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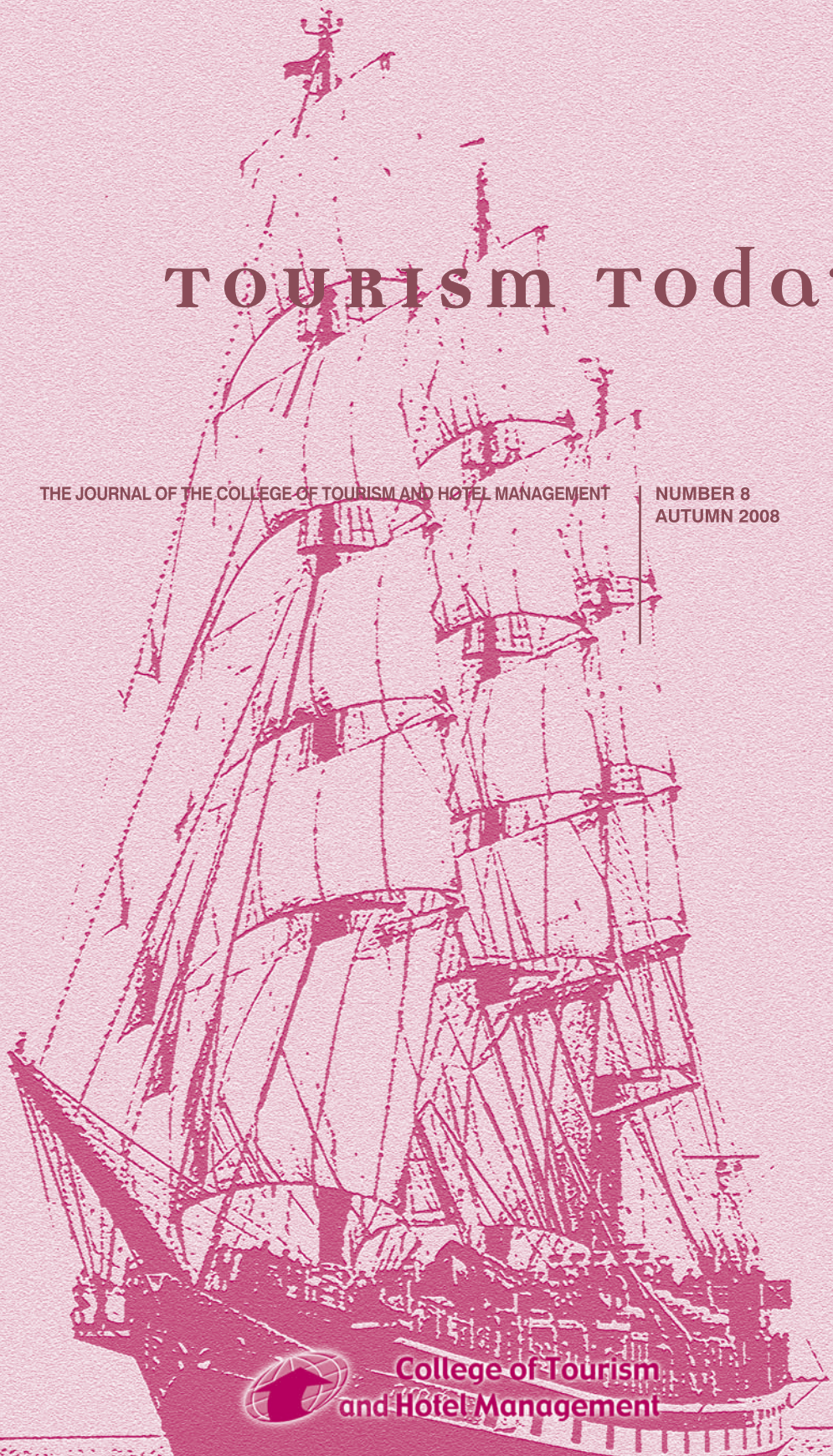

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Editorial Board

Editorial Board

Aims & Scope

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

Aims & Scope

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

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

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Note from the Editor

Welcome to the eighth edition of Tourism Today, the journal of the College of Tourism and Hotel Management. As has been the case for years, the journal is available to everyone free of charge from the College of Tourism and Hotel Management website.

This edition of Tourism Today continues to showcase articles that deal with a great breadth of topics and methodologies while at the same time remaining truly international in scope, publishing the works of authors from many different countries and analyzing data from around the world. In this edition, there are a number of articles highlighting the works of authors from the Balkan region and that deal with tourism issues in the Balkans. For example, Dorina Kripa and her coauthors explore some aspects of Albania's tourism industry, while Mirela Mazilu deals with tourism issues in Romania. In addition, Stanislav Ivanov deals with issues related to online hotel reservation system design. However, there are also other authors dealing with other countries and issues. For example, Ian McDonnell and his coauthors deal with tourism in Cambodia, while Youngsun Shin and his coauthor deal with cultural festivals using an example in Korea.

We at Tourism Today continue to improve the publication and we encourage the readers to be part of the process of improvement by submitting quality submissions to us. As has always been the case with Tourism Today, constructive comments that could help us improve the journal are appreciated.

We wish you a good reading.

Craig Webster
Editor-in-Chief, Tourism Today

Conceptual marketing framework for online hotel reservation system design

Stanislav Ivanov

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ABSTRACT:

The paper presents a theoretical framework of online hotel reservation systems' (OHRS) design. The author introduces the *value model* of an OHRS as a central concept in the OHRS's design process. Several marketing principles of the system's design are presented – ease of use, information sufficiency, information transparency, personalized service, ease of updating, compatibility, and interactivity. The paper also elaborates some of the critical marketing decisions in the design process – orientation of the system (to agents or direct customers), net or commissionable rates, room inventory, booking additional services, booking limitations, issuing travel and booking related documents, online payments, market intelligence, customer feedback capabilities and additional onsite resources.

Key words: e-commerce, internet, hotel, reservation system, website design, hotel marketing, tour operator

INTRODUCTION

The role of information systems and technologies in tourist companies' management and daily operations has been widely acknowledged and assessed as positive (Kim *et al*, 2005), because establishing an online presence and adopting e-commerce business models increases company's competitiveness, profitability and efficiency (Poon, 1993; Sheldon, 1997; O'Connor, 1999; Buhalis, 1998, 1999, 2003; Teo and Pian, 2003; Bojnec and Kribel, 2004; Lohrke *et al*., 2006). The development of online reservation systems for hotel accommodation, air tickets, rent-a-car and other travel related services has stimulated the growth of e-commerce and triggered a reasonable scientific research on the interrelationships between tourism industries and information technology, and the impacts of e-commerce on tourism development and companies' marketing mix strategies (e.g. Connolly *et al*., 1998; Connolly, 1999; Smith *et al*., 2001; O'Connor and Frew, 2002; Buhalis, 2003; Carroll and Siguaw, 2003; O'Connor, 2003a, 2003b; Ham, 2004; Tesone, 2005).

Current paper focuses on one of the main types of online reservation systems – the online *hotel* reservation systems (OHRS) and their design. OHRSs are an effective method for distribution of the hotel product that helps hotels reach greater visibility on the market place. Landvogt (2004) defines online booking *engines* as tools to store, publish and update the

dynamic data availability and prices, and additionally provide the users with a regular reservation process. Present paper adopts this definition and expands it for an OHRS. A specific characteristic of the OHRS is that users can make and see the changes in reservation status *online*. This differs OHRSs to online hotel catalogues (or information providers, according to the terminology used by Järvelä *et al*., 1999), where users can only see descriptions and pictures of hotels, sometimes rates but they could not check availability and make bookings online. This means that all business models which provide the possibility for an *online* booking (electronic booking service, electronic travel agent, electronic market place, and flexible comparison shopping services) are compatible with the above mentioned definition of OHRS.

An OHRS has a value for its owner if only it generates enough bookings. Therefore, the OHRS has to compete with other systems for traveller's money which requires that the system possesses a competitive advantage – e.g. low prices, secure booking process or something else. However, regardless of its source, the *potential* competitive advantage can be transformed into real advantage if only the website has proper design that helps the website generate real *bookings*, not just *visits*. In this regard, the aim of current paper is to develop a conceptual marketing framework towards OHRS design that could be useful for marketing managers in companies owning an OHRS and for software developers that prepare the software running the system. The technical aspects of OHRS design are out of the scope of the paper. The paper draws on the tourism and travel website design principles identified in the literature, qualitative analysis of the characteristics of most popular OHRSs on Bulgarian travel market, and author's personal experience with and participation in the development of Go Global Travel's online hotel reservation system (http://www.goglobal.travel).

The rest of the paper is organised as follows. Next section analyses the existing literature on travel website design. Section III presents the theoretical framework of the OHRS design and introduces the user value model of the system. The theoretical framework is further elaborated in Section IV (marketing principles for OHRS design) and Section V (marketing decisions to be taken in the design process). The final section provides discussion and concludes the paper.

LITERATURE REVIEW

The design of travel and tourism websites has received substantial attention by scholars (e.g. Schegg *et al*., 2002; Law and Leung, 2002; Law and Wong, 2003; Scharl, Wöber and Bauer, 2003; Landvogt, 2004; So and Morrison, 2004; Essawy, 2005; Jeong *et al*., 2005; Law and Hsu, 2006; Zafiropoulos and Vrana, 2006; Schmidt, Cantallops, and dos Santos, 2007). Landvogt (2004) evaluates several online booking engines over 23 different criteria, like overall user friendliness, payment method, instant confirmation, reliability, and invoicing function among others. These criteria present some of system's functions and design principles discussed further in current paper.

In their study Jeong *et al*. (2005) find that only two characteristics of hotel websites (informa

tion completeness and ease of use) are important determinants of perceived website quality. These results are bewildering as most studies identify more dimensions of perceived service quality to be significant for website users. Law and Hsu (2006), for example, assess the dimensions of hotel websites (information regarding the reservation, hotel facilities, contact details of the property, surrounding area and website management) and attributes in each dimension mostly valued by online users. Some of the most important website attributes are found to be the room rates, availability and security of payments (in the reservation information dimension), the location maps, hotel and room amenities (in facilities information), telephone, address and e-mail of the hotel (for contact information), transportation to the hotel, airports and sights (for surrounding area information), and up-to-date information, multilingual site and short download time (for website management). So and Morrison (2004) apply similar criteria for website evaluation as the preceding study but they group them into technical, marketing, consumer perspective and destination information perspective criteria.

Essawy (2005) focuses on website usability and shows that severe usability problems with interface quality, information quality, and service quality affect negatively the purchase and revisit intentions of website users. The author identifies some of the practical tools/activities for increasing users' perceived satisfaction, purchase intention, and potential relationship building – exchanging links with local points of interest, shorter/simpler pathways to leisure breaks, greater depth of information for room facilities and pricing, providing proactive interactions, and avoiding third-party reservation systems. In similar vein, Scharl, Wöber and Bauer (2003) assess the effectiveness of hotel websites. Authors identify personal, system and media factors that contribute to hotel website adoption. In the system factors group, that is more controllable by the hotel management compared to personal and media factors, they identify the perceived utility of the product, speed of the system, intelligence, layout, services, languages, navigation, interactivity, reliability of the system.

Research has also shown that trust is an important dimension of website development (Fam, Foscht and Collins, 2004; Chen, 2006; Wu and Chang, 2006). If consumers do not trust the website they will not visit it, or will not transform their visits into real purchases.

Although much effort has been put towards evaluating the design of tourism websites and the identification of website attributes highly valued by customers, there is a gap in the research in the OHRS design and its specific problems have not received enough attention in previous research with few notable exceptions. In series of reports Bainbridge (2002, 2003a, 2003b) discusses the practical aspects of the OHRS design (the search option in the systems, the booking process and the date format), while Ivanov (2002, 2005) discusses the types and main characteristics of OHRSs and the major marketing decisions to be taken by the marketing managers in their design.

The review of available literature on the tourism / hotel website and OHRS design reveals the following conclusions:

- Website users are interested in easy navigation through the system.

- They want abundance of information for the services offered in text and pictures.
- Trust is vital for the usage of the system.
- Website design can significantly influence the online experience of the users and their purchase intentions.
- Website design itself does not guarantee online purchases but it is the perceived utility of the product that attracts customers.

MARKETING FRAMEWORK FOR OHRS DESIGN

The goal of the OHRS is to facilitate the distribution of the hotel product. It is part of the distribution mix of individual hotels, hotel chains and tour operators that sell hotel accom modation to direct customers (B2C systems) or other intermediaries (B2B systems). For its *owner* the OHRS is an *asset* used to generate profits. Therefore, the OHRS has value for its owner if only it contributes to owner's bottom line. But how does the OHRS design influence the profit of the owner? Figure 1 presents the value model of the OHRS.

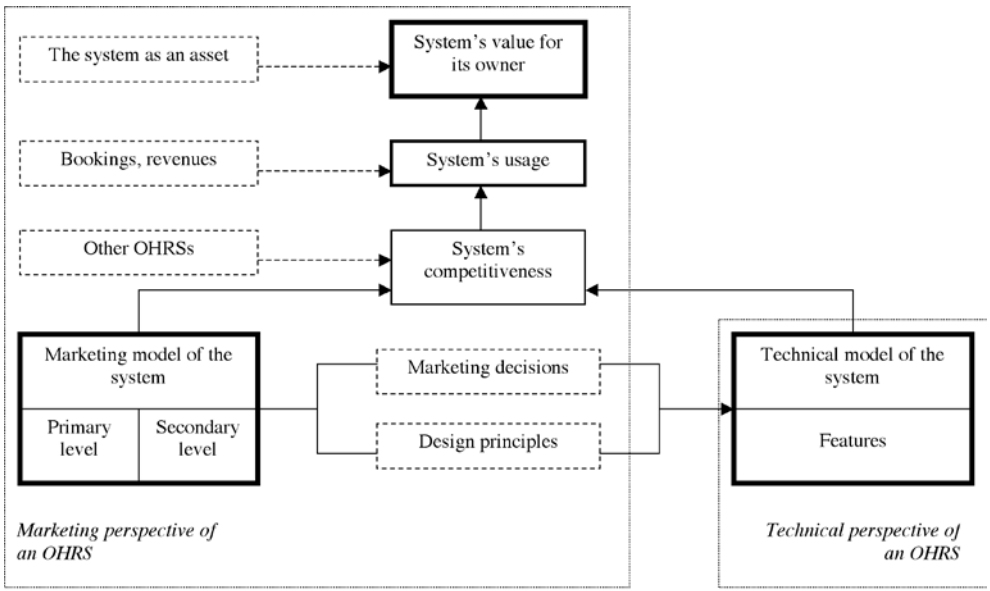

Figure 1. Conceptual value model of an online hotel reservation system

Being both an element of the distribution mix and a software application, each OHRS can be analysed from marketing and technical perspective. The *technical model* of the system is the narrower of both and consists of system's features – design, layout, download time, booking options, search options, date/name formats, links/pathways between different pages etc. The technical model determines how the system will be used.

From a marketing perspective, the technical design of the system is subordinate to the *marketing model* of the system. The marketing model says *who* can access the system, *what* users can do in the system, *how well* they can use the system and *whether* they will use it at all. This means that system owner has first to determine who and what the system will be used for and then to decide on its technical characteristics and features.

The marketing model of the system is "translated" into technical model by the transition mechanism of two elements of the proposed value model – the design principles and the marketing decisions to be takes by managers during the design process. The *design principles* define the general rules in the OHRS design that help the system achieve higher user and *buyer* rates. The *marketing decisions* determine the specific technical characteristics and features of the system – e.g. whether only tour operators can access the OHRS, only direct customers or both; what the price format will be (i.e. commissionable or net rates), etc.

Effective marketing and technical models of the system contribute to system's *competitiveness* compared to other systems available to users. Higher competitiveness leads to higher *usage* levels (more bookings and revenues) and, therefore, higher *value* of the system for its owner. An OHRS is successful if it generates profits for its owner, i.e. it is considered an asset. Otherwise, the system is only an exercise in website design without any value.

We now turn to the specific elements of the conceptual value model.

MARKETING MODEL OF AN OHRS

Figure 2 presents the marketing model of an online hotel reservation system.

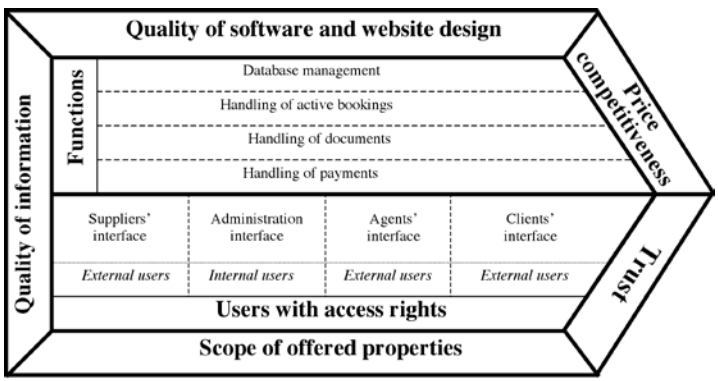

Figure 2. Marketing model of an online hotel reservation system

WHO? *Users with access rights*
WHAT? *Functions*
HOW? *Quality of software, website design and information*
WHETHER? *Price competitiveness, scope of offered properties and trust in the system*

The model has two levels. The primary level defines the OHRS per se, i.e. *who* can use the system (the users with access rights to the system) and what they can do in it (the functions they can perform). Users can be classified into internal (the system owner's staff) and external (suppliers, agents, clients) users. Each of them has different access rights to the system and can fulfil different functions – database management, handling of active bookings, handling of travel and booking related documents, handling of payments. Every function is a set of activities which the users can perform in there profiles and is visualized as specific features/options in the particular user's interface. In more details, the differences in access rights of internal and external users of the system are summarized in Table 1.

Table 1. Access rights of OHRS users

Functional elements and activities	Access rights of users			
	Suppliers	Internal users	Agents	Clients
Database management				
hotel descriptions and pictures	+	+		
allotment control	+	+		
viewing past reservations	+	+	+	+
editing contact details of users	+	+	+	+
prices control	+	+		
editing remarks and specials conditions on bookings	+	+		
Handling of active bookings				
inputting booking requests		+	+	+
amendments of active booking requests		+	+	+
sending requests to suppliers		+		
changing status of bookings	+	+		
inputting booking requests for alternative hotels (if the originally required is not available)	+	+		
Handling of documents				
invoicing	+	+	+	
issuing vouchers	+	+	+	
issuing customer contracts	+	+	+	
Handling of payments				
handling credit card authorization	+	+	+	+

It is obvious that the internal users have full access to the system, although different employees might have different access rights to the administration of the system. Usually the reservation department staff has access to the handling of active bookings and documents, and viewing past reservations; the accounting department deals additionally with the handling of payments. A separate department takes care for the database management – inputting and

editing hotel descriptions and pictures, allotment and price control, contact details of users, editing remarks and specials conditions on bookings.

Clients can only make booking requests, view their own past reservations (the so called "customisation of reservations"), amend active booking requests, edit their contact details and fill in credit card authorization form for payments due. They have the most restricted access. Agents have access to the same activities, but for all bookings made by their clients, and, depending on the contract with the owner of the system, might also issue vouchers, invoices and consumer contracts from the system. If an agent has the right to issue such documents, it is usually done within a contracted credit limit – the total money value of bookings with issued vouchers and outstanding payments due to the owner of the system. The credit limit may be fully or partially guaranteed by a deposit made by the agent. When the amount of the outstanding payments is exceeded, the agent is blocked from issuing new vouchers and/or making new bookings until settling of payments on previous reservations.

Suppliers might have full access to the database management function, to the preparation of and issuing travel and booking related documents and to the handling of payments as this facilitates the reservation and accounting process and updating the information in the system. However, suppliers could only change the status of active booking requests (requested, confirmed, rejected, or cancelled) or confirm alternative hotels if the originally requested by agent/client are unavailable.

Referring back to Figure 2 and Table 1 we can firmly state, that the more functions and activities the online hotel reservation system performs, the higher its utility for clients, agents, suppliers and internal users, and the higher its competitive advantage over other systems. That's why a current trend is to increase the number of travel related services that can be booked through an OHRS and the functions the system performs, transforming the OHRS into one-stop-shop travel services reservation systems.

The secondary level of the proposed marketing model does not define the OHRS as such but determines *how well* the users will perform the different activities and *whether* they will use the system at all. This level has five dimensions:

✓ Quality of software and web-design
✓ Quality of information provided
✓ Scope of offered properties
✓ Price competitiveness of offers in the system
✓ Trust in the system and the online payments it provides (if any).

Users of the OHRS will make reservation in it if they have a choice (scope of offered properties), competitive price and a guarantee about the information in the system and about the booking per se (trust). This means that the OHRS should offer enough properties in order to attract traffic and to satisfy the booking queries of its users, to offer prices lower than com-

petitors for the same or similar hotels. The system should generate trust by providing reliable software (which does not hang up and no booking mistakes are made by the software), website navigation that follows the natural steps in the hotel booking process, sufficient, up-to-date and unbiased information for the hotels (description and photos), etc. However, website design is not enough to provide trust and to generate sales. Unauthorised use of personal and sales data, and breach of privacy (when, where and with whom a person travels, agent used, hotel booked, price paid) might affect negatively online bookings in the system, although Brown, Muchira and Gottlieb (2007) do not find evidence that privacy concerns affect online purchase behavior within the travel industry.

The five dimensions at the secondary level are interrelated. Reservation systems with only few hotels can be competitive if they offer extremely low prices, and/or hotels from a specific geographical region, and/or unique properties that cannot be booked elsewhere. In this way, the system gains a significant competitive advantage, albeit its limited scope of offered hotels.

The theoretical concept behind the proposed marketing model of an OHRS is Michael Porter's value chain (Porter, 1985). Porter's value chain separates the activities within a company to primary and supporting depending on their relationship with the production and distribution of the product. The marketing model of the OHRS uses similar separation of system dimensions (primary and secondary level) depending on their relationship with the booking process. The value chain model is modified to include users with access rights to the system, functions and activities they can perform in it, quality of software, web-design, and information, scope of offered hotels, price competitiveness and trust. The more users with access rights and more activities they can perform, the more competitive, valuable and useful the system. The reason is that when suppliers (individual hotels, hotel chains, tour operators) have access to the system they speed up the updating of the OHRS and can make changes in prices and room inventory without the need to contact the system's owner. Also, when more agents use the system, the more bookings it will generate. Tour operators and hotel chains who maintain OHRSs continuously add new features in them – booking additional travel related services, online payments, travel guides, weather forecasts, etc., and offer access to their suppliers, as well as to direct customers and travel agents. All these upgrades create a value added for the users of the systems and increase the competitiveness of both the users and the owners of the systems. Trust is an essential feature in the model because it determines whether direct customers and agents will use the OHRS at all /for further discussion on trust in e-commerce and websites see Hoffman, Novak and Peralta (1998), Jarvenpaa, Trackinsky and Vitale (2000), Urban, Sultan and Qualls (2000), Fam et al. (2004), Chen (2006), Wu and Chang (2006)/.

The marketing model from Figure 2 can be used to analyse every OHRS, regardless of the owner of the system. If the system is run by a tour operator, the internal users are its employees, while the suppliers might be other tour operators, hotel chains or separate hotels. If the system is owned by a hotel chain, it by definition includes only properties belonging to the

chain. That's why, in this case the suppliers are the hotel chain members and the internal users are the hotel chain employees, responsible for the maintenance of the system.

MARKETING PRINCIPLES OF OHRS DESIGN

Website design has attracted the attention of researchers (e.g. Lynch and Horton, 2002; Palmer, 2002; Stone *et al*., 2005), because the quality of the website influences the expected service quality (Jeong *et al*, 2005) and contributes to website loyalty (Srinivasan *et al*., 2002). Lynch and Horton (2002) list general principles of a website design as user-centred and a user friendly interface with easy navigation, no dead-end pages, efficient hierarchy of information, bandwidth and interaction, simplicity and consistency, design integrity and stability, feedback and dialog provided by the system's design (interactivity). An empirical survey undertaken by Udo and Marquis (2000) shows that an effective website design must have short download time, easy navigation, uses graphics that do not take too long to load, uses animations that are not distracting, must be highly interactive and careful with the use of frames, choice of grammar and colour combination and shows high degree of cohesion and consistency throughout the pages. Another study by Lim (2002) reveals the designer has to follow a sequential progression, mimic real-life scripts, provide visual indicators, place functionality above aesthetics and avoid conditioning automatic actions in order to enhance the usability of online store interfaces.

Considering the above mentioned general website design principles and the website dimensions and attributes identified as important to users in the empirical literature we can derive several marketing principles marketers and IT specialist should adhere to in order the online hotel reservation system they develop to be competitive:

- *Ease of use/Easy navigation*. This is the most important marketing principle stated in every research (e.g. Neilsen, 2000). Flavián *et al*. (2006) show that greater usability has a positive influence on user satisfaction and this also generates higher website loyalty. If the OHRS does not have a user friendly interface its price competitiveness will be offset by the unwillingness of the external users (suppliers, agents, clients) to use the system. The ease of use also requires the sequential pages in the OHRS to follow the natural procedures in hotel booking process and the hyperlinks between them to allow easy navigation in the system (see for example Bainbridge, 2003a).

- *Information sufficiency/completeness*. The hospitality product is in its essence a service which cannot be visualised. Therefore, agents and potential clients will make decisions on the quality of the accommodation service based on elements like descriptions and pictures of hotel facilities, the category of the property, location maps, customer reviews, etc. In this regard, the information provided in the system must be sufficient for the agents' and clients' proper choice. This principle is directly connected to the database management function in OHRSs. The more detailed the description of the property and more the pictures, the more informed the agents'/clients' choice of hotel accommodation. Jeong *et al*. (2005) find that

richness of information and the ease of use are the most important determinants of perceived website quality, which, in turn, influences customers' expectations of the quality, value, and attractiveness of the lodging property featured on the website.

- *Information transparency*. Despite sufficient, the information must also be transparent. This is particularly required for prices. In some systems, clients are charged additional service/facilitation/handling/processing fees (to name just few of them) which cloud the price per room per night the client is going to pay. Although the application of additional fees is widespread, we think that it is better all charges to be included in the offered rate per room per night, so that the client could make a clear price comparison with other OHRSs which will also stimulate trust in the system and the new bookings.

- *Customisation/Personalized service*. Srinivasan *et al*. (2002) state that customisation of the website is one of the key attributes of websites that leads to users' website loyalty. OHRSs are designed to serve every customer or agent and therefore have a standardised interface. However, personalized service can be achieved through customisation of the interface and the reservations. The customisation of reservations means that the external user of the system can view and keep track of its own past and active bookings through limited access to the system. Additionally, some Global Distribution Systems (e.g. [1]) allow the customisation of user's interface itself – the user can choose the functions and the input search criteria sections he/she can see in the interface. Furthermore, other OHRSs (e.g. [18]) offer the option to print a voucher with agent's name, logo and contact details to be presented by the client at check-in, which facilitates the daily operations of travel agents and creates value for them (hence, handling of documents is included in the OHRS's marketing model as a major function).

- *Ease of updating*. Clients and agents will make bookings in the OHRS if the information in it (rates, inventory, booking remarks, hotel descriptions and pictures, etc.) is up-to-date. Because database management is a labour- and time-consuming function, the company can save both time and money if the information in the system can be easily updated.

- *Compatibility*. The reservation system will increase its value to the customer if it can be integrated with other systems (see next section of the paper) which can be achieved if only the software of the system is compatible with the software of other systems. This has been widely acknowledged by tourism practitioners. In this regard, several tens of companies from the travel and tourism industry and the IT sector have established the OpenTravel Alliance (OTA) (*http://www.opentravel.org*). Members of the alliance acknowledge that "the travel industry needs common technical specifications for the electronic communication of information… Travel industry business and technology leaders responsible for product distribution are working together through the OTA to transform the travel industry into one global supermarket of products and services. This will be realized through development of a commonly accepted communications process using XML." (*http://www.opentravel.org/about.cfm*).

- *Interactivity*. Interactivity is a multidimensional construct. Downes and McMillan (2000)

identify the following dimensions that create the interactivity concept in computer-mediated communications – direction of communication, time flexibility, sense of place, level of control, responsiveness and perceived purpose of communication. Based on in-depth interviews with respondents, authors show that interactivity increases when (p. 173):

- Two-way communication enables all participants to actively communicate.
- Timing of communication is flexible to meet the time demands of participants.
- The communication environment creates sense of place.
- Participants perceive that they have greater control of the communication environment.
- Participants find the communication to be responsive.
- Individuals perceive that the goal of communication is more oriented to exchanging information than to attempting to persuade.

Authors' findings have important implications for the OHRS design from both marketing and technical perspectives. The OHRS is interactive when:

- The system provides customer feedback options – e.g. customer review platforms and blogs, email / telephone / Skype / ICQ for customer service.
- The system has features for customer support service by the sales force and the IT depart ment of the system's owner, so that the user could feel support when using the system.
- The system displays customised information for the users – it is achieved by the authorised access to the system allowing users to see only their bookings, by cookies which remember the previous search results from the computer with a particular IP address, or by manual customisation of the interface by the user.
- The information provided about the properties is not biased and descriptions follow standard format, e.g. bulleted lists about hotel facilities and room amenities.
- The user has more control on the information provided by the system – it is achieved by the multiple search options for hotel accommodation (e.g. by name, star category, location, specific hotel facilities or room amenities, price, availability), the customisation of the search results (e.g. number of hotels per page, sort by price, by name or by location), saving search results for easy future reference.

MARKETING DECISIONS IN THE OHRS DESIGN PROCESS

Following the principles of an OHRS design does not guarantee that the system will be competitive. Not all functions in a website are valued equally by the users. Nysveen *et al* (2003), for example, show that search engines, service integration, and personalization are the most preferred value-added services by the customers. Therefore, marketing managers must make many decisions concerning the particular design of the system and its specific functions which affect the value of the system. The most important marketing decisions are discussed below.

Business-to-business (B2B) or business-to-consumer (B2C) reservation system

For us this is the main problem as its solution predetermines the other marketing decisions in the OHRS design process. When an OHRS is agents oriented, i.e. B2B type systems like [2], [8],[10], [12], [14], [21], it should be with limited access by default, so that each agent has its own username and password to access the system and keep track of its own bookings (the customisation of reservations, discussed in previous section). Working with agents facilitates the marketing efforts of the tour operator / hotel chain in sales promotions, because the users of the system are identifiable subjects. As a result of the smaller number of users, payments are also easier – once a month or another time basis. It is possible that the owner of the system gives a credit limit to each user, which the latter can use to issue vouchers for already confirmed but not yet paid to the tour operator / hotel chain bookings. On the other hand, working with agents means that the tour operator / hotel chain does not have a direct relationship with the end consumer and could not influence the sale process – it is determined by the agent.

The orientation towards the end consumer, B2C systems like [5], [11], [16], [19], shortens the chain between the supplier of the accommodation services and the user of these services. End consumers also have greater choice of hotels which is not limited by the travel agent. In this way, the end customers transform themselves in "self tour operators" as they organize their own trip. Such systems are of an open type without username and password. Usually, after reservation the client receives an automatically generated e-mail with the reference number of the booking and (not always) an access code, valid for this particular booking (e.g. [11]). With the help of the reference number and the access code, the client could see the status of the booking online and eventually make changes in it. This is considered a customisation of reservations too, because only the person who made the booking in the system could know both the reference number and the access code for it. It is also possible that, for verification reasons, instead of an access code the booking details can be accessed with reference number and a valid e-mail address (specified during the booking process).

In B2C systems, the sales promotion is a much harder task, because theoretically users are all people who have access to internet. The lower number of middlemen between the supplier and the end consumer creates conditions for price reductions. However, this situation is rarely observed in practice, because many B2C systems (e.g. [3], [17]) support also a restricted section for travel agents in which prices for hotel accommodation are lower than the prices for direct customers. Instead of decreasing the rates for the end consumers, the difference between the price for clients and for agents creates additional profit for the tour operator / the hotel chain. That's why, most of the B2B systems are transformed into hybrid systems or establish new end customer oriented systems (e.g. Cendant Corporation supports the B2B system [2] and the B2C system [15]).

Net or commissionable rates

Most of the B2B and all B2C systems offer net rates (without commission), so that the user of

the system can see the exact amount due without additional calculations. The price comparison among the systems is easy and the user can quickly identify the price competitive advantages of different suppliers. The tour operators / hotel chains can apply price discrimination strategy as the users see in their accounts / profiles rates with different mark-up.

A disadvantage of B2B systems with net rates is that they could be used only by tour operators, because travel agents cannot add mark-up to prices. Even if they apply a handling/ service fee, the travel agents must specify it separately which will reveal their income to the customer – something the agents do not wish to do. As a consequence, in B2B systems sometimes users can see also commissionable rates. The price comparison among systems is difficult, because the agent must calculate the amount due for every booking separately by deducting the commission. On the other hand, the tour operators / hotel chains can even easier price discriminate the users of the system, because despite different rates tour operators / hotel chains can apply different commissions for agents depending on their sales turnover. Moreover, the commissionable rates expand the scope of the users of the system, because not only tour operators but also travel agents could use it. Another advantage is the possibility to fix prices for the end consumer and to price discriminate the agents through different commissions.

Room inventory/Availability of rooms

The majority of OHRSs work on request basis. The user makes an online request on which the employees of the tour operator / hotel chain work, and confirm depending on the availability of rooms in the hotel. In this case, the OHRS can be described as an online catalogue in which one can see descriptions, pictures, and rates for different hotels, but not availability of rooms.

When an OHRS shows availability, it gains competitive advantage over the systems on request basis. In practice, there are three ways for an OHRS to show availability of rooms: free sale, allotment and integrated (back-to-back) systems.

In the *free sale* the hotelier gives the tour operator the non-exclusive right to sell free rooms. The tour operator confirms the bookings to its partners and clients at the very moment they are received and is obliged to inform the hotel periodically (usually every day) for the confirmed bookings. The hotelier informs the tour operator for the closed dates immediately (usually within same day) which the tour operator inputs in its own system.

The advantage of the free sale for the tour operator is that it does not require minimum sales and the tour operator shows availability in the system without considerable financial commitments. The financial engagement with the hotelier is lower because the tour operator does not prepay any rooms.

The disadvantage for the tour operator is that he can confirm rooms which are not available as a result of the following reasons:

- There is a time gap between the moment of depletion of available rooms in the hotel, the moment when the tour operator is informed and the moment of closing for sale the dates in question in the system of the tour operator. Within these few hours there is a possibility that a client/agent makes a booking in the tour operator's OHRS showing availability which the tour operator confirms. After informing the hotel, the tour operator discovers the problem and has to reject the booking or offer an alternative which clients will probably not accept welcomingly after their desired hotel had been previously confirmed by the tour operator.

- One and the same number of hotels rooms is on free sale with many tour operators which firstly confirm the bookings to their clients/agents and after that inform the hotelier.

There are several ways to overcome the discussed disadvantage:

- The hotelier has access to the administration of the tour operator's OHRS (the suppliers' interface from Figure 2) and can open and close dates for sale without having to inform the tour operator – in this way, the time gap between the depletion of rooms and closing the dates in the tour operator's system is diminished, and the responsibility for any misconfirmed bookings is transferred to the hotel.

- The hotelier sets limits for the maximum number of rooms which can be confirmed with one booking request.

Another disadvantage for the tour operator is that he cannot guarantee free rooms in periods of high demand – New Year, Christmas, Easter, fairs, congresses, World championships and other special events.

The advantage for the hotelier is that the free sale prevents the overdependence on one or few tour operators because he can sell the same rooms through large number of intermediaries without limiting his own possibilities to sell rooms to direct customers.

With the *allotment* the hotelier gives the tour operator an exclusive right to sell specific number of rooms which only the tour operator can sell, not even the hotelier himself. This is the difference with the free sale – in the free sale one and the same number of rooms is sold through several intermediaries, while in the allotment this is done only through one. The hotelier cannot sell the rooms from the allotment even if all other rooms are booked. In charter programs the tour operator prepays partially (seldom fully) the allotment. In contrast, when allotment is contracted for sale to individual (FIT) clients, the tour operators do not prepay the rooms, but at the end of the month pay only sold rooms and, depending on the contract, a fee for the unsold rooms from the allotment. However, if the tour operator has to pay all the rooms from the allotment regardless whether he was able to resell them to other tour opera-

tors or direct customers or not, we are talking about a *commitment* contract which are now becoming rarer.

The advantage of the allotment for the tour operator is that he guarantees available rooms within the allotment regardless of the occupation level of the rest of the rooms in the hotel. Even if the hotelier eventually closes for sale some of the rooms in the allotment because of repair works, force majeur, special events or others, he informs the tour operator early enough to allow him to make necessary amendments in his own contracts and reservation system.

A disadvantage for the tour operator is the prepayment of rooms, if it is mentioned in the contract, which on the other side is the main advantage for the hotelier – he receives financial resources in advance which can be invested in modernizing the accommodation establishment.

The disadvantage for the hotelier is his higher dependence on tour operators' sales – he cannot sell the rooms from the allotment. In this regard, only part of hotel's capacity is reserved for tour operators' allotments, and the rest is for free sale.

In the *integrated (back-to-back)* OHRSs one (secondary or built-on) system is integrated with another (basic or primary) system (Figure 3).

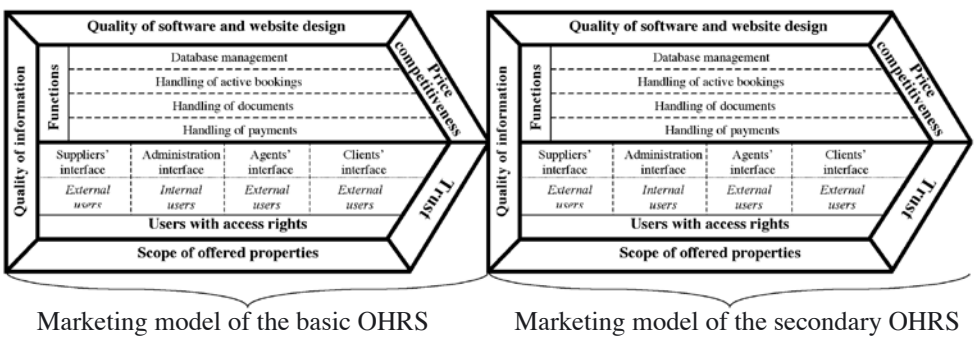

Figure 3. Marketing model of integrated online hotel reservation systems

The secondary system is also known as a "meta site" (see Christodoulidou, Brewer and Countryman, 2007). It shows availability and rates with additional mark-up from the basic system. Many nuances exist depending on the degree of integration between the two systems. Usually the secondary system shows availability and rates from the basic system, i.e. partial integration of the database management functions, but it might also show descriptions and pictures of hotels from it. In the full integration the bookings made in the secondary system go directly to the basic system without additional handling from the reservation staff of the tour operator with the secondary system (integrated database management and handling of

active bookings functions). When the booking is confirmed/rejected/cancelled in the basic system its status is also automatically changed in the secondary system. Rarely the agents and clients of a secondary system receive a voucher from the primary system (integrated handling of documents function). As far as we know (the information in this field is to a great extend proprietary) there is still no empirical example of integration of handling of payments functions between two reservation systems (i.e. the user of the secondary system pays to its owner and this results in an automatic payment from the owner of the secondary system to the owner of the primary system).

From a technical point of view the design of a fully integrated secondary system is labour-consuming but once created it has the advantage of easy maintenance and updating, because all changes in rates, availability, name changes of hotels, descriptions, remarks, handling of bookings etc., is done by the tour operator who owns the basic system. A disadvantage is that all mistakes in these elements in the basic system will be reflected in the secondary system. Therefore, the value of the secondary system depends on the value of the primary system.

Booking additional services/Dynamic packaging

From a technical point of view booking a flight, rent-a-car, sightseeing tour, package tour, or transfer is not something different to hotel bookings. The booking details of the electronic request in the system may be different but not the principles for designing and running the system. From a marketing standpoint, however, the possibility for booking additional services in the OHRS through dynamic packaging allows users to create their own packages (Cardoso and Lange, 2007). This creates competitive advantage for systems owner and agents, because the greater flexibility, improved customer services and enlarged choice of travel related services generate higher customer satisfaction and larger revenue base. The OHRS can be divided into two groups depending on their dynamic packaging capabilities:

- OHRS for hotel bookings only. Usually they belong to a hotel chain (e.g. [3], [9]) or local tourism marketing organization (e.g. [7]). They limit the user's choice of hotels to properties belonging to a hotel chain or located in specific city/area.

- OHRSs with online bookings of additional services (e.g. [2], [10], [19]). Sometimes, the rates for online bookings of additional services are the same or even higher than the rack rates of same services when bought on spot from the suppliers, which hinders the online sales. The reason is that most of the services are low priced and the commissions/mark-ups do not generate enough net income for the tour operator to cover the booking costs. However, tour operators offer their clients the possibility to prearrange local transfers and sightseeing tours, which reduces the perceived risk of the whole trip and offsets the sometimes higher than rack rates charged by the tour operators.

Booking limitations

Usually the maximum number of rooms or beds in an OHRS that can be booked with one booking request is limited in order to minimize the risk of agents or clients blocking too many rooms at the hotel, their subsequent cancellation short before the check-in date and the impossibility to resell the rooms to other agents or clients. The limitations might sometimes be very strong and the agents/clients cannot book more than one or two rooms simultaneously with one reservation (e.g. [17]). Other limitations include the number of days to check-in date when the user can make a booking, or the possibility to make a request for hotel without allotment, i.e. to book on request basis. Most of the reservation systems give the possibility to book on request, but others do not (e.g. [4], [5], [17]). They predominantly belong to hotel chains and are integrated with the internal information and reservation systems of member hotels.

Issuing travel and booking related documents

Each hotel booking is accompanied by issuing several documents which may vary from country to country but always include a hotel voucher and an invoice for payment. They can be prepared and issued manually by the tour operator's employees, or by its agents (in this way they also act as tour operators and not as travel agents). In order to avoid mistakes, some systems (e.g. [2], [8]) provide the function "handling of documents", which allows internal and external users to issue voucher directly from the system. An electronic invoice and/or credit card authorization form might also be issued and printed from the system.

Issuing travel and booking related documents is not a specific characteristic of OHRSs. Systems may offer or not this option but doing so they follow the principle of ease of use and integrity of OHRSs design, facilitate the booking process and achieve competitive advantage.

Online payments

Online payments are another non-specific characteristic of OHRSs. The possibility for an online payment is a function that creates value added for the user and facilitates the process of payments handling and accounting. In this situation, clients may not even interact with any employees. However, online payments function has a high perceived risk (Nysveen, 2003) and raises the questions of security of transactions and privacy of clients' information (for further discussion and a possible solution of the problem see Garfinkel and Spafford, 2001). One way to increase the trust to the system's security is to elaborately explain to clients all the actions undertaken to ensure the transactions and the privacy of information which is in a direct connection with the customer confidence determinant of online consumer experience and the principle of information transparency (e.g. Travelocity's Security Guarantee: [19] – link to *Security Guarantee*).

Market intelligence

One of the important aspects in the OHRS design is the level of market intelligence that the system provides. Current internet technology gives unprecedented opportunities for market information gathering (O'Connor, 2006). The more detailed the information that the system provides, the more informed the market decisions of its owner. Some of the statistics detailed by agent, customer, supplier and destination that the system could produce for its owner might be:

- number of visits per month
- number of bookings
- monetary value of booked rooms
- average rate per booked room
- structure of bookings by agents, suppliers, and destinations
- star category of booked properties
- booking lead time (number of days between booking date and check-in date)
- credit limit outstanding
- average stay, etc.

For B2B systems the market intelligence is fairly easy, because users should log-in to the system in order to book rooms. That is not the case with the B2C systems. In this regard, OHRS owners develop loyalty programmes that stimulate users to log-in to the system and/or enter their loyalty card number during the reservation process in order to gain points. Cookies can also be used for the same purpose (O'Connor, 2006). However, their disadvantage is that they can be easily deleted from the Temporary Internet Files folder of the user's computer, the same user can book through different computers or the same computer be used by different users. Therefore, the data provided by the loyalty cards has much higher utility for the system's owner than the data from the cookies.

Customer feedback capabilities

One of the dimensions of interactivity is the customer feedback capabilities – customer review platforms and blogs. They stimulate customers to share their experience with other users about particular hotels. These reviews influence customer choice but can be subject to manipulation by inclusion of false reviews (O'Connor, 2008). A solution might be to require log-in in order to post a review and administering the reviews (in order to avoid bad language and posting external links with sites with sexual, religious, political or other sensitive content).

Additional features

Adding online maps, brochures, travel guides, weather forecasts, travel tips, useful links, search engines and other additional features to the system facilitates the work of the travel

agent and the choice of a destination and a hotel by the client (e.g. [3], [15]) and, therefore, creates added value for the external users. However, updating the information requires human, temporal and financial resources. That's why the marginal benefits from adding these features (the profits from the additional bookings they will generate) must be weighed against the marginal costs for their maintenance. More research is needed to clarify the role of these additional features in the selection of OHRS by the travel agents and by the end consumers.

These are some of the most important marketing decisions to be taken in the system's design process. They are interconnected and there is no single correct solution to any design problem. As a consequence, there is a great variety of OHRSs in the Internet with different design, access, orientation, offered services and additional features.

DISCUSSION AND CONCLUSION

Table 2 summarised the discussion above from the view point of the consumer and his buyer behaviour. The stages in the consumer buyer behaviour and the corresponding phases and stages in the booking process are matched with the system's dimensions, design principles and main marketing decisions.

The recognition of the travel need is beyond the control of the OHRS, because users visit such systems when they already have recognised the need. However, the system's design has great impact on the other 4 stages in the consumer behaviour – information search, evaluation of alternatives, purchase and post-purchase behaviour:

✓ *Information search* – relates to the provision of information according to the travel needs of the user. This corresponds to the inputting in the system of stay requirements by the users (destination, check-in date, check-out date, number of rooms, types of rooms, specific location and/or hotel facilities, price, category, etc.). From a marketing perspective the effectiveness of the information search will depend on the access rights granted to the users, the scope of offered properties in the system, the quality of the information about the properties, the quality of the software and the website design that facilitates the use of the system and simplifies the search process. The most important design principles relate to the ease of use, information transparency and sufficiency, that will help users gather enough information to make an informed decision about the choice of accommodation. When the system integrates databases from other systems its software should also be compatible with the software of these systems. The major marketing decisions refer to the elements of the booking – room inventory, B2B or B2C system, net or commissionable rates, booking limitations. However, as noted above, the website should also be able to gather market intelligence information about the searches of specific users.

✓ *Evaluation of alternatives* – relates to the comparison of different accommodation options available to the user according to the specified search criteria. In addition to the quality of information and scope of offered properties, two other system's dimensions are crucial

Table 2. Marketing perspective in OHRS design

Stages in consumer buyer behaviour	Phases and stages in the booking process	OHRS's dimensions	Marketing principles for OHRS design	Marketing decisions for ORHS design
Need recognition	-	-	-	-
Information search	Phase 1 – *Search and evaluation* • Input stay requirements	• Users with access rights • Functions • Quality of information • Quality of software and website design • Scope of offered properties	• Ease of use • Information sufficiency • Information transparency • Customisation • Ease of updating • Compatibility	• B2B / B2C system • Net or commissionable rates • Room inventory • Additional services • Booking limitations • Market intelligence • Additional features
Evaluation of alternatives	Phase 1 – *Search and evaluation* • Compare and evaluate results • Decide	• Quality of information • Scope of offered properties • Price competitiveness • Trust	• Information sufficiency • Information transparency	• Net or commissionable rates • Room inventory • Additional services • Booking limitations
Purchase	Phase 2 – *Selection* • Select hotel, room and rate • Select additional rooms and rates Phase 3 – *Checkout* • Input guest details • Input payment details • Confirm reservation	• Users with access rights • Functions • Quality of software and website design • Trust	• Ease of use • Information sufficiency • Information transparency • Customisation • Compatibility	• B2B / B2C system • Net or commissionable rates • Room inventory • Additional services • Booking limitations • Issuing travel and booking related documents • Online payments • Market intelligence
Post-purchase behaviour	-	• Functions • Quality of information • Quality of software and website design	• Ease of use • Information sufficiency • Information transparency • Interactivity	• Market intelligence • Customer feedback capabilities

[1] As defined by Bainbridge (2003a)

– price competitiveness and trust. The design principles refer to the information sufficiency and transparency because they directly correspond to the psychological processing of information by the user when evaluating alternative accommodation options.

✓ *Purchase* – refers to the selection and check out phases in the booking process. The user completes the booking with the guest and payments details and confirms the reservation. Therefore, the main marketing decisions relate to the issuing of travel and booking documents and online payments. Again, information should be sufficient and transparent, but users should trust the system, otherwise they will not use it at all.

✓ *Post-purchase behaviour.* The use of the OHRS does not finish with the end of the booking process but continues after the stay of the customer. He might find some of his experiences exceeding or falling short of the initial expectations formed by the information provided in the system. This requires that the system has customer feedback capabilities that can help users provide feedback about they stays at the properties. Through the market intelligence options of the system these feedbacks can be aggregated, summarised, and used by the system's owner to motivate decisions about individual properties – negotiate higher allotment, drop the hotel from the system, promote more actively. Furthermore, customer reviews, when positive, can be used as a reference and recommendation of specific properties.

The OHRS design is a process that must involve marketing professionals as well as software developers. The reason is that technically perfect website design can be catastrophic from a marketing perspective if it does not provide excellent online customer experience and does not stimulate bookings. The opposite is equally true: perfect from a marketing point of view website might be impractical, considering the current state of Internet technology, or illegal, considering the personal information protection legislation. However, the system must generate bookings and this is the only criterion whether it is successful or not. Further research can focus on the profit impact of the OHRS's design features and shed light how the different marketing decisions discussed in the paper influence the financial performance of the reservation system's owner. The topic can be extended to include the design of online reservation systems of tourism and travel related services – transportation (air, bus, rail, and ferryboat tickets), rent-a-car, scheduled and tailor-maid sightseeing tours, transfers, package tours. Although some companies provide the possibility to book most of the mentioned services online, each service has its own specific features which pose specific requirements to the design of its respective reservation system.

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An investigation of perceived tourism impacts between market segments

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ABSTRACT

The continuation of examining tourism impacts from the different market segments offers exciting insights into resident perceptions of tourism in their communities. This can help explain why residents may support one type of tourism development over another. This study tested the relationships between tourism business industry representative's demographics, perceived economic, environmental, and social impacts and support of two distinct tourism market segments: cultural and convention tourism. Overall, both market segments were favored; however, the economic and social benefits and negative impacts played more of a significant role than environmental impacts. Identification of which type of development may be favored over another and which may be feeling more negative impacts can aid tourism planners in the creation of a sustainable tourism destination.

Key Words: Urban tourism, cultural tourism, convention tourism, tourism development, resident perceptions, market segmentation

INTRODUCTION

Over the last decade, downtown Indianapolis, Indiana, USA has experienced significant growth in tourism. Indianapolis is located in the Midwestern section of the United States and is the nation's 13th largest city. Since 1994 the attendance at tourist attractions in downtown Indianapolis has increased over 250 percent to approximately 16.6 million visits annually (Indianapolis Downtown, Inc., 2004). As Indianapolis continues to develop its tourism attractions and resources, it is essential to gain an understanding of residents' opinions regarding development. Not including resident's opinions or disregarding them can have economic and social consequences according to Pearce (1998). These include delayed construction of tourism development due to community protests, loss of support for tourism development officials, an unwillingness to work in the industry and lack of enthusiasm for promotion of tourism by word of mouth (Pearce, 1998). The city recently completed a convention center expansion and also launched a major cultural tourism initiative. Therefore, resident attitudes toward tourism development in Indianapolis in the market segments of cultural and convention tourism are paramount.

This follows the paradigm that without community support, it "is difficult to develop a sustainable tourism industry in the community" (Andereck & Vogt, 2000, p. 27). The United Nations World Tourism Organization (UNWTO) posits that in order to have a sustainable tourism destination, the environmental, economic and social impacts must be monitored and brought to an acceptable level for residents, visitors, and business interests (UNWTO, 2004).

Therefore, the hospitality of the local community is vital to the sustainability of the tourism industry and the destination should be developed according to host community needs (Andriotis, 2005). Murphy (1985) agrees and asserts that tourism is a resource industry, dependent not only on the natural and cultural resources but also public goodwill. This goodwill is an essential piece of a visitor's experience "for if the host community is antagonistic to visitors, no amount of attractions will compensate for the rudeness or hostility" (Murphy, 1985, p. 13). As a result, there has been a proliferation of tourism impact studies from the destination's perspective in the last 30 years drawing connections between resident attitudes of perceived tourism impacts and tourism development (Andereck & Vogt, 2000). These studies have also frequently developed models to explore relationships between residents' demographics, perceived impacts, and support for further tourism development (Chen, 2001; Gursoy, Jurowski, & Uysal, 1990; McGehee, Andereck, & Vogt, 2002; Perdue, Long, & Allen, 1990; Ko & Stewart, 2002).

Despite the growing amount of research, past studies have sampled residents as a collective whole rather than individual community groups. There is limited examination of urban tourist areas and assessing opinions on tourism with other groups in the community, such as tourism industry business interests (Andriotis, 2005; Chen, 2000). Moreover, few studies have investigated specific tourism market segments and their perceived impacts on a destination (Liu, Sheldon, & Var, 1987; Vogt & Jun, 2004).

In the late spring of 2005, the Indiana General Assembly passed legislation that would provide seed funding and approval for an expanded convention center in downtown Indianapolis (Waddle, 2005). The plans were sold to the Indianapolis residents as an economic boom and social energy not only to the immediate downtown area and Marion County, but as an influx to the surrounding counties as well (Wilson, 2005). An expanded convention center would allow for larger and more lucrative convention visitor groups (Waddle, 2005).

In addition, in 2001, the mayor of the city of Indianapolis launched a cultural tourism initiative to build upon the existing cultural attractions and market these resources more effectively (City of Indianapolis, 2001). As a result, six districts banded together as the Indianapolis' Cultural District in order to promote and showcase the local cultural and artistic offerings reflecting the character and diversity of the community (ICVA, 2005).

REVIEW OF LITERATURE

In recent decades, an abundance of empirical investigations on resident perceptions of tourism impacts reflects the hope that this type of inquiry will give tourism planners strategies to create policies for service delivery. The growing importance placed on studying impacts from a destination perspective also increases the likelihood for support for tourism development and enables policymakers to enhance the quality of life and create a sustainable community (Chen, 2001).

Social exchange theory is used predominately in the literature on assessing tourism related impacts to a destination (Andriotis, 2005; Andereck & Vogt, 2000; Ap, 1992; Chen, 2000; Chen, 2001; Gursoy, et al., 2002; Perdue, Long, & Allen, 1990; Vogt & Jun, 2004). According to Ap (1992), social exchange theory allows for the investigation of both positive and negative impacts tourism has on a destination. The theory postulates that hosts and visitors exchange resources that are valued by both parties. More than likely, residents will be aware of the positive and negative implications of tourism and either will support or not support tourism development based on their perceptions of the benefits and costs (Andriotis & Vaughan, 2003). The benefits of this exchange may be employment opportunities, tax revenues and improved quality of life (Perdue et al., 1990). Costs may include increased traffic congestion, noise, and deterioration of natural resources (Chen, 2001). Those community groups who view the benefits of tourism to outweigh the costs will have a favorable attitude to tourism, and more likely to give support to tourism development (Allen, Hafer, Long, & Perdue, 1994; Jurowski, Uysal, & Williams, 1997). Conversely, those who view the costs higher than the benefits will not support tourism development (Harrill, 2004).

The study by Perdue et al. (1990) appears to serve as the cornerstone for other studies on tourism impacts and subsequent support for tourism development.

Their model examined relationships between perceived positive and negative impacts, resident support for additional tourism development and tourism policies. Although the authors do not find any significant differences between the residents in terms of demographics, this was the first study that recognized that not all residents feel the same about tourism impacts. Succeeding studies continued to investigate relationships between positive and negative perceived tourism impacts, resident demographics and support for further tourism development (Andereck & Vogt, 2002; Gursoy, et. al., 2002; Ko & Stewert, 2002; McGehee, Andereck, & Vogt, 2002). All find support within social exchange theory that a strong identification with the positive perceived impacts of tourism would lead to support of further tourism development. Conversely, if a resident perceived the negative implications of tourism to be more prevalent, they did not support the growth of tourism in the community.

Resident characteristics also appear to play a role in how a resident might perceive tourism in their community. McCool and Martin (1994) found that residents who were strongly attached to their community viewed tourism impacts with more concern than those who are less

attached to their community. Chen (2000) finds that those who feel more "loyal" to their community were also more likely to support tourism growth versus those did not feel as loyal. How long a resident has lived in the community was also found to be important when discussing the perceived impacts of tourism and support for growth. Lawton (2005) with a sample from the urban population of the Gold Coast of Australia, found that individuals living in the community longer than others felt that tourism was beneficial for the community than those living in the area for a shorter amount of time. Stynes and Stewart (1993) found longer term residents were more cautious about the growth of tourism while newer residents were not as concerned.

An economic dependency on tourism can also influence resident perceptions. Other studies have found a positive relationship between residents' support of tourism and their financial reliance on the industry (Allen et al., 1993; Johnson et al, 1994; Jurowski, Uysal, & Williams, 1995; King, Pizam and Millman, 1993). In addition, Liu and Var (1986) state that tourism development decisions are often based on economics first. The use of these tourist attractions by residents can also sway opinion. Lawton (2005) states that residents who use tourist attractions on a regular basis perceive them more as community recreational facilities and thus "divorce them subconsciously from the broader and more abstract realm of tourism (p. 197).

These results indicate that identifying different resident groups is important when addressing how residents might feel about tourism growth. Tourism business owners are an important player in the delivery of the tourism product. The hospitality of this group of residents is paramount, then in the success of tourism at a destination. Therefore the input of this group should weigh heavily on future decisions of growth and development (Goeldner and Ritchie, 2009). Tourism business owners not only are residents of a tourism community, but are unique in their in their perspectives of its impacts. This group, with a stronger attachment to their community for their business interests are more sensitive to tourism development (Bachleitner & Zins, 1999).

Few studies have examined tourism impacts from this perspective. Andriotis (2005) found that business industry representatives in general, expressed positive impacts of tourism and tourism development and also expressed an unfavorable attitude toward the current pace of tourism development and wanted to see more growth in this area. Tourism business industry individuals wished to see higher spending tourists and higher quality tourists. In addition, the tourism business representatives in the sample saw the need for more outdoor and indoor sport and other recreation facilities for the viability of the community. This indicates tourism business owners might have a desire for different types of tourists over another. However, Andereck and Vogt (2002) also found differences between residents and what types of tourists they would prefer. Sampling seven communities in Arizona, they found that residents prefer sport fishers and summer independent travelers over cruise ship tourism or business travel.

Andereck and Vogt (2002) conclude that studies investigating community support for tourism development should be more specific. That is, at a minimum, future research should define what "development" means.

One way to define development is to be specific on the type of tourist that visits a destination (Vogt & Jun, 2004). The tourist market is very diverse and the product is far from homogeneous (Swarbrooke & Horner, 1999). Thus, individuals who sell tourism services can segment the market by what types of activities the visitor engages in such as cultural tourism and convention tourism. Each of these groups is diverse with a unique set of demands on the local community (Morgan & Pritchard, 1998). Vogt and Jun (2004) reported that the Travel Industry Association's (TIA) annual figures illustrate how different tourist market segments contribute distinctly to the local economy. However, many studies do not differentiate among the different market segments when assessing impacts (Vogt & Jun, 2004).

Another way to define development and the benefits and costs of tourism is through economic, social and environmental categories. Economic impacts are usually discussed in terms of the multiplier effect and leakage (Starr, 2002; UNWTO, 2004)). Social/cultural impacts include greater cultural awareness and the loss of the unique cultural identity (Akis, Peristianis, & Warner, 1996; Williams, 1998). Environmental impacts can take the form of both the quality of the physical environment and access to these resources (Mason, 2003).

There have been few studies that investigated individual tourism market segments and their perceived impacts through the three areas of economic, environmental, and social areas. Rather, they have focused on either environmental impacts such as Liu et al. (1987) on the stereotyping of the different market segments in Hawaii, North Wales, and Istanbul. Others have pinpointed only economic and social impacts (Vogt and Jun, 2004).

Although the meetings, incentive travel, conventions and exhibitions (MICE) industry continues to be one the fastest growing segments in tourism, most of the research surrounding convention tourism, however, tends to lean on measurement of actual economic expenditures by convention goers (Braun and Rungeling, 1992; Kim, Chon, Chung, 2003). Likewise with cultural tourism, studies have leaned to the examination of generally of its social impacts Benefits here include a higher quality of life due to cultural tourism and an identification with their culture and pride in their heritage (Avgoustis, Cecil, Fu, and Wang, 2005; Besculides, Lee, & McCormick, 2002).

Therefore, the purpose of this study was to expand on the literature and examine relationships between tourism business industry representative's perceived economic, environmental, and social impacts of cultural and convention tourism and support of these market segments.

METHOD

Participants

The sample for this study was current members of the Indianapolis, Indiana Convention and Visitors Association (ICVA). In the winter of 2006, there were approximately 1,245 individual members in the Indianapolis area. This was a convenience sample of individuals purposively selected as ideal participants in the study as they were residents in the Indianapolis area and also work and or have business interests in the tourism industry in Indianapolis.

ICVA members were ideal participants for their knowledge of the different tourism market segments under investigation here in this study. ICVA members routinely received training and information through newsletters and meetings that enabled them to distinguish between the different types of tourism and be able to identify the sport tourist in their city. Vogt and Jun (2004) found that general residents were not as informed about the different types of tourism segments that visited their destination and therefore were not able to offer their opinion on the types of impacts they may have. Andriotis and Vaughan (2003) agree that average resident perceptions' of the different types of tourists may be vague and they may not be aware of any type of tourism other than the mass market.

Survey development

The data was collected through a traditional paper and pencil questionnaire administered by mail following the traditional Dillman (2000) method. The instrument used in this study contained two sections. The first concentrated on generating a demographic profile of the respondents including gender, age, length of residency in the Indianapolis area, and highest level of education completed. The second section contained statements assessing ICVA members' perceptions of the impact that sport tourism may have in the Indianapolis area. Questions addressing environmental impacts were borrowed from Liu, Sheldon, & Var (1987) and questions on social and economic impacts were taken from Akis, Peristianis, & Warner, (1996). There were five items for each economic, social, and environmental tourism impact area and one item for support for development in either cultural, convention, or sport tourism. Consistent with other tourism impact studies, participants were asked to rate each statement on a five point Likert-type scale. A value of one denoted a negative response (strongly disagree) and a five represented a favorable response (strongly agree). Some items were reverse coded during data entry for consistency.

The initial questionnaire was pre-tested for this study with a convenience sample of 25 convention and visitor bureau members from a neighboring city. The pilot study allowed for the opportunity to gain feedback on the clarity of the directions, the chance to check the face and content validity of the individual questions, and establish a baseline for the length of time needed to complete the questionnaire. As a result from the pilot study, modest modifications from the original instrument were made. The city's name was added in each question to ensure that the participant considered only the impacts convention and cultural tourism has on Indianapolis specifically.

RESULTS

After four mailings, a total of 347 surveys were returned. Of these, 17 were returned for insufficient or unknown addresses reducing the population to 1,228 possible respondents, a response rate of 26.8%. In addition, 13 surveys were received only partially completed. Since the needs of an adequate sample size were met without these additional surveys, they were omitted from further analysis. Therefore 317 surveys were used for the remainder of the data analysis, an overall response rate of 25.8%. This response rate is consistent with other tourism impact research with surveys administered by mail. Chen (2001) experienced a response of 13%, Vogt and Jun (2004) obtained 26%, and Liu and Var (1986) accomplished 21%.

From the remaining surveys, a profile was first generated as well as descriptive information for each perceived impact statement. An exploratory factor analysis (EFA) was performed on the impact statements. The purpose of the EFA was to group together correlated variables (Tabachnick & Fidell, 2001). A series of standard multiple regressions were performed to examine relationships between the perceived impacts and support for development in cultural and convention tourism. This step was used to support past research linking tourism impacts and support for tourism development (Lankford & Howard, 1994).

Sample Characteristics

A complete breakdown of the demographic profile of the respondents can be found in Table 1. There were slightly more females than males in the sample. A majority of the participants were aged 36 to 55 years of age, comprising approximately half of the total respondents. Interestingly, the participants appear to have lived in a different geographic area prior to taking residence in Indianapolis. A large percentage, 65.9% of the participants stated to have lived in Indianapolis 30 years or less. Moreover, the largest percentage of respondents, 30.5%, has resided in the area for less than 10 years. The participants are also well educated, with 71.7% reporting a completed bachelor's degree or higher. Those individuals marking the "other" category also reported advanced education with the completion of a law degree or attending dentistry school. Lastly, the participants report to have been employed in the tourism industry for less than 10 years.

Description of Individual Measurement Items of Perceived Impacts

Table 2 illustrates the means for each perceived impact and support for convention and cultural tourism. The participants illustrated a moderate agreement that cultural tourism economically impacts the Indianapolis area either positively or negatively. They believe that cultural tourism has given economic benefits to local people and small businesses (M = 3.95), yet perceive the cost of developing cultural tourism facilities is too much (M = 3.74). The participants also did not appear to have strong feelings on the positive or negative environmental impacts, with mean scores clustering near the middle neutral position with mean scores of 3.02-3.71. There was one exception: the ICVA members agreed that construction of cultural tourist facilities have negatively affected the natural environment (M = 4.06).

Table 1

Demographic Profile of Respondents

Demographic variables	N	P
Gender		
Female	171	53.9
Male	146	46.1
Missing	0	0.0
Total	317	100.0
Age		
18-25	14	4.3
26-35	51	16.0
36-45	89	28.2
46-55	89	28.2
56-65	54	17.1
66 +	18	5.6
Missing	2	.6
Total	317	100.0
Length of residence		
1-10 years	96	30.5
11-20 years	52	16.5
21-30 years	60	18.9
31-40 years	43	13.6
41-50 years	38	12.0
51 + years	25	7.6
Missing	3	.9
Total	317	100.0
Highest level of education		
High school diploma/GED	16	5.0
Some college	69	21.8
Bachelor's degree	128	40.4
Some graduate school	37	11.7
Graduate school	62	19.6
Other	4	1.2
Missing	1	.3
Total	317	100.0
Length of time employed in tourism industry		
0-5 years	83	26.5
6-10 years	60	18.9
11-15 years	36	11.3
16-20 years	37	11.7
21-25 years	27	8.5
26 + years	31	9.5
Missing*	43	13.6
Total	317	100.0

Note. A high number of missing responses on the length of time employed in the tourism industry could be due to the wording of the question. Participants were uncertain if the length of time meant for the business operations or for them personally.

Table 2

Overall mean scores for perceived impact statements for cultural and convention tourism

Impact area and variables	Cultural	Convention
Economic impacts		
Tourism has created more jobs for Indianapolis	3.81	4.58
Tourism has given economic benefits to local people and small businesses	3.95	4.44
My standard of living has increased considerably because of tourism	3.21	3.35
The prices of goods and services have increased because of tourism	3.22	3.03
The cost of developing tourism facilities is too much	3.74	3.81
Social impacts		
Tourism has increased the crime rate in Indianapolis	4.14	4.08
Local residents have suffered from living in a tourism destination area	4.41	4.37
Tourism has encouraged a variety of cultural activities by the local residents	4.19	3.75
Meeting tourists from other regions is a valuable experience to understand their culture and society	4.17	4.02
Tourism has resulted in positive impacts on the cultural identity of Indianapolis	4.30	4.15
Environmental impacts		
Tourism provides more parks and other recreational areas	3.33	3.09
Our roads and public facilities are kept at a high standard due to tourism	3.02	3.25
Tourism has provided an incentive for the restoration of historical buildings and the conservation of natural resources	3.71	3.46
Tourism has resulted in traffic congestion, noise and pollution	3.57	3.12
Construction of tourist facilities has destroyed the natural environment	4.06	3.89
Support for development		
I support tourism in Indianapolis	4.64	4.73

The higher mean scores among ICVA members were in the perceived social impacts of cultural tourism. Both the negative and positive social impacts were perceived to have impact on Indianapolis by the respondents with means ranging from 4.14 to 4.41. The statement most highly agreed upon in the social impact area was that local residents who live in a cultural tourism area are negatively affected by it. However, on the other hand, there was overwhelming support for cultural tourism development in the Indianapolis area (M = 4.64).

There was even greater support for convention tourism development in Indianapolis (M = 4.73) and a higher perception that convention tourism benefits the local economy than cultural tourism with higher mean scores for almost all items. The environmental impacts were not perceived to be as important compared to other impact areas, with mean scores clustering in the middle neutral position ranging 3.09-3.89. The area with the highest mean scores were construction of convention tourism facilities destroys the natural environment (M = 3.89) and convention tourism has provided an incentive for the restoration of historical buildings and the conservation of natural resources (M= 3.46). Similar to the cultural tourism results, the respondents also highly identified with the social implications of convention tourism. They believed that residents have suffered from living in a convention tourism area (M = 4.37), yet perceive convention tourism to have positive impacts on the cultural identity of the city (M = 4.13).

Meeting of the assumptions

Before proceeding with EFA, several assumptions needed to be met. There was no missing data as described previously. There were ten cases of univariate outliers for each data set which were eliminated. Univariate outliers are cases where the standardized (z) score exceeded +/- 3.29; $p < .001$ (Tabachnick & Fidell, 1996). In the cultural tourism data set, one outlier was detected for job creation (z = -3.67), two for increased crime rate (z = -3.66), two for local residents suffering from living in a tourism destination (z = -4.53), two for encouragement of cultural activities (z = -4.32) and three outliers for support for cultural tourism (z = -5.30). In the convention tourism data set, three univariate outliers were found for job creation (z = -5.78), two for economic benefits for small businesses and locals (z = -3.961), one for encouragement of cultural activities (z = -3.40) and four for support for convention tourism development (z = -3.78).

Next, a screen for multivariate outliers was completed for each model. A regression model with a $p < .001$ criterion for Mahalanois distance (chi-square 39.252, df = 16) was used to identify the multivariate outliers. To determine why the cases contained multivariate outliers, a stepwise multiple regression analysis with a dummy variable as the dependent variable revealed any significant relationships. The cultural tourism data set revealed four multivariate outliers and they were deleted from further analysis. The first two individuals reported to strongly disagree with seven different items in each area of economic, social, and environmental impacts. This was unusual as most respondents agreed or strongly agreed with most of the statements. The other two individuals reported strongly agree for the negative impact areas as well as the positive impact areas. These two cases may have simply gone through the

survey without reading the items carefully and assumed that a strongly agree meant a positive response for all statements on the questionnaire. Deletion of these cases from the cultural tourism data set resulted in a total N = 303.

Four multivariate outliers were also detected for the convention tourism model data set. Similar to the outliers in the cultural tourism data set, all four individuals reported to strongly disagree with several items on the questionnaire that the other respondents strongly agreed to. Deletion of these resulted in the convention tourism data set with an N = 303.

Multivariate normality was examined by screening for skewness and kurtosis of the measured variables. Although there was moderate negative skewness of the variables, they fell within the accepted range of +/- 3.00 and no transformation of the variables was necessary.

The factors for the EFA were determined with a SCREE plot, eigenvalue greater than one and % of variance explained. Principal axis factoring extraction with varimax rotation was used. Items with a loading of lower than .40 were eliminated (Tabachnick & Fidell, 2001). For the cultural tourism data, three factors had eigenvalues greater than one and accounted for 42.4% of total variability. The SCREE plot revealed a gradual leveling off after the three factors, four items did not meet the factor loading criteria and were excluded. These included three positive environmental impact statements and one positive social impact statement. After the adjustments, analysis was finalized with the three factors totaling eleven items. In the convention data set, four factors had eigenvalues greater than one and accounted for 44.5 of total variability. Three items did not meet the factor loading criteria in this data set including one social negative impact, one economic benefit, and one perceived environmental benefit question. To examine the reliability of the scales, Cronbach coefficient alpha were computed for internal consistency (Cronbach, 1951). These ranged from .700 to .765 in value for the cultural tourism data set and .530 to .690 for convention tourism. In addition, a Cronbach alpha for all factors combined with a value of .771 for the cultural tourism data set and .700 for convention tourism. According to Nunally (1967) any loading surpassing .500 is acceptable in exploratory type of research, such as this study. The resulting factors were named consistent with the factor names in the literature "negative impacts," "economic benefits," "social benefits," and "environmental benefits" (Chen, 2001). In each data set, the negative impacts factor was a mixture of economic, social and environmental perceived impacts. Results of the EFA analysis for each data set can be found in Tables 3 and 4.

Next, a series of standard multiple regression analysis was performed with the established tourism impacts areas to determine the strength of relationship to predict support for cultural and convention tourism. Two models were calculated. The first examined support for cultural tourism as the dependent variable and the economic benefits, social benefits, and negative impacts as independent variables. All three factors: economic benefits, social benefits, and negative impacts significantly predicted support for further cultural tourism development. The social impacts played the largest role than the others in predicting support (β =.395). Overall, this model explains 25% of the variance. Therefore, the social and economic benefits

of cultural tourism, such as job creation and the availability of cultural activities led to the ICVA support of cultural tourism in their city. The presence of negative impacts had an inverse relationship, meaning as effects such as an increased crime rate and noise and pollution are felt, the less likely ICVA members were to support cultural tourism.

Table 3. Results of EFA for cultural tourism

	Factor 1: Negative impacts	Factor 2: Economic benefits	Factor 3: Social benefits	h2
Tourism has increased the crime rate	**.719**	.037	.110	.542
Local residents have suffered from living in a tourism destination area	**.690**	.060	.230	.532
Tourism has resulted in traffic congestion, noise and pollution	**.555**	.061	-.040	.318
Construction of tourist facilities has destroyed the natural environment	**.540**	.066	.208	.341
The cost of developing tourism facilities is too much	**.400**	.155	.237	.278
The price of goods and services have increased because of tourism	**.377**	-.034	-.060	.148
Tourism has given economic benefits to local people and small businesses	.097	**.850**	.172	.771
Tourism has created more jobs	-.001	**.716**	.213	.617
My standard of living has increased considerably because of tourism	.133	**.476**	.225	.425
Tourism has encouraged a variety of cultural activities by the local residents	.204	.169	**.712**	.586
Tourism has resulted in positive impacts on the cultural identity	.144	.312	**.638**	.244
Eigenvalue	3.605	1.592	1.081	
% of variance	24.032	10.615	7.738	
Cumulative %	24.032	34.648	42.385	
Cronbach's alpha	.722	.765	.700	.771*

Table 4. Results of EFA for Convention tourism

	Factor 1: Negative impacts	Factor 3: Economic benefits	Factor 4: Social benefits	Factor 5: Environmental benefits	h2
Tourism has increased the crime rate	**.646**	.046	.113	.097	.442
Construction of tourist facilities has destroyed the natural environment	**.567**	.189	.084	.073	.370
Tourism has resulted in traffic congestion, noise and pollution	**.527**	.092	.025	-.011	.287
The cost of developing tourism facilities is too much	**.502**	.154	.126	.186	.326
The price of goods and services have increased because of tourism	**.302**	.029	-.005	-.001	.092
Tourism has created more jobs	.157	**.746**	.107	.088	.600
Tourism has given economic benefits to local people and small businesses	.236	**.604**	.227	.056	.476
Tourism has resulted in positive impacts on the cultural identity	.117	.169	**.594**	.148	.418
Meeting tourists from other regions is a valuable experience to understand their culture and identity	.079	.074	**.561**	.067	.331
Tourism has encouraged a variety of cultural activities by the local residents	.011	.129	**.448**	.324	.322
Our roads and public facilities are kept at a high standard due to tourism	.114	.050	.035	**.593**	.368
Tourism has provided an incentive for the restoration of historical buildings and the conservation of natural resources	-.008	-.006	.257	**.583**	.406
Eigenvalue	4.532	2.002	1.656	1.031	
% of variance	24.480	10.707	6.048	3.319	
Cumulative %	24.480	35.187	41.235	44.554	
Cronbach's alpha	.646	.690	.591	.530	.700*

The second model examined support for convention tourism. The dependent variable was support for convention tourism and the impact areas of economic benefits, social benefits, negative impacts, and environmental benefits were the independent variables. Similar to the cultural tourism model, the social and economic benefits, as well as negative impacts were significant in predicting support. The environmental benefits were not significant at $p < .05$. Also similar to their feelings on cultural tourism, ICVA members felt that as economic benefits such as job creation are realized and experiencing social benefits such as meeting convention tourists from other areas, they were more likely to favor convention tourism. Likewise as negative effects such as noise and pollution are experienced in the community, the less likely they were to support convention tourism. Overall this model explains 21.9% of the variance. Results of the regression analysis can be found in Table 5.

Table 5. Regression analysis of impact factors and support for tourism development

Variable	B	SE B	_	Sig.
Model #1: DV: Support for cultural tourism development				
Economic benefits	.093	.041	.128	.024
Social benefits	.394	.064	.363	.000
Negative impacts	-.154	.056	.145	.006
R = .499	R2 =.249			
F = 33.017				
Model #2: DV: Support for convention tourism development				
Economic benefits	.165	.054	.172	.002
Social benefits	.169	.045	.210	.000
Negative impacts	-.178	.038	.255	.000
Environment benefits	.015	.032	.024	.650
R = .468	R2 = .219			
F = 20.878				

DISCUSSION

When comparing the two models descriptively, they show a strong support for tourism development for both market segments. Convention tourism was more favored than cultural tourism, although this difference is minimal. This is consistent with Chen (2001), Perdue et al., (1990), and Andereck and Vogt (2000) who also found that in general, residents support tourism development in their areas. Descriptively, convention tourism was perceived to bring more jobs and money into the local economy. However, for both tourism market segments, economic benefits play a strong role in whether or not residents support further development. Not surprisingly, the ICVA members view tourism as vital to the financial success of the businesses. The residents did show consistency in their consensus that the environment did not play a strong role in their support of cultural or convention tourism. This could be due to the nature of Indianapolis. As an urban tourism destination, residents may not be as vested in the environmental implications of tourism as compared a less developed destination.

The residents also showed that the social benefits of tourism played a large role in whether or not they support further development. This supports the findings of Avgoustis et al. (2005) who reported that the residents of Indianapolis find their quality of life to be enhanced by the cultural tourism attractions in the city. This could be due to the cultural tourism initiative driven by city officials. The positive campaign begun in 2005 by tourism officials for the benefits of cultural tourism may negate any perceptions of the negative social impacts. This is illustrated by one participant who stated "the city's 2005 Cultural Tourism Initiative really put Indy on the national tourism map with the 'Big Red Arrow' campaign." Perdue et al. (1990) also support this idea and claim that public relations campaigns are paramount in gaining support from residents for tourism development.

Overall, the theoretical implications for social exchange theory were supported in the findings for this study. ICVA members' responses naturally sorted themselves out into positive and negative constructs. The residents only distinguished among economic, environmental, and social aspects among the positive statements only while the negatively worded impacts were grouped together into a single factor. This supports the premise of social exchange theory that residents seek gains for themselves and are always trying to win in the end (McGehee et al., 2002).

The identification of negative impacts for the convention and cultural tourism has practical applications for tourism planners and policy makers in Indianapolis. The results indicate that the residents may not be necessarily satisfied with the downtown development of the convention center. The ICVA members instead preferred the development of cultural tourist attractions such as a performing arts center. These differing viewpoints reflect the need that state and local tourism development officials should tailor their decisions based upon the community's needs (Andereck & Vogt, 2000). Community support, therefore, leads to the success of tourism in the destination.

Tourism officials, armed with this knowledge of which market segment residents may be feeling more of the negative effects, can also engage in a positive public relations campaign to remind residents of the positive benefits behind sporting attractions in the city. Perdue et al. (1990) claim this can be most effective in swaying resident opinion to support tourism development in a destination.

The results also have implications for Indianapolis by aiding tourism planners in the city towards understanding how to create a sustainable destination. In this study, the survey instrument reverts back to the basic concepts of sustainability by grouping the predictors into the traditional concepts of economic, social, and environmental impacts to replace the method established by Perdue et al. (1990) to consolidate the predictors into merely positive or negative impacts. This allowed for a more concise picture of what specific types of impacts influence support for cultural and convention tourism. The results here revealed that economics remain a main driver behind support for development for all three market segments. However, the perceived social impacts played a larger role in predicting support for tourism development in both market segments.

Tourism planners, armed with the information that social impacts have considerable importance with tourism development in the city, can monitor quality of life issues for residents and can lead "resident friendly" initiatives such as "resident only" days at the tourism facilities. Moreover, monitoring quality of life issues as associated with tourism development can be especially beneficial to tourism planners. It was revealed that parking and the condition of roads in the downtown area were especially important to the ICVA members. Policy makers can reserve parking areas for residents only and have special parking passes available for purchase for Indianapolis residents.

The continuation of examining tourism impacts from the different market segments offers exciting insights into resident perceptions of tourism in their communities. This can help explain why residents may support one type of tourism development over another (Harrill, 2004). Andereck and Vogt (2000) recommend that defining 'development' is useful for residents in forming their attitudes on tourism development. By asking residents to rate their perceptions based upon a particular market segment such as cultural and convention tourism as used in this study, residents have a clearer idea of what development may mean. However, as Andriotis and Vaughan (2003) note, not all residents may have a firm understanding of each particular market segment and therefore comparisons among them may be vague. Therefore, the method used in this study of may not be enough to effectively define development. Therefore, it may be useful in the future to include the rating of specific tourism attractions for their tourism impacts as exemplified by Lawton (2005).

Additional research also might investigate the motivations behind support for tourism development. Several participants reported that tourism is good for Indianapolis because these visitors relocate to the city. Is this the main goal for tourism development in Indianapolis or merely an indicator of the excellent quality of life in the city? Further investigation is advised for a clearer understanding of these issues.

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Investigating the location effect on crisis management in the restaurant industry

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ABSTRACT:

This study examines crisis-management practices in the Israeli restaurant industry. The study uses a questionnaire for evaluating the importance and usage of different practices for crisis management. The findings show that managers are generally consistent in crisis management and that they generally use the most important practices. The analysis focuses on investigating crisis management practices in three different cities in Israel and on identifying the commonalities and the differences between managers. The findings illustrate the significance of government support in external crises and suggest that improved competitiveness and cost-cutting activities are significant for combating business hardships. The paper concludes with recommendations for future research and management of crises.

Keywords: restaurant management, crisis management, multi-attribute decision making.

INTRODUCTION: CRISIS-MANAGEMENT PRACTICES

Countries throughout the world derive a large part of the Gross National Product from leisure industries. Unfortunately, current times impose threats on these industries such as terror or economic recession, which was experienced at diverse levels and intensity by different countries. The Israeli tourism industry historically has been subjected to cycles of various war and terror related crises (for a review of the crises from a hospitality and tourism industry perspective, see Mansfeld 1999). The present study aims at enhancing the understanding of restaurant management crisis practices and their effectiveness. This paper extends the aggregate findings of Israeli (2007) and studies crisis-management practices in the Israeli restaurant industry by focusing on the differences in crisis management in different locations. We begin with a review of studies of crisis-management practices, and turn next to an evaluation of crisis-management practices in three different locations. We conclude with an interpretation of the findings and offer suggestions for future research.

The current literature on crisis management focuses on general prescriptive models which provide general guidelines for coping with crisis situations (Stafford, Yu and Armoo 2002).

There are also descriptive models which categorize business crises. For example, Lerbinger (1997) categorizes crises according to the distinction between external and internal factors, lists different crisis types and offers the main methods for coping with the relevant crisis. Another stream of research focuses on a historical perspective. These studies present recent events and try to gain insights from the conduct of the government and the business sector (Mansfled 1999). However, except for Israeli and Reichel (2003), there is almost no research that measures and evaluates the micro-level practices that managers employ in a distinct sector of the service industry.

The study of the strategies that managers use for coping with crises employs the framework of the importance-performance method. This model was employed in the context of the hospitality and tourism industries in different variation (Hollenhorst Olson and Fortney 1992, Evans and Chon 1989, Mengak Dottavio and O'Leary, 1986). The analysis focuses on two related factors: first, evaluating the importance that managers assign to practices that assist the organization in times of crisis, and second, the level of *usage* of each of these practices. Based on the decision to employ the importance-performance method, the study developed a list of crisis management practices.

Israeli (2007) and Israeli and Reichel (2003) noted that a list of crisis management practices can be compiled based on interviews with practitioners and a review of the relevant literature. Since there is almost no literature on the specific, micro-level practices in the restaurant industry, the majority of studies present crisis management from a descriptive or historical perspective. For example, Ulmer and Sellnow (2000) provide a case-based historical and ethical analysis in presenting the crisis of the Jack in the Box restaurant chain. More general studies by Stafford, Yu and Armoo (2002) and by Blake and Sinclair (2003) detail the reaction of the USA hospitality industry to the events of September 11, 2001. Studies by Aziz (1995), Pizam and Mansfeld (1996) and Leslie (1996) describe different occurrences of terror in the hospitality and tourism contexts. One comprehensive studies of crisis management was conducted by Mansfeld (1999), who reviewed the cycles of war and terror in Israel and provided some macro-level determinants of crisis management.

Other research efforts were directed to the classification of violence activities relevant to the tourism industry (Pizam 1999), the potential involved with the cessation of terror activities (Anson 1999, Butler and Baum 1999), and general recommendations of preparations for times of terror (Sommez et al. 1999). Finally, there are some studies which provide a general outline for crisis management in the lodging industry, including the restaurant sector. For example, Barton (1994) presents general guidelines for managerial preparations required in times of crisis.

Studies which have addressed the specific activities managers take to manage a crisis and evaluate the importance of these activities as well as their usage are the studies were conducted by Israeli and Reichel (2003) and by Okumus and Karamustafa (2005) on the hospitality industry and by Israeli (2007) for the restaurant industry. These studies conducted

an extensive review and developed three initial categories of crisis management: *Marketing, Maintenance, and government*. Because the hospitality, tourism, and restaurant industries are traditionally labor intensive, experience has shown that human resource practices (such as downsizing) are often used in times of crisis. Therefore, the category *Human Resources* was added, generating a final list of four main categories – *Human Resources, Marketing, Maintenance*, and *Government assistance*. The specific practices for each category are listed in Table 1.

The *human resources* category consisted of traditional practices businesses generally employ in times of crisis such as practices aimed at reducing the employee headcount or employee working hours. Other practices were added according to interviews, including practice 1 of using unpaid vacation. The *marketing* category included traditional measures such as promotion. Interviews with restaurant manager also revealed that many restaurants see the business menu as an important element of their marketing competitiveness. Since customers usually think that the business menu is a perk reserved for businesspeople or is a significant value-for-money item, removing the barriers and offering the business menu to all at flexible hours was mentioned by managers as a crisis management practice.

The *maintenance* category included traditional cost-cutting practices. There was a specific distinction between practices that may be visible to customers (such as practices 14 and 15) and those that may not be visible (practices 16 and 18). Finally, the *government assistance* category included practices which are quite traditional in cases of severe crisis such as demand for assistance with expenses and taxes. In addition, organized protest against the government as a possible crisis management practice was also mentioned and therefore included in the study.

Using the importance-performance method, the practices that restaurant managers' use in crisis management are evaluated by using two propositions. *Proposition 1* assumed that there will be a strong positive correlation between the importance assigned to a certain practice and the practice's usage. This normative assumption also forms the basis of the Performance-Importance Model (Martilla and James 1977). *Proposition 2* aimed to identify the practices that can be grouped together for both importance and usage when the four original categories were used as a reference point *(i.e., Human Resources, Marketing, Maintenance, and Government Assistance)*. The assumption was that both importance and usage practices would follow the constructs of *human resources, Marketing, Maintenance, and Government Assistance*.

The study of crisis-management practices on the aggregate (or national) level provide general and significant insight which were listed by Israeli (2007), but it may also hinder the ability to identify significant insights about location-specific factors or impacts. Therefore, this research focused on studying crisis management in the restaurant industry using the two abovementioned propositions for three different locations. Israeli and Uriely (2000) and Israeli (2002) identified significant managerial differences between three different locations in Israel – Eilat, Jerusalem, and Tel Aviv. Eilat is a resort and vacation destination in which

a large proportion of the hotels have a corporate affiliation. In addition, it is characterized by a relatively low level of foreign visitors. Tel Aviv is a business center with a relatively average level of corporate intensity, which traditionally had a relatively high proportion of business-oriented foreign visitors. In Jerusalem, there is a relatively low level of corporate intensity and, somewhat like Tel Aviv, a high level of foreign visitations, most of them for religious reasons. It should be noted, however, that the escalation in the crisis since the beginning of the October 2000 *Intifada* which was coupled later by economic recession, brought about an accelerated decline in foreign tourism and a slowdown in domestic consumption throughout Israel.

Israeli and Uriely (2000) showed that managers in the three locations employ different pricing strategies, and Israeli (2002) showed that managers in each of the three location perform differently and generate different yields. With this background information, the aim of this analysis was to determine whether managers in the different locations also employ different crisis-management strategies.

In order to evaluate the location effect on crisis management, the analysis conducted by Israeli (2007) was repeated for each location, using the two-part, 24-item questionnaire (the 24 practices are listed in Table 1) The first part examined the level of importance that managers assigned to each of the 24 practices using a 7-point Likert scale (1 – *least important, 7 – most important*). The second part included questions about the level of actual usage for each of the 24 practices, also using a 7-point Likert scale (1 – *extensively used, 7 – rarely used*). The findings were analyzed for each of the three locations, with data collected from 112 restaurants – 58 in Tel Aviv, 35 in Jerusalem, and 19 in Eilat. The findings are listed in Table 1 and discussed in the following sections.

Practice	Tel Aviv		Jerusalem		Eilat	
	Importance	Usage	Importance	Usage	Importance	Usage
Human resources						
p1 - reducing labor force	4.14	3.98	3.77	3.53	3.00	3.43
p2 - shortening workweek	2.08	1.89	1.84	1.80	2.23	1.77
p3 - freezing/reducing wages	3.17	3.46	2.33	2.43	2.54	2.69
p4 - replacing tenured employees	2.35	2.83	2.55	2.87	2.38	2.54
p5 - more outsourcing	1.86	1.83	2.40	2.38	1.77	2.69
Marketing						
p6 - joint marketing campaigns	5.18	5.11	4.75	4.25	5.35	5.44
p7 - advertising	5.41	5.15	4.71	4.64	4.65	4.79
p8 - price reductions on special offers	4.42	4.51	4.19	4.09	5.00	4.11
p9 - reducing menu prices	2.92	3.08	3.55	3.06	3.57	3.40
p10 - marketing and promoting new services	4.45	4.46	4.07	4.16	4.53	5.13
p11 - marketing to new segments	4.76	4.73	4.42	4.87	2.52	4.41
p12 - adding/changing business menu	5.75	5.45	5.31	5.32	1.64	5.67
p13 - expanding hours/days of business menu	4.15	4.04	3.50	3.27	4.65	4.44
Maintenance						
p14 - curtailing non-food services	3.15	3.14	2.79	2.80	2.76	3.25
p15 - postponing cosmetic maintenance	2.91	3.12	3.21	2.71	2.88	2.60
p16 - postponing systems maintenance	2.22	2.58	2.24	2.38	1.88	2.20
p17 - using cheaper ingredients	3.64	3.86	2.72	3.00	1.93	1.93
p18 - postponing scheduled payments	3.40	3.73	3.43	3.52	1.92	2.00
Government						
p19 - organized demand for government support	3.16	2.50	3.34	2.59	2.38	2.50
p20 - organized demand for immediates government assistance	3.28	2.78	3.84	3.26	3.00	3.00
p21 - industry-wide demand for deferment of state taxes	4.42	3.78	4.52	4.03	3.40	3.62
p22 - industry-wide demand deferment of municipal taxes	5.46	4.40	5.06	4.35	4.25	4.69
p23 - joining the Israeli restaurant association	4.42	4.32	4.39	4.15	4.88	5.00
p24 - communicating "business as usual"	6.02	6.41	5.73	6.15	5.38	5.63

Table 1: Importance and Usage (means)

METHODOLOGY

The nature of the research is partly confirmatory and it is based on previous studies. Furthermore, the research has a direct linkage to the methodology employed by Israeli and Reichel (2003) research about Israel's hotel industry. This research also has an exploratory aspect which included interviews with restaurant managers from the industry.

Compiling the questionnaire included two main steps: The first was reevaluation of the questionnaire used in Israeli and Reichel (2003) for the hotel industry and adjusting it to this research which focuses on the restaurant industry by using a specific literature review. The second step included consultations with four experienced restaurant managers in order to receive their perspectives about crisis management in an effort to expose new elements which could be added to the questionnaire. Five new practices have been added: p12 – adding/changing business menu, p13 – expanding hours/days of business menu, p17 – using cheaper ingredients, p23 – joining the Israeli restaurant association and p24 – communicating "business as usual". The last step was Pre-Testing the questionnaire before forming the final questionnaire.

DATA ANALYSIS

PROPOSITION 1

Proposition 1 was tested with Pearson correlation analyses employed to measure the correlations between the importance and usage of each practice. This analysis was repeated three times for Tel Aviv, Jerusalem, and Eilat and the results are listed in Table 2.

Practice	Tel-Aviv		Jerusalem		Eilat	
	Pearson	Rank	Pearson	Rank	Pearson	Rank
p1 - reducing labor force	**0.54	20	0.36	20	**0.86	4
p2 - shortening the workweek	**0.90	1	**0.66	7	0.45	21
p3 - freezing/reducing wages	**0.78	4	**0.61	11	0.21	24
p4 - replacing tenured employees	**0.70	10	**0.69	5	*0.63	16
p5 - more outsourcing	0.45	24	0.41	18	0.56	19
p6 - joint marketing campaigns	**0.75	7	**0.65	9	**0.75	11
p7 - advertising	**0.77	5	**0.65	8	**0.91	1
p8 - price reductions on special offers	**0.65	14	**0.56	14	0.25	23
p9 - reducing menu prices	**0.56	18	**0.72	3	**0.76	8
p10 - marketing and promoting new services	**0.62	16	**0.67	6	*0.60	17
p11 - marketing to new segments	**0.56	19	**0.76	2	0.44	22
p12 - adding/changing business menu	**0.69	12	**0.77	1	**0.79	7
p13 - expanding hours/days of business menu	**0.78	3	**0.53	16	**0.65	15
p14 - cost cuts by limiting restaurant services	**0.59	17	0.34	21	**0.83	5
p15 - postponing cosmetic maintenance	**0.49	23	0.23	23	**0.80	6
p16 - postponing systems maintenance	**0.50	22	0.29	22	**0.88	3
p17 - using cheaper ingredients	**0.75	8	**0.70	4	**0.88	2
p18 - postponing scheduled payments	**0.76	6	**0.61	12	0.51	20
p19 - organized demand for government support	**0.50	21	**0.60	13	**0.75	10
p20 - organized demand for immediate government assistance	**0.70	11	**0.55	15	**0.75	13
p21 - industry-wide demand for deferment of state taxes	**0.63	15	**0.63	10	**0.75	12
p22 - industry-wide demand for deferment of municipal taxes	**0.67	13	*0.37	19	*0.67	14
p23 - joining the Israeli restaurant association	**0.72	9	**0.51	17	*0.56	18
p24 - communicating "business as usual"	**0.82	2	0.22	24	**0.76	9

Table 2: Pearson correlations for Importance and Usage (**sig.<0.01, *sig.<0.05)

Correlations for Tel Aviv

The highest correlation (.90) was for p2 – reducing the number of working days per week. For this practice, average importance (2.08) was higher than average usage (1.89). The two following practices with the highest correlation were p24 – communicating "business as usual", for which the average usage was higher than the average importance (correlation .82, average importance 6.02, average usage 6.41) and p13 – expanding hours/days of business menu, for which the average importance was higher than the average usage (correlation .78, average importance 4.15, average usage 4.04).

The lowest correlation was for p5 – more outsourcing. Here, average importance was higher than average usage (correlation .45, average importance 1.86, average usage 1.83). For the two following practices with the lowest correlation, the average usage was higher than the average importance. These practices were p15 – postponing cosmetic maintenance (correlation .49, average importance 2.91, average usage 3.12), and p16 – postponing systems maintenance (correlation .50, average importance 2.22, average usage 2.58).

Correlations for Jerusalem

The highest correlation (.77) was for p12 – adding/changing business menu. For this practice, average usage (5.31) was higher than importance (5.32). The two following practices with the highest correlation were p11 – marketing to new segments, for which the average usage was higher than the average importance (correlation .76, average importance 4.42, average usage 4.87) and p9 – lowering menu prices, for which the average importance was higher than the average usage (correlation .72, average importance 3.55, average usage 3.06).

The lowest correlation was for p24 – communicating "business as usual." Here, average usage was higher than average importance (correlation .22, average importance 5.73, average usage 6.15). Next was p15 – postponing cosmetic maintenance, for which the average importance was higher than the average usage (correlation .23, average importance 3.21, average usage 2.71). Finally the lowest correlation was measured for p16 – postponing systems maintenance, for which average usage was lower than average importance (correlation .29, average importance 2.24, average usage 2.38).

Correlations for Eilat

The highest correlation (.91) was for p7 – advertising. For this practice, average usage (4.79) was higher than importance (4.65). The two following practices with the highest correlation were p17 – using cheaper ingredients (correlation .88, average importance was equal to the average usage 1.93) and p16 – postponing systems maintenance (correlation .88, average importance 1.88, average usage 2.20).

The lowest correlation was for p3 – freezing/reducing wages. Here, average usage was higher than average importance (correlation .21, average importance 2.54, average usage 2.69). Next was p8 – price reductions on special offers, for which importance was higher than average usage (correlation .25, average importance 5.00, average usage 4.11). Finally,

the lowest correlation was measured for p11 – marketing to new segments, for which average usage was higher than average importance (correlation .44, average importance 2.52, average usage 4.41).

PROPOSITION 2

In an effort to ascertain whether Proposition 2 could be supported, the questionnaire was evaluated in terms of construct validity using an Orthogonal Varimax Rotated Factor Analysis, which was employed to detect which practices are clustered to factors of crisis management.

Dimensions of Practice Importance – Tel Aviv

The examination of the importance of the practices (Table 3.1) revealed that the 24 practices, grouped into four factors according to the PCA and Varimax Rotation method, accounted for 93.9% of the variance (an additional latent was found).

Practice	Component			
	1	2	3	4
p22 – industry-wide demand for deferment of municipal taxes	**0.96**	0.08	-0.06	0.16
p16 – postponing systems maintenance	**0.95**	0.18	-0.01	-0.04
p21 – industry-wide demand deferment of state taxes	**0.95**	0.18	-0.01	-0.04
p20 – industry-wide demand for immediate government assistance	**0.83**	-0.15	-0.48	0.22
p19 – organized demand for government support	**0.68**	-0.26	-0.61	0.30
p18 – postponing scheduled payments	**0.61**	-0.26	-0.53	0.53
p8 – price reductions on special offers	**-0.57**	0.18	0.52	0.55
p24 – communicating "business as usual"	**0.55**	0.26	-0.44	-0.06
p11 – marketing to new segments	0.19	**0.95**	-0.07	0.25
p2 – shortening the workweek	-0.33	**0.92**	0.10	-0.17
p5 – more outsourcing	-0.16	**0.90**	0.09	0.07
p6 – joint marketing campaigns	0.20	**0.85**	-0.13	0.11
p12 – addingchanging business menu	0.49	**0.77**	-0.19	-0.32
p7 – advertising	0.18	**0.72**	-0.31	0.55
p10 – marketing and promoting new services	0.59	**0.68**	0.11	0.38
p4 – replacing tenured employees	0.33	0.13	**0.93**	-0.02
p9 – reducing menu prices	-0.23	-0.01	**0.91**	0.22
p17 – using cheaper ingredients	-0.35	-0.24	**0.90**	-0.10
p23 – joining the Israeli restaurant association	0.24	0.61	**-0.75**	-0.12
p3 – freezing/reducing wages	0.30	0.08	0.24	**0.92**
p14 – curtailing non-food services	-0.38	-0.09	0.06	**0.88**
p1 – reducing labor force	-0.46	-0.08	0.42	**-0.75**
p13 – expanding hours/days of business menu	0.51	0.46	0.19	**0.69**
p15 – postponing cosmetic maintenance	-0.12	0.44	-0.58	**0.63**
Percent of variation explained by factor	40.2%	62.9%	79.6%	93.9%
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 8 iterations.				

Table 3.1: Tel-Aviv, Dimensions of practice importance

The first factor included p22, p16, p21, p20, p19, p18 – postponing scheduled payments, p8 and p24. It should be noted that p8 had a negative loading value and also that p8, p10, p13, p18 and p19 were cross-loaded in additional factors. The analysis related those practices according to the highest loading value. This factor accounted for 40.2% of the variance and was titled *reliance on government support and maintenance*.

The second factor included p11, p2, p5, p6, p12, p7 and p10. This factor accounted for 22.7% of the variance and was titled *extensive marketing and tightening employment terms*. The third factor included p4, p9, p17, and 23. This factor accounted for 16.7% and was titled *various tactics for improving competitiveness*. The fourth factor included p3, p14, p1, p13 and p15. This factor accounted for 14.2% and was titled conflicting tactics.

Dimensions of Practice Importance – Jerusalem

Examination of the importance of the practices (Table 3.2) in Jerusalem revealed that the 24 practices, grouped into four factors according to the PCA and Varimax Rotation method, accounted for 80.3% of the variance (additional 3 latent factors were found).

Practice	Component			
	1	2	3	4
p14 – curtailing non-food services	**-0.92**	-0.06	-0.14	0.18
p20 – industry-wide demand for immediate government assistance	**0.89**	0.27	0.22	0.20
p24 – communicating "business as usual"	**0.84**	0.21	-0.01	0.03
p9 – reducing menu prices	**-0.79**	0.17	0.16	0.33
p19 – organized demand for government support	**0.68**	-0.42	0.54	0.12
p16 – postponing systems maintenance	**-0.66**	0.05	0.03	0.00
p23 – joining the Israeli restaurant association	**0.65**	-0.26	0.48	0.20
p2 – shortening the workweek	**-0.65**	0.16	0.22	-0.02
p22 – industry-wide demand for deferment of municipal taxes	**0.54**	0.51	0.41	0.48
p1 – reducing labor force	-0.16	**0.88**	0.20	0.16
p15 – postponing cosmetic maintenance	-0.08	**0.81**	-0.41	0.00
p17 – usingcheaper ingredients	-0.17	**0.81**	-0.06	-0.02
p3 – freezing/reducing wages	-0.06	**0.78**	-0.29	-0.21
p11 – marketing to new segments	0.26	**0.77**	0.57	0.07
p13 – expanding hours/days of business menu	0.10	**0.73**	0.23	-0.03
p12 – adding/changing business menu	0.24	**0.67**	0.59	-0.03
p10 – marketing and promoting new services	-0.18	0.07	**0.90**	-0.17
p18 – postponing scheduled payments	-0.07	0.18	**0.79**	0.10
p21 – industry-wide demand for deferment of state taxes	0.14	-0.23	**0.73**	0.59
p6 – joint marketing campaigns	0.24	-0.21	**0.69**	0.63
p4 – replacing tenured employees	0.30	-0.21	-0.06	**0.91**
p5 – more outsourcing	-0.21	-0.10	-0.04	**0.88**
p8 – price reductions on special offers	-0.59	0.36	-0.08	**0.67**
p7 – advertising	-0.10	0.20	0.21	**0.66**
Percent of variation explained by factor	28.5%	51.6%	70.0%	80.3%
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 7 iterations.				

Table 3.2: Jerusalem, Dimensions of practice importance

Table 3.2: Jerusalem, Dimensions of practice importance

The first factor included p14, p20, p24, p9, p19, p16, p23, p2 and p22. It is important to note that all of the government practices (p19, p20, p22, p23 and p24) had positive loadings. In contrast, the other practices (p2, p9, p14 and p16) had negative loadings. This indicates that the government support is varied with the cost cuts factors, but in opposite directions. In other words, the cost-cuts practices compensate for the lack of government support. This factor accounted for 28.5% of the variance and was titled *reliance on government support versus various cost cuts*.

The second factor included p1, p15, p17, p3, p11, p13, and p12. This factor accounted for 23.1% of the variance, thus falling under the title of *various tactics for improving competi-*

tiveness. The third factor included p10, p18, p21, and p6. This factor accounted for 18.4% of the variance and was titled marketing and payment postponement. The fourth factor included p4, p5, p8, and p7. This factor accounted for 10.4% of the variance and was titled staff changes and marketing.

Dimensions of Practice Importance – Eilat

Examination of the importance of the practices (Table 3.3) in Eilat revealed that the 24 practices, grouped into four factors according to the PCA and Varimax Rotation method, accounted for 83.7% of the variance (three additional latent factors were found).

Practice	Component			
	1	2	3	4
p5 – more outsourcing	**0.90**	0.20	0.08	-0.24
p16 – postponing systems maintenance	**0.85**	0.39	0.29	-0.17
p4 – replacing tenured employees	**0.85**	-0.39	-0.21	0.09
p3 – freezing or reducing pay rates	**0.74**	-0.10	-0.40	-0.43
p15 – postponing cosmetic maintenance	**0.72**	0.18	0.61	-0.06
p7 – advertising	**-0.65**	0.01	0.15	0.08
p22 – industry-wide demand for deferment of municipal taxes	**-0.61**	-0.09	-0.51	0.49
p14 – curtailing non-food services	**0.59**	0.28	0.01	-0.13
p23 – joining the Israeli restaurant association	**0.52**	0.12	-0.20	0.49
p13 – expanding hours/days of business menu	0.27	**0.88**	0.10	0.08
p12 – adding/changing business menu	-0.14	**0.88**	-0.03	-0.10
p1 – reducing labor force	0.00	**-0.85**	-0.11	0.23
p8 – price reductions on special offers	0.58	**0.76**	-0.19	-0.17
p24 – communicating "business as usual"	0.20	**0.69**	-0.54	-0.19
p10 – marketing and promoting new services	0.47	**0.64**	0.42	0.32
p11 – marketing to new segments	-0.42	**0.60**	0.40	0.52
p9 – reducing menu prices	0.24	0.10	**0.90**	-0.19
p17 – usingcheaper ingredients	-0.39	-0.12	**0.78**	-0.34
p18 – postponing scheduled payments	-0.19	-0.40	**0.71**	0.20
p2 – shortening the workweek	0.27	-0.35	**-0.69**	-0.30
p6 – joint marketing campaigns	0.26	0.53	**0.67**	0.41
p19 – organized demand for government support	-0.06	-0.14	-0.14	**0.92**
p21 – industry-wide demand for deferment of state taxes	-0.33	0.01	0.12	**0.90**
p20 – industry-wide demand for immediate government assistance	-0.22	-0.28	0.14	**0.85**
Percent of variation explained by factor	32.3%	55.2%	70.5%	83.7%
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 13 iterations.				

Table 3.3: Eilat, Dimensions of practice importance

The first factor included p5, p16, p4, p3, p15, p7, p22, p14, and p23. It should be noted that p7 and p23 had negative loadings, meaning that media advertising and municipal assistance is negatively correlated with the other practices. This factor accounted for 32.3% of the variance and was titled *staff changes, focused cost cuts, and conflicting tactics*.

The second factor included p13, p12, p1, p8, p24, p10, and p11. It is important to notice that p1 had a negative loading. This factor accounted for 22.9% of the variance and was titled *extensive marketing versus labor force cuts*. The third factor included p9, p17, p18, p2, and p6. This factor accounted for 15.3% of the variance, falling under the title *various tactics for improving competitiveness*. The fourth factor included p19, p21, p20. This factor accounted for 13.3% of the variance and was titled *government support*.

Dimensions of Practice Usage – Tel Aviv

The usage of the practices (Table 4.1) revealed that the 24 practices, grouped into four factors according to the PCA and Varimax Rotation method, accounted for 83.7% of the variance (two additional latent factors were found).

Practice	Component			
	1	2	3	4
p18 – postponing scheduled payments	**0.93**	-0.10	0.05	-0.21
p21 – industry-wide demand for deferment of state taxes	**0.93**	0.18	0.15	0.18
p20 – industry-wide demand for immediate government assistance	**0.93**	0.18	0.15	0.18
p19 – organized demand for government support	**0.89**	-0.17	0.10	0.01
p16 – postponing systems maintenance	**0.77**	0.59	0.15	-0.06
p22 – industry-wide demand for deferment of municipal taxes	**0.76**	0.43	0.09	0.10
p7 – advertising	**0.56**	-0.10	0.41	-0.39
p17 – usingcheaper ingredients	-0.07	**0.98**	0.03	0.12
p11 – marketing to new segments	0.21	**0.77**	-0.10	-0.42
p8 – price reductions on special offers	-0.21	**0.76**	0.08	-0.02
p1 – reducing labor force	-0.21	**0.74**	-0.02	0.51
p15 – postponing cosmetic maintenance	0.48	**0.71**	0.03	-0.36
p14 – curtailing non-food services	0.34	**0.68**	0.49	-0.10
p10 – marketing and promoting new services	0.23	**0.65**	0.63	-0.21
p9 – reducing menu prices	0.30	**0.64**	-0.21	0.23
p6 – joint marketing campaigns	0.30	0.10	**0.93**	-0.07
p23 – joining the Israeli restaurant association	0.15	-0.08	**0.82**	-0.48
p12 – adding/changing business menu	0.16	-0.01	**0.82**	0.20
p24 – communicating "business as usual"	-0.08	-0.04	**0.82**	0.23
p3 – freezing or reducing pay rates	0.37	0.54	**0.57**	-0.15
p2 – shortening the workweek	-0.34	0.35	**0.53**	-0.52
p4 – replacing tenured employees	-0.18	0.10	-0.20	**0.87**
p13 – expanding hours/days of business menu	0.51	-0.10	0.37	**0.75**
p5 – more outsourcing	0.47	-0.17	0.38	**0.67**
Percent of variation explained by factor	36.6%	55.8%	71.5%	83.7%
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 8 iterations.				

Table 4.1: Tel-Aviv, Dimensions of practice Usage

The first factor included p18, p21, p20, p19, p16, p22, and p7. It should be noted that p16 was cross-loaded in Factor 2. This factor accounted for 36.6% of the variance, and had high similarity to the first factor of the Importance. It thus fell under the title *reliance on government support and maintenance*.

The second factor included p17, p11, p1, p15, p14, p10, and p9. It should be noted that p10 was cross-loaded in Factor 3 and p1 was cross-loaded in Factor 4. This factor accounted for 19.2% of the variance, and combined two main types of tactics: Cost cutting and Marketing. Here, the logic behind the combination of tactics was unclear, and therefore the factor was titled *conflicting tactics*.

The third factor included p6, p23, p12, p24, p3, and p2. It should be noted that p3 was cross-loaded in Factor 2. This factor accounted for 15.7%, falling under the title *various tactics for improving competitiveness*. The fourth factor included p4, p13, and p5. It is noteworthy that although p13 is categorized as a marketing practice, it has a direct impact about the staff's terms of employment. This factor accounted for 12.2% and was titled *employment-oriented tactics*.

Dimensions of Practice Usage – Jerusalem

The usage of the practices (Table 4.2) revealed that the 24 practices, grouped into four factors according to the PCA and Varimax Rotation method, accounted for 88.8% of the variance (one additional latent factor was found).

Practice	Component			
	1	2	3	4
p3 – freezing or reducing pay rates	**0.90**	0.14	0.14	0.07
p1 – reducing labor force	**0.84**	0.38	0.17	0.01
p15 – postponing cosmetic maintenance	**0.84**	-0.09	0.39	0.14
p13 – expanding hours/days of business menu	**0.82**	0.41	0.31	0.07
p17 – usingcheaper ingredients	**0.80**	0.04	0.41	-0.02
p20 – industry-wide demand for immediate government assistance	**0.75**	0.62	-0.15	-0.03
p22 – industry-wide demand for deferment of municipal taxes	**0.75**	0.62	-0.15	-0.03
p11 – marketing to new segments	**0.69**	0.43	0.27	-0.17
p12 – adding/changing business menu	**0.65**	0.40	0.34	-0.40
p24 – communicating "business as usual"	**0.56**	0.42	-0.13	0.53
p19 – organized demand for government support	0.23	**0.96**	0.11	0.02
p21 – industry-wide demand for deferment of state taxes	0.23	**0.96**	0.11	0.02
p23 – joining the Israeli restaurant association	0.35	**0.86**	0.11	0.20
p6 – joint marketing campaigns	0.37	**0.79**	0.22	-0.06
p18 – postponing scheduled payments	0.04	**0.76**	0.53	-0.15
p9 – reducing menu prices	-0.07	-0.09	**0.92**	0.04
p4 – replacing tenured employees	0.29	0.28	**0.87**	0.22
p8 – price reductions on special offers	0.29	0.02	**0.87**	-0.13
p2 – shortening the workweek	0.14	0.08	**0.86**	0.24
p16 – postponing systems maintenance	0.33	0.38	**0.81**	0.23
p14 – curtailing non-food services	0.27	0.39	**0.74**	0.11
p5 – more outsourcing	-0.25	-0.24	0.17	**0.87**
p7 – advertising	0.30	0.13	0.44	**0.78**
p10 – marketing and promoting new services	-0.04	0.69	0.11	**0.69**
Percent of variation explained by factor	50.9%	68.3%	80.0%	88.8%
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 6 iterations.				

Table 4.2: Jerusalem, Dimensions of practice Usage

The first factor included p3, p1, p15, p13, p17, p20, p22, p11, p12, and p24. It should be noted that p20 and p22 were cross-loaded in Factor 2, and p24 was cross-loaded in Factor 4. It is also important to mention that all the practices from the second factor of importance are included in this factor as well. This factor accounted for 50.9% of the variance and was titled *reliance on government support with various tactics for improving competitiveness*.

The second factor included p19, p21, p23, p6, and p18. It should be noted that p18 was cross-loaded in Factor 3. This factor accounted for 17.4% of the variance and was titled *improving competitiveness by turning to a third party*. The third factor included p9, p4, p2, p16, and p14. This factor accounted for 11.7% of the variance and was titled *various cost-cutting tactics*. The fourth factor included p5, p7, and p10. It should be mentioned that p10 was cross-loaded in Factor 2. This factor accounted for 8.8% of the variance and fell under the title of *staff changes and marketing*.

Dimensions of Practice Usage – Eilat

An examination of the usage of practices (Table 4.3) revealed that the 24 practices, grouped

into four factors according to the PCA and Varimax Rotation method, accounted for 77.1% of the variance (three additional latent factors were found).

Practice	Component			
	1	2	3	4
p14 – curtailing non-food services	**0.87**	-0.06	0.01	-0.24
p5 – more outsourcing	**0.84**	0.19	-0.07	-0.13
p15 – postponing cosmetic maintenance	**0.77**	0.52	-0.25	0.16
p9 – reducing menu prices	**0.71**	0.42	0.23	0.36
p16 – postponing systems maintenance	**0.68**	0.60	-0.39	-0.13
p2 – shortening the workweek	**0.62**	-0.56	0.04	-0.41
p3 – freezing or reducing pay rates	**0.60**	0.13	-0.34	-0.02
p12 – adding/changing business menu	**0.55**	0.22	0.42	0.50
p1 – reducing labor force	-0.10	**-0.90**	-0.23	-0.14
p6 – joint marketing campaigns	-0.01	**0.84**	0.06	0.10
p13 – expanding hours/days of business menu	0.15	**0.79**	0.06	0.00
p10 – marketing and promoting new services	0.46	**0.71**	0.09	0.29
p8 – price reductions on special offers	0.32	**0.52**	0.06	-0.11
p21 – industry-wide demand for deferment of state taxes	-0.11	0.30	**0.87**	0.26
p19 – organized demand for government support	-0.27	0.28	**0.86**	-0.19
p20 – industry-wide demand for immediate government assistance	-0.05	0.16	**0.86**	-0.03
p22 – industry-wide demand for deferment of municipal taxes	0.02	-0.29	**0.76**	0.04
p4 – replacing tenured employees	-0.01	-0.07	**-0.71**	-0.62
p23 – joining the Israeli restaurant association	0.49	-0.01	**0.50**	-0.43
p17 – usingcheaper ingredients	0.21	0.11	-0.09	**0.89**
p11 – marketing to new segments	-0.29	0.34	0.37	**0.75**
p18 – postponing scheduled payments	-0.12	-0.11	-0.23	**0.66**
p24 – communicating "business as usual"	0.22	-0.15	-0.14	**-0.66**
p7 – advertising	0.10	-0.50	0.47	**0.63**
Percent of variation explained by factor	27.4%	51.4%	65.5%	77.1%
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 10 iterations.				

Table 4.3: Eilat, Dimensions of practice importance

The first factor included p14, p5, p15, p9, p16, p2, p3, and p12. It should be noted that p15, p16 and p2 were cross-loaded in Factor 2. This factor accounted for 27.4% of the variance and was titled *various tactics, cost- cutting oriented*. The second factor included p1, p6, p13, p10,. It should be noted that p1 had a negative loading, meaning that labor cuts are negatively correlated with the other marketing practices. This factor accounted for 24.0% of the variance, falling under the title of *extensive marketing versus labor force cuts*.

The third factor included p21, p19, p20, p22, p4, and p23. Practice p4 had a negative loading, meaning that renewing the labor team is negatively correlated with the government practices. This factor accounted for 14.1% of the variance and was titled *government support versus staff renewing*. The fourth factor included p17, p11, p18, p24, and p7. Here, p24 had a negative loading, meaning that communicating "business as usual" is negatively correlated with the other practices. After consulting with four experienced managers, this practice was added to the final set of practices, deriving its status from real-life experience. This factor accounted for 11.5% of the variance and was titled *various tactics versus indirect marketing*.

A third factor analysis was conducted to assess the dimensions of crisis-management practices when the importance assigned to each practice was multiplied by its corresponding level of importance. Multiplying each practice importance and usage corresponds to the overall

effectiveness of the crisis-management practice. This multiplication is also important because the sum of all products provides the terms that are added to provide the overall grade of a value function V(Ai). Again, a Principle Component Analysis (Varimax Rotation Method) was carried out for each of the cities.

Dimensions of Combined Importance and Usage Practice – Tel Aviv

The combined product of importance and usage of the practices (Table 5.1) revealed that the 24 practices, grouped into four factors according to the PCA and Varimax Rotation method, accounted for 100% of the variance.

Practice	Component			
	1	2	3	4
p17 – usingcheaper ingredients	**-0.97**	-0.17	-0.16	0.01
p1 – reducing labor force	**-0.92**	-0.14	-0.36	-0.06
p9 – reducing menu prices	**-0.91**	-0.37	-0.08	-0.17
p18 – postponing scheduled payments	**0.89**	-0.35	0.01	-0.29
p8 – price reductions on special offers	**-0.85**	-0.01	0.50	-0.17
p21 – industry-wide demand for deferment of state taxes	**0.83**	-0.10	-0.31	0.46
p16 – postponing systems maintenance	**0.81**	0.38	0.43	0.14
p19 – organized demand for government support	**0.80**	-0.08	-0.42	-0.41
p22 – industry-wide demand for deferment of municipal taxes	**0.75**	-0.57	0.33	0.04
p20 – industry-wide demand for immediate government assistance	**0.71**	-0.58	0.33	-0.23
p12 – adding/changing business menu	0.11	**0.97**	-0.04	0.19
p6 – joint marketing campaigns	-0.01	**0.93**	0.36	0.07
p23 – joining the Israeli restaurant association	0.31	**0.88**	0.15	-0.33
p10 – marketing and promoting new services	0.00	**0.84**	0.53	0.10
p2 – shortening the workweek	-0.27	**0.83**	0.46	-0.17
p24 – communicating "business as usual"	0.46	**0.73**	-0.47	0.15
p11 – marketing to new segments	-0.03	**0.65**	0.43	-0.62
p14 – curtailing non-food services	-0.32	**0.65**	0.65	-0.22
p7 – advertising	0.28	0.24	**0.91**	-0.21
p3 – freezing or reducing pay rates	0.14	0.16	**0.90**	0.38
p15 – postponing cosmetic maintenance	0.09	0.17	**0.90**	-0.40
p5 – more outsourcing	0.07	0.22	0.13	**0.96**
p13 – expanding hours/days of business menu	0.29	0.01	-0.08	**0.96**
p4 – replacing tenured employees	-0.33	-0.20	-0.24	**0.89**
Percent of variation explained by factor	35.2%	68.0%	86.9%	100.0%
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 6 iterations.				

Table 5.1: Tel-Aviv, Dimensions of combined importance and usage practice

The first factor included p17, p1, p9, p18, p21, p16, p19, p22, and p20. It should be noted that p18 was cross-loaded in Factor 3, and that p17, p1, p9 and joint marketing campaigns had a negative loading value. This factor accounted for 35.2% of the variance and was titled *massive reliance on government support and maintenance*. The second factor included p12, p6, p23, p10, p2, p24, p11, and p14. It should be noted that p10 and p14 were cross-loaded in Factor 3. This factor accounted for 32.8% of the variance and was titled *extensive marketing*. The third factor included p7, p3, and p15. This factor accounted for 18.9%, falling under the title *conflicting tactics*. The fourth factor included p5, p13, and p4. This factor accounted for 13.1%, falling under the title *various tactics for improving competitiveness*.

Dimensions of Combined Importance and Usage Practice – Jerusalem

The combined product of importance and usage of the practices (Table 5.2) revealed that the 24 practices, grouped into four factors according to the PCA and Varimax Rotation method, accounted for 100% of the variance.

Practice	Component			
	1	2	3	4
p1 – reducing labor force	**0.953**	0.049	0.275	-0.117
p13 – expanding hours/days of business menu	**0.921**	0.241	0.218	-0.215
p17 – usingcheaper ingredients	**0.881**	-0.467	-0.021	-0.08
p15 – postponing cosmetic maintenance	**0.87**	-0.456	-0.134	-0.134
p24 – communicating "business as usual"	**0.837**	0.468	-0.265	0.098
p12 – adding/changing business menu	**0.825**	0.456	0.278	0.183
p3 – freezing or reducing pay rates	**0.824**	-0.459	-0.313	-0.116
p11 – marketing to new segments	**0.823**	0.455	0.272	0.203
p22 – industry-wide demand for deferment of municipal taxes	**0.773**	0.436	-0.395	-0.239
p20 – industry-wide demand for immediate government assistance	**0.76**	0.429	-0.39	-0.294
p10 – marketing and promoting new services	0.053	**0.998**	-0.023	-0.031
p21 – industry-wide demand for deferment of state taxes	0.052	**0.978**	-0.18	-0.091
p18 – postponing scheduled payments	0.066	**0.969**	0.215	-0.104
p19 – organized demand for government support	0.069	**0.956**	-0.229	-0.172
p6 – joint marketing campaigns	0.065	**0.944**	-0.091	0.309
p23 – joining the Israeli restaurant association	0.206	**0.914**	-0.303	-0.174
p4 – replacing tenured employees	0.078	0.034	**0.988**	0.13
p5 – more outsourcing	0.053	0.02	**0.977**	0.206
p9 – reducing menu prices	-0.212	-0.127	**0.967**	0.067
p8 – price reductions on special offers	0.017	-0.173	**0.944**	0.281
p7 – advertising	0.254	-0.095	**0.941**	0.201
p14 – curtailing non-food services	-0.583	-0.329	**0.698**	-0.255
p16 – postponing systems maintenance	-0.19	-0.116	0.532	**0.817**
p2 – shortening the workweek	-0.19	-0.116	0.532	**0.817**
Percent of variation explained by factor	42.20%	69.50%	94.20%	100%
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 6 iterations.				

Table 5.2: Jerusalem, Dimensions of combined importance and usage practice

The first factor included p1, p13, p17, p15, p24, p12, p3, p11, p22, and p20. This factor accounted for 42.2% of the variance, falling under the title of *reliance on government support with various tactics for improving competitiveness*. The second factor included p10, p21, p18, p19, p6, and p23. This factor accounted for 27.3% of the variance and was titled *government support and marketing efforts*. The third factor included p4, p5, p9, p7, and p14. This factor accounted for 24.7% of the variance and was titled *marketing and staff changes*. The fourth factor included p16, and p2. It should be noted these practices were cross-loaded in Factor 3 with the same loading value. This factor accounted for 5.8% of the variance and was titled *stopping losses*.

Dimensions of Combined Importance and Usage Practice – Eilat

The combined product of importance and usage of the practices (Table 5.3) revealed that the 24 practices, grouped into four factors according to the PCA and Varimax Rotation method, accounted for 83.71% of the variance (two additional latent factors were found).

Practice	Component			
	1	2	3	4
p10 – marketing and promoting new services	**0.925**	0.106	0.09	-0.097
p9 – reducing menu prices	**0.917**	-0.083	0.157	-0.273
p15 – postponing cosmetic maintenance	**0.889**	-0.28	-0.198	0.009
p1 – reducing labor force	**-0.825**	-0.393	-0.203	-0.057
p16 – postponing systems maintenance	**0.798**	-0.242	-0.488	0.213
p13 – expanding hours/days of business menu	**0.758**	0.107	-0.094	0.259
p6 – joint marketing campaigns	**0.744**	0.445	-0.058	-0.297
p5 – more outsourcing	**0.708**	-0.216	-0.577	0.269
p8 – price reductions on special offers	**0.703**	-0.082	-0.139	0.498
p14 – curtailing non-food services	**0.544**	-0.317	-0.018	0.518
p19 – organized demand for government support	-0.067	**0.976**	-0.021	0.146
p21 – industry-wide demand for deferment of state taxes	0.02	**0.956**	0.229	0.063
p20 – industry-wide demand for immediate government assistance	-0.058	**0.924**	0.122	0.07
p11 – marketing to new segments	0.278	**0.639**	0.625	-0.338
p4 – replacing tenured employees	0.013	-0.344	**-0.873**	0.055
p7 – advertising	-0.18	-0.109	**0.84**	-0.111
p12 – adding/changing business menu	0.513	-0.036	**0.736**	0.152
p3 – freezing or reducing pay rates	0.51	-0.336	**-0.732**	0.223
p24 – communicating "business as usual"	0.241	-0.204	0.022	**0.899**
p17 – usingcheaper ingredients	0.165	-0.185	0.412	**-0.729**
p22 – industry-wide demand for deferment of municipal taxes	-0.275	0.396	0.533	**0.664**
p2 – shortening the workweek	-0.345	-0.441	0.054	**0.662**
p18 – postponing scheduled payments	-0.024	-0.181	0.25	**-0.623**
p23 – joining the Israeli restaurant association	0.274	0.249	0.021	**0.593**
Percent of variation explained by factor	32.50%	56.50%	72.70%	83.70%
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 7 iterations.				

Table 5.3: Eilat, Dimensions of combined importance and usage practice

Table 5.1: Eilat, Dimensions of combined importance and usage practice

The first factor included p10, p9, p15, p1, p16, p13, p6, p5, and p14. It should be noted that p1 had a negative loading value and p14 was cross-loaded in factor four. Despite the fact that this factor combined ten practices, none of the *government support* practices were loaded. This factor accounted for 32.5% of the variance, thus falling under the title of *various tactics for improving competitiveness*.

The second factor included p19, p21, p20, and p11. It should be noted that p11 was cross-loaded in Factor 3. This factor accounted for 24.0% of the variance, falling under the title of *government support*. The third factor included p4, p7, p12, and p3. It should be noted that p12 and p3 were cross-loaded in Factor 1. In addition, p4 and p3 had negative loadings. This factor accounted for 16.2% of the variance and was titled *Varied staff change, focused cost cuts and conflicting tactics*. The fourth factor included p24, p17, p22, p2, p18, and p23. Practice p22 was cross-loaded in Factor 3. In addition, p17 and p18 had negative loadings. This factor accounted for 11.0% of the variance, falling under the title of *conflicting tactics*.

ANALYSIS OF THE CRISIS MANAGEMENT QUESTIONNAIRE FINDINGS

INTERPRETATIONS OF PROPOSITION 1

Proposition 1 stated that there would be a strong positive correlation between the importance that executives assign to a certain crisis-management practice and the level of usage of this

practice. Clearly, the majority of the Pearson correlations were all significant and positive. In Tel Aviv only p5 was insignificant, in Jerusalem and Eilat 6 practices were insignificant (Jerusalem – p1, p4, p14, p15, p16, and p24; Eilat – p2, p3, p5, p6, p11 and p18). Overall, the correlations (Tel Aviv, 0.45-0.90; Jerusalem, 0.22-0.77; Eilat, 0.21-0.91) provide general support for Proposition 1.

For practical reasons, the analysis focuses on a small number of high-ranking and low-ranking practices. In real-life situations, managers often ask for a short list of "dos" and "don'ts." Following this inclination, our intention here is to see whether something can be learned by limiting the list to the three highest and three lowest ranking correlations.

First, using the data presented in Table 2 we analyzed the Tel Aviv data. The highest-ranking correlations is for p2 (shortening the workweek), a practice which has the second lowest average for both Importance and Usage. This is especially interesting because of the contradiction with the second highest rank practice – p24 (communicating "business as usual"). In addition, p24 has the second highest average for both Importance and Usage and is the only practice in the Tel Aviv results that has no significance correlations. The third highest-ranking correlation is for p13 (expanding hours/days of business menu), with the lowest-ranking correlation being for p5 (more outsourcing), which also the lowest average for both practice and Usage. The following lowest correlations are for p15 and p16, both involving cost cuts and both having a low averages for Importance and Usage. This implies that the use of cost cuts practices has minor significance for crisis management. To summarize, in Tel Aviv, the consistent "*do*" list for restaurant crisis management is communicating "business as usual." In contrast, reducing the restaurant activity is a definite "*don't do*" because there is consistency (correlation) between its low Importance and low Usage.

Second, using the data presented in Table 2 we analyzed the Jerusalem data. In the case of Jerusalem the three highest-ranked correlations are from the *Marketing* category (p12, p11, and p10). Analyzing the three lowest-ranked correlations reveals interesting results, as all three practices have no significance correlations. The lowest ranking is for p24 (communicating "business as usual"), but this practice has the highest average for both Importance and Usage. The second and third lowest-ranked correlations are for p16 and p15, both of which involve cost cuts, and both of which have low averages for Importance and Usage. These results resemble the results from Tel Aviv analysis. To summarize, the Jerusalem consistent "*do*" list for restaurant crisis management included an assortment of marketing practices. From this analysis there are no specific "*don't do*" recommendations, but it strengthens the argument that cost –cutting practices have a minor significance in restaurant crisis management.

Finally, using the data presented in Table 2 we analyzed the Eilat data. The highest-ranked correlation is for p7 (advertising), a practice which has a relatively high average for Importance and Usage. The following highest-ranked correlations are p16 and p17 from the *Maintenance* category, both with relative low averages for Importance and Usage. The lowest ranked correlation is for p3 (freezing/reducing wages). The following lowest ranked prac-

tices are from the Marketing category – p6 and p11. All the three lowest-ranked practices have no significance correlations. To summarize, Eilat's consistent "*do*" list for restaurant crisis management is media advertisements. From this analysis there are no specific "*don't do*" recommendations, but it strengthens the argument that cost cuts practices are of minor significance in restaurant crisis.

INTERPRETATIONS OF PROPOSITION 2

Proposition 2 stipulated that both Importance and Usage practices would follow four main categories (Human Resources, Marketing, Maintenance, and Government Assistance), which were generated from the literature and from the in-depth interviews with managers. Table 6 lists the titles of all factors.

Factor	Tel-Aviv			Jerusalem			Eilat		
	Importance	Usage	Product	Importance	Usage	Product	Importance	Usage	Product
1	reliance on government support and maintenance	reliance on government support and maintenance	massive reliance on government support and maintenance	reliance on government versus various cost cuts	reliance on government with various tactics	reliance on government with various tactics	staff changes, focus cost cuts and conflicting tactics	various tactics, cost cuts oriented	various tactics
2	extensive marketing and tightening employmentterms	conflicting tactics	extensive marketing	various tactics	improving competitivenes s' by turning to a third party	government support and marketing efforts	extensive marketing versus labor force cuts	extensive marketing versus labor force cuts	government support
3	various tactics	various tactics	conflicting tactics	marketing and payment post-ponement	various cost cuts tactics	marketing and staff changes	various tactics	government support versus staff renewing	varied staff change, focus cost cuts and conflicting tactics
4	conflicting tactics	employment oriented tactics	various tactics	staff changes and marketing	staff changes and marketing	stopping losses	government support	various tactics versus indirect marketing	conflicting tactics

Table 6: Summary of factors, Tel Aviv, Jerusalem and Eilat for importance, usage and correlation between importance and usage

Interpretations of Dimensions for Tel Aviv

The analysis of crisis-management practices for Tel Aviv formed four factors that were somewhat different than the original four categories, thus providing only partial support for Proposition 2. The first factors (Importance, Usage and Product) included a major common denominator – *reliance on government support and maintenance*. In each of these factors the following practices appeared: p19, p20, p21 and p22 (*Government Assistance category*) and p16 and p18 (*Maintenance category*). The combination of *Government Assistance* and *Maintenance* can be explained by the fact that many businesses in Israel believe that they are not to be blamed for the ongoing crisis in the business, and that it is the government's responsibility to rescue them from its impact. Moreover, they believe that with this government support they will be able to reduce their costs and thus offer more competitive prices.

The first Tel Aviv factors all fall under the title of *reliance on government support and maintenance*.

The second factor has a leaner common denominator – only p10 and p11 (*Marketing category*) appear on each of the factors (Importance, Usage, and Product), yet each factor was combined with at least one other practice from the *Marketing* category and at least one practice from the human resource category, thus the second Tel Aviv factors was titled *marketing efforts*.

The third factor can be characterized by a lack of common denominator. There is not a single practice that appears in the factors (Importance, Usage, and Product). Further more, each of the factors involves factors from different categories. The Importance factor was assembled from four practices, each from a different category. The third Tel Aviv factor was titled *various tactics for improving competitiveness*.

The fourth factor common denominator is p13 (*Marketing category*) with additional practices from the *human resource category*. It should be noted that the Importance and Usage factor are identical here. The Product factor resembles both, but has additional practices from the *Maintenance* category. The fourth Tel Aviv fourth factor was titled *maintenance and human resource change*.

Interpretations of Dimensions for Jerusalem

The analysis of crisis-management practices for Jerusalem formed four factors that were somewhat different than the original four categories, thus providing only partial support for Proposition 2. The first factors (Importance, Usage, and Product) included a slight common denominator – *reliance on government support*. In each of these factors the following practices appeared: p20, p22, and p24. (*Government assistance category*). Significantly, other than the three factors mentioned above, the Importance factor is totally different from the Usage and Product factors. Furthermore, Usage and Product are identical, and are combined from the same set of practices. The first Jerusalem factor was titled *reliance on government support and various tactics*.

The second factor repeats the pattern of the first. The factor Importance does not share practices with Usage and Product, which are almost identical (the Product factor has an addition of a *marketing practice*). It is important to note that the practices that compile the second Importance factor are completely identical to the set of practices that compiles the first factors of Usage and Product. The second Jerusalem factor does not have a common denominator, thus falling under the title *various tactics*.

The third factor has the same pattern as the first two – an Importance factor that is totally different from the other factors, with high similarity between the Usage and Product factors and all of the factors compiled from practices of different categories. Like the second factor, the third Jerusalem factor falls under the title *various tactics*.

The fourth factor has a different pattern – Importance and Usage have the common denominator *staff changes and marketing*. The Product factor is different from them and it is compiled from a human resource practice and a maintenance practice. The fourth Jerusalem factor can be titled *staff changes and marking*.

Interpretations of Dimensions of Eilat

The analysis of crisis-management practices for Eilat formed four factors that were somewhat different than the original four categories, thus providing only partial support for Proposition 2. The first factors (Importance, Usage, and Product) included a common denominator *– focused cost cuts and outsourced human resource*. In each of these factors the following practices appeared: p16, p15, and p14 (*Maintenance* category) and p5 (*human resource* category). This combination of focused cost cuts, including reliance on *human resource*, can be explained by the nature of Eilat. As a tourism city Eilat is abundant with foreign labor. The first Eilat factor was titled *cost cuts, outsourced human resource*.

The second factor had almost no common denominator. There is not even one practice that appears in all of the factors. Yet, there is some similarity between the Importance and the Usage, as both rely on *marketing practices*. The Product factor is compiled from three practices from the *government* category and just one practice from the *Marketing* category. The second Eilat factor can be titled *marketing efforts*.

The third factor is characterized by a lack of common denominator. There is not even one practice that appears in all the factors (Importance, Usage, and Product). Furthermore, the Usage practice is *Government-support* oriented, whereas the Importance and Product factors involve practices from different categories. The third factor for Eilat can fall under the title *various tactics*.

The fourth factor shared a patterns with the third factor. In this case Importance is a *government support* factor, whereas the Usage and Product factors involve practices from different categories. The fourth Eilat factor can fit under the title of *various tactics*.

INTERPRETATIONS OF PROPOSITION 2

Proposition 2 stipulated that both importance and usage practices would follow four main categories (*Human Resources, Marketing, Maintenance,* and *Government Assistance*), and the data analysis provided partial support for this proposition. The most general finding was that managers in all locations claimed that they use practices from the four original categories (*Human Resources, Marketing, Maintenance,* and *Government Assistance*). However, managers reported that the combination of practices they employ in Importance and in Usage is somewhat different than the original categories. In other words, none of the factors were an exact match with the original categories (and all its relevant practices). Moreover, even when a majority of practices from a certain category appeared in a factor, other practices from other categories were also included in the same factor. This finding suggests that the original factors may be relevant as the general toolbox for crisis management and that managers utilize them according to their specific needs.

Managers also demonstrated relative consistency in the combination of practices. For example, the practices from the *Government Assistance* category were always combined with practices from other categories which focused on cost cuts or on marketing. Another consistent managerial effort was to employ practices from different categories which promote competitiveness. It should be noted that cost cutting and competitiveness were not the initial categories, but that managers assembled different practices in a manner that will allow them to improve cost cutting or competitiveness.

Another observation was that managers made an effort to avoid practices that negatively affect their labor force. This finding is significant because the restaurant industry is labor-intensive and therefore, combating crisis may include decisions which will be unfavorable to the labor force. Despite that the practices from *Human Resources* category were less often used compared with practices from other categories.

In each of the three cities the first factor of the Importance involved a number of practices from the *government* category and negative loadings. In Tel Aviv and Jerusalem the core of the factor consisted of four practices from the *government* category. In Tel Aviv the negative loading regarded a *marketing* practice and in Jerusalem the negative loading regarded a *human resource* practice. In other words, price drops in Tel Aviv and reducing working days in Jerusalem should compensate the lack of *government intervention*. In Eilat there were only two *government* category practices, but they were not the core of the factor. Yet, municipal-level help and media advertisement should compensate for staff changes, cost cuts, and the sector association.

Another important observation regards the factors titled *conflicting tactics*. These factors included combinations of practices that had no apparent common denominator and thus could not be explained. This fact not only weakens the support for Proposition 2 but also suggests that there are managerial actions that have no clear guidance. These factors probably have limited effectiveness and efficiency (Israeli, 2007). However, these are all general observations. Following is a comparison of the findings for each location.

The first factor for Importance and for Usage was consistent in Tel Aviv and Jerusalem, and focused primarily on practices from the *Government Assistance* category with additional practices from other categories. This relative consistency was not observed in Eilat where the first factor was not consistent in terms of the original categories. In Eilat, managers were focusing on cost cuts and staff change practices instead of seeking government support. The product of Importance and Usage revealed that the *government* assistance maintained its consistency in Tel Aviv. In Jerusalem, Product and Usage were similar and both differed from Importance. In Eilat the first factors were not consistent, yet the lack of denominator can be considered as pivotal to the Eilat factors.

The second factor revealed some consistency among managers in all locations with respect to practices from the *Marketing* category. Managers in Tel Aviv recognized the importance of

marketing practices and this recognition was also apparent in product on Importance and Usage. Nevertheless, when Usage is considered, managers in Tel Aviv were somewhat confused and selected conflicting practices. Managers in Jerusalem combine practices in order to improve competitiveness and the recognition of marketing was observed in the product of Importance and Usage. Managers in Eilat identified *marketing* practices as well, and their focus on marketing was apparent in Importance, Usage and product of Importance and Usage.

The consistency weakened in the third and fourth factors. Managers in all three locations are combining conflicting practices. The third factor in Tel Aviv has no common denominator and all of the factors were compiled from various practices. Managers in Jerusalem and Eilat show a similar behavior to that of Tel Aviv managers but with a slight difference. The *various tactics* in Jerusalem are marketing oriented and the *various tactics* in Eilat are *human resources* oriented.

The fourth factor, as the third factor, has a weak consistency. Yet, it reveals a behavior worth mentioning – the *human resource* practices that appeared in the first factors in Eilat, appears in the last factor in Tel Aviv and Jerusalem. Opposing behavior can be seen for the *government support* practices that compiled the first factors in Tel Aviv and Jerusalem but appear last in Eilat. One possible explanation for this derives from the nature of Eilat. Eilat, primarily a resort and vacation destination, strongly relies on outsourcing and on foreign-workers agencies. Thus, the accessibility and volatility of the human-resource market have a high Importance and Usage (see Table 6).

CONCLUSIONS, RECOMMENDATIONS, AND SUGGESTIONS FOR FUTURE RESEARCH

Restaurant managers in the three sampled cities have reported using different methods during a crisis, with each city revealing a main trend in accordance with its nature. In Tel Aviv, the business center of Israel, the main trend was communicating "business as usual." In Jerusalem, with a relatively low level of corporate intensity and a high level of foreign visitations, the main trend was *extensive marketing* (adding or expanding the business menu, marketing to new segment, and lowering the menu prices). In Eilat, Israel's resort destination, the main trend was media marketing. It was found that the common denominator for all three cities is that the main crisis management activities revolved though marketing. Thus, *marketing* can be considered as a key element in crisis management. Another observation is that the maintenance practices (cost cutting) have a minor significance conducting during a crisis.

According to the finding, some general guidelines can be devised: Restaurant managers who face a crisis should not act like an ostrich (cease any activities and postpone any investment), restaurant managers should handle a crisis in a multi-channel manner: use extensive marketing combined with government assistance (in case it is relevant) and hinge on the restaurant staff.

Proposition 1 stated that there would be a strong positive correlation between the importance

that executives assign to a certain crisis management practice and the level of usage of this practice. The findings for Tel-Aviv strongly support Proposition 1, while the finding for Jerusalem and Eilat only partially support Proposition 1. Altough the research did not evaluate crisis management from a financial performance aspect, it can be argued that in general correlation between importance and usage of practices serve as a necessary and rational criteria for crisis management. Indeed the findings generally support the Proposition (with a latent assumption that the practices presented to the managers were doable and reasonable, hence there is no objective motive to use them when necessary). This finding is consistent with other finding (Israeli and Reichel 2003, Hollenhorst Olson and Fortney 1992, Evans and Chon 1989, Mengak Dottavio and O'Leary 1986).

Analyzing the PCA results reveals that enough factors preserved the original categories or combined two main categories and therefore provide partial support for Proposition 2. The more interesting findings, however, come from the factors that did not support Proposition 2. These factors drew specific practices from the different categories and suggested that these practices form categories of *conflicting tactics* that can be significant in crisis management. This factor assembled practices from different categories, rather than focus on one or two specific categories. At first glance the practices may look unrelated but a closer look reveals that they are all practices that can support the restaurant's competitiveness. Therefore, it is competitiveness that becomes a distinct factor in this case, and not necessarily the initially defined categories. Proposition 2 was only partially supported, because the initial categories could be identified in only some of the factors. In addition, support for Proposition 2 was also provided because the majority of the practices were included in the factors. The pattern of *conflicting tactics*, namely, using various practices from different categories, appeared in all three cities, perhaps suggesting that during a crisis there is no monolithic course of action, and that managers simultaneously employ several strategies.

The main limitation of the research is derived from the difficulties to find a consistent definition of crisis situations for restaurants managers, since restaurant managers' experience different crisis from different reasons. For example, a restaurant manager may answer the questionnaire when he envisions a political crisis while another manager may answer the same questionnaire in relevance to an economic crisis. Evans and Elphick (2005) elaborated on the issue and argue that no two crisis are identical since firms are differed by their structure, complexity and orientation. In the research we attempted to evaluate crisis management while providing managers with the option to define the nature of the crisis and its intensity. Other limitation is due to the fact that this research focuses solely on Israel's restaurant market and only on three representing cities. One last limitation should regard the nature of the crisis in the research – the crisis were continuous crisis (economic, political, etc.) and not a one event crisis (food poisoning, hurricane, etc.). Therefore, future studies should extend the analysis to different locations and evaluate different crises.

Several observations are worth special attention. First, there were cases in which the factors demonstrated a logically consistent mix of practices from different categories, and therefore

generated additional partial support for Proposition 2. For example, all of the first factors (Importance, Usage, and Product) in Tel Aviv combine *government assistance* and *maintenance* practices. In Jerusalem, too, the entire first factor is *government-assistance* oriented. The categories were still present and this mix merged different internal practices (marketing and maintenance) with the demand for government assistance by deferring taxes in times of crisis.

In summary, there were several factors that preserved the original categories or combined two main categories and therefore provide partial support for Proposition 2. The more interesting finding comes from the factors that did not support Proposition 2, because these factors drew specific practices from the different categories and suggested that these practices form categories of *conflicting tactics* can be significant in crisis management.

More generally, this restaurant crisis managers practice questionnaire presented here is only step in a series of steps needed to future check its reliability and validity dimensions. An interview-based study can deepen the point of view. This research analyzed a questionnaire, yet several managers chose to convey their crisis-management aspects verbally, adding interesting data that was not expressed in the above findings. For example, restaurant managers in Jerusalem praised the manner in which the municipal authorities collaborated with the restaurants during the crisis. In contrast, Tel Aviv restaurant managers expressed anger about the way that the municipal authorities handled the crisis. Another suggestion regarding the Israeli restaurant market is to extend the research to various locations.

Unfortunately, it is safe to say that there will always be a location under crisis. Therefore, extending the analysis to different industries and different countries is a feasible research goal. A set of different industries (i.e., service industries) can provide a greater understanding for potential patterns of conducting a business in times of crisis. Another suggestion is in the form of a significant question that had yet to be answered is, have the crisis-management practices actually improved the firm's performance? A long-term perspective research should test the method proposed in this paper and perhaps shed a light upon the potential practices that can lead to an effective crisis management.

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Development of international tourism to Cambodia: the role of benefit segmentation

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ABSTRACT

This paper reports empirical research carried out in Cambodia during 2003 on international tourism to that country. Over two hundred tourists responded to a lengthy questionnaire that established the benefits they sought from tourism, the activities in which they indulged whilst on vacation and their philosophies of travel. From their replies, it was possible to categorise tourists to Cambodia using cluster analysis and benefit segmentation techniques into two distinct clusters – essentially consisting of those travelling on a package holiday and those travelling independently. Though the two groups had fairly similar demographics, they were quite distinct in terms of their attitudes to travel style, their needs for food, drink, entertainment, and accommodation, the entertainments and diversions sought, and their means of relaxing. However, they had similar needs to interact with the Cambodian people, and experience the culture and history of Cambodia. This finding is useful in product development and promotion for the Cambodian tourism industry.

Key Words: Cambodia, international tourism, marketing, benefit segmentation, cluster analysis, marketing communication

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INTRODUCTION

This paper reports research carried out on international tourist visitation in the Kingdom of Cambodia during 2003. The research used benefit segmentation techniques to establish a snapshot of international tourism to Cambodia with the objective of providing effective marketing tools to national and regional tourism offices in Cambodia, and its tourism industry.

The Kingdom of Cambodia, like many countries in SE Asia, has had rather a turbulent time in the latter half of the 20th century but now is peaceful and set to take its place as a fascinating and rewarding Southeast Asian destination. The major draw for visitors to Cambodia is Ang-

kor, the ancient capital of the Khmer Empire, considered to be one of the ancient wonders of the world. The town of Siem Riep at the northern edge of the great Tonle Sap Lake is the gateway to Angkor and a base for visiting the temple sites.

Though tourism to Cambodia is increasing (to over two million in 2007, according to the MOT, 2008) these figures mean very little to tourism marketers and are not useful in constructing marketing strategies, unless the visitors are segmented in some way. Many approaches exist for segmenting a market. The marketing literature is replete with examples of methods of grouping consumers according to demographics, geography, purchase behaviour, market "position," and various cognitive measures. However, a very useful method for tourism marketers is "benefit segmentation" (Haley, 1985), in which consumers are grouped according to the benefit desired from a particular product category. Based primarily on cluster analysis methods, this approach has enjoyed widespread application, and it is especially useful in marketing strategy formulation, e.g. for a general understanding of market, for positioning strategy, for new product concepts and new product introductions, and for advertising copy decisions (Haley, 1971, quoted in Frochot and Morrison, 2000). It can be summarised thus:

Benefit segmentation (Haley, 1971: 3-4) is a tool for improving communications with the group or groups of consumers selected as the market target by selecting themes that improve the chance of capturing the attention of prospects and of involving them in the advertising and other forms of marketing communication (quoted in Frochot and Morrison, 2000, p.22)

Cluster analysis is a technique for grouping individuals or objects into groups. If differs from discriminant analysis in that the number and characteristics of the groups derived from the data in cluster analysis usually are not known prior to the analysis (Aaker, Kumar and Day, 2001).

LITERATURE REVIEW

Understanding destination characteristics is central to their marketing. Each destination can only match certain types of demand and hence tourism marketers need to appreciate travel motivations in order to develop appropriate offerings and brand destinations for the right target markets. In addition, destinations should be aware not only of the needs and wants of the active demand but also of the potential markets they can attract. It can then develop a product portfolio, which enables the optimization of benefits and their marketing mix can be adapted to their target markets. Consumer behaviour studies by Buhalis (1999) indicate that a wide range of criteria is used to select tourism products. These criteria change according to the purpose and features of the trip, elements of the external environment, the characteristics of the traveller and the particularities and attributes of destinations.

Understanding these behaviour patterns and influences helps in segmentation by dividing the overall markets into groups that have similar needs or interests, and then selecting target segments for marketing attention. A number of demographic factors such as age, family life

cycle stage, gender, education and social factors, and lifestyle can then be used to construct market segment profiles.

Positioning is a form of market communication that plays a vital role in enhancing the attractiveness of a tourism destination (Middleton, 2000). According to Kotler et al. (1999), one of the most effective tools in tourism marketing is positioning. The objective of positioning is to create a distinctive place (or position) in the minds of potential customers; one that evokes images of a destination in the customer's mind, images that differentiate the destination from the competition and as a place that can satisfy their needs and wants. Positioning is a communications strategy that is a consequence of market segmentation and target marketing.

Since market segmentation is based on the notion that different tourism destinations appeal to different types of tourists, target market segments must be selected before tourism marketers can begin to entice these potential customers by inducing appropriate images. An effective positioning strategy provides a competitive edge to a destination that is trying to convey its attractiveness to the target market (Chacko, 1997). Therefore, a task for an emerging tourism destination such as Cambodia is to establish viable market segments that can be operationalised by the country's tourism industry.

Little has been written on market segmentation of tourists to Cambodia. An extensive literature review only turned up a discussion on sex tourism to Thailand by Prideaux, Agrusa, Donlon, and Curran, (2004) that claimed that Cambodia was making extensive efforts to discourage this market segment, but were somewhat thwarted by the endemic corruption. Richter's (1999) paper on tourism to countries that had suffered political unrest made the unremarkable observation that any marketing of a destination is useless until the political situation is calm. Therefore, it would seem that this paper is of value to both practitioners and researchers in the field of tourism marketing. As tourism to Cambodia has doubled between 2004 and 2007 it is likely that these two market segments' needs and benefits sought have indeed been satisfied as a perusal of tour operators such as Asia web direct (http://www.visitmekong.com/cambodia/tours) shows.

CURRENT DEMAND

Since peace has come to Cambodia the number of international arrivals has increased each year, except for a small drop from 2002 to 2003, and exceeded one million for the first time in 2004, and quickly doubled again by 2007. Figure1, gives details. It is obvious from this that tourism to Cambodia is in an emergent state, but is growing quite rapidly, from a very small base. However, these figures mean very little to tourism marketers and are not useful in constructing marketing strategies unless the visitors are segmented in some way.

Figure 1

Visitor Arrivals, Average Length of Stay, Hotels Occupancy and Tourism Receipts 1993 - 2007

Years	Visitor Arrivals		Average Length	Hotels Occupancy	Tourism Receipts
	number	change (%)	of Stay (days)	(%)	(million US$)
1993	118,183	0.00	N/A	N/A	N/A
1994	176,617	49.44%	N/A	N/A	N/A
1995	219,680	24.38%	8.00	37.00	100
1996	260,489	18.58%	7.50	40.00	118
1997	218,843	-15.99%	6.40	30.00	103
1998	289,524	32.30%	5.20	40.00	166
1999	367,743	27.02%	5.50	44.00	190
2000	466,365	26.82%	5.50	45.00	228
2001	604,919	29.71%	5.50	48.00	304
2002	786,524	30.02%	5.80	50.00	379
2003	701,014	-10.87%	5.50	50.00	347
2004	1,055,202	50.53%	6.30	52.00	578
2005	1,421,615	34.72%	6.30	52.00	832
2006	1,700,041	19.59%	6.50	54.79	1,049
2007	2,015,128	18.53%	6.50	54.79	1,400

Source: Kingdom of Cambodia Tourism Statistical report, November 2008

BENEFIT SEGMENTATION

Market segmentation is a process used in marketing to divide people into groups that share common characteristics (Morrison, 1989). The resulting 'segments' are expected to have similar purchasing and travel behaviour. Marketing decision-makers must then decide which segments of the market they will pursue; their 'target markets'. Thus, marketing segmentation is a two-step process involving (1) dividing the market into segments and (2) selecting the target markets. Developing appropriate marketing strategies follows, involve matching products, services, prices, promotions and distribution methods with the motivations, needs and expectations of the selected target markets. The process of market segmentation is an essential step in marketing planning as it leads to the most effective allocation of marketing resources and to greater precision in setting marketing objectives (Morrison *et al*., 1999). This process can certainly help the nascent Cambodian travel and tourism industry.

A number of methods exist to segment markets, based on social-demographic characteristics (age, gender, income, etc.), geography, behaviour, and psychographics or motivations. Benefit-based segmentation, where market researchers examine the benefits of a product perceived by potential purchasers, has become a powerful tool in determining what it is about a product that makes it attractive, useful and worth the price to consumers (Palaclo & McCool, 1997). Haley (1968) was the first to indicate that the basic rationale for benefit segmentation is that the benefits that people are seeking in consuming a given product are the basic reasons for the existence of true market segments. In addition, this information helps product developers enhance product strengths and overcome weaknesses. Protecting or enhancing the product may be a pivotal tourism development strategy (Heath and Wall, 1991).

In the travel and tourism industry, the diversity of products and customers has justified the intensive use of segmentation strategies as strategic weapons in an increasingly competitive environment. Among these techniques, benefit segmentation has received wide approval by academics and practitioners alike (Frochot and Morrison, 2000), and has been used for over 20 years in travel research. This method involves the segmentation of a market based on the benefits sought in a product rather than by simply grouping consumers on traditional factors such as demographic, socioeconomic, or geographic characteristics. It enables marketers to identify the type of benefits favoured by each segment, and hence effectively design the content of promotional and product strategies to different benefit segments.

Haley introduced the concept of benefit segmentation in 1968 to provide a better understanding and prediction of future buying behaviour than traditional market segmentation techniques. He reasoned that marketers should concentrate on the benefits sought by consumers, as these were the primary source of purchasing behaviour and warranted being the principal segmentation variable (cited in Frochot and Morrison, 2000). More specifically, the advantages of benefit segmentation are its capacity not just to classify customers by benefits sought, but also to profile each segment by using descriptive variables such as geographical, demographic, or other factors. Moreover, Woodside and Jacobs (1985) suggest that beyond orienting promotional messages and strategies, benefit segmentation could be used effectively for product design.

Moreover, segmentation based on benefits sought is generally able to predict behaviour better than the other more descriptive variables such as demographics and geographics (Kastenholz *et al*., 1999).

METHODOLOGY

The study focused on international tourists in Siem Riep and Phnom Penh only, as they are the most popular places for international tourist visitation to Cambodia. A respondent-completed questionnaire was used to gather the primary data. Most of the items were selected from a previous benefit study by Morrison, Frochot and O'Leary (1999).

The questionnaire consisted of 106 items in four sections. The items focused on general benefit statements, vacation activities, demographic characteristics and travel philosophies. The tourist-respondent was asked to indicate his or her attitude to each statement on a five-point scale raging from 'not at all important' to 'very important' in the question of benefit statements, vacation activities and travel philosophies. In addition, respondents were asked the purpose of their visit, age, sex, travel type, length of stay, household income, education, country of origin and main destination in Indo-China.

Benefits already experienced and realized by visitors are better predictors of visitor behaviour than the responses from potential future visitors, selected from the target market area (Pearce and Caltabiano, 1983; Woodside and Jacobs, 1985). Based on this the respondents completed the survey just prior to departure from Cambodia.

The questionnaire used closed items as they are easier and quicker to answer, and also to analyse, than open-ended items. Closed items are useful in testing specific hypotheses and make it easy to make group or cluster comparisons. Twenty respondents pre-tested the survey, and it went through three iterations before implementation. The sample of 201 respondents came from a population of international tourists visiting Siem Riep and Phnom Penh. After the pilot study, respondents were randomly approached in the two destinations. Those who agreed to participate in this survey were informed of its purpose, assured of the confidentially of the information they provided, and told that it would be used predominantly for academic purposes.

As English is now the language understood by most international visitors to Cambodia, the questionnaire was given only to tourists who understood English – the great majority. However, this did, in the main, exclude tourists from China and Japan, two countries with much potential for tourism to Cambodia.

Most destination benefit segmentation assessment studies use questionnaires comprised of Semantic Differential scales and ranking scales. As this research is concerned with the similar issue of destination benefits, these same techniques in a similar questionnaire format were used in the data collection process, as shown in Table 1. These were used because these scales make comparison simple and are appropriate for clustering in benefit segmentation research.

Table 1: Example of an Item

Benefit Statements	Not at all important (1)	Not very important (2)	"OK" somewhat important (3)	Important (4)	Very important (5)
Visiting a place I can talk about when I get home.				X	

The questionnaire began with a screening question to ensure that the potential participant was, in fact, a tourist: if s/he did not fall into the required group, the researcher moved on to the next person. Westerners formed a large part of the sample because the questionnaire was conducted in English.

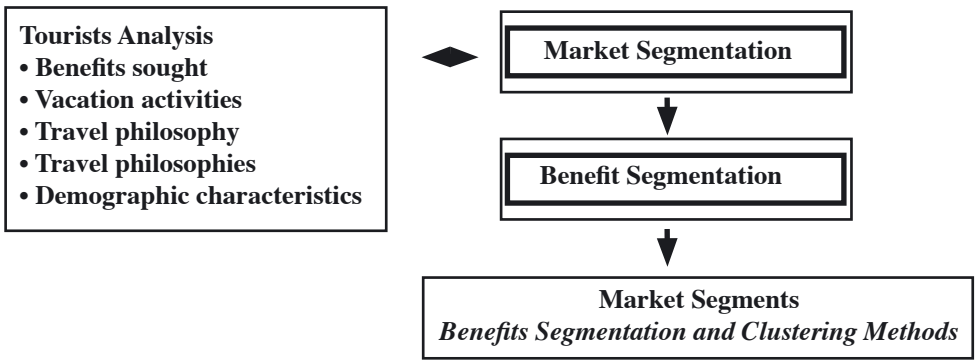
The first part of the questionnaire was about the importance rating of various Benefit statements. Based on a cluster analysis, groups can be identified that attach to a benefit statement. Having identified and tentatively labelled each of the benefit segments, further analysis can determine the salient differences in activity participation among the benefit clusters. Moreover, differences for selected groups of independent variables such as demographic and travel trip characteristics can be identified. Further sections of the questionnaire focused on Vacation Activities and Travel Philosophies, and these were analysed in a similar fashion.

To ensure adequate distribution of the survey instrument, several methods of distribution were used. First, the owners/managers and employees of the lodging establishments in the study areas—Phnom Penh and Siem Riep—asked their guests to complete and return the questionnaires. In addition, cooperative tour guides of various tour operators helped distribute the questionnaires to international tourists on their tours as well.

The inclusion of different accommodation types, geographical areas (Phnom Penh and Siem Riep) and the administration of the questionnaire were designed to ensure a varied and relatively representative sample. Overall, 500 questionnaires were distributed, with 300 in Siem Riep and 200 in Phnom Penh. Of these, 201 useful responses were collected, with 60% from Siem Riep and 40% in Phnom Penh.

The study profiled the diversity of international tourists in Cambodia, with their distinctive needs, benefits sought, and motivations, and was unique in number of ways. First, it focused on international tourists in Cambodia where little empirical research has been done. Second, the study examined the usefulness of benefit segmentation on international tourists for the tourism authorities and industry in Cambodia, rather than the impact of tourism on local residents, which has been the focus of most of the tourism research in Cambodia. Next, this study added to the understanding of international tourists to Cambodia in general. And finally, this research may act as a stepping-stone for further research on benefit segmentation in Cambodia. Figure 2 shows a summary of the research process and its outcomes.

Figure 2: Research Framework



RESULTS

In this section, the results of data collection are described and the statistical summaries and findings are presented. First, the demographic characteristics of the respondents are described. Next, the results of factor analyses and cluster analyses are described and illustrated. Finally, the reliability and validity of the measurement scales are examined and interpreted. Statistical analysis was carried out using the Statistical Package for Social Science (SPSS 11.5 and 12.0). Significance tests were conducted using t-tests and chi-square analysis, where appropriate. The significance level for all tests was set at the 0.05 level.

A total of 218 surveys was returned, but after eliminating the unusable responses, 201 responses were coded and used for the data analysis. As a result, a 40.33% response rate was obtained for the 500 surveys distributed.

The demographic details of the respondents can be summarised thus: the sexes were fairly evenly represented (52% male and 48% female). Most respondents were single (88%) and in their 20s (59%) or 30s (34%). Twenty-four of the respondents were married (11.9 %) and the rest (88.1 percent) were single.

A large proportion of the respondents was educated to undergraduate university level (50%) or had a postgraduate or professional qualification (31%). This implies that visitors to Cambodia from Western countries are better educated than average for those countries. Most respondents came from households with annual incomes of less than US$25,000 (40%) or between US$25-50,000 (34%), but a minority had higher incomes between US$50-75,000 (18%) and over US$75,000 (8%).

Respondents were resident in the United Kingdom (32%); Other Europe (25%), North America - Canada and the United States (22%), Australia and New Zealand (10%), North Asia – Japan and Korea (10%) Singapore (1%). The most common length of stay was between one week and three weeks, with 43% staying up to eight nights, 48% staying between nine and 21 nights, and the remaining 19% staying 22 nights or more. Most respondents travelled alone (30%) or with a partner (53%). Most of them came to Cambodia for pleasure and vacations (88%), with the remainder citing business, visiting friends and relatives or other personal reasons. Only a minority (21%) was travelling as part of an organised tour, with the majority (79%) travelling independently.

In general, the typical visitor to Cambodia is from the UK, Europe or the United States, single, aged in their 20s or 30s, with a university education, travelling independently either solo or as a couple.

In order to establish benefit segments, an initial factor analysis (FA) was carried out with each group of items in the 'Benefits', 'Vacation Activities', and 'Travel Philosophies' sections of the questionnaire. In each case, two dimensions were selected that explained 36%, 37% and

48% respectively of the variation in each group. None of the remaining dimensions contributed more than 6%, 6% and 7%, respectively. Varimax rotations were used to separate the dimensions as much as possible, and then they were examined to determine each dimension's interpretation.

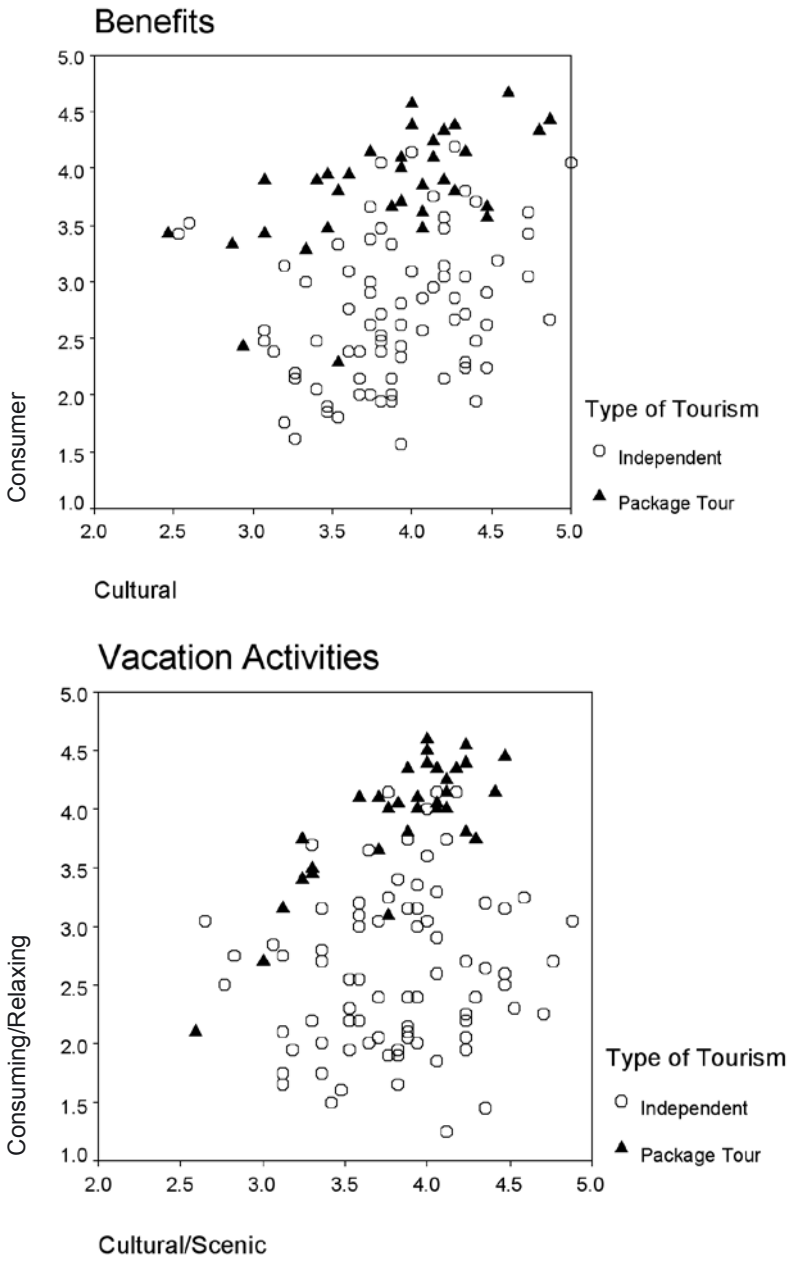
In the Benefits section, the first dimension consisted of statements relating to traditional holiday consumer benefits such as good food, comfortable hotels, competent guides, reliable and comfortable transportation and air conditioning: this dimension was thus labelled 'Consumer'. The second dimension consisted of statements related to the experiences of travelling to Cambodia, getting to know its history and culture and interacting with the local people: this dimension was labelled 'Cultural'.

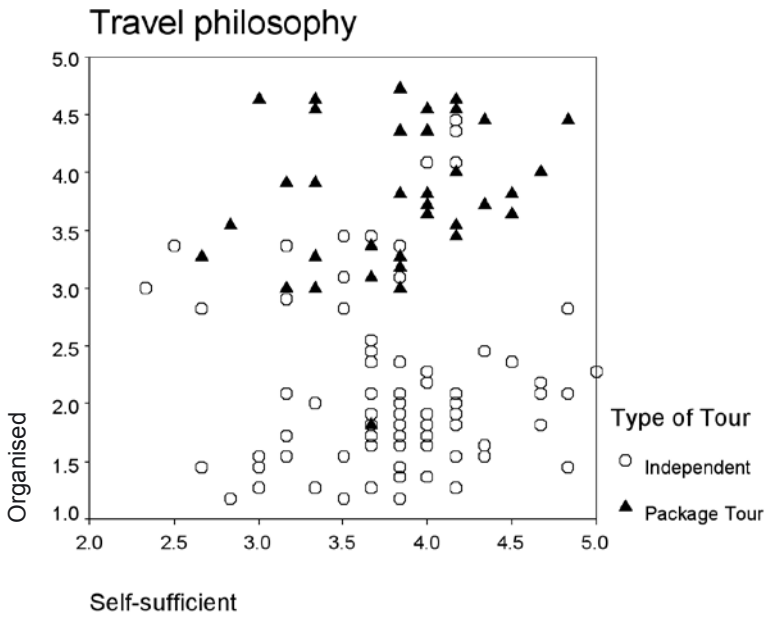
In the Vacation Activity section, the two dimensions were similar to those identified for the Benefits. The first dimension consisted of statements relating to 'consumer' activities such as shopping, sightseeing and fine dining: this dimension was labelled 'Consuming/Relaxing'. The second dimension consisted of statements about activities that involved interaction with the Cambodian people and culture, or experiencing the natural environment: this dimension was labelled 'Cultural/Scenic'.

In the Travel Philosophy section, the first dimension consisted of statements relating to an approach to travel that valued organised, stable and predictable holiday experiences such as pre-booked, all-inclusive packages: this dimension was labelled 'Organised'. The second dimension consisted of statements relating to an approach to travel that valued flexibility, novelty, self-sufficiency and value for money: this dimension was labelled 'Self-sufficient'.

These factor analyses result in each of the groups of questions – Benefits, Vacation Activities and Travel Philosophies – being summarised by two new variables, the dimensions shown in Figure 3. These new variables were then graphed against each other, using various demographic variables as markers. It became apparent that the only variable that obviously separated the respondents on the dimensions was the type of tourism – whether a 'package tour' or independent travel. Figure 3 shows the results of this visual analysis (which was supported by formal statistical comparisons).

Figure 3: Dimensions from Factor Analysis indicating Type of Tourism





A cluster analysis (CA) was then carried out on the reduced data from the factor analysis dimensions using the 'two-step clustering' procedure in SPSS, with log-likelihood distance measure and the Bayesian Information Criterion (BIC) to automatically determine the optimum number of clusters. The procedure selected two clusters as the optimum number, with 155 (77%) in cluster one and 46 (23%) in cluster two. Results were almost identical from clustering with the original items as with the six dimensions determined by factor analysis (with only 2 of 201 cases classified differently). The clusters essentially corresponded to package and independent tourists, with only 5 of 43 package tourists classified in cluster one and 8 of 158 independent tourists classified in cluster two (see Table 2). Thus, it seemed quite reasonable to label cluster one as 'Independent' and cluster two as 'Package', while noting the small overlap.

Table 2: Type of Tour by Cluster

	Cluster		
	1 Independent	2 Package	Total
Package tour	5	38	43
Independent travel	150	8	158
Total	155	46	201

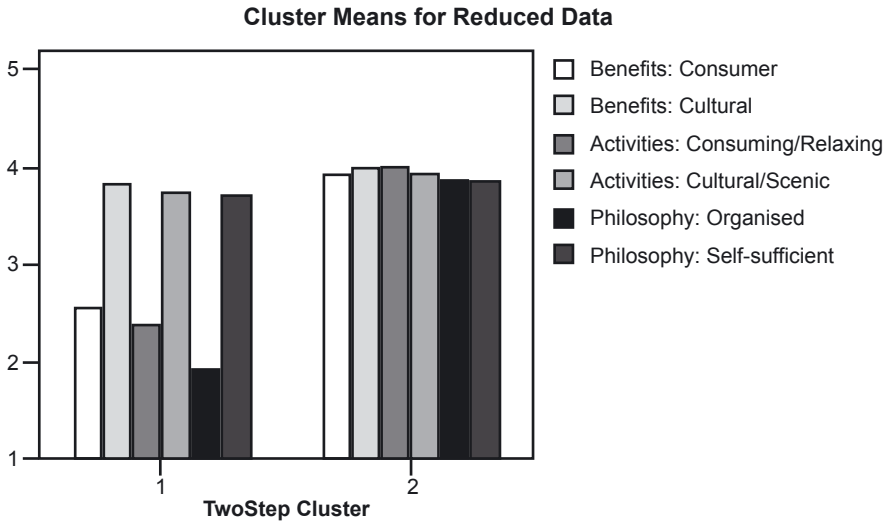
The centroids of the two clusters show the average level of response for each of the six dimensions. This information is shown numerically in Table 3 and graphically in Figure 4. It

can be clearly seen that there are significant differences between the 'Independent' cluster and the 'Package' cluster (essentially those travelling independently and those travelling on package tours) on all dimensions except the last (Philosophy: Self-sufficient). Those tourists on package tours rate traditional consumer comforts (ease, good food, competent guides, air conditioning, 'western' activities) much higher than those travelling independently. However, there is much less difference in their rating of traditional cultural activities (including the natural environment).

Table 3: Cluster means, standard deviations and significance of differences

	1 Independent		2 Package		
	Mean	SD	Mean	SD	Significance
Benefits: Consumer	2.57	0.53	3.93	0.35	p<0.001
Benefits: Cultural	3.85	0.48	4.01	0.44	p=0.042
Activities: Consuming/Relaxing	2.40	0.54	4.03	0.36	p<0.001
Activities: Cultural/Scenic	3.74	0.49	3.96	0.31	p<0.001
Philosophy: Organised	1.93	0.55	3.84	0.56	p<0.001
Philosophy: Self-sufficient	3.74	0.59	3.87	0.43	p=0.106

Figure 4. Cluster Means for Reduced Data



Appendices 1, 2 and 3 give details of cluster means and standard deviations for the original questionnaire items in each group of questions, Benefits, Activities and Philosophies, and

also the percentage of respondents in each cluster who marked the particular item as 'very important' (=5). The differences between the two clusters are marked on many of the items. Assessed by two-sample t-tests, there are statistically significant differences between the clusters on 28 of the 41 Benefits items (68%), on 34 of the 45 Activity items (76%) and on 15 of the 18 Philosophy items (83%). It seems apparent that people in cluster 2 (Package) like to be in places of entertainment, being served and with a guide, while people in cluster 1 (Independent) do not rate these characteristics highly. Table 4 gives details of some of the more significant findings, which shows similarities and differences between the two clusters

Table 4: Benefits; Activities; Travel Philosophies Significant Findings

Benefits	**1 Independent**		**2 Package**	
	Clus1 Mean	Clus1 SD	Clus2 Mean	Clus2 SD
Opportunity to increase one's knowledge about places, people and things	4.54	0.62	4.39	0.95
Nice weather	2.99	0.79	4.11	0.85
Environmental quality of air, water, and soil	3.12	1.10	4.17	1.04
Having fun, being entertained	3.14	1.08	4.22	0.92
Meeting people with similar interests	2.78	1.03	4.15	0.87
Activities				
Shopping	2.16	1.03	4.72	0.62
Enjoying ethnic/cultural events	3.92	0.81	4.15	0.84
Sunbathing or other beach activities	2.66	1.15	4.17	0.88
Sampling local foods	3.81	0.95	3.72	0.66
Visiting protect land/areas where animals/birds, marine life or vegetation are protected	3.77	0.84	4.17	0.93
Travel Philosophy				
It is important that the people I encounter on a holiday trip speak my language	2.18	1.13	4.11	0.99
I usually travel on all-inclusive package holidays	1.36	0.84	3.78	0.76
Once I get to my destination, I like to stay put	2.03	0.92	4.07	0.98
I like to have all my travel arrangements made before I start out on holiday	1.85	1.09	3.87	0.98
Whenever possible, I try to take my holidays at private resort "clubs"	1.19	0.49	3.61	1.32

Having identified the two clusters and looked at the differences between their views of tourism benefits, vacation activities and travel philosophies, we can also investigate differences between them in regard to the independent demographic variables and trip characteristics. Statistical differences between the clusters were assessed for age, sex, marital status, education, family income, trip length, party size, reason for visit and type of tour. Table 4 shows that significant differences were found for all these variables except education, although in some cases the significance was marginal (eg for party size) and in other cases the difference was small (eg for age), although statistically significant.

Table 5: Cluster Characteristics of Demographic Variables

	1 Independent	2 Package	Significance
Median age	27 yrs	29 yrs	p<0.001
Single	93%	72%	p<0.001
Median trip length	13 days	6 days	p<0.001
Package tour	3%	83%	p<0.001
Male	48%	67%	p=0.028
Median family income	US$32K	US$40K	p=0.030
Visit for pleasure	86%	91%	p=0.037
Mean party size	1.9	2.4	p=0.049
University education	86%	65%	p=0.151

People in cluster 1 are predominantly independent travellers, while those in cluster 2 are predominantly package tourists, as the cluster labels indicate. The independent travellers include an equal mix of males and females, and are more likely to be single, have a university education and somewhat lower family incomes than the package tourists. The package tourists are more likely to be male than female, and include more married couples than the independent travellers. They are likely to stay in Cambodia for around half the time that independent travellers stay. These demographic differences between the clusters can be useful for identifying market segments, but the most important difference is in the percentage of each group who are travelling on a package tour.

Additionally, the knowledge of the benefits desired by the two different clusters (or in other words, market segments) enables tourism marketers both in government and the private sector to develop products that can satisfy these needs.

CONCLUSIONS

This analysis has identified two clusters of benefit segments among international tourists to Cambodia - Independent and Package tourists. The clusters are so named as they overlap to

a great extent with the actual groupings of independent travellers and package tourists. The statistical viability of the segmentation approach was confirmed by conducting significance tests on the differences between the two clusters for attitudes towards benefits, vacation activities, travel philosophy and a variety of demographic and independent variables.

It is therefore concluded that, in addition to the differences in the benefits sought by the two clusters, they are also distinguishable in terms of their vacation activities and travel philosophies, and to a lesser extent by demographic and travel trip characteristics (aside from the obvious characteristic of being independent travellers or package tourists). The information contained in the tables and appendices in this paper can give marketers of Cambodian tourism insights into the two distinct types (or clusters) of tourists to Cambodia, the sorts of needs they have, and the stimuli to which they would respond. An important finding was that (despite some statistically significant differences) both groups have similar interests in the cultural aspects of tourism to Cambodia, so promotional messages on cultural experiences can be addressed to all types of visitors to Cambodia.

This establishment of these two discrete market segments for Cambodia and their differing needs gives the Cambodian Ministry of Tourism and tour operators to Cambodia information on which to base product development and promotional strategies, and therefore advance the Cambodian travel and tourism industry, both private and public. Judging by the rapid increase in tourism to Cambodia it appears that they have done so.

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APPENDIX 1: Cluster Information for Benefits Items

Benefits	Clus1 %5	Clus2 %5	Clus1 Mean	Clus1 SD	Clus2 Mean	Clus2 SD
Opportunity to increase one's knowledge about places, people and things	58	61	4.54	0.62	4.39	0.95
Outstanding scenery	15	17	3.78	0.75	3.85	0.70
Going places I have not visited before	35	54	3.94	1.05	4.30	0.87
Personal safety, even when travelling alone	31	28	3.83	1.00	3.78	0.99
Destination that provides value for my holiday money	21	37	3.61	0.95	4.00	1.05
Nice weather	1	33	2.99	0.79	4.11	0.85
Environmental quality of air, water, and soil	14	52	3.12	1.10	4.17	1.04
Standards of hygiene and cleanliness	10	48	3.19	0.95	4.24	0.90
Doing and seeing things which represent a destination's unique identity	32	41	4.06	0.87	3.76	1.23
Meeting new and different people	43	43	4.16	0.93	4.07	0.93
Visits to appreciate natural ecological sites like forests, wetlands, or animal reserves	30	26	3.83	1.01	3.76	1.02
Escaping from the ordinary	31	43	3.86	1.00	4.17	0.90
Interesting rural countryside	15	37	3.44	0.96	4.04	0.89
Availability of comprehensive pre-trip and in-country tourist information	1	46	2.88	0.86	4.17	0.88
Experiencing a new and different lifestyle	23	33	3.92	0.77	3.98	0.91
Having fun, being entertained	10	46	3.14	1.08	4.22	0.92
Getting a change from a busy job	25	39	3.27	1.35	3.89	1.10
Visiting place I can talk about when I get home	14	33	3.00	1.20	3.98	0.86
Good public transportation (such as airlines, public transit systems…)	6	43	2.96	0.94	4.15	0.94
Getting away from the demand of home	18	37	3.17	1.25	4.09	0.81
The best deal I could get	4	30	2.57	1.14	3.98	0.88
Finding thrills and excitement	10	41	2.97	1.09	3.93	1.12
Opportunity to see or experience unique or different aboriginal or indigenous peoples	19	37	3.76	0.99	3.91	0.98
Trying new foods	30	28	3.77	1.03	4.04	0.79
Exotic atmosphere	14	37	3.40	0.96	4.15	0.76
Historical or archaeological buildings and places	20	37	3.78	0.85	4.02	1.02

APPENDIX 1: Cluster Information for Benefits Items

Benefits	Clus1 %5	Clus2 %5	Clus1 Mean	Clus1 SD	Clus2 Mean	Clus2 SD
Opportunity to see and experience people from a number of ethnic background and nationalities	26	30	3.95	0.87	3.87	0.96
Ease of driving my own in the destination (e.g. Hiring a car, maps, etc.)	7	39	2.44	1.23	4.07	0.95
Meeting people with similar interests	6	39	2.78	1.03	4.15	0.87
Arts and cultural attractions (e.g. Live theatre, concerts, dance, opera, ballet)	7	35	2.93	1.03	3.96	0.92
Shopping	4	48	2.34	1.02	4.28	0.89
Just relaxing	12	33	3.11	1.07	3.91	1.05
Doing nothing at all	6	37	2.25	1.18	3.74	1.12
Experiencing a similar lifestyle	5	28	1.94	1.23	3.93	0.95
Being together as a family	3	46	2.08	1.12	4.15	0.92
Outdoor activities such as hiking, climbing	9	43	3.15	1.10	3.63	1.55
Going places my friends have not been	6	13	2.21	1.13	3.28	1.28
Activities for the entire family	4	37	1.85	1.06	3.63	1.44
Visiting friends and relatives	2	24	1.95	0.92	3.43	1.34
Indulging in luxury (such as luxury hotels or fine dining)	0	22	1.48	0.78	3.39	1.37
Primitive outdoor camping/tenting experience	8	39	2.59	1.17	3.70	1.46

APPENDIX 2: Cluster Information for Vacation Activities Items

Activities	Clus1 %5	Clus2 %5	Clus1 Mean	Clus1 SD	Clus2 Mean	Clus2 SD
Shopping	2	80	2.16	1.03	4.72	0.62
Sampling local foods	25	9	3.81	0.95	3.72	0.66
Taking pictures or filming	17	63	3.70	0.94	4.41	0.98
Getting to know local people	41	20	4.22	0.81	3.74	0.85
Informal or casual dining with table service	5	46	2.72	1.14	4.20	0.86
Seeing big modern cities	1	37	2.22	0.96	4.15	0.79
Visits to appreciate natural ecological sites like forests, wetlands, or animal reserves	23	30	3.86	0.87	3.93	0.88
Visiting national parks and forests	21	41	3.89	0.81	4.17	0.88
Enjoying ethnic/cultural events	23	37	3.92	0.81	4.15	0.84
Swimming	5	48	2.87	0.99	4.02	1.20
Sightseeing in cities	3	24	3.15	1.01	3.67	1.01
Dining in fast food restaurants or cafeterias	4	41	1.72	1.05	4.00	1.05
Observing wildlife/bird watching	6	48	2.94	1.09	4.09	1.09
Sunbathing or other beach activities	5	46	2.66	1.15	4.17	0.88
Visiting museums/galleries	9	39	3.37	0.81	4.13	0.81
Short guided excursion/tour	6	39	2.89	1.01	3.98	0.98
Local crafts and handiwork	5	46	3.05	0.86	4.28	0.78
Visiting small towns and villages	24	52	3.99	0.73	4.26	0.88
Arts and cultural attractions (e.g. Live theatre, concerts, dance, opera, ballet)	10	67	3.06	1.11	4.52	0.78
See or experience people from a number of different ethnic backgrounds or nationalities	29	30	3.85	1.07	3.59	1.27
Dining in fine restaurants	2	26	1.85	0.91	3.78	0.99
See or experience unique or different aboriginal or indigenous peoples (e.g. Tribal Khmer)	18	24	4.01	3.35	3.85	0.84
Visiting protect land/areas where animals/birds, marine life or vegetation are protected	21	43	3.77	0.84	4.17	0.93
Visiting night clubs or other places of entertainment (e.g. Bars, discos, dancing, etc)	5	30	2.66	1.16	3.87	1.02

APPENDIX 2: Cluster Information for Vacation Activities Items

Activities	Clus1 %5	Clus2 %5	Clus1 Mean	Clus1 SD	Clus2 Mean	Clus2 SD
Driving to scenic places	12	63	3.32	1.09	4.48	0.75
Visiting friends or relatives	0	30	2.18	1.07	3.70	1.05
Visiting scenic landmarks	18	52	3.71	0.81	4.26	0.91
Visiting remote coastal attractions like fishing villages or lighthouses	17	13	3.55	0.96	3.57	0.86
Taking a cruise for a day or less	1	26	2.65	1.10	3.89	0.92
Visiting places of historical interest	23	48	3.85	0.83	4.17	0.93
Attending local festivals/fairs/other special events	20	46	3.75	0.99	4.13	0.98
Visiting theme parks or amusement parks	3	37	1.89	1.07	4.15	0.79
Outdoor activities such as climbing, hiking, etc.	19	33	3.54	1.12	3.89	0.99
Visiting mountainous areas	20	35	3.66	1.04	3.98	0.91
Visiting places with religious significance (e.g. Churches, pagodas, temples)	14	33	3.58	0.83	3.80	1.15
Water sports (e.g. Water skiing, sailing, canoe)	8	26	2.70	1.28	3.85	0.94
Taking a nature and/or science learning trip	6	22	2.94	1.05	3.54	1.13
Walking tours	6	22	3.22	1.00	3.59	1.02
Diving (snorkelling or scuba)/surfing	12	37	2.83	1.35	3.80	1.17
Golfing/tennis	3	15	1.66	1.10	3.48	0.96
Bicycle riding (touring, mountain, day trips)	8	41	3.11	1.14	4.04	0.97
Visiting places of archaeological interest	20	17	3.59	1.03	3.74	0.93
Visiting casinos and other gambling	1	50	1.49	0.91	4.11	1.08
Attending spectator sporting events	3	43	2.06	1.19	4.24	0.79
Staying in campgrounds or trailer parks	5	59	2.22	1.17	4.46	0.72

APPENDIX 3: Cluster Information for Travel Philosophy Items

	Clus1 %5	Clus2 %5	Clus1 Mean	Clus1 SD	Clus2 Mean	Clus2 SD
Getting value for my holiday money is very important to me	16	37	3.30	1.03	3.80	1.31
I like to be flexible on my long-haul holiday going where and when it suits me	33	13	3.59	1.41	3.61	0.88
When travelling long-haul I usually take holidays of 14 days or less	7	39	2.18	1.31	4.15	0.82
For me, the money spent on long-haul travel is well spent	26	26	3.95	0.81	3.87	0.91
I like to go to a different place on each new holiday trip	25	41	3.81	0.97	4.07	1.00
Inexpensive travel to the destination country is important to me	21	28	3.61	1.04	3.98	0.88
I like to have all my travel arrangements made before I start out on holiday	5	30	1.85	1.09	3.87	0.98
I enjoy making my own arrangements for my holidays	35	22	4.16	0.73	3.87	0.75
Once I get to my destination, I like to stay put	1	39	2.03	0.92	4.07	0.98
I prefer to take extended holidays in warm destinations to escape winter	9	37	2.80	1.14	4.02	0.95
It is important that the people I encounter on a holiday trip speak my language	5	50	2.18	1.13	4.11	0.99
I usually travel on all-inclusive package holidays	2	11	1.36	0.84	3.78	0.76
I prefer to go on guided tours when taking long-haul holidays	1	39	1.67	0.83	4.00	0.92
I don't consider long-haul trips unless I have at least four weeks to travel	12	41	2.77	1.25	4.13	0.98
I usually take more than one long-haul holiday per year	5	20	2.21	1.15	2.89	1.39
I do not really like to travel	3	22	1.52	1.00	3.24	1.23
Long-haul travel is more of a hassle than a holiday	4	22	1.69	1.10	3.28	1.24
Whenever possible, I try to take my holidays at private resort "clubs"	0	35	1.19	0.49	3.61	1.32

Segmenting visitors to cultural festival: an example in Gwangju, Korea

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ABSTRACT

Around the world, events and festivals of all kinds have been growing in number and diversity (Getz, 1997). In fact, many destinations now develop such events because of these economic benefits, as well as because of the fact that these events can act as image builders for the destination. In the context of tourism destination planning, festivals and special events can play a number of important roles, as attractions, image makers, animators of other static attractions, and catalysts for other development. Increasingly, they can also be viewed as part of alternative tourism, which minimizes negative impact, contributes to sustainable development, and fosters better host-guest relations. Related to this last role is the utilization of events as planning and control mechanisms to help preserve sensitive natural or social environments. The specific purpose of this research is to analyze the demographic variables of the people participating in the event tourism, the types of their participation and satisfaction factors. To this end, 201 people who participated in the Gwangju Kimchi festival held as part of the annual festival were sample randomly to be subject to questionnaire. The study reveals to profile motives and demographic characteristics of visitors to the Gwangju Kimchi cultural festival using market segmentation.

Keywords: Cultural Festival, Kimchi, Gwangju, Segmentation, Motivation, Satisfaction

INTRODUCTION

Festivals are now a worldwide tourism phenomenon (Chacko and Schaffer, 1993; Getz, 1991; Grant and Paliwoda 1998). The staging of festivals or major events is very important from the perspective of destination marketing (Mules & Faulkner, 1996). Community festivals and special events have grown rapidly in number throughout the world during the past decade. Local festivals are increasingly being used as instruments for promoting tourism and boosting the regional economy (Felsenstein & Fleischer, 2003). Getz (1993) and Formica and Uysal (1998) showed that the economic gains from festivals can be substantial because festivals provide interesting activities and spending venues for both local people and tourists. Moreover, because of their frequent interdependence with the physical environment, festivals are a travel attraction with unique features (Gursoy, Kim & Uysal, 2004). Festivals,

in essence, are an indispensable feature of cultural tourism (Formica & Uysal, 1998; Rusher, 2003). Therefore, festivals have frequently been labeled as cultural events (Frisby & Getz, 1989). They are occasions that (re)interpret various symbolic elements of the social existence of a group or community, with the effect of re-creating social relations and the symbolic foundations underpinning everyday life (Turner, 1982). Festival tourism usually refers to events and gatherings that are staged outside the normal program of activities (Anwar & Sohail, 2003).

A review of the literature on motivation reveals that people travel because they are "pushed" into making travel decisions by internal, psychological forces, and "pulled" by the external forces of the destination attributes (Crompton, 1979; Dann, 1977; Uysal & Jurowski, 1994). Obviously, tourists have their own internal and external reasons for traveling (McGehee, Loker-Murphy, & Uysal, 1996). However, only one motivation force or both could have positive or negative relationships with travel satisfaction. It would be of interest to discuss if external sources of motivation have more effect on the level of satisfaction than do internal sources. Travel satisfaction has been generally used as an assessment tool for the evaluation of travel experiences (Bramwell, 1998; Ross & Iso-Ahola, 1991). Tourists' positive experiences service, products, and other resources provided by tourism destinations could produce repeat visits as well as positive word-of-mouth effects to potential tourists such as friends and/or relative (Bramwell, 1998; Oppermann, 2000; Postma & Jenkins, 1997).

Richards (2001) noted that creativity has emerged as an additional positioning device, following the large number of cities using culture to position themselves. With it established Kimchi festivals, Gwangju has sought to position itself for innovation for much longer than its other rivals and from a creative cultural base asserting continuity back to the Gwangju and Jeonnam Province. It thereby uses its historical ambience and associations as a setting for festivals. It has sought worldwide to position itself as "the Festival City", rather than solely as City of Korea, offering a unique selling point of creativity as well as heritage. Food festivals in effect commodify and proffer sensory experience as part of a package of strategic experiential modules, including those of sense, feeling, thinking, acting, and relating (Schmitt, 1999). Music, dance, and theatre are traditional forms of experiential mixes, as the hallmark of the Gwangju Kimchi Festival. How far this alternative proffering of Gwangju City has been adopted by tourists attracted to these city festivals is of interest. In particular, has their direct experience effected more nuanced imagining about Gwangju? Primary data collection is needed if this question is to be answered. The main objective of this study is thus to profile tourists visiting the Gwangju Kimchi cultural festival based upon their motives and demographic characteristics. In addition, the development, testing, and application of scales is an important research activity contributing to the accumulation of knowledge through the repeated use of valid and reliable measure.

LITERATURE REVIEW

Many studies related to festivals (Table 1). Crompton and McKay (1997) argued that visitors' motives for visiting a festival are the starting point that triggers the decision process. Dewar, Meyer, and Wen (2001) mentioned that knowing the motives of visitors often results in ability to increase visitors' enjoyment; moreover, it makes it possible to attract and retain more visitors. In addition to the need to monitor visitors' satisfactions and enhance marketing effectiveness through understand visitors' decision processes, Dewar et al. (2001) pointed out that it is imperative to identify visitors' needs so that festival organizers can design future programs tailored to them. These are major reasons why more attention should be given to understand the motivations of festival visitors better.

Table 1. Cases for research on festival

Researcher	Event name and site	Major objectives
Fredline and Faulkner (2000)	-The Gold Coast Indycar Race, Australia	Host community reactions
Lee (2000)	-'98 Kyoungju World Cultural Expo, South Korea	Hallmark and major events
Gartner & Holecek (1983) Kim, Scott, Thigpen & Kim (1998)	-Michigan Boat and Fishing Show, USA -7th Annual Hummer/Bird Celebration in Rockport/ Fulton, Texas, USA	Economic Impacts
Jeong & Faulkner (1996)	-Taejon International Exposition, South Korea	Residents' attitudes and perceptions
Lee & Graefe (2003)	-Central Pennsylvania Festival of the Arts (CPFA), USA	The perceived crowing of a festival experience
Uysal et al. (1993) Mohr et al. (1993) Formica & Uysal (1996)	-Corn Festival, South Carolina, USA -Balloon Festival, South Carolina, USA -Umbria Jazz Festival, Italy	Visitors' motivations

Once the motivations of visitors have been identified, it is essential to give attention to the needs of different target groups at the festival (Dewar et al., 2001). Target groups must be described using the skill of market segmentation. Segmentation is a powerful marketing tool because it brings knowledge of visitor identities (McCleary, 1995). In addition, Formica and Uysal (1998) demonstrated that successful tourism promotional efforts hinge on effective segmentation. It is not usually possible to identify a single motive for all tourists; studying one sub-group at a time is more realistic (So & Morrison, 2004). As such, it is important to determine the distinctive characteristics of specific groups of tourists within heterogeneous markets (Mok & Iverson, 2000).

Motivations of visitors may be expected to vary greatly from event to event (Scott, 1996; Rachael & Douglas, 2001). However, as Schneider and Backman (1996) and Lee et al. (2004) suggested that visitors who are participating in various festivals are likely to share similar motives in attending festivals and special events even if they come form different cultural backgrounds albeit to different degree. As a result, it is meaningful to clarify whether or not the motivations of tourist attending festivals are homogeneous and whether they vary according to different types of festivals. With respect to background information for various tourists, Fodness (1994) found that significant demographic differences exist in the leisure motives of tourists. Sirakay, Uysal, and Yoshioka (2003) and Jang, Bai, Hong, and O'Leary (2004), using a sample of Japanese tourists, also noticed that significant differences exist in tourists' background information among various segments. In addition, knowledge of different types of tourists and the sizes of the segments may be used to inform decisions on festival content if tourism is a priority.

On a global scale festivals and events with a strong cultural component are substantially increasing in numbers. In addition to enhancing local pride in culture, these events also expose indigenous minorities and an increasing number of international visitors to new peoples and their customs as well as, other purposes including contributing to the local economy, and providing recreation opportunities (Long & Perdue, 1990). Getz (1991) recognizes festivals and events as a new wave of alternative tourism which contributes to sustainable development and improves the relationship between host and guest. Getz (1993) also emphasized the importance of analyzing visitors' motives for attending festivals and events. Identifying such motivations is a prerequisite for planning event programs effective and marketing them to visitors (Crompton & McKay, 1997). Analysis of festival motivations also helps event managers to better position their festivals (Scott, 1996). Lee and Lee (2001) concluded that segmenting festival markets through motivations enables event managers to identify the strengths and opportunities of each market and helps guarantee their satisfaction. In most situations where festival visitors are heterogeneous, segmenting these visitor groups and understanding their characteristics based on festival motivations will be a powerful marketing tool, that enables event managers to enhance and promote event features preferred and valued by target segments (Formica & Uysal, 1996, 1998)

Review of Festival Motivation Literature

Motivation has been referred to as psychological/biological needs and wants, including integral forces that arouse, direct, and integrate a person's behavior and activity (Dann, 1981; Pearce, 1982; Uysal & Hagan, 1993). In tourism research, this motivation concept can be classified into two forces, which indicate that people travel because they are pushed and pulled to do so by "some forces" or factors (Dann, 1977, 1981). In the above major studies, it is generally accepted that push and pull motivations have been primarily utilized in studies of tourists behavior. The discoveries and issues undoubtedly play a useful role in attempting to understand a wide variety of different needs and wants that can motivate and influence tourist behavior. Nevertheless, the results and effects of the motivation studies of tourist behavior require more than an understanding of their needs and wants.

Recent recognition that special events are one of the fastest growing tourism businesses has promoted researchers to explore the motivations of festival visitors (Lee, Lee & Wicks, 2004). For example, Uysal, Gahan, and Martin (1993) identified visitors' motivations for attending a county Corn Festival in South Carolina. Twenty-four motivation items were factor analyzed and five dimensions of motivation emerged: 'escape', 'excitement/thrills', 'event novelty', 'socialization' and 'family togetherness'. As expected, the results of the study did show that the motivation of family togetherness was stronger among married people than singles. It was also found that older people tended to place more importance on the 'event novelty' than other age groups. Mohr, Backman, Gahan, and Backman (1993) explored festival motivations for those attending a Freedom Weekend Aloft (a hot air balloon festival) in Greenville, South Carolina. Twenty-three motivational items were selected and factor analysis delineated five dimensions of motivation: 'socialization', 'family togetherness', 'excitement/uniqueness', 'escape', and 'event novelty'. First and repeat festival visitors were found to be significantly different with respect to the two factors to excitement and novelty. Satisfaction levels were also found to be significantly different between first and repeat visitors. In general, statistically significant differences existed between motivational factors at different types of festivals.

Gwangju Kimchi Festival

Gwangju City in 'Village of Light' has five main cultural festivals: the Gwangju Kimchi Festival, the Gwangju Biennale (usually held in Spring), the Gwangju Film Festival, the Gwangju Design Biennale, and the Imbangul Traditional Music Festival. The 11th Gwangju Kimchi Festival was held in the Gwangju Folk Museum grounds of Gwangju City in the Jeollanam-do Province. Kimchi is a traditional Korean lactate-fermented vegetable made from Chinese cabbage or radish mixed various spices such as hot pepper, garlic, ginger, and onions (Cheigh and Park, 1994). The Gwangju Kimchi festival held annually around this time of the year, a few weeks before gimjang (the kimchi making period for winter), the festival is becoming somewhat of a tradition for some families in the region. The festival was alive with people moving around the booths tasting the kimchi and kimchi related foods, watching and participating in events, eating at the food booths. There was no pressure to buy but visitors were well tempted to buy all the kimchi they tasted, for only the best kimchi of each region were present. At the museum building the Kimchi Exhibition was held. The exhibit was made up of three sections. In one section, the making of kimchi and the ingredients used was exhibited, along with the history and development of kimchi. In another, the types of kimchi, categorized by the province and seasons, were displayed. And in the last, the ways of commercializing kimchi was exhibited. Here, the award winning entries of the package design contest were exhibited along with creative fusion food where kimchi was used as a main ingredient. There were many events constantly going on at various venues, which added to the attractions of the festival. Other events such as the Samulnori, kimchi Buffet, Nanta performance, Jindo Drum performance, Kata performance, Show Taegwon, a traditional wedding, a lecture on dieting on kimchi, ganggangsullae and daljip burning, and movie screenings went on through out the festival.

METHODOLOGY

Self-completion questionnaire for domestic tourists was carried out. Self-completion questionnaires are believed to get the most reliable responses (Hurst, 1994), a respondents have an opportunity to review the completed questionnaire or revisit questions that are not answered initially. A field survey provides a cost-effective way to collect data and is suitable to investigate phenomena that can be observed directly by the research (Nachmias & Nachmias, 1992). The survey was conducted for visitors attending the Gwangju Kimchi festival, using convenience sampling method six research assistants were hired and trained to administer the survey in order to avoid biases of views of visitors.

Surveys were restricted to three days of the park areas, where the annual Gwangu Kimchi festival was held in 2004. By the target fieldwork completion date from 21 October 2004 to 24 October 2004, 250 completed questionnaires had been collected, of which fourth-nine questionnaires were not useable. These questionnaires were incomplete or had an excessive amount of missing data. The demographic questions are designed to elicit objective information from the respondents regarding their background such as age, sex, education, and occupation which is intended mainly to produce information by which respondents could be classified as independent variables. The questionnaire for domestic tourists visiting the Gwangju Kimchi Festival was also divided into four sections. Based on the time constraints of this research the questionnaire was provided to as many respondents as possible. In order to track down people from different ages, beliefs, preferences.

An on-site intercept procedure was employed for this study. The survey instrument was based upon that used by Crompton and McKay (1997) and was composed of two sections: motive-related items and demographic information, including travel modes. In total, 32 questions were listed concerning tourists' motives for attending the Kimchi cultural festival. The major reason that the tourist motivation instrument used was derived from Crompton and McKay's (1997) study, is because the scale was rigorously constructed, incorporating both push and pull factors (Iso-Ahola, 1982; Sirakaya et al., 2003) into a broadly conceived scale making it appealing for assessing utility across different types of festivals (Lee, 2000; Lee et al., 2004). Furthermore, similar to Crompton and McKay's (1997) study, the objectives of Kimchi cultural festival is multi-dimensional, including enhancing cultural understanding by presenting cultural performances reflecting the solidarity of tribal people, educating young group members about their customs, and obtaining economic benefits. Demographic items included age, gender, education, region of residence, and occupation. Motives were measured using a five-point Liker type scale (where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree) so as to identify the reasons visitors attended the aboriginal festival.

DATA ANALYSIS AND RESULTS

Characteristics of Respondents

In total, 250 self-administered questionnaires were distributed and 201 (80.4%) usable ques-

tionnaires were obtained. In this study, from total 201 domestic tourist respondents, 71 were male (35.3%) and 130 were female (64.7%). Among them, 68 had visited Gwangju Kimchi Festival before while 133 had not visited it. The group of domestic tourists was made up of different region of tourist. With regard to the respondents' areas, the dominant areas were Gwangju and Jeonnam. Visitors were likely to be students (36.8%), housewives (23.9%), with a university level of education (44.3%). Here, the age categories of tourists were those who were between 20-29 years of age and those who were between 30-39 years of age (Table 2).

Table 2. Characteristics of Respondents

Characteristics		Frequency	Valid (%)
Gender	Male	71	35.3
	Female	130	64.7
Age	Under 20	17	8.5
	20-29	96	47.8
	30-39	48	23.9
	40-49	30	14.9
	50-59	9	4.5
	Over 60	1	0.5
Education	Under high school	23	11.4
	Graduate high school	74	36.8
	University	89	44.3
	Graduate School	15	7.5
Occupation	Business people /Government Officers	12	5.9
	Self-employed	14	7.0
	Service Industry	7	3.5
	employees	4	2.0
	Workers		
	Students	74	36.8
	Housewives	48	23.9
	Professional people	17	8.5
	Others	25	12.4
Place of residence	Gwangju Jeonnam	168	83.6
	Seoul Central	7	3.5
	South	3	1.5
	Others	23	11.4

Analysis of Visitors' Motivation and Satisfaction Clusters

Factor analysis was used to identify the constructs underlying the 16 posited festival motivations. A principal components analysis with a Varimax rotation was used with a predetermined cut-off eigenvalue greater than or equal to 1.0 (Heung and Cheng, 2000). Only

factors with more than 0.4 loading were retained and included in the factor identification. The reliability coefficient of each factor ranged from 0.7 to 0.84 which was considered to be acceptable. As a result, the factor models were deemed to be motive and satisfactory. The 16 factors for motivation having eigenvalues greater than 1 were grouped into four factors and named: 'Novelty', 'Escape', 'Festival attraction', and 'Socialization' (Table 3). Then, the 19 factors for satisfaction were grouped into three factors and named: 'event management', 'economics', and 'sub-facilities' (Table 4).

Table 3. Results of factor analysis of visitors' motivations

Motivation factors	Items	Factor loading
F1: Novelty (=0.8415)	-I am curious	0.8482
	-finding thrills and excitement	0.8675
	-I seek novelty	0.8726
	-I expect benefits that will satisfy my personal needs	0.8675
F2: Escape (=0.7159)	-Experiencing new	0.5487
	-Experiencing different lifestyles	0.7808
	-For a change of pace from everyday life	0.6816
F3: Festival attractions (=0.7749)	-Getting opportunity to visit Gwangju	0.8212
	-To see new and different things	0.7642
	-To enjoy special event	0.8767
	-To enjoy the festival mood	0.7964
	-Rediscovering past good time	0.8212
F4: Socialization (=0.7197)	-being together as a family or friends	0.8674
	-Meeting people	0.5278
	-buying food(Kimchi)	0.5254
	-being nothing at all	0.5549

Table 4. Results of factor analysis of visitors' Satisfaction

Satisfaction factors	Items	Factor loading
F1: Event Management (= 0.9301)	-food	.6448
	-before promotion	.5076
	-parking space	.5406
	-Tourist Signs	.6216
	-Information	.6583
	-event flow	.7943
	-kindness	.7162
	-ease of access to primary event sites	.6366
	-variety of souvenir	.6448
	-cleanliness	.7162
	-wide space to get away from crowds	.6598
F2: Economics (= 0.8568)	-inexpensive food price	.7591
	-inexpensive souvenir price	.5156
F3: Sub-facilities (= 0.8745)	-Educational program	.6487
	-local identity	.6618
	-variety of activities	.6316
	-good experience	.6096
	-differentiation	.7224
	-freely participation	.6405

Characteristics of domestic segmented clusters

As shown in Table 5, female respondents represented relatively larger proportion of respondents than male, university students and high school were dominant, and age groups of 20-29 were also dominant followed by age groups of 30-39.

Table 5. Characteristics of domestic segmented clusters

Characteristics	Visitors			
	F1 (Novelty)	F2 (Escape)	F3 (Festival attractions)	F4 (Socialization)
Gender				
Male	43	12	7	9
Female	82	10	12	26
T	15.377	5.020	2.364	30.113
P	0.000	0.000	0.030	0.000
Age				
Under 20	11	-	-	4
20-29	60	10	11	15
30-39	32	2	6	8
40-49	14	7	2	7
50-59	7	1	-	1
Over 60	1	-	-	-
F	17.110	3.147	2.964	8.005
P	0.000	0.005	0.008	0.000
Education				
Under High School	14	3	-	4
High School	46	7	11	10
University	55	10	7	19
Graduate School	10	2	1	2
F	-15.476	-2.730	3.750	11.652
P	0.000	0.013	0.001	0.000
Income				
Less 1,000,000won	46	7	6	12
1,000,000-less 2,000,000	16	1	4	2
2,000,000-less3,000,000	22	1	1	3
3,000,000-less4,000,000	5	3	4	4
4,000,000-Less 5,000,000	5	1	1	3
Over 5,000,000	5	4	-	3
F	17.206	8.675	5.125	9.257
P	0.000	0.000	0.000	0.000
Residents				
Gwangju	98	20	12	27
Gyoungki	3	-	-	-
Daeku	-	1	1	-
Busan	-	-	-	-
Seoul	3	-	1	-
Jeonnam	4	1	3	3
Jeonbuk	1	-	-	-
Others	16	-	2	5
F	27.186	12.675	7.125	15.369
P	0.000	0.000	0.000	0.000

Regression of Tourists' overall satisfaction on the factors

The results of the regression of the visitors' overall satisfaction with Kimchi festival against the factors are given in Table 6 and Table 7, first-timers and repeaters respectively. The regression models achieved satisfactory levels of goodness-of-fit in predicting overall satisfaction as indicated by the multiple correlation coefficient and F ratio. Firstly, the R value of independent variables on the dependent variable is 0.275 (first timers) and 0.200 (repeaters), which shows that the visitors had high satisfaction levels with the factors. Secondly, the F ratio values of 12.523 and 19.167 are significant at 0.001 indicating that the beta coefficients can be used to explain each of the factors' relative contribution to the variance in tourist's overall satisfaction.

In the case of first-timers (Table 6), the economics carries the heaviest weight in their overall satisfaction with Gwangju; a 1-unit increase in the performance would lead to a 0.334 unit increase in overall satisfaction, all other variables being held constant. This may well be due to the high quality of Gwangju on these functional attributes, particularly in comparison with other destinations, which was highlighted during the pre-liminary primary research. Sub-facilities are the second most influential factor affecting first-timers' overall satisfaction; a 1-unit increase in the performance of these would lead to a 0.250 unit increase in overall satisfaction. Since Gwangju is renowned for the number and variety of its attractions, it might be expected that the primary attractions world make the greatest contribution to overall destination satisfaction. However, the results of the regression identify that these core attractions carried only the third heaviest weight for first-timers in their overall destination satisfaction. A 1-unit increase in their performance world lead to a 0.134-unit increase in tourists' overall level of satisfaction, all other variables being held constant. Given the higher contributions of economics and sub-facilities, this lower influence may be due to first-time visitors' relative unfamiliarity with Gwangju's high-quality offering in terms of restaurant price and differentiation in comparison to a greater 'familiarity' with its food, particularly due to the latter's heavy promotion. The regression analysis results showed that the least influential factor on first-timers' overall satisfaction was Gwangju's festival; a 1-unit increase in their performance would lead to a 0.134-unit increase in tourists' overall level of satisfaction, all other variables being held constant.

For repeaters (Table 7), the sub-facilities carry the heaviest weight in their overall satisfaction with Gwangju; a 1-unit increase in the performance of these facilities would lead to a 0.133 increase in overall satisfaction, all other variables being held constant. This is reflected by the fact that the performance of all attributes within this factor were rated significantly higher ($p<0.05$) by repeaters than first-timers. Given the 'experiential' nature of holidays, it is interesting that the performance of 'tangible' purchases and the locations in which they are purchased make such a contribution. This may reflect an attempt to make the experience more tangible and/or be due to the perception that Gwangju offers good value for money, and even bargains, in terms of both food and shopping, which was again identified in the preliminary primary research. Furthermore, repeaters may have already identified the best bargains and places to shop and eat on previous visits. The loading of 'opportunity for rest and relaxation' on this factor is interesting for a number of reasons.

Likewise, the loading may be influenced by the fact that repeaters are generally more likely to be seeking relaxation than first-timers (Gitelson and Crompton, 1984). Unlike first-timers, Gwangju's economics carry the second highest weight in repeaters' overall satisfaction. Despite their higher ranking contribution – a 1-unit increase in their performance would result in a 0.089-unit increase in overall satisfaction (all other variables being held constant) – their contribution is comparable to that in first-timers' overall satisfaction (0.334), which suggests some consistency in their role in both first-time and repeat visitation. This may reflect the fact that many repeaters return to the theme parks to show the destination to other first-time group members (Gitelson and Crompton, 1984) and/or because of theme park augmentation. Event management carries the third heaviest weight for repeaters in their overall satisfaction with Gwangju; a 1-unit increase in the performance of these attractions would lead to a 0.050-unit increase in overall satisfaction, all other variables being held constant. This contrasts with the weighting of this factor for first-timers, and may reflect the fact that previous experience has conditioned repeaters to the high standard of these attributes. First-timer and repeater performance ratings on 19 Gwangju Kimchi Festival attributes resulted in three factors: event management, economics and sub-facilities. The overall satisfaction of first-timers and repeaters was explained by different 'hierarchies' of factors. First-time visitor satisfaction was explained by a three model, with economics, sub-facilities and event management contributing most to their overall satisfaction.

By comparison, a three-factor model comprising these same three factors helped explain the overall satisfaction of repeat visitors to Gwangju sub-facilities, economics and event management in repeaters' overall satisfaction. Given that destinations are increasingly being challenged to compete for tourists, they need to continually build on their strengths and supplement their offerings in order to both maintain their appeal and keep the customer satisfied. In effect, these two key objectives for destinations 'book-end' the tourist's holiday decision-making and experience by appealing to tourists in the first instance and subsequently 'sending them home happy', and hopefully ready to return and recommend. Consequently, it would seem that Gwangju is succeeding in keeping its Korea market, comprising first-time and repeat visitors satisfied, both in general and specifically in terms of their main holiday activities.

Table 6. Results of regression of overall satisfaction against first-timer performance ratings

Variable in the equation	B	SE B	Beta	T	Sig. T
Economics(F2)	0.242	0 .197	0.334	6.309	0.000
Sub-facilities(F3)	0.135	0.043	0.250	9.834	0.000
Event Management(F 1)	0.260	0.213	0.134	5.903	0.000
R=0.275 Df =200 F=12.523 p =0.001					

Table 7. Results of regression of overall satisfaction against repeater performance ratings

Variable in the equation	B	SE B	Beta	T	Sig. T
Sub-facilities(F3)	0.282	0 .149	0.133	8.585	0.000
Economics(F2)	0.262	0.088	0.089	14.277	0.000
Event Management(F1)	0.445	0.164	0.050	8.827	0.000
R=0.200 Df =200 F=19.167 p =0.001					

CONCLUSIONS

The aim of this study was to profile the motives and demographic characteristics of tourists to the Gwangju Kimchi cultural festival using market segmentation. The findings of this study reflect that tourists visiting Kimchi cultural festivals are somewhat heterogeneous. Therefore, differentiated marketing strategies should be stressed and executed by relevant parities. Segmenting festival markets and understanding their characteristics based on motivations will be important for successful festival and event managers in the future. In addition, motivation can be stressed as important preconditions for attitudinal and behavioral change (Moorman & Matulich, 1993). Furthermore, motivation increases attention to festival visitors and produces more stable and enduring attitudes (Batra & Michael, 1986; Celsi & Olson, 1988; Hoch & Deighton, 1989; Lutz, MacKenzie, & Belch, 1983; Moorman & Matulich, 1993). Therefore, the relationship between festival motivation and attitude and behavioral intentions suggested to be explored using a structural equation model in future research.

This study has attempted to contribute to the body of knowledge concerning tourist motivation for attending Kimchi cultural festivals. The results show that not all tourists have the same degree of interest in the cultural experience that the festival provided. Rather, some of young tourists in this case appeared to be more interested in taking the opportunity to enjoy a change of pace by participating in an interesting (maybe somewhat exotic) festival itself. Despite that variation existing among different segments with respect to tourist motivation, the findings of this research reveal that cultural exploration, among other motivational dimensions, is the most important factor stimulating tourists to attend the Kimchi cultural festival.

This result was compatible with Crompton and McKay (1997), and thereby further supports the appropriateness of utilizing their modified motivational scale. In addition, this study sought compare and contrast some of those differences by profiling first timer and repeat visitors by segment clusters. As projected, differences were found to exist between those two groups and suggest that event managers pay particular attention to needs and wants of "non-local" participants. At a minimum it may add important new tourism revenues into the local economy as well as promoting a positive image of the community. Of course, like other research, the present research has some limitations. With respect to the unit of analysis, international tourists were excluded due to the fact that an insufficient number of foreigners have been attracted to attractions in Gwangju at the present stage. Nevertheless, this study also

supports the notion that some core dimensions of motivation appear to be similar in different festival research, while the order and the components of motivational factors vary according to type of festivals (Crompton & McKay, 1997; Lee, 2000).

Regardless of cultural boundaries, a festival motivation scale developed in Gwangju can be successfully transferred to other cultural festivals. In addition, similar studies could be extended to foreign tourists whose characteristics and interests may by different from domestic tourists and who may become a more important market for areas as the market matures. A follow-up market positioning, as suggested by Scott (1996), could be done through further analyses of visitors' motives in attending festivals. Hopefully, the attendance of visitors and repeat visitors to sites will increase in a sustainable manner by offering mainstream tourism products that present culture appropriately (McIntosh, 2004; Ryan and Huyton, 2002). Furthermore, sensitivity will be required in an effort to enrich visitors' festival participation experiences (Stewart & Deibert, 1993) and a detailed marketing mix should be established as a contribution to festival planning, as recommended by Sinclair (2003), in order that quality experiences can be provided to visitors.

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The application of destination management models for religious festivals

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Destinations can position themselves through event hosting and staging in marketing terms to reach niche as well as mass audiences, not simply through increasing visitor numbers at events but by creating powerful associations of the destination in the mind of visitors.

This paper reports on a research related to religious attractions in the UK and develops transdisciplinary research approaches drawing on consumer behaviour, tourism, leisure, heritage, theological and events literature. The context of this research paper focuses on a UK context and UK cathedral city destinations. The paper will also examine the implications of managing visitor strategies in UK cathedrals and other religious within the context of the introduction of additional tourist related facilities which might lead to the further secularisation of sacred spaces.

Key words: Destinations, religious sites, pilgrimage, management,

INTRODUCTION

Nolan and Nolan (1992) remind us that 'if a tourist is half a pilgrim, then a pilgrim is half a tourist' expresses the complexity of the blurred conceptual boundaries which might hamper the analysis of what constitutes a religious tourist. Furthermore their classification of what constitutes a tourist system in which a variety of types of religious tourist attractions exist, highlights the increasing pressures of visitation patterns within the burgeoning context of an experience sector (Richards, 2001). The acute pressures are related to religious venues trying to cater for both sacred and secular visitation.

Destinations can position themselves through event hosting and staging in marketing terms to reach niche as well as mass audiences, not simply through increasing visitor numbers at events but by creating powerful associations of the destination in the mind of visitors. These associations may be connected to the nature of events, such as religious festivals', but event associations can also result in an overall perception of a country or locality as 'dynamic', 'youthful', 'historic', 'sporting', 'showbiz' etc.

This paper focuses on both UK and International contexts. Specifically it paper theorises about global religious destinations and religious attractions in the UK and develops transdisciplinary research approaches drawing on consumer behaviour, tourism, leisure, heritage,

theological and tourism literature. This paper raises important questions of about the need for empirical research which investigates the rationale and purpose of the introduction of 'new' management strategies by cathedral authorities within UK cathedrals, and the consequent visitation patterns as a result of these actions. The paper will also examine the implications of managing visitor strategies in UK and other religious destinations worldwide how the management of these sites may impact upon secularism in religious tourism.

CONCEPT OF RELIGION

Religion is an age old and dynamic concept which embraces ancient, living (including traditional living religions of primal societies) and the emergence of new religious and quasi-religious movements (also recognised as secular alternatives to religion). Whilst there are common elements to the concept of religion which include transcendent deities, heavenly beings, demons, and divinations, there are defining elements which characterise distinct religious movements. Furthermore, in articulating the Western conceptualisation of non-Western religions, Hinnells (1984) cautions about the potential distorting of non-Western religious concepts, in particular highlighting that cultures such as the Aborigines of Australia and Amerindian Religions have one of the oldest living religions which have been subsumed and influenced by Western religious narratives. Hinnells (1984) also demonstrates the challenge of giving adequate coverage to the full spectrum of ancient of religions, living and quasi-religions and that the emphasis might stray towards certain major religions to the exclusion of others.

Sherratt and Hawkins (1972) recognise that there is a balance to achieve between definitions of religion being too narrow and restrictive, and yet too general and broad. With these considerations in mind they consider the defining elements of religion to include some belief in a supernatural being (beings) which are "usually worshipped or venerated because they are transcendental or powerful" (1972:245) and that "primarily it is a state of mind which motivates action and belief (which have) a ritual and emotional element " (ibid).

These complex emotive attitudes of worship, in the Christian tradition (which can also be applied to other religions) are highlighted by Hinnells (1984:47) as being expressed by 5 'Arguments for the Existence of God' based on an ontological, cosmological, teleological, moral and experiential argument. Existentialist philosophical doctrines challenge what they perceive to be the dogmatic restrictiveness of organised religion, with quasi-religious movements, such as dialectical materialism underpinning Marxism, offer competing narratives to dominant religious world-views (Hinnells, 1984:108). Consistent with this view, Rosenau highlights that "Non-institutional religion, new spirituality, is a central focus; (which) is offered as an alternative to modern, organised mainstream (religions)" (1992: 149). Included within forms of non-institutional religion include New-Age post-modernists who in rejecting the rigidity of institutionalised religion, embrace the "mystical and the magical" (ibid: 152). Moreover, Islam offers different alternative to modern thinking. Islam is not a new religion, but the same truth that Allah has revealed to all mankind through all his prophets who came to

people. Islam is both religion and complete way of life for individuals and one who submission to the One True God. Usmani (2001) highlights the muslims believe in One, Unique, Incomparable God; in the Angels created by Him; in the Proph-ets through whom His revelations were brought to mankind; in the Day of Judgement and the individual accountability for actions; in God's complete authority over human destiny and in life after death. But God's final message to man, a reconfirmation of the eternal message and a summing-up of all that has gone before, was revealed to the Prophet Muhammad (pbuh) through Angel Gabriel. Together with Judaism and Christianity, they go back to the Prophet Abraham, alayhi salam, and their three Prophets are directly descended from his sons - Muhammad (pbuh) from the eldest, Ishmael, and Moses and Jesus from Isaac. Abraham established the settlement, which today is the city of Makkah, and built the Ka'bah towards which all Muslims turn when they pray.This diversity of interpretation as to the changing nature of religion is addressed within this paper.

CLASSIFICATION OF SACRED SITES

There have been various attempts to create a typology of tourist attractions but Swarebrooke most notably produced a typology of attractions which included; natural attractions, events and festivals as attractions, manmade attractions, and attractions which were initially built for some other purpose but are now used as tourist attractions (1995:4). Cathedrals and churches within a UK context and globally would fit into this category. York Minster fits into this latter category of visitor attractions, and presents a site with dual functions which incorporates both secular and sacred functions. York has been a magnet for visitors for many hundreds of years and as tourism has grown in significance within the twentieth century, has created a base for excursion circuits (Holloway, 1987). Indeed it would appear that it became a main motivator for tourist trips and a core tourist product for visitation to York. In short, it can be argued that York Minster is a key part of selling York and indeed is central to York's marketing strap-line of 'York Live the History'! Raj (2007) offers different views to sacred sites from Islamic perspective;

"The Muslim performs the Hajj, as part of religious believes, not as an escape for leisure and entertainment. The fifth and last Pillar of Islam is the Hajj. That is the reason people travel to Holy city of Makkah. Moreover, the person as stated in the Holy Qur'an should perform Hajj once in his and her lifetime, an every physically and financially able Muslim should make the Hajj."

This poses questions about the specific management and marketing challenge of religious buildings such as York Minster and whether specifically their is pressure economically to promote the Minster to bring in revenue to both maintain the fabric of the Minster and to the wider tourist economy of York. There are potential problems for the sacred and religious integrity of a religious attraction, and the temptation of such a site compromising its religious and sacred core functions, in order to extend its functions to accommodate the wider needs of tourists.

It is important to emphasise that there is a wider challenge for heritage locations in which York Minister is situated. Ashworth (1996) and others have noted the problems of interlinking tourism with heritage and the commodification and of the theming of UK's history. This raises questions as to whether 'managers' and marketeers have concerns about who is consuming the heritage product and whether the personal needs of consumers are being satisfied. Ashworth (1996) describes the 'fortunate-by-product approach' of managers of heritage sites where heritage products which are used for one purpose can be consumed for another purpose. York Minster would come into this category in which increasingly their are visitation pressures to accommodate a range of visitation functions. Ashworth (1996) reminds us that there heritage dissonance occurs when there is a selective selling of the past which can lead to a distorted or disinherited forms of heritage. This places an additional responsibility of heritage managers to apply management and marketing strategies that faithfully adhere to the authenticity of the site. Ashworth (1996) highlighted that there are potentially a range of different philosophies of heritage management. These include a 'preservationist approach' with the goal of protection to maintain historic significance of a heritage site. A 'Regulative approach' attempts to manage competing demands and 'Redistributive approach' attempts to respond to the social value of access and finally a 'Marketing approach' which engages in the commercial promotion of a heritage product.

Yale (1997) estimated that up to 32.4 million visitors to UK cathedrals and churches. These are estimates as this information is from a pre-pay for entry era. York Minster along with St.Pauls and Canterbury Cathedral are the 3 most visited religious sites in the UK. Nolan and Nolan (1992) identify the array of pilgrimage shrines, religious tourist attractions and religious festivals. The recurring issue here is the management of potentially competing sacred and secular uses of religious sites.

THE TRANSFORMATION OF PILGRIMAGE DESTINATIONS FROM SACRED TO THE SECULAR USE

Whilst Chaucer's Canterbury Tales, reveals the enjoyment of the worldly pleasures of pilgrims, in a contemporary context Nolan and Nolan (1992); Smith (1992); Eade (1992) note how pilgrimage routes are increasingly becoming secularised, with the explicit promotion of routes for tourism, leisure and cultural engagement. In this respect Smith notes that "if a tourist is half a pilgrim then a pilgrim is half a tourist" (1992:1), suggesting a blurring of the boundaries between pilgrimage and tourism, with the basis for travel melding sacred and secular motivations. The inference from the work of Eade (1992) is that the secularisation of pilgrimage is not limited to the wider utility of pilgrimage routes for cultural and tourism purposes, but that pilgrimage 'venues' such as Lourdes have succumbed to the pressures of commercialisation and commodification. Eade (1992) highlights the 'tackiness' of the sale of religious trinkets (it is possible to purchase in Lourdes, a 'winking Christ,' a Christ-like statue with flashing eyes) together with rowdiness between 'pilgrims,' with the excess consumption of alcohol. Perhaps representative of the changing nature of the sacred use of pilgrimage routes is the secularisation of El Camino or Way of St. James to Santiago de Comp Estella, in Galicia, in Northern Spain.

The Hajj is considered the culmination of each Muslim's religious duties and aspiration. It is stated in the Holy Qur'an, that every physically and financially able Muslim should make the Hajj to the Holy City of Makkah once in his or her lifetime.

"And (remember) when we prepared for Abraham the site of the (scared) House, (saying): 'Do not ascribe anything as associate with me, and sanctify My House for those who circumambulate it and those who stand and those who bow and those prostrate themselves (there)".

(Quran; Chapter 22: verse - 26 Shafi, M. (1998)

"And proclaim the hajj to men; they will come to thee on foot and (mounted) on every camel, lean on account of Journeys through deep and distant mountain highways".

(Quran; Chapter 22: verse – 27, Shafi, M. (1998)

The Qur'an is a record of the exact words revealed by Allah through the Angel Gabriel, alayhi salam, to the Prophet Muhammad (pbuh). It was memorized by Muhammad (pbuh) and then dictated to his Companions, and written down by scribes, who cross-checked it during his lifetime. Not one word of its 114 chapters, Surahs, has been changed over the centuries, so that the Qur'an is in every detail the unique and miraculous text, which was revealed to Muhammad (pbuh) fourteen centuries ago.

The Qur'an, the last revealed Word of God, is the prime source of every Muslim's faith and practice. It deals with all the subjects which concern us as human beings: wisdom, doctrine, worship and law, but its basic theme is the relationship between God and His creatures. At the same time, it provides guidelines for a just society, proper human conduct and an equitable economic system.

RELIGIOUS DESTINATIONS AND RELIGIOUS ATTRACTIONS

There are wider community considerations if religious attractions are used without discernment as part of destination marketing and as part of an 'experience industry' (Richards, 2001). In this respect, Kotler et al. (2003) highlight the marketing challenge of destinations becoming distinctive through destination marketing suggesting that: "Destinations, however may not welcome tourists uniformly. Due to location, climate, limited resources, size, and cultural heritage, some places have few economic choices other than to participate in tourism" (2003:720). The inference is that whilst there might be commercial advantages to businesses, that there might be a corresponding loss of quality of life for residents, and that if destinations are not managed effectively, religious tourist products will have to absorb unsustainable levels of tourist visitation. Kotler et al. (2003) argue that in the absence of this cooperation there will be discord between communities and destination managers and marketers. Kotler et al. (2003) also guard against the application of 'brutal marketing' which seeks an expanded tourism base without considering how this might disadvantage local communities and in the case of York, the spiritual integrity of York Minster. In economic and social terms this might

place a community at risk of 'economic cycles' based on the monocultural economic activity of tourism which is particularly apt to York as economy increasingly reliant on tourist expenditure for its economic sustainability but this has to be balanced against the integrity of community sustainability. Kotler et al. suggest that this balance requires attracting "a desired market (which is) harmoniously fit (ted) with a community's culture", and that attractions should be promoted which are sympathetic with the needs of a locality (2003:742).

Nolan and Nolan (1992) describe a European religious system being comprised of religious attractions, pilgrimage shrines (both non touristic and touristic) and festivals. They highlight the interaction between 'pious' pilgrims and secular tourists acknowledging that:

" Regardless of their motivations, all visitors to these attractions require some level of services, ranging from providing for the most basic human needs, to full commercial development that rivals the most secular resort" (1992: 69).

MANAGEMENT MODEL FOR RELIGIOUS DESTINATIONS

Shackley (2002), notes that the nature of religious tourism is highly complex, involving a myriad of visitor variables. These include being intangible, feelings of nostalgia, closeness to 'God', atmosphere and a measurement of spiritual presence, found only in unique and 'spiritual' locations. Coupled with these variables are the practical challenges to the managerial teams concerned with the daily management of all the activities required by the visiting tourists and 'pilgrims', (Pavicic, Alfirevic and Batarelo, 2007). Shackley (2002), Pavicic et al., and Leve and Milfener (2006) all propose that many of the managers involved in the organisation of such tourist destinations are either part of the religious hierarchy, or have a vested interest in the religion/destination. Moreover, Shackley (2002) supports the view by Pavicic et al., (2007), that the concept of a 'business-like' approach to managing both the pilgrims' tourist experiences, including schedule/time management, transportation, ticketing, crowd management and marketing is a challenging one to adopt. In addition, Pavicic et al, (2007), believes that moving away from the ethereal to the tangible can take away the unique and differentiated components of the religious destination. Pavicic et al (2007) outline a simple framework, that highlights the business challenges in a religious destination context: implementing the overall (marketing) approach (strategy) to accomplishing destination objectives by: (1) identifying the target groups whose needs are to be served, (2) making decisions related to product/service offering, (3) the place in which those are being offered, (4) promotion and other forms of communication with the potential and existing clients, as well as (5) pricing/fundraising approach. Not in isolation, Lebe and Milfener (2006), propose that the management of destinations presents new complexities and that the specific idiosyncrasies of the tourist, coupled with the personal motivation of pilgrims ensures that the management of a religious destination must position the quality of experience high on the destination agenda in order to provide differentiation, competitiveness and sustainability against other competing tourist and religious destinations. The WTO (2002, pp.1-10), describe the modern tourist destination as a well functioning public-private-partnership model based upon sustainable and responsible objectives.

Clearly there is a need for a management model of the tourist destination. As Presenza, Sheehan, and Ritchie (2005), propose, destination management refers to the strategic, organisational and operative decisions taken to manage the process of definition, promotion and commercialisation of the tourism product/service. This process enables the destination to generate manageable flows of incoming tourists/pilgrims that are balanced, sustainable and sufficient to meet the economic, social and environmental needs of local, national and international stakeholders, (Franch and Martini, 2002:5). One of the more innovative models of destination management has been created by Bieger (2002), who introduces the need of experts at a product/service level. For example, a religious historian may well know more about the needs of particular segments and can provide a more suitable service/product to the destinations target market. Although there are many models brought forward to manage destinations, this paper will adopt a model defined by Lebe and Milfener (2006).

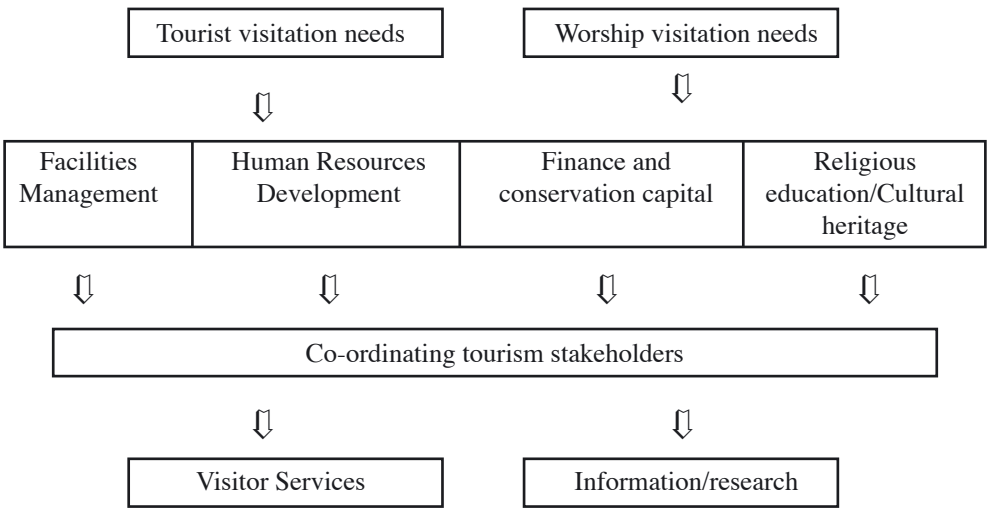
The operational management of a religious attraction is expensive. Shackley, (2002), proposes that UK Cathedrals have an operating budget of £500,000 per annum, which must fund the conservation and management of the visitor attraction. However this does not reflect the true cost of managing these sites. Exploring this further, it can be found that the core remit of managing a religious attraction can be seen as:

- Creating an emotive experience
- Sustaining cultural heritage
- Conserving the religious site
- Promoting religious doctrine
- Promoting community harmony
- Generating revenue

ADAPTED FROM NOLAN AND NOLAN, (1992), AND SHACKLEY, (2002).

Lebe and Milfener (2006) believe that although the management of a religious site may indeed be involved in the religion, and have limited business acumen, a hierarchy and structure is needed to manage the destination successfully. An organised hierarchy is essential to firstly achieve the core remit highlight previously, and to sustain the site as a tourist destination. A religious destination has several providers of goods and services, (religious based and non religious based), equal to a large enterprise, so the need to manage these suppliers to achieve core aims of the destination must be achieved. Adapting Presenza et al 2005, model, it can be seen that a management model for a religious tourist destination encompasses a range of activities:

Fig 1. Religious tourism management model



Adapted from Presenza et al (2005)

One of the main problems in setting up a managed religious site is that co-ordinating the input of different stakeholders. For example tasks than can be better co-ordinated externally, such as promotion, reservations systems, and development of infrastructure to support the religious site can be outsourced. Nonetheless, Shackley, (2002), adds caution and notes that the organisation of such sites must be sympathetic to its core religious function. Moreover, the need to ensure that the 'heterotopia' is sustained, in other words, the removal from the world of time constraints and commerce, is echoed within the religious site should remain an objective. The experience by both visitors will always be spiritual to a certain degree. The management of the site must ensure that the site is 'uncontaminated' by modern issues, commercial realities and technology. Yet, the core remit of managing religious sites is a paradoxical one. It is easier said than done to fund conversation of the site, whilst at the same offer a spiritual atmosphere.

CONCLUSION

In conclusion this paper has raised issues of the complexity of managing of religious sites, indeed the core of any management model must have an effective development strategy, which combines the needs of tourists, local religious worship within the area. This might include on-going initiatives to interpret historical perspectives, programmes for raising awareness of religion and community issues, and sustaining cultural and heritage interpretation programmes (Shackley, 2002, Lebe and Milfener, 2006). Increasingly consumer expectation,

might compete with the demands of other stakeholders at the religious site (Ryan, 1997), however through market research and classifying the target market and understanding the expectations of the tourist and 'worship visitor', management can ascertain the needs, predict visitor behaviour and prioritise activities appropriate for each set of visitor. Gone are the days when visitors to a religious site were drawn exclusively from a particular tradition/religion and as such a management model has to reflect changing patterns of consumer pressures and realisms. This paper highlights an appreciation of what has to be achieved to deflect modern pressures found within the religious site and maintain a sense of spirituality and the application of a management model to achieve these diverse aims. Targeted empirical research with cathedral authorities and specifically visitor services teams could establish the best-fit of such a management model proposed within our paper and understand the operational constraints which might mitigate against its effective implementation.

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Foreign direct investment and tourism industry development: some features of Albania

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ABSTRACT

The tourism industry will continue to grow in economic importance to the residents as both an employer and a generator of tax revenues. Recognition of higher paying jobs and increasing tourist expenditure patterns will encourage public officials to reevaluate the role of tourism as a national economic development generator. While tourism may not be the panacea for every community's economic ills, it certainly is fast becoming a consideration.

The whole paper is based on the theoretical literature and using of some empirical studies. Paper include a detailed analyze of FDI impacting on tourism, further in transition economies, and in relation with Albanian case. Further some findings and discussion will develop regarding the importance and the role of FDIs in the tourism industry in Albania.

Key words: Foreign direct investment (FDI), tourism industry, transition economies.

FDI AND TRANSITION COUNTRIES

Transition is the process through which open market oriented economies are established. It involves changing and creating new institutions (EBRD 1994). Transition economies in Southeast Europe, because of limited domestic savings, are in need of foreign capital inflows in financing investment. There is a common perception of FDI as an important factor in the transition process contributing to the restructuring of enterprises and the transfer of capital and know-how (IMF, 1991). The defining characteristics of the transition countries is their decision to abandon central planning as the principal mode of organizing their economies and to move to market-oriented economies with significant private ownership of the means of productions (IMF).

Although a foreign direct investor can be an individual, a government or a group of individuals, most of the FDI are made by enterprises, public or private, incorporated or unincorporated. The concept of ***foreign direct investment*** can be seen as international investment by

an entity resident in one economy in an enterprise resident in another company that is made with the objective of obtaining a lasting interest. The foreign direct investment enterprise can be:

- a *subsidiary* (the investor exercises a majority control on the direct investment enterprise or owns half of its voting power),
- *associate* (the investor has more than 10% but less than 50% voting power in the enteprise),
- *branch* (an unincorporated enterprise in the foreign country).

All those countries which were in transition as the developing countries began to recognize the promise of large-scale international tourism in the decades after the Second World War. Although the development paradigm of that time strongly favored industrialization – to reduce dependence on commodities – a growing number of those countries began to see international tourism as a source of much needed foreign exchange, jobs and economic growth. With the growing affluence of Western societies and developments in transport and communications, the demand for international tourism was increasing very fast, and indeed continues to grow.

In the Southeast Europe, FDI was dominated largely by privatization-related transactions. A very considerable feature of the transition reforms has been the privatization of state assets with the involvement of foreign strategic investors. Privatization was a significant driver of FDI in many transition countries in the 1990s, and there continue today to be pockets where investment still occurs through privatization. However, in most cases the government has now significantly withdrawn its role. Greenfield investment is likely to be particularly important, unlike in other areas of an economy where entry through mergers and acquisitions (M&A) is more prevalent. This is supported by evidence that more than 70 per cent of all new Greenfield hotel projects during the period 2002-2005 (the latest years for which data is data is available) were located in those countries.

FDI in the global economy has an absolute impact. The largest source countries of outward FDI in tourism have long been the United States, the United Kingdom, France and Canada, but a new trend, which is gathering pace, is the rise of South-South investment. FDI is one of the routes through which countries, that are consider important tourism destinations in the proper regions, can carry out tourism.

Table 1. Characteristics of SEE transition countries

	Year transition began	*Starting date of stabilization program*	*Opening year to fdi*
Albania	1991	Aug-92	1990
Bosnia and Herzegovina	….	…	1967
Bulgaria	1991	Feb-91	1980
Croatia	1990	Oct-93	1967
Macedonia FRY	1990	Jan-94	1967
Romania	1991	Jan-93	1972

Source: EBRD, ***Transition Report 1999***
Source: UNITED NATION, World Investment Report, 1992

IMPACT OF FDI IN ALBANIA AS A COUNTRY IN TRANSITION

Albania was the last of the central and eastern European countries to embark upon democratic and free market reforms. Transition has been almost as difficult for Albania as the country's communist period. In 1992 Albania had the first democratically elected President. The government began a more deliberate program of economic and democratic reform, but progress on these issues stalled in the mid-1990s, due to political gridlock. At the same time, unscrupulous investment companies defrauded investors all over Albania using pyramid schemes. In early 1997, several of these pyramid schemes collapsed, leaving thousands of people bankrupt, disillusioned, and angry. During the transitional period of 1997-2002, a series of short-lived governments succeeded one another as Albania's fragile democratic structures were strengthened. With the support of international organizations, emphasis was laid on bank restructuring, FDI promotion and the acceleration of privatization process. Albania is trying to attract foreign investment and promote domestic investment, but significant impediments exist. Despite the absence of meaningful tax, financial or other incentives, it intends to encourage foreign investors in many ways including the provision of national treatment, legal protection of their rights related to an investment and the right to transfer profits and repatriate any invested capital. Albania receives relatively low levels of FDI flows, even compared to other countries of CEE region. Such flows increased quite substantially, from a US$ 60 million average in 1993-1999 to US$ 200 million in 2001. The Albanian Government faces the daunting task of rationalizing and uniformly applying business laws, improving transparency in business procedures, restructuring the tax systems, reducing corruption in the bureaucracy, and resolving property ownership disputes.

Albania is a small country situated in the Western part of the Balkan Peninsula in South Eastern Europe. Owing to its location on the Adriatic Sea, Albania has long served as a bridgehead for various empires and invaders seeking conquest abroad. The economic situation inherited from the communist regime reflects all the historical development traces of the country. Backwardness and deep poverty, combined at times with foreign economic and

financial dependency and on extreme cases with economic isolation and autarky, are some of main features of the economic development profile of the country.

Direct investment involves both the initial transaction that establishes the relationship between the two entities and all subsequent capital transactions between them and among affiliate's enterprises, both incorporated and unincorporated. According to the Benchmark and the BPM5, ***a direct investment enterprise*** is an incorporated or unincorporated enterprise in which a direct investor that is resident of another economy has 10 % or more of the ordinary shares or voting power (for an unincorporated enterprise). ***The direct investor*** may be an individual, an incorporated or unincorporated private or public enterprise, a government, or an associated group of individuals or enterprises that has a direct investment enterprise in an economy other than that in which the direct investor resides.

Data on foreign direct investment (FDI) are reported by the Bank of Albania, which conducts annual surveys on direct investment enterprises in collaboration with INSTAT (Albanian Institute of Statistics). The legal framework and the informal economy do not allow complete and real statistics on foreign direct investment in Albania.

Table 2: Albania: FDI, GDP growth and current account balance, 2000-2007

	2000	2001	2002	2003	2004	2005	2006	2007
FDI(Eur)	156.6	230.7	141.4	156.9	278.4	224.1	258.6	452.4
Current account balance, Eur	-185.2	-315.4	422.4	-331	-287.8	-493.2	-534.7	-878.1
GDP, Eur	3,944.5	4,539.8	4,703.3	5,193.1	5,646.2	6,581.1	7,254.3	8,123.4
GD growth rade	6.7	7	4.2	5.8	5.7	5.8	5.5	6
FDI/CAB	0.85	0.73	0.33	0.47	0.97	0.45	0.48	0.52
FDI/GDP	0.040	0.051	0.030	0.030	0.049	0.034	0.036	0.056

Source: Bank of Albania

Starting the analyze from other point, FDI by investing country, flows that the European Union countries have the dominant position on the stock of the foreign direct investments in Albania. Almost 80% of the total stock of the foreign investments is from the Italy, Greece, Austria, and Germany.

Table. 3. FDI by investing countries

Investing country	2001	2002	2003	2004	2005	2006
European Union	77%	79%	82%	82%	78%	79%
Austria	5%	5%	3%	2%	5%	9%
Greece	44%	48%	45%	48%	47%	44%
Germany	2%	2%	1%	1%	3%	3%
Italy	24%	23%	32%	30%	12%	11%
Other EU countries	2%	1%	2%	1%	10%	11%
Balkan countries	8%	6%	7%	8%	8%	7%
Middle east	10%	10%	6%	5%	6%	4%
Far East	0%	0%	0%	0%	1%	1%
USA	2%	2%	3%	2%	4%	4%
International Institutions	4%	4%	2%	2%	0%	0%
Other countries	0%	0%	0%	0%	3%	5%

Source: Bank of Albania

The greatest share of foreign capitals are invested in the transportation, storage and communication sector (as vital components of tourism industry) with around 39% of the total, followed by the monetary and intermediation sector with 30% of the total and manufacturing industry with around 13%. These sectors offer higher rates of return on investments, as the result of the combination of the low cost of labor force and high skilled employed people. So, the most important sectors of investments are those oriented to services (transportation, storage and communication, monetary and financial intermediation). The sectors with high investment in technologies are less developed.

FEATURES OF FDI IN TOURISM ECONOMY

In many developing countries the growth of tourism was impressive in terms of tourist arrivals, foreign exchange revenues and jobs. In some of them, tourism became, for a period, an engine of growth. But it also led also to drastic social and cultural changes: for example, traditional and original local cultures or rituals became “commoditized” (sometimes even

destroyed), families broke up, local social structures collapsed, and crime, unknown before, began to surface and quickly spread. In addition, the physical landscape changed and the massive inflow of tourists put a strain on resources, including natural resources, which were the basis of comparative advantage in tourism. All this means that:

- tourism need management;
- tourism need to be support by FDI;
- FDI are a crucial factor for equilibrium of positive and negative impacts;
- FDI can hold in low level the negative impact, especially on the environment.

Tourism compose a multi market which has involve in tourism supply almost all the industries of a country, starting with the transportation, food and beverage, hotels and motels, arts, education, etc. Effects of FDI in tourism development are numerous:

- employment effect,
- local development,
- culture improvement
- language skills,
- competition from which results development,
- increasing of domestic market,
- Technology and know-how transfer, etc.

Multinational investors, either from the developed or the developing world, investing in a special tourism destination, have profit maximization motive, which involve both the maximization of earnings and minimization of costs simultaneously. With the profit maximization motive in mind investors should well define their production and marketing conditions, and choose where to invest. This decision relate specially to the host country conditions. This can have serious risk. Evaluation of such variables requires data on tourism market size, tourism market growth rate, level openness, general economic stability, foreign exchange, infrastructure, labor costs, tax rates and political stability of the host country. All these variables constitute the determinants of FDI.

FDI ARE CRUCIAL FOR TOURISM EVEN THE IMPACTS ARE DIFFICULT TO BE MEASURED

There can be found many reason why investing in tourism has strongly impact on an economy, and measurement of impact from the other side is difficult to be done. There are some features which are typically for investing in tourism which should be taken into account before the process:

1. FDI is concentrated in just a few of the many related activities covered by the definition of tourism, mostly hotels and restaurants, and car rentals. There is very little FDI in high-profile and important activities such as tour operations, reservations systems and airlines.

2. Tourism impose working into a network, because there are different sectors and different people directly involved in the production and consumption of tourism services (the "tourism industry",) and the people, firms or sectors indirectly involved in the wider "tourism economy". This second tier includes, for example, catering companies, fuel suppliers and the firms that serve the firms that serve tourism. So, FDI in tourism means investing in all other sectors, firms or individual that are direct and indirect connect with the tourism indeed.

3. FDI in tourism means generating incomes, employment, GDP. Most developed countries have estimated that their tourism "economy" generates almost twice as many jobs and export revenues as their tourism "industry", and similar estimates could be expected for developing countries.

The main contribution of foreign direct investment (FDI) is regard to economic growth and poverty reduction is well appreciated. The main advantages that have our economy by applying and enforcing the FDI on the tourism sector are as follows:

- Efect inputs transfering (technology, capital and management follows the process of investment);
- Efect on emplyment growth;
- Efect on balance of payments;
- Efect on communities harmonic development;
- Efect on economic growth in macro level.

Through growing atractivities of FDI for the tourism can be better achieve other indicators of macro economy. So, attracting FDI (foreign direct investment) could be a rational way to develop existing *export potentials, acquire new export capacities*, obtain immediate *market access* and generate dynamic *competitive advantages*. FDI could thus play an important role in supporting export-oriented manufacturing. Furthermore, FDI can help and support the SME promotion.

The overall climate for FDI in the region had been extensively appreciated by the neighbored countries as Croatia, Italia, Montenegro, etc., and in generally is must be considered to be relatively poor in Albania compared with those countries. Actual FDI flows lagged behind other Balkan countries. The region's security situation together with political instability continued to be key disincentives for foreign investors. At the same time, there were a wide range of specific actions government could take to improve the countries' attractiveness to FDI. These included:

- reducing corruption;
- removing distortions in national tax systems;
- promoting trade liberalization to create larger regional markets; and
- Removing unnecessary regulatory interventions.

TOURISM – A SPECIAL SECTOR WHICH NEED FDI

The importance of the service sector (included here is tourism) continued to be emphasized. Noteworthy figures include sales of "Trade, Hotels, and Restaurants," which increased by 11.5% compared to last year. Revenues from tourism have increased by 7.2%. Investments in the transportation sector increased by 3%, which is a result of a Government budget expansion of 7% aimed at infrastructure improvement. And although the agricultural sector's contribution to GDP has been declining, this sector remains one of the main pillars of the Albanian economy. Construction continued to be the most dynamic sector recording an increase of some 22% in sales. Foreign Direct Investments (FDI) continues to be an important component of private sector development and a prerequisite for the economic development of Albania. Hence, FDI promotion is a strategic objective of the Government.

1. Tourism is an industry that **needs to be managed** carefully, with or without FDI;
2. Because Albania is relatively **new to international tourism market**, need a strong support by FDI specially to achieve the goal of sustainable development;
3. FDI poses special **challenges** and concerns;
4. Tourism is a **far-reaching** and **cross-cutting** activity;
5. Tourism is sector of services, which has some features as intangibility, perish ability, etc. In this case, consumer comes to the producer, rather than the other way around, enables even the smallest transaction to be part of the global economy: **every sale** to a tourist represents an **export**. So, investing to grow up the exports for a economy is a priority for the governments;
6. The fact that tourism means export, impose or constitutes an important **opportunity**, particularly for **SME** that would otherwise find it difficult to break into the global supply chain;
7. Because of, if it is organized properly, tourism should offer significant opportunities for **poverty reduction** through its income-generating and job-creating effects alone; it is a fundamental condition to invest in reducing the problems of a nation.

FDI AND TOURISM SERVICES

The increasing level of investments has its own impact in quality and quantity of tourism services, and reflect the increasing importance of tourism sector in the country. And, also the level of investment is due to the increasing of expenses for promotion mainly by private sector, but as an important objective in public sector. The increasing level of investment in tourism is due and to the government priorities. So, the private investment in tourism for 2006 was 45% higher than 2004. From the other side, the public investment for information, services and tourism auxiliaries are for 2006 10 mln leke more than 2005, for 2007 are 2.7 more than 2006. The government is launching incentives politics for tourism and through the public funds for tourism promotion. So, for 2006 are 21 mln leke, 2007 25 mln leke, and the forecasts are 29 mln leke for 2008.

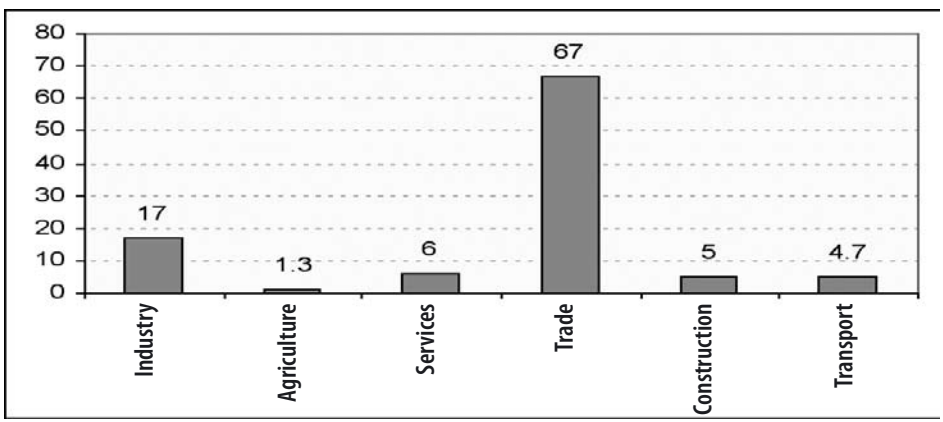
Over the past 50 years the tourism and hospitality industry experienced phenomenal growth and became one of the most dominating socio-economic activities at the beginning of the 21st Century. Within and beyond Europe, the sustainability of the tourism became an imperative. To achieve sustainable tourism, all stakeholders (from both the private and public sector) must contribute to these efforts. Partnership between the private and public sector is at the core of sustainable development and sustainable tourism. Tourism plays a vital economic role in countries around the world and, if planned and managed correctly, can considerably contribute to sustainable socio-economic development. The basic impulse to form partnership is the all partners, whether from the private or the public sector, will benefit from it.

PROSPECTS FOR THE FUTURE AND DEPENDENCE ON FDI.

We note that prospect for future economic growth in the country, in macro level, depended critically on private sector investment prospects. The country need to raise its low rates of *saving and investment and accelerate structural reforms*, especially in light of declining donor assistance in the coming years and lagging institutional indicators in many areas.

Also, another finding relayed to the relatively low levels of inward foreign direct investment into the region and stressed that FDI had the potential to make a *key contribution to growth*. While the peak of net inward FDI into the region in 2003 was encouraging, it was associated mostly with one-time privatization operations, which raised concerns about its sustainability. Some countries' macroeconomic plans envisaged large increases in FDI. In order for these plans to be realized, however, Albania as a very strategic point of the whole region, need to improve its institutions and deliver a better ***business climate***. Empirical evidence indicated that inward FDI reacted positively to countries' efforts to improve their trade regime, the rule of law, and ease administrative regulations.

Figura 1: Deliver of FDI based on different sector on the economy 2007



Source: World Bank, 2007

There are some factors that have direct impact on the gap for FDI realization in tourism sector, but not only, sometimes for whole economy. Let's mention shortly some of those factors:

1. *There is a lack of a real consensus among local stakeholders about the priorities of development of the region*. In Vlora for example, while the Regional Council presented the issues of Tourism and urban planning as priorities, the representatives of the Municipality presented the industrialisation of Vlora area as the most priority, while the Non Profit organisations were very concerned about the environment issues and risks toward a sustainable tourism development.
2. There is a need for better co-ordination and management of information in the local and central level;
3. A stronger and concrete co-operation between the governmental structures and civil society actors;
4. Establishment of research institutes under the Regional Councils would facilitate the process of investments and regional development programming and planning, as well as would lead to a better co-ordination and management of the information from the local and central sources;
5. The development and implementation of a FDI Strategy Document which will underline the priorities for FDI, sectors, necessities, and the deadlines or the monitoring process;
6. The improvement of basic infrastructure and services such as energy and water supply as well as roads, must considered as the preconditions for implementing programs and strategies for stimulating socio - economic development in the region and in the country.

RESEARCH FINDINGS

From the theoretical analyze of the problem and the flow of information form studies for transition economies referring to Albania, are coming out some problems and discussions.

CONTRIBUTION OF FDI TO GROWTH AND DEVELOPMENT IN ALBANIA AS A HOST COUNTRY

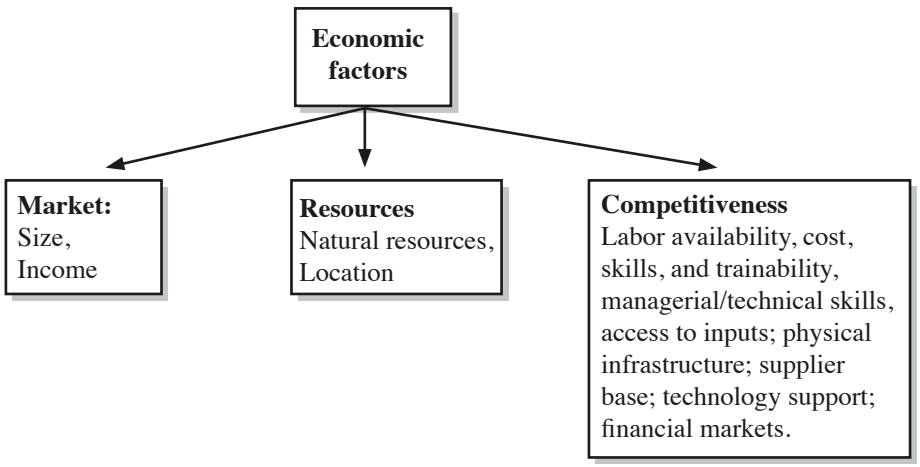
The relation between FDI and economic growth is twofold: FDI stimulates economic growth but also reacts to economic growth and progress the transformation. Growth is generated by FDI through imported means of investment, new technologies and capabilities transferred by foreign multinationals and international networking. On the other hand, foreign investors react positively to the consolidation of market-economy rules and the resumption of economic growth.

There exists a positive relation between those two concepts: FDI and Growth. If the FDI influx is sufficiently large, this will have an important effect on growth rates. The FDI can have

both direct effects: on the *host countries*, where they are invested, and in the *home countries*, so where is the source for FDI. The literature on the effects of FDI in the host countries focuses on whether the influx of capital has a beneficial effect on GDP growth. Intuitively this effect should be more important the less developed the country is.

Often, FDI is considering the *tool to promote* growth and sometimes, it is the economic growth which fosters FDI attraction. So, there is an *aggregate effect* of FDI in an economy. From other side, given the importance of FDI in the host country it is important to discover the determinants explaining what makes a country attractive towards FDI. According to UNCTAD (2000, pp 19-20) there are generally three categories of factors that may determine FDI inflow to a host country, namely economic factors, governments policies and TNC.

Fig 1. Determinants of FDI in developing host countries



Source: UNTACD 2000, p, 19

DISCUSSIONS ON SOME FEATURES OF FDI IN ALBANIA FOR FURTHER DEVELOPMENT

Albania has made a considerable progress in transition reforms, economic growth and development, considerably influenced by FDI inflows too, and in improving the peoples' quality of life. However, the country still enfaces a number of challenges coming from the need of overcoming the bottlenecks in the structural reforms. The intensification process of country's integration into the EU requires decisive steps in meeting the political, juridical and economic criteria. A similar pressure is coming from the regional integration processes. Albania

is making significant progress steps in the recent years related to business environment and investment climate such as business registration, fiscal burden, etc. Again important barriers to business and investment exist. Good laws and regulation doesn't mean necessary good climate for business; it depends on the extent and the way these laws and regulations are applied.

Regard to the Albanian human factor competitiveness, it is necessary to underline the country's competitiveness compared with regional countries, and in the same time, as part of a region struggling to compete with other regions in the world. Competitive labor rates, flexible and young labor force, qualified workforce in specific operational processes - are considered as Albanian environment opportunities (Investor Targeting Strategy for Albania Report, 2006). Also, skills and education of available workers is considered as a problematic issue by a considerable portion of businesses (20% in Tirana and 37% in large cities) (attraction of FDI in Albania, international conf, Tirana, 2008)

Between the years 2003-2007, Albania experienced an average 5.5% annual growth in GDP. (6% in the year 2007). Buoyant industrial production, the opening of new mines, rebounding construction activity, and export growth counterbalanced drought-related declines in domestic electricity generation and agricultural production. However, the return of normal rainfalls resulted in rising agriculture and electricity production.

In the following is present a table, in which are summarized some dates. OECD Investment Reform Index Report 2006 compares countries across the SEE region, in terms of their progress in reforms in 8 different fields, and comes into the conclusion that reforms regarding human capital have been moving very slow.

Fig 1. Summary of IRI findings for Albania (2006)

Dimensions where policy reform is more advanced are:	Dimensions where reforms have been slower are:
- Trade policy	- Anti-corruption and Business Integrity
- Tax policy	- Competition policy
- Investment policy	- Human capital
- Investment promotion and facilitation	- Regulatory reform

What follows from relation between FDI and economic growth is related to:

- The realization of dynamic and continuous reforms on public sector, government deficit, privatization, employment, etc, is the key factor to maintain competitiveness and attractiveness of FDI.
- Albania lags behind many of the poor countries regarding political stability, structural reforms, incentives, EU accession steps, etc.

FDI must considered an important source of financing for transition economies as it helps covering the current account deficit and fiscal deficit (in case of privatization-related FDI), and supplements inadequate domestic resources to finance both ownership change and capital formation (as compared to domestic and foreign credit, capital market financing, and state subsidies). What result, is related to the fact that:

- The greatest numbers of direct investment enterprises are small and medium enterprises. Only 12 % of the total number of direct investment enterprises have a number of employed over 100. These enterprises have the greatest share of labor force (almost 65%) employed in the sector of foreign investment enterprises
- The most important sectors of investments are those oriented to services (transportation, storage and communication, monetary and financial intermediation). The sectors with high investment in technologies are less developed.
- The greatest share of foreign capitals are invested in the transportation, storage and communication sector with around 39% of the total, followed by the monetary and intermediation sector with 30% of the total and manufacturing industry with around 13%. These sectors offer higher rates of return on investments, as the result of the combination of the low cost of labor force and high skilled employed people.

Other important moment is the low level of FDI in the country. A survey of foreign business executives on investments opportunities and challenges of Southeast Europe executed at the end of 2006 and supported by FIAS, reveals that political instability is the single most important impediment to increased FDI inflows in the region, followed by inadequate infrastructure and an insufficient economic policy and regulatory framework for all the region, including Albania (FIAS, 2007). Being asked about the determinants of FDI in Southeast Europe, the respondents rank the first market size (68%), and then political stability (65%), GDP growth (61%), regulatory environment (58%), profit repatriation (57%), macroeconomic stability (53%), GDP size (49%), quality of business (48%), competitor presence (42%), and cost/quality of labor (39%).

In the whole analyze we took into consideration some main factors influencing FDI inflows, although such factors as flexibility in labor market (strengths), institutional weaknesses (weaknesses), intensified structural reforms (opportunities), macroeconomic vulnerabilities (threats), etc could be considered, too. This is done parallel with considering some moments of SWOT analyze as *strengths*: the geographic vicinity with EU countries and markets, quali-

fied labor force at a relatively low cost, working culture, mining resources, natural and tourist attraction, and an acceptable legal environment for investments. Weaknesses include small domestic markets, low income per capita, poor infrastructure, outdated industrial technology, poor financial sector. *Opportunities* consist in the processes of European integration and regional integration, substantial Diaspora, educational reform, and infrastructure reconstruction. *Threats* consist of competition from neighboring countries, and salary increase and loss of labor cost advantage.

At the end of this discussion, we recommend some paths for promoting FDI inflows, as the follows:

- Encouraging establishment of new industries in Albania with domestic investments, which are expected to attract foreign capital latter on;
- Intensifying efforts for improving business climate, physical infrastructure, utility services and regulatory framework, which have a direct impact on investment cost reduction in the country;
- Improving the image of the country through encouraging the industrial parks and zones;
- Promotion and development of public-private partnership

CONCLUSION

Albanian has strong comparative advantages in tourism, and the production of tourism services did not seem to have high barriers to entry. Event the problems of tourism supply are complex and related to the ration quality – price, it is necessary to underline that the Albanian tourism products are **complex**, **alternative** and **niche** as well. This due to alternative forms of cultural tourism product, traditional and historical tourism product, event and festival tourism, green tourism (alpine, ego and agro tourism), that had more to offer than natural beauty and a favorable climate.

The case of Albania represents the case of a small country with considerable resources and a capability, which means that tourism, will be the main national development strategy.

The fact that FDI in Albanian tourism is relatively low, at least compared to popular perceptions, does not mean that tourism is not significant for whole the national economy, and the wellbeing of the Albanian community.

The amount of FDI in Albania is still going to be small, given that the value of total global outward tourism-related FDI is low to begin with, and that most of it is absorbed by other countries.

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Management issues concerning environment: a hotel best practice from Turkey

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ABSTRACT

Tourism can have detrimental environmental impacts to natural resources, coastal zones, historical sites and cultural heritage if it is not planned and controlled. Tourism industry must be the more concerned than any other in the environmental protection since the survival is rely upon the existence of natural resources. With heightened environmental awareness among governments, tourists and increasing media coverage hotels face the challenge of reducing the environmental impact of their operations and institute best practices while meeting the increasing demand of a growing tourism industry. This paper presents a single case study approach to illustrate the environmental best practice in a resort located in Sarigerme, Turkey. The chosen hotel is the first ISO 14001 certificated hotel in Turkey. A search of documentary evidence such as hotel EMS manual, energy consumption rates, interviews with hotel staff on environmental issues were the main sources of data collection . The objective of this paper is to examine the environmental practices of the chosen resort in detail, identify new information that could serve as a reference for other hotels implementing or planning to implement environmental management programs Main findings are about cost savings in energy,water, decreases in waste disposals (275 waste disposal in 1998, 12 waste disposal in 2007) and the amounts of waste recycled (Recycled plastics in 2000 were 5412 kg. in 2007-13812 kg).

Keywords: Environmental Management, Hotel,Tourism Recycling

INTRODUCTION

Beginning from 1970's a number of significant environmental threats to the future of humanity, such as global warming, depletion of ozone layer, air- water and earth pollution, over-consumption of resources had grew concerns for the environment and the need for both manufacturing and service industry to minimise its environmental impact became, increasingly important. Hotels and resorts by the very nature of their role as providers of accommodation, recreation and food service on twenty-four hour basis and as being standing for comfort and high standard of living, consume significant amounts of natural resources, expel

large amounts of waste which can be prevented and affect the sustainability of the natural environment..In this aspect environmental management should not be viewed as necessity not only because of greater public lobbying, not only because it is the law, not only because of potential positive financial benefits but also for the future of humanity. Previously environmental best practices are regarded as being impractical ideas, they are now viewed as important, attainable necessities by progressive companies. (Goosey,2000)

Environmental Management in hotels started in the form of initiatives by various associations and activities which begun when the Prince of Wales launched the IHEI in 1992 (Mensah, 2006:415). In 1994, the Hotel and Catering Institute Management Association (HCIMA) participated in Green Globe, an environmental management awareness program initiated by the WTTC. The programme, "Green Globe", has as its main objective, the aim to provide practical and low-cost means by which hospitality companies can demonstrate their commitment through a publicly recognized green globe logo. (Kirk, 1995): In the same year, 16 hotel groups in the Asia Pacific Rim formed the Asia Pacific Hotels Environment Initiative (Chan and Lam,2001). In 1997, The Caribbean Alliance for Sustainable Tourism (CAST) a non-profit organization was established by members of the Caribbean Hotel Association (CHA) to promote responsible environmental and social management of natural and heritage resources respectively, within the hotel and tourism sector. (CAST, 2007)

ISO 14000, which has a series of international standards on environmental management emerged primarily as a result of GATT negotiations and the Rio Summit on the Environment held in 1992. After the rapid acceptance of ISO 9000, and the increase of environmental standards around the world, ISO, assessed the need for international environmental management standards. The introduction of the ISO 14001 Environmental Management System (EMS) standard had a significant impact on manufacturing and service industries in designing and implementing an EMS-based system to minimise the impact of their operations on the environment. Reasons for adopting the Standard range from compliance and consumer pressure to the potential for cost savings and a healthier environment (MacDonald, 2005: 631).

The environmental management of the hotel could affect staff, guests, business partners and local communities at this point hotels have a great importance on achieving the environmental awareness in general. In order to achieve noticeable improvement, hotel managers and operators must be willing to act in an environmentally responsible manner. They also need to have adequate knowledge of the environmental issues pertinent to their activities, and sufficient funds to implement state-of-the-art environmentally sound practices (Bohdanowicz, 2006).

The aim of this study is to identify the implementation process of ISO 14001 based environmental management system in a hotel in Turkey, obstacles faced during implementation, relationship between major stakeholders after adopting the system. To achieve this objective firstly the list of ISO 14001 certificated hotels has been developed. According to ISO Survey

(December 2006) there are 1423 companies who has ISO 14001 certificate in Turkey. There is no official statistics about the number of hotels in Turkey that have ISO 14001. By sending an online questionnaire to 1400 hotel asking whether they have ISO 14001 quality certificate, (e-mail addresses were obtained from Turkish Hotel Guide published by Ekin Group), and quality certificated firm list of Kalder (Turkish Quality Association) 15 hotels that have ISO 14001 certificate have been found. These figures of course are not the exact numbers but provide a picture in general. The hotel, Iberotel Sarıgerme Park Resort (ISP) which has been chosen as a best practice study, is the first hotel in Turkey who had taken ISO 14001 certificate and also worldwide environment champion of TUI hotels between the years 1999-2007.

METHODOLOGY

In this study a single case is used. The ISP (_berhotel Sarigerme Park) is chosen among the 15 hotels in Turkey which are ISO 14001 certificated The site is selected mainly because of three reason. The hotel was the first hotel that have taken ISO 14001, a site which is known to be environmental best practice, geographically the hotel was located in close proximity to the researchers and thirdly the hotel had accepted to give detailed information about their facility. The data collection process involved a number of steps over a five year period which included site visit (2002 and 2006) to observe operations, application of an open-ended questionnaire to environmental manager, several follow-up telephone and internet communications with managers (environmental manager, purchasing manager, food&beverage manager, executive housekeeper), various documentation concerning costs, source reductions, savings. The case study methodology has some limitations. It is disadvantageous on two major issues, reliability and external validity. When compared to quantitative research methodologies since personal andsubjective observations are an integral part Secondly the ``generalizability'' of the results. It is not possible to generalize due to the lack of population.(Kitazawa, Sarkis, 2000)

CASE STUDY : Iberotel Sarıgerme Park Resort

Iberotel Sarıgerme Park Resort is a 4 star hotel in Dalaman, Turkey, which has been established in 1989. Total room number of the hotel is 373 and located in area of 350.000 square metres. The hotel is constructed in a typical Turkish design and consists of one main building and many villas. Iberotel Sarigerme Park has been awarded the three pine trees environmental award by the Turkish Government and has also been successful in achieving the gold medal since 1997, every year in the TUI–Holly (Environment) Championship competing against 22 thousand hotels around the world. Since 1992 the hotel also takes its place among the 20 hotels,–which have been chosen by TUI as winners of the guest satisfaction reward. (http://www.iberotel.com/en/news/?we_objectID=83)

Iberotel Sarıgerme Park Resort's environmental management programme had started at the year 1991 mainly concentrated on the issue of waste separation at source. But the environ-

mental documentation process had started at the year 2000 when they were certified by ISO 14001. In the documentation process the hotel had hired a consultant and had taken a training for two days about developing procedures then all the procedures are developed by the hotel itself without taking any consultancy. Over the past years the hotel developed a partnership with outside bodies such as Stutgart University (for compost and biogas), Kocaeli University, Mugla University. Their primary aims were to reduce water use; reduce waste water output; reduce energy use; *(The hotel is the first in the world which used solar cooling system The base of the system is an improved parabolic solar collector. Its usable exit temperature has been lifted from a previous maximum of 100-110°C (vacuum pipe collectors) to 200 °C. Through this tremendous increase emissions can be reduced by a hundred per cent and cooling costs by fifty percent.)*, reduce waste; purchase environmentally-preferable products; lower emissions, including ozone-depleting substances; Improve indoor air quality; reduce noise, monitor and document environment performance. According to law about solid wastes in Turkey, hospitality firms that are out of the borders of municipality have to handle on their own about their waste, they have to pay to municipality for every waste disposal. The following figures are the number of waste disposals and the amount paid for each time.

Table 1. Number of Waste Disposals and The Payments

Years	Number of Waste Disposals	Total Payments for Waste Disposal ($) /Waste Disposal Tariff of the Municipality
1998	275	5019 $ / 18.25 $
1999	156	2570 $ /16.47 $
2000	29	548 $/18.92 $
2001	34	644 $/18.95 $
2002	43	967 $/23.00 $
2003	41	1837 $/44.00 $
2004	42	3104 $/46.93 $
2005	20	1480 $/73.92 $
2006	14	672 $/48.00 $
2007	12	612 $/51.00 $

By separating the recyclable waste at its source they have decreased the amount that is send to waste disposal and also sold the recyclables and earn money. In some years the continuing decrease had followed increases the reasons for that increases are as follows: In 2000 all the watermelon skin is disposed to compost area but because of the odour problem in 2001 the

disposed watermelon skin is decreased. This is the reason for the increase in waste disposal. In 2002 there had been an increase on families with babies, and waste baby nappies had increased the waste disposal numbers since they are not recyclable.

In 2004 the compost production is ended and that caused an increase in waste disposal numbers.

The figures mentioned in Table 1, Table 2 and Table 3 has no meaning unless the occupany rates are known. Between the years 1998-2002 the occupany rates (year based) range between % 55.28 to 65.28 % .Beginning from 2003 the hotel decided to be open for 8 months the occupancy rates for these years had ranged from to % 74.16 to %84. Between all these years there had been a constant increase. And the hotel also changed its serving style from half board to all inclusive in 2001.

Table 2. Amounts of Waste Recycled

Years	Bread Waste Kg	Food Waste Kg	Glass Kg	Paper Kg	Metals Kg	Plastics Kg	Oil wasre Lt
2000	3343	49534	48550	40610	2918	5412	865
2001	970	31192	43120	27880	1010	3112	8335
2002	2012	39834	17160	24530	17725	8575	1084
2003	577	28632	18690	28250	11966	7547	946
2004	2621	38205	19220	19766	8100	9410	668
2005	3099	17794	17620	25050	1630	11368	1148
2006	1469	14275	16000	23000	3820	13000	1150
2007	1060	18174	20000	15740	7740	13812	1160

In general food waste has the highest percentage among all wastes. The hotel sends some of food waste to dog farms and some of them to the compost area until 2004 (the hotel had its own compost area where they return their food waste and grass waste into compost and used as a fertilizer in the gardens.) But in 2004 they have ended this because of the odour problem. This action did not increase their wastes because with Stuttgart Universities co-project they began to turn their waste into biogas. Energy consumption is another important point Table 3 demonstrates the energy consumption between the years 1999-2007.

Table 3. Energy Consumption Between 1999- 2007.

Years	Electricity Consumption (Kwh)	Water Consumption (m3)	LPG Consumption (Kg)
1999	2.564.863	123.917	266.248
2000	2.648.287	105.610	290.152
2001	2.637.776	137.785	298.420
2002	2.372.158	112.443	260.600
2003	2.121.193	75.898	202.340
2004	2.056.450	73.590	157.630
2005	1.991.563	69.049	143.320
2006	1.925.990	62.706	32.800
2007	1.865.421	56.819	400*

* The hotel began to use natural gas in 2007 so that there is a big decrease in LPG consumption.

From the figures mentioned above there are decreases in the amount of energy usage. The increases in some years are depended on climate conditions. Iberotel Sarigerme Park started their energy management by determining where the highest energy consumption takes place within the hotel. They regularly monitor the energy consumption which helps identifying abnormal consumption and to quantify energy savings when efficient equipment is installed or a good practice is implemented. They encourage guests to follow energy-saving practices, such as switching off lights and air conditioning, using towels or linens for more than one day. Guests are also involved in the programs through nature walks, brochures, notice boards and environmental practices of the hotel are explained in welcome coctails.

Employees are the key to a successful environmental management, an employee that knows why he/she is doing the practices will help to achieve. All new employees receive a special environmental information package which includes hotel environment policy, how to be more environmentally friendly at work as well as at home lasting for one week. Every year the human resources department reviews each employee's job description based on the task itself and environmental roles and responsibilities. The employees were seen as the best resource, and were subsequently questioned about their ideas about environmental practices. With continuous training the hotel work with employees to identify energy-saving practices, such as lowering heating or air conditioning to a fixed temperature when cleaning the room, or operating dryers and dishwashers only with full loads. They regularly monitor and service

all equipment, to ensure that it is running as efficiently as possible and upgrade older, inefficient equipment. The hotel use products that require less energy to maintain such as 6,9 volts lamps. The hotel use sensors and timers to turn off unnecessary lights in intermittent-use areas, such as meeting rooms, storage areas and public and staff bathrooms.
The range of goods used by the hotel industry is various and covers most of the manufacturing base of an economy from building materials to detergents. At this point responsible purchasing becomes important. The purchasing policy of the hotel is comprehensive. It is specified that goods should be purchased locally where possible. There is a stated preference for suppliers using returnable containers. Suppliers are checked by site visits whether they behave in an environmentally responsible manner if not suppliers are informed and reevaluated and the decision is given whether to continue the business relation or not. When the hotel had first began to change its purchasing policy based on environmental issues the strongest resistance were among the suppliers but since the hotel pruchase high amounts of goods they are obliged to change in a responsible way.

Hotels can produce significant quantities of wastewater, both graywater, which mainly comes from washing machines, sinks, showers, baths and blackwater, which comes from kitchen dishwashing and toilets. (CELB, 2007:6). The hotel minimize wastewater discharge by reducing water use. For ex: bed linens are changed weekly. The hotel collect waste oil and grease and they sell these to a company where they process to use in cosmetics and construction sector. All the detergents are biodegradable and compatible with the wastewater treatment technologies. They collect rainwater and after they use it in gardens. The municipal system is available the hotel regularly check the wastewater collection network if it is really going to wastewater treatment plant . Some of the wastewater is used in the production of biogas.

Excessive or improper use, storage and disposal of chemicals and other hazardous wastes in daily operations can result in pollution and contamination of local environmental resources.

All the detergents used are biodegradable and environmentally certified, the hotel regularly monitor air conditioners, heat pumps, refrigerators, freezers and kitchen cooling equipment to detect and eliminate leakage of ozone-depleting CFCs and HCFCs. Most of the existing equipment is replaced with the ones that utilizes zero ODP chemicals. They choose native plants which require less water and pesticides they also use compost as fertilizer. In order to control insects the hotel uses a type of fish named gambusia which eat insect larvae and maximum of 60 mm length in place of dangerous chemicals. The hazardous wastes are collected separately and send it to IZAYDAS (Izmit Waste and Residue Treatment , Incineration & Recycling Company)to be burned.

CONCLUSION

Best practices represent the preferred actions, from an environmental perspective, to perform a given function or service. (IHEI, 1996).Among fifteen ISO 14001 certificated hotels in Turkey, İberotel Sarıgerme Park Resort (ISP) is chosen because they had implemented sufficient

number of best practices, had a running operational EMS in place and there was an adequate data to evaluate cost savings and changes in environmental performance. From the figures mentioned while there is an increase in occupancy there is a great improvement in water and electricity consumption and decreases in waste disposals.The savings have occurred year to year and expected to continue with new improvements such as using solar energy in cooling which the first in the world. ISP had saved 531.901 Kwh of electricity between the years 2000-2007 and 48.791 m3 of water. In addition there is a significant reduction in solid waste stream. No information can be obtained for the total cost of the environment program since environmental accounting is not applied in the hotel and based on the interviews the hotel see environment neither a cost nor a chance to gain competitive advantage, environmental protection is their philosophy. Even though source reduction and waste separation at the source had been the focus among management before the introduction of ISO 14001 standard, the structured process and management system can yield significant improvements .

Strong, and active, support from the General Manager, empowered Environmental Manager and employees lead the property's success and make the hotel become "environmental champion" among the other properties of the TUI group. Employee empowerment, their willingness to make suggestions for improvement, and management's effort to create employee participation in decision making on environmental issues provided the employees commit themself to the property and decreased the turnover rates (there are many employees working in the property more than 8 years)

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Education issues in tourism: an analysis of student's expectatives in Argentina

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ABSTRACT

In recent years, many students have chosen tourism and hospitality as an university career. A tendency of this nature is reflected in the most acceptance that gained tourism not only in professional but also in academic realm. Hint to such a effects prompted us to write the following paper which emphasizes in the study of amateur student's expectations as well as the obstacles that balk their ends.

Key Words: Tourism, Stereotypes, Expectation, Frustration

INTRODUCTION

Today, tourism and hospitality have been positioned as mainstream industry in the heart of industrialized societies. For that, it is not surprising that a career of this nature attracts more and more students not only in the globe but also in Argentina. Certainly, many students incur in studying tourism as an effective pathway to ensure a future labor insertion. In Latin America, a degree in tourism will guarantee for applicants a suitable job in a world characterized by a downright competitiveness and economic exclusion. In these lines tourism presents as an alternative for all unspecialized sector whose members do not meet the requirements of trademark such as farmers and other else; for other hand, this issue has been broadly studied in an interesting body of literature (Blake et al, 2008; Altman and Finlayson, 2003; Santana Talavera, 2006).

Under that circumstance, the present research is intended at describing, analysing and explaining as to how certain stereotypes may be present in amateur group of students who have chosen tourism as academic career. Usually, there have been different expectations along with the problems or tensions which these students daily face. Even though, numerous researchers have devoted and spent their time to study the modern education's problems, less attention was given to feelings that young's experience at time of going to University by first time. That way, not only it is imperative to consider the relation about education and tourism emphasizing how students perceive the diverse obstacles in their career but also the relationship between material deprivations and educative desertion.

During their studies and formative years, students will come across with many problems, fears and doubts; depending on the grade of resolution and skills in such a task, they will withdraw or continue in the path. For that reasons, expectative and frustration appears to be two sides of the same coin.

The relevant purposes of this research should be threefold: 1) the importance of superior education in tourism to offset the different economic deprivations suffered in social life; 2) A lack of interest in students by considering tourism as a scientific discipline and 3) A bondage between pressure and frustration as a vehicle towards a posterior desertion.

For other hand, since some concepts appear to be very hard to grasp; an introductory conceptualisation will be dedicated to the definition of expectation and expectative. Following this, an expectation is defined what everything feasible to happen in life while expectative (hope) works as an elaborated feeling projected for supporting present material deprivations. By the way, in Emotion and Adaptation, Richard Lazarus asserts that people become accustomed to positive or negative life experiences which lead to favorable or unfavorable expectations with regard to present and near-future circumstances. Lazarus notes the widely accepted, philosophical principle that "happiness depends on the background psychological status of the person -- that is, the overall pattern of expectations and existential mood - and cannot be well predicted without reference to" one's expectations (Lazarus, 1991). Basically, happiness or unhappiness is based on the possibility to make a positive assessment about environment. People who had been evaluated negatively will develop a more negative tendency to evaluate others than people positively assessed.

In this spirit, the present article is rooted in the belief that expectative and illusion in young's experience at time of going to University for studying tourism in Buenos Aires are contradictory and troublesome. For further demonstration, an exploratory sample was analysed shaped by 8 students between 18 a 35 years old. Albeit this sample would be not statically representative of whole universe, we would outline the importance in achieving researches of this nature. An initial hypothesis supposes that new students at hand associate tourism with certain stereotypes pertained to pleasure or hedonism instead of scientific research.

LITERATURE REVIEW

It is noted that popular wisdom identifies tourism with hedonism, trips, entertainments and pleasures instead of a scientific investigation and academic life. These stereotypes permit some scholars trivializing tourism as a scientific discipline (Franklin y Crang, 2001; Santos Filho, 2008). Even if a debate of this nature would be no necessary at this moment, numerous scholars argued that tourism academic education is considered a commercial activity. (Cooper, 1992; Coles, Duval y Hall, 2005; Salazar, 2006).

At this point, Salazar is strongly convinced that many researchers (like anthropologists or psychologists) beyond tourism Academy are interested in studying tourism issues but uti-

lizing on their own findings and methods. Scientific-centric platform in Jafar Jafari (2005) would explain as to why certain events are based on Social Science paradigm, but has got some problems to understand how some classical sciences refuse tourism to be considered an unscientific stream. In these lines, K. Mota suggested that multidisciplinary studies on tourism needs from a core where paradigms work. These points of knowledge are not only adaptable or modified but also provide with certain agreement in involved disciplines; in few words, whatever today is considered a science may be not at a later date and vice versa like it demonstrate the case of psychoanalysis in middle of XX century or astrology in XVI century (Mota, 2004).

Other concern is related to the fact that many researchers are intended to publish their articles in scientific journals while the quality of these works lowers inevitably. As Ryan stated *"some commentators have criticized published tourism research as being deficient when compared to trends and concerns in other academic disciplines"* (Ryan, 2005: 8). Anyway, the intensive and sophisticated techniques that researchers seek for their investigations make papers less ineligibles and difficult to read. For other hand, Ryan recognizes that the history of education at University is linked to the history of an intellectual elite even if today is there more access than other times. Consequently, the increase of student's number entails a much more number of lecturers and teachers; these costs affect directly administrative issues in research. Also, *"a further consequence is that one means of career enhancement is the acquisition of published articles. Given the increased numbers of available journals, this becomes possibly a little easier than was once the case"*. As a result of this, investigations are more focused in the journal to be published than in contains these publications divulge. It is not surprising that traditional disciplines like History or Philosophy trivialize the contributions of tourism for the social Science's World. The reluctance in other disciplines to accept news is explained in regard to the time and weight they had in academy as well as the likelihood to overlap in their object of study. For example, whenever sociology and psychology appeared in Europe at the beginning of XX century, not only humanism but also philosophy resisted to consider them as scientific disciplines arguing that their body of knowledge have been already developed by Humanism long time back.

Truthfully, tourism is not an old-related discipline in the scientific field. Goeldner explains that in 1972 only five journals linked to tourism existed. Tourism Review, one of most old journal issued by first time in 1946; *Turizam*, Published in Croatia in 1956, *World Leisure Journal, Cornell Hotel and Restaurant Administration and Journal of Leisure Research* emerged in 1968. Nevertheless, from 1990 until today a recent explosion of tourism as an economic activity leaded researchers to associate in more than 150 journals available only in English language (Goeldner, 2005).

Quite aside from this point, Korstanje demonstrated that Tourism Schools and Universities programs in Buenos Aires (Argentina) are characterized by a Commercial and Management academic contents in educative syllabus; as a result of this, tourism is intended at reproducing certain economic and productive disadvantages determined by a historical background

(Korstanje, 2007). Analogically, Emanuel De Kadt contends that tourism may contribute to consolidate dependence and economic autonomy depending upon the history where society lies. Finally, a re-signification of tourism seems to be necessary quite aside from the method affordable for studying these kind of issues (De Kadt, 1995).

As the previous argument under debate, J. Jafari admits *"master degree in tourism are fine, but apparently not PhDs, or at least not yet. Unfortunattely, tourism-based curricula and their students can quickly become products of conventional wisdom, and can often become attached from the very disciplines that explain the phenomenon and its practice … all students studying tourism, at any level in any field, must take an appropriate number of social science courses. Unfortunattely, most degrees have been and are turning mainly to Management programs, building everything around consumers and business that responds to their needs"*. (Jafari, 2005: 3).

At the same line, other Senior Editor, Gunn acknowledges that even if professional papers, conferences, books, and tourism-related journals have been widely multiplied, the challenge seems to be linked to develop a critical posture about this activity or a mix between research and application beyond the traditional positive view of tourism as a vehicle for economic enhancement (Gunn, 2004). *"Within many parts of tourism, all parties are very literate about their functions and operations. Studies and Management reports are now abundant for hotels, restaurants, theme parks, and national parks. But there are remains a dearth of understanding among developers and managers regarding the full meaning of tourism"* (Gunn, 2004:5). Although by focusing from different perspectives, Kadt, Jafari and Gunn –like many others scholars- are concerned about a similar problem, namely the predominance of managerial literature in tourism syllabus in detriment of scientific or cultural knowledge. Under this circumstance, tourism not only should interact with other disciplines but also should return and fortify a body of knowledge applied on industry at the same time. This integration only can be achieved whether researchers, educators, students as well as academicians re-valorise tourism as an issue that requests an all-encompassed treatment.

Following this explanation, in spite of numerous investigations there still are many concerns that remain unresolved for scholars inside and beyond tourism academy (Schluter, 2005:21). It struck us that in America there are two types of programs, Management and Planning Focus. Undoubtedly, the fact is that first one is wide-spread while second remains almost occulted from tourist literature.

Finally, Goeldner admits that managerial literature are predominant in tourism-related journals, most likely because of a supposing lack of social criticism as well as human involvements that characterizes to a couple of tourist surveys. In consequence, tourism has been historically deemed in a secondary position in comparison with the rest of classical sciences. Even though, these commentaries do not apply in all cases, author recognizes that traditional disciplines do not appreciate the contributions tourism can do in current investigation fields (Goeldner, 2005).

EDUCATIONAL PROBLEMS

Most certainly, it is clear that sometimes education would be deemed as a production and reproduction process where are cultural order is combined with some specific codes and symbols (Durkheim, 1997; Bordieu y Passeron, 2003; Bernstein, 2003). Ethimologically, this term comes from Latin *educare (educere)* which means feed cattle while (for other hand) it was utilized as a form of guiding or leading people. From this point of view, education is originally shaped by an ambiguous sense in regards to two antagonist issues: domination and emancipation.

Superior Education is today being questioned because of a supposed lack of quality in comparison with past decades". Tenti Fanfani argues that modernization and free access to education had generated on students a lacks interest for universities progress. A possible solution for this problem is aimed at privatizing public education (Tenti Fanfani y Sidicaro, 1998; Tenti Fanfani, a2000; Tenti Fanfani, b2000; Tenti Fanfani, 2003). For other scholars, education works as an encounter where educators and students interact with each other feeding expectatives and frustrations; for that reasons, it is necessary to change the method of classical assessment in reducing insofar the grade of frustration (Viegas, 2008:170). Most specifically, many universities became in an oppressive site for their students; authoritarian rules in combination with oppressive final exams that young are daily subject generate in them frustration and anxious feelings.

An empirical research conducted by Casullo and Quesada at Buenos Aires University revealed that females are more tendencies to be demoralized than males. In regard to this, 30% of female sample demonstrated different psychological disorders than 15% of males (Casullo y Quesada, 2003). Besides, other research in University Jaime I in Spain showed that the main problems in student's career were: the excessive work in all tasks, high temperature of classrooms, anxiety prior to assessment; in these sense, familiar support and expectations were considered by consultants as one of most motivations in going to University (Salanova Soria et al, 2005).

Psychologically, a consequence is elaborated internally as positive or not depending on the environment wherein the subject is situated. Likewise, for further understanding Educator discourse merits to be re-interpreted in association with student evaluation. Tourism is lived as a complex phenomenon continuously in change within social, technological and political perspective. For facing this hard context, Scholars suppose future professionals would be well versed on economic, management and marketing skills (Manchini, 2008).

Other interesting reflection within tourism field outlines the importance of considering the frustration in future teachers when did not meet the expectations for an stable appointment; in fact, the reputation of researchers enhance under the condition of accessing at University as staff member. Even though the competition of the best candidate turned stronger the challenge would be worth the efforts. In sum, it is clear that *"these same people are also expected*

to teach and do it well. Many programs look for experience in teaching when the person was a PH. D student. Some candidates have done it. But many have not or have very limited experience … a faculty person thrown into this mix for the first time can be frustrated and challenged by what they go thru" (O'Leary, 2005:15).

From this standpoint, we come across with the belief that: 1) tourism education should be based on practical purposes to transmit students the necessary skills and competences for granting a good service with guest. 2) tourism seems to be considered an economic phenomenon exclusively. Although, numerous researches are intended to education problems on tourism, it is unfortunate that little attention was given to tourism student's expectations (Aguiló, 1999). Moreover, Barrado Timon demonstrated (a couple of years ago) a trend in which tourism is considered the art of describing landscapes than a way of studying scientifically human geography; as previous argument given, these prejudices are forged on previous education at home or High-schools (Barrado Timón, 2001:8).

METHODOLOGY.

Once again, even tough a sample of this nature is not representative for whole tourism student's universe in Buenos Aires, we tried to offset this sample balancing gender and age's consultants. That way, this group at hand was conformed by 4 males and 4 females between 18 and 35 years old, all them who are parts of first school year at University. They were invited in specifying three words around their mind at time of talking about tourism as well as in detailing specifically what are their expectatives they suppose to find alongside their career and to what a extent the obstacles they consider dangerous will put their studies in risk. By the end of not restraining the profound of responses, we did not apply any directed questionnaires or record devices but just a sheet in blank where students related freely their own feelings regarding these concerns.

In these lines, Bogdan and Taylor argued that qualitative methodology helps understand issues than other manner remains unexplored or unable to be studied with quantitative methods; since social action is embedded with broader and more complex structures, it is difficult for researcher to study human's behaviour strictly with questionnaires and statistical instruments. In general, there is an evident gap between people said and done. The observation in situ combined with diverse ethnographical techniques give to investigation a much more comprehension (Bogdan and Taylor, 1998).

RESULTS

In an introductory instance, at time of explaining as to how tourism may be defined, we found that journeys are present in 7 of 8 consulted students (answers). Furthermore, like it was illustrated in previous literature and following student's responses, tourism is associated to pleasure, experience and leisure instead of scientific concerns.

Table N 1. Reasons and Stereotypes for tourism -

Item	Trips	Experience	Knowledge	Pleasure/recreation.	Leisure	Resting	Other
1	x	X	X				
2	x	X	X				
3	x			x	x		
4	x			x		X	
5	x				x		x
6	x			x			x
7	x	X				X	
8				x		X	x
Total	**7**	**3**	**2**	**4**	**2**	**3**	**3**

Source: Buenos Aires, 2008.

As a previous argument given, we confirm that interviewees strongly believe that tourism is related to pleasure and entertainment. By keeping with their expectatives, an analysis of discourse method seems to be interesting for this occasion. In that sense (ethically) no real names will be revealed. A recount of all verbs used in responding is an important path to measure some specific issues than other quantitative methods. In linguistic, a Verb functions as connective between noun and predicate giving to an action determined sense. On a discourse analysis, people say more in the used verbs than whole part of speech. Therefore, we divided methodogically, three groups of verbs regarding the following criterion:

a) Verbs associated to Utility such as can, to be, to work, to possess or to serve.
b) Verbs associated to Knowledge such as to know, educate, to capacitate,
c) Verbs associated to Social Interaction such as to transmit, to Show, to share.

Table N 2 – Verbs recounting

Verb Association	Count	% of total
Utility	11	45,83
Knowledge	7	29,16
Social Interaction	4	16,66
Others	2	8,35
Total	**24**	**100.00**

Source: Self-Achievement- Buenos Aires, 2008.

As shown above, Table number 2 draws (about career's stereotypes) a tendency to use verbs associating to *Utility* (11), *Knowledge* (7), *interaction* (4) and other reasons (2). In fact, a discourse like this outlines the idea that tourism is pertained to utility and power, followed in a second position by interaction. Furthermore, the most concerns at time of going to University is to guaranty a Laboral Insertion once finished their studies by means of certain experience for leading their proper investment projects at the trademark. This point of view in business was changed from classical vision where students just had the end of working in Management appointments at hotels or a tourist companies such as agency travel. As Barrado Timon argued, many young students in tourism had changed their point of view about future. Actually, there is an important concern about restrictions and problems at time of leading a personal investment project. In accordance to this, Esther told us that one of her most important concerns was *"if you ask me, I am worried to achieve my own business, for that I would need a previous experience and knowledge in decision-making"* (Esther, female). Anyway, not all interviewees accompanied with Esther's turn of mind.

In the case of Fernando, his career is important since it will bring the opportunity to be trained for working in a growth industry (like tourism). In opposition to Esther, Fernando is not interested in leading his own project but consider *"I very fond of meeting new people and learn about their customs"* (Fernando, Male).

In other responses, students decided to study tourism not only for lucrative purposes but also for meeting with new landscapes, experiencing pleasure by tripping throughout the World. In short, esthetical factors are broadly present in tourism student's thoughts. Most specifically, Leandro says *"I study tourism in order for me to work beyond Buenos Aires and to be able in showing foreigners the landscapes of my country. For doing this, I think it is important to contribute by mean with service in creating comfortable instances on tourist mind. They are interested for our places and customs because they are strange and seldom"* (Leandro, Male). This fragment reflects a linkage between tourism education and voluntarily migration; historically in many European countries (like Spain, Italy and France) tourist practitioners migrated temporarily abroad to return their home once finished season. In fact, that custom was very important for mainstream economy of these countries (Khatchikian, 2000).

Analogically, Romina agrees tourist's interaction is one of best forms to learn and look toward a peacefully coexistence between human beings. *"I decided for tourism as career since this discipline will help me in interacting with people come from diverse parts of the world while cross cultural interchange will make me rich in experience. The other is the mirror on the own soul."* (Romina, Female).

The above discussed points demonstrated tourism turns ambiguous for these future professionals and a difficult concept to define. In regards to this, tourism comprises the combination of two contradictory activities such as pleasure and work as well as dedication and entertainment at the same time. In accordance to this issue, Sebastian said *"I love tourism because it gives me the possibility to interact with funny people alternating pleasure and work at the*

same time. Tourism may make easier those points that are daily difficult. In a pleasant trip, for example, or sharing a nice moment with guests one did not forget I am on duty". (Sebastian, Male)

Unfortunately, interviewees did not any accurate reference in how they plan to solve the problems appeared during their career. In short, among analysed discourses we may find that:

1- There is an unresolved problem (effort) in working and studying at once for students.
2- Poor knowledge about tourist destinations as well as education for future practitioners.
3- Some concerns related to laboral insertions are of great importance for applicants.

In general, for all who stated to have as main expectatives the Laboral Insertion, their more important concern is: *"working and studying: at this instance I am not doing that, but I am looking work for absorbing the cost of my long career"* (Esther, Female); o in the case of Fernando, *"I am working at a hotel but am usually overburden of responsibilities, this fact prevents for me from dedicating more time to my studies"* (Fernando, Male).

In Argentina like many other countries in Latin America, students are obliged to work to maintain their studies. That way, the necessity of work may be perceived as a restriction along with the time spent on studies; Whenever this happens, student alternate economic restrictions with other forms of superior education. Material conditions wherein students are involved not always encourage them for an appropriate superior-education. Under these circumstances, tourism looks to be an instrument that achieves a combination pleasure and hard-work. This tension between work and pleasure is resolved in the career's election. By studying tourism supposes the likelihood to experience a suitable moment or making journeys beyond urban landscapes while working.

Nevertheless, some inconsistencies between dreams and reality emphasize that people will work in projecting their own fears, material privations and frustration feelings involuntarily. That way, students who wish to make a trip far away from home meanwhile working shows more difficulties of coursing their career because of time and costs reasons. On contrary, others whose hopes are intended to encounter other sites or people demonstrate more fears because of education issues; in fact these students consider that their proper education level is not enough to come across with universities assessments and duties; for that reason, university's atmosphere not only represent for them a big change but also a challenge wherein emerges many traumatic situations that applicants can resolve or cannot. Psychologically, an expectative is elaborated with all problems that people experience in the line of their life.

For example, whereas Romina says that one of her more important ends is to meet with diverse persons for cross cultural interactions, her concern lies in an insufficient knowledge about tourist destinations (resulted from High School's education). In a like manner, for Mar-

tin tourism is referenced to transport and journeys, but paradoxically he is fright to expose orally before to an audience. If we pay attention to this, applicants have specific hopes about their career associated with an inversed and transformed potential risk. That way, Martin is encouraged by tripping in contact with many persons but fright to the exposure while Romina is devoted in cross-cultural encounters but she regrets not to have the sufficient knowledge for that. In sum, the obsession for learning is a way of preventing to be known by others. From this perspective, expectation motivates while may cause frustration whether perceived obstacles cannot be overcome successfully.

DISCUSSION

As a whole, student stereotypes in this research highlight an evident bridge between tourism and leisure, journeys, entertainments and hedonism in lieu of scientific investigation or academic life. The possibility to combine pleasure and work is one of most reasons as to why students choose tourism as a university's career. However, other issues had been found during the research such as:

1- Students are fright to work and study at the same instance.
2- Applicants recognize a lack of knowledge about tourist destinations.
3- One consultant had demonstrated a high embarrassment to be exposed in a public atmosphere.
4- In almost cases, consultants revealed their concern in labour market's problems in Argentina.

Beyond the specific obstacles and constraints resulted from a reduced-scale sample, the following findings must be applied in the context and are unable to be extrapolated to other universes. In future approaches it remains to be seen whether, expectations in students are part of a psychological mechanism based on capacity to anticipate and bear potential frustrations and privations. A tension found between expectancy and reality considers the likelihood projection as a form of conciliating antagonist feelings. Therefore, it is interesting the idea that an expectative takes daily concerns in an immediate environment and operate them with hypothetical horizons.

This exploratory research must be continued following hypothesis that frustration explains further about the supposed lack of interest in modern education today. Too much pressure put on students along with their career may very well provoke a progressive loose of interest in order for them to grant the own psychological equilibrium. Other useful example is oriented to emphasize that lecturers are accustomed to observe how students abandon their career in time of assessments; In opposition to the low of interest's theory, we acknowledge that educative desertion is a result of two deep-seated issues, an exacerbated interest in finishing their studies and a oppressive assessment's system that hinders their graduation (Tenti Fanfani y Sidicaro, 1998; Tenti Fanfani, a2000; Tenti Fanfani, b2000; Tenti Fanfani, 2003); ironically, in cases wherein motivation is repressed caused by exam's failure or deprivations of other

nature, pathological feelings emerge like anxiety, panic and fear. In students like in many others, the underlying problem in their reluctance to face exams is related to the fear of being reproved (emotionally rejected); oddly, in few words if a person may not overcome their fears, frustration will remain alternatively. At the University, exams not only are an imperative requisite to degree but also determine whether a student is accepted or not in a privileged circle; a membership no matter than the group may be, should be deemed as an invaluable instrument for valorising the self-esteem. Notwithstanding, it is a surface manifestation of a much more deep-seated issue which still would be studied in future approaches.

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The analysis of the Romanian tourism today

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ABSTRACT

Romania's entry into the EU involves essential adjustments both for the management of the tourist industry and the institutions involved in this economic field. Tourism has the chance to develop without the strict limitations required in other industries, such as agriculture and industry. The only major restrictions are determined by the competitiveness of Romania as a destination on the international market. The low competitiveness of Romanian tourism in comparison with other EU members, even those other members that recently joined the union is noted. However, Romania's competitiveness may be improved by the adoption of a strategy that will establish very clearly the priorities towards which it should move between 2007-2013 with the financial resources earmarked by EU or by the state budget.

Key words: improvement, brand, tourist industry, mark, marketing, Romania

INTRODUCTION

Joining and integrating into the European Union constitutes a complex process that involves essential transformations for Romania's society, economy and polity. The essence of these changes resides in the efficiency of activities in all sectors of the economy. A new organizational, managerial and control model is necessary, based on modern principles and managerial and economical mechanisms, which are adapted to the realities of the modern EU economy.

For the Romanian tourism sector, admission into the European Union (EU) offers a special opportunity and is of paramount importance. This admission into the EU involves on all levels different opportunities and risks but also benefits and costs. Romanian tourism must cope with these new realities. Within the negotiations to join the EU, closed in December 2004, tourism was not a specific subject of negotiation and was not discussed as a distinct chapter of negotiation. Nevertheless, there were negotiation chapters that have an impact over the tourism industry—the transportation policy, the small and medium companies, the protection of the environment, the protection of the consumer, the competition policy, the social policy and the placement of the labour force, freedom of circulation, taxation, regional policy, agriculture, culture and audiovisual. Once with Romanian entered the EU (January 2007), Romania respected certain conditions known as The Negotiation Criteria for the Adhesion to the

EU. These criteria aimed at each chapter of the Communitarian Acquis (in all being 32 chapters of negotiation), unfortunately with tourism being treated as a "Cinderella". In exchange, as a new member of the European Union, Romania had to conform to the communitarian policies in general, and so to the ones regarding the tourism as well. These strategies became part of the European policy, recorded in the document elaborated by the Committee of the European Communities known as the *Agenda for a competitive and sustainable European tourism* (see: europa.eu/scadplus/leg/fr/lvb/l10132.htm). The development of the tourism in Romania must respect the new European views which emphasize the sustainable development based on the care towards the environment, respect for the local communities and economic efficiency.

The Romanian tourist product has not changed much and over the time has become less competitive in comparison with the exigencies of the tourist demand and of the similar tourist products on the international market. This has lead to a continuous reduction of the external demand for the Romania tourist product. In order to cope with the international tourist competition, the modernization and the launching of an improved Romanian tourism product is necessary. The achievement of an improved, diversified, and modernized Romanian tourist product implies a new development strategy for tourism in Romania that should focus on those things giving Romania a competitive advantage on the international tourist market.

Tourism has become an attribute the modern humans, and the evolution of lifestyles has changed radically the perception on this activity with major economic and social implications. One of the features of modern people is emancipation, fact which emphasizes his desire to taste as much as possible from the individual freedom. Also, we could mention the redeeming consumer who demands and acts in order to eliminate his own frustrations, the egocentric consumer who needs to get noticed and be well served. Even more, the contemporary customer whishes to reward himself with accessible luxuries, to taste from the "forbidden fruit".

The impact of these tendencies (and others which are not mentioned here) will continue to shape markets and fields of activity, including the tourist and tourism. The standards of the following years seem to be determined by more spare time and an increased longevity of lifetimes. But the risk of the intellectual and moral void is what makes the human to reach always the meaning for his life and express it, for many times, through travels.

National and international tourism constitutes, from the perspective of the present approach, a real chance for the sustainable boosting of economic growth, of the development of marketing economy in Romania, and for the accomplishment of the integration into the European Union program. The development of new and competitive tourist products from the perspective of quality and price, the promotional marketing on the international tourism, the development of the human resources, of the services sector as a basic component of the marketing economy, make up the nucleus of this study.

The integration of Romanian tourism into EU can be achieved due to several of the features of modern tourism:

a. *Universality*. Tourism exists latently in each human being under the form of a desire to travel, to know new places, people, and cultures.
b. *Democracy*. Nowadays, tourism is accessible to all social categories, regardless of their social status, of their nationality, religion, sex or age.
c. *Globalization*. During the last 20 years there have been profound mutations in the way of exploitation of tourism. These mutations appear at the level of the managerial strategies destined to bring considerable profits to the tourism organizations and to the local communities. The strategies reflect the tendency of restructuring the world economy; the globalization can be understood at economic, political and social levels.
d. *Marketing*. Tourism offers opportunities on the market for numerous viable economic activities.

Besides, given the features of the contemporary consumer, tourism firms must relay on the winning card of the differentiation. I consider that these 4 characteristics place and differentiate at the same time Romanian tourism, certainly these characteristics did not exist in the communist past. These features open a new view to Romanian tourism which is forced to shape itself because of globalization.

There is now, at the beginning of the millennium enough reasons to consider the tourism as a actual matter and the recent process of integrating Romania to the UE can not exclude from the scheme this branch of the economy, the more so as there do not exist concrete chapters of negotiation referring to tourism, due to the fact that within the communitarian acquis with its 32 chapters which had to be implemented, transposed and applied into Romania's legislation and social-economic activity, the tourism, unfortunately, has been treated as a Cinderella… and the effects are seen. As regarding the literature of speciality, the last decade, especially, recorded the publishing of different studies referring to different elements of the tourism phenomena, way of organisation and functioning of the tourism firms. The varied approaches focused on the different aspects of management, marketing, psychology and sociology, fields with wide and complex implications in tourism's present and future matter.

Although there have been different particular approaches to tourism management, the complexity of activities has needed a more thorough investigation, which could allow the knowledge of complex mechanisms of management and at the same time the identification of solutions for optimization on economic, financial and human resources levels. The importance, the significance and the applicative value are vital because they decide the directions of sustainable development of tourism according to the European tendencies.

The management integration of the Romanian tourism into the EU can be analyzed starting from:

1. The basic methodology of the integration into EU which deals with the different versions of the examined subject.
2. The tourism situation in the states of the European Union.
3. The real situation of tourism in Romania
4. The identification of the integration impact of Romania into the European Union over the tourism and the elaboration of a development strategy for tourism in the mountainous area.

STUDY PURPOSE

For Romania, joining the EU has entailed rethinking Romanian tourism to be in line with the new European conception of tourism, accentuating sustainable development that has as basis the care for the environment, the respect for the local communities and the economic efficiency. The tourist potential of Romania is determined by the variety of the landscape, by the richness in surface and subterraneous waters, by the climate, by the vegetation and the rich and varied fauna, by the millenary history of the Romanian people, by the hospitality of the people. The geographical location of Romania also assures the transit function of tourism, its territory being crossed by the main roads which connect the west and the north of Europe to the south of the continent, but also with the Near and Middle East.

We can speak of similarities between the management of Romanian tourism and the European one, but of differences as well. The National Authority for Tourism coordinates tourist activity for Romania and is an authority that is subordinate to the Ministry for Small and Medium Companies, Commerce, Tourism and Liberal Professions. Within this authority the General Agency for Authorization and Control in Tourism and the General Agency for Tourist Promotion function, the Secretary of State coordinates these two agencies. In the European Union member states, there is a national organism that coordinates the tourist activity: ministry, agency or authority that has the same functions as the National Authority for Tourism from Romania.

The comparative analysis allowed us to identify some essential differences. Thus, in some states with a very developed tourism industry (France, Spain, Greece, Italy, and Austria etc.) there is a high degree of autonomy at the level of administrative departments which allows each region to develop those projects which are considered good for the local communities and for the region's economy.

We consider that along with the appearance of the economic development regions in Romania (NUTS2) there must exist a larger autonomy of each region regarding the directions and the ways of tourism development. The foundation of some specialized agencies for tourism is necessary at the level of each region of development in order to coordinate the tourist activity

according to the existing tourist potential and to the wishes of the local communities and to the investors who want to get involved in this activity.

At EU level there is a series of rules that harmonize the quality of the services and of the tourist infrastructure, thus, contributing to the growth in the transparency of the levels of prices practiced in tourism. We must mention that there is no full agreement regarding the legislation related to the operating tourist companies between all European states and neither regarding the level and the training of the management personnel of tourist companies. Analyzing the situation of tourist companies from Romania, we have concluded that these fulfil the majority of the rules in force in the Union states; regarding the employees, at least at a managerial level, we have concluded that in Romania most of these employees have specialized higher education or attended a training course of management in tourism within INFMT.

The most important component of the technical and material basis of tourism is the network of accommodation units, because it responds to a fundamental need of tourism: the rest, spending the night. Analyzing the evolution of the number of places for accommodation in Romanian, we have concluded that in 1970 this was of about 248 thousands and rose until 1985 when it exceeded the value of 410 thousands of accommodation units. This rise was due to the transformation policy of tourism into a mass phenomenon, accessible to all social categories. After 1985, the number of accommodation units knew a descendent evolution, reaching in 2002 the number of 273 thousands of places. Starting with 2003 the number of accommodation units started to grow reaching in 2005 the number of 280 thousands of places, and in 2007 the number of 420 thousands of places acccording to the statistic data which are available to the ones who personally request information upon certain components of the tourism phenomena or to the wide public in the shape of the trimestrial reports or Romanian Statistic Annual (see: www.ins.ro)

ANALYSIS

At the EU level, the number of accommodation units has risen slowly but constantly through the last decade (exception being the year 2003) due to the reach of a saturation threshold, reaching in 2007 the number of 11 millions of places. A very important indicator is the allotment of beds on 1000 inhabitants. The analysis of this indicator reveals the fact that in the countries with developed summer tourism like Greece, Spain, France, Italy, Cyprus, Malta have the highest averages. To these countries, we can add Luxemburg, Austria, Denmark and Sweden which developed other forms of tourism that the seaside tourism. As a contrast Estonia (24%), Poland (15%), Latvia (10%), Lithuania (9%) has the lowest averages.

Romania joins these states with an average of only 13%, which means that if we relate to the tourist potential of Romania, the number of accommodation places has to rise. The analysis on different development regions from Romania shows the fact that there is a strong concentration of these accommodation units in the south-east region which includes the seaside. The number of beds / 1000 inhabitants is superior the country's average in the central region due to the mountain tourism and the cultural one.

Table no. 1
The number of beds / 1000 inhabitants

No.	Region	Units/1000 inhabitants
1	NORTH-EAST	4,6‰
2	SOUTH-EAST	46‰
3	SOUTH	6,7‰
4	SOUTH-WEST	6,0‰
5	WEST	10,8‰
6	NORTH-WEST	8,9‰
7	CENTRE	13,5‰
8	BUCHAREST-ILFOV	5, ‰1
9	ROMANIA	12,7‰

Source: The Romanian Statistic Annual (INS) (www.ins.ro)

Another component of the technical and material basis of tourism is the units for public catering. The ones that are part of the tourism structure (by their location and client structure) represent approx. 8.5% (approx. 2800 units with almost 495000 seats at the table). The evolution in time of these units has been characterized by a slow but constant growth. Another feature of these units of public catering is that they have an accentuated season feature: one third of the seats at tables are placed on terraces and gardens; here we can add the ones from the seaside hotels, from the treatment resorts of local interest, from the very high mountainous area with a seasonal feature.

From this comparative analysis of the public catering units network and of the accommodation units there results a report of 1.7 / 1.0 if we take into account all the public catering units and 1.2 / 1.0 if we take into account only the seats in the halls, which corresponds to the international rules which recommend a report of 1.2 – 1.5 / 1.0. Although the tourist potential from the Romanian mountainous area is a special one, the tourist infrastructure is modest if we compare it to the ones in the alpine states of the EU.

The present skiing territory of Romania is hundreds of times smaller than in the alpine countries (120 times smaller than Germany, 510 times smaller than France). One can ski in 20 massifs (from the total number of 72). The greatest part of this skiing territory is concentrated in one single area, which belongs to Prahova, Brasov and Dambovita counties (almost 62.9% of the total surface).

The installations and services for the skiing territory are dominated by drag lifts and chairlifts, almost 86%. Regarding the location distribution, the area that gathers the tourist offers of national and international interest, has the most modern and the highest number of cable

railways. The technical equipment has 61 cable railways – gondolas, drag lifts, chairlifts, which sum up 65 km in length (in comparison with the 3696 cable railways in Austria, 3033 in France, 1534 in Switzerland) and almost 80 km of arranged slopes (in comparison with the 9500 km in Austria, 2500 km in France). For the mountainous area there are 30 resorts where people can practice winter sports. From the 120 existent slopes, 30 are approved, 7 are endowed with artificial snow equipments and 13 are floodlit.

Another important element which characterizes the offer quality for winter sports is the existence of ski schools and their qualified ski trainers, as well as their offer of programs. In the countries with a developed winter tourism, there is not a resort that does not have a minimum of 2 or 3 schools (for adults, beginners or advanced; for children; of acrobatic skiing etc.). Thus, France has over 200 schools, Austria has over 400 schools. In Romania their number is very small and they are not properly equipped.

Regarding the recreational means situation in our country, the offer is modest, the entertainment only starting to become a priority for holiday organizers. Recreational installations are concentrated almost 50% at the seaside where they function during the summer season, to which we add the ones existing on Prahova Valley, Brasov Meadow, Bucharest and some large cities.

The analyses performed on the distribution of this technical and material basis of tourism reveal important differences between tourist areas with similar potential or with a similar economic and social development. Thus the seaside has 42% of the total number of accommodation units and almost half of the recreational installations, Prahova Valley – Postavarul Massif concentrate 52% of the cable railways and 7% of the accommodation capacity, taking into account that 1/3 from the surface of our country has a mountainous landscape, we add here the counties Bihor, Harghita and Valcea which have 11% from the accommodation capacity due to the treatment resorts.

The international tourist circulation of Romania has fully reflected all the changes that took place at economical, social and political levels in the world.

The period after 1989 is characterized by contradictory evolutions which reflect the inconsistent policy of Romania at the economical, social and international levels. This evolution could be perceived in the place occupied by Romania as well among the receiver countries. Thus, if in 1981 Romania was placed among the first 15 tourist countries of the world (with a rate of 2.5% of the world tourist market); nowadays Romania occupies only the 40th place and the 20th place in Europe (with a rate of only 0.8% of the world market).

If the numbers mentioned above reflect the number of tourists who reached the frontier points, through the analysis of the indicators “foreign tourist in the accommodation units” or “returns from the international tourism”, we can state that the involution of Romanian tourism is even greater, the delay between our country and the ones with tourist vocation from Europe

increasing even more. The report between the arrival of tourists at the frontier points and the foreign tourist in the accommodation units is of 5 – 6 / 1, and the returns from the international tourism of Romania are of 400 – 600 millions of USD (modest in comparison with the returns of other countries with similar tourism potential).

The distribution of arrivals and of spending the night of foreign tourists in tourist areas is of great importance. The urban tourism (the county capitals areas including Bucharest) is the form of tourism practiced by the foreign tourists (71.3%). To this we add the areas surrounding other towns with 9.5%. The mountainous areas and the seaside areas have a very small share of 8.5% and respectively 6.1%, and the treatment resorts areas even smaller of 3.3%. The Danube Delta has the smallest share of only 1.2%.

In case of the spending the night of the foreign tourists, the urban area of the county capitals keeps its dominant position having a share of 60.1%. The seaside area has a share of 17.8% greater than the arrival share, situation explainable through the presence of tourism organized by the tourism agencies in the case of the foreign tourist who have a predetermined holiday. The mountainous area, the treatment area and the areas surrounding other localities keep similar shares to those of the arrivals like 8.1%, 5.5% and respectively 7.6%.

The majority of the international arrivals in Romania come from Europe. From 2000, approximately 95% of the visitors of each year are from the continent. Among these, 75% represent arrivals from five countries Romania neighbours: Ukraine, Moldova, Bulgaria, Hungary and Serbia and Monte Negro. The analysis of the numbers regarding the accommodation shows that a great number of these arrivals are not found among the records of the accommodation units and either stay with their relatives or friends or do not spend the night in Romania. Thus, it is really difficult to quantify their impact on the economy.

Even if the tourism and the journeys to Romania are rising with an impressive rate, expressed in international visitors, the returns from tourism of the country have remained considerably behind the neighbouring countries. In 2007, Romania cashed returns from tourism of over 505 millions of EURO – 23% of the ones recorded in Bulgaria, approx. 12% of the ones recorded in Hungary and the Check Republic, and only 7% of the returns of Croatia. This shows that many visitors do not spend the night or do not spend money on accommodation while they are in the country.

If until 1989 the positive balance could be explained by the reduced flux of foreign tourists who left Romania and by the great number of tourists who came from the former communist block, once the frontiers were opened more and more Romanian tourist preferred spending their holidays abroad, foreign tourists spending less money in Romania (as a result of the very poor offer of goods and services) which contributed to the deficit of the balance of payments.

Romania recorded during the first eleven months of the year 2007 (for the first time in the last

15 years), a surplus in the balance of payments regarding the tourist services of 150 millions Euros. Practically, the foreign tourists spent more on the tourist products of Romania – 688 millions of Euros while Romanians spent 543 millions of Euros. Until now, our country was showing a deficit regarding the level of tourist expenses performed by Romanians abroad and the expenses performed by the foreigners in Romania. This tendency was very difficult to reverse because the great number of foreign tourist is recorded during the summer season.

Among the EU countries, the greatest markets for Romania are Germany, Italy, France, Austria and Great Britain. The fact that the arrivals from the EU countries show a reduction during 2007 is worrying. This could happen because of the integration of 10 new countries into the EU and the stimulants for visitors from those countries on the one hand, like the low-cost airline companies. In 2007, a growth of tourists' arrivals from Hungary to Romania was recorded with 69% and from Poland, when the number was greater than the ones in 2006 with 22%.

In the EU, the states from the Western Europe and from the Southern Europe have the greatest share of arrivals numbers of tourist at the frontier as well as the returns realized from the international tourism. France, Spain, Italy, Great Britain are standing out and are placed among the first 10 states of the world as a tourist destination.

An analysis of the international tourists within the EU states shows the great share of intracommunitarian tourists: 74%. From outside the union, the greatest share belonged to the USA (7%) and the rest of 19% belonged to other countries of the world outside the union. As a sum EU (25), Germany and Great Britain are the countries which dominate the tourist fluxes with 61% of the total of spending the night abroad. The other countries of the EU totalized only 39%.

The inbound and outbound tourism have several general features for the EU:

- the holidays on the national territory are more numerous than the ones outside the country of residence;
- in many European states the short holidays are preferred to long holidays;
- the most used means of transportation is the car;
- European tourists prefer organizing themselves their holidays inside their country;
- The receiver tourism has a major importance in the tourist industry from small states of the EU;
- The activity of the receiver tourism is concentrated between July and September except Austria where the peak of the season is during winter. More than a third of the total spending the nights of the non residents are recorded between July and September.
- Greece is the only country where the receiver tourism depends strongly on the summer period;
- Spain is the main destination of the issuing tourism for the majority of the EU states.

Incoming tourism is a feature mainly of the countries with an acknowledged tourist vocation: Cyprus (93% of the total spending the nights in the accommodation units of non-residents); Greece (75%), Estonia (74%), Austria (72%), Spain (64%), Portugal (60%), Ireland (63%), Slovenia (56%), Belgium (55%), Hungary (54%). Unfortunately, although Romania deserved a place in this category due to its value of tourism potential, the receiver tourism has a share of 15% (according to the INS data) – one of the lowest in the EU.

The most used holiday period in the majority of the EU states was summer (July – September). Over 60% of the Czech, Spanish, Italian, Slovenian tourists preferred spending their holidays in this period. The greatest degree of occupation of the accommodation units was for the majority of the states the month of August, for the Baltic and for the Scandinavian ones July, and for Germany and France was September. The highest values of the degree of occupation of the accommodation units in the peak month were over 80% and they were recorded in Cyprus, Greece and Malta.

The winter period was the least used to spend the holidays. Between January and March only 7.8% of the Greeks and 16.3% of the Danes travel for tourist purposes while the Italians (10.3%) and the people from Luxemburg (18.4%) have reserves regarding to travelling between October and December.

According to the degree of seasonality we can differ three categories of states: the season preference is relatively balanced (20 – 30%): Denmark, Germany, Ireland, Luxemburg, Holland, Finland, Great Britain; moderate peak of the season (31 – 45%): Belgium, France, Hungary, Austria, Poland, Portugal, Slovakia, Sweden; accentuated peak of the season (> 46%): the Czech Republic, Greece, Spain, Italy, Slovenia.

Starting from the features of European tourism, from the tendencies regarding the requests, we identified as a priority the development of tourism in the mountainous areas in order to launch Romanian tourism again on the national and international markets. The definition of the development strategy of tourism in the mountainous area which we propose had as a basis a good knowledge of the mountainous tourism potential, of the degree of revaluation, the international economic situation and the experience of European states in this field. The strategy starts from the idea of developing the mountainous tourism in small areas, adapting to the local features and in conformity with the new economic regionalization conception of Romania. The mountainous area should not be regarded anymore as a tourism area for winter sports, for alpinism or hiking, but also as an area where other forms of tourism can be developed: ecological, rural, cultural, treatment, cave tourism, entertainment, religious etc.

The general objective of the tourism development strategy in the mountainous area represents the creation of a competitive tourist destination at an international level and it is in concordance with the economic and social analysis and with the SWOT analysis and with the general objective from the Development Strategy of Romanian Tourism. The specific objectives point the growth of the foreign tourists' number with 10% annually and with 5% of the Romanian tourists between 2007 and 2013.

In order to complete the development of tourism in the mountainous areas, 4 fields are considered a priority and must be regarded:

- *the promotion of the specificity and diversity of the mountainous area;*
- *the development and improvement of the tourist offer;*
- *the improvement of the professional experience of those taking part in the tourist activity;*
- *The adjustment of the regulation and fiscal context.*

The development of tourism in the mountainous areas will benefit from an important contribution of capital which will arrive from the European Union through the Structural Funds which have as purpose the financing of development programs, even if they are not focused entirely on the tourism, which gather an axis as a priority which focuses on this economic activity. Thus, the Section Operational Program 'the Growth of Competitiveness of Romanian Companies' offers tourism almost 580 millions euros; through the Regional Operational Program 130 millions of euros are allocated.

The implementation of the development strategy of tourism in the mountainous area must be completed by the regional public authorities under the advice and with the support of ANT. Taking into account that a great part of the development funds will come through the Regional and Section Operational Programs, the Management Authorities responsible will get involved in this process in order to manage and implement the programs according to the EC regulations and to the principles of a rigorous financial management.

CONCLUSIONS AND RECOMMENDATIONS

The research allowed us to reach a series of conclusions and to suggest some recommendations. The Romanian tourist offer has not changed throughout the time becoming less competitive in comparison with the exigencies of the tourist request and with other similar tourist products on the international market. The tourist structures and mostly the entertainment offer are old, less competitive, the tourist services and the tourist programs are performed as a routine and with a modest quality and the balance quality / price is inconclusive. That is why during the last 20 years the external tourist request lowered and it maintained itself at low rates, Romania becoming from a receiving country, an issuing one.

We consider that in a very short while these deficiencies will improve and Romania will become one of the important European destinations that will attract important influxes of tourists. The community policy does not contain negotiations between countries regarding the tourism field, does not contain regulations to be followed, and this sector will develop freely. The only restriction will be imposed by the competitiveness of the destinations and for Romania to become a competitive destination; the management in the tourism field has to be improved.

A remarkable initiative in this sense is the Action Plan for the Romanian Tourism Develop-

ment, elaborated by a team of experts belonging to the World Tourism Organization together with the Romanian experts representing the Romanian Government, plan which is itself based on the *Master Plan for the Development of the Romanian Tourism between 2007 and 2026*. The main objective of the Master Plan is to identify the weak points of the Romanian tourism industry and trace the strategic directions regarding the manner in which this industry may be restructured in order to be able to compete efficiently on the European and world tourism market.

In order for Romanian tourism to become a competitive one on the European unique market, it is suggested:

1. *The establishment as a priority the development of tourism in the mountainous area*. For this purpose, the program ANT Focuschi must be accelerated and harmonized with the Regional Operational Project and the Rural and Agricultural Development Operational Project for a most efficient use of Structural Funds, but also of the funds from the ANT. The fields of action will take into account the specific of each massif and the regulation regarding the environment. In order to succeed, public and private partnerships must be created where members of the mountainous community as well as foreign investors should be attracted. The financing will be provided through the Structural Funds, funds from ANT, from the local public authorities and from private funds. The development of rural tourism in the mountainous area constitutes a priority of Romanian tourism. The rural civilization with the traditions and the folklore constitutes one of the most popular attractions among foreign tourists. Moreover the rural tourism fits very well the advertising campaign based on the slogan: Only in Romania. An important role belongs to the local and central authorities whom we recommend the enrolling of campaigns through which the rural population of the villages with a high tourist potential to become aware that tourism represents a sustainable alternative to the economic prosperity. The financing programs must be directed towards those inhabitants of those areas and less towards outsiders who build hostels which have a role of secondary residencies and who do not know the traditions and the local customs.
2. *Conferring a large autonomy to the economic development regions in the tourism* field so that these could establish on their own their priorities according to their potential and to the local community's wishes to develop such an economic activity.
3. *The tourist offer* from the treatment resorts must be developed and modernized taking into account the great potential of growth which the treatment tourism has and the resources very reach in thermal waters that Romania has. Our suggestions point to the modernization of the infrastructure of the treatment resorts, but mostly the renewal of the medical equipment and the maintenance one. The passing of the spare time in these resorts must represent a priority of the tourist companies' managers from these resorts and of the local authorities which have to create viable partnerships.
4. *The revaluation of the cultural objectives*, especially of those included in the UNESCO heritage, must be realized in collaboration with the Ministry of Culture, ANT and the local authorities. The financing of such projects can come from Structural Funds.

5. *The rehabilitation of the Romanian seaside* must be realized in accordance with the requests of the modern tourist resorts and must contain the development of new resorts and of new entertainment areas. To this purpose, we suggest: the initiation of the project "Continuous Line Seaside", which should view the entire cost of the Black Sea as a chain of tourist resorts, through building some elements of infrastructure, new accommodation units and for entertainment and the rehabilitation of the present infrastructure as well.
6. *The assurance of a stable and stimulating financial and fiscal environment* is vital in order to attract investors and private capitals which could assure the development of tourist projects. We suggest the awarding of some loans with a preferred interest for the projects which focus on the special tourist areas and a greater involvement of the local authorities into obtaining the granted funds by the investors in the rural area. We recommend the foundation of a unique counter for the tourism investments for each region of economic development, where the interested parties can receive information and counselling regarding the bureaucratic process.
7. *Simplifying the legislation* which triggers the tourism norms to unitary characteristics to those from the EU, simplified and functional.
8. *The promotion of Romania tourist destination* represents one of the most important directions of action through which the Romanian tourism can be launched. Our suggestions focus on the promotion of a brand Romania which includes the unique tourist regions of the country and which should be centred on the slogan Only in Romania.
9. *The development of education and research for tourism*, according to the market requests. The creation of a professional formation centre in the tourism field is necessary in each region of economic development.

A basic request for the existence and the permanency of the quality of the tourist destinations from Romania is to remain competitive. The undertaken activities for this purpose should be considered a part of the creation process of a sustainable character, which represents one of the most important advantages in the competition. Thus, in order to ensure its competitiveness, its viability and its prosperity on a long term, the tourist destinations should focus more on the full integration of the activities regarding the sustainability within the decision process and within their practices and administration instruments.

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