaz, 2012). Moreover it can lead to aggressive behavior in employees (Balducci, Cecchin, Fraccaroli, & Schaufeli, 2012) or it can cause problems to the workers family (Schaufeli, Shimazu, & Taris, 2009; Shimazu, Demerouti, Bakker, Shimada, & Kawakami, 2011). In some working groups workaholism can be considered a necessity and not ~~as~~ a negative characteristic. Medical and tourist services with a high labor intensity and seasonality can welcome workaholics and even require employees to have workaholic characteristic if they want to be successful. In most cases workaholism is characterized by working many hours so a surgeon who is on a surgical operation for fifteen hours must be in the nature of workaholic if he/she wants to be able to cope with the intense and difficult work program. A tour operator or an employee in a restaurant or a pub need to withstand work pressure and serve all customers qualitatively in minimum time with the least possible complaints (Kamenidou, Mamalis, & Priporas, 2009; Vassiliadis, Fotiadis, & Piper, 2013; Vassiliadis & Fotiadis, 2008).

Analysing the existing literature it is evident that there are no scientific articles that explore the term workaholism in relation to the tourism industry. The purpose of this paper is to examine this relationship and to determine whether employees with workaholic characteristics are best suited to the tourist industry. We examined four dimensions related with workaholism: achievement motivation; work involvement, job related emotion and work orientation and we observed which the characteristics affect tourism sector employees on becoming workaholics and whether or not workaholism is a necessity for tourism sector employees.

LITERATURE REVIEW

Workaholism categories

The term workaholism was first acknowledged in 1968 by Oates (1968) who defined a workaholic as someone who is so passionate with his work that he/she believes that is more valuable than his health, personal happiness, social relations and interpersonal relations (Brady, Vodanovich, & Rotunda, 2008; Oates, 1968). Most of the researches connect workaholism with increased working hours and bad working conditions (Balducci et al., 2012; Schaufeli et al., 2009). But in some cases workaholism is connected with positive evaluations. Imagine the previous example of a surgical doctor. He works several hours, sometimes he does not care for his personal health or his social relations, but he is extremely satisfied since he is saving a life, and at the same time he is well paid and maybe famous. Machlowitz (1980), found employees to be very satisfied and productive. Workaholics can work intensively but they are doing that because of some inner drivers (Machlowitz, 1980; Snir &

Harpaz, 2012; Sprankle, 1987). Personal background, psychological, cultural and even biological factors can affect employee behavior (Hung-Wen, 2010; Suan & Nasurdin, 2013). In some countries employees are used to working for example fourteen hours and in some others eight. Are employees who work 75% more ~~a~~ workaholic? Lately researchers distinguish workaholics in several categories related what they considered good or bad workaholism. Snir and Harpaz (2012), differentiate employees in situational and dispositional heavy work investors, Spence and Robbins (1992) to 3 categories related to enjoyment, drive and involvement and Scott, Moore, and Miceli (1997), identified three types of workaholism: ~~(~~compulsive dependent, perfectionist and achievement oriented). The tourism sector as other sectors has and needs high-level workaholics. Occupational stress during the last years has increased significantly and created a burnout (Murray-Gibbons & Gibbons, 2007; Pienaar & Willemse, 2008). Burnout in essence is the overall perception that the reciprocal relationship of labour for pay is unfavorably balanced, and that recognition support and advancement is below expectation. High-level workaholics can become easily burnout workaholics if suddenly their work and efforts are not appreciated. Schaufeli, Martinez, Pinto, Salanova, and Bakker (2002) and Schaufeli et al. (2009) comment in their research that workaholism is associated with burnout which can lead to ~~a~~ service quality decline. Chen and Kao (2012), examined burnout and outcomes among flight attendants at Taiwanese airlines and found that burnout created health problems and worse job performance.

Table 1. Different types of workaholism

Low-involvement Workaholism	**High-level Workaholism**	**Burnout Workaholism**
-Several working hours -Compulsive depended -Health Problems -Social Problems -Low work involvement -Low work enjoyment	-Several working hours -Inner drivers (personal background, psychological, cultural and even biological factors) -Satisfaction -Self-esteem -Achievement -Work involvement -Work enjoyment	-Several working hours -Work involvement -Inner drivers (personal background, psychological, cultural and even biological factors) -Emotional Exhaustion -Depersonalization -Low self personal accomplishment

Work Achievement and enjoyment

Workaholics according to Schaufeli et al. (2009), are on a high need of work achievement (Mudrack, 2006). Butler (1999), concluded that task-involvement is a motivational state in which a person's main goal is to acquire skills and understanding whereas the main goal in ego-involvement is to demonstrate superior abilities. Achievement goals can affect the way a person performs a task and represent a desire to show competence (Fotiadis, Huan, & Costantino, 2013; Fotiadis & Vassiliadis, 2010; Harackiewicz, Barron, Tauer, & Elliot, 2002; Harackiewicz, Durik, Barron, Linnenbrink-Garcia, & Tauer, 2008). Performances of individuals are often compared against standards or with others for assessments. Machlowitz (1980), observed very high enjoyment among workaholics. Given the literature on work commitment and enjoyment, that many workaholics derive enjoyment and job satisfaction from their work. Work enjoyment measures the level of pleasure derived from work, and has high internal consistency (Spence & Robbins, 1992). Work enjoyment is the extent to which the person gains a sense of emotional satisfaction from work (Aziz & Cunningham, 2008). The above literature indicates that high-level workaholics will be different from others in issues related with namely, mastery, work orientation, competition, and personal concerns, enjoyment and job satisfaction. Based on the above literature review about work achievement and enjoyment we make the following hypotheses

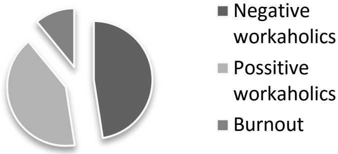
H1. High-level workaholics will be significantly different from others in terms of work achievement motivation and enjoyment

Work involvement

Lodahl and Kejner (1965), indicated that work involvement is the importance of work; and the importance of work as part of self-worth, as recognized by individuals. Scott et al. (1997), contended that workaholism represents a pattern of behavior, whereas work involvement is an attitude; thus, one may be highly work involved yet not engage in workaholic behavior. Marsall (2004), considered work involvement as the psychological identification of work to employees.

H2. High-level workaholics will be motivated significantly more by higher-order needs related to self-actualization.

Figure 1: Workaholics categorization



Inner Work driver

Drive relates to an inner pressure to work and captures the compulsion to work that was central to the early definitions of workaholism. It ensures that employee who wants to be considered for a fair and objective opportunity. Work drive is a reflection of the person's internal motivation to work. The Work drive allows management to make an initial assessment of employees' attitudes and behavior on job performance criteria.

H3. The importance of various inner work drivers will differ significantly between high-level, low-level and burnout workaholics.

METHODOLOGY

Workaholic for our research is the employees who believe that their work is the most important factor in life and that's why they work beyond the hours and energy that is required (Schaufeli et al., 2009). If answers to the questions "How many hours you work" was more than 10 every day and "Work goes first and all the other spheres of life follows" was agree or totally agree then we classified those employee as workaholics. A total of 2,000 questionnaires were distributed to employees working in the tourism industry in Taiwan and 420 valid samples were returned with a return rate of 21%, from them 82 were identified as workaholics (Figure 1).

Work achievement and enjoyment scale

In the hypothetical workaholism trajectory, motivations should change over time as employees become more involved, and therefore the motivations of high-level workaholics (Hl) respondents should differ significantly from burnout and low-level workaholics. In particular, the Hl segment should stress personal development and self-actualizing motives, rather than those relating to relaxation and socializing. Statements in the scale cover psychological, social, competitive and achievement motivations. We base our achievement and enjoyment scale on the Utrecht Work Engagement Scale (Schaufeli et al., 2002) and the INTLEAVE scale (Karatepe & Sokmen, 2006; Karatepe, Uludag, Menevis, Hadzimehmedagic, & Baddar, 2006) The importance of 20 possible achievement and enjoyment statements was indicated on a 7-point scale ranging from 1 = Never to 7 = every day (table 3).

Involvement Scale

A multi-dimensional involvement scale was constructed (see table 4), drawing from (Phongsavan et al., 2011) Consumer Involvement Profile. While the underlying principles remain constant when constructing multi-dimensional involvement scales, items in the scale have to reflect some of the peculiar features of the particular involvement pursuit. The importance of 10 possible involvement statements was indicated on a 7-point scale ranging from 1 = Not Important to 7 = Very important.

Inner work drivers

An inner work drivers scale was also administered (Table 5). Inspiration for this scale came from (Karatepe & Sokmen, 2006; Karatepe et al., 2006) and all the above measurement scales and the existing literature related with workaholism, but most of the items had to be modified to fit the context of our research. The purpose was to determine how level of inner work drives affects workaholism level. The importance of 10 possible involvement statements was indicated on a 7-point scale ranging from 1 = Not Important to 7 = Very important.

Reliability and Validity

Our measurement tool scale was examined for its reliability with the well-used Cronbach Alpha statistical test (Cronbach, 1947; Cronbach &

Warrington, 1951). Reliability related with *a* coefficient was in every case over the value of 0.70. In work achievement and enjoyment scale a coefficient was 0.87<0.70, in work involvement scale was 0.91<0.70 and in inner work driver's scale was 0.77<0.70. As several researchers have noted if alpha coefficient is higher than 0.70 the level of adequacy is accepted (Netemeyer et al., 2004; Nunnally, 1977)

We are using validity when we are trying to examine if an instrument is appropriate for the subject we investigate. Content validity was used to examine if our instrument is measuring what is supposed to measure (Chu & Murrmann, 2006). Tourism management experts and researchers all around Taiwan were asked to examine and review each scale and to express their opinion about its significance. It was suggested that 2 items should be removed because they did not exhibit strong face validity for the inner work driver's scale and one item from work achievement and enjoyment scale.

DATA AND ANALYSIS

Profile of respondent

Most of the respondent (62.1%) are females and between the age of 36-45. The average respondent was 43.4 years old. More than 85% of the respondents were between 26-55 years old. Married subjects constituted 65.9% of the respondents and single subjects 31.7%. Most of them (72.0%) were employed full time and some of them (11.0%), were self-employed. A total of 45.1% were university degree graduates and 26.8% possess a community or technical college diploma, while 3.7% were postgraduate degree graduates.

Highly-involved (HI) workaholics according to our classification were between 32 and 34. The rest of the workaholics were classified as low-involved & burnout. These two groups will henceforth be referred to as the remaining groups, the remainder, or the other two groups. There are statistically significant differences ($p < .01$) between the two groups. According to our hypothesis, high-level workaholics will be significantly different from others in terms of work achievement motivation and enjoyment. As we can see there were in most of the items significant differences regarding work achievement motivation and enjoyment, as expected. The biggest gap between high-level and overall mean is on items 3 "I find the work that I do full of meaning and purpose" (2.39) and "I find the work that I do full of meaning and purpose" (1.84). High-level workaholics feels security in their job and that's why they have a negative gap related with the overall mean in “I will ~~be~~ probably be looking for another job soon” (-1.01), “I often think about leaving this job” (-0.87) and It would not take much to make me leave my work (-0.55).

Table 2. Work involvement scale, comparing the high-level workaholics segment and the remainder

Statement	N	Overall Mean	Hl Mean	Hl n	Hl – Overall Mean Gap	Remain mean	Remain n	Significance
1. Without this job I would be bored	82	5.09	5.67	34	0.58	5.02	48	1%
2. The work I do says much about the person I am	82	5.24	5.81	34	0.57	5.19	48	n.s
3. Work takes so much time, it leaves little for other activities	82	3.36	3.04	34	-0.32	3.41	48	1%
4. Others probably say I spend too much time on work related issues	82	4.25	5.25	34	1.0	4.27	48	1%
5. Competing to achieve work goals is a particularly pleasurable experience.	82	4.4	4.49	34	0.09	4.41	48	n.s
6. I attach great importance to my work target times.	82	4.3	5.3	34	1.0	4.28	48	1%
7. I read a lot about my work in specialized magazines and books	82	4.26	4.96	34	0.7	4.24	48	1%
8. I always go to conferences related to my work	82	4.42	4.96	34	0.54	4.41	48	1%
9. I spend money from my pocket so I can be better at my work	82	4.61	5.16	34	0.55	4.58	48	1%
10. I belong and I am dedicated to my professional union	82	4.94	5.57	34	0.63	4.91	48	1%

The above results verify the first hypothesis. High-level workaholics differ significantly in terms of work achievement motivation and enjoyment. They feel secured in their work environment and they feel uncomfortable in their work when they work more since they are enjoying their work and times pass fast. They are proud, inspired and detached from their work and they seem to feel energetic and enthusiastic.

In the same way we compared high-level workaholics with the rest of the group in relation to work involvement scale. According to our hypothesis high-level workaholics will be motivated and involved significantly more by higher-order needs related to self-actualization. The results indicate that there are significant difference (p< .01) between high-level workaholics and the other two groups. As we can see in table 2 the highest gap between high-level workaholics and overall mean is on that usually "Others probably say they spend too much time on work related issues" (1.0), "They attach great importance to their work target times" (1.0) and "they read a lot about their work in specialized magazines and books" (1.0). They also go to conferences and they spent money from their pocket so they can be better to be better in their work.

Table 3. Inner work driver's scale, comparing the high-level workaholism segment and the remainder

Statement	N	Over all Mean	Hl Mean	Hl n	Hl – Overall Mean Gap	Remain mean	Remain n	Significance
1. I enjoy working in situations involving competition with others	82	4.3	4.8	34	1.10	4.27	48	1%
2. It is important for me to perform better than others on a task	82	4.14	4.7	34	0.56	4.09	48	1%
3. My job is well within the scope of my abilities	82	5.07	5.59	34	0.52	5.03	48	1%
4. I feel that I am overqualified for the work I do	82	5.13	5.74	34	0.61	5.1	48	1%
5. My past experiences and accomplishments increase my confidence that I will be able to perform successfully in this job	82	5.07	5.77	34	0.70	5.01	48	1%
6. My culture is the main reason that I am so good in this job	82	3.95	4.94	34	0.99	3.96	48	n.s
7. My religion doesn't allow me to work by the style I want	82	4.23	4.29	34	0.06	4.22	48	n.s
8. I am a top performer	82	5.23	5.84	34	0.61	5.18	48	1%
9. I am more flexible than other workers because of my nationality	82	4.34	4.59	34	0.25	4.38	48	1%
10. In my previous work I was working more and the conditions were worse	82	4.24	4.62	34	0.38	4.70	48	1%

The second hypothesis is therefore confirmed. High-level workaholics are more work involved in their jobs. They care so much about their work, so they spend their personal time and money on becoming better and more productive employees since without their work, they would be bored and would only feel satisfied when their level of work represents the level of person they are.

The third hypothesis is also confirmed. As we can see in table 3, there are statistical differences between the high-level workaholics and the remaining groups. As some researchers have proven self-actualization was consider one of the most important work drivers (Lam, Zhang, & Baum, 2001). In our research it is visible that competitiveness is the most important inner work driver.

The highest gap between the overall mean and the High level workaholics are on items like "I enjoy working in situations involving competition with others" (1.10), "My culture is the main reason that I am so good in this job" (0.99) and "My past experiences and accomplishments increase my confidence that I will be able to perform successfully in this job" (0.70). The above results verify hypothesis three that the importance of various inner work drivers will differ significantly between high-level, low-level and burnout workaholics.

CONCLUSIONS AND DISCUSSION

As many researchers identified already, workaholism has several different categories. In some cases, it has negative effects and in some it has positive effects and it is welcomed. In this paper, we classified workaholism in three categories (Low-level, High-level and Burnout workaholism) and we examined whether high-level workaholics differ from the other groups in terms of work achievement motivation and enjoyment, motivation and involved needs and inner work drivers. Empirical results indicated that high-level workaholics enjoy their work and they don't care for their timetable since this satisfies their ambitions and it covers their need for competition. On the basis of the findings of this research, researchers suggests that human resources management personnel in the tourism industry should recruit job applicants who exhibit high competitiveness as achievement motivations because this indicator can serve as a reference to assessing workaholism and better performance in the tourism industry.

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AN ANALYSIS OF SUSTAINABLE OPERATING PRACTICES IN MIAMI, FLORIDA HOTELS AND RESORTS

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This research study seeks to identify trends in the application of operating practices that result in the reduction and conservation of water, energy and waste output by thirty six hotels and resort facilities in the tropical climate of Miami, Florida, U.S.A. This paper addresses stakeholder issues that pressure hotels in the U.S.A. to fully engage in sustainable operating practices to include the meeting and conventions market requirements for evidence of sustainable operating practices. This study seeks to identify a profile of the operating activities of sustainably operated hotels and resort lodging properties in the area surrounding Miami, Florida based on lodging subgroup classifications.

Keywords: *sustainable operating practices, stakeholder, lodging*

JEL Classification: *L83, M1, O1*

INTRODUCTION

Hotels and resort lodging facilities affect the sustainability of the natural environments in which they are developed and operated by the consumption of natural resources and the release of CO2 gases, large amounts of waste-water and solid waste matter. The U.S. Green Buildings Council (USGBC) estimates that worldwide, commercial buildings account for 13.6 percent of fresh water withdrawals, 72 percent of electricity consumption, 39 percent of CO2 emissions and 40 percent of energy use. The USGBC also estimates that commercial buildings that are built and operated sustainably can result in a savings of 24-50 percent of energy use, 33-39 percent of carbon emissions, 40 percent of water use, and 70 percent of waste cost (USGBC, 2011). The American Hotel & Lodging Association states that in 2011 there were 51,015 limited and full service hotels operating in the United States. (AH&LA, 2011). If this body of commercial lodging buildings can offer a profile of how they collectively and individually reduce consumptions of resources and outputs of CO2 emissions and waste water and solids, it would present an example of socially and financially responsible operating business practices to stakeholder groups worldwide.

Sustainability and green management practices have become important business concerns in the United States. As a result, a variety of Corporate Social Responsibility and Corporate Sustainability programs have been implemented by U.S. based corporations and companies. An outcome of these efforts is a requirement that facilities where meetings and events sponsored by these companies practice sustainability in the operations. It has become important to meeting and corporate event planners that facilities in which meetings and events are held, and the associated companies serving them, have evidence of sustainable green business practices. Green Meetings have become a classification of meeting planning and featured on a variety of planning web sites such as Meeting Professionals Internationals web site, http:www.mpiweb.org.In response to stakeholder pressures from both U.S. and International organizations, corporations and government groups, this research study seeks to identify a profile of the operating activities of sustainably operated hotels and resort lodging properties in the area surrounding Miami, Florida.

Geographically Miami, Florida is located on a resource stressed peninsula extending along the tip of Southern Florida, bordered by the Atlantic Ocean to the east, the Florida Bay to the south and the mile wide, sixty mile long ‘River of Grass’ in the Florida Everglades to the west. Potable drinking water is sourced from Lake Okeechobee which flows into the Everglades, underground aquifers in the limestone shelf of the peninsula and rainfall. According to the National Oceanic and Atmospheric Administration (N.O.A.A.) the mean average temperature year round for Miami in 2011 was 78.2 degrees F, 1.1 degree F above normal for the year with an average humidity level of 75.9 percent. The number of days in which heat temperatures were above 90 degrees F in 2011 for the region was 51. (srh.goaa.gov) Energy demand for air conditioning in response to higher levels of humidity and heat was significant. Drought conditions were experienced just north of Miami creating a lower level of potable water supplies for the region.

Historically the Southern Florida region weather pattern has been classified as tropical. If the South Florida summer weather trend of higher temperatures and lower precipitation rates continues the increasing pattern on which it has been tracked by N.O.A.A., then commercial building operating practices will need to adjust to the changing variables of weather.

Southern Florida,in particular the City of Miami and surrounding communities, ranks tourism as a primary economic driver. The Greater Miami & the Beaches Convention & Visitors Bureau (GMCVB) reports that in 2011 the greater Miami area welcomed 17,865,831 U.S. and international visitors, with an average length of stay for all combined visitors of 5.9 days. (GMCVB, 2012) Lodging facilities represent a significant percentage of commercial buildings in the area. The Greater Miami and the Beaches Hotel Association (GMBHA) has a membership of 163 full and limited service hotel properties with an average of 208 sleeping rooms per member hotel. (GMBHA, 2012) The average hotel occupancy for Miami area hotels in 2012 was 75 percent with an estimated 1.5 guests per room, or 234 guests per room night. (GMBHA, 2012) Given these variables, it is estimated that GMBHA member hotels serviced 14,348,880 guests on a daily basis in 2011, or 2,432,013 guests over the average 5.9 day length of stay for the year. The resulting resource consumption in the areas of energy and water severely impacts the demand on local resources. Waste output as a result of the introduction of this population group also increases in both waste-water output and solid waste. Efforts by lodging properties to reduce the impact of their hotel guests, who make up the majority of the incoming visitor group, will reduce the strain on the City of Miami and Miami Beach's infrastructure, local power companies and waste management efforts. In addition it will reduce property operating costs and increase the value of revenue by bringing more profit to the bottom line.

METHODOLOGY

The methodology used for this research study is a comparative analysis of the results of survey interviews conducted in 36 Greater Miami and the Beaches Hotel Association (GMBHA) member hotels in Miami, Florida, U.S.A.. This qualitative research effort included on-site visits, semi-structured interviews and a survey instrument. The analysis for this research study seeks to determine the percentage of hotels that participate in operating activities which result in the conservation and use-reduction of water, energy and waste output. The analysis is based on the four subgroups common to the survey group; property location, total number of sleeping rooms, affiliation and primary use.

The analysis of the group survey results is separated into four specific areas of operations that affect the sustainability of a lodging facility to include consumption of water, electricity, energy and waste output. The comparative analysis seeks to identify the percentages of participation between the four sub-groups and the percentage of overall participation in each of the four operating practices.

The intention of the data analysis is to:

- Identify those sustainable operating practices common to the success of the groups as a whole.
- Conduct a comparative analysis of each subgroup in order to draw conclusions based on the characteristics of the subgroup relative to specific operating activities.

RESULTS

Survey results of sub group one: primary use

Table 1. Primary Use: Overview All Operating Activities

Categories	Green Program	Certification	Waste Measurement	Recycling Program	Energy Efficiency Program	Linen-Towel Reuse Program	No-smoking Policy	Purchasing
Resort	71%	43%	29%	100%	93%	93%	100%	64%
Non-Resort	57%	43%	38%	100%	86%	95%	100%	67%

The subgroup Primary Use, separates the survey results into the categories of resort or non-resort lodging property. The importance of recreational tourism to overall tourism in the Miami area has created a very specific division in the focus of property use and facilities. These two divisions are resort and non-resort.

The overall survey results of this subgroup indicate a higher percentage of green programs present in resort properties, 27 percent, accompanied by slightly higher level, 11 percent, of green certification programs.

The non-resort properties have a higher percentage of waste management activities and waste reduction purchasing activities, 9 percent. Both city-wide recycling requirements and no-smoking regulations account for the 100 percent participation in both recycling and non-smoking policy in the surveyed properties. Energy efficiency activities have a slightly higher application in resort properties, 11 percent. There is an almost equal participation in linen-towel reuse programs.

Survey Results Sub Group: Affiliation

Table 2. Affiliation; Overview All Operating Activities

Categories	Green Program	Certification	Waste Measurement	Recycling Program	Energy Efficiency Program	Linen-Towel Reuse Program	No-smoking Policy	Purchasing
Brand	65%	50%	25%	100%	90%	95%	100%	65%
Individual	60%	33%	47%	100%	87%	93%	100%	67%

The subgroup Affiliation separates the survey results into the categories of brand or independent affiliation for the lodging property. This subgroup distinction seeks to determine what differences are apparent in the application of sustainable operating practices between corporate branded lodging properties and properties that are operated by independent owners or as part of a group. The brands included in this survey group represent Marriott, Intercontinental Hotels, Sonesta, Accor, Hilton and Starwood. An argument is made that franchise properties have greater flexibility in choosing whether or not to participate in a corporate 'Green' program while properties managed by the corporation with a corporate wide program are required to do so. In this survey group the distinction was not made between corporate managed and franchise in the survey process. The independent group of lodging properties represents both individually owned and managed along with properties that are part of a lodging group but not necessarily managed by the group. The distinction was not made between independent or group in the survey process.

The overall survey results of this subgroup indicate that a higher percentage of green programs are present in independent properties, 4 percent, while brand affiliated properties indicate a higher level, 9 percent, of green certifications. The brand affiliated properties have a slightly lower percentage of waste management activities 24 percent and a higher percentage of waste reduction purchasing activities, 65% percent. Both city-wide recycling requirements and no-smoking regulations account for the 100 percent participation in both recycling and non-smoking policy in the surveyed properties. Energy efficiency activities have a slightly higher application in brand properties, 7 percent. There is greater participation in linen-towel reuse programs in brand affiliation hotels, 2 percent more than in the independent hotels included in the survey group.

Survey Results Sub Group Three: Location

Table 3. Location: Overview All Operating Activities

Categories	Green Program	Certification	Waste Measurement	Recycling Program	Energy Efficiency Program	Linen-Towel Reuse Program	No-smoking Policy	Purchasing
Beach	59%	35%	41%	100%	94%	100%	100%	65%
Airport	80%	60%	20%	100%	100%	100%	100%	60%
Urban	75%	63%	38%	100%	50%	75%	100%	63%
Suburban	40%	20%	20%	100%	80%	100%	100%	80%

The subgroup Location separates the survey results into the four locations most common for lodging properties in the Miami area; airport, urban, suburban and beach. This subgroup distinction seeks to determine what differences are apparent in the application of sustainable operating practices between locations offering distinct operating conditions that affect the operations of the lodging property. Given the popularity of recreation based tourism in the Miami area, a greater percentage of lodging properties are located in beach and suburban areas.

The overall survey results of this subgroup indicate that a higher percentage of green programs are present in properties with urban locations at 75 percent, while properties in a beach location indicate a lower level, 63 percent. Urban locations indicate a greater presence of green certifications, 63 percent, than the other three locations at 33 percent each. The properties in beach locations have a higher percentage of waste measurement activities, 44 percent than as do urban and suburban locations with 33 percent. Waste reduction purchasing activities, are highest in airport and suburban locations, 67 percent, while beach and urban locations have the lowest participation at 63 percent. Both city-wide recycling requirements and no-smoking regulations account for the 100 percent participation in both recycling and non-smoking policy in the surveyed properties. Energy efficiency activities have a lower percentage of application in urban properties, 50 percent. The participation in linen-towel reuse programs is 100% for all locations with the exception of beach locations at 75%.

Survey Results Sub Group Four: Room Number

Table 4. Room Number: Overview All Operating Activities

Categories	Green Program	Certification	Waste Measurement	Recycling Program	Energy Efficiency Program	Linen-Towel Reuse Program	No-smoking Policy	Purchasing
75 or less	80%	20%	60%	100%	80%	80%	100%	20%
76-150	50%	33%	17%	100%	83%	83%	100%	83%
150 or more	86%	50%	33%	100%	92%	100%	100%	71%

The subgroup Room Number separates the survey results into the three guest room platforms most common for lodging properties in the Miami area; 75 rooms or less, 76 to 150 rooms, 150 rooms or more. This subgroup distinction seeks to determine what differences are apparent in the application of sustainable operating practices between the overall sizes of the property. Variables that can affect the application of sustainable operating activities are staffing levels, presence of technologies and equipment, along with financial considerations.

The overall survey results of this subgroup indicate that a higher percentage of green programs are present in properties with 150 rooms or more, 86 percent, and properties with 75 rooms or less, 80 percent; while surveyed properties with 75 to 150 rooms indicate 50 percent participation. 50 percent of properties with 150 rooms or more have green certifications while properties with 76 to 150 rooms, 40 percent and only 20 percent of properties with 75 rooms or less indicate 'green' certifications. Of the properties surveyed those with 75 rooms or less have a 60 percent participation in waste measurement activities, those properties with 150 rooms or more, 35 percent and properties with 76 – 150 rooms 20%. Waste reduction purchasing activities are highest in properties with 76 – 150 rooms, 80 percent, while properties with 75 rooms or less have the lowest participation at 20 percent. Properties with 150 rooms or more indicate a 70 percent participation rate. Both city-wide recycling requirements and no-smoking regulations account for the 100 percent participation in both recycling and non-smoking policy in the surveyed properties. Energy efficiency activities have a slightly higher application in properties with 76-150 room, 5 percent. Linen-towel reuse programs evidence a high level of participation in all room size classifications with 100 percent of the 150 or more room size properties indicating participation.

Survey Results Sub Group Five: Recycling Management

Table 5. Recycling Management

Category	Food Waste	Construction Waste	Oil (Mechanical)	Mattresses	Metal	Hazardous Materials	Landscape Trimmings	Furniture	IT Waste	Aluminum	
Number Of Hotels	4	7	9	10	10	11	11	12	16	18	
Category	Linens/Towels	Oil (Cooking)	Batteries	Toner Cartridges	Light Bulbs	Glass	Plastic Bottles	Newspaper	Cardboard	Plastics	Paper
Number Of Hotels	18	18	20	20	21	26	27	27	28	28	33

The overall survey included recycling programs as part of the data collection in order to determine what items are being recycled in the surveyed properties. While recycling is required by law by Miami-Dade

County and therefore shows 100 percent participation by all lodging properties in the survey group, it is important to understand the trends in the actual recycling efforts. Table 5 breaks down the separate recycling categories and shows the number of hotels indicating this activity regardless of the overall sub-group classifications for the total survey group. Food waste recycling efforts are hampered by a lack of companies that can both compost large amounts of food waste and pick up the waste for recycling on a daily or bi-daily basis. The overall climate in Miami prohibits storing food waste in anything but refrigerated spaces. Very few hotels currently have refrigerated waste facilities. Internally hotels do not have excess refrigeration to handle storing food waste. When these challenges are overcome, recycling food waste efforts will increase significantly. Hotel size may affect recycling efforts based on labor availability. There are numerous organizations in the area that will receive household items and furniture and participation in these categories should be able to be raised. Programs for the recycling of construction waste, metals, hazardous materials and IT waste need to be addressed. Contracts for services can include the life-cycle management of these materials and should be explored through property purchasing departments.

CONCLUSION

Overall Survey Analysis

Table 6. Overall Survey Results

Categories	Green Program	Certification	Waste Measurem ent	Recycling Program	Energy Efficiency Program	Linen-Towel Reuse Program	No-smoking Policy	Purchasing
Total	63%	43%	34%	100%	89%	94%	100%	66%

As stated previously, the intention of the data analysis is to identify those sustainable operating practices common to the success of the group as a whole. What is apparent in the sub-group analysis is that for all properties included in the survey, there is little evidence of a great degree of difference of green management programs and certifications in brand affiliation hotels over independents hotels, with a higher percentage of both in resort hotels. The location sub-group identifies hotels in urban locations as having a higher percentage of both green programs and certifications than beach, suburban and airport location properties. Room number however, shows a significant percentage of fewer green programs in the mid-range size hotels. Overall the percentage of participation for all properties is only 67 percent. In the area of certifications all properties show even less participation with a conversion to only 43 percent of properties with a documented green certification program. Increasing participation in both activities will be important to the stakeholder demand for documentation of sustainable operating practices. In the areas of energy and water management there is a high percentage of participation in all activities. There is an 11 percent higher rate of participation in resort properties for energy efficiency programs than non-resort properties. Recreation facilities with larger areas of square footage may account for this difference as the cost for non- participation will be significantly higher in resorts than non-resorts. The investment in newer technologies might not present the same ROI to investors for non-resort properties. There is little difference in participation between brand and individual properties. Location of properties appears to reflect the resort/non-resort findings with all locations except urban indicating 100 percent participation. The presence of linen-towel reuse programs appears to reflect indicators similar to the energy program participation levels. Water savings resulting in the application of this program along with energy, labor and inventory cost savings is significant. Resistance to the implementation of this program generally relates to guest satisfaction levels related to hotels with higher room rates. In this survey affiliation and primary use show very little difference in percentages of participation. Variation is indicated in locations with urban properties showing only 75 percent participation in contrast to 100 percent participation in the other three locations. Room number also appears to affect participation levels with larger properties indicating 100 percent and the mid-range and smaller properties, 80 percent. The total profile of the survey group indicates high levels of participation in both of these programs.

Waste measurement activities, documented by both waste measurement and purchasing, are countered by recycling efforts at 100 percent. Miami-Dade County imposes fines for non-compliance of mandatory recycling laws. Waste measurement activities are tied to reducing haulage rates and measuring carbon offset. Purchasing efforts are tied to reducing handling and haulage costs for packaging materials. The reduction of waste management costs can be significant, especially in mid-range and large properties. However, smaller properties may not have the human resources to handle these efforts. Waste measurement efforts are indicated at 33 percent and 39 percent at both resort and non-resort properties. There seems to be a slightly higher percentage of participation in individual properties than in brand properties. Locations in all but airport show a similar rate of participation. The airport properties included in this property indicated zero participation in this effort. However, purchasing efforts to reduce packaging shows a similar rate of participation in all four locations. Room number does not appear to have any effect on participation as the percentages are mixed within the subgroups. The total profile of the survey group does, however, indicate a reasonable level of participation at 67 percent in purchasing activities.

Overall, the data set of 36 GMBHA member hotels provides a profile of sustainable operating practices. Representing 21 percent of the organization's membership, the profile presents responsible energy and water consumption management but a need to establish more effective waste reduction and measurement practices. Over half of the survey group, 24, has established green programs. 15 properties in the survey group have achieved certifications representing 41 percent of the survey group. To meet the increasing needs of international meetings, conventions and individual guests for documented sustainable operating practices, these efforts will need to be increased significantly. The conclusion can be drawn that this survey effort provides a representative profile of the GMBHA hotel members and a platform upon which to now direct education and business efforts. As year round climate temperatures increase, precipitation cycles change and the two season weather patterns continue to be difficult to forecast, lodging properties in the Greater Miami area will need to adjust their operating practices to meet ever increasing demands for energy, safe water and reduced waste output.

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MYSTERY AND THRILLER TOURISM IN EUROPEAN CULTURAL DESTINATIONS

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Our paper describes the potential of the mystery and thriller tourism in European cultural destinations and in using this sub-section of dark tourism to get young people keen in unveiling and exploring European cultural heritage. Moreover, it demonstrates the use of in-depth focus groups held with residents and tourists for determining their preferences for mystery and thriller mobile apps involving the dark cultural heritage of the city of Prague. Our results demonstrate the potential of interactive game-like app and reveal that in order to be successful they should contain a narrative, an interactive, GPS-based map, a virtual tour, a "treasure hunt" game with a possibility to play on-line. Furthermore, as to the mode of payment and the price, our results yield that the potential app should be offered at both App Store and Android Market Play for 2.99 EUR or less..

Keywords: mystery and thriller tourism, e-tourism, focus groups, consumer preferences

JEL Classification: *L83, M1, O1*

INTRODUCTION

Nowadays, both dark and fright tourism (that constitutes the sub-fraction of the former) found themselves in the scope of the public and research interest (Stone, 2006; Sharpley and Stone, 2009) and experienced a rise in popularity thanks to the increase of global communication and travel opportunities (see e.g. Ehtiyar and Altintaş, 2012). However, the fictional (literary or film) aspect of dark and fright, tourism, and especially its potential in bringing cultural heritage to the attention of the young European citizens, is still not exploited to its full (see e.g. Kassianidis, 2013).

According to Squire (1996), literary tourism can be described as an attempt to of the public to experience a version of the past (or imagined present) and to make connections between past and present, fact and fiction. Literary tourism (which is often associated with film tourism, since most of the popular literary works find their way into the film adaptations), attracts tourists and forms a part of the landscape of heritage tourism (Herbert, 2001).

In spite of the growing popularity of the literature and film tourism, there are not many research works that attempt to identify the success factors of this fast-growing phenomenon (see e.g. Riley, Baker and Van Doren, 1998; or Hudson and Ritchie, 2006).) This is quite unfortunate, since any further research on different genres, locations and icons is important in understanding the effect of film tourism, which still remains under-researched and represents a rich area for theoretical exploration (see e.g. Hudson et al, 2006, Bolan et al, 2008, or Beeton, 2004).

LITERARY AND FILM ASPECT MYSTERY AND THRILLER TOURISM

As many researchers agree, mystery and thriller tourism represent one of the fast-growing fields tourism research (see e.g. Sharpley and Stone, 2009; or Vagionis and Loumioti, 2011). With regard to this, mystery and thriller tourism can be perceived as a part of fright tourism associated with a more amusing part of dark tourism. Visitors are often attracted to the places associated with mystical and horror events and described in the books or featured in films and TV series. However, a large share of these events is created by a pure imagination and never took place in real life. Therefore, mystery and thriller tourism allows visitors to enjoy the destinations without dealing with the grim part of dark tourism.

Tourist cites play an important role in mystery and thriller tourism. Although the plot of the most mysteries and thrillers does not put them into any specific location, there is a plethora of examples when the tourist cite constitutes an important part of the story (see e.g. Stylos and Andronikidis, 2013).

An important aspect of mystery and thriller tourism is something what can be identified as “fright film tourism”. The majority of the successful mystery and thriller literary works today find their way into films and TV adaptations which increase their popularity and dissemination. Vagionis and Loumioti (2011) or Stylos and Andronikidis (2013) show that film tourism might be an effective marketing tool for promoting tourism destinations. Reeves (2001) points out that not only "feeling good" or being associate with romance or escapism" makes an important prerequisite for a popular visitor attraction – even small towns like Burkittsville, Maryland, the setting for "The Blair Witch Project" experienced an influx of visitors, and the Georgetown house in Washington D.C., the setting for "The Exorcist" film, is a major tourist attraction.

According to Beale (2012), a little town of Forks, at Olympia Peninsula in Washington, the setting of the largest part of vampire trilogy "Twilight Series" by Stephenie Meyer, experienced tourist economic boom: in 2008, after the release of the first film of the trilogy, the number of visitors nearly doubled reaching 19,000, and by 2010 it reached 73,000 people.

However, while some cities and towns with a literary and film potential are successful in profiting from it, others fail to exploit their tourism potential. For instance, the local community of Burkittsville, Maryland (the setting of "The Blair Witch Project" film) claims that the successful film caused "only unwanted popularity and troubles" upon their small community, while the profits from increased fright tourism were negligible (Fiore, 2010).

MYSTERY AND THRILLER TOURISM IN EUROPEAN CITIES

Although the United States are the champion in fright mystery and thriller tourism, perhaps due to the importance of its leisure and entertainment market, the potential of this type of tourism should also be exploited in Europe.

Europe constitutes a very important place for global incoming literary and film tourism and many literary works of great importance are set in European cities. Table 2 provides a selection of the most successful mystery and thriller literary works set in European destinations from the end of the 19th century until nowadays.

As it has been already explained before, best-selling mystery and thriller novels often find their way into film adaptations. Table 2 provides some example of recent blockbusters set in European cities.

The quick analysis of the box office clearly shows that the British capital is, by far and large, the most popular film destination on the Old Continent, which can only be beaten by New York City. For instance, the most recent addition to the James Bond series "Skyfall" is set in London, so is the bibliographical film “Diana” and the popular contemporary adaptation of “Adventures of Sherlock Holmes” that is called “Sherlock”.

Table 1. Examples of mystery and thriller literary works set in European cities

Year	Literary title	Author	Set in
1897	“Dracula”	Bram Stoker	Bran/London
1892	“Adventures of Sherlock Holmes”	Arthur Conan Doyle	London
1911-1925	“Fantômas series”	Marcel Allain/Pierre Souvestre	Paris
1937	“Master and Margarita”	Mikhail Bulgakov	Moscow
1920-1973	“Miss Marple/Hercule Poirot novels”	Agatha Christie	Various UK locations
1998	“Digital Fortress”	Dan Brown	Seville
1999	“Hannibal”	Thomas Harris	Florence
1997-2007	“Harry Potter”	Joanne Rolling	London
1997 – 2013	“Harry Hole novels”	Jo Nesbo	Oslo, Bergen
2000	“Angels and Demons”	Dan Brown	Rome
2003	“Da Vinci Code”	Dan Brown	Paris/London
2005-2007	“Millennium Trilogy”	Stieg Larsson	Stockholm
2007-2013	“Department Q novels”	Jussi-Adler Olsen	Copenhagen
2010	“Postcard Killers”	Lisa Marklund/James Patterson	Stockholm
2013	“Inferno”	Dan Brown	Florence, Venice, Istanbul

Source: Own results

All in all, it is apparent that mystery and thriller books and films represent an important share of Europe’s dark tourism potential. Since the majority of tourists keen for this type of entertainment are relatively young, developing this aspect of cultural heritage by associating popular books and films with cultural tourism destinations might help young Europeans in the creation of technology-enhanced cultural heritage experiences, enabling them to generate user-created solutions (such as interactive city games, quests, mystery tours with the elements of the game and storytelling, etc.).

Table 2. Examples of films set in European cities

Year	Film title	Starring	Set in
2001-2011	"Harry Potter"	Daniele Radcliff	London
2001	"Hannibal"	Anthony Hopkins	Florence
2002	"Blade 2"	Wesley Snipes	Prague
2009	"Angels and Demons"	Evan McGregor	Rome
2006	"Da Vinci Code"	Tom Hanks	Paris/London
2003-2012	"Underworld Trilogy"	Kate Beckinsale	Budapest
	"Hugo"	Tom Hanks	Paris
2010	"The Tourist"	Angelina Jolie/Johnny Depp	Venice
2010 -	"Sherlock"	Martin Freeman	London
2011	"The Girl with the Dragon Tattoo"	Rooney Mara/Daniel Craig	Stockholm
2012	"Skyfall"	Daniel Craig	London
2013	"Hansel and Gretel: Witch Hunters"	Jeremy Renner	Augsburg
2013	"Diana"	Naomi Watts/Naveen Andrews	London

Source: Authors' own results

PROPOSED E-SOLUTIONS FOR MYSTERY AND THRILER TOURISM

Although personal computers became probably the most important must-have item in the 1990s, the 2000s and beyond belongs to smartphones and tablets. Since the introduction of an iPhone by Apple in 2005, a revolutionary gadget that combined the features of a mobile phone and a portable computer, had a multi-touch screen and virtual keyboard, smartphones gained wide popularity. While most of Apple's devices were relatively expensive and therefore unavailable for the larger masses, the introduction of Android-based devices by Google made smartphones and tables widely available to the people from virtually all income groups which has been achieved by the smart marketing campaign that reflects one of the finest examples of PR strategies ever devised (see e.g. Kasl Kollmanová, 2012; or Kasl Kollmannova and Matušková, 2013).

It can be shown that smartphone apps represent one of the most interesting ways for exploiting the mystery and thriller tourism in European destinations and for attracting young Europeans to get to better know their cities. Currently, there are many smartphone apps of this kind available either from Apple Store or Google Market Play: for example an app focused on Italian mysteries and called "Mysteries Italy" by GeersTrea and representing an atlas of mysteries both in Italy and Vatican. The app contains over 165 mysteries to be solved and revealed, together with their detailed descriptions, GPS locations, documents, photos and videos. Smartphone apps, such as this one, represent one of the relatively cheap but also very effective ways of promoting mystery and thriller tourism in European cities. The apps should include a contest-like element of multiple users playing against each other in real time, or competing for a prize or some incentive, thus resembling the "urban games" or "urban quests" that are often organized by the local residents in large cities and include elements of treasure hunt and gaming.

We tried to come up with the exact specification of the proposed app that can be used in order to get to know the uncanny side of the city of Prague. The legend of Golem was selected as the basis for the app development through the feedback obtained in focus groups.

According to Wisniewski (1996), the legend of Golem is often associated with Prague and it found its way into many Czech popular films and cartoons, as well as into fiction literature (e.g. Meyrink, 1915). It is also often a popular name for restaurants and cafés in the Czech capital. According to Idel (1990), in Jewish mythology Golem resembles an animated anthropomorphic entity created entirely from inanimate matter (e.g. sand, clay, etc.). Although there are several legends featuring Golem that took place in various parts of Europe, perhaps the most famous legend involves Judah Loew ben Bezalel, the 16th century Chief Rabbi of Prague and the famous Cabbalist who allegedly created the Golem to defend the Prague ghetto and the local Jewis (Sherwin, 1985). Rabbi Loew made the Golem from the clay taken from the banks of the Vltava (Moldau) river and brought it to life using rituals and Hebrew incantations (inserting the small table with incantations into the slot on Golem's forehead). The Golem helped Prague's Jews and carried out difficult tasks for Rabbi Loewm, until one day it became increasingly violent, killing people and causing violence all around Prague. Rabbi Loew had to destroy Golem and its remnants were stored in the attic of the Old New Synagogue where, as some legends have it, it can be found nowadays.

The 'Golem" app that would be based on the legend, was envisaged to feature a storytelling element, as well as the GPS-based map featuring the tour of the Old Town of Prague. The tourists and the local residents alike would be able to stroll around the narrow streets of the Old Town while learning the legend of Golem and experiencing the atmosphere of locations mentioned in the legend.

RESEARCH DESIGN

Focus group interviews are quite common in all fields of social sciences as a form of qualitative research analysis. The first of them were used in the early 1920s, perhaps due to the fact that some social scientists had doubts about the accuracy of traditional information-gathering methods and started turning to focus group sessions instead (Bogardus, 1926; or Strielkowski et al., 2012). A focus group is typically made of people accommodated in an appropriate venue and having a discussion on a suggested topic and expressing opinions and suggestions in an interactive manner. A focus group is usually led by a moderator who leads the discussion and prevents it from deteriorating from the topic of discussion.

American sociologist Robert Merton developed focus groups for the evaluation of audience responses to radio programmes in 1941. During World War II, Merton used focus group techniques to investigate morale in the U.S. Army (Merton, 1987). Although academics and researchers were not very interested in using focus groups in the 1950s at first, market researchers used focus groups as a research tool to identify the attractiveness of their products and related customers' preferences (Kreuger and Casey, 2000). In the 1980s focus group interviews were rediscovered by social scientists who adopted some of the practical strategies from market research experiences. According to Morgan (1997), focus groups can be used as a preliminary step in the design of surveys for further research, since they could help researchers get a better idea of individual issues to be tackled by questionnaires during the next stage. The purpose of a focus group is to listen and gather information on a well-defined research topic.

The focus groups are widely used in tourism studies. For instance Vernon et al. (2003) applied focus groups for investigating the ‘greening’of tourism micro-businesses Strielkowski et al. (2012) describe the use of focus groups for assessing users’ preferences for tourism-related e-services in three European cites. The results of the focus groups are also used for the next, a more profound, step in the analysis of consumer preferences, namely a conjoint analysis (see e.g. Tilikidou et al., 2013).

Focus group interviews presented in our paper were conducted with a purpose to create a reference framework for the development of a smartphone application available from iTunes and Google Market Play. They targeted the main potential users of an e-services platform represented by Prague residents and tourists. Our focus groups first aimed at discussing which e-services are perceived as lacking and which existing e-services need better integration. Additionally, our focus groups aimed to stimulate discussion with different categories of potential e-users to promote creative and innovative ideas of how a possible platform should look, what features it should contain, and in general how it should work in order to be considered user-friendly. Finally, the focus group discussions were aimed at assessing people’s preferences for integrated e-services, e.g. to what extent people would use these services, and which payment vehicle they would deem appropriate, if any.

THE RESULTS OF THE FOCUS GROUPS

In total, 12 focus groups with 86 people (48 tourists and 38 residents) were held in Prague between September and December 2012. The participants were tourists visiting the city of Prague as well as local resident who can be perceived both as potential tourists to other destinations as well as citizens and residents of the city. This was done due to the fact that local residents can cultivate their own mystery and thriller tourism cultural heritage (and disseminate it through the Internet, for instance in the form of blogs and e-forums). In addition to tourists who might feel the need for specific game-like apps that can help them to know the city better, local residents can help the researchers to identify the attributes of the apps they would like to have in order to access their cultural heritage (in our case mystery and thriller heritage associated with

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Prague). Local residents live in the city and apart from their daily routine (work, errands, etc.) enjoy the city's cultural heritage, both tangible and intangible. Local residents also visit museums, galleries, theatres and local fairs and festivals. Therefore, residents were defined as people who lived or worked in Prague on a daily basis (commuters were also included into the sample).

The tourists' aim is to enjoy the city and their visit; their secondary aim is to understand and explore cultural heritage, both tangible and intangible. For the purposes of this research, tourists were defined as people who have come from another city and whose main aim of visiting the city is tourism (a non-business or work-related trip) and who spend at least one night in the city. The results of the focus groups were checked against the demographics and tourism statistics in Prague and found consistent. The response rate in the focus groups was satisfactory and on average met the recommended standards. Summary statistics for both tourists and residents is presented in Table 3.

Table 3. Summary statistics for the focus groups respondents in Prague

Variable		Tourists	Local residents
		Value (in %)	
Gender	Males	68.5%	65%
	Females	31.5%	35%
Age	Mean age	28.75	27.43
	Median age	26	25
Education	Compulsory level or less	9%	12.5%
	High school	12.5%	19%
	University	79.5%	68.5%
Civil status	Single	%	23%
	Married	68%	54.5%
	Other (divorced/separated/widowed)	16%	22.5%

Source: Authors' own results

The main objective of the first focus group agenda was to review and compare the basic attitudes towards mystery and thriller tourism across different participant categories, aimed at understanding how the participants perceived the potential of this type of tourism and what IT solutions they perceived as helpful and useful in order to manage, understand, and explore Prague (with a special focus on the Jewish Quarter and the legend of Golem).

Table 4. Attributes and their levels for "Golem" app

App attributes	Description	Mentioned in FG
Narrative (storytelling)	Listen to the new twist of the old legend of Golem set in Prague's Old Town and featuring the most prominent landmarks of Prague's Jewish Quarter (e.g. Old New Synagogue, Spanish Synagogue, Jewish cemetery, etc.) and get detailed information on a chosen attraction	I, II, III
Interactive GPS-based map	Find one's way in Prague's Old Town, locate one's position on the interactive map and get help in choosing the best tourist route to the next attraction	III
Virtual tour	See (and download) information about the interior (such as important buildings) and the exterior (such as the urban surrounding) of the attraction of choice	I, III
"Treasure hunt" game (off-line and on-line)	Participating in on-line (or off-line) game that features looking for the clues in order to be pointed to the next attraction (possibility of winning a small memorabilia was also mentioned). Exchange opinions about the app with other tourists and residents. Communicate ideas, suggestions and criticism to the local tourism services providers	II, III
Mode of delivery	Both App Store and Google Market Play	II, III
Price	2.99 EUR or less	I, II, III

Note: *I, II, and III indicate the 1st, 2nd and 3rd phases of focus groups*
Source: *Author's own results*

The basic aim of the second phase of the focus group agendas was to understand how different groups of participants perceived the potential of game-like apps for mystery and thriller tourism in Prague and how they can better understand, manage, and enjoy the city, further engaging with its cultural heritage (including the legend of Golem) with the help of game-like app. The basic goal of the third phase of the focus group agenda was to understand how different groups of participants perceived the potential of game-like "Golem" app to better enjoy, appreciate, and manage the mystery and thriller potential of Prague. The additional aim of all focus groups was to learn how the "Golem" app should be provided and also to gather ideas about the possible mode of payment and the affordable price.

Our results reveal that a "Golem" app should feature a narrative (storytelling), an interactive GPS-based map, a virtual tour, a "treasure hunt" game with a possibility to play on-line, and it should be offered at both App Store and Android Market Play for a price of 2.99 EUR or less (Table 4).

MAIN CONCLUSIONS

Our paper disseminated the results from 12 focus groups held Prague and dealing with the potentials of mystery and thriller tourism enhanced by the advanced IT applications. The key findings from this research can be summarised as follows: Overall, it appears that mystery and thriller tourism constitute a considerable part of dark tourism potential both in Prague (where the research was held) and in other European cultural destinations. The people who enjoy this subset of dark tourism (both in the case of tourists and residents) are typically young and keen in using smartphones and mobile apps. Developing this aspect of European cities' cultural heritage might help in the creation of the new market for technology-enhanced cultural heritage experience featuring novel solutions, such as interactive city games and quests, mystery tours with the elements of the game and storytelling, etc.

Moreover, our research revealed the specifications for the game-like app for smartphones (provisionally called "Golem") that would enable the tourists and local residents to enjoy the city's cultural heritage in a novel way. Our research determined that in order to be successful, the "Golem" app should provide a virtual, GPS map-based tour of places mentioned in the legend of Golem, and include both an element of interactivity, such as a treasure hunt game, and an element of competing for a small prize in the end of the game. This mystery and thriller tourism app should be offered via iTunes store or Google Market Play for a small payment, or free of charge, depending on the solution of city's tourism authorities.

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STANDARDISED AND CUSTOMISED KEY PERFORMANCE INDICATORS AND CRITICAL SUCCESS FACTORS IN HUNGARIAN HOTELS

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The concept of performance in hospitality industry is regarded somewhat similarly to the other (service) sector organisations: performance is managed and measured according to the financial (hard) and operational, organisational (hard and soft) and human (soft) approaches (Goldsmith et al, 1997; Claver-Corte΄s et al, 2007; Klidas et al, 2007; Sainaghi, 2011,). Measuring performance is one way of performance management (Halachmi, 2005). Measuring is important to know where an organisation starts and how it operates presently and where it is heading to (Armstrong and Baron, 2011). To identify what should really be measured and where to start when developing a performance management system an organisation must start to identify its critical success factors (CSFs) and key performance indicators (KPIs) (Rockart, 1979). In this paper we present customised and standardised CSFs and KPIs in a case study based on 4 semi-structured interviews carried out with Hungarian hotel managers.

Keywords: *Standardisation, Customisation, Performance, Hungarian Hotels*

JEL Classification: *L83, M1, O1*

INTRODUCTION

As Surugiu et al (2012) suggests there is a reason to invest in human resource in Central and Eastern European countries like Romania and in this case Hungary. By applying appropriate human resources policies and practices an organization can hire, train and keep the most suitable employees and with them can deliver excellent results (Gómez-Mejía et al, 2010). The key challenges for companies in the 21st century competitiveness is to keep talented, motivated, skilled individuals whose traits and behaviour fit in with the organisational climate and with their excellent performance business prosper sustainability (Leopold and Harris, 2009). It is especially applies to businesses which are customer-driven and hospitality industry is such a segment. One of the challenging activities for human resources in hospitably is performance management. The Taylorian idea suggested that human activities can be measured, analysed and controlled through the activities and tasks carried out by the workers. If tasks are reduced to small units it is possible to standardise them which gives the basis of measuring the actual performance against the prescribed, standardised rates (Kaplan, 1990). On the other hand performance management system cannot be interlay standardized. While organisational performance indicators including job described tasks are recommended to be standardised contextual performance such as extra effort requires individualised/customized measuring (Griffin et al, 2000). The two however is not separate but interdependent (Stiffler, 2006).

There are few studies in the Hungarian hotel industry which explores critical success factors and key performance indicators. Furthermore no research has been carried out which identified and divided these indicators into standardised and customised performance categories.

CUSTOMISATION AND STANDARDISATION IN HOTEL INDUSTRY

Standardisation is used in order to help the management to control, predict and minimize mistakes and deviation among employees. The primary aim with standardisation is the controlling of the output activity and service quality. It is a way to minimize risks, especially the ones dependent upon the human factor. Via standards and manuals the management keeps risks connected to the production process at a minimum (Sandoff, 2005).

On the other hand customisation does not represent the productivity logic but the logic of luxury which is needed in nowadays economies. Customisation means that the service or the measurement is tailor-made, very special and it is changing according to the human needs or the companies (Sundbo, 1994).

Although hotels differ in size, category, function, geographical location etc. measuring performance in order to analyze organisational position on the market and to make changes to develop not just financially is a key act. Atkinson and Brander-Brown (2001) have measured the dimension of customers, finance and employees in small and medium-size hotels effectively. Nine years later Melia and Robinson (2010) based on Atkinson and Brander-Brown's and other results have developed a structured model of performance measurement for hotels in 3 phases depending on whether the hotel performance measurements are in the introduction, development or more developed stage.

Our paper goes a bit further by examining whether these measurable phases can be standardised (that is they can be apply holistically to everyone working for/in a hotel) or customised (measuring individual performance). The main advantages of standardisation are cost reduction, increased productivity, quality assurance and systemization (Sundbo, 1994). They all mean objectivity which is actually needed for measuring organizational performance as well. Our belief is that individual performance which is customised must have a solid base that comprises of the standardised organizational performance. Measuring performance is expected to be objective and the performance appraisal system needs to have objective standardised as well as customised elements. Customisation is about providing a unique service tailored to the customers' needs (Sundbo, 1994, 2002). It means that a great individual performance is expected, which cannot be measured easily mostly because of its subjectivity.

Figure 1 depicts our suggested Customisation-Standardisation-Hotel-Performance Model (CSHP) 1 phase.

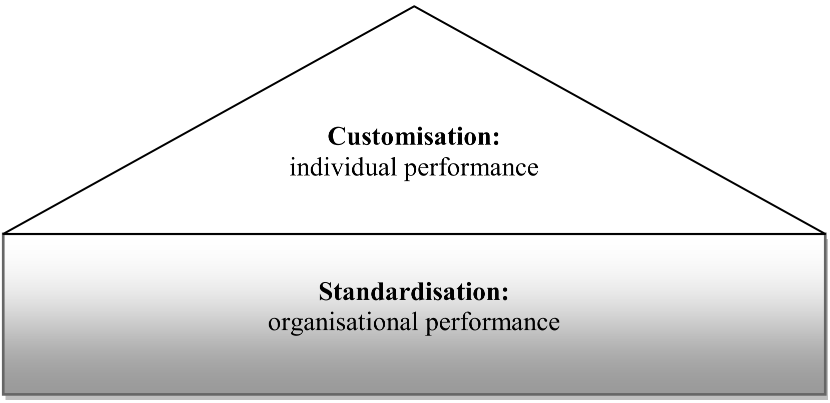

Figure 1. Customisation-Standardisation-Hotel-Performance Model (CSHP) 1. phase

CSFs AND KPIs AS PERFORMANCE MEASUREMENT METHODS IN HOTEL INDUSTRY

In measuring and managing the performance of organizations in the hospitality sector, maintaining and improving loyalty and service customer satisfaction are key indicators regardless of high turnover (Melia and Robinson, 2010). Key Performance Indicators (KPIs) are quantifiable measurements reflecting organizations' Critical Success Factors (CSFs) (Brotherton and Shaw, 1996). CSFs approach was first used in hospitality by Geller (1985) in designing hotel information systems. Logically KPIs and CSFs are different depending on the organizations (O'Neill, 2007). Nevertheless there are mutual criteria according to which KPIs are selected. According to O'Neill (2007. p.67) KPIs must:

- reflect organizational goals
- be key to its success
- not change the way it defined and measured

Dickinson et al (1984) stated that CSFs greatly depend on company's internal and external operating environments. Internal CSFs elements derive from particular characteristics of organizational structure, products, people and process which reflect those company's specific competencies and capabilities that are important for competitive advantages (Brotherton and Shaw, 1996, Haktanir and Harris 2005).

Studies identifying CSF and KPIs in different field of hospitality include Griffin (1995), Hinkin and Tracy (1995), Collie and Sparks (1999), Ottenbacher et al (2005) and DiPietro et al (2007). In these studies the terms of CSFs and KPIs sometimes does not seem clear. CSFs are measured by KPIs (Brotherton and Shaw, 1996; Brotherton, 2004) however, there are overlapping categorisations where the two are mixed (Harris and Mongiello, 2001; Melia and Robinson, 2010). Table 1 illustrates a synthesis of the most significant CSFs and their related KPIs that have been found important in hotel performance measurement by Brotherton and Shaw, 1996; Brotherton et al, 2003; Brotherton, 2004; Harris and Mongiello, 2001; Melia and Robinson, 2010 and Wadongo et al, 2010.

Having analysed the CPIs in their research Brotherton and Shaw (1996) made a distinction between two broad categories of expectation and aspirational themes. In the former hard, objectively measurable factors belong which are quantitative in nature (for example ROI which is often used as a significant indicator by Aksu and Yildiz, 2011 as well) while the latter can be described as a category of those soft factors that are

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more qualitative in nature and difficult to measure objectively. The CSFs were also grouped into soft/human and hard/technical categories. Subject area in relation to staff attitude, skills, morale and training development were regarded as human/soft category of CSFs while those factors which directly contributes to the hotel efficiency, structure, system and process belonged to hard/technical category providing a firm base of the standard and procedures of the hotel management.

Table 1. Summarising the most significant CSFs and their associated KPIs found important in hotel performance measurement

The CSFs	The KPIs
employees' attitude	customer feedback
effective recruitment and selection	staff turnover
increase market shares	benchmark against competitors, volume of sales
strategic plan/management	performance assessment (financial and non financial)
customer relationship	customer feedback, customer payment time, number of returning customers
quality service	mystery shopping, awards
innovation and investment	ROI, RevPar, training and development

If we then agree that hard/ technical elements of CSFs are standardised factors then they belong to organizational performance and human factors are regarded as customised factors of individual performance which give KPIs.

CASE STUDY

Nowadays the importance of quality work, employing, keeping and training skilled labour force is not questioned. What really makes companies more effective and efficient are those employees who apart from being expert or well-skilled have personal characteristic features which enrich both individual and organizational performance.

In the service sector, where customisation is going beyond customer satisfaction, anticipating the demands and co-creating with customers, the concept of 'business partners' can be a vital strategy. Tourism is a key segment of the service sector which contributes to national and international economy, in Hungary the direct contribution to GDP 4,6%, indirect is 12%, (Hungarian Tourist Board, 2011). According to ITB World Travel Trends Report (2010), more than 800 million people travel annually this makes tourism industry one of the leading employers providing every 12th person a job in this sector. In Hungary 6.2% directly and altogether 11.3% of the active workers are employed in tourism (Hungarian Tourist Board, 2011).

Hotels are a leading segment in tourism as 1.1 % of people employed in the EU work in the tourist accommodation sector; about four out of every five people are employed on a full-time basis (Eurostat, 2011). Similarly to the international trend, in Hungary 75% of nights are spent in hotels (Hungarian Hotel and Restaurant Association, 2010). However, there is a problem of fluctuation which is not entirely due to seasonality; hotels appear to offer less stable jobs than the rest of the labour market (Eurostat, 2011).

Table 2. Participants and hotel data

Hotel code	Respondent's position	Hotel location	Hotel size (No. rooms)	Chain member
Hotel A	Rooms Division Manager	Budapest	309	yes
Hotel B	Front Office Manager	Balatonalmádi	208	yes
Hotel C	Front Office Manager	Cegléd	92	no
Hotel D	General Manager	Veszprém	38	no

The initial aim to carry out case studies was to identify the organizational and individual CSFs and KPIs of Hungarian hotels and how these were present in their Performance Assessment System (PAS) to categorise them into CSHP Model. Unfortunately during the interviews it turned out that none of the hotels had PAS, therefore the initial aim was amended to focus on the reasons for not having PAS, managers' own idea of the meaning and aim of a PAS, the factors that influence performance and the standardisable and customisable performance factors.

Four Hungarian hotel managers from 4**** hotels (according to the Hungarian Hotel and Restaurant Association 2010 hotel list members of which majority is 4 or 3 + star hotels) were interviewed between 2011 June-August. The interview questions that are part of an ongoing PhD research were discussed, corrected and piloted with academic and professional expert before the personal interviews took place. The size of the hotel (number of rooms) can be important when considering performance assessment as it determines number of employees and organizational structure. Table 2 sums up the relevant data.

FINDINGS

Being a member of a chain would suggest that hotels apply Performance Assessment System (PAS) that is centrally preconceived and required however, in this research none of the four hotels have such a PAS. Therefore questions regarding the reason for not having performance assessment system, definition and aim of a performance assessment system, determining the performance influencing factors as well as standardised (organizational) and customised (individual) performance factors are analysed and summarized in Table 3.

The four hotels are different in nature though the there are overlaps in the results. Managers seem to blame the lack of PAS on the owner and/or manager director and the absence of organizational strategy. The definition what managers mean by performance vary, key thoughts such as achievement, efficiency and financial success of each function are mentioned. The aim of PAS would definitely be about the objective measurement and employees' achievement, but soft elements of human relation and organization behaviour also appear. Among the factors influencing performance mainly internal features are mentioned: cross-communication (horizontal and linear), sharing information, effective teamwork, employee and customer satisfaction and personal traits. Economic and business environment is referred to as external influencing factor. Customised performance factors are determined as individual CSFs (e.g. learning, ability, motivation) while standardised performance factors are measurable KPIs (e.g. customer satisfaction, financial indicators, staff turnover) that reflect organizational achievement and output.

Table 2. Summary of hotel managers' interviews results (Hotel A and B)

Hotel code	Hotel A	Hotel B
Reason for not having PAS	young (2,5 old) organization, no time to develop PAS in recession, strategy is under development	the HQ has but locally it is not used; since the opening (2006) the staff turnover have been extremely high; owner does not know how employee perform and does not seem to care about keeping loyal employees; only people on sales have a motivation system
Definition of performance	performance is aim-functioned efficiency	measuring each hotel function tasks
Aim of PAS	to remind employee that performing well is in our inner nature	to motivate employee and make them aware that they performance influence organization performance; employees expect to know how they perform
Performance influencing factors	all depend on the owner, mutual aim with all stakeholders must be defined, regular feedback effective verbal communication and teamwork	employees satisfaction; information flow and cross communication among functional areas; feedback on successful achievements and failures; personal life
Standardised performance factors	organizational financial indicators	customer satisfaction, mystery shopping; financial indicators; competences that are required for the position; staff turnover
Customised performance factors	individual as tasks are specialized, department/function and team	individual and team motivation; individual learning and continuous development

Table 3. Summary of hotel managers' interviews results (Hotel C and D)

Hotel code	Hotel C	Hotel D
Reason for not having PAS	owner's decision, the name gives a guarantee	small hotel, owner knows everyone and has daily interaction which is more effective than a PAS
Definition of performance	the achievement within a given period of time	adequate room occupancy, returning customers, successful projects; functional performance makes out the total performance
Aim of PAS	management can see clearly and objectively	to aim better performance, correct mistakes and overcome weaknesses; it gives feedback and control to the owner's aim
Performance influencing factors	collaboration and teamwork; reliability and trust, continuously reminding employees of doing thing well	the person itself (traits, competencies, ability to decide and take responsibilities, self-motivation); teamwork and communication; economic and business environment; recession; relationship capital
Standardised performance factors	mistakes, failures, customers and stakeholders complains, financial indicators, annual/month reports; sales figures	weighted financial average (comparing present period to the same previous year period) projects; ROI
Customised performance factors	personal mistakes; cross position knowledge (knowing and applying other functional area tasks)	individual (ability and capability for continuous learning)

In our initial Customisation-Standardisation-Hotel-Performance Model (CSHP) Phase 1. it is indicated that for an effective PAS a firm standard base is needed upon which customised performance relies. The outcomes of the interviews support this concept. Based on the standardised and customised performance indicators defined by managers Phase 2 of the Customisation-Standardisation-Hotel-Performance Model is developed.

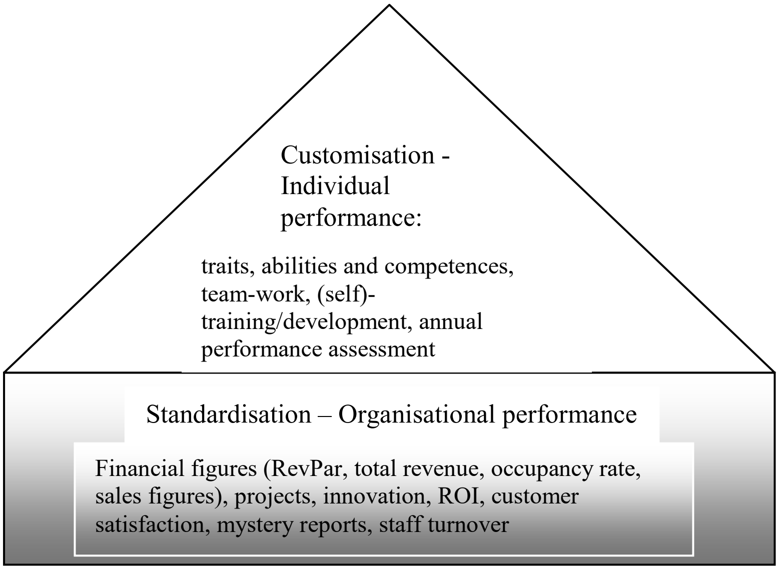

Figure 1. Customisation-Standardisation-Hotel-Performance Model (CSHP) 2. phase

DISCUSSION AND FURTHER RESEARCH

As discussed above, hotel managers have to rely on their judgment, which is subjective. Development of standards for benchmarking requires measures around which the hotel managers develop consensus. Managers taking part at the case study seem to agree that among the personal influencing factors stakeholders' behaviour and traits play essential role. Concerning standardisable and customisable performance factors managers tend to regard organisational or hard performance factors as standardisable and individual or soft performance factors as customisable features regardless of hotel functional area, hotel size, location and chain membership.

In our future research CSHP model and the indicators will be used to identify the effect of using customisation based on standardised performance indicators. Firstly, the interaction between standardisation and customisation is explored then the interaction between the standardised and customised performance indicators will be investigated.

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BOOK REVIEW

The Sociology of Tourism. Theoretical and empirical investigations

Apostopoulous, Y., Leivadi, S. & Yiannakis, A., editors (2001). Routledge.

The sociology of tourism has been widely studied in last decades, to become in one of the subthemes some sociologists tend to specialize once graduated. To more than one decade from its first publication, *The Sociology of Tourism* still triggers a hot debate in the fields of social sciences applied on tourism. On this book, founding parents of sociology of tourism take part to give an all encompassing model to understand the role of tourism in society. Senior sociologists such as Erik Cohen, Graham Dann, John Urry, Stephen Britton and Malcolm Crick, from present diverse views on tourism-effects which merits to be discussed. It is unfortunate classic books are not reviewed by scholarship. The intent of this essay-review is to debate the main argument of the book but at the same time, reconsidering the conceptual limitations of the sociology of tourism as it has been framed. Defined tourism as a multibillion industry, or "the largest peacetime movement of people", this book emphasizes on the needs of reinventing the discipline to give accurate information on the effects of tourism in peripheral communities. The introductory section refers to tourism as "a dynamic" activity which guides an era, a way, a spirit.

Following this reasoning, the contemporary tourism develops the needs to recreate the places under the lens of authenticity to expand the commoditization of spaces, persons and cultures. Rather, the second section focuses on the individual experience of tourists following a variety of forms. The success of tourism for expanding itself to four corners of this world depends on its ability to introduce the phase of "anticipation" in citizenry. Social networks are so important to predict tourist behaviour as individual experience. This means that experience not only is shaped by being-in-relation to, but by the articulation of rules, roles and institutions. The third part signals to the material asymmetries generated by the tourist system in the whole. Moving ahead or travelling is today viewed as a sign of prestige. It has been determined by a pervious hierarchical stratification, which is enrooted in the economy. Equally important, mass tourism, which consolidated as a trend in the mid of XXth century, generated some imbalances in hosting societies, some of them already addressed by sociology and anthropology. The most striking chapter of the book is fourth, because it explores the pervasive role of development theory and tourism creating a strong dependency from peripheral cultures from centre. To what an extent tourism enlarges the gap between pour and rich nations or helped to distributing the wealth to hosting countries is the main discussion of this section. Parts V and VI are limited to the role played by tourism as agency of social change and political stability. The last chapters analyze the potentialities of sociology of tourism to establish a new fertile ground of research in next years. Though the sociology of tourism is in its infancy, editors and authors convey that the variety of loci or themes to addresses is a criterion for the consolidation of this sub-discipline.

This book represents a project of high quality not only by the contributors' trajectory but also by the excellence of the discussion. Nonetheless, one of the most troubling aspects of this book is the rejection that tourism has not changed substantially in almost 2.000 years. Persistently, throughout the text, authors insist in what they call "democratization of travels" as the mark that delineates the limits of tourist and non-tourist world. The end of WWII facilitated the conditions for the upsurge of tourism as a contemporary form of consumption, which triggered an abrupt form of travelling respecting to other ancient civilizations. This means to say tourism is a practice enrooted in modernity alone. Secondly, experts failed to trace the roots of modern tourism as a mechanism to alleviate the social conflicts of industrial America. First and foremost, the sociology of tourism as discipline has adopted a paradigm imposed by financial organization as World Bank or World Tourism Organization. On one hand, the importance of tourism is strictly based on the profits it generates for the world or the flux of passengers travel without knowing thousand of modern citizens are today immobile. On another, the first sociologists of tourism prioritized their analysis on the tourist destination leaving other elements of whole system into oblivion. The tourist or native's voices exhibited the valid source to find the truth. Leading senior sociologists as Dean Maccannell (1976) echoed of these beliefs, paving the ways to the formation of American sociological Wave in tourism studies.

Unlike the German colleagues, American sociologists envisaged tourism as a direct result of modernity, associated to the reduction of working hours, advances in technology and wage-led enhancements. These scholars not only did not speak ancient languages but also did not worked with archaeological sources to realize some other civilizations practiced something like similar than tourism before us. Even, the archetype of holidays (as institution) was a legacy of Roman Empire, not an invention of modern West. Ideologically, the American wave of sociology adopted the theory of democratization to mark the difference between modern and ancient world, without knowing democratization does not mean massification. In ancient Greece, democracy was a political resource to consult the society when the king was not sure. Cornelius Castoriadis (2006) has explained convincingly how to govern whole mass of population British Empire manipulated the sense of democracy to make believe the massification is good, and hierarchy is bad. This begs a second problem which leads to sociology of tourism directly to ethnocentrism. Archaeologists as Ugo Paoli (1975) showed how Romans organized their leisure travels as modern West. Thinking tourism as a contemporary act irrespective of other non-western practices means that we are accepting our values as the only valid ones (under the lens of uniqueness). Because of our supremacy in the use of mobile technologies, we, the modern citizens, expand the peace through tourism and hospitality.

What these scholars ignore is that modern tourism as it has coined after WWII, works as the other side of terrorism. To cut the long story short, mass-migration imported a lot of ideologies, some of them very dangerous for capitalist bourgeoisies such as communism and anarchism. In this context, Anarchists in XIX and XXth centuries perpetrated a lot of attacks to top ranked officials. With the passing of years, some terrorists were convinced their ideology would survive if they devote considerable work and attention to the formation of worker-unions. States monopolized the use of force to subrogate and expulse anarchists beyond their boundaries, but at the same time legalized the worker union claims under the figure of strike (see Wagner Act). The benefits adopted by Government not only improved the conditions of workforce to boost capitalism but also resulted in the inception of "modern tourism" (not tourism). What beyond the borderland was named as "terrorist attack", inside was called "strike", both shares commonalities such as the extortion and surprise factor which should be explored by the sociology of tourism (Korstanje & Clayton, 2012; Skoll & Korstanje, 2013).

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TOURISMOS

An International Multidisciplinary Journal of Tourism

AIMS & SCOPE

TOURISMOS is an international, multi-disciplinary, refereed (peer-reviewed) journal aiming to promote and enhance research in all fields of tourism, including travel, hospitality and leisure. The journal is published by the University of the Aegean (in Greece), and is intended for readers in the scholarly community who deal with different tourism sectors, both at macro and at micro level, as well as professionals in the industry. *TOURISMOS* 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 segment. Besides research papers, the journal welcomes book reviews, conference reports, case studies, research notes and commentaries. *TOURISMOS* aims at:

- Disseminating and promoting research, good practice and innovation in all aspects of tourism to its prime audience including educators, researchers, post-graduate students, policy makers, and industry practitioners.
- Encouraging international scientific cooperation and understanding, and enhancing multi-disciplinary research across all tourism sectors.

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

The material published in *TOURISMOS* covers all scientific, conceptual and applied disciplines related to tourism, travel, hospitality and leisure, including: economics, management, planning and development, marketing, human resources, sociology, psychology, geography, information and communication technologies, transportation, service quality, finance, food and beverage, and education. Manuscripts published in *TOURISMOS* should not have been published previously in any copyright form (print or electronic/online). The general criteria for the acceptance of articles are:

- Contribution to the promotion of scientific knowledge in the greater multi-disciplinary field of tourism.
- Adequate and relevant literature review.
- Scientifically valid and reliable methodology.
- Clarity of writing.
- Acceptable quality of English language.

TOURISMOS is published twice per year (in Spring and in Autumn). Each issue includes the following sections: editorial, research papers, research notes, case studies, book reviews, conference reports, industry viewpoints, and forthcoming events.

JOURNAL SECTIONS

Editorial

The Editorial addresses issues of contemporary interest and provides a detailed introduction and commentary to the articles in the current issue. The editorial may be written by the Editor, or by any other member(s) of the Editorial Board. When appropriate, a "Guest Editorial" may be presented. However, *TOURISMOS* does not accept unsolicited editorials.

Research Papers

For the Research Papers section, TOURISMOS invites full-length manuscripts (not longer than 6000 words and not shorter than 4000 words) from a variety of disciplines; these papers may be either empirical or conceptual, and will be subject to strict blind peer review (by at least three anonymous referees). The decision for the final acceptance of the paper will be taken unanimously by the Editor and by the Associate

Editors. The manuscripts submitted should provide original and/or innovative ideas or approaches or findings that eventually push the frontiers of knowledge. Purely descriptive accounts are not considered suitable for this section. Each paper should have the following structure: a) abstract, b) introduction (including an overall presentation of the issue to be examined and the aims and objectives of the paper), c) main body (including, where appropriate, the review of literature, the development of hypotheses and/or models, research methodology, presentation of findings, and analysis and discussion), d) conclusions (including also, where appropriate, recommendations, practical implications, limitations, and suggestions for further research), e) bibliography, f) acknowledgements, and g) appendices.

Case Studies

Case Studies should be not longer than 3500 words and not shorter than 2500; these articles should be focusing on the detailed and critical presentation/review of real-life cases from the greater tourism sector, and must include - where appropriate - relevant references and bibliography. Case Studies should aim at disseminating information and/or good practices, combined with critical analysis of real examples. Purely descriptive accounts may be considered suitable for this section, provided that are well-justified and of interest to the readers of *TOURISMOS*. Each article should have the following structure: a) abstract, b) introduction (including an overall presentation of the case to be examined and the aims and objectives of the article), c) main body (including, where appropriate, the review of literature, the presentation of the case study, the critical review of the case and relevant discussion), d) conclusions (including also, where appropriate, recommendations, practical implications, and suggestions for further study), e) bibliography, f) acknowledgements, and g) appendices. All Case Studies are subject to blind peer review (by at least one anonymous referee). The decision for the final acceptance of the article will be taken unanimously by the Editor and by the Associate Editor.

Research Notes

Research Notes should be not longer than 2000 words and not shorter than 1000; these papers may be either empirical or conceptual, and will be subject to blind peer review (by at least two anonymous referees). The decision for the final acceptance of the paper will be taken unanimously by the Editor and by the Associate Editors. The manuscripts submitted may present research-in-progress or my focus on the conceptual development of models and approaches that have not been proven yet through primary research. In all cases, the papers should provide original ideas, approaches or preliminary findings that are open to discussion. Purely descriptive accounts may be considered suitable for this section, provided that are well-justified and of interest to the readers of *TOURISMOS*. Each paper should have the following structure: a) abstract, b) introduction (including an overall presentation of the issue to be examined and the aims and objectives of the paper), c) main body (including, where appropriate, the review of literature, the development of hypotheses and/or models, research methodology, presentation of findings, and analysis and discussion), d) conclusions (including also, where appropriate, recommendations, practical implications, limitations, and suggestions for further research), e) bibliography, f) acknowledgements, and g) appendices.

Book Reviews

Book Reviews should be not longer than 1500 words and not shorter than 1000; these articles aim at presenting and critically reviewing books from the greater field of tourism. Most reviews should focus on new publications, but older books are also welcome for presentation. Book Reviews are not subject to blind peer review; the decision for the final acceptance of the article will be taken unanimously by the Editor and by the Book Reviews Editor. Where appropriate, these articles may include references and bibliography. Books to be reviewed may be assigned to potential authors by the Book Reviews Editor, though *TOURISMOS* is also open to unsolicited suggestions for book reviews from interested parties.

Conference Reports

Conference Reports should be not longer than 2000 words and not shorter than 1000; these articles aim at presenting and critically reviewing conferences from the greater field of tourism. Most reports should focus on recent conferences (i.e., conferences that took place not before than three months from the date of manuscript submission), but older conferences are also welcome for presentation if appropriate. Conference Reports are not subject to blind peer review; the decision for the final acceptance of the article will be taken unanimously by the Editor and by the Conference Reports Editor. Where appropriate, these articles may include references and bibliography. Conference reports may be assigned to potential authors by the Conference Reports Editor, though

TOURISMOS is also open to unsolicited suggestions for reports from interested parties.

Industry Viewpoints

Industry Viewpoints should be not longer than 1500 words and not shorter than 500; these articles may have a "commentary" form, and aim at presenting and discussing ideas, views and suggestions by practitioners (industry professionals, tourism planners, policy makers, other tourism stakeholders, etc.). Through these articles, *TOURISMOS* provides a platform for the exchange of ideas and for developing closer links between academics and practitioners. Most viewpoints should focus on contemporary issues, but other issues are also welcome for presentation if appropriate. Industry Viewpoints are not subject to blind peer review; the decision for the final acceptance of the article will be taken unanimously by the Editor and by the Associate Editors. These articles may be assigned to potential authors by the editor, though *TOURISMOS* is also open to unsolicited contributions from interested parties.

Forthcoming Events

Forthcoming Events should be not longer than 500 words; these articles may have the form of a "call of papers", related to a forthcoming conference or a special issue of a journal. Alternatively, forthcoming events may have the form of a press release informing readers of *TOURISMOS* about an event (conference or other) related to the tourism, travel, hospitality or leisure sectors. These articles should not aim at promoting sales of any products or services. The decision for the final acceptance of the article will be taken by the Editor.

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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 *TOURISMOS* represents a certification on the part of the author(s) that it is an original work and has not been copyrighted elsewhere; manuscripts that are eventually published may not be reproduced in any other publication (print or electronic), as their copyright has been transferred to *TOURISMOS*. Submissions are accepted only in electronic form; authors are requested to submit one copy of each manuscript by email attachment. All manuscripts should be emailed to the Editor-in-Chief (Prof. Paris Tsartas, at ptsar@aegean.gr) and to the Editor (Prof. Evangelos Christou, at e.christou@aegean,gr), and depending on the nature of the manuscript submissions should also be emailed as follows:

- Conference reports should be emailed directly to the Conference Reports Editor (Dr. Vasiliki Galani-Moutafi), at v.moutafi@sa.aegean.gr.
- Book reviews should be emailed directly to the Book Reviews Editor (Dr. Marianna Sigala), at m.sigala@aegean.gr.
- Full papers and all other types of manuscripts should be emailed directly to the Editor (Prof. Evangelos Christou), at e.christou@aegean.gr.

Feedback regarding the submission of a manuscript (including the reviewers' comments) will be provided to the author(s) within six weeks 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 of a manuscript accepted for publication will receive three complimentary copies of the issue, and will also have to sign a "transfer of copyright" form. If appropriate, author(s) can correct first proofs. Manuscripts submitted to *TOURISMOS,* accepted for publication or not, cannot be returned to the author(s).

Manuscript Length

Research Papers should be not longer than 6000 words and not shorter than 4000. Research Notes should be not longer than 2000 words and not shorter than 1000. Case Studies should be not longer than 3500 words and not shorter than 2500. Book Reviews should be not longer than 1500 words and not shorter than 1000. Conference Reports should be not longer than 2000 words and not shorter than 1000. Industry Viewpoints should be not longer than 1500 words and not shorter than 500. Forthcoming Events should be not longer than 500 words. Manuscripts that do not fully conform to the above word limits (according to the type of the article) will be automatically rejected and should not be entered into the reviewing process.

Manuscript Style & Preparation

- All submissions (research papers, research notes, case studies, book reviews, conference reports, industry viewpoints, and forthcoming events) must have a title of no more than 12 words.
- Manuscripts should be double-line spaced, and have at least 2,5 cm (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 page 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. If the quotation is less than 3 lines, then it should be included in the main text enclosed in quotation marks. If the quotation is more than 3 lines, then it should be separated from the main text and indented.
- The name(s) of any sponsor(s) of the research contained in the manuscript, or any other acknowledgements, should appear at the very end of the manuscript.
- Tables, figures and illustrations are to be included in the text and to be numbered consecutively (in Arabic numbers). Each table, figure or illustration must have a title.

- The text should be organized under appropriate section headings, which, ideally, should not be more than 500-700 words apart.
- The main body of the text should be written in Times New Roman letters, font size 12.
- Section headings should be written in Arial letters, font size 12, and should be marked as follows: primary headings should be centred and typed in bold capitals and underlined; secondary headings should be typed with italic bold capital letters; other headings should be typed in capital letters. Authors are urged to write as concisely as possible, but not at the expense of clarity.
- The preferred software for submission is Microsoft Word.
- Authors submitting papers for publication should specify which section of the journal they wish their paper to be considered for: research papers, research notes, case studies, book reviews, conference reports, industry viewpoints, and forthcoming events.
- 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 Editorial Board nor the Publisher is responsible for correcting errors of spelling or grammar.
- Where acronyms are used, their full expression should be given initially.
- Authors are asked to ensure that there are no libellous implications in their work.

Manuscript Presentation

For submission, manuscripts of research 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-author(s) should be clearly indicated. Also, include an abstract of not more than 150 words and up to 6 keywords that identify article content. Also include a short biography of the author (about 50 words); in the case of co-author(s), the same details should also be included. All correspondence will be sent to the first named author, unless otherwise indicated.

- *Second page*: title, an abstract of not more than 150 words and up to 6 keywords that identify article content. Do *not* include the author(s) details, affiliation(s), and biographies in this page.
- *Subsequent pages*: the paper should begin on the third page and should not subsequently reveal the title or authors. In these pages should be included the main body of text (including tables, figures and illustrations); list of references; appendixes; and endnotes (numbered consecutively).
- The author(s) should ensure that their names cannot be identified anywhere in the text.

Referencing Style

In the text, references should be cited with parentheses using the "author, date" style - for example for single citations (Ford, 2004), or for multiple citations (Isaac, 1998; Jackson, 2003). Page numbers for specific points or direct quotations must be given (i.e., Ford, 2004: 312-313). The Reference list, placed at the end of the manuscript, must be typed in alphabetical order of authors. The specific format is:

- *For journal papers:* Tribe, J. (2002). The philosophic practitioner. *Annals of Tourism Research*, Vol.29, No.2, pp.338-357.
- *For books and monographs:* Teare, R. & 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 papers presented in conferences:* Ford, B. (2004). Adoption of innovations on hospitality. *Paper presented at the 22nd EuroCHRIE Conference.* Bilkent University, Ankara, Turkey: 3-7 November 2004.
- *For unpublished works:* Gregoriades, M. (2004). The impact of trust in brand loyalty, *Unpublished PhD Tourismos.* Chios, Greece: University of the Aegean.
- *For Internet sources (if you know the author)*: Johns, D. (2003) The power of branding in tourism. Http://www.tourismabstracts.org/marketing/papers-authors/id3456.

Accessed the 12th of January 2005, at 14:55. (note: always state clearly the full URL of your source).

- *For Internet sources (if you do not know the author)*: Tourism supply and demand. Http://www.tourismabstracts.org/marketing/papers-authors/id3456. Accessed the 30th of January 2004, at 12:35. (note: always state clearly the full URL of your source).
- *For reports:* Edelstein, L. G. & Benini, C. (1994). *Meetings and Conventions*. Meetings market report (August), 60-82.