

## **PART II**

# **DESTINATION DEVELOPMENT, MARKETING AND MANAGEMENT**

# HOSPITALITY AND URBAN PLANNING: THE CONSUMERS' SATISFACTION IN XINYI PLANNED DISTRICT BY THE PUBLIC SECTOR, TAIPEI, TAIWAN

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## ABSTRACT

The purpose of this study is to comprehend the consumers' satisfaction with the new Xinyi Planned District by the public sector. The constructive ideas of the Xinyi Planned District advantageous to hospitality are revealed by the study, including the multi-purpose space, the pleasant modern landscape, the pedestrian and vehicle separation, and the well-accessibility. The findings by the total of 493 responses present that almost all the questions get over 4 points using a six-point item. Among the four dimensions, the consumers have the highest satisfaction with the well-accessibility which implicates the public transportation exerts a critical influence on hospitality development.

**Key Words:** Consumers' Satisfaction, Hospitality, Urban Planning, Public sector.

## INTRODUCTION

While urban planning has been a concern for the government, the development of hospitality takes prominent possession of flourishing the urban tourism. The public sector plays a role in multifaceted urban development. Button (1998) pointed that a large number of the goods and services available within urban areas are supplied by the local authority rather than by private firms. Similarly, a considerable proportion of investment, especially in infrastructure of transportation, within cities is carried out by the local public sector.

As public sector involves much in tourism and hospitality development, Bitner (1992) agreed with that physical environments, also termed servicescapes, play an important role, both positive and negative, in customers' impression formation. When consumers walk into a servicescape, there are numerous environmental cues that they sense and visualize, and unconsciously, consumers are in fact gathering and retrieving all the cues together to create a mental picture in their minds. Many researches in marketing draw from environmental psychology theories to examine the physical environment's impact on customers. In order to analyze the impact of design elements in servicescapes, we must understand the possible ways in which people perceive their surroundings (Baraban & Durocher, 2001). Store environment has become one of the increasingly prominent elements that affect hospitality positioning.

The issue of servicescapes or store environment has brought the frequent discussion of consumer satisfaction as being an important, evaluative phenomenon. The customer satisfaction has been defined as a customer's overall evaluation of performance for a current offering (Gustafsson, et al, 2005). Hayes (1997) stated that the knowledge on customers' expectations and requirements is essential for two reasons: it provides understanding of how the customer defines the quality of service, and facilitates the development or construction of the servicescapes. It is also believed that the application of consumer's satisfaction, such as its relationship with behavior, is important for one to completely comprehend the phenomenon.

So far, there are few findings known what environmental measures urban planning could adopt to be beneficial to hospitality. How the public sector involves in the formation of the shopping environment as a hospitality attraction in Xinyi Planned District, Taipei? Does the public supplied hospitality environment qualified to consumer's satisfaction or influenced the consumer behavior? These questions lead to further study of the role of public-sector in tourism supply, the environmental conditions for hospitality and surveying 493 consumers about satisfaction and behavior.

## LITERATURE REVIEW

The public sector involves government at a variety of geographical scales and may become involved in tourism for various economic, political, social and environmental reasons (Hall & Jenkins, 1998). The International Union of Tourism Organizations (IUOTO, 1974), in its discussion of the role of the state in tourism, identified five areas of public-sector involvement in tourism: co-ordination, planning, legislation, regulation and entrepreneur stimulation. While a number of public-sector actions affect urban form, four are particularly important: transportation, public utilities, urban services, and direct control over land use. Generally, almost all categories of public investment will shape the city land-use pattern and every parcel of land within the city (Richardson, 1977). The public provision of infrastructure, particularly transport network, is regarded as crucial to the development of tourist destination (Page, 2003). From land use regulation to transportation route upgrades, opportunities to mobilize local assets into viable economic contributors depend upon a supporting policy and investment climate (Markey et al., 2008).

The well-planned environment offered by public sector could influence consumers' decision, as well as guide consumers' inferences about merchandise, service quality and enjoyment at the stores. Seiders, et al. (2005) pointed that store environment can affect shoppers' behaviors through responses of emotion, cognition, and physiological state, without the shopper necessarily being conscious of such influences. Some researchers have demonstrated that individuals' behaviors were a result of their interaction with their environment (Schiffman, 2001). Individuals generally receive a variety of stimuli from servicescapes, organize them cognitively into groups, and form images as a whole (Lin, 2004).

A review of the literature and the empirical evidence indicated that rising customer's power gradually replaces business operators to dominate market orientation. The customer satisfaction has been defined as a customer's overall evaluation of performance for a current offering (Gustafsson, et al., 2005). Consequently, studying the satisfaction of consumers may help researcher to understand more about consumers' demand, thus resulting in greater profits. As the concept of consumer satisfaction occupies a central position in consumer behavior, it is important to emphasize the relationship between consumer satisfaction and their behavior. Marketers generally conceive of consumer's perception, especially satisfaction, as having a very close influence on consumers' behaviors. Homburg, et al. (2006) pointed that satisfaction may not be based on a single event, but can be the result of a series of purchase encounters. Clearly, the importance of satisfaction as a construct of central interest to marketers is well established.

## METHODOLOGY

Firstly, the qualitative research analyzed the context of Xinyi Planned District to indicate the environmental characteristic being advantageous to the consumers' demand. Secondly, the quantitative research conducted a survey to collect consumers' satisfaction. This questionnaire was made up of three sections. The first two parts were designed for the consumers' personal backgrounds and the behavior in this district compared to other business area. A total of 12 items in the third part crafted measure the consumer's satisfaction with the environmental settings in the Xinyi Planned District influenced by urban planning. All measurements were measured with 6-point, Likert-type scales (1=strongly dissatisfaction, 6=strong satisfaction).

Data collection took place during April, 2009. A random sampling survey was used to collect the data in the study, and a total of 493 responses were deemed useful. Among the respondents, 212(43.0%) males and 281(57.0%) females; 380(77.1%) are single; 323(65.5%) are over 26 age category. A majority of the respondents (77.5%) has a university or higher degree; approximately 24.9% of them are in service careers and 43.8% their average monthly income are USD 1,000~1,666.

## DISCOURSE ON THE XINYI PLANNED DISTRICT

The Xinyi Planned District, around 1.53 km<sup>2</sup>, is located at the eastern part of Taipei city. Dating back to 1977, the Xinyi Planned District was originally conceived as a residential and local commercial center. But the tremendous change in 1995, the project of the financial center for Asian-Pacific area, titled 'Taipei's Manhattan', exuberated (Chen, et al., 2001) and now a hospitality-oriented area had vastly worked upon the servicescapes. There were over 20 individual rules and unique land use regulations in the Xinyi Planned District. The three ones most influenced the landscape are following:

### *1. The regulation and intensity for modern business land use:*

In order to cooperate with the objective from "local center" to "international financial center", the land use changed its initial purpose from mixed residential and commercial to business solely. The central contents of

business are including branches of financial institutions, recreational facilities and tourism and hotels; meanwhile, the public sector modified legal coverage rate and plot ratio as well, creating broad ground environment; moreover, considerable public space for park and art auditorium was preserved in urban plan (Taipei City Government, 2001). In fact, new hotels, restaurants, movie theaters, art centers and trade exhibition rooms have emerged after 1997.

### 2. *The negotiation for the height control of buildings:*

Government issued some modification of building construction in this district. The world's tallest building (508M) in 2004, Taipei 101, was the first change to establish the city landmark by high buildings, hoping to create plentiful city landscape. Until now, not only for creating business use, but also for touristic, Taipei 101 is an important attraction in Taipei city.

### 3. *The space restraint for the urban functions:*

Referring to the perspective of functionalist urban planning, buildings in Xinyi Planned District would have considerable amounts of sunshine, air flow, and outdoor space (Chen, et al., 2001). The planning was to be laid out in a grid system of interleaved roads and pedestrian paths. Roads were flanked by sidewalks, so that commercial buildings faced roads on one side and pedestrian paths on the other (Lin, et al., 2006). The space between buildings was restricted by big gap. The base of the walls cannot be higher than 45 centimeters; furthermore, commercial items, advertisement flags, and signboards are not allowed to set on the building (Taipei City Government, 2001).

In addition to the land use, this area has served by the [MRT](#) station since 1999, which provide convenience accessibility from eastern to western part of Taipei. The bus lines are also plentiful from all parts of Taipei, therefore, here was set up a new transferring terminal by the public sector in 2010. Besides, there is also a large amount of arterials and freeways to the area. In order to examine the outcome of Xinyi District planning, we tried to extract the specific characteristic to the consumers from the content of special zone regulation, city landscape design, and public transportation. As a result, the characteristic would include the four dimensions: multi-purpose space, pleasant modern landscape, pedestrian and vehicle separation, and well-accessibility for the consumer satisfaction test.

## **ANALYSIS ON CONSUMERS' SATISFACTION IN XINYI PLANNED DISTRICT**

In this study, confirmatory factor analysis (CFA) was employed to analyze the consumers' satisfaction after assessing fit for the full measurement model by maximum likelihood estimation. According to the rules of thumb provided by Kline (2005) and Arbuckle (2007), the measurement model was deemed to have a fair fit to the data and could be accepted. The relative chi-square ( $\chi^2/df=4.23$ ) demonstrated a reasonable fit to the 493 sampling data. The RMSEA value of 0.08 also indicated a reasonable fit. The values for the CFI (.96) and GFI (.94) represented good to fair model fit. The results of the confirmatory factor analysis are shown in Table 1, along with descriptive statistics for the scales and individual items. For this measurement model, the standardized parameter coefficients (Loadings) were significant for all latent constructs on their respective indicators ( $t > 1.96$ ). All latent constructs showed the high internal consistency ( $\alpha > 0.70$ ).

The descriptive statistics revealed that all the levels of the perception were over the average ( $M=3.5$ ). It implied a quite satisfaction to the urban planning was happened to the consumers. Among the four dimensions, well-accessibility ( $M=4.90$ ) was perceived at the first place because of the convenient MRT and bus systems. The following one of the pleasant modern landscape ( $M=4.68$ ) meant the consumers were well conscious of the urban design controls above. In additions, the survey of the three shopping areas visited with high frequency (multiple choices) to the respondents produced that Xinyi Planned District (19.8%) was more popular than Zhongxiao Area (current CBD, 19.5%) and Ximen Area (decayed CBD, 14.9%) with the accumulative values.

For the one-way ANOVAs, the independent variables were age, educational degree, occupation, monthly income, and visited frequency, and the dependent variable was the perception or satisfaction of four dimensions. One of the important results performed that age and occupation were found to have significant effect on the dimension of multi-purpose space and pedestrian and vehicle separation respectively. The post hoc tests of multiple comparisons indicated the respondents over 46 years old well perceived the place of multiple functions than the people of 25~35 years old ( $p=.068$ ), and the Hi-TECH respondents were more satisfactory with the walking environment than the ones of free-lancers ( $p=.023$ ). The other important results showed the visited frequency had a level of significance on the dimensions of pleasant modern landscape and well-accessibility. A post hoc test found the respondents over or once a week visit highly satisfied with these two dimensions than the ones of once or twice a year visit ( $p=.026$ ,  $p=.042$ ).

Table 1  
Measurement of Confirmatory Factor Analysis for Four Dimensions by 12 Items

Component	M	SD	Loadings	t	$\alpha$
<b><i>Multi-Purpose Space</i></b>	<b>4.08</b>				<b>0.78</b>
I like the diversity of merchandises.	4.10	1.129	0.69	15.32	
I like the leasing-bike service.	4.17	1.131	0.73	16.46	
I like the plentiful exhibitions.	3.98	1.160	0.76	17.19	
<b><i>Pleasant Modern Landscape</i></b>	<b>4.68</b>				<b>0.70</b>
I like the no irregular signboards.	4.57	1.075	0.57	12.62	
I like the stores with big area.	4.82	0.886	0.71	16.34	
I like the sufficient public open space.	4.66	0.931	0.69	15.85	
<b><i>Pedestrian and Vehicle Separation</i></b>	<b>4.62</b>				<b>0.79</b>
I like the wide sidewalks.	4.90	0.827	0.71	13.53	
I like the pedestrian and vehicle separated.	4.66	0.911	0.81	19.84	
I like the green land planned.	4.30	1.022	0.72	16.54	
<b><i>Well-Accessibility</i></b>	<b>4.90</b>				<b>0.81</b>
I like the direct MRT accessibility.	5.13	0.912	0.80	19.67	
I like the direct bus lines.	4.91	0.978	0.86	21.49	
I like the convenience of driving routes.	4.67	1.155	0.63	14.50	

## CONCLUSIONS

The research demonstrated the close relationship between the hospitality-friendly setting and the good consumers' satisfaction in Xinyi Planned District. Well-Accessibility plays the most impressive role for the respondents, corresponding to the literature review of Page (2003). The higher frequent visitors could enjoy the more positive satisfaction with the transportation and servicescapes, the same as the idea of Homburg, et al. (2006). Finally, the highest visit of Xinyi District among the 10 shopping areas in Taipei city illustrates the planning by the public sector strongly meeting the consumers' demand.

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# COLLABORATIVE DESTINATION MANAGEMENT PLANNING: A CASE STUDY OF BYRON BAY, AUSTRALIA

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## ABSTRACT

The effectiveness of tourism planning is likely to be reduced without a comprehensive consultation process. However, a comprehensive consultation process may not necessarily ensure effective outcomes if substantial differences exist between stakeholders. This paper presents a case study of the tourism planning process undertaken for the Byron Shire, Australia. Despite an intensive and innovative consultation process the plan failed to gain the acceptance from stakeholders. There was a high degree of consistency in terms of community values and aspirations amongst stakeholders however there were substantial differences on how to operationalise them. The analysis indicated that a 'dangerous' stakeholder had a significant impact on the process.

**Key Words:** Tourism planning and management; destination planning; community consultation; Citizen's Jury.

## INTRODUCTION

Tourism has the potential to provide destinations with a number of benefits, nevertheless, the sector can also have substantial negative outcomes for the local community unless it is managed effectively (Gunn & Var, 2002). However, effective tourism destination planning is an inherently complex and multi-dimensional process that can be difficult to implement (Ruhanen, 2009). One feature acknowledged for successful destination management planning is a high level of community engagement through consultation (see Tosun & Timothy, 2003). Community engagement is required because destinations need to ensure the local community supports the industry and this support is likely to increase with greater engagement and consultation (Murphy & Murphy, 2004). Nevertheless, community engagement may not necessarily achieve a 'consensus' about what constitutes a sustainable local industry.

This paper provides an overview of the stakeholder and community consultation process undertaken in developing a tourism management plan for the Byron Shire, in Northern New South Wales, Australia. Byron Bay, located in the Byron Shire, is an internationally recognised tourism destination that has suffered from unplanned growth during the 1980s, 1990s and early-2000s. As a consequence a number of local residents have adopted a very negative view toward the local tourism industry. In 2007, the local council decided that it would invest in the development of a tourism plan that incorporated comprehensive community engagement. An examination and evaluation of this process is instructive since it appears that a thorough consultation process can still result in a pluralistic view toward tourism in a community.

## COMMUNITY AND STAKEHOLDER CONSULTATION IN TOURISM PLANNING

Planning for tourism is very important in order to increase the social, economic, and environmental benefits of tourism development (Dredge & Jenkins, 2007; Murphy & Murphy, 2004). However if not properly planned and managed, tourism also has the potential to have negative impacts, especially upon host destinations. Poorly planned tourism and its negative impacts will create divisions amongst the host community and some community members may adopt a hostile attitude towards the industry and tourists (Keogh, 1990). These divisions and possible negative attitudes can have very deleterious effects for the local industry since many tourists visit destinations to experience its 'people' and 'culture' (Leiper, 2004). Therefore, to ensure a successful destination it is very important for the entire community to value and accept tourism and tourists. Community acceptance of tourism is considered an important element that underpins sustainable tourism development. Sustainability requires "cooperative alliances between public- and private-sector stakeholders in order to effectively address development impacts" (Jamal & Getz, 1999, p.29). One way to achieve cooperation is through community consultation. Community consultation is essentially a form of collaboration where individuals and groups (stakeholders) work together in a joint effort to attempt to reach a consensus on a particular issue, in this case, tourism management and planning. Collaboration is often seen as a way of solving

problems and reducing uncertainty (Hardy & Phillips, 1998) as well as redistributing power from local authorities to the community (Tosun, 2000). Community consultation has been acknowledged as a key element in the destination development and planning process (see Tosun & Timothy, 2003). Tosun and Timothy (2003) also assert that community participation not only contributes to sustainable tourism development but results in increased tourist satisfaction; a fair distribution of costs and benefits among community members; satisfying locally identified needs; and strengthens the democratisation process in tourist destinations. Dynamic and collaborative planning processes involving community consultation are “especially crucial in those destination communities that are experiencing strong growth and change due to tourism” (Jamal & Getz, 1995, p. 195).

A benefit of community consultation is the establishment of an accepted vision that should reduce the potential for conflict. ‘Visioning’, where stakeholder groups determine a long term mission and objectives, greatly improves the collaboration process (Sautter and Leisen, 1999), and is considered to be very important to effective tourism destination management and planning (Getz & Jamal, 1994).

An important component of community consultation is the process of identifying stakeholders and ascertaining “who and what really counts” (Mitchell, Agle, & Wood, 1997). The characteristics of the range of stakeholders and the inevitable multiple layers and dynamics at play within the consultation process can result in tensions which appear to be a seemingly inescapable aspect of collaboration in practice (Huxham & Vangen, 2005). The degree to which tensions can upset the consultation process will, to a large extent, be determined by the characteristics of the participants on the process.

Mitchell et al. (1997), in their assessment of the characteristics of stakeholder or typologies, suggest three characteristics - power, legitimacy and urgency – will determine the influence of stakeholders. The type of stakeholder will depend on the interactions between the three characteristics of influence. ‘Legitimacy’ is a perception that actions of an entity, such as an individual or organisation, are desirable, proper, or appropriate. Legitimacy is an important attribute of stakeholders as the community needs to be reassured that stakeholders are capable of representing their interests (see Jamal & Getz, 1995). The final characteristic of influence is ‘urgency’, which is “...the degree to which stakeholder claims call for immediate attention” (Mitchell et al., 1997, p. 867).

Stakeholders can be differentiated by their levels of power, legitimacy, and urgency; ranging from non-stakeholders (who possess none of the three attributes of power, legitimacy or urgency), latent stakeholders (who possess one of the attributes), expectant stakeholders (who possess two of the attributes) through to definitive stakeholders (who possess all three attributes of power, legitimacy and urgency). It is highly likely that in any stakeholder consultation situation with multiple stakeholders involved, there will be different typologies of stakeholder present. These different types of stakeholders will have different influences on the outcomes from the consultation. For example, the typology most likely to ‘derail’ or ‘hijack’ community consultation process would be the ‘dangerous’ stakeholder – one who has the attributes of power and urgency, but without legitimacy.

Despite the advocates of community consultation a number of authors have raised doubts about the ability of community participation to effectively contribute to tourism planning. For example, Taylor (1995) argues that ‘communitarianism’, while ethical, is perhaps highly romanticised and unrealistic. Tosun (2000) adds that authentic participation “seldom occurs” and that conflicted vested interests need to be overcome. The inequality of power between stakeholders is endemic in tourism settings. In addition, Huxham and Vangham (2005) argue that participatory democracy is about not just the right to participate but also about the capacity to do so. If capacity is limited then so too will be the outcomes. Limited capacity may emerge from limited stakeholder understanding of tourism, which then becomes a factor in the effectiveness of consultation (see Byrd, et al., 2008; Timur & Getz, 2008, p. 202). Another issue around community consultation is making sure that all the relevant stakeholders are identified (Bahaire & Elliot-White, 1999). Ruhanen (2009) also notes the inefficiency of a prolonged and fragmented planning process.

## **THE BYRON SHIRE CONSULTATION PROCESS**

This paper reports on a single case study examining the comprehensive stakeholder engagement and consultation process utilised to develop a tourism management plan for the Byron Shire (see Australian Regional Tourism Research Centre, 2008). Byron Shire is an excellent case study for a number of reasons. Byron Bay is an established and important domestic and international tourism destination that experiences a number of negative externalities associated with tourism. In addition, there was concern that visitation to the Shire had stagnated since 2002, raising concerns about the economic sustainability of the industry. Finally, the number of local people who were directly or indirectly linked to tourism industries and the diversity in their views about the industry made the planning process an interesting exercise. A history of fragmented and independent

planning decisions at a local level by different tourism organisations has given rise to power struggles over resources.

The problematic nature of tourism in the Shire and the high level of community interest resulted in Council wanting comprehensive stakeholder and community engagement and consultation. The Council not only wanted to use the planning process to discover community perceptions but also as an educative opportunity. Council believed an interactive and participatory approach would enable the community to develop a consensus on the way forward for tourism in the Shire. Planning began in April 2007 with the establishment of the *Tourism Steering Planning Committee* to oversee the process. The *Committee* included the Mayor, two other councillors, the Council Planning Director and the Community Economic Development Officer as well as the consultants. The *Steering Committee* then identified 170 relevant stakeholder and community groups. It also decided, given the level of concern about tourism and the polemic views of it that existed amongst stakeholders and to encourage a greater level of active participation, to hold a series of workshops rather than one workshop. Eight workshops were held for the following stakeholder groups: Tourism organisations and key tourism operations; Other business organisations; Byron Shire Council (Council and relevant Committees); Environmental groups; Arts and Cultural groups; Events and Festivals; State Government Departments; and Community and Indigenous groups. All 170 organisations and groups were invited to participate in the workshops held in June 2007 and over 63 organisations accepted the invitation. The first stage of the workshops involved individuals recording what they considered to be the important values that should underpin the development of the vision statement that would guide the development, management and marketing for Byron Shire tourism industries over the next ten years. In addition participants were asked to develop a vision statement from these values as well as identify the important issues that needed to be considered in the development of the Plan. After individuals had completed these tasks they were asked to form groups of four or five people to consider the same three areas and determine a group response which was then recorded. The final step involved an open group discussion where a vision was developed for the whole stakeholder group and the five most important values and issues were also determined. The visions and issues from the previous stakeholder meetings were also shared as a conclusion to the event.

In order to keep the various stakeholder groups informed of the decisions made by the *Steering Planning Committee* and to provide a mechanism for on-going input and communication from interested stakeholder organisations throughout the planning process each stakeholder workshop was asked to nominate a spokesperson who would become a member of a *Tourism Advisory Panel*. The *Tourism Advisory Panel* was considered an important tool in maintaining the engagement of all stakeholder groups. The importance of the spokesperson position was stressed to those selected and it was made clear that their role was to be a conduit between the Steering Committee and the stakeholder groups they were representing. The workshops participants demonstrated a high level of enthusiasm and interest in contributing to the development of the strategic tourism plan. The workshops also provided a forum whereby stakeholder organisations were made aware of the issues experience by various stakeholder organisations thereby creating an educative forum for information exchange.

In addition to the workshops a *Citizen's Jury* was established to ensure local residents, not directly involved in tourism or the other stakeholder groups, could participate constructively in planning process. The *Citizen's Jury* was selected so as to represent, as closely as possible, the demographics of the Shire. Residents from the Byron Shire community were randomly selected from the local phone book and invited to participate, according to their demographics, in the *Jury*. The *Citizens' Jury*, comprising 14 residents, was facilitated over two and half days in November 2007.

The *Jury* began with members being provided with information presented by a range of experts engaged in tourism including two academics (including one of the consultants) who spoke about the impacts of tourism and the concept of sustainable tourism. The Council's Economic Development and Community Officer presented the *Jury* with information about Council's role in tourism for the Shire. Local tourism practitioners discussed aspects of tourism and two stakeholder group representatives provided environmental and arts perspectives. The *Jury* were also presented with an overview of the issues raised by the stakeholder forums conducted in September. The *Jury* were then asked to deliberate this information and develop a vision for the future direction of tourism for Byron Shire and the issues they considered important from a community perspective. The outcome was a presentation to the executive of the Steering Committee.

Another initiative aimed at encouraging engagement with the planning process as well as providing a source of information was the establishment of a *Byron Shire Tourism Management Plan Website*. The public were informed about this opportunity through media articles and the Byron Shire Council Notices that appeared in the two local newspapers from September to December 2007. Twenty people contributed to the site. A *Regional Expert Panel*, comprising six experts with considerable knowledge and expertise in tourism planning and regional tourism, was established to provide advice on the development of the Plan.

The feedback from the stakeholder workshops and *Citizen's Jury* was used to develop the draft report which presented ten core values, a vision statement and 28 issues to be considered in the development of the *Byron Shire Tourism Management Plan*. The draft report was reviewed by the *Steering Committee* and the *Tourism Advisory Panel*. *The Citizen's Jury* and all other stakeholders were invited to comment on the draft.

## **BACKGROUND ON BYRON SHIRE AND TOURISM DEVELOPMENT**

Byron Shire is a local government area that includes a number of towns including Byron Bay, a major tourist destination in Australia. The economy of Byron Shire is dominated by tourism which provides 55 per cent of its \$1.37 billion gross business revenue (Byron Shire Council, 2008). In the year ending December 2007, Byron Shire received 1.1 million visitors (day visitors, international and domestic) as well as 1,927,000 domestic visitor nights and 1,225,000 international visitor nights. International Visitor Survey (IVS) data indicates a preference for backpacker accommodation (55% in 2007), whereas domestic visitors (as identified in the National Visitor Survey) utilised hotel/motel/resort/motor inn accommodation (26%) and friends or relatives property (25%) (Australian Regional Tourism Research Centre, 2008).

Tourism in the Shire until the 1970s was mainly restricted to day-trippers or 'excursionist' market from near-by Lismore and surrounding areas. In the 1970s the region began to change with the arrival of people who introduced an alternative culture based around a surf lifestyle. The 1970s also saw the development of the first motels in addition to the caravan and camping grounds. Tourism in the Shire, particularly around Byron Bay, continued to increase rapidly. The rapid growth in tourism numbers was accompanied by substantial construction development of backpacker hostels, up-market accommodation, bed and breakfast establishments as well as entertainment venues and night clubs. Due to this rapid increase there was considerably antipathy toward tourism amongst the community. However, despite this antipathy the industry continued to grow without much attempt for its planning. In 1988, Council commenced a process of collaboration with the then NSW Tourism Commission to develop a tourism strategy. A marketing manager was employed to implement the strategy however due to a change in Council in 1990 the position was rescinded and the strategy shelved (Wray, 2009).

The rapid increase in visitation and corresponding development resulted in an infrastructure crisis in the 2000s. The lack of capacity in the sewage treatment works to cope with the increased visitors, the perceived inappropriateness of some developments as well as parking problems and traffic congestion led to much debate in the community and Council about the direction of tourism development and the need for improved tourism planning in Byron Bay. Articles appeared in the Sydney newspapers advising tourists that Byron's "love affair with tourists" was over (see Kennedy, 2002). Due to the extent of division in the community regarding tourism development the Byron Shire Council identified the need for a Tourism Management Plan. The plan was needed to ensure the "sustainable development, management and marketing of tourism for Byron Shire" over the ten year life of the plan (Australian Regional Tourism Research Centre, 2008, p. i). In addition, given the high level of resistance to tourism and its development in the Shire amongst segments of the community, the Council was very keen to have a high level of engagement with the community and stakeholders.

## **OBSERVATIONS OF THE CONSULTATION PROCESS AND ITS OUTCOMES**

In general the *Draft Tourism Plan* received support from a wide ranging cross section of the community as well as business. The tourism industry and Byron United, the local Chamber of Commerce, welcomed the plan and believed it would enable Council and industry to work together constructively. There had been considerable long-term tensions existing between Council and the business sector. However, despite widespread support and the extensive nature of the consultation process adopted for the development of the plan there were a number of factors that impacted on the effectiveness of the process and therefore the outcomes. One factor that became clear during the workshops and the Jury process was that most people, even those closely involved in the industry, did not have a good understanding of the issues surrounding the development of tourism in the Shire and were often informed by prejudice rather than facts. A lack of understanding of the issues can limit the capacity of stakeholders to effectively participate in the consultation process (see Byrd et al., 2008; Huxham & Vangen, 2005). The differences in Byron stakeholder attitudes and opinions on operationalising the community's values and aspirations, described below, probably reflected differences in stakeholder understanding of sustainable tourism. It appeared that criticisms about the consultation process and the outcomes from the plan were also due, in large part, to misinformation or a lack of understanding. A lack of knowledge and understanding were also indicated by some of the issues raised by some participants in the consultation process. For example, a number of participants blamed the tourism industry for the high prices of housing in the Shire. These participants seemed to have difficulty understanding that the rapidly increasing resident population was also responsible for increasing house prices.

It has been noted that community consultation resulting in the identification of consistent underpinning values and the encouragement of an accepted vision should reduce the potential for conflict (Getz & Jamal, 1994; Sautter & Leisen, 1999). The stakeholder workshops and the *Citizen's Jury* did reveal that, despite the apparent divisive nature of tourism, there was a high degree of consistency amongst the different stakeholders in terms of community values and aspirations for the industry. There was a recognised need for a sustainable industry and the values associated with the concept. However this did not reduce the potential for conflict since there were substantially different views amongst stakeholder about the strategies required to achieve a sustainable industry.

A major problem with the consultation process was the failure of some of the representatives on the *Tourism Advisory Panel* to effectively feed-back to other relevant stakeholders. In the case where the representative did provide effective feedback it became clear the process worked very well. However, it was apparent that some of the representatives did not communicate effectively with the groups they were supposed to represent. This caused some problems for the planning process since some stakeholders complained that they had not been kept informed about the decision making process. This raises questions about the 'legitimacy' of some of the representatives. As previously mentioned, legitimacy is an important attribute of stakeholders as the community needs to be reassured that stakeholders are capable of representing their interests (see Jamal & Getz, 1995). With the attributes of power (which they arguably had in their role as representative on the Tourism Advisory Panel) and urgency but without legitimacy these representative stakeholders could be classified as 'dangerous'; with the attribute of power alone, they could be classified as 'dormant' – both of which do not contribute positively to the consultation process. Additionally it is worth noting that it is very difficult to ensure that the representatives carried out their duties.

It appeared that the consultation process raised some unrealistic expectations because it seemed some participants felt that participation would automatically ensure that all their issues would be addressed. This was the case even when, as discussed above, the issues raised were not directly related to the management of tourism in the Shire. Unrealistic expectations also came from Shire staff as well. For example, one Shire representative wanted the plan to identify guidelines for land use planning in terms of tourism development – a task clearly outside the scope of the plan. As noted by Timur and Getz (2008, p. 202), all concerns may be identified in the consultation process "however not all concerns can be addressed in the way the stakeholders wish".

It is almost inevitable that the dynamics at play within the consultation process will result in tensions (see Huxham & Vangen, 2005). Some of this tension arises due to conflicted vested interests and the inequality of power between stakeholders. It has been recognised that unequal power relationships can block collaboration (Hardy & Phillips, 1998). These features can prevent authentic participation from occurring. Ruhanen (2009) suggests that participation will always be a product of the power and value orientations of the dominant political groups. Okazaki (2008, p. 515) suggests that stakeholders in competition can have incompatible goals or 'engage in duplicate missions' where only one stakeholder can win. This appeared to be the situation with the Byron Plan. Effective consultation and the establishment of a consensus require participants to approach the process with a degree of good will and a willingness to display some level of compromise. If stakeholders appear to be inflexible conflict will inevitably arise. Conflict is often seen as an element of community consultation that causes a breakdown in the process. However some authors argue that this is not necessarily the case and that conflict enables an honest exchange of opinions between stakeholders (Hardy & Phillips, 1998).

Unfortunately in the Byron Shire, frustration at the way the process progressed resulted in some important stakeholders walking away from the process. In the Byron Shire there was an established and complicated system of power dynamics. A simplified vision of this dynamic could be summarised as the environmental movement against the business community – the conservation/growth dilemma. The Environmental stakeholder representative on the *Tourism Advisory Panel* was a powerful and charismatic person, who was able to garner a substantial level of support in the local community. As part of the consultation process he had raised concerns and issues with the *Draft Plan* and all his issues, except one, were addressed. The one concern that was not addressed was the composition of the proposed *Tourism Advisory Committee*. It was decided that the composition of the *Tourism Advisory Committee* should be addressed once the plan had been implemented. The *Draft Plan* proposed that the *Tourism Advisory Committee*, a skills-based Committee which represents government, industry, community and environmental stakeholders be established to oversee the management and development of the industry in the Shire. The Environmental representative wanted the Committee to be a community-based one. His request and other comments seemed to indicate that he did not appreciate the role the Committee was to play. The Shire's *Tourism Planning Steering Committee*, including the Mayor, was satisfied with the responses to the Environmental representative's comments. The *Draft Plan*, after acceptance by the *Tourism Planning Steering Committee* was to be tabled at the next Council meeting. However, in May 2008, it was announced that the tabling of the draft plan would be delayed due to criticism over some environmental aspects. In fact there was a very length delay in the plan being tabled at Council. This delay resulted in a substantial degree of frustration amongst some stakeholders who felt the process had been somewhat derailed.

As a consequence Byron United withdrew from the process and appointed its own tourism officer. There was significant resentment toward Council.

There had been a lack of trust between the Mayor and Byron United. The Mayor was a member of the Greens Party and there was a view that she was anti-business and anti-tourism. This view existed despite the fact that the Mayor had recently been seen to be an advocate for the tourism industry after appearing critical of the industry for some years. Byron United believed that the Mayor was compromised in the planning process due to her political affiliation, especially since at the time of the plan's release there was a council election due. The election meant that a number of new councillors were elected and these people had no substantial involvement in the development of the plan. The business sector appeared to feel that the consultation process had been manipulated by a strong stakeholder, who could be classified as 'Dangerous Stakeholder' in Mitchell et al.'s (1997) model. While this person appeared, at first glance, to have had legitimacy it may have been that he was presenting his own view not the view of the stakeholder groups he was supposed to be representing. The other event that resulted in delaying the tabling of the plan was the resignation of the Shire's Community Economic Development Officer shortly after completion of the draft. This person had been a very strong advocate of the consultation process and had become somewhat frustrated at the delay in the process.

## CONCLUSIONS

Community consultation was not as successful as imagined in the Byron Shire situation for a number of reasons. The limited knowledge of the stakeholders restricted their capacity to effectively participate in the consultation process and in some cases impacted upon the legitimacy of some of their claims (such as tourism development being held solely responsible for house price). The diversity of the community within the Shire made it very difficult to reach agreement on strategies for the plan despite a consensus on vision and objectives for the industry. It was also very difficult to overcome long held and conflicted interests and the level of distrust amongst some groups. This problem was exacerbated by a 'dangerous stakeholders'. This case study represents an exemplar of the inefficiency of a prolonged and fragmented planning process which has been previously noted by some (see Ruhanen, 2009) despite the consistent underpinning values held by all participants in the process.

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# GETTING TO KNOW THE KNOWLEDGE INFRASTRUCTURE TO ELICIT TOURISM DESTINATION STAKEHOLDERS' RELATIONAL ENGAGEMENT: A SOCIAL CAPITAL PERSPECTIVE

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## ABSTRACT

An urgent issue destinations face is how to balance economic, environmental and socio-cultural assets needed for tourism production achieving sustainable tourism development. This paper examines how decentralization, asymmetric information and ramifications in the knowledge-based society turn destinations into interdependent networks of information brokers, who need a wider understanding of issues and processes with special reference to the knowledge infrastructure and 'fuzzy boundaries'. It draws on embedded governance and social capital theory to assess whether a platform contributes to engaging stakeholders for adding pieces to the knowledge puzzle, thereby bridging complex relations in the case of Central European rural villages.

**Key Words:** embedded governance, social capital, knowledge platform, stakeholder engagement, sustainable tourism

## INTRODUCTION

The knowledge-based society has created a new tourism destination context characterized by 'fuzzy boundaries, a diverse community of stakeholders on local, regional, national and international level and multiple layers of rule-making institutions' (Hess & Ostrom, 2001). Decentralization and asymmetric information press destinations to become interdependent networks of information brokers. Through the creation of coalitions of stakeholders, destinations can develop, faster than buying direct control (Ruigrok & Tulder, 1995), capabilities and competences needed to address successfully the emerging tourism scenarios (Dwyer et al., 2009). How to balance economic, environmental and socio-cultural assets involved in the tourism production (Inskeep, 1991; Swarbrooke, 1999), so as to achieve sustainable tourism development, is arguably the most urgent issue that destinations face. It implies that destinations should put a limit on the exploitation of natural resources and cultural heritage. Also, integrate this limit within a destination strategy so as to ensure their attractiveness and distinctiveness in the long run.

A collaborative approach including a variety of private-public stakeholders have proven effective to set a destination's sustainable tourism development strategy (Laws, 1995). However, there are significant barriers to be bridged to develop a co-operative model of destination development as stakeholders have different backgrounds, agendas, aims, roles, competences and power (Keller, 1998; Bieger, 2005). Such fragmentation – also known as the tunnel vision paradox – typically results in 'inside-in' centered decision making and may frustrate the inclusion of 'outside-in' destination decision making processes.

Strictly connected to stakeholders' fragmentation, it is the lack of a solid knowledge infrastructure and of local stakeholders' engagement. On the one hand, the focus on 'inside-in' renders learning from the 'outside-in' difficult thereby raising the learning curve and shrinking the barriers to rivals. Stakeholders encounter barriers to bridge the cross-cultural gaps (Go, Lee & Russo, 2003) for new skills absorption both within and outside their usual habitat. At the destination level, the incapability to reconcile external innovation whilst preserving place identity is a characteristic that can be commonly observed. Typically, it frustrates the development of networks of community embedded change agents and raises the issue how destinations can establish the critical mass they need for effective decision making aimed at sustainable tourism development.

Ultimately, a platform structure can play a primary role to overcome the obstacles destinations encounter to coordinate fragmented and diffuse knowledge possessed by stakeholders. Such knowledge is 'sticky' and hard to share and integrate, because it is highly tacit and context-specific. That is to say, every embedded type of

tourism development context is unique in terms of its environmental, social and cultural properties. A platform structure can help to bridge epistemic differences or the stakeholders' knowledge based on different assumptions, values and aims. In summary, the aforementioned knowledge-related factors adversely affect intercommunity knowledge transfer processes required to develop a local culture of partnership, formulate a shared strategy, coordinate relationships and control divergent processes, promote innovation, manage change and prepare proper marketing tools to respond to tourism market challenges.

This paper focuses on the role of embedded governance to lever social capital creating a knowledge platform to facilitate stakeholders' engagement in destination strategy making. The article is organized as follows. The second section focuses on the paradigmatic shift towards Coexistence Strategy design based on social-sciences (Go & Trunfio, 2010) to overcome destinations' barriers in knowledge-based society. This approach justifies the application of an embedded governance model to leverage the structural, relational and cognitive dimension of social capital (Inkpen & Tsang, 2005) in developing a critical mass among Triple Helix platform stakeholders (Leyttendorff, 2005) comprised of political actors, business, education- and community leaders. The third section applies this tool to rural marginal areas of central European countries (Italy, Austria, Germany, the Czech Republic, Poland and Slovenia) and investigates how embedded a governance model might reconcile the social capital dimensions in a knowledge platform structure (Go & Trunfio, 2010) designed to engage stakeholders in the process of sustainable destination development. The last section offers some final reflections on results and provides some suggestions for future research.

## **ROLE OF EMBEDDED GOVERNANCE IN SOCIAL CAPITAL FORMATION**

The evolution of tourism strategy literature shows a shift in the centre of gravity from strategic planning toward the dynamic interpretation of strategy (Hall, 1998) and, subsequently, the importance of stakeholder approach (Freeman, 1984; Truly Sautter & Leisen, 1999). The strategic planning approach is a rational-scientific approach in contrast to systems planning and integrated development, which has been traditionally viewed as too diffused in kind regional hierarchic strategy formulation and implementation. Richards & Hall (2000), Caalders (2003) Kooiman (2003) recognize the top-down planning 'bankruptcy' in the complexity and globalized society. The re-invention of the role of system planning and integrated development has shifted the focus on partnerships designed to co-create 'strategy' which emphasizes that stakeholders play a significant role in governance- and tourism decision making processes.

Stakeholders' theory represents a common background. But few studies focus on the shift from stakeholders' management (passive role) to stakeholders' engagement (active role) in setting and implementing a sustainable destination strategy. A recent study (Stokes, 2008) identifies different frameworks of stakeholders' engagement in strategy formulation: the corporate and market-led framework, the community and destination-led framework, and the synergistic framework. Tompkins et al. (2008) applies the scenario-based stakeholders' engagement (SBSE) which uses stakeholders' preferences to identify appropriate engagement techniques. The Stokes' community and destination-led framework approach coincides with appropriate governance systems that can be used to explore wider groups of stakeholders and their preparedness to lend support to stakeholders' engaged strategy formulation.

Touristic governance approaches typically follow two strategic rationales: the destination management approach and the political-institutional hierarchic approach (Go & Trunfio, 2010). But, governance is a relative and contextual concept which "depends on the actors and groups involved in the network, their aspirations and value and the decisions they make about issues, such as accountability, transparency, participation, communication, knowledge-sharing, efficiency and equity" (Beaumont & Dredge, 2010, p. 7). In the knowledge-based era, governance is characterised by concepts such as 'interactivity' (Kooiman, 2008) and expression of pro-tempore dominant coalitions (Nigro & Trunfio, 2010) between the stakeholders that converge toward defining dynamic strategy making.

The embedded governance approach challenges the evolutionary process of complexity (cognitive, relational and cultural). In fact, proposes a third rationality which embeds the subject of governance in a hierarchic model (linear) whilst preserving the bottom-up democracy (non-linear) (Go & Trunfio, 2010). Consequently, embedded governance combines in a single platform structure, government, legislation, characteristics of local context, networks and stakeholders engagement. The platform structure serves as an information filter and a possible bridge for knowledge - and skills transfer between networks of public, private and individual stakeholders.

The matrix by Inkpen and Tsang (2005) comprises three social capital dimensions (structural, relational and cognitive) that represents a possible arena for investing in governance and subsequently developing a knowledge platform needed to overcome the dilemma of governance (Prahalad & Ramaswamy, 2004) through a Coexistence Strategy design (Go & Trunfio, 2010). The micro-foundation of Triple Helix model of Innovations

(Leyttendorff, 2005) based on the interfacing of universities, firms, countries, relations exchange (e.g. media of communication) and expected information value of the network arrangements, can support the knowledge transfer process. Also, facilitate stakeholders' engagement in the formulation and implementation of a sustainable destination strategy.

### **EUROPEAN PROJECT *LISTEN THE VOICE OF VILLAGES***

Inkpen & Tsang approach (2005) represents a conceptual framework that can be used to analyze the facilitating role of embedded governance to lever knowledge as a coordination mechanism under conditions of 'Coexistence Strategy' design (Go & Trunfio, 2010). The Inkpen & Tsang matrix, based on both dimensions of social capital (structural, cognitive and relational) and networks types (intra-corporate network, strategic alliance and industrial district), introduce different knowledge transfer typologies and the conditions which may facilitate such transfer.

The present study applies their matrix to the context of rural villages of central European countries (Northern Italy, Austria, Germany, the Czech Republic, Poland and Slovenia) which are part of the ongoing European Project *Listen the Voice of Villages* developed within the 2008 Central Europe Program ([www.listentothevoiceofvillages.org](http://www.listentothevoiceofvillages.org)). They are examples of emerging destinations with rural activities, traditional society structures and lifestyle. In accordance with this background, they can be assimilated in the Industrial District network type as shown in the Inkpen & Tsang approach (2005).

The diversification and the fragmentation characterize their economy in addition to the strong embedment with the sense of place. Strong specialization is absent and tourism is, neither yet, developed nor in the early stages of the destination's life cycle (Butler 1980). Despite the transition towards industry or service – of which tourism is a part – is in progress, traditional sectors still play an important role in the local economy (e.g. forestry, agriculture, zoo-technics, wood art and crafts). Local resources are distributed and managed by manifold stakeholders: small- or medium-size enterprises such as farms, animal husbandry farms or handicraft shops. Rural estates, local folklore, values and behaviors provide evidence that these traditions still exist and are part of the everyday.

The characteristics assumed by the three social capital dimensions reflect their society's economic development level. Analysis indicates that the structural dimension (network ties, configuration and stability) is rather weak; nonhierarchical and dense ties exist among the local community members. These result from interpersonal relationships developed through informal social networks within geographically circumscribed areas. However the stability of networks is exacerbated by the continuous exodus of host community members. So, at the economic development level there is ample room for improvement.

The cognitive dimension of social capital has, like the proverbial coin, two sides: shared goals and individual interests. The latter results from a heterogeneous and fragmented 'landscape' of local stakeholders whose interests, aims and competences differ and make attaining the former a very tall order. Cases that reflect the fragmented landscape scenario are in the embryonic stage of destination governance and have no destination management organizations (DMOs). In a shared culture scenario the positive effect of a strong sense of place is evident. It comprises a collective identity, shared values and behaviors and a distributed, tacit knowledge. The cognitive dimension can be connected to the relational dimension of social capital. Trust is an important element of the shared culture. But it also serves as a processed-based driver, at the individual level, to generate social capital, which in turn, is critical for the promotion of relationships and skills needed for knowledge sharing.

From a social capital perspective, the rural villages featured in our case show weakness, particularly in the cognitive dimension. In turn, such weakness affects the structural and relational ones. The incapacity of structural - and relational social capital has contributed to the marginalisation and depopulation and/or unemployment of rural areas and opportunism. The establishment and implementation of network concepts and forms of collaboration in networks is urgently required. But same has societal, fiscal and judicial consequences that must be understood at three, intertwining levels. First, the structural scale in the context of a knowledge based society creates urgency to understand embedded governance from a knowledge infrastructure perspective. Second, at the relational scale insight is needed into inter-action logic. Particularly, norms, rules and sanctions must be established to govern informal relationships, know-how transfer and reduce incidents of free-ridership and opportunism among destination stakeholders. Third, at the cognitive scale educational means must intensify stakeholders' engagement, acceptance of the benefits of knowledge sharing and shared network goals to reduce perceptions of impediments and bring about a virtuous cycle of value adding processes that benefit stakeholders, both individually and collectively.

The actions undertaken by the European project to bridge the barriers these destinations encounter by social capital development lever on governance and educational tools. The governance model formulated aims to

support and drive a sustainable tourism development of rural areas creating Task Forces (TF). They are platforms in which top-down and bottom-up drivers of local development converge. Top-down driving forces are Project Partners (Universities and local development Agencies) and DMOs (if they exist) or agents who actually play this role at an embryonic stage. They guarantee, respectively, the scientific approach to define the model and the expression of the needs, strengths and weaknesses of the rural villages. The Public Administration is represented through a separate body (Board of Mayors) which has a political orientation, in particular, it supervises and legitimates the Task Force's action. Local Guide Groups (LGGs) are bottom-up driven representatives of local private or public stakeholders and communities in charge of the content formulation of destination strategies (i.e. local businesses, organizations, associations, municipalities etc.).

The development and implementation of the destination strategy by these executive boards (TFs) is supported by providing local stakeholders with education and training in sustainable development and destination planning and marketing. In addition to training, transnational workshops among stakeholders of different Partner areas are also organized in order to exchange 'good practices' and experiences identified in local start-up projects.

The implemented governance model is an example of embedded governance which supports the engagement of institutional actors, businesses, education and community within a destination knowledge platform structure. This platform reconciles the three dimensions of the social capital developed within these areas fostering their strengths and promoting the overcoming of their weakness. An international association – Vital Villages Association (VVA) – will increase the value of this governance tool, networking and branding to international targeted markets, the European rural villages involved in the EU Project and other possible members which intend to comply with its standards.

In sum, destinations have a great need for institutions and ways to create and enforce norms and rules that induce cooperative solutions at both the local and the transnational scale. It is therefore very important that the VVA identifies main lines of thought around the embedded governance model and frames its research in a robust knowledge infrastructure. The local and international platform structures afford stakeholders a design to reduce their transaction cost and lever knowledge networks to overcome the barriers of scale, resources and image, respectively. They need such knowledge to assess relationships and the position in networks and the international market on which a destination's sustainability and very existence stands or fails.

## **CONCLUSION, LIMITS AND IMPLICATIONS FOR FUTURE RESEARCH**

The challenges of the knowledge-based era require a paradigmatic shift of destination managerial models toward the Coexistence Strategy design supported by high levels of stakeholders' engagement. Embedded governance facilitates stakeholders' engagement in destination sustainable strategy making, leveraging social capital dimensions (structural, relational and cognitive), which are needed under conditions of fragmentation to establish critical mass in a knowledge platform.

Within rural marginal destinations of European countries, some of the universal challenges of the post-modern era concern declining populations and the issue how to arrest outward migration. Access to the knowledge infrastructure of Europe through a knowledge platform structure affords emerging destinations a chance to face multiple external challenges and engaging local stakeholders in a sustainable destination strategy internally.

Effective promotion depends on such type of joint-development approach. A knowledge platform provides a means to create the structure needed to bring about at the relational level the critical mass comprised of institutional actors, businesses, education and community leaders. In turn, their perceptions (cognitive) must be assessed and understood for effective destination decision making.

The formulated governance model provides a structured way to understand how embedded governance may foster social capital dimensions (structural, relational and cognitive). In the present study the latter has been combined with Inkpen and Tsang's conceptual matrix (2005) to develop the platform structure needed to overcome destination obstacles in the rural areas context.

The central European rural villages case study shows the role of these managerial tools in the destination building of rural areas in the embryonic life cycle stage. A further validation of the governance model may concern the application of the framework of analysis (conceptual matrix) to other type of destinations and destinations in different stages of life cycle. Presently, there are limitations in the use of the conceptual matrix that need improvement, including the network and single actor levels of analysis beside that the destination level, in order to join the former and latter appropriately with the three dimensions of social capital (structural, cognitive, relational).

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## STUDY OF INDIGENOUS CLUSTER EXPERIENCES: CASE STUDY: GARMEH VILLAGE (IRAN)

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### ABSTRACT

This research had been done with the aim of studying the results and experiences of Indigenous clusters for development of the local networks emphasizing on Garmeh village in Iran. The methods of quality and quantity had been used for doing this fusion research. In quality part, fourteen active and key members of Indigenous clusters who are founders of local accommodations were interviewed.

The data of interviews is used for analyzing the motivations of form of Indigenous clusters, the strengths and weaknesses and the problems of members and also reviewing the viewpoints of local people that resident in study village and make a suitable question with current conditions. 81 perfect forms were filled by Indigenous people. Researcher had traveled five times to Garmeh village. Familiar with this village and interaction with the Indigenous people increase the accuracy of responding to the questionnaires and attract their participation. The results of the both parts of research show that the local accommodations cause to improve the livelihood of the local community. On the other hand the accommodations cause to increase the women's motivation in social activities. The international tourists respect to the environment and cultural principles more than the domestic tourists in this area. In other words foreign tourists are more committed in compare of domestic tourists to ethical codes.

This result also show that the politics of ecotourism developing in Iran need pay more attention in coordinated with real needs of ecotourism based on the sustainable development. One of the important factors in ecotourism is local accommodations that are match with local climate and with the performance based on environment and social considerations of ecotourism areas. These accommodations can be used as a base to teach cultural and environment education to tourists and Indigenous people for approaching to global standards of ecotourism. Also must plan for attract the participation of Indigenous investors in ecotourism area to build suitable Infrastructure for develop the tourism instead of build multi-stars hotel in natural areas that cause cultural conflict and environmental problems.

**Key Words:** Tourism, Ecotourism, Nature based tourism, Indigenous cluster, Garmeh.

### INTRODUCTION

Today more than 50% of world populations live in the cities and this figure in Iran is 68.4 % (The statistics center of Iran. 2007). Getting away from rural life and nature and facing with pattern of urbanization and industrialization is features of today's life. Urban life that has combined whit psychological stress and disease consistently.

Developing the tourism and increasing the amount of enthusiasts of travel cause to increase the branches of tourism. Ecotourism is widely recognized as the most rapidly growing sector within the global tourism industry .By definition, ecotourism is travel to minimally impacted natural areas and associated cultural locales .Ecotourists enjoy nature, and culture that coexist harmoniously with the natural environment; they are conscious of minimizing their impacts on nature and local cultures and aim to improve socio-economics of local populations (Buckley.2004.1).Ecotourism is responsible travel to natural areas that conserves the environment and improves the well-being of local people. (TIES, 1991 From Wood 2002:9).

Inclination of humans to avoid from the urban life, made the people change their life style close to the nature. They return to the small villages from the big cities by rebuild their ancestral homes and they have reverse migration. Meanwhile as they return to the past and simple life, another people have this opportunity to experience to live in persistent style in adobe, wooden and stone made houses. This article with focusing on the importance of attention to this kind of accommodations, investigate the positive impact of it on entrepreneurship, sustainable development and improve the livelihood of local communities. Developing the indigenous houses helps to create the place for tourists who enjoy from local accommodations and provide conditions to conserve and rebuild traditional houses.

## STATEMENT OF PROBLEM

Ecotourism in high population villages is one of the important indicators of sustainable development. The sustainable development is a kind of development that does not exclude next generation from their needs. (World Commission on Environment & Development, 1987 from Fennell: 2003, 8). In planning for tourism developing in villages the sustainable principles must be observed. There are some hidden values about nature and culture in villages that have this ability to introduce to tourists. This is an opportunity that can change the economic of low income villages in developing countries.

Indigenous people are the rightful owners of natural habitats. The territory that they live, language, culture, spirit and knowledge are belongs to these people (H.Zeppel, 2006:4). The planning and executing tourism activities based on the principles of sustainable tourism can be a motive for youth to stay in village and prevent their migration to cities. Iran as one of developing countries is in its first steps in tourism. The priority in tourism is infrastructures that now pay attention to. In ecotourism, infrastructures are different with other sectors of tourism. For years developing thoughts are focused in other branches of tourism but ecotourism have less attention. Identify the real infrastructures of ecotourism is one of the important issues that must be survey. This article tries to survey the impact of these accommodations on indigenous community and its role in improving the people livelihood. This research has been done in Garmeh (the village in central desert of Iran) where the tourism started about 10 years ago and has significant thriving.

## IMPORTANCE OF RESEARCH

The people who acted in ecotourism in Iran always have problem with lack of accommodation that are match with nature. The major concern of ecotourism planners was the lack of suitable accommodations near the natural attractions. The formation of these resorts and its impacts on improving the well-being of local people can be considered as a suitable pattern for developing of this kind of infrastructures. Investigating the attitude of local residents toward this new phenomenon and its impacts on their life can be good lessons learned from for other projects.

### *Objectives:*

The initial goal of this research is value to these accommodations as one of the ecotourism infrastructure and pay attention to the needs of the owners of it. Since in ecotourism the improving of local community's life is an important issue and because the owners of these resorts belong to this community, supporting and developing of it can be positive step to approach to ecotourism goals and also it help to conserve and rebuild the old buildings. The other aims of this research are reducing the negative impacts and increase the positive impacts of presence of tourists in rural areas, encourage to participation of the indigenous people in tourism, make a condition to interact between the scientific and academic sectors and executive sector of ecotourism and respect to the hosts.

### *Questions:*

- 1- How much the presence of tourists is effective to promote the livelihood of local communities?
- 2- Does the presence of tourists in Garmeh affect to the motivation of women to presence in social activities?

## RURAL TOURISM

Changing in European way of life has led to new forms of tourism, including short-break holidays, which favour rural tourism development. At the same time a decrease in agriculture and forestry, together with rural areas to view tourism as an alternative boost to their economy, creating jobs (Weaver,2001:160).

Rural tourism is all of the activities and services that operate by people, farmers and governments for pleasure and recreation and attract the tourists to rural areas which include agriculture tourism, farm tourism, nature tourism, cultural tourism and etc, (Rezvani, 32:2008). As Oppermann view the rural tourism has close connection with farm tourism and establishing the agriculture in rural societies that the protected areas and national parks do not include. (Oppermann, 1996: 38).

## INDIGENOUS CLUSTER

The Indigenous Cluster in Iran with at least 16 members integrates the specialties of the(folk)art-cultural aspects, traditions, the specialties of the local economic, civil participants(e.g. historical, ,traditional, gastronomy, hand crafts, local agricultural entrepreneurs). The core of the "cluster" is the comparative advantage represented by cultural and natural aspects especially in desert areas.

**Some characteristics of the ecotourism cluster:**

- 1- There is close co-operation, common values, goals and ongoing dialogues between the participants
- 2- The participants are able to explain synergic effects on each other in their participation of mutual confidence organizations (in the field of natural conservation, environmental conservation, tourism, relating services, infrastructures). They are able to define cluster specific services and development ideas for reaching the common goals.
- 3- It meets the requirements of the long-term sustainability of the tourism destinations.
- 4- Participation of committed cluster-members, assuring the financial background.
- 5- Efficient common marketing activities. (Hawkins, 2001: 5)

In this article one of famous and active local accommodation called “Atashonie” is studied, these kind of local accommodations are scattered in different parts of Iran, and most of them are located in central part of Iran especially Isfahan province.

**Garmeh Village, Central Desert of Iran**

The vast Central Desert of Iran is more than 100 square kilometers wide. Its valuable and integrated parts (minerals, beautiful sceneries, historical roads, etc.) are mostly located in Semnan Province. (Kardavani 35, 1386). Desert is considered as one of the tourist attractions in the world. It covers one fifth of the dry lands, and has the warmest places in the world. Desert is capable of attracting adventure tourists toward it. The Garmeh Village is one of the villages that located in the Central Desert of Iran, and is now considered as a tourist zone. This village attracts considerable number of domestic and international tourists each year. Garmeh is located in degrees north and 55/02 degrees east, in Isfahan province. ([www.irandeserts.com/garmeh.htm](http://www.irandeserts.com/garmeh.htm))

**The Atashonie accommodation, located in the Garmeh Village,**

This local accommodation is managed by members of Al-Davood family. Spring and autumn is when tourists come to see the desert, and numerous numbers of people comes to this residence in this period. Atashonie has 10 rooms and offers Iranian food the tourists. Camel riding is done from Farahzad to Tabas. This road has been the road that centuries ago ancestors of Al-Davood family discovered along with some Swedish tourists. This road is part of the Silk path. Camel riding takes place in a Lengthy 50 kilometer path and a short time camel riding in a short 30-minute path "Atashonie" residence's name is printed in the Lonely Planet book.

**Table 1**  
Explaining the distribution of participants in the Garmeh Village, (Adapted from Ehsani, 112, 1389)

Name of the Village	Distribution	percentage	valid percentage	Gathered Distribution
Garmeh	81	50.1	50.9	100.0
Total	179	100.0	100.0	-

The Cronbach’s Alpha method is used in the final calculation of the current research. This method is used to calculate the internal harmony of the measurement tools that measure different characteristics. The test only needs to be executed once. Therefore, if the test consists of multiple secondary groups, and we plan to maintain the coefficient of the test, we would use the Cronbach’s Alpha method. (Sarmad, Bazargan, Hejazi, 1386). In this way researcher calculate the variance point of the participants for each of the sub-tests "secondary tests" then the Cronbach’ Alpha is maintained by using the below formula:

$$Y_{\alpha} = \frac{J}{J - 1} \left( 1 - \frac{\sum S_j^2}{S^2} \right)$$

In this formula “J” is the number of sub-categories of the questionnaire.  $S_j$  Is the variance of the “j” sub-tests, and “S” is the variance of the whole test. In this study, Cronbach’s Alpha is calculated by means of SPSS. The questionnaire of this study was consisted of two Sub-Scale including, a. the influence of tourist attendance in improving the livelihood of the local community, b. the participation of women in social activities.

Cronbach’ Alpha	Number of questions	Number of responders	Micro-Criteria
%426	4	81	Women's participation in social activities
%682	8	81	The influence of tourists in enhancing the people's level of life style

**Table 2**  
**Analyzing the outcome of the qualitative section of the local society's questionnaire:**

Number	Questions concerning the influence of tourist attendance in improving the livelihood of the local community	
1	In my opinion, the prosperity of tourism has added to the outcome of the families.	3/65
2	Tourist attendance has prevented the immigration of the young people of the village.	2/58
3	The existence of Tourists has increased the provocative to produce local products and handicrafts.	4/19
4	People of the village try to respect each other after tourist attendance more than before.	3/69
5	The good relation of the tourists with their family members has led to the good relation of our family members.	3/43
6	In what amount the arrival of the tourists to your village has caused the feeling of pride and honor?	3/90

After performing the calculations, the average of the influence of tourist attendance in improving the livelihood of the local community ( $\mu = 3.56$ ) in the studied village higher than of the average of the influence of tourist attendance in improving the people's life style ( $\mu = 3$ ).

In Garmeh village, there is not much variety of jobs related to tourism, and except Atashonie Private Residence, renting housing to tourists is not common. In this village because of lack of work, the immigration was common from past, and most of the people were immigrating to larger cities and particularly Tehran. After developing the Atashonie Residence, many jobs were created directly. These jobs include handicraft stores, new supermarket, taxi service, chefs, weavers of the textile art such as mats and handicrafts, but despite numerous attempts of, Mr. Al-Davood and his family, immigration is still not prevented.

Currently, the major handicrafts of the village are basket that is woven out of the Palm tree leaves. It was used for various purposes such as collecting grass for the cattle. Recently due to the demands of the tourists for the handicrafts, manufacture and presentation of these handicrafts are increased significantly. This increase is in a way that a small handicraft store has established in the village. The values obtained from the study prove that the existence of the tourists has increased the provocative of manufacturing handicrafts and traditional products by a large scale.

**- Other questions that express more active participation of women after the tourists in the village.**

It is worthy of attention that the participation of women in the social activities had a noticeable influence on enhancing the level of families.

No.		
1	The attendance of tourists has promoted young to learn manufacturing handicrafts.	3/34
2	The attendance of tourists has promoted the middle-aged women to learn manufacturing handicrafts.	4/30
3	After attending of the tourists, men encourage women to manufacture handicrafts.	3/90
4	How much have the women of the village desire to play more roles in the society and the decisions, after attending of tourists.	3/12

The average of women's participation in social activities of the studied village has increased significantly after the existence of tourists ( $\mu = 3.68$ ). As you see in the table above, all the questions related to, the influence of tourists on women's participation in social activities ( $\mu = 3$ ) is a value higher than the base and the criterion of the research. The majority of the respondents believe that the attendance of tourists positively influences the participation of women in the society.

**CONCLUSION**

This research proves that local accommodation can improve livelihoods of local community in villages. Experiences of Atashonie accommodation in Garmeh can use for other members of indigenous cluster. Considering to needs of local community who lives near natural attractions is very important. There are some Suggestions to the owners of local accommodations and local community:

**Suggestions to members of Indigenous Cluster:**

- Supporting new members.
- Notice to education more than before.
- Participating in congress and exhibitions to introduce cluster.
- Trying to provide the equal conditions for local people for improving their livelihood.
- Clearing the performance of local accommodations for proper interact with host community.
- Attention to environment's conservation especially in serving meals.
- Exchanging the lessons learned.
- Collection of cultural, traditions and indigenous arts information and trying to revival the indigenous festivals and games.

- Control the prices and prevent from Inflation especially in handicrafts.

***Suggestions to local communities:***

- Supporting the owners of accommodations.
- Creating a calm and safe place for eco-tourists.
- Not curiosity in private life of tourists and not to ask private questions.
- Participating in the affairs, help to owners of local accommodations and reduce the excessive expectations of the managers of it.

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# CARRYING CAPACITY IN THE HISTORICAL TEXTURE AS WAY TO CULTURAL DEVELOPMENT (CASE STUDY CENTRAL CORE CITY OF TEHRAN)

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## ABSTRACT

Urban tourism sustainable development is approach for sustaining and protection of historical texture. Equipment and rehabilitation these textures can achieve goals like protective and qualitative promotion concern about that and activate the tourism development at this textures. This issue cause the increase social- cultural identity of texture collection and as well it be a strategy for creation and reproduction public space and lost identity from historical texture of Tehran city. Our goal in this research is to assessment and improvement carrying capacity of these textures for creation tourism functions in urban space of Tehran, because these spaces are dynamic and organic that we can identify cultural-historical values and then it has utilized tourism revenue. Our method is descriptive-analytical and survey, for data gathering we use documentary. So that, three zones are studied from different aspects such as: economical, social, environmental and tourism. That these textures in last history was logical function and hierarchical, but today these texture has faced with many problem and lack. This texture in Tehran is three percent from the whole as 25 hector of Tehran city. This texture has become commercial and spoiling theses texture for renovation. The result shows that the number of tourists is more than actual capacity of Central Core City, and its tourism development seems temporary. In the end, some suggestions are presented for tourist carrying capacity.

**Keywords:** Tourism Carrying Capacity, urban tourism, urban spaces, urban protection, Tehran.

## INTRODUCTION

Nowadays, tourism is one of the sciences that is increasingly relating to the urban and regional planning. In addition to the citizen's higher salaries, tension, traffic, air pollution, crowded neighborhoods and small apartments has attracted people to tour mild-climate countryside for vacation, and this is estimated to be risen (Anvari and Nassaj, 2008). Because the development of tourism activities in excess of its capacity can cause a decline in tourism the quality and satisfaction of the host communities from tourism development needs to be investigated empirically.

Tourists aim different places as tourism destinations, such as wildlife, historical and cultural places, exhibits and festivals (Butler, 2000). All these destinations have their own individual natural environment, and two natural and environmental aspects of this destination may be impacted out of the development of tourism activities (Tabibian and et al, 2008).

Soon or late , these places would face a slump and reduction in tourism marketing if the development of tourism activities remain temporary and doesn't adapt to the environmental and human capacity of these destinations. Destinations can be residential or nonresidential. Nonresidential destinations like mountainous places, high mountains, forests, lakes, special geological areas and etc. that may be affected if the tourism activities remain instable (Sun and Wash, 1998, Gee and et al, 2000).

It should be mentioned that tourism carrying capacity of these destinations are only related to their ecological capacity. But mild climate countries are one of the main destinations which are developing in many aspects like wildlife tourism and cultural tourism. Despite of other natural destinations, these ones have human environment and this issue makes tourism carrying capacity more important. Unfortunately, the macro plans of these destinations, like great and strategic plans, have neglected the effects of tourism and tourists on these kinds of destinations tourism satisfactions with tourism and increase of tourism capacity adapted to the native satisfactions and demands, and instead, they devoted their affairs to the sheer physical development of these destinations (Hall and et al, 1999). However, tourism should go along sustainable plans, otherwise, we would

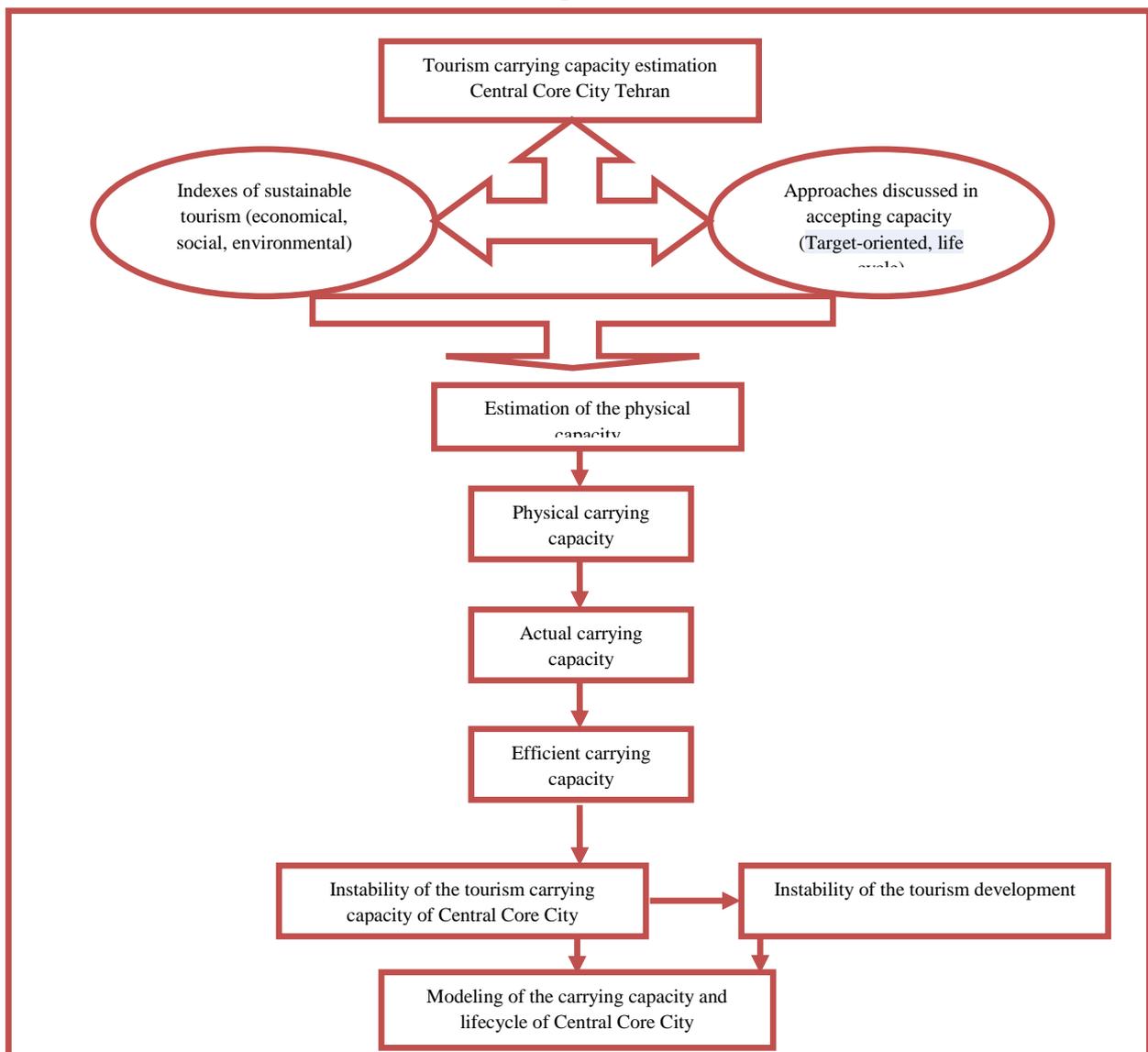
face an unplanned tourism development that can harm natural and human environment of these cities and reduce their carrying capacity (Fernando and et al, 2004).

Our case study, the Central Core City, a collection of Tehran’s history, with many different attractions such as Bazaar, historical Arg and many buildings from Ghajar and Pahlavi era, has attracted lots of local, national and international tourists each year (Barabadi, 2006). It seems that this important destination, like other important ones, has developed unplanned in recent decades, and if it continues, Central Core City would face many problems in the future (Zahedi, 2004, CHOT, 2009).

As it mentioned, attention to the tourism sustainable carrying capacity, is one of the most important issues, which has drawn the attention of the intellectuals and planners, adapted to the environmental and human features.

Here, the point is to step toward sustainable tourism development and improvement of the capability of the tourism carrying capacity in this destination. In this study, we have designed conceptual models by interviewing related persons and authorities and referring to the available documents to conclude the above results. So that we provided a theoretical base. And in order to prevent having incorrect and wrong results, we had some explorations and descriptions.

**Fig. 1**  
Conceptual Model



## ANALYSIS OF RESULTS

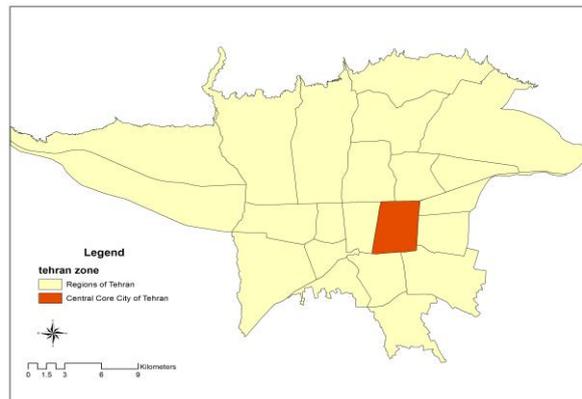
### ESTIMATION OF PHYSICAL CARRYING CAPACITY, CENTRAL CORE CITY

As it mentioned, the possibility of tourism and its activities such as providing proper foot ways for tourists has studied. In this session, we determined the human carrying capacity after physical carrying capacity. In physical carrying capacity is defined as “The maximum number of people that may visit a tourist destination at the same time, without causing destruction of the physical, economic, socio-cultural environment and an unacceptable decrease in the quality of visitors' satisfaction.”

This capacity is calculated as follows:

A=total area of Central Core City, equals 1350 hectare= rf

**Fig. 2**  
Position Central Core City of Tehran



As there's no proper residence in region but just some in northern regions of Tehran, The number of days tourists stay in the Central Core City is not more than 1 day (the survey results show the same). In this report, it's assumed the tourist stay in region for 10 hours. According to the survey and interviews, the average visit time for each tourist is mentioned in the following chart. Also, these studies show that most of the visits from Central Core City, doesn't take longer than a day these tourists mostly come for some special attractions, such as Golestan palace, historical Arg, Lalezar and Baharestan zone, museum of national arts, the parliament house and etc. there are limited number of people who visit historical buildings, or local architectures.

World tourism organization defines tourist residence time: at least a whole day and at last six mounts.

The Central Core City of Tehran has limited number of tourists. Unfortunately, they are mostly just visitors not tourists.

**Table.1**  
Estimation of the tourists' presence time, Central Core City

Theorists activities	Max spent time	Min spent time	Average spent time
<b>Transport through city ways</b>	90mins	30mins	60mins
<b>Visit from Lalezar zone</b>	60mins	20mins	40mins
<b>Visit from Baharestan zone</b>	60mins	20mins	40mins
<b>Visit from Bazaar and historical Arg</b>	90mins	30mins	60mins
<b>Lunch</b>	90mins	30mins	60mins
<b>Rest</b>	60mins	20mins	40mins
<b>Total</b>	7hrs30mins	2hrs30mins	5hrs30mins

- Adapted from: interviews and self surveys

This chart shows that tourists need to spend lots of time for visiting, which can cause reduce in tourism carrying capacity.

$$Rf = \frac{10}{5} = 2$$

The average space required for each tourist to be able to move is about two square meters.

According to above, the physical carrying capacity calculates:

$$Pcc = A \cdot \frac{v}{a} \cdot Rf$$

$$Pcc = 13503887 \cdot 2.1 \cdot 2 = 13503887 \text{ person per day on average}$$

$$13503887 \cdot 365 = 4928918755 \text{ person per year on average}$$

As it's shown, physical carrying capacity of Central Core City is about 13503887. This rises to about 4 milliard people per year. So, this capacity is not enough mentioned number of tourists, so that, this calculated number can't be a guide line for action, so it's better to calculate the efficient carrying capacity too.

### ESTIMATION THE ACTUAL CARRYING CAPACITY

First we should consider the efficiency and capability of the area to divide it into the capable and incapable areas. This study shows that, unfortunately, the Central Core City of Tehran, a many other regions in country, is not capable enough to provide enough space for sightseeing for tourists.

The related chart shows that the devoted area for tourism is about 95217 square meter which contains just about 1% of the whole, other capable places are parks, areas about 682411 s.q, that is not more 5% of the Central Core City.

### LIMITING ELEMENTS OF THE CARRYING CAPACITY

#### Capability of the Central Core City

Whole area of the Central Core City of Tehran is about 13503887 square meters, including commercial and residential parts and can't be useful for tourism. So, the capable area is just about 757628 square meter, even this area has some parts devoted to the other usages or are closed (like some in Lalezar and bazaar of Tehran) which has the area of about 189407 square meter. So that the capable areas are about 568221 square meter, including historical-cultural zone. So, the total incapable area for tourism in the Central Core City is about 12935666.

$$\frac{12935666}{13503877} = 0.957$$

$$0.957 \cdot 100 = 95.7 \text{ limiting element (capability of the region)}$$

#### Downpour

There's about 16 days from 365 days of a year downpour in the Central Core City which prevents any efficient tourism activity.

$$CF = \frac{m}{M} \cdot 100$$

$$CF = \frac{16}{365} \times 100 = 4.38$$

#### Boiling hot

68 days per a year, the weather is boiling hot in the Central Core City and prevents any efficient tourism activity.

$$CF = \frac{68}{365} \times 100 = 18.63$$

#### Blizzard

This phenomenon occurs about 15 days per year, 10 days of December and 5 days in January. On average, beginnings to middle of winter are not a good period for tourism.

$$CF = \frac{15}{365} \times 100 = 4.1$$

According to all above, the actual carrying capacity of Central Core City is calculated as follow:

$$Rcc = Pcc \cdot \frac{100 - cf1}{100} \cdot \frac{100 - cf2}{100} \cdot \frac{100 - cf3}{100} \cdot \frac{100 - cf4}{100}$$

$$Rcc = 13503887 \times \frac{100 - 95.7}{100} \times \frac{100 - 4.38}{100} \times \frac{100 - 18.63}{100} \times \frac{100 - 4.1}{100}$$

$$Rcc = 13503887 \cdot 0.043 \cdot 0.9562 \cdot 0.8137 \cdot 0.959$$

$$Rcc = 433270 \text{ person per day}$$

$$Rcc = 158143550 \text{ person per year}$$

### Estimation of the Actual Carrying Capacity: Central Core City of Tehran

Actual carrying capacity is the max number that can be managed sustainable.

$$Ecc = Rcc \cdot \frac{100 - FM}{100}$$

$$FM = \frac{Imc - Amc}{Imc} \cdot 100$$

IMC= the ideal amount of manpower for sustainable manage in the Central Core City

AMC=available manpower

### Central Core City managing capacity

Managing capacity of Central Core City considering the available manpower in municipal for tourism sustainable activities is as follow:

Experts to manage the tourism development in the Central Core City, Despite of the required number of experts for Central Core City, tourism activities as at least 30, the available number of experts in municipal is 5.

$$FM = \frac{30-5}{30} \times 100 = 83/3$$

$$Ecc = 433270 \times \frac{100-83/3}{100}$$

$$Ecc = 433270 * 0.167 = 72356 \text{ person per day}$$

$$ECC = 72356 * 365 = 26409940$$

According to the statistics of municipal and cultural heritage organization of Central Core City, in recent years, this region has attracted more than a million local, national and international tourists each year and it's estimated to be risen. According to the available statics, the high seasons of this region are spring and summer, specially March, April and the last two months of the winter, as it has host about 200000 tourists some days, though according to the calculations, the actual carrying capacity of region is 433270 persons per day. This shows that the actual carrying capacity of region is less than its arrival tourists.

### CONCLUSION

In this essay, we analyzed the findings in order of tourism carrying capacity estimation of Central Core City, from three dimensions of physical –environmental, host and guest communications. According to the conceptual model of this study, we estimated the tourism carrying capacity from physical capacity according to the environmental protection international agency, in three physical, actual, efficient capacities.

The study shows that, the number arrival tourists are more than the efficient capacity of the Central Core City in high seasons. Then, the effects analyzed considering the socioeconomic capacity, by the survey. Host communication's survey tried to realize their look to the positive and negative effect of tourism and also to the development trend, considering the economical, social, environmental aspects. According to that, they are aware of most of the negative effects and with the exception of some positive influences, tourism has had no positive effect on this region.

We also estimated the quality of empirical tourism on the guest community's view. This survey shows a defective cycle in tourism of the Central Core City out of a large number of arrival tourists; while this cycle is still in detection step and its negative environmental, socioeconomic effects are being realized by the guest and host communities.

On the other hand, the quality of empirical tourism is being reduced and some important attractions despite of the lack of proper facilities are the only reason to attract tourists to this region.

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### ABSTRACT

Measuring performance and competitiveness of a destination has become a topic with increasing attention nowadays. The paper concerns the efficiency of urban tourist destination adapting different conceptual models developed earlier, with particular application to Cluj-Napoca, one of the biggest from Romania, an important academic, cultural and business centre. For our investigations we used exploratory and descriptive research, obtaining secondary data through statistical and published studies, extensive web sites analysis and primary data through surveys conducting personal interviews. The study provides empirical support for include and reorganize critical attributes in evaluating urban destination performance and competitiveness.

**Key Words:** tourism drivers, tourism performance, destination, competitiveness

### INTRODUCTION

Travel and tourism is one of the most dynamic and successful sector in the globalising world. Even if we are talking about positive or negative effects, tourism impact can be felt in a considerable proportion of the global society in various forms: impact on national economy, cultural or social impact, environmental impact, etc. Thereby, the tourism industry puts a decisive mark on the world's economy, as proof being the considerable revenues by participating with 9.2% to global GDP and by offering approximately 8.1% of the world's employment (WTTC, 2010).

Generated revenues push the industry in the top of market opportunities. Many actors are fighting for a piece of market but it is difficult to say who the winners are.

The aim of the present study is to find answers to following questions: (1) what are necessary features to be successful in tourism? and (2) how we measure the performance and competitiveness of urban destinations?

An increasingly systematic research approach has been adopted towards measurement of destinations' performance and competitiveness concept. The reasons are multiple: from economical point of view the highest motivation is revenues generated by tourism but we have to consider also multiplication effects on other activities observing social, environmental, cultural impact or crowd, jams, residence attitude.

Several studies have contributions regarding the important drivers of competitiveness and performance for the tourism destinations: Crouch and Ritchie (1993, 1999); Kozak and Rimmington (1998, 1999); Dwyer and Kim (2003); Enright and Newton (2004); Manente and Mingetti (2006) et. al.

Based on Porter's 'diamond of national competitiveness' model (1990), Crouch and Ritchie developed a conceptual model on tourism destination competitiveness which identified two distinct and interrelated environments: micro and macro.

Kozak and Rimmington (1998, 1999) conclude that destinations evaluation should consider even tourist surveys, analyzing experience of tourists. Enright and Newton (2005) distinguished two types of factors that detailed certain structural parts of the model for Competitiveness and Sustainable Development of Tourist Destinations by Dwyer and Kim (2003). These structural parts are concerned with the tourist destination attractiveness factors and prosperity related factors. Cracolici, Nijkamp and Rietveld (2006) have analysed destinations like commercial company arguing that their performance can be evaluated through the measurement of efficient resource use: the input - physical and human resources - and the output formed by arrivals, bed-nights, value added, employment, customer satisfaction, etc.

These insights of destination competitiveness and performance provide a context for analysing urban destinations. Interesting and useful studies were conducted by Mazanec and Wöber (2010) adding specific features for evaluating cities performance, not only at conceptual level, but also fitted to implementation and practical constraints.

The lake of researches in Eastern Europe, the diversity of analyzed drivers, the complex network of relationship on the market, tourism and non tourism mobilities were taken into consideration in the present study.

## METHODOLOGY

We focus our study on identifying the determinants of successful urban destination and creating efficient balance between input and output in the competitive advantage context. For our investigations we used exploratory and descriptive research, obtaining secondary data through statistical and published studies, extensive web sites analysis and primary data through surveys conducting personal interviews: one for the demand and the other for the accommodation services suppliers.

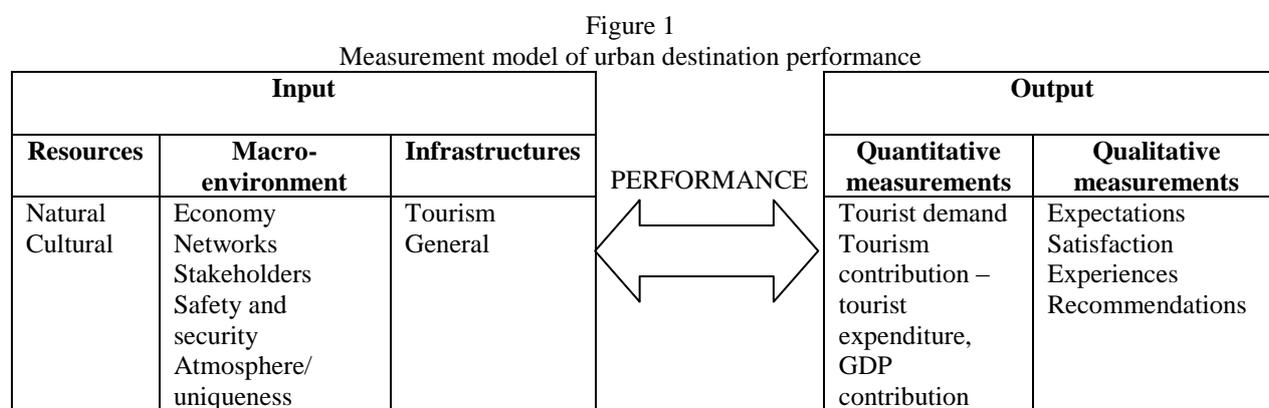
In the first part of the study we construct a model for evaluating urban destination performance. Tourist destinations exploit their attractiveness by a smart use of input factors creating positive outputs. In this respect, we focused on choosing relevant input and output characteristics for urban tourist destinations.

The second part of the study concerned on collecting data. For the tourist supply we got responses from all 42 hotels present on the market in 2010. For the tourist demand we used for identifying the representative sample STATGRAPHICS soft; for a standard error of  $\pm 0,03$  the sample was 1068 tourists.

For measurement performance we applied specific strategic management instruments like competitiveness chart.

## FINDINGS

Tourism efficiency influences the development of cities, but tourist environment has become highly competitive. Iatu and Bulai (2010) proposed a perspective in interpreting data on tourism potential based on UrbanProiect Institute of Bucharest study for Spatial Planning of National Territory (2009). They took into consideration resources as well as tourism and general infrastructures and the role of each category in producing tourist demand. Our study proposes a new perspective on measurement of urban destination performance. Figure 1 suggests critical attributes retained for analysis:



Harmony and landscape beauties were enough for the communist regime before 1990 to glorify so-called “strong tourism vocation” of Romania in order to give confidence to citizens. The well-known expression “Romania has great tourism potential but it is unexploited” has become obsolete as long as results haven’t come.

We implemented the proposed model to a Romanian city – Cluj-Napoca. Cluj county is situated in the heart of historical province of Transylvania and is one of the most important communication point (roads, railways, airway) in the country. In the Cluj county, the urban population represents 67,2%, even if in Romania, in total, is 52,7%. The average net wage in Cluj county is around 250 EUR. The density is 105 peoples/ km<sup>2</sup>. Cluj county represents 2,8 per cent of the Romanian territory and is one of the most important communication point (roads, railways, airway). The 52,68% of the population works in services and trade.

Its economy is one of the most balanced developed from Romania. The most important sector is the manufacturing, in the second position is transport, storage and communications and the third position came wholesale and retail. Hotels and restaurants section represents less than 1,5 % from the total taking into account the evolution of turnover for the active enterprises. Regarding the structure of Cluj economy by size class, almost 90% of the active units are micro enterprises, with less than 10 employees and the number of macro enterprises with more than 250 employees is less than 1% from the total.

Cluj-Napoca, the municipality of the Cluj county, is the second city in the national hierarchy as a polarisation potential after the capital – Bucharest - , influencing the entire Transilvania. Cluj-Napoca is one of the most important and biggest cities in Romania and is the only one in the North-West Region with over 300.000 peoples. At this number we must add around 100.000 students. The City of Cluj-Napoca is considered the “capital of Transylvania” because it is an important academic, cultural and business centre. The tourist offer for Cluj-Napoca has a great variety:

- cultural and historical monuments (medieval and modern monuments, churches, museums, festivals, exhibitions);
- a diversified portfolio of accommodation establishments, restaurants, clubs, tourist agencies;
- an attractive natural-geographic space.

All those factors make from Cluj-Napoca an important tourist destination for various type of tourist. The number of tourists in Cluj-Napoca increased slowly but constantly in the last few years arising around 270000 tourists in 2010. Despite this, only at national level, is hard to compete with Bucharest – the capital and with other municipalities, especially with Timisoara, from the foreign investments and the business opportunities point of view or with Braşov and Sibiu for the leisure and cultural tourism.

Our study revealed the following results for evaluated destination:

Table 1  
Measurement tourism performance of Cluj-Napoca

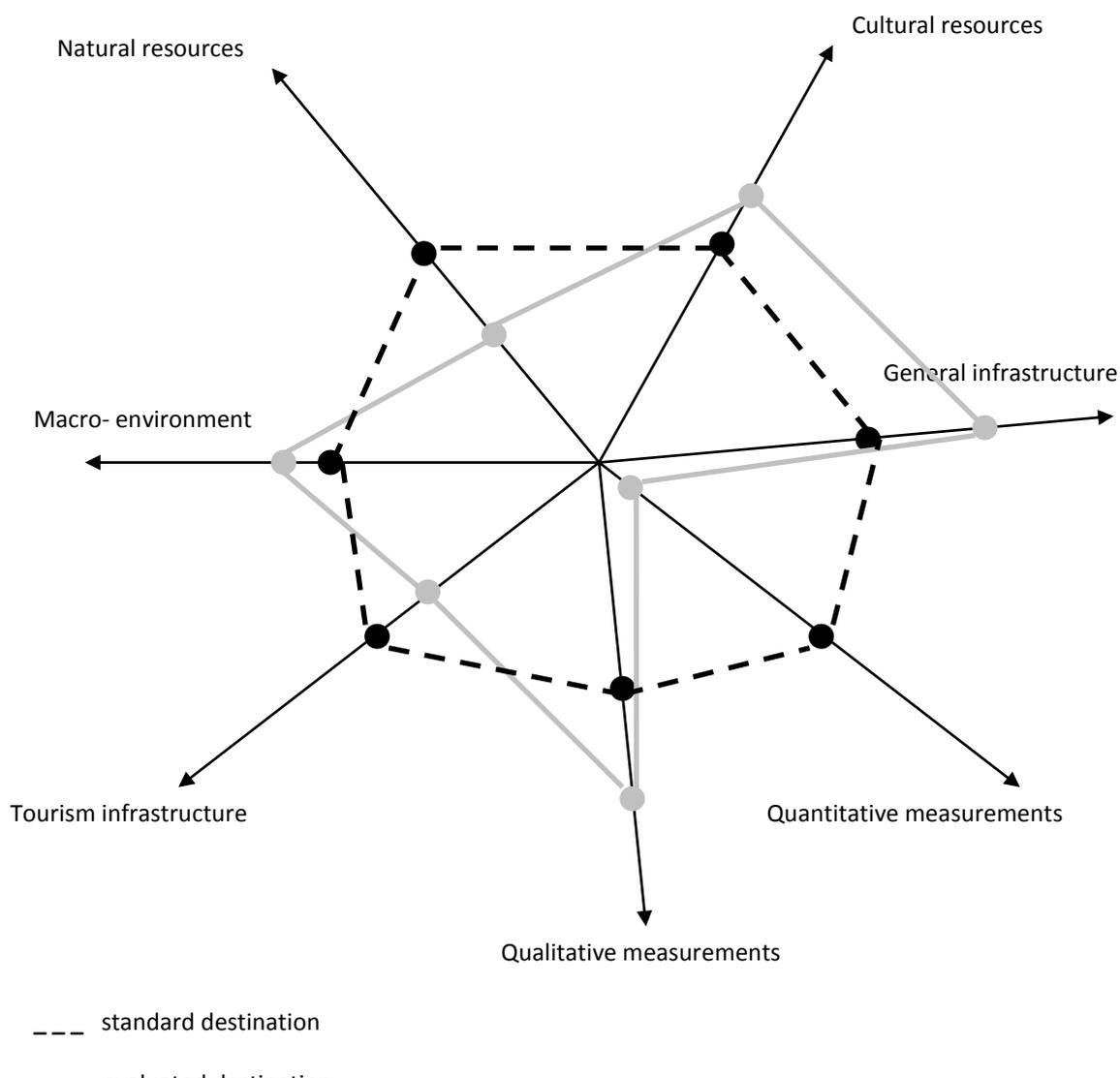
Performance vectors	Score					Performance index
	1 Very good	2 Good	3 Average	4 Poor	5 Very poor	
<b>I. Natural resources</b>						<b>4,33</b>
Natural environment			1	4		4
Natural factors			1	4		4
Protected areas			1		5	5
<b>II. Cultural resources</b>						<b>2,4</b>
Historical monuments		2	1			2
Museums		2	1			2
Arts and crafts			1	4		4
Cultural institutions		2	1			2
Events		2	1			2
<b>III. Macro-environment</b>						<b>2,6</b>
Economy development		2	1			2
Stakeholders interaction: travel agents, tour guides, government officers, community etc.			1	4		4
Networks/ trends: human and knowledge resources			1	4		4
Safety and security	1		1			1
Atmosphere/ uniqueness		2	1			2
<b>IV. General infrastructure</b>						<b>2</b>
Accessibility to transport network		2	1			2
<b>V. Tourism infrastructure</b>						<b>3,5</b>
Lodging		2	1			2
Cuisine			1	4		4
Conference facilities			1	4		4
Leisure facilities			1	4		4
<b>VI. Quantitative measurements</b>						<b>4,66</b>
Tourist arrivals			1	4		4
Tourist expenditure			1		5	5
GDP contribution			1		5	5
<b>VII. Qualitative measurements</b>						<b>2</b>
Expectations		2	1			2
Satisfaction		2	1			2
Experiences		2	1			2
Recommendations		2	1			2
<b>Total performance index</b>						<b>76 (average 3,07)</b>

Taking all presented details in consideration the paper presents the results obtained by implementing the proposed model. We used a scale from 1 – very good to 5 – very poor for measure performance vectors of the destination. Also we considered a standard destination which is evaluated at average level. The obtained results for Cluj-Napoca are compared with standard. If the total score is over the average score of the standard, we consider that evaluated destination is advanced. The model underlines the competitive advantages of the destination and also the weaknesses. In this respect it offers possible ways of improving tourism performance of the city. If the total score of the destination is under standard score we conclude that city is not performing in tourism.

The average score is 75 (25\*3) – average 3. We can conclude that Cluj-Napoca obtains an upper, but is the minimum positive difference. There are some competitive advantages (13 performance vectors), but especially many points to improve (12 performance vectors).

The evaluation can be illustrated also using a spider plot (figure 2).

Figure 2  
Spider plot for Cluj-Napoca



Our study shows other interesting observations, in correlation with specific features of city destinations. The main purpose of visiting Cluj-Napoca is personal interest, followed by professional training and business. In “personal interest” category are included the relatives and friends of the students and of the residents who, most of them, do not use the lodging capacities and also persons how come for medical services.

The preferred lodging type is offered by relatives and friend and on the second place are hotels. From the meals point of view Cluj-Napoca tourists use restaurants, followed by fast-foods units. A significant percentage takes meals at relatives and friends.

Almost half of the tourists prefer to stay in Cluj-Napoca 2,5 days. The average period is higher compared with the average length of stay in Romania which is 1,8 days. This means that tourists come especially for weekend to visit their relatives and friends.

Regarding the allocated amount of money, the tourists do not spend very much. The majority spends around 100 EUR in this period, which represents a low amount. The result can be explained by the fact that the tourists stay especially at relatives and friends and they don't spend money for accommodation.

We obtain for the perception of the tourists regarding Cluj-Napoca cleanliness 3,7 points out of 5, which is a medium result (1 – dirty, 5 – clean).

For tourist services offered by Cluj-Napoca, the subjects ranked the city very well with an average of 1,9 points, where 1 represents very good and 4 very poor. The best evaluation was obtained for food and beverage services, followed by accommodation services and business environment.

The tourists agreed that Cluj-Napoca is one of their preferred Romanian destinations (2,33 points, where 1 – total agree and 5 – total disagree).

Most of the subjects perceive Cluj-Napoca as being an academic centre and at a big distance a business, cultural and only at fourth place as tourist centre.

Cluj-Napoca slowly becomes a competitive destination but the competition is tough from Romanian and international destinations.

## CONCLUSIONS

Measuring tourism performance of a city is a complex process. Each type of tourism has its own particularities which should be included in evaluation methods. The development of the country, region or city can be an obstacle in having precisely quantitative results. Comparative studies become hard to make because of different statistical reporting. Also, some qualitative approaches make a study subjective, specific for target segments, residents' features or industry characteristics.

This is why different ways of measuring tourism performance will be appropriate for a destination and impossible to implement in another.

The present study has proposed a specific approach of measurement for tourism in developing areas, in cities with particular features, where tourism is not perceived like a driver to economic development but like an added value for attractiveness of a place.

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# TOURISTIC SPECIALIZATION AND RETURNS ON HUMAN CAPITAL IN THE HOSPITALITY SECTOR OF THE SPANISH REGIONS

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## ABSTRACT

The aim of our study is to evaluate the existence and degree of specialization in tourism of the Spanish regions from the perspective of the human capital stock and the returns of their education, limiting the scope of study to the hospitality subsector. We use an expanded version of the Mincer wage equation (1974) and data from the 2006 Spanish Wage Structure Survey. All the regions under analysis show lower education returns (and other human capital variables) in the hospitality sector when compared to other private services. There are significant differences in education returns between regions, especially in Catalonia and the Canary Islands.

**Key Words:** Human capital, Hospitality, Regional Analysis.

## INTRODUCTION.

Tourism has been a determinant factor in the modernization of the Spanish economy. However, many aspects of this sector, such as labour market characteristics and regional differences, have not been widely studied. Tourism is a cross-sectional industry in which highly diverse activities are grouped. This paper analyzes the hospitality subsector which itself is composed of large and well-differentiated subcategories. In Spain, the hospitality industry is characterised by having a higher percentage of women and younger workers, lower educational levels, seasonality in contracts, a smaller percentage of employees, a greater percentage of foreign workers, and higher than average working hours. However, regional differences are highly significant and the more precarious employment conditions tend to disappear in the more consolidated tourist destinations (Fernández and Pena-Boquete, 2007). In this context, we estimate the existence and degree of specialization in tourism of six Spanish selected regions from the perspective of the human capital stock and the returns of their education, limiting the scope of study to the hospitality subsector.

Using data from the Spanish National Institute of Statistics (2010) we estimate a sectoral specialization index<sup>1</sup>. A value of 1 for this index means that the economy of this region has the same specialization in tourism to the Spanish economy. Based on this index the Spanish regions more specialized in tourism are Andalusia (0.96), Balearic Islands (3.00), Canary Islands (2.17), Catalonia (0.99) and Valencia (0.97). Madrid (0.87) has been included because of its status as Capital of Spain.

## A BRIEF REGIONAL CHARACTERIZATION OF THE SPANISH HOSPITALITY SECTOR.

The six selected regions encompass 71.5% of total employment in the hospitality sector and more than 74.5% of waged workers. The hospitality sector is particularly important in both Spanish archipelagos as it embraces 19.18% of total employment in the Balearic Islands and 13.82% in the Canary Islands, whereas in Spain as a whole the aggregate is less than 7%. With the exception of the latter, self-employment is significantly high in the hospitality sector (Fernández and Pena-Boquete (2007).

In terms of Gross Value Added (GVA), the six regions selected represent nearly 73% of the total in Spain, a percentage slightly higher than jobs (71.5%) due to the higher productivity of five of the six regions under analysis. The relative importance of the hospitality sector in the Balearic and Canary Islands is also much higher than the Spanish mean and than other regions under study. Labour productivity is higher in the Balearic Islands

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<sup>1</sup> For description see Herce et al. (2001)

and Madrid, whereas the Canary Islands, Catalonia and Madrid are the more competitive regions in terms of unit labour costs.

Hotel bed places are concentrated in these regions (nearly 80% of the total), with 20.22% in the Balearic Islands, 17.15% in Catalonia and 16.58% in Andalusia. In addition, the proportion of hotel bed places per 1000 inhabitants emphasizes the enormous relevance of hotels in the two Spanish archipelagos, especially in the Balearic Islands. Finally, the mean size of the establishments clearly differentiates those destinations mainly specialized in “sun and beach” tourism from Madrid and other regions. In the Canary and Balearic Islands, the hotels are large: 375 and 234 bed places per establishment.

The great importance of the hospitality sector in Spain and the differences found between indicators in the different regions justifies analysing each region individually.

## METHODOLOGY.

The wage equation estimated for each region has the following functional form

$$\text{Log}(wr) = \beta_0 + \beta_1 S + \beta_2 \text{Exper} + \beta_3 \text{Tenure} + \beta_4 \text{Female} + \beta_5 \text{Full\_TC} + \beta_6 \text{Size} + \beta_7 \text{Overedu} + \beta_8 \text{Underedu} + \varepsilon$$

The dependent variable is the gross real wage per hour expressed as logarithms, discounting the price differential in 2006 in each of the regions studied<sup>2</sup>. The right-hand side of equation includes the constant as well as the characteristics of the workers and jobs. Human capital variables, such as mean schooling years (S), previous experience (Exper) and tenure in the firm (Tenure), and the gender of the employee (Female) are derived from the characteristics of workers.

In order to control the characteristics of the job we used the dummy variables type of contract, size of the establishment, and the formal education of the worker in relation to the job requirements. Using the variable *fixed and full-time contract* (Full\_TC), we attempted to assess whether this type of contract involves higher wages than to workers with temporary or part-time contracts. Both types of contract are aggregated into a single variable because in Spain they tend to be used together in the hospitality sector to help employers adjust the work supply to fluctuations in service demand. This translates into increased precariousness of employment, lower wages, a lack of opportunities for training and fewer chances of promotion among the workers (Nickson, 2007).

The variable firm size (*Size*), takes value 1 when the worker is employed in a firm with 20 or more employees, and zero in any other case. Business size has been taken as an additional explanatory variable of regional wage differences to control for the higher number of hotels in some tourist destinations. In addition, economic theory suggests alternative explanations to the fact that until a certain size is reached, wages increase with firm size.

The variables *overedu* and *underedu* measure the fact that the real wage per hour could be more influenced by the type of job than by having a higher educational level. Finally,  $\varepsilon$  is a random disturbance term.

## DATABASE AND DESCRIPTIVE ANALYSIS.

The information used was taken from the Spanish Survey of Wage Structure 2006 (Encuesta de Estructura Salarial, EES-2006). The sample is representative at the regional level (NUTS II), thus facilitating the present study.

Data shows that workers in the Balearic Islands are older, have higher previous experience, and higher tenure in the firm. Furthermore, 64% of them have a fixed full-time contract; this percentage is only exceeded by the Canary Islands (65%). Other labour characteristics of this region include lower percentages of women (47.4%) and higher nominal gross wages per hour. For this reason, the Balearic Islands have been taken as the reference region for wage differentials.

In the hospitality sector, mean schooling years is much lower than in other private service sectors. It should be pointed out that the Balearic and Canary Islands, which are mature destinations for sun and beach tourism, present the lowest mean schooling years of all the regions under consideration. This is probably due to the older mean age of workers who belong to the generation that did not benefit from the current Spanish educational

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<sup>2</sup> Observations of workers with a wage lower than the interprofessional minimum wage and those younger than 16 or older than 65 years were eliminated from the original sample

system. In fact, this may account for the high proportion of undereducated workers (higher than 30% in both regions).

With the exception of the Balearic Islands, tenure is lower in the hospitality sector than in other private service industries. This suggests greater worker rotation in this sector, as reported in other studies (Marchante et al., 2005). Except for the Balearic and Canary Islands, 50% of employees are women.

The percentage of workers suitably educated for their job fluctuates between the highest in Valencia (67.3%) and the minimum in the Balearic Islands (51.6%). These results do not substantially differ from the estimations obtained by Strauss and Maisonneuve (2007) using a different database for the Spanish economy as a whole; and are also consistent with Marchante et al. (2005) for the hospitality sector in Andalusia. The percentage of overeducated workers ranges between 12% in the Canary Islands and 22% in Madrid. The highest level of undereducation is found in both Spanish archipelagos (around 33%) and the lowest is found in Catalonia (15%) and Valencia (16%).

The rate per hour received in the hospitality sector is lower than the one received in other private service sectors. In nominal terms, the wage received by employees in the other regions as a whole is almost 19% less than in the Balearic Islands. In real terms, this difference decreases to 14.5% due to the differential in relative prices. The greatest difference is found in Madrid where wages in the hospitality sector employees are 40.1% lower.

## **EMPIRICAL RESULTS.**

The value of the constant term indicates the part of the wage not affected by the independent variables. This component depends on other variables, such as lifestyle, climate and other differentiating characteristics of the regions that have an effect on the conditions of employment and wages, but which our specification was not able to include. Our data shows that estimated values for the constant in the hospitality sector are greater than in the private sectors of services for all the regions. Furthermore, in the hospitality sector, as in the other private services, the maximum value of the constant term is found in Valencia and the lowest value in Madrid (Table 1).

### *Personal characteristics*

Education returns in these estimations are lower in the hospitality sector. In addition, very significant regional differences are observed between the Canary Islands (5.5%) and Valencia (1.8%). In Catalonia (4.8%), the Balearic Islands (4.7%) and Madrid (4.2%), education returns are higher than the mean for Spain (3.2%). These results reveal regional heterogeneity.

Our results are similar to previous studies that also use variables regarding job characteristics in their specification. Introducing these additional variables reduce educational returns, because these variables capture the indirect effect of education on wage and productivity. Accordingly, the education returns estimated in this work represent the direct effect of education, once the effects derived from the job characteristics are discounted.

The results of previous studies that specified the original Mincer equation showed education returns to be between 4.1% (Pastor et al., 2006) when the estimation method used is ordinary least square and 5.6% (Lillo-Bañuls and Casado-Díaz, 2010) when instrumental variable techniques are used. Nevertheless, in both papers, education returns in the hospitality sector are less than the estimates for most economic sectors.

The returns estimated for previous experience and tenure in the firm are much lower than those for education. Once again, the estimations for the hospitality sector show returns to be quite lower than for the other private service sectors. Thus, the returns from previous experience are not statistically significant in the hospitality sector of four regions (Andalusia, the Canary Islands, Catalonia and Valencia). On the other hand, the returns from tenure in the firm are statistically significant in all the regions, ranging from 1.1% (the Balearic and Canary Islands) to 1.5% (other regions).

The variable gender is statistically significant in all cases, and has a negative coefficient. Gender discrimination in the hospitality sector is greater in Valencia, where women have wages up to 13% lower than men. In the other service sectors, gender discrimination is greater in Catalonia, reaching 20.78%. With the exception of the

Table 1.-Result of the estimations.

		Andalusia		Balearic Islands		Canary Islands		Catalonia		Com. Valencia		Com. Madrid		Other regions		Spain	
		H	OS	H	OS	H	OS	H	OS	H	OS	H	OS	H	OS	H	OS
Constant	Coefficient	1.741*	1.337*	1.650*	1.381*	1.566*	1.225*	1.600*	1.336*	1.929*	1.468*	1.507*	1.216*	1.801*	1.351*	1.722*	1.326*
	t-ratio	(29.206)	(49.281)	(27.158)	(29.871)	(23.468)	(27.708)	(29.057)	(53.399)	(32.855)	(48.466)	(27.904)	(51.235)	(73.810)	(103.397)	(95.431)	(149.532)
S	Coefficient	0.032*	0.062*	0.047*	0.071*	0.055*	0.082*	0.048*	0.075*	0.018*	0.061*	0.042*	0.075*	0.020*	0.075*	0.032*	0.073*
	t-ratio	(4.612)	(36.506)	(7.759)	(23.481)	(6.967)	(30.251)	(7.554)	(51.731)	(3.275)	(31.894)	(6.688)	(57.617)	(7.648)	(87.769)	(16.203)	(131.541)
Exper	Coefficient	0.000	0.003*	0.005*	0.002***	0.002	0.001	-0.001	0.004*	-0.001	0.002*	0.004*	0.006*	0.002*	0.005*	0.002*	0.004*
	t-ratio	(0.298)	(3.297)	(3.632)	(1.768)	(1.587)	(0.670)	(-0.812)	(6.753)	(-0.411)	(2.709)	(3.229)	(11.298)	(3.420)	(14.261)	(4.976)	(19.274)
Tenure	Coefficient	0.016*	0.023*	0.011*	0.018*	0.011*	0.023*	0.013*	0.020*	0.014*	0.021*	0.014*	0.022*	0.015*	0.021*	0.013*	0.021*
	t-ratio	(7.077)	(26.057)	(5.822)	(12.011)	(6.201)	(17.530)	(6.547)	(29.702)	(7.098)	22.291	(8.391)	(34.104)	(17.321)	(55.920)	(21.928)	(83.187)
Female	Coefficient	-0.088*	-0.164*	-0.136*	-0.132*	-0.089*	-0.158*	-0.139*	-0.233*	-0.154*	-0.192*	-0.065**	-0.216*	-0.096*	-0.185*	-0.113*	-0.196*
	t-ratio	(-4.005)	(-13.219)	(-5.289)	(-5.175)	(-4.338)	(-8.228)	(-5.231)	(-22.440)	(-6.114)	(-14.631)	(-2.408)	(-22.884)	(-8.739)	(-31.003)	(-14.852)	(-49.384)
Full-TC	Coefficient	0.063*	0.118*	0.041	0.025	0.130*	0.093*	0.060*	0.088*	0.039	0.129*	0.074*	0.211*	0.057*	0.022*	0.068*	0.091*
	t-ratio	(2.735)	(8.632)	(1.332)	(1.008)	(5.967)	(4.566)	(2.403)	(7.737)	(1.550)	(8.510)	(3.001)	(20.387)	(5.362)	(3.318)	(8.815)	(20.729)
Size	Coefficient	0.098*	0.245*	0.074*	0.212*	0.122*	0.237*	0.212*	0.135*	0.108*	0.138*	0.088*	0.179*	0.079*	0.190*	0.105*	0.181*
	t-ratio	(3.714)	(16.260)	(2.250)	(8.232)	(5.394)	(10.115)	(8.334)	(10.015)	(4.003)	(9.000)	(3.380)	(12.447)	(7.636)	(28.700)	(14.303)	(39.137)
Overedu	Coefficient	-0.125*	-0.194*	0.084***	-0.293*	-0.183*	-0.366*	-0.124*	-0.300*	-0.122*	-0.250*	-0.122**	-0.301*	-0.020	-0.282*	-0.093*	-0.284*
	t-ratio	(-2.811)	(-12.663)	(-1.651)	(-7.921)	(-3.302)	(-12.970)	(-2.686)	(-21.511)	(-2.825)	(-12.398)	(-2.580)	(-24.980)	(-1.141)	(-34.478)	(-6.695)	(-53.013)
Underedu	Coefficient	0.140*	0.229*	0.170*	0.090*	0.234*	0.235*	0.123*	0.179*	0.142*	0.103*	0.169*	0.201*	0.099*	0.141*	0.140*	0.166*
	t-ratio	(3.425)	(12.824)	(4.142)	(3.286)	(5.235)	(8.972)	(2.945)	(12.976)	(3.640)	(5.992)	(4.370)	(16.145)	(5.514)	(17.179)	(11.202)	(31.026)
Adjusted R <sup>2</sup>		0.343	0.520	0.310	0.526	0.421	0.564	0.291	0.492	0.207	0.511	0.191	0.510	0.233	0.548	0.254	0.518
F-Statistic*		38.195	576.735	29.412	148.882	56.035	272.107	37.317	850.633	23.887	453.419	23.993	1,123.247	101.487	2,501.12	277.770	5,729.09
Sum-squared residue		34.866	650.128	42.993	141.572	40.862	246.046	75.240	1173.816	72.316	487.496	87.031	1482.336	180.268	2225.509	560.207	6549.940
Obs.		571	4258	506	1068	607	1678	709	7023	703	3466	778	8621	2641	16499	6515	42613

Statistically significant at: \* 1%, \*\* 5% and \*\*\* 10%

Balearic Islands, where wage differences due to gender are similar in the hospitality sector and other services in the private sector, the effect of gender on wages is less in the hospitality sector.

### *Job Characteristics*

Except for the Balearic Islands (in all sectors) and Valencia (in the hospitality sector), where the estimated coefficient of the variable is not statistically different from zero, a full-time permanent contract involves increased wages. This increase ranges from 13.91% in the Canary Islands and 5.91% in the other regions. The estimated coefficient for business size is statistically significant and positive in all cases. In the hospitality sector the wage premium of working in an establishment of 20 workers or more ranges from 23.66% in Catalonia to 7.65% in the Balearic Islands. Furthermore, except for Catalonia, wage improvements are greater in other service sectors than in the hospitality sector.

Finally, the estimated coefficients for educational mismatch have the expected signs in all cases and it is only statistically non significant in the aggregate of other regions (hospitality sector) for the overeducated workers. Overeducation involves a strong wage penalty which is greater in other service sectors than in the hospitality sector. On the other hand, undereducated workers earn between 26.40% more (in the hospitality sector in Catalonia) and 9.41% more (in other services in the Balearic Islands).

The results indicate great regional variability both in the hospitality sector and in the other private service sectors. Nevertheless, our estimations for Spain are not substantially different from those of Strauss and Maisonneuve (2007) using a different database that included the public sector. These authors estimate the wage premium associated with undereducation at 13% and wage reductions for overeducated workers at 21%.

## **CONCLUSIONS**

This article provides new empirical evidence on human capital returns and regional wage differences in the Spanish hospitality sector. The use of establishment-worker paired data allows us to analyze regional disparities in this context. This analysis focuses on the main tourist regions in Spain. The differential behaviour of the labour market and the significant structural differences that exist between regions drives the need to study each region individually. Similarly, the regions analyzed present marked differences concerning the tourism segment they have specialized in. Madrid is characterised by being a cultural destination and the Capital of Spain, whereas Valencia, Andalusia and Catalonia are coastal destinations specialized in the sun and beach segments with some cultural tourism. Finally, the Canary Islands and the Balearic Islands are highly specialized insular destinations with consolidated sun and beach tourism.

The estimations obtained for the different regions enable us to quantify the returns of human capital variables, such as schooling years, previous experience and tenure in the firm, as well as to compare their value to those obtained from other private services. In all the regions, returns from education are less in the hospitality sector than in the other private service sectors. Although the returns from education are less than those reported in other studies, they are compatible with them, since we introduced additional control variables related to the job characteristics that reduce returns. Similarly, the estimated returns for previous experience and tenure in the firm are less in the hospitality sector than in other sectors, being in turn lower than those of the education. Gender wage differences are found in all the regions. In general, this problem is more significant in the hospitality sector than other services. These results reveal a situation that can be generalised to most countries, i.e., the hospitality sector is characterized by lower pay to workers with similar characteristics, and women are especially penalised in this regard. The lower wages women receive may be strongly affected by the greater segregation they experience, as women are mainly found in the worst-paid industries, establishments, jobs, functional areas and responsibility levels.

On the other hand, regarding the job characteristics, there is a positive wage premium associated with stability in the type of contracts and establishment size. These results are compatible with other studies, as they point out that mean wages increase in a large company as the number of employees with a contract based on union agreements increases. This could be due to the negotiation system in Spain, where specific worker agreements with the firm are used to improve the labour conditions agreed at regional levels (Aláez et al., 2003). Finally, the effects of the mismatch between educational level and job requirements are compatible with estimates reported in the literature. In particular, overeducation has a negative effect on wages in the hospitality sector, whereas undereducation has a positive effect.

The breakdown of the wage gap between the Balearic Islands and each region serves to quantify the part of this differential attributable to differences in productivity from the part due to differences in returns of the observable characteristics. This is highly relevant from the standpoint of the disparities between regional characteristics, and has potential implications regarding labour mobility between regions. The Balearic Islands

was chosen as the reference region because of the high relevance of employment in this sector in relative terms, and the high number of hotel bed places and large establishments. The results obtained are robust given the non-discriminatory wage structure considered. The evidence helps to draw conclusions that have relevant implications for economic policies.

Finally, it is worth noting that there are variables not included in the wage equation specification that can be determinants of regional differences, such as the regional unemployment rate or to what extent the tourism development model has been consolidated, among others. In this regard, it is of interest to note that those regions more specialized in the hospitality sector, such as the Balearic Islands and the Canary Islands, present an employment pattern that is far from the stereotype in this sector regarding precariousness and low returns from education. This analysis may indicate that the level of tourism development in a region could encourage greater stability regarding contracts and better wages as the educational status of the workers increases.

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# HOW THAI TOURISM REVIVED MARKETING COMMUNICATION STRATEGIES

## TO FEND OFF A CRISIS: A CASE STUDY

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### ABSTRACT

This case study has demonstrated how marketing communication strategies were designed and implemented to promote domestic tourism in order to stimulate the Thai economy during political and economic crises. Based on the strategy of market segmentation, the Tourism Authority of Thailand has revised its strategic theme of “Amazing Thailand: Bustling Thai Tourism, Burgeoning Thai Economy,” and resorted to the entertainment-education modeling strategy to stimulate local tourists’ demand and spending during the years 2008-2009. Two popular celebrities, a superstar singer and a folk musical band, have been selected as role models widely depicted in a series of television advertising spots and other media. The multi-media campaign based on the concept of integrated marketing communications and a mix of “push and pull” strategies were also used to appeal for a bustling tourism and growing economy. The role models strategy, based on Bandura’s Social Learning Theory, was found to be very popular and effective in creating a social awareness and favorable attitudes among target audiences but was less so to “motivate” them to act. However, without much empirical evidence, the tourism promotion program was hailed as a success in meeting the set goal: 87 million person-trips and \$11 billion USD in revenue. Some lessons could be learned to further enhance tourism marketing communication strategies during a crisis.

**Key Words:** integrated marketing communications, entertainment-education strategy, role model, push and pull, shotgun and rifle approach, social learning

### INTRODUCTION

Thailand has been in recent years hard hit by a series of national and international crises which have dealt serious blows to the economy, particularly the tourism industry. The national crisis was triggered off by the coup d’état in 2006, followed by a series of political demonstrations by the yellow and red shirts protestors during 2008-2010 which badly tarnished the country’s image. In the international front, Thailand also suffered from the repercussions of the climate change, the outbreak of epidemics and the world economic recession. The tourism industry, the second largest foreign exchange earner, had been severely devastated by these unfortunate events. The number of foreign visitors had sharply dropped during this period, together with tourism revenue and other related business transactions. In 2007, the number of foreign visitors totaled 14.46 million persons with a total revenue of \$17 billion USD (548 billion Thai Baht) (Office of Tourism, 2007).

The year 2008 appeared to be the doomsday for the tourism industry when the political protesters seized Suvarnabhumi International Airport, coupled with the world economic recession. Consequently, the number of international tourist arrivals at the international airport was recorded at 9.8 million persons, compared to 10.4 million in the preceding year, (2007), a drop of 5 percent. During the year 2009, the number of international tourist arrivals at Suvarnabhumi International Airport still remained relatively low at 9.6 million and slightly rose to 10.3 million in the following year (National News Bureau of Thailand, 2008, Ministry of Tourism and Sports 2010, Tourism Authority of Thailand 2010).

### TOURISM MARKETING STRATEGY

As a result of the national and international crises, Tourism Authority of Thailand (TAT) has revived the marketing strategy by switching from international tourism to domestic tourism. Setting tourism as a national agenda, the Thai government has announced the years 2008-2009 as a national tourism year. The measure was designed to fend off the world economic recession as well as to create Thai tourists’ demands and stimulate the national economy. Based on the government policy, TAT has resorted to the existing strategic theme of Amazing Thailand which has been very successful in branding Thailand as a world tourist destination for a long time. A new sub-theme of “Bustling Thai Tourism, Burgeoning Thai Economy” was also created to attract as many local residents as possible to enjoy traveling in their motherland and help contribute to an economic boom. According to TAT Deputy Governor Jutarporn Rerngron-asar (2010), the domestic tourism campaign was designed to achieve the following goals:

- (1) To increase the number of Thai tourists by 5 percent, totaling 87 million person-trips.
- (2) To generate a total revenue of about \$11 billion USD (388 billion Thai Baht).

To achieve the goals, the strategy of market segmentation has been used to gear the tourism programs to the wants and needs of likely prospects. TAT Advisor Auggaphol Brickshawana (2010), said TAT has been effectively employing the market segmentation and fragmentation strategies to reach specific groups of prospective consumers. An effective market strategy involves determining the target markets to which the tourism attractions would be most salable. The Thai domestic tourism market has been typically segmented on demographic and geographic dimensions. The demographic market aimed at the youth and adult, both male and female, aged over 15 years old with a monthly family income of around 40,000 – 50,000 Thai Baht (about \$1,500 USD). The geographic segment focused on local residents, regional visitors and destination visitors to special events and major tourist attractions. In addition, the psychographic segment was designed for likely prospects of special lifestyle and social class to such world class events as the Amazing Fun Golf and Float Festival.

A special tourism program has been carefully planned and delivered to target visitors. At a total cost of \$2 million USD (62 million Thai Baht), the program highlighted five major activities and events:

- (1) World class float festivals in November in major cities of Bangkok, Chiang Mai, Sukhothai, Tak, Ayuthaya and Songkhla.
- (2) Cultural tourism to 100 selected traditional villages in the Northeastern region, the hub of cultural heritage, during the tourism years 2008-2009.
- (3) Grand celebration of Their Majesties the King and Queen at the official opening of the National Botanical Garden at Chiang Mai, during December 1-10, 2008.
- (4) Exhibitions of historical and cultural heritage at Dragon's Paradise museum to commemorate the Thai-Chinese relations at Supanburi province.
- (5) Amazing fun golf tournament at six world class golf courses for Thai families throughout Thailand during 2008.

## **MARKETING COMMUNICATIONS STRATEGY**

Once the strategic theme and target markets have been set, the next step is planning marketing communication strategy.

Under the central theme of Amazing Thailand: Bustling Thai Tourism, Burgeoning Thai Economy, TAT has come up with the idea of using the entertainment-education strategy to convey the message to the target audience. Although the root of the strategy went back thousands of years to the origin of oral storytelling (Singhal and Rogers, 1994), its recent application in mass communication was commonly known as the endorsement of celebrities or role models in television soap operas. The strategy was based on Bandura's Social Learning Theory. Bandura (1977) asserted that "most human behavior is learned observationally through modeling: from observing others one forms an idea of how new behaviors are performed, and on later occasions this coded information serves as a guide for action" (p. 22).

To appeal to the target audiences: women and men youth and adult aged over 15 years old with an average income of \$1,500 USD, TAT has selected two well-known celebrities as models: "superstar" singer Thongchai McIntyre, nicknamed Bird, and folk musical band named in Thai as "Poang-lang Sa-orn." As the most popular singer in Thailand, Bird has been an idol to people from all walks of life. "Poang-lang" is a traditional musical instrument originating from the northeastern region and, like xylophones, consist of a series of wooden bars graduated in length which produce different notes when struck with two small wooden hammers. The folk musical band became famous worldwide through the superb performance of their leading musicians named Eid, Lala and Lulu. They made emotional appeals to youths, particularly from the northeastern region.

Together with the role models, TAT appeared to use a combination of both "pull" and "push" promotion strategies to stimulate the domestic tourism. Under the pull strategy, TAT directed its marketing activities mainly through mass media advertising and consumer promotion towards local residents to induce them to travel and spend more inside Thailand. By this strategy, Thai residents' demand "pulls" the tourism service through the communication channels. TAT also used the "push" strategy by directing its marketing activities primarily through commercial promotion towards communication channels to induce them to further carry them to destination visitors. By this way, TAT "pushes" its tourism services through the channels (Kotler and Armstrong, 2008).

Under the entertainment-education role model strategy, a series of television advertising spots have been produced depicting both the singer star and folk musicians as role models to persuade Thai citizens to spend more on domestic tourism. Noteworthy was a sixty-second television advertising spot depicting Bird as a tourist guide to awaken the Thai people from the doldrums. Bird was shown smiling and singing a popular song while mingling with country folks on a minibus touring around tourist attractions. The spot also portrayed beautiful scenery and landscape as well as cultural heritage and historical sites which strongly appealed to Thai tourists. Similarly, the leader of the folk musical band "Poang-lang Sa-orn" was depicted in a thirty-second television

advertising spot as a presenter of the Thai tourism as an amazing attractive and economical destination that anyone can visit. The spot also reflected the national identity, cultural symbols and traditions as well as the magnificent views of tourist attractions in Thailand.

Apart from television, numerous advertisements and publicities depicting the superstar singer and folk musicians had been placed in other media, particularly radio, newspaper, magazine, internet, social media and outdoor billboards. It appeared that TAT has tried to apply the concept of integrated marketing communications (IMC) strategy by integrating its many communication channels to deliver a clear, consistent and compelling message about its tourism package to target markets (Schultz and Kitchen, 2000; Schultz and Schultz, 2004; and Schultz, Tannenbaum and Lauterborn, 1993).

It also appeared that TAT has used a mix of the “shotgun” and the “rifle” strategies to reach target audiences. By the shotgun strategy, TAT has widely advertised in mass media such as television, radio, newspaper and magazine to appeal to the mass audiences for their “loyalty” to Thai tourism. At the same time, they resorted to the “rifle” strategy to zero in exactly on the target market of interest by putting advertisements in such specialized media channels as tourism magazine, broadcast and website (Goeldner and Ritchie, 2009).

How effective was the marketing communications strategy to promote the domestic tourism? Most tourism policy makers, planners and administrators interviewed expressed their satisfaction with the outcome (see Sawetseranee, 2010). They viewed the Amazing Thailand: Bustling Tourism; Burgeoning Economy a big success in stimulating the domestic tourism and economy (Nitiyanant, O. 2010; and Prommaha, J. 2011). It was, however, difficult to collect hard data to substantiate their claims of success. Also, the question of how to measure the set goal of 87 million person-trips and over \$10 billion USD earnings has remained controversial.

An evaluation survey of the project yielded a somewhat interesting and startling picture. A cross-section survey had been conducted during May 23 to June 19, 2009 to evaluate the impact of the programme. A sample of 1,500 target audiences were randomly selected across the country; 500 from the capital of Bangkok and its neighboring cities and 200 each from the five regions --- the North, the South, the Central, the East and Northeast (Chasisiriyasawasdi et. al., 2010).

Table 1  
Tourists’ Responses to Communications

Response		N	%
Awareness	Yes	1,350	90
	No	150	10
	<u>Total</u>	<u>1,500</u>	<u>100</u>
Recall	Yes	1,335	89
	No	165	11
	<u>Total</u>	<u>1,500</u>	<u>100</u>
Attitude	Favorable	1,305	87
	Unfavorable	195	13
	<u>Total</u>	<u>1,500</u>	<u>100</u>
Motivation	High	945	63
	Low	555	37
	<u>Total</u>	<u>1,500</u>	<u>100</u>
Action	Visit	660	44
	No Visit	840	56
	<u>Total</u>	<u>1,500</u>	<u>100</u>

In terms of marketing communication strategy, the evaluation found the entertainment-education approach featuring the endorsement of celebrities or role models very effective and appealing. Among the two celebrities depicted in the television spots series, people gave a higher rating in popularity and persuasiveness to the superstar singer than the folk music star. Over 80 percent of television viewers said they were attracted by the advertising spots depicting Bird as a role model while over 40 percent were aware of the spots presented by Poang-lang Sa-orn. Over 90 percent of television viewers showed favorable attitudes towards the superstars and voiced approval of his character and performance as compared to about 50 percent for the folk musician.

Focusing on the overall marketing communications strategy, the survey found that it was more effective in creating a social awareness and a favorable attitude towards the tourism program among target audiences. Table 1 shows that 90 percent of the respondents were aware of the tourism campaign, 89 percent could recall the campaign message and 87 percent showed favorable attitudes towards the domestic tourism. However, when it comes to a behavioral change, the marketing communications strategy was less effective to motivate Thai people to make more travels inside the country. As Table 1 shows, 63 percent of the sample was motivated to visit the tourist destinations and only 44 percent had made up their minds to do so. Thus, there appeared a “cognitive inconsistency” between what the Thai tourists “think” and “feel” and what they actually “do” in the tourism market --- a so-called “KAP” (Knowledge, Attitude, Practice) gap in communication literature.

The findings are quite comparable with the Social Learning Theory put forth by Bandura. According to Bandura (1977), social learning is a cognitive process wherein individuals observe, organize, remember and mentally rehearse behaviors. They will be likely to model their behavior after that of the television show character if they perceive that they will be rewarded from an observed character but are unlikely to do so if they perceive that they will be punished as a result. In the case of Thailand’s tourism marketing, the people were found to be highly attentive and very favorable but might not be strongly motivated by perceived positive rewards from the television spot character to visit tourist destinations. Figure 1 summarizes the response hierarchy processes (see Kotler and Keller, 2006).

Figure 1  
Tourists’ Responses Hierarchy Processes

Stages	AIDA Model	Social Learning Process	Amazing Thailand’s Bustling Tourism Process
Cognitive Stage	Attention	Attention	Awareness
		Retention	Recall
Affective Stage	Interest	Reproduction	Attitude
	Desire	Motivation	Motivation
Behavior Stage	Action	Modeling	Action
			Destination Visit

## CONCLUSION

This case study has illustrated how Tourism Authority of Thailand has used the marketing communication strategies to boost up the domestic tourism in order to stimulate the economy during the political and economic crises. Based on the market segmentation strategy under the strategic theme of “Amazing Thailand: Bustling Thai Tourism, Burgeoning Thai Economy,” TAT resorted to the entertainment-education modeling approach in stimulating local tourists’ demand and spending during the years 2008-2009. The two popular celebrities, “superstar” singer Thongchai “Bird” McIntyre and folk musical band “Poang-lang Sa-orn,” have been widely depicted as role models in a series of television advertising spots and other media to persuade local residents to travel and spend more inside Thailand. The models were found very popular and effective in creating a social awareness and favorable attitude among target audiences. However, in terms of behavioral change, they did not succeed well in motivating the target markets to act. Thus, despite the officials’ claim of campaign success in meeting the tourism goal of 87 million person-trips and \$11 billion USD in revenue, there was not enough evidence from the evaluation survey to substantiate the claim.

The result was comparable to Bandura’s Social Learning Theory. Television viewers would model their behaviors after that of television advertising spots when they are motivated by perceived rewards or punishments from models depicted in the television series. A lesson learned from this case is that it is imperative to select suitable models in tourism promotion that can effectively appeal to specific target markets to think, feel and act. It is difficult to expect an idol to appeal to all segments of tourism markets throughout the country.

Another lesson learned from this case study involves how to design and use appropriate media to reach target markets. The market segmentation strategy has been rightly used in this case and, as a result, a “shotgun” approach should be avoided which would advertise in mass media to please all travellers. More emphasis should be placed on a “rifle approach” which would allow marketers to zero in exactly on specific target markets of interest. Finally, the integrated marketing communications strategy should be carefully planned and executed so that TAT can integrate its many communication channels to deliver a clear, consistent and compelling message to the target market tourists. In time of economic recession, more concerted efforts are needed to create tourists’ demand that can “pull” tourism product and service from the channels.

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# LONG-TERM COMMUNICATION EFFECTS OF TOURISM MALAYSIA MARKETING COMMUNICATIONS ON THE AWARENESS AND PERCEIVED DESTINATION IMAGE DIMENSIONS AMONG POTENTIAL TOURISTS FROM THE GULF COUNTRIES (GC)

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Sintok, Kedah, Malaysia

## ABSTRACT

This study argues in favor of assessing the communication effects rather than sales-based effects of MC (as often used by destination marketers) and it focuses on the long-term communication effects of Tourism Malaysia MC activities by looking at MCs influence on two of the three perceived destination Consumer Based Brand Equity (CBBE) dimensions (i.e. awareness and image). Focusing on potential tourists from the Gulf Countries (GC), 405 responses was collected via self administered questionnaire on a purposively selected samples in Dubai and Jeddah. The findings indicated that both controlled and uncontrolled MCs have a significant effect on the selected CBBE dimensions. However, uncontrolled MC have a greater influence compare to controlled MC on these dimensions.

**Key Words:** marketing communication effects, destination marketing, potential tourists

## INTRODUCTION AND STUDY OBJECTIVES

In today's competitive market place, destination image is commonly accepted as an important aspect in successful tourism management and destination marketing (Molina, Gómez, and Martín-Consuegra, 2010). Realizing this, tourism marketing organization and researchers have tried to improve understanding on the dimensions that tourists use in formulating the destination image, the role of the marketing efforts in positioning of destination image to enhance its attractiveness, and increase its market competitiveness (Beerli and Martin, 2004a; Martin and Bosque, 2008; Gartner, 1993). Since image affects tourists' perceptions, it is important to understand what affects image formulation in the tourist's mind. This study focuses on the long-term communication effects of Tourism Malaysia MC activities by looking at MCs influence on two of the three perceived destination Consumer Based Brand Equity (CBBE) dimensions (i.e. awareness and image) among tourists from the Kingdom of Saudi Arabia (KSA) and the United Arab Emirates (UAE). MC activities refer to the overall communication of an organization to its consumers, both controlled and uncontrolled (O'cass and Grace 2004). Controlled MC refers to the marketing activities undertaken by destination marketers namely advertising and promotions. On the other hand, uncontrolled MCs are activities that destination marketers have no controlled over it namely Word-of-Mouth. Both controlled and uncontrolled MC activities are important in service brand success (Berry, 2000; O'Cass and Grace, 2004), as they establish awareness and positive image of a brand. For potential tourists who have never had a direct experience with the destination, MCs are the only source of information that they rely on in making their travel decisions. Past studies that tested the effects of the information perceived by the consumer from different marketing actions on the formation of destination image and awareness demonstrated that MC activities is antecedent of these dimensions as it represents the effect of accumulated marketing investments into the brand (Yoo et al. 2000). These studies confirmed that through long term investment in MCs, destination image and awareness could be created and developed, and by doing so, the company will have strong consumer based brand equity (CBBE). Being able to understand how these MCs influencing the destination image and awareness will give marketing managers a great insight into how to create effective MCs strategies. Hence, the relation between the MC and destination image and awareness must be determined in order to create strong brand equity from the consumer perspective (Keller, 2003).

With the absence of actual visitation to the tourism destination, destination image and awareness are formed in the potential tourists' mind from controlled and uncontrolled information sources that consumer experience over time. The common theme to findings in the literature suggests so. This is supported by Berry's (2000) theory of service branding and Gunn (1972) tourism destination image formulation theory that suggest that there are three information sources that form the destination image and awareness. These are: controlled MC, uncontrolled MC, and past experience. Evidence suggests that travelers are likely to utilize the following broad, external information sources when planning their trips: family and friends, destination specific literature and advertising (Snepenger and Snepenger, 1993). The role of MC activities as information sources here is to influence the destination image and awareness from the potential customer mind which ultimately will increase the possibility for the brand to be chosen. As suggested in the literature, in an absence of actual experience with the service brand, potential consumers struggle to attach meaning to intangible brand elements. In this regard, MCs create awareness of the brand in the first place, and play a critical role as consumers use it to form their image of the service brand. While MCs (whether controlled or uncontrolled) can be used to create awareness and perceived image about the brand by communicating information to potential consumers, it is well established in the literature that it is the degree to which the information is meaningful to consumers that is important (O'Cass and Grace, 2004; Grace and O'Cass, 2005). In other words, the more favorable the consumers' feeling and attitudes are toward the communication channels, the more likely it is that the communications will be effective in transferring relevant meaning about the brand. Hence, it is their attitude and feeling toward the communication channel that will impact their response to the brand. MCs are communicating information about the brand specific attributes and characteristics. If the communication is seen as favorable by consumers and is persuasive enough to improve these attributes, it should positively impact the perceived image and quality of the brand.

Aaker (1991) defines brand awareness as "*the ability of the potential buyer to recognize and recall that a brand is a member of a certain product category*" (p. 61). Understandingly, it is impossible for any brand or product to be considered into customers' consideration set (the third stage in the consumer behavior model that includes the group of brands from which the consumer will chose) if the potential customers are not aware of the brand (Romaniuk et al., 2004; Hoyer and Brown, 1990). Brand awareness is also considered one of the CBBE dimensions (Aaker, 1991), as well as the first step in the consumer loyalty (Tepeci, 1999). Further, Larson (1989) pointed out that top-of-mind (TOM) awareness has a big correlation with the market share of a product and service. In addition, tourism products intangibility plays a critical role in marketing strategies. Because potential customer cannot test the service before, brand awareness is an instrument of predominant selection amongst consumers without previous experience (Hoyer and Brown, 1990). It is also very important as it has positive influence on the customer decision making process especially under low involvement (Macdonald and Sharp, 2003). In fact, brand awareness is the first effect that MC should create among the target audience. Nevertheless, as potential tourists will be under high level of involvement when they think of traveling to another country for tourism purposes, brand awareness is not enough to influence the customers' decision making (Kotler et al., 2006). Under such condition, destination must also be perceived to have a positive image in the customer mind in order to be successful (Konecnik and Gartner, 2007). Meanwhile brand awareness could be created by different ways such as WOM and advertising communications. When the consumers are repeatedly exposed to the brand through MCs, their familiarity with the brand will increase (Keller et al., 2008). Awareness comes under the information role of advertising which means that the customers must recognize the brand and the products as a member of the product category (Briggs, 1997). Various authors have confirmed positive relationship between MC - especially advertising and WOM - and brand awareness (Villarejo-Ramos and Sanchez-Franco, 2005; Dubow, 1994). According to Dubow, (1994) one of MC strength particularly advertising is its ability to create TOM awareness and the ability of the customers to recall the promoted brand. In tourism industry where the product or the service is intangible, TOM awareness ensure that a brand has a competitive advantages over the other brands (Kotler, 2006; Dubow, 1994). Based on these arguments, the hypotheses are as follows:

**H1<sub>A</sub>:** Controlled MC positively influence destination awareness.

**H2<sub>A</sub>:** Uncontrolled MC positively influence destination awareness.

### **Perceived Destination Image**

Milman and Pizam (1995) defined destination image as the visual or mental impression of a place or a product experienced by the general public. The significance of perceived brand image is that brand image enables the potential customer to recognize a product, evaluate the quality, lower purchase risks, and obtain certain experience and satisfaction out of product differentiation (Lin and Lin, 2007). In addition, brand image is often used by consumers as an extrinsic cue to make a purchase decision (Richardson, Dick, and Jain, 1994). Destination with positive image has the ability to eliminate risks that the potential customers will face when they make their decision (Molina et al. 2010; Lin and Lin, 2007). However, a brand image is something brought out by promotions, advertisements, and/or experience (Lin and Lin, 2007). Beerli and Martin, (2004a) argued that because potential tourists have no pervious visit to the destination and usually they have limited knowledge about the destination, destination with strong, positive, and recognizable images has more probability of being

chosen by the tourists. This shows the importance of destination image especially for prospective tourists. With this in mind, and as confirmed by tourism image formulation theory (Gunn, 1972), and service branding theory (Berry, 2000), the brand image is actually built in the consumer mind from external sources of information (promotional activities) and/or by the actual experience of the brand. Therefore, potential consumers rely on these information sources to make a decision. As this study looks at the potential tourists who never had direct experience with the destination before, without a doubt the image that they have about the destination is coming from external sources of information. Hence, when measuring the perceived destination image, the effectiveness of these external information sources in formulating the image will be predicted (Martin, Stewart, and Matta, 2005).

It is highlighted in the literature that MC activities as information sources are a force which impacts only the formulation of the cognitive evaluations and not the affective component of image (Baloglu and McCleary, 1999; Woodside and Lysons 1989; and Um and Crompton, 1990). For example, Um and Crompton's (1990) model of pleasure destination choice emphasized on that cognitive image of the destination is formed by information sources such as (promotional efforts) and social stimuli (WOM). With this in mind, in this study the individual's perception toward the destination based on their knowledge (cognitive) were investigated in order to capture the image of the tourism destination as a result of the MC as information sources. Based on these arguments, the hypotheses are as follows:

**H1<sub>B</sub>:** Controlled MC positively influence destination image.

**H2<sub>B</sub>:** Uncontrolled MC positively influence destination image.

## METHODOLOGY

In order to measure controlled and uncontrolled MCs, 11 items in 5 point Likert scales developed by Bansal and Voyer (2000) and Grace and O'Cass (2005) and 5 items to measure destination awareness adopted from Bianchi and Pike (2009) and Yoo and Donthu (2001) were used. Six factors are identified from the literature as common factors for measuring destination images. These are: leisure and tourist attractions (13 items), Local Hospitality (4 items), nightlife (3 items), political stability (3 items), heritage and historical buildings/cultural environment (5 items), and natural environment and atmosphere (9 items). Image measurement are adapted from previous work by Martin and Bosque (2008) Pike (2002) Konecnik and Gartner (2007) Baloglu and McCleary (1999) Stepchenkova and Morrison (2007) and Hankinson (2005).

## RESULTS

For factor analysis purposes, the items in the questionnaire were grouped into two components 1) the MCs (controlled and uncontrolled) items; and 2) destination image and awareness items. As table 1 below shows, factor analysis conducted on MCs produced two factors as expected, namely "controlled MC" and "Uncontrolled MC". These two factors captured 63.4 % of the total variance in the items. In terms of perceived destination image and awareness, as can be seen in the Table 1 below, factors analysis produced nine factors which explained 73.0 % of the variance. All these factors have acceptable Cronbach alpha which ranged between 0.73 to 0.91 (Nunnally, 1978). A total number of 409 responses were usable and used for subsequent analysis, giving the study response rate of 44.2 %. The demographic profile of the respondents indicated that the majority of the respondents were male as they represented 71.6 % of the sample. The majority of the respondents were relatively young between the age of 25 to 34 years as they represented 46.7%. This is followed by the age group of 35-44 years which represented 21.7 % of the respondents and the age group of 18-24 as they represent 19.8 % of the respondents. While respondents in the age group of 45 and above represented only by 11.9 % of the total respondents. Of the respondents, 57.5 % were from KSA and 42.5% were from UAE. Of the respondents, the majority had a university degree as they represented 66.0 % of the respondents with 50.4 % undergraduate and 15.6 % postgraduate (higher education). Approximately 21 % of the respondents had diploma while only 13.3 % were under secondary education (high school). Descriptive results suggest that Malaysia is a powerful brand in terms of its destination image with an overall summated mean score of (3.96) , which is close to the "agree" rating on the five point scale. None of the image factors fell below the lowest means scores (below 2.33). The five variables perceived to be the most important from the GC potential tourists point of view were "Natural Environmental Attractions" with a mean score of (4.07), "Multi Purposes Destination" (4.05), "Islamic Elements" (3.96), "Information and Services" (3.75), and "Pleasant Atmosphere" (3.67). Overall, respondents picture Malaysia as suitable for multipurpose destination and family vacations, a destination that has variety of beautiful leisure and environmental attractions such as beaches, relaxing places, natural and theme parks, an Islamic country with a Muslim majority where *Halal* food and Mosques are available everywhere, a destination where tourists information and services are easily available and a destination with pleasant and restful atmosphere.

Table 1  
Comparing Original Dimensions to Final Dimension after Factor Analysis

Original dimension	Dimensions derived after factor analysis	Mean	N. Items	Alpha (a)
Uncontrolled MC	Uncontrolled MC	<b>3.76</b>	5	.86
Controlled MC	Controlled MC	<b>3.52</b>	6	.87
Awareness	Awareness	3.77	5	.76
Leisure and Tourist Attractions	Natural environmental attractions	<b>4.07</b>	7	.73
	Multi purposes destination	<b>4.05</b>	3	.85
	Information and services	<b>3.75</b>	3	.78
Shopping	Shopping attractions	3.54	6	.91
Nightlife	Nightlife attractions	3.25	3	.90
Local Hospitality	Local Hospitality	<b>3.25</b>	4	.89
Natural Environment / Atmosphere	Pleasant atmosphere	<b>3.67</b>	3	.75
Cultural environment	Cultural attractions	3.47	3	.81
Islamic elements	Islamic elements	<b>3.96</b>	3	.84
<b>Overall perceived image</b>		<b>3.96</b>		

\*On a scale 1 = strongly disagree 5= strongly agree

Both controlled and uncontrolled MC has been shown to be effective in perception creation of Malaysia as tourism destination, with uncontrolled MC has a greater influence on their perception (with summated mean score of 3.76) than marketers driven information sources such as advertising (summated mean score of 3.52). Meanwhile, multiple regression analysis indicate that the model is significant with F-value of 12.522 and an adjusted R square of .059. Uncontrolled MCs alone significantly contribute to destination awareness ( $\beta = 0.242$ ,  $p < 0.001$ ). Controlled MC on the other hand, appears to have no significant effect on destination awareness ( $\beta = .002$ ,  $p = 0.969$ ). As such, hypothesis H1<sub>A</sub> is supported while H2<sub>A</sub> is rejected.

Multiple regression analysis was undertaken on the controlled and uncontrolled MCs and several perceived image constructs. The result shows that controlled MC alone significantly contributes to five out of nine factors. These are Nightlife attractions ( $\beta = .136$ ,  $p < 0.01$ ), Cultural attractions ( $\beta = .197$ ,  $p < 0.01$ ), Information and services availability ( $\beta = .152$ ,  $p < 0.01$ ), Pleasant atmosphere ( $\beta = .278$ ,  $p < 0.01$ ) and Natural and environmental attractions ( $\beta = .142$ ,  $p < 0.01$ ) where the F-statistics that indicates the relationship between independent and dependent variables are significant. By looking at the beta value, it could be interpreted that controlled MC have the most influence on pleasant atmosphere ( $\beta = .278$ ) followed by cultural attractions ( $\beta = .197$ ). With regard to Uncontrolled MC, the results show it significantly contributes to eight out of nine factors. These are Nightlife ( $\beta = .158$ ,  $p < 0.01$ ), Local Hospitality ( $\beta = .294$ ,  $p < 0.01$ ), Leisure and environmental attractions ( $\beta = .449$ ,  $p < 0.01$ ), Pleasant atmosphere ( $\beta = .261$ ,  $p < 0.01$ ), Islamic elements ( $\beta = .363$ ,  $p < 0.01$ ), Cultural attractions ( $\beta = .105$ ,  $p < 0.01$ ), Information and services availability ( $\beta = .133$ ,  $p < 0.01$ ) and Multi purposes destination ( $\beta = .167$ ,  $p < 0.01$ ) where the F-statistics that indicates the relationship between independent and dependent variables are found to be significant. Looking at the beta value, it is evident that Uncontrolled MC have the most influence on Leisure and environmental attractions and Islamic elements with ( $\beta = .449$  and  $.363$ ) respectively. This is followed by Local Hospitality ( $\beta = .294$ ) and Pleasant atmosphere ( $\beta = .261$ ). Based on that, H1B and H2B are partially supported. Meanwhile, when MCs were regressed on the overall perceived image, the results show that the model is significant with F-value of 61.642. The R square obtained indicates that the MCs account of 26 % of the variation in the overall destination image. Both controlled ( $\beta = .184$ ) and uncontrolled ( $\beta = .417$ ) MCs are found to be significant predictors of overall perceived image. However, the beta value indicates that Uncontrolled MC have greater influence on perceived overall image. Thus it can be concluded that within the study context both controlled and uncontrolled MCs are significant predictors of destination awareness and several perceived destination image constructs which is in the same line with previous studies findings (Fakeye and Crompton, 1991; Stepchenkova and Morrison, 2007).

## CONCLUSION

This study provides empirical evidence to support the tourism destination image formulation theory (Gunn, 1972) as well as the service branding theory (Berry, 2000) which claimed that with the absence of actual experience with the brand, both controlled and uncontrolled information sources create the perception of the brand from the potential consumer point of view. This is also consistent with Phau et al. (2010) and Baloglu and McCleary (1999) contention that information sources are an important antecedent of destination awareness and perceived destination image. Further, this study confirmed most of the literature that suggest that Uncontrolled MC as information sources has a greater influence on the perception creation compared to the MC that are driven by brand marketers (Beerli and Martín, 2004). The findings show the important role of uncontrolled

communications in the communication of tourism destination brand. In fact, this communication avenue is shown to exert the strongest influence on all consumer response variables tested i.e. awareness and perceived image. Thus it is recommended that since WOM is an important source of information for destination choice among Gulf countries tourists, Malaysia must focus on enhancing the existing tourists' experiences so that they will hold positive images that would lead to a positive WOM about the country to potential tourists.

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### ABSTRACT

Marketing a destination becomes more important due to destination competition in tourism sector. The destinations that can not develop new and creative operations can not succeed in international market. New destinations should be presented in tourism market to contribute the future of sustainable tourism in Turkey. Slow Cities should develop their own marketing strategies as a new and unique product. In this study, marketing strategies of the first Slow City in Turkey, Seferihisar and candidate destinations Akyaka, Yenipazar, Gokceada and Tarakli have been evaluated focusing on market segmentation, marketing mix, brand, image, positioning and communication in marketing of Slow Cities.

**Key Words:** Destination Marketing, Sustainable Tourism, Slow City, Slow Food

### INTRODUCTION

The CittaSlow movement is more explicitly a grass-roots response to globalization and is closely related to the longer-establishment and better-known Slow Food movement. The aims of two movements are different but complementary: In broad terms, both are in favour of local, traditional cultures, a relaxed pace of life and conviviality. Both are hostile to big business and globalization, though their driving motivation is not so much political as ecological and humanistic (Knox, 2005).

These are ordinary places, but they are places that consciously seek to reinforce their own identity and to facilitate an unhurried and enjoyable way of life for their inhabitants. They are towns where pedestrians can stroll, untroubled by roaring traffic; towns with abundant and varied spaces in which people can run into one another, sit, talk and enjoy communal life. Their municipal councils insist upon renewable energy and recycling and encourage local arts and crafts, traditional eating establishments that serve local cuisine and shops that sell local produce (Knox, 2005).

The Slow Food movement touches on important aspects that keep local community economies vital. In particular, Slow Food is locally grounded through its goal of maintaining the viability of locally owned businesses such as restaurants and farms. At the core of the movement is the concept of "territory". Slow Food emphasizes local distinctiveness through the connection to the specificity of a place as expressed by traditional foods and ways of producing and growing produce such as wine, cheese, fruits, and vegetables (Mayer and Knox, 2006).

Sustainable urban development falls into the realm of alternative urban development agendas. Its goal is to protect a city's environmental assets while at the same time fostering profitable and fair economic development. Also known as the "three E's" of sustainable development, this normative view combines environmental sustainability with notions of economic growth and social justice. The three E's refer to the environment, the economy and equity in society. The Slow City and Slow Food criteria are easily related to the three E's framework for sustainability (Mayer and Knox, 2006).

Due to the destination competition at tourism sector, marketing of a destination is very important. Destinations that can not produce new and creative marketing operations can not be successful in international tourism market. As a new marketing concept, Slow Cities can play an important role in the future of the Turkish tourism market.

### SLOW CITY (CITTASLOW) AND SLOW FOOD MOVEMENT

The Slow City movement was formed in October 1999. At their founding meeting, the four mayors committed themselves to a series of principles that included working towards calmer and less polluted physical environments, conserving local aesthetic traditions and fostering local crafts, produce and cuisine. They also pledged to use technology to create healthier environments, to make citizens aware of the value of more leisurely rhythms to life and to share their experience in seeking administrative solutions for better living. The goal is to foster the development of places that enjoy a robust vitality based on good food, healthy environments, sustainable economies and the seasonality and traditional rhythms of community life (Knox, 2005).

Achieving the goals of the Cittaslow movement requires, in the first instance, a strong commitment to the principles of the movement on the part of the city mayor. In the longer haul, success will inevitably depend on developing a new political dynamic that incorporates an alliance of city leadership, local businesses and residents in support of slow city ideals. Membership of the Cittaslow movement carefully controlled, and cities are admitted to membership only after trained local “operatives” have prepared an initial report on the city’s commitment to Slow City principles, followed by a detailed audit report covering six key ideas: environmental policies and planning; use of infrastructure; integration of technology; promotional of local produce and ways of life; hospitality and rhythm of life; and sense of place (Knox, 2005).

Slow City designation becomes a form of brand recognition within the heritage industry. Because they are small-50 000 inhabitants or less- the charming attractions of Slow Cities could all too easily be overwhelmed by tourism. So the more they flaunt their gentle-paced life, the faster they may end up changing. The best defence against this threat is the propagation of the movement: the more localities that are enrolled, the less exclusive membership status will be, and the less attention any one of them will receive (Knox, 2005).

The Slow Food Development was founded in 1986 by an Italian food writer who was alarmed by the opening of a McDonald’s restaurant next to the Piazza di Spagna in the heart of Rome. The movement’s goal is protect the “right to taste” by preserving almost-extinct traditional food products, raising the awareness of the pleasures of eating (including the social aspects of sharing a meal), taste education, and paying attention on to traditional agricultural methods and techniques among other initiatives (Mayer and Knox, 2006).

## **SLOW CITIES MARKETING**

A destination product includes service infrastructure such as shopping, gastronomy, transportation, accommodation services and natural, political, legal, economical, cultural, technological factors. Slow City is a difficult marketing product because of its complex structure. Different marketing approaches in sustainable development strategies according to market trends and changing customer preferences needs to be created for Slow Cities. Each Slow City should be compared with other Slow Cities by means of its similar and different features. Local inhabitants and local administrations and tourism institutions should support creative marketing facilities to develop brand management and competitive marketing strategies of Slow Cities.

Destinations are complicated entities that can create their own demand for tourism although they are not always recognized as well known tourist destinations and with many different stakeholders they can be challenging to promote. The stakeholders must work together to remain competitive in an ever changing tourism market.

It is recommended that a structured process be followed when analyzing the city as a tourism product. One approach is to have communities partner so that people could assess the strengths and weaknesses of another community, the better to appreciate their own. If this approach were not possible, as part of the product analysis process a team of committee members would analyze their city as it would appear to a first-time visitor. The first step in this initial analysis process would be taking a drive through the city to evaluate the appearance of the downtown area, buildings, parks, monuments, and anything else of immediate notice. The second step in the process would be for committee members to speak to local people at the City Hall or Chamber of commerce to assess the knowledge and helpfulness of the staff. Any printed material that is provided would be analyzed for both its usefulness to the visitor and its overall attractiveness and accuracy (Kolb, 2006).

After analyzing the first impression the city provides to the visitor, the next step in the product analysis process will be in-depth analysis of the city’s core, supporting, and augmented products.

The process of analyzing a city is complex, because the definition of the core product will vary, depending on the tourist segment that is targeted. In fact, the same city may contain multiple core products, each of which may be attractive to a different group of potential tourists. The core product includes tourist attractions, cultural and non profit attractions, historical site or monuments, entertainment, sports and shopping. Supporting products are made available to consumers to enhance their enjoyment of the core product. Some of the supporting products offered to visitors will be unique to each core product. Supporting product includes souvenirs and tours, restaurants, lodging, transportation and other services like car rental, religious services, medical care (Kolb, 2006).

The core product and supporting products are surrounded by another level of product that provides the city’s critical first impression to a visitor. This is the augmented product, which can be described as the packaging that envelops the city. While difficult to analyze, it is a critical component of the city’s image.

The augmented product includes the city’s character, image, accessibility, and human interaction. For example, upon arrival to attend the music festival or to visit the transportation museum, visitors will first notice the overall cleanliness of the city. They will also notice the style of the buildings, the availability of parking, and

whether the local residents are helpful in providing needed information. If the visitor's first impression is negative, they may not stay long enough to appreciate the core product and supporting services (Kolb, 2006).

A thorough analysis of the city as a product is essential to developing a successful marketing strategy to attract tourists. This product analysis is essential, because the promotional strategy of the city will involve communicating the city's core product, tourism services, and image to a segment of potential tourists (Kolb, 2006).

Slow cities focus tourist attention towards cultural attractions such as historical buildings, pedestrian streets, street markets, because they usually do not have any standout attractions of note and they emphasise the quality of life, relaxed environment and a positive ambience as reasons why their particular town is worth visiting.

There is a large emphasis placed on food in these towns which in itself can be classed as a tourist attraction, with many of these towns holding social events with food based themes. Local governments provide help to local producers and retailers by keeping large chain retailers from opening up in their town.

Cittaslow has definitely worked as a tool for product development, where the products and services could not only benefit the inhabitants but also the visitors. The changes put forward by the town councils contribute to enhance to qualities connected to heritage and the built environment. The councils could promote local services and local production and act as an inspiration by promoting ideas that may come from the organisation's network. Cittaslow also have an indirect role in promoting qualitative development through civic Networks within the communities. Thereby, locals get involved in activities that directly or indirectly influence how the town appears as a destination (Nillson and others, 2007).

The main segmentation approaches used in tourism marketing for cities include demographic, psychographic, geographic, and usage segmentation. The towns are small, with limited resources available for marketing and market research. The Cittaslow towns would like to attract interested tourists, small groups, families and children. Also the age group between 35 and 55 as the most important target market for cittaslow towns. The most conscious promotion does however not target any social or demographic groups but the visitors' interests and lifestyles (Nillson and others, 2007).

The rejection of alleged homogenisation, in the form of outlets, chain stores or mass tourism, does result in higher prices to the consumers. Supporting local producers and businesses, by allowing them to set a fair price, have priority. This way, they do not take advantage of the lower prices that result from economies of scale. As a result, these destinations will never become very popular among people with low incomes. There is, in a way, a risk that increased social segmentation among the visitors may lead to the towns losing parts of their souls, their authenticity. Another possible risk is gentrification. Rich people might buy houses or use the houses as second homes. In both cases prices will rise and the newcomers will not contribute to the community in the same way as the resident population. This risk will probably increase if the cittaslow concept becomes widely known (Knox, 2005).

Branding is the image the city projects, while positioning refers to how the consumer differentiates between similar products. Developing a positioning strategy is important when developing a promotional message because positioning answers the consumer's question of why the city is unique. The choice of positioning strategy will be based on the core product discovered during the product analysis. The city employ benefit positioning, where the benefit the visitor will receive is stressed. This strategy positions the city as having a specific intangible benefit, such as an exciting nightlife, a relaxing atmosphere, or small town charm (Kolb, 2006).

Cittaslow is a movement whose primary concern is the towns and their inhabitants. The inhabitants are important in creating an urban atmosphere that is appealing for visitors. The events help to strengthen the local identity and get people involved in the community. When people are involved in the events and also benefit from them, they will also benefit from them, they will also gain a better acceptance for Citta Slow as a whole. Another vital factor for success is of course if the concept will bring about advantages in the form of rising employment (Nillson and others, 2007).

Slow city Seferihisar and candidate destinations Akyaka, Yenipazar, Gokceada and Taraklı towns realize some marketing operations to get more public attention. However, these operations need to be improved to contribute the share of these towns in tourism sector. All these towns use traditional promotion ways such as printed brochures, press contacts and homepages on the Internet. The homepages of Seferihisar and Akyaka have been prepared carefully and in detail. On the other hand; homepages of Yenipazar, Gokceada and Taraklı lack of suitable information about the relevance of Citta Slow and Slow Food.

To improve the quality of marketing operations in these five towns, different cultural events should be presented, as these events are the most effective way to promote these towns.

Cities as tourist destinations also have life cycles of introduction, growth, maturity, and decline. If the city has just entered the tourism marketplace, it is in the process of being born as a tourist destination and, as a result, will still have low visitor numbers. At this introduction stage in the product life cycle, considerable resources are needed to develop a strategic marketing plan. Even though the revenue received from tourism may be low, the city must still invest in infrastructure improvements and in attracting the needed tourist businesses. The city also needs to create the necessary promotional material. Local businesses should be approached to help support the effort to develop tourism, either financially or by donating needed goods and services. To keep expenses low, volunteers can be used as a replacement for paid staff for many of the tasks (Kolb, 2006).

## **BRANDING SLOW CITIES**

The use of the brand is very important to promote any city. The brand will have a symbolic meaning for potential tourists and it will help to assure them about the quality of the service they will be getting in the city. The brand can be effectively used to communicate with these potential tourists in the future.

There are some steps to establish the concept of the brand for a particular city. First the vital and inevitable points about the city's image and brand should be discussed and developed. Then a logo and a slogan relevant with these points should be created. Finally, the promotional material to communicate with the potential customers will be produced. These promotional materials can vary from printed materials to mass media communications.

Each destination should develop a unique identity to become a brand in the market. The brand of the destination is an important component of its quality. A positive approach of the tourist about the brand of a particular city will help a destination to be chosen among other cities (Ozdemir, 2008).

Citta slow, with its association to Slow Food, could also be potentially important for the towns branding process. In this context it is possible to speak of three brands: the local brand, Citta Slow and Slow Food. The local brand is normally associated with the name of the place or area, or with some logo or slogan used to communicate its values. In this case, Citta Slow and even more Slow Food are much stronger brands, which the destinations could profit from in their market communication (Nillson and others, 2007).

## **CITTASLOW SEFERIHISAR**

Seferihisar is located within the borders of İzmir in the Aegean region. The oldest settlement on Seferihisar district grounds is Teos, thought to be a Carian city, established by Cretans that escaped from the Akas in 2000 B.C. Among Seferihisar's strong points are its famous mandarins, its sun, rich geothermal and wind energy resources, and historical riches. The reason behind the fact that the unplanned development on the Aegean and Mediterranean shores has not effected it is that archaeological sites and military zones surround Seferihisar. The Cittaslow Works of Seferihisar Municipality ([www.cittaslowseferihisar.org](http://www.cittaslowseferihisar.org));

- Preparing projects directed at saving energy and using clean and renewable energy resources.
- Plans to reform and develop historical centers and/or cultural and historical value works.
- Plans for safe transportation and traffic
- Programs to incorporate the "Slow" philosophy into social structures.
- The layout plans of the municipality regarding advertisement graphics, stands, and traffic signs.
- Plans to establish "trading centers for natural goods" and distribution of commercial goods.
- Bicycle paths connecting schools and public buildings
- Projects to resurrect urban areas and parts of the city that are decomposing.
- Conserving Local Production
- A program to develop and restructure the city's style
- Obtaining bins in coordination with the environment and the view, and for the garbage to be collected in accordance with a time schedule
- Promotions and programs that will enable to grow local plants and plants that are important and environmentally suitable to be placed in common and special areas preferentially in accordance with garden / landscape architecture
- To use products cultivated organically and/or on local grounds, and protecting local customs at restaurants, school cafeterias, and other structures under its auspices.
- To promote and preserve local cultural activities

- Establishing the internet based municipality network, where municipality services will be announced and training for citizens to use it
- Developing city and school gardens with local crops grown with conventional methods
- Arranging the city “slow” routes

## CONCLUSIONS

Because of the competition of destinations in the tourism market, all destinations need to establish new concepts and strategies to present and sell their services. Slow city and Slow Food are relatively new concepts for Turkish tourism market and understanding and implementing these important concepts will contribute marketing of candidate cities at the present and others in the future. Slow cities in Turkey and throughout the world need to improve their city image, brand, logo and slogans by creating unique activities and presenting them through media and other sources.

Citta Slow is primarily concerned with local heritage, the environment and the social economy. Citta slow influence local tourism in at least two ways: as an influence on destination development and through the reputation of the brand “Slow”.

Preserving and carefully develop the urban fabric are some of the most important issues for Cittaslow towns. They try to do that by safeguarding traditional architecture styles and colouring and by restricting the impacts of commercialisation. Environmental protection is an important part of the Cittaslow membership criteria. Processes that influence the appearance of a town, its environmental qualities, its functions, lifestyle and ultimately its public image will inevitably influence the town as destination. The measures with focus on qualitative improvement means that destination development tends to become oriented towards the supply side. The demand side is put to the back; marketing to the public can be described as a bit slow. The Cittaslow concept also means that the towns do not promote mass tourism. Thereby, the concept indirectly influences segmentation (Nilsson and others, 2007).

The close link between Cittaslow and Slow Food influences tourism in many ways. Food is the most publicly visible aspect of most, if not all, of the towns’s events; the Cittaslow concept is thereby tightly knit to Slow Food. Slow Food is a well-known brand among relatively large group of people interested in gastronomy. Thereby it might have great potential as marketing instrument for Cittaslow towns (Nilsson and others, 2007).

Tourism is a highly competitive industry, with many cities vying for the attention of the potential tourist. Therefore it is not enough for tourism marketers to conduct a product analysis of their own city; they must also research competitors. When analyzing competitors, the city should carefully research the core product that attracts visitors to the competing city. In addition, they should analyze the tourist services and the competing city’s image. Once it is known what attracts the visitor to its competitor, tourism marketers can decide if they can also attract similar tourists by enhancing or adding to their own product. Tourism marketers can also avoid replicating promotional ideas or special events that have not worked well for competitors. Varying methods can be used to conduct competitor research, including interviewing tourism marketers at the competing city, visiting the city personally, and analyzing promotional material (Kolb, 2006).

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# THE NATION-BRANDING LEGACY OF THE 2010 FIFA WORLD CUP™ FOR SOUTH AFRICA

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## ABSTRACT

There has been a growing awareness of the potentially significant impact that hosting sport mega-events, such as the 2010 FIFA World Cup™ in South Africa, can have on a nation's brand (e.g. Gibson et al. 2008, Berkowitz 2007, Rein & Shields 2006). This paper discusses the concept of a nation-branding legacy from sport mega-events and details an investigation that aimed to identify brand perceptions of international visitors to South Africa during the event. The findings suggest that many visitors who did not have strong perceptions of South Africa now have strong positive perceptions and will act as "brand advocates" for the destination. Further research areas are also recommended.

**Key Words:** nation-branding; sport tourism; mega-event; 2010 FIFA World Cup™ South Africa

## INTRODUCTION

In the struggle for competitive advantage, national reputation is becoming more and more significant as countries compete for the attention, respect and trust of investors, tourists, consumers, donors, immigrants, media and governments (Anholt 2007). Anholt (2007), among other proponents, (such as Olins 2002 and Kotler & Gertner 2002) supports the notion that nations have a brand image and that this image is made up of a collection of: images, symbols, history, perceptions, media, experiences, observations and stereotypes. While some scholars are hesitant that a nation should be considered a brand (e.g. Girard 1999), others such as Ollins (2002) and Anholt (2007), propose that a powerful, positive nation brand provides a strong competitive advantage for a nation. Anholt (2007) recommends that a nation's image needs to be skillfully created and carefully managed, just like any other brand.

Keller (2008) explains that an important 'building block' of a brand and a source of brand equity is brand image. Brand image refers to "the way people think about a brand abstractly, rather than what they think the brand actually does" (Keller 2008, p.65). Brand image thus refers to the more intangible aspects of a brand that represent associations formed directly through customer experiences or indirectly through advertising, word of mouth, or other sources of information (Keller 2008). Keller (2008) concludes that the challenge for marketers is to create "strong, favourable and unique" brand associations (p.67). There has been a growing awareness of the potentially significant impact that hosting sport mega-events, such as the FIFA World Cup™, can have on a country's brand image (Gibson et al. 2008). Sport mega-events have become increasingly important in the contemporary era, with their hosting becoming an object of policy for an increasing number of states in the world, especially "as a means to gain international visibility in some ways" (Cornelissen 2007, p.242). Sport mega-events represent a "unique publicity platform and opportunity for place marketing" (Essex & Chalkley 1998), or, as Berkowitz *et al.* (2007) put it, "a great branding opportunity" for nations (p.164). Such events may provide an opportunity to create or promote an image and also re-brand a nation (Anholt 2007). Rein and Shields (2006) explain how sports stimulate an emotional heat between the participants and the audiences that can symbolise the energy, vigour, and strength of an emerging nation in ways that eco-branding, museums, and other cultural attractions, for example, cannot. Despite the growing academic interest in this subject, there is still a need for work on the strategic use of sports as a branding tool for countries other than the industrialised and established ones (Rein & Shields 2006).

## **SPORT TOURISM AND MEGA-EVENTS**

The study of sport mega-events and their impacts and legacies form part of the growing body of knowledge in the tourism niche area of sport tourism. According to Gammon and Robinson (1997), sport tourism includes all those that travel to certain destinations specifically to participate in, spectate, officiate in or assist in any way in the production of, a sport event or activity. Sport tourists are visitors to a destination for the purpose of participating, viewing or celebrating sport (Turco, Riley & Swart 2002). The sport tourism industry involves all the people, places and things that influence and are impacted by sport tourists. It is the collections of business, institutions, resources and people servicing sport tourists (Turco, Riley & Swart 2002).

Events occur on many different scales or levels, with the largest of these levels being the 'mega-event'. Hall and Hodges (1998, p.3) describe mega-events as "distinctive, identified by the volume of visitors it attracts, economic revenue generated, and its psychological impact on attendees, that is, whether or not it is a 'must-see' event". They explain that mega-events usually require significant public funds to stage, and are thus unusual, or infrequent in occurrence. These events have significant economic and social impact, which is affected by the extent of the international dimension of the event. Getz (1997, p.6) adds that mega-events are loaded with tradition; attract significant media attention at international level; and are complemented by other smaller events that add to its greatness, such as parades and festivals. The Fédération Internationale de Football Association (FIFA) World Cup is the world's largest single-sport event, which attracts a global television audience of over 35 billion people. The FIFA World Cup™, hosted by South Africa in 2010, is considered a mega-event. The event is estimated to have attracted a total of 309 554 foreign tourists to South Africa during the month-long event for the primary purpose of attending the event (FIFA 2010).

## **SPORT MEGA-EVENTS AND THEIR LEGACIES**

Dickinson and Shipway (2007) explain that the study of event impacts has been driven by a need to examine the positive and negative impacts of hosting events in order to justify public spending on events and a need to leverage the best possible benefits for communities that host events, often termed the "legacy". Preuss (2007, p.208) provides the following definition of legacy: "Irrespective of the time of production and space, legacy is all planned and unplanned, positive and negative, tangible and intangible structures created for and by a sport event that remain longer than the event itself."

Dickinson and Shipway (2007) describe the event impact literature to date as "rather piecemeal", with a solid body of comparative evidence being slow to develop. The studies are mostly applied, with economic analysis dominating. However, given the difficulty of comparing different cases and a tendency to predict economic impacts rather than undertake confirmatory analysis after events have taken place, there are various claims to the reliability or otherwise of economic impact studies and methodologies (Dickinson & Shipway 2007, p.2). While much of the literature focuses on economic benefits, some authors (e.g. Carlsen & Taylor 2003 and Fredline et al. 2003 cited Dickinson & Shipway 2007) suggest more research is needed on the social, physical, environmental and tourism impacts of events and their interrelationships. There have been more advances in establishing knowledge about the effects of the Olympic Games than had been the case thus far with FIFA World Cups (Cornelissen 2007, p.248). For example, the Olympic Games Global Impact (OGGI) project sets out to assess the economic and other impacts of Games from their initial conceptualisation, through to the bidding processes and their hosting, with the aim of evaluating the costs, legacies and yardsticks yielded by the experiences of Olympic host cities. However, a similar mechanism does not yet exist for FIFA World Cups. Nevertheless, Cornelissen (2007, p.248) maintains that "leaving appropriate long-term legacies has become a discourse which has left an indelible mark on the way in which planning for today's sport mega-events takes shape". More recently, studies have questioned the positive benefits from events and the equity of their distribution, indicating a new focus is emerging with an emphasis on leveraging positive benefits of an event (Dickinson & Shipway 2007). Chalip (2004, p.228) defines leveraging as: "the processes through which the benefits of investments are maximized." Leveraging can relate to aspects around the actual event (e.g. visitor spending) or the long term benefits both before and after the event has taken place (e.g. destination image).

While there are a multitude of possible legacies from mega-events, the focus of this paper and study is on the sport tourism legacy, and in particular, the impact of the event on nation branding.

## **MEASURING THE NATION-BRANDING LEGACY:**

While it is agreed that the hosting of the 2010 FIFA World Cup™ in South Africa represented a unique platform and opportunity for creating and/or managing the host nation's brand, it was unclear exactly what this impact would be. The main aim of this investigation was to identify perceptions of international visitors to South Africa

during the 2010 FIFA World Cup™ event, regarding the nation brand and its key attributes, as well as to determine any changes to these perceptions as a result of their visit during the event.

Surveys, in the form of “mall-intercept” questionnaire interviews, were used to gather perceptions of the international sport tourists in South Africa. Respondents were interviewed at the official fan parks and stadium precincts in two of the major host cities and popular tourist destinations, Cape Town and Durban, on match-days during the event period (June-July 2010). A total of 561 international visitors, using a spatially-based purposive sampling approach, were selected at these locations. Senior and post-graduate students were used to conduct the interviews. The questionnaire was mostly structured, using closed-ended questions and likert-type scales. A few open-ended questions tested prior and current perceptions of the South African brand. The questionnaire was pre-tested on international visitors to Cape Town before the event. The computer software Statistical Packages for Social Sciences (SPSS for windows) was used to analyse the quantitative data.

#### **A PROFILE OF THE INTERNATIONAL VISITORS:**

A profile of the international tourists surveyed revealed that the vast majority of respondents (75%) were first-time visitors, while the World Cup event was the primary reason for travel for 77% of these visitors. A demographic profile of the respondents revealed the following points of interest (see Table 1 for summary). Most visitors were from western Europe (United Kingdom 27%; Netherlands 11%; and Germany 10%) and North America (USA 15%). This followed a similar trend to the official ticket sales profile released by FIFA (2010). However, a number of visitors were from the host’s non-traditional tourist markets such as Central and South America (8%), Asia/ Australasia (8%) and other African nations (7%). The predominant ethnic origin of respondents (self-rated) was White/ Caucasian (79%) and the gender was predominantly male (77%). The average age was 32 years, with 77% younger than 40 years old. This profile is fairly consistent with the travel statistics issued by Tourism South Africa (2010) and FIFA Marketing Research (2010) for this period.

Looking at the travel profile of the visitors, it was found that over a third of visitors had attended a previous FIFA World Cup (37%). Just over half (51%) said that they would not have considered travelling to South Africa had it not been for the World Cup event.

<b>Table 1: International Visitor Profile</b>	<b>% (n=561)</b>
Nationality:	
- UK	27%
- USA	15%
- Netherlands	11%
- Germany	10%
Ethnic origin: (as stated by respondents)	
- White/ Caucasian	79%
- Black	7%
- Latino/ Hispanic	5%
- Asian and Indian	5%
Gender:	
- male	77%
- female	23%
Age:	
- mean age: 32 years	
- younger than 40 years	77%
Travel profile:	
- Have travelled to previous FIFA World Cup	37%
- Would not have travelled to South Africa if no World Cup event	51%
- First-time visitors to South Africa	75%
- World Cup was primary reason for travel	77%

#### **NATION BRAND PERCEPTIONS:**

While prior knowledge and perceptions of South Africa for first-time visitors were rather limited, the unprompted responses tended to focus on the traditional tourist strengths such as the: natural beauty; good climate; and wildlife. These are generally very positive associations with the nation brand. While in general the prior perceptions were positive, a few negative perceptions were mentioned, mostly related to the much-publicised crime rate or safety and security issues.

When asked about which factors/ sources of information influenced these perceptions prior to traveling and to rate the strength of these factors, respondents noted that the following were most important: international media; friends/ relatives experiences; and previous sport events in South Africa.

Nearly three quarters (74%) of the first-time visitors agreed that their perceptions of the nation brand had changed since attending the World Cup event in the country. This exhibited a statistically significant relationship compared to those respondents who had visited previously ( $p < 0.05$ ), i.e. first-time visitors were significantly more likely to have had their perceptions altered. This is similar to the findings from a FIFA Marketing Research (2010, p.3) study that stated that 84% of international visitors held the country in higher esteem after attending the event. The new, prompted, perceptions of the brand among all visitors are displayed in Table 2 below, which used a Likert-type scale to indicate respondents' level of agreement with the different question endings.

<i>"Do you believe that South Africa has/is... ?"</i>						
(1=strongly disagree; 2=disagree; 3=unsure; 4=agree; 5=strongly agree) (In %, n=561)						
	1	2	3	4	5	Mean:
beautiful scenery and natural attractions	0.7	0.2	0.9	18.5	79.7	4.8
many friendly, welcoming people	0.9	1.4	3	27.5	67.2	4.6
a good climate for tourism and sport	0.7	0.9	6.5	29.2	62.7	4.5
many diverse cultures	1.1	1.1	6.3	39.9	51.7	4.49
a competent host of the football World Cup	1.3	1.8	4.7	40.1	52.2	4.4
a world-class tourism destination	0.7	1.4	6.4	41.3	50.1	4.4
an excellent destination to host future sport mega-events	1.4	1.1	12.9	35.3	49.3	4.4
world-class sports facilities	1.3	2.7	11.1	46.9	38.1	4.2
a number of successful sports teams and participants	2	5.6	23.8	42.5	26.1	3.8
a desirable country to live in	3.6	6.5	28.4	37.7	23.9	3.7
a safe place to visit	1.8	8.3	23.6	49.5	16.9	3.6
a segregated (divided) social society	6.5	10.7	30.2	34.4	18.3	3.5
many business or investment opportunities	6	9.7	40.3	28.3	15.7	3.4
a stable democratic government	7.4	12.4	54	17.4	8.8	3.1
well-respected political leaders	9.9	14.2	38.6	28.2	9.2	2.9

As seen in the table above, the factors scoring most highly are those that have been traditional brand strengths (e.g. natural beauty, friendly people and good climate) and also those that are more experiential in nature for sport tourists/ short-term visitors (e.g. related to people, culture, attractions and facilities). The factors that score less highly tend to consist of high "unsure" responses, illustrating a lack of knowledge or understanding related to these issues. This is especially related to aspects of politics and leadership; business/ investment opportunities; and social segregation. These are perhaps more nuanced or complex factors that would require greater information or learning to change or create stronger perceptions.

It was also interesting to note that although crime/ safety and security had been a major concern for organisers prior to the event, and was mentioned as a negative prior perception, two thirds of respondents (67%) considered the country "a safe destination to visit". The most significant reasons given for the change in the perceptions from prior to the event was: "travelling in South Africa"; and "interacting with South Africans". Linking these perceptions with the reason for travelling, respondents showed a strong support for the nation as a competent host of the World Cup (92%) and as a potential host for future sport mega-events (85%).

In order to gauge whether the travel and event experience would impact on the sport tourist's consumer behaviour, respondents were asked to respond to a series of statements, again using a Likert-type scale to indicate their level of agreement with the statements. These are set out in Table 3 below, in order of highest agreement. The responses show a high propensity for repeat travel and word-of-mouth promotion of the nation, two highly valuable tourism-marketing outcomes.

The table below shows that respondents have a high propensity to travel to South Africa again and to encourage others to travel, which represents valuable future tourism income and word-of-mouth marketing. If indeed this turns out to be the case, it could represent a significant tourism legacy for the nation. It will be interesting to note whether the potential tourism legacy for South Africa also involves a tourism legacy for other African nations, with respondents generally "unsure" whether they would visit these destinations. This is in spite of the fact that the event was promoted as an "African" World Cup. The behavioural responses that score most poorly

were those that required the greatest personal commitment, potential risk or behaviour change, such as emigration, investment and business.

<b>Table 3: Influence of nation brand perceptions on consumer behaviour</b>	
<i>“My visit to South Africa has encouraged me to...”</i> (1=strongly disagree; 2=disagree; 3=unsure; 4=agree; 5=strongly agree)	Mean score (n=561):
visit South Africa again	4.54
encourage others to visit South Africa	4.54
become friends with South African people	4.27
appreciate South African food, music, art and dance	4.21
visit other African countries	3.96
return to South Africa to watch or participate in sport events	3.94
pay more attention to news or media relating to South Africa	3.85
buy South African products more easily	3.44
do business or invest in South Africa	2.93
emigrate to South Africa	2.55

It is important to note a few limitations of this study before discussing the conclusions. The now infamous noise created by the vuvuzela (trumpet) and the general congestion and crowding experienced in the venues where interviews took place made the process more difficult and time consuming. The questionnaires were printed in English only, and although the interviewees were often able to speak a number of languages (including French, Spanish, Portuguese and German), respondents were not always able to answer in their preferred language. The most important limitation to the survey was the fact that it was extremely difficult to determine prior perceptions once the respondents were already in the country.

## CONCLUSION

The findings suggest that many visitors who did not have strong perceptions of South Africa now have strong, favourable perceptions. This indicates a positive impact on brand image and an increase in the brand equity of the nation brand. The improved brand image appears to have a positive impact on consumer behaviour, with respondents intending to act as “brand advocates” for the destination.

The findings are extremely positive and lead to a support of the notion that mega-events can be effectively used as nation-branding tools (supporting the likes of Essex & Chalkley 1998; Rein & Shields 2006; Berkowitz et al. 2007; and Gibson et al. 2008). However, it needs to be noted that it is difficult to isolate the effect that the World Cup event played in this process as opposed to the mere fact that the visitors were able to tour the country. However, were it not for the mega-event, 51% of respondents would not have travelled to the country. The highly positive support for the hosting of the event may also have influenced perceptions more positively compared to normal. Although far more longitudinal studies need to be conducted, from this study it appears that the development of a positive and distinct South African brand has been accelerated through the effective hosting of the 2010 FIFA World Cup™.

This study appears to support the nation branding literature, and in particular, those scholars who promote the concept of the nation as a brand (e.g. Ollins; Anholt; and Kotler & Gertner). Similar to conventional marketing theory, an improved brand image of the nation leads to an increased brand equity as it translates into positive consumer behaviour (e.g. repeat visits and positive word-of-mouth promotion). Acknowledging the arguments of Dickinson and Shipway (2007) and Chalip (2004), it is recommended that further research be undertaken to determine the degree to which this legacy has been and will be leveraged by nation brand and sport tourism stakeholders.

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# A PARADIGM SHIFT FROM TOURISM DESTINATION MANAGEMENT TO DEMOCRATIC GOVERNANCE OF PLACE BRANDING

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## ABSTRACT

This paper takes a dynamic destination management perspective to assess place brand strategy as a "contested space". Drawing on selected theoretical and empirical contributions the authors' seek to debunk the myth that top-down government is a pre-condition for successful destination management and place brand building. It introduces the democratic and embedded governance to underpin destination marketing and place branding creation process to respond to poly - inclusive demands of stakeholders. It concludes by applying the place branding matrix (variables: local governance and collaboration level) to conduct a comparative analysis of two case studies: Pompei Campania (Italian region) and Campi Flegrei.

**Key Words:** place branding matrix, democratic governance, destination management, poly-inclusive model, stakeholders, tourism

## INTRODUCTION

In the era of liquid modernity (Bauman, 2000) people constantly re-define values, boundaries, roles, priorities, power and, consequently, deconstruct "fordism' solidity" generating social dilemmas as situations in which individual rationality leads to collective irrationality (Kollock, 1998). The liquid society drives individuals to engage in a circular process comprised of negotiation, construction and participation in group processes and coalitions, on a temporary basis, which are subsequently deconstructed.

In the early 21st century, new communication technologies afford innovative means of connecting but also create the parameters for increasing interdependencies across various boundaries (cultural, organizational, governance, infrastructural) in all spheres of society. The emerging virtual communities bring fundamental changes in the relations between people, public power and physical and virtual spaces. Sorokin (1927) and Go and Fenema (2006) indicate that social, cultural and mental mobility expands concomitantly with spatial mobility. Particularly, the poly-inclusive model by Go and Fenema (2006) analyzes the different spaces (spatial, mind, information and social) that affords, first, the connection, potentially, for a 'physical-digital fusion'; second, the reshaping of human-machine relationships and, third, stretching the innovative edges of both organizations and individuals.

Due to their relative compactness cities and regions, rather than countries, represent a setting where decision-making toward value adding processes of organization, production, consumption and recycling can be combined and governed energetically and efficiently; But, only if they are socially robust, economically viable, ecologically sustainable, culturally diverse, safe and responsive to user demands. Currently, there is a considerable divide between the formal and informal economy in cities and regions. Local authorities view the touristic local system, increasingly, as a vehicle to demonstrate the city's openness to the world, create employment and thereby build economic viability through the social inclusion of culturally diverse groups. Also, the utilization of existing concentrations of economic activities such as agriculture aimed at developing synergy with tourism. However, tourism is a complex sector, involving multiple public and private stakeholders, which complicates the decision-making process by local authorities, significantly.

The commonplace tourism concept promises a sense of 'freedom'. In contrast, the declaration of top-down planning/power 'bankruptcy' by Richards and Hall (2000) echoed by Caalders (2003), puts another light on the tourism sector. Seen, increasingly, to augment bureaucracy incapable of responding to societal ills, including pollution, place identity erosion and a sense of insecurity; its undermining of the decentralization process impedes the introduction of a mechanism to coordinate the activities of divergent stakeholders.

In addition, there are multiple issues with negative overtones that could potentially damage place brand reputation. In turn, the latter might influence relationships with its place brand stakeholders at the (supra) national- and regional levels, enterprises and others. To date research remains focused on issues concerning economic ordering and discourses that condition the parameters and possibilities of destination management organizations (DMOs). Instead, our perspective casts place branding in a framework in which stakeholders' contests over complex issues, resources, values and representations give meaning to place brand images, cognitive understandings, emotional responses and social relationships.

This paper takes a dynamic destination management perspective in relation to place branding to assess place brand strategy as a "contested space". It tries to introduce in the academic debate on place branding the following aspects: The influence of stakeholders conflicts (derived from the different values, languages, aims) on perception of community and space; the role of the "inside-out" approach, i.e., bridging barriers that, currently, divide stakeholders to co-create an effective place brand; the power of language in the 'making of place' by exploring a range of situations and cultural contexts that appeal to people's common sense, characterized by a low threshold, so that joining a 'commons' is either free (or low-cost). It draws on selected theoretical and empirical contributions the authors' use to debunk the myth that top-down government is a pre-condition for successful tourism destination management and place brand building. They claim that a different perspective is urgently needed to bring about fundamental and embedded integration of organizational cooperation within networks; First, to face complexity consequent to local variety of tourism (small towns, local communities and public-private organizations); second, to assure a trade-off between and differentiated democratic governance of place branding.

The article is organized as follows. The second section focuses on the evolution of place branding and introduces the principle of democratic governance to underpin destination marketing and the place branding creation process to respond to stakeholders' poly - inclusive demands (Go and Fenema, 2006). The third section captures the concept of democratic governance in a matrix model to explain potential stakeholders' collaboration scenarios. It leverages Trunfio's (2008) matrix as a methodology, using two variables (local governance and collaboration level) to define four configurations of touristic contexts and place branding (Govers & Go, 2009) and draw scenarios, where appropriate. It applies this model using a multiple case study design (Yin, 1994) to conduct a comparative analysis of two cases situated in Campania (Italian region), Pompei and Campi Flegrei. The last section offers some final reflections and draws conclusions for future research based on coexistence strategy design.

## **PLACE BRAND BUILDING THROUGH DEMOCRATIC GOVERNANCE**

Place branding is a profoundly complex subject derived by the interdependencies of national/regional institutions, public/private organizations, private network organizations. The inadequacy of traditional theory in accommodating the context specificity of places compel us to search for an appropriate logic around which a coherent strategic place brand theory could be developed to underpin strategic place brand decision making from a pragmatic perspective.

The notion of place branding are turning into a 'container concept' overwhelmed in a multitude of topics, concepts, and theories showing (Go & Govers, 2010): first, both the term 'place' and its associated vocabulary, is indiscriminately used to indicate country, nation, region, city and destination in relation to tourism leading to misinterpretation of place marketing and branding and the place branding literature lacks an agreed 'language for the holistic or all encompassing brand'; second place branding case studies, based on multi-disciplinary perspectives, show a multitude of topics and concepts; third, the field lacks the paradigmatic status needed to escape from the risk of remaining fragmented and, in the worst case scenario, a shallow body of knowledge.

Also, there is a variety of branding models reflecting the different perspectives, aims, and cognitive approaches to investigating product or destination/place (Balmer, 2001). Accordingly, there is a great need in the fragmented debate across a wide range of disciplines from political philosophy to marketing economics and public relations to select from the abundant material the quintessence in a systematic framework, so that decision makers gain clarity on its underlying methodology and application in practice. Therefore, it is apt to distinguish three definitions of branding: first, "a popular and least precise way referring to buzz words and vague marketing terms; second, a simple understanding, which refers to a designed visual identity - name, logo, slogan, corporate livery", third, the advanced definition covering 'a wide area of corporate strategy, consumer and stakeholder motivation and behavior, internal and external communications' (Anholt, 2005:117).

We justify our approach by likening the first and second definitions of place branding to the tip of the proverbial iceberg. Both hide a series of situations underwater, i.e., the unseen 'back office' of branding logic advances the social fabric embedded in place beyond its 'front office', logo facade. The 'back office' of the place brand is the synthesis of stakeholders' different spaces (spatial, mind, information and social). The peculiar nature of the

place branding process, particularly the stakeholders' interdependencies for their mutual coexistence in different spaces, renders the coordination mechanism for the marketing and branding of 'place products' extremely complex. This is exacerbated by the complexity in which branding theory can be applied (Warnaby, 2009) at the touristic context to meet requirements for sustainable practice.

The complexity of place strategy making needs to adopt a non-linear model to focus on corporate strategy in relation to strengthening place identity (Balmer, 2001) and interaction approach (Ford et al, 2003) as the optimal mechanism to facilitate stakeholder engagement (Stokes, 2008). It implies an infrastructure (organizational, technological, cognitive and cultural) in place, which enables the coordination of channeling internal stakeholders' communications. The role of local authorities is central to appeal to the media and carry images, especially symbolic meanings, which may provide social value to investors, residents and visitors and contribute to a sustainable competitive advantage in the global market (Go & Govers, 2008).

Therefore, the stakeholders analysis (issues, resources, possibilities and constraints) applying the scenario-based stakeholders engagement (Tompkins et al, 2008) can support the place branding process. This intervention is meant to gain insight into spaces within the place brand domain associated with specific practices and interactions between different stakeholders on the local, regional and (supra) national scales that could yield an agreeable, common standard, based on widely shared values and norms.

The place branding process aims to identify and aggregate stakeholders' interests, culture and discourses marked by both a unique selling proposition expressed by a logo, slogan, but more importantly values, style, to manner given shape by a specific set of norms that attach meaning to the place brand. Accordingly, fundamental questions to understand the complex processes that play in the place branding back office necessitate exploration from an "inside-out" social-cognitive perceptive approach how individual stakeholders make sense of a series of situations, diverse marketing approaches and arguments about what constitutes place brand users' preferences and what standard of software to apply and how to present the place brand to its relevant audiences.

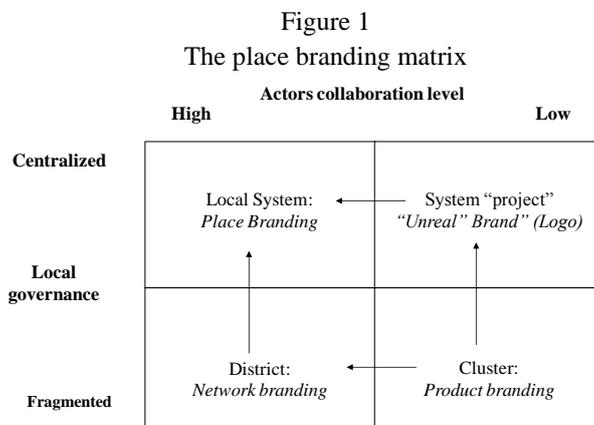
Moving from a destination management approach wherein stakeholders aim to develop a guest-oriented approach, this paper takes a dynamic perspective in relation to place branding giving priority to the Coexistence Strategy design (Go & Trunfio, 2010). Based on recent place branding studies (Lemmetynen & Go, 2008; Govers & Go, 2009) and embedded governance (Go & Trunfio, 2010), the paper proposes to adopt a responsible growth paradigm steered by a compatible 'democratic governance' model with a two-pronged aim: First, to reconcile tourism related risks and uncertainties that may impact autonomous stakeholders of the host community. And, second, to develop governance structures, in the overlapping space between insiders and outsiders. These steps afford collective action needed for managing critical resources as common-pool resources (Hess and Ostrom, 2001) more effectively realizing value-creation and destination brand-identity-building.

The realization of interactive (Kooimann, 2008) and embedded (Go & Trunfio, 2010) governance enables both dynamic and contextually sensitivity, needed to mobilize collaboration between actors, especially entrepreneurs, community members and institutions' to converge towards a common goal. The concept of embedded governance, as a platform between political actors, business and community, designed to create sustainable development, is linked to the social capital concept (Inkpen & Tsang, 2005) and represents (Go & Trunfio, 2010): a filter of information (from supra national/national/regional institutions, market, lobby and power coalitions); a bridge function to facilitate knowledge sharing and communication transfer between stakeholders to create trust.

In synthesis, embedded governance plays several priority roles to facilitate the place brand building process. These are, first, to understand stakeholders aims, second, to develop local culture of partnership, third, to create and support knowledge transfer, fourth, to define a participative/shared marketing strategy, fifth, to develop organization and marketing tools, sixth, to facilitate internal and external communication, seventh, to manage to changes, eighth, to support innovations, ninth, to coordinate relationship between different actors and, finally, to control divergent processes. Last but not least, embedded and democratic governance establishes a guest-oriented platform under auspices of the destination management organization to mediate the matching of supply and demand; its design should afford stakeholders the means to co-opt value-adding guest experiences.

## CASES STUDY DESIGN APPLICATED IN CAMPANIA'S PLACE BRAND MATRIX

Place branding involves three knowledge realms: cultural representation, business marketing and government policymaking and intervention (Go & Govers, 2010). Their management in the overlap of three knowledge realms raises awareness of the complexity of the field. This section introduces Trunfio's (2008) matrix as a methodology, to define four configurations of touristic contexts and conduct a place branding analysis to draw possible configurations and scenarios.



Source: Adapted from Trunfio M., 2008.

The matrix (figure 1), is based on two variables: local governance and actors collaboration level; presents the association between configurations of four places and different typologies of place branding: cluster (fragmented local governance and low actors collaboration level)/product branding, system project (centralised local governance and low actors collaboration level)/ unreal brand, district (fragmented local governance and high actors collaboration level) /network branding, local system (centralised local governance and high actors collaboration level) /place branding. Cluster and system project describe places in early stage of the destination's life cycle (Butler 1980), while district and local system represent developed destinations. Using a multiple case study design (Yin, 1994), the place branding model is applied to analyze two cases situated in Campania (Italian region), Pompei and Campi Flegrei, both are in embryonic stage of the destination's life cycle, characterized by a low level of actors collaboration.

The first quadrant identifies the cluster understood as a place, which is, first, characterized by the absence of both dynamic networking and governance; second, by a lack of integration at the destination level and, consequently, single organizations or attractions (cultural, historical, natural, etc.) compete among themselves to draw visitors; third, the cluster configuration does not provide the conditions that are needed to create an effective place brand. In particular, because it emphasizes a division instead of a sense of unity to mobilize one or more existing individual product brands (hotel brand, museum/archaeological site brand, city brand, typical product brand, etc.). The empirical research on Campania's places allow to position, paradoxically, the city of Pompei in the cluster area. Also, Pompei may be famous in the world for archaeological sites, only 4 per cent of visitors (2.087.559 visitors in the 2009) spend one night in the city. Most prefer an overnight in other destinations (Sorrento, Naples, Capri, cruises, etc.). Pompei is only an attractive excursion; a component of a tour. The municipality lacks public-private collaboration (67 per cent of respondents perceive an absence of governance and a public sector that keeps a distance from local actors). Consequently, the notoriety of brand Pompei is exclusively related to the archaeological sites. In this case, the Pompei brand circumvents the archaeological site attraction (product brand).

In the quadrant of the system project exists a formal governance created by a political-institutional, top-down approach to support development projects and allocate financial resources. The presence of formal governance and public investments do not imply both the actors' involvement (legitimation and collaboration) and, consequently, local development and destination competitiveness. In such cases, isolated public investments on communication, untied from a shared destination strategy process, create only a visible logo which is not supported by a wide area of place branding strategy, internal and external communications (Anholt, 2005:117). The area of Campi Flegrei shows very effectively a place where projects, public funds and political-institutional governance (named Ente Parco Regionale dei Campi Flegrei), without governance legitimation and enterprises collaboration, have not contributed to destination competitiveness. In fact, the perception of governance existence is scarce (53 percent respondents fail to observe governance presence and 40 percent of these identify governance, but only in specific subjects) due to the low collaboration level between touristic local actors. In

this situation, the place brand and web site investments delivered only a graphic image (logo), but failed to create a brand image and reputation

The district presents the coexistence of different and independent networks (i.e. touristic consortium) and formal collaboration between private or public-private actors that coordinate strategies and marketing of local actors. Every network is characterized by high collaboration between network' actors and a single governance determining the fragmentation of this technique meant to coordinate the stakeholders embedded in a specific place. So in both case analyses it is possible to identify different network branding processes, that coexist and contribute value toward a particular place. The presence of independent networks implies a fragmentation of marketing strategy and, consequently, the coexistence of different network brands in a specific place. Last but not least, the local system, characterized by a system of centralized governance and high collaboration, represents an ideal position to develop a place branding strategy. The position of both the system and district represents an effective starting point to create and share and embedded local governance with diverse stakeholders.

## CONCLUSION AND FUTURE RESEARCH

The literature review and the empirical analysis conducted, applied the place branding matrix on Campania' touristic contexts. It examined place branding, in two cases both in the early stage of the destination life cycle, which need support in the form of embedded governance and networking.

Their position on the matrix is not static. But imply a dynamic perspective in the evolution of destination management and place brand building. Initial characteristics influence the conditions that set the stage for interaction between stakeholders and their choice making, contradictions and potential conflicts about resources, standard criteria, collaboration, etc. The analysis yields a continuum, which runs from 'centralized governance' on one end of the continuum to 'networked democratic governance' on the other end.

Future research should analyze factors that may trigger a transition from 'centralized governance' on one end of the continuum to 'networked democratic governance'. Democratic governance and destination management organization involve broad knowledge domains that are closely linked in areas of conduct, but administratively isolated from one another, resulting in possible contradictions and conflict. The authors aim to identify core decision making emerging from ownership and key managerial roles to understand the areas and process of tensions in stakeholders' relations and to establish the critical mass in hierarchic governance to impact the regional level in a way that is measurable by main local governance features.

Within the framework of scenario-based stakeholder engagement and social capital to measure the degree of adoption amongst different profiles in decision making styles, norms, capabilities, skills; a process that would recognize that a Coexistence Strategy design is a pre-condition to bridge the spatial, poly-inclusive complexity (spatial, mind, information and social) from which the democratic governance of place branding derives.

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# DESTINATION GOVERNANCE AND INTERNAL BRANDING AS ANTECEDENTS OF DESTINATION BRAND DEVELOPMENT: AN EXPLORATORY STUDY ON EDINBURGH

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## ABSTRACT

Destination governance, DMO coordination of stakeholders and internal branding can all be regarded as pre-conditions necessary to develop a successful destination brand. However, the way a DMO coordinates stakeholders and the relationships existing between destination governance and branding are topics so far neglected. Adopting a supply side perspective, this paper highlights the mechanisms available to a DMO for coordinating stakeholders and attempts to explain in what way internal branding and coordination have an impact on the destination brand. In order to study these topics, a case-study methodology based on qualitative methods was applied to the city of Edinburgh.

**Key Words:** Destination governance; coordination; destination branding; Edinburgh.

## INTRODUCTION

Several factors that have an impact on the competitiveness of a destination have been identified in tourism literature (Dwyer and Kim, 2003). Two of the most important are destination governance and branding, where the former makes it possible to manage the fragmented and complex nature of a tourist destination effectively (Hankinson, 2007), while the latter enhances the destination's positioning and influences tourists' choices and their satisfaction (Pike, 2007).

On the one hand, destination governance refers to the way in which relationships between players are regulated (Palmer, 1998) and, from a tourism perspective, it "consists of setting and developing rules and mechanisms for a policy, as well as business strategies, by involving all the institutions and individuals" (Beritelli et al., 2007, p. 96). On the other hand, destination branding can be defined as a dynamic process that draws support and cooperation from different stakeholders (Hankinson, 2004) so that "the brand will be accepted and communicated through official and unofficial publicity and products" (Ooi, 2004), resulting in a unique and consistent destination brand positioning. It could even be argued that an effective governance is needed to enhance the collaboration between local stakeholders (both public and private) and to involve them in the strategies of the destination brand, so that they feel themselves to be engaged, attached and committed to a unique and consistent destination identity to be delivered to the market. This in turn creates the pre-conditions necessary to reach a unique and consistent brand positioning (Sheehan and Ritchie, 2005; Wang and Xiang, 2007), as it contributes in eliminating, to some extent, the conflicting brand messages delivered by the marketing and communication activities of single stakeholders and the DMO (Destination Management Organization) (Papadopoulos and Heslop, 2002).

Although a better understanding of the relationship between destination governance and branding would certainly be significant for both researchers and practitioners, there is still a lack of conceptual and empirical research examining in depth the relationship between destination governance and destination branding. It could be argued that this is at least partially because, in recent decades, literature on destination branding has mainly adopted a demand-side perspective rather than a supply-side one (Konecnik and Go, 2007), whereas both perspectives should be taken into consideration for destination brand planning and positioning to be effective (Cai, 2002).

Only recently, some researchers carried out an attempt to study the relationship between destination governance and branding in order to understand how different governance models, in which structures and processes are altered, affect the destination brand strategy and positioning (Del Chiappa, 2010; Del Chiappa, Bregoli, 2011). Referring to prior literature, they argue that, when studying the way destination governance affects destination branding, three layers of governance should be considered, i.e.:

1. the internal governance of a DMO (if it exists), that is, examining its organizational structure (Beritelli et al., 2007) and funding strategy (Ritchie and Crouch, 2003);
2. the governance of the relationship among stakeholders, that is, examining the network structure itself and its main dimensions, such as network centrality, density, embeddedness, commitment, trust and reciprocity (Scott et al., 2008; Dredge, 2006; Grängsjö and Gummesson, 2006; Morgan and Hunt, 1994; Pesämaa and Hair, 2008);
3. the governance of the relationship between the DMO and stakeholders, that is, examining the coordination and participation mechanisms used by the DMO to gain leadership and the credibility to build consensus-based collaborations and therefore shaping and leading the overall network towards common goals. In prior research, coordination mechanisms considered include, for example: communication, meetings, interlocking directorates, and selection systems (Beritelli et al., 2007), while the following participation mechanisms have been considered: meetings, focus groups and surveys (Mowforth, Munt, 2003).

Finally, accordingly to prior research (Sainaghi, 2006), Del Chiappa (2010) and Del Chiappa and Bregoli (2011), internal branding and coordination processes play a central role, which suggests that destination managers should be aware of the necessity to carry out internal marketing and branding operations to increase the collaboration and integration between local stakeholders, both public and private. Adopting a supply side perspective, this paper aims at studying the mechanisms that a DMO can use to coordinate stakeholders and attempts to explain how internal branding and coordination have an impact on the destination brand. In order to achieve these aims, a case-study methodology based on qualitative methods was applied to the city of Edinburgh.

## METHODOLOGY

A case study approach was applied in order to study both the coordination carried out by the DMO and the destination brand from a supply-side perspective. Case studies are deemed to be suitable to gain a deep understanding of the cases analyzed (Creswell, 2007) and when the research is exploratory in nature (Yin, 2009). Since both the topics under consideration, that is, stakeholders' coordination and destination branding studied from a supply-side perspective, have received little attention from scholars, this research is exploratory, and therefore suitable for a case study approach. This research examined the city of Edinburgh, a city where there is no DMO but where there are several different partnerships working within the destination, and focused on two of them, namely the Edinburgh Tourism Action Group (ETAG) and the Destination Edinburgh Marketing Alliance (DEMA).

Carrying out a case study entails multiple sources of data being collected, such as documentation, archival records, interviews, direct observations, participant observation and physical artifacts (Creswell, 2007; Yin, 2009). In this research, analysis was based on the gathering of secondary data, such as documents and strategies regarding both partnerships, as well as on primary data, including semi-structured face-to-face interviews with twelve people involved in one or both of the partnerships. This kind of interview was chosen because it allows the researcher to select the topics to be discussed, the questions to be posed and how they are asked (Corbetta, 1999). More precisely, in this research, the question order was decided on the basis of respondents' available time and their degree of knowledge about the topics discussed. An interview protocol was written consisting of four sections. The first aimed at increasing the understanding of the interviewees (for example, their role in the organization they were working for, the reasons for joining the partnership, etc.) and of the partnership being studied (for example, the set-up process, the funding strategy, the role of the partnerships, etc.). The second part referred to the "Edinburgh Inspiring Capital" brand with the aim of gaining a better understanding of the branding strategy and brand values. Section three was geared towards obtaining information about the coordination processes carried out by both partnerships, and, in particular, interviewees were asked to explain the kinds of coordination mechanisms used and whether coordination changed over time. Finally, the last section of the interview protocol has the aim of understanding whether coordination has an impact on the "Edinburgh Inspiring Capital" brand. Before the interviews were carried out, the total interview protocol was tested on two people working for two UK DMOs. The objective of this test was to check whether it was appropriate to apply to DMOs all the coordination mechanisms identified through the literature review and to ensure that questions were easy to understand. From this control, it emerged that one additional coordination mechanism was needed, specifically, formal rules, and that small amendments were necessary to increase the general understanding of questions.

The selection of people to be interviewed was carried out on the basis of information available on DEMA's and ETAG's websites, with particular reference paid to the composition of DEMA's Board of Directors and ETAG's committees, the Steering Group and the Full Group. A purposive sampling technique was applied because this allowed researchers to select those individuals who "can purposefully inform an understanding of the research problem and central phenomenon in the study" (Creswell, 2007: 125). More precisely, the study

applied a snowball sampling technique, where the initial participants were asked to suggest other people to contact worth interviewing (Flick, 2006; Kemper, Stringfield & Teddlie, 2003). In total, 19 people were contacted and 12 agreed to be interviewed. The interviewees worked for both public and private organizations and some five interviewees worked for organizations involved in both DEMA and ETAG, which meant that information could be gathered about both partnerships at the same time.

Eleven of these interviews were face-to-face and the twelfth was carried out by telephone. All the interviews were tape recorded and subsequently transcribed. Written transcriptions were then coded, in order to discover the relevant themes.

## RESULTS

### Background of the partnerships

Destination Edinburgh Marketing Alliance (DEMA) was set up on April 1, 2009. It is a public-private partnership, established as a company limited by guarantee, whose remit is to promote Edinburgh as a place to visit, and one in which to invest, live, work and study. The partnership was set up because it was felt that within the destination there was a duplication of effort, a lack of coordination and a lack of leadership, with several organizations promoting the city in different ways. These aspects emerged from a report written in preparation for DEMA. In particular, it highlighted the fragmented approach to promotion that had developed within the destination and the lack of leadership and common purpose. This was expressed by one of the interviewees, who declared:

*“We couldn’t continue the way we were because of these issues of fragmentation, duplication of efforts, a lack of leadership, a lack of coordination and a lack of a sense of common purpose”.*

Moreover, the need to establish DEMA arose as a result of the re-organization of VisitScotland that took place in 2005, when the 14 Area Tourist Boards were replaced by an integrated national network with 14 area offices. The re-organization of VisitScotland resulted in a gap in city promotion, which was felt by stakeholders. As far as DEMA’s duties are concerned, it is responsible for promoting the city as well as its coordination, while the partnership’s other remits include passing market information to stakeholders, managing the “Edinburgh Inspiring Capital” brand and facilitating collaboration between stakeholders.

Edinburgh Tourism Action Group (ETAG) is the older of the two partnerships, having been established in 2001, and is a loose alliance between the public and private sectors. The partnership was set up with the aim of making public and private sectors work together, because it was felt that collaboration was necessary to cope with global competition from many other destinations. ETAG was set up not only to promote collaboration between sectors, but also to coordinate them and to set out a shared strategy for the destination. ETAG is responsible for informing stakeholders about new business opportunities, as well as information on the industry’s distinctive features, allowing them to develop products that match visitors’ needs. Finally, ETAG is involved in product development and has no remit for marketing the city to visitors.

### Coordination

Both the partnerships considered (ETAG and DEMA) are currently carrying out internal branding and coordination activities despite doing so with two different aims. ETAG coordinates stakeholders in order to develop the city from a tourism point of view, while DEMA coordinates city promotion. Although their coordination activities are slightly different, it emerged from the research that both partnerships use the same kind of coordination mechanisms, ranging from the most informal, such as social norms – these are represented by rules that are shared by people even if they are not formalized in a written document (e.g. trust and reciprocity) – to the more formal, such as the partnership’s statute and the rules for brand usage.

The most developed and adopted coordination mechanisms are represented by social norms, communication, information systems, selection systems, interlocking directorates, planning and control systems and formal rules. With regards to the social norms useful for coordinating stakeholders, it was found that trust and reciprocity develop between stakeholders involved in both partnerships. Nevertheless, while taking into account whether players trust DEMA and ETAG, interviewees stated that ETAG was the most trusted partnership of the two, partly because it has been operating longer than DEMA and is perceived as an independent partnership used by stakeholders to try and improve Edinburgh’s tourism industry. As one interviewee stated:

*“I think businesses in Edinburgh trust ETAG because ETAG is just a group of leaders [...] it is simply a meeting of leading minds in the tourism field working together to ensure that Edinburgh remains an amazing destination for tourism. DEMA is slightly different because DEMA is a separate company fulfilling its own objectives whilst*

*fulfilling the strategic needs of all its stakeholders. [...] ETAG is, is simply a council of leaders [...], it's not necessarily doing any activity, whereas DEMA is doing activities, and also is very young, so I think it needs to build up trust over time."*

Internal communication is widely developed within both DEMA and ETAG, taking place mainly through meetings and events, whose aim is to increase the awareness and consciousness expressed by local stakeholders towards the partnerships themselves. This is particularly true in the case of ETAG and its annual conference. Another important aspect is represented by the information sent back to the representatives of sectors included in the partnerships. Indeed, respondents stated that people sitting on DEMA's Board or on ETAG's Steering Group and Full Group are asked to refer back to their respective sectors to spread any information about activities carried out by the DMO and about the results achieved within the whole destination. Although this type of communication is seen as particularly important, it is not formalized in either partnership, being left to the individual's initiative. For instance, with regards to DEMA, one interviewee declared:

*"We all have responsibilities, all of us who are involved with organizations to ensure that relevant information is passed amongst them but it's not a formalized procedure".*

Another coordination mechanism utilized by DEMA and ETAG is represented by information systems that for this research have been associated with shared booking systems, websites, etc. In the case examined, neither partnership has a shared booking system, and this is particularly true for ETAG. Indeed, as ETAG has no activity directed at visitors, this kind of information system is not required. However, both partnerships use their own websites in order to interact with stakeholders and give them access to information, such as documents on the projects being carried out and surveys like the "Edinburgh Visitor Survey". In case of DEMA, its website can also be used by brand adopters for downloading the "Edinburgh Inspiring Capital" brand logo, images etc. to be used in their communications. In addition, DEMA has recently set up a Customer Relationship Management (CRM) system aimed at communicating across DEMA.

Selection systems – i.e. the criteria that stakeholders must meet if they wish to join a network – are another coordination mechanism that has been identified and that is used in both partnerships. This coordination mechanism was cited more frequently by people involved in ETAG. People wishing to join the Full Group must represent a sub-sector of the tourism industry and must report back to the sector they belong to about what is going on within ETAG. As a result, the Full Group committee does not include members who work in the same sub-sector or people who only represent their own business. This means that the number of people who sit on the Full Group is controlled and meetings are kept more manageable. On the contrary, to be able to join DEMA, stakeholders only have to be operators involved in promoting the city in some way.

A further coordination mechanism frequently cited by interviewees is interlocking directorates, a mechanism by which a person associated with one organization sits in the Board of Directors of another (Mizruchi, 1996). This is a mechanism used in DEMA and ETAG and is considered to be a facilitator for shaping the destination identity of local stakeholders. Interviews reported that there are a number of people involved in more than one organization, including DEMA, ETAG, the Edinburgh Convention Bureau, etc. There are also people who are involved in DEMA and ETAG at the same time, thereby facilitating coordination, especially as ETAG is part of DEMA's subgroup "visit".

DEMA and ETAG both have planning and control systems whereby they can measure the gap existing between their objectives set at the beginning of the year and the achieved results. To do so, they have a strategy and an action plan identifying the actions required in order to deliver the strategy. Verification of achieved results is carried out through surveys or, in the case of DEMA, by measuring the activity performance. For instance, in the case of online communications, the number of unique visitors to DEMA's website is monitored, as are the number of people following DEMA on Twitter and other social numbers.

Finally, formal rules such as the partnership's statute and rules for brand usage are used in particular by DEMA, which, in its role of custodian of the "Edinburgh Inspiring Capital" brand, has set rules for its usage that brand adopters must follow. Interviewees acknowledged that this coordination activity has a positive impact on the destination brand because it helps to increase the stakeholder's overall awareness of the destination identity that they should deliver to the market in order to be consistent with the one delivered by DMO. It is also useful to define the promotion strategies.

## CONCLUSION

In tourism literature, destination governance and destination branding have been investigated separately and, therefore, it is still unclear how the former affects the latter. Referring to some prior and preliminary research (Del Chiappa, 2010; Del Chiappa and Bregoli, 2011), the present paper sheds light on the fact that three layers of governance should be considered when investigating the relationship between destination governance and branding.

Respectively, these are the internal governance of a DMO, the governance of the relationship among stakeholders and the governance of the relationship between the DMO and stakeholders. The paper then argues that the way governance is able to affect the destination branding depends on the effectiveness of internal branding and coordination activities. Internal branding and coordination are necessary to increase the collaboration and integration between local stakeholders, to involve them in and commit them towards the destination brand identity, and to allow the DMO to achieve the authority and leadership it needs to shape and guide the activities of local stakeholders, so that they can converge in creating an unique and consistent destination brand.

Based on the idea above, this paper presents a case study on Edinburgh to discuss the way internal branding and coordination activities are carried out in a specific tourism destination, and the way in which local destination managers feel that these activities are able to affect destination brand positioning. To reach this objective, twelve in-depth interviews were carried out to acquire a better understanding of the branding strategy and, subsequently, destination managers were asked to supply information aimed at understanding which kinds of internal branding and coordination mechanisms were used and whether these changed over time.

In depth-interviews highlighted that the most developed and adopted coordination mechanisms are represented by social norms (e.g. trust and reciprocity), communication, information systems, selection systems, interlocking directorates, planning and control systems and formal rules, indicating that destination managers use both formal and informal mechanisms.

This research was exploratory in nature and focused on giving some preliminary remarks. Future research is needed to refine the study further, with particular reference to the relationship between the internal branding and coordination activities carried out by the DMO and destination branding. Regarding the latter, rather than studying the impact that internal branding and coordination have on the brand in general, it would be useful to study their impact on the moderator dimensions that are affected by internal branding and coordination activities, and which, in turn, are able to affect the destination branding. Moving away from prior research addressing the topic of internal branding (Burmam and Zeplin, 2005), we would suggest considering two main dimensions, respectively brand commitment and brand citizenship behavior. These two concepts are considered necessary for studying the internal brand strength, defined as synthesizing the extent to which stakeholders have internalized brand values and whether they adopt those values in their work. Indeed, in order to have a successful destination brand, it is necessary that stakeholders should know the brand values, should be committed to them and should adopt them in their daily working life. In order to study these aspects, a quantitative research is needed to measure brand commitment and brand citizenship behavior, together with the impact that internal brand and coordination have on the aforementioned dimensions.

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## CITY MARKETING AND PLACE BRANDING: THE CASE OF CAPPADOCIA

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### ABSTRACT

The aim of this article is to evaluate what are the critical success factors in city marketing, city branding and place marketing. Since Cappadocia is a unique place not only in Turkey but in the world, having so much to offer Cappadocia should be promoted to the world in the best possible way. Therefore, a coordinated and well planned marketing program is thought to be necessary. The examination of the current efforts and the evaluation of the future plans are expected to be combined with the world applications related to place marketing results in suggestions to further promote Cappadocia.

**Keywords:** city marketing, city branding, place marketing, Cappadocia

### INTRODUCTION

In today's globalised world, every city has to compete with other cities for the share of different kinds of audiences as residents, visitors, investors, factories, entrepreneurs. Cities all over Europe include more and more marketing techniques and methods in their administration practice and governing philosophy. The transfer of marketing knowledge, however, to the operational environment of cities proves a cause of difficulties and misalignments, mostly due to the peculiar nature of places in general and cities in particular as marketable assets. In this paper, city branding is suggested as the appropriate way to describe and implement city marketing. City marketing application is largely dependent on the construction, communication and management of the city's image, as it is accepted that encounters with the city take place through perceptions and images. Therefore the object of city marketing is the city's image, which in turn is the starting point for developing the city's brand. The most appropriate concept to understand marketing applicability within cities is the recently developed concept of corporate branding, which with the necessary modifications is applied to cities.

### CITY MARKETING

City marketing is a relatively new scientific field. Many think of it just as a group of tools and methods in order to sell the "product" of a city. But city marketing is more than that. It involves the definition of a city's product (the city as a product) and its image, in such a way that its recipients will see it as to the marketing intended. So, city marketing plays an important role, forming a bridge between a city's potential and the use of this potential for the benefit of the local society (Karmowska, 2002). For several decades, cities all over the world have been applying marketing techniques and increasingly adopting a marketing philosophy to meet their operational and strategic goals. City marketing has grown into an established field of research and an academic sub discipline (Kavaratzis, 2007).

Urban or city marketing is by now an established practice within urban management and has attracted the interest of many academic commentators from various disciplines resulting in a substantial body of publications on the wider city marketing process (Ashworth and Voogd, 1990; Kotler et al., 1999) and on specific issues or examples (Kavaratzis, 2007). City marketing has been employed in most cases as a response to certain economic, political and social changes in cities and their operational environment (Ashwood and Voogd, 1990). Its use has been accelerated in an attempt by cities to position themselves strongly in the fierce competitive arena for finite and increasingly mobile resources, whether investment capital, relocation of companies, visitors and residents. The concept and methods of branding are also employed by cities as an instrument of place marketing in order to associate the place with wider desirable qualities in the perceptions held by relevant target audiences (Kavaratzis and Ashwood, 2006).

City marketing is a process that includes a wide set of activities. It starts with a thorough analysis of the city's current situation through extensive research on the city's assets, opportunities and audiences (Kavaratsiz, 2007). According to Kavaratsiz and Ashworth, the second step is identifying and choosing a certain vision for the city and the goals that could be achieved with the cooperation and agreement of as broad a range of stakeholders as possible. Then, the phase of planning specific projects and allocating clear roles for the participating bodies that will collectively achieve the goals set comes. This is followed by the phase of active implementation of city marketing measures that can be spatial/functional, financial organizational and promotional (Ashworth and Voogd, 1990). Kavaratsiz (2007) summarized the process and argued that it ends with monitoring and regularly evaluating the results of all activities; an evaluation that only leads to the repetition of the whole process adapted to the new knowledge and experience created. According to Kotler, Haider and Rein (1993), city marketing includes four main activities: Designing the provided services and defining the particular characteristics of the city, defining motives for the potential buyers of its goods and services, efficient distribution of its products, □ promotion of its image and values so that the potential buyers know its distinctive advantages.

### **City Branding**

City branding is a discipline that is developing fast and whose theoretical underpinnings have only been developed and put into full practice in recent years (Gelder and Allan, 2006). Increasingly, cities compete with other places for attention, investment, visitors, shoppers, talent, events, and the like. (Gelder and Allan, 2006). A city brand is its promise of value, a promise that needs to be kept. City branding is the practice of developing a strategy that defines the value the place offers its consumers who can be residents, workers, employers, investors, tourists etc. (Gelder and Allan, 2006). In general city branding, as applied in practice, is centering on the creation of a favorable image or the change of a negative or indifferent image of the city and has found its tangible application around three main strategies: first, various promotional campaigns and visual identity tactics; secondly, the creation of signature buildings as landmarks for the city or the invention of new ways to integrate existing landmarks in the promotion of the city; finally, the staging of various types of events in the city.

Geographic locations, like products and people, also can be branded. In this type of branding, brand name is bound up with the name of the location. According to Keller (2003) the power of branding is in making people aware of the location and then linking desirable associations. Keller (2003) determined geographic locations branding as follows; "increased mobility of both people and businesses and growth in the tourism industry have contributed to the rise of place marketing. Cities, states, regions, and countries are now actively promoted through advertising, direct mail, and other communication tools. The goals of these types of campaigns are to create awareness and a favorable image of a location that will entice temporary visits or permanent moves from individuals and businesses alike."

Cities are branding and rebranding themselves in order to improve their position as attractive leisure and business tourism destinations, locations for business and places to study and live. Unlike product and service brands, which are driven by market forces, city branding and place marketing are driven by the need to diversify local economies faced with industrial decline, attract tourism and inward investment, attract hallmark events and conventions and win economic prizes (Kotler et al., 1999; Parkerson and Saunders, 2004). In Europe, national and EU directives play a key role through legislation and funding (Parkerson and Saunders, 2004).

In 21<sup>st</sup> century, cities will compete on the value that they provide in terms of physical and service offer, their heritage, their ambitions and their character. In other words, they will compete on their brand and will develop in line with it. Simon Anholt (2004) touched on a subject from an interesting point of view and noticed that unless a place can come to stand for something, it stands little chance of being remembered long enough to compete for any of this precious attention. Most people spend no more than a few seconds each year thinking about a country on the other side of the world or about a city at the other end of the country. So, unless that county or city always seems exactly like itself every time it crops up, there is little chance that those few seconds of attention will ever add up to a preference for its products, a desire to go and visit the place, an interest in its culture, or if people were prejudiced against the place in some way beforehand, a change of heart.

Nowadays, branding cities is seen as key sector. It is announced that with the aim of providing the increase of tourism sector and to evaluating the potential, it is necessary to create brand cities (Yıldırım, 2007). İlgüner (2007) determined that nowadays countries focus on the idea of branding the cities with special image management strategies and affirmed that campaigns of Turkey give any message except sand and sea, whereas it is necessary to say something special for places. To sum up, it is better to create city brand image rather than promoting the whole country.

## Place Branding

Place branding has become a new era of research. Although it is not addressing branding specifically, there is a plenitude of work in the area of place and city marketing from three disciplines. These are urban development, tourism and marketing management. Parkerson and Saunders in 2004 also pointed out that works on city and place marketing in the area of marketing management are fewer and less grounded in empirical research than works in the areas of urban development and tourism. Urban tourism plays an increasingly central role in defining the strategies for economic development that the respective local authorities process. On the other hand, in today's conditions of the globalised economy, the competition for attracting tourists is even greater. City marketing plays a decisive role in this respect. Cities, in order to create more opportunities, must have the ability to attract more investment, business, residents and visitors. Places, just like products, must be advertised accurately and attractively. City marketing succeeds when workers, residents and businesses are satisfied with their living conditions, and when tourists, new businesses and new investors have their expectations met (Kotler et al., 1999).

Place marketing is a long term activity that needs consistent and coherent planning as well as support from local residents, companies and politicians. Promotion alone can never be a substitute for strategic marketing and place development in order to attract private inward investors (Bruus, 2000). Promotional backup might, however, make the small, final and decisive difference in favors for one attractive local destination instead of another (Matthiesen, 2000). Bailey (1989) points out, place marketing emerged as a promising integrating process linking a place's potential competitive advantages to overall economic development goals.

Too many place improvers believe that marketing a place means promoting a place. They also maintain the idea of seeing "place marketing" as image-building exercise, confusing it with one of its subactivities, namely promotion. Here, it is necessary to denominate that promotion is one of the least important marketing tasks. It is impossible for promotion alone to help a troubled city. In essence, it only helps place buyers to discover early how troubled the city really is. As it is thoroughly alluded by Kotler, Haider and Rein (1993) 'place branding' designates a place to satisfy the needs of its target markets. It succeeds when citizens and business are pleased with their communities, and meet the expectations of visitors and investors. According to them, the most three important main headings of a city are livability, investibility and visitability. In order to improve livability, investibility, and visitability of a city, the process of investment should be examined.

## IMPORTANCE OF CAPPADOCIA IN TURKISH TOURISM

In this study, the concepts of city marketing and place branding are evaluated based on the example of Cappadocia. Cappadocia is one of the major tourist attracting locations of Turkey. The natural wonders and the history dates back to ancient era. Centuries render the area a unique place in the world. Cappadocia region occurred nearly sixty millions years ago. Sprayed lava and ash layers of Erciyes, Hasandağ and Güllüdağ grinded by soft rain and wind. Human settlement in the region extends up to Paleolithic period. Respectively Hittites and later Christians settled to the mentioned region. Cappadocia region is a place where nature and history are integrated together. Through historical process people used the physical characteristics in many different ways. Cappadocia has transferred the marks of a thousand years of civilization to current period. Trade between the colonies and countries throughout the history have made the region a commercial and social host. Mentioned important region is included to world culture list and is under the protection of UNESCO.

Cappadocia covering a part of the high Anatolian plateau-was called 'Katpatuka' (Land of Beautiful Horses) in old Persian. Its natural borders, i.e. the River Euphrates in the east, the Black Sea Mountains in the north, the Salt Lake in the west and the Taurus Mountains in the south, have changed continuously for centuries in accordance with the supremacy of dominating civilizations in the region. Today, however, the 'Region of Cappadocia' which is defined according to its morphological character lies within the boundaries of Nevşehir Province in the Nevşehir-Göreme-Avanos triangle and includes the Ihlara valley within Aksaray Province and the vicinity of Soğanlı within Kayseri Province. Cappadocia represents an attractive ensemble with its settlements of the Ottoman period reflecting magnificent examples of civil architecture as well as with its hans, caravanserais, medreses, turbes and mosques of the Islamic art.

**History:** Cappadocia's history dates back to the Bronze age and was the Hittite power centre of Hattusa. There were several exchanges of power, from the Mushki, Assyrians, Phrygians, Lydians and finally the Roman Empire took control of the area. During the Roman and Byzantine rule, Cappadocia became a refuge place for Christians. It is for this reason that Cappadocia contains several underground cities. These cities flourished throughout the 4th and 11th century, when Cappadocia came under attack from Turkmenistan, Arabs, Mongolia, Seljuks and the Ottomans.

**Population:** The population increase within the region has been more gradual than the general population increase though out the country as a whole. The rise in the urban population considerably exceeds that of the

rural population. The exodus from the region has been almost continuous. Migration from villages to cities, from cities to metropolises and to foreign countries has led to a decrease in the region's population.

**Architectural Heritage:** The tradition of rock-hewn churches laid the foundations for a local school of architecture in Cappadocia. The Christian art of the region was influenced by the metropolis, i.e. Constantinople; however, its local manifestation never achieved the degree of perfection which was the hallmark of Constantinople. In the art of painting, the rules set forth by the Byzantine art of Istanbul were followed by frescoes instead of by mosaics. Due to the fact that the buildings were hollowed out the soft rock, the structural dimensions were reduced and the architectural elements were distorted.

**Touristic Activities:** The area is a famous and popular tourist destination, as it has many areas with unique geological, historic and cultural features. The Cappadocia region is largely underlain by sedimentary rocks formed in lakes and streams, and ignimbrite deposits erupted from ancient volcanoes approximately 9 to 3 million years ago, during the late Miocene to Pliocene epochs. The rocks of Cappadocia near Göreme eroded into hundreds of spectacular pillars and minaret-like forms. The volcanic deposits are soft rocks that the people of the villages at the heart of the Cappadocia Region carved out to form houses, churches and monasteries. Göreme became a monastic center between 300—1200 AD. The first period of settlement in Göreme goes back to the Roman period. The Yusuf Koç, Ortahane, Durmus Kadir and Bezirhane churches in Göreme, houses and churches carved into rocks in the Uzundere, Bağildere and Zemi Valleys are all carriers of history that we can see today. The Göreme Open Air Museum is the most visited site of the monastic communities in Cappadocia (see Churches of Göreme, Turkey) and is one of the most famous sites in central Turkey. The complex contains more than 30 rock-carved churches and chapels, some of them have superb frescoes inside, dating from the 9th to the 11th centuries. (<http://www.cappadocia.gov.tr>)

## METHODOLOGY

Cappadocia is taken as a case with the objective of understanding the place marketing efforts directed to market Cappadocia. Cappadocia is connected to the Governorship of Nevşehir and the location is kept open to tourism by the ministry of tourism. In this paper, qualitative technique, especially in-depth interviewing technique is chosen because it is an open-ended, discovery-oriented method, well suited for describing processes and outcomes. We aimed to gather detailed information about the marketing activities directed to promote Cappadocia. The authorities of the city of Nevşehir and Cappadocia, mayor of Nevşehir (interviewee 1) and research and development department director of Nevşehir (interviewee 2) were interviewed. The in depth interviewed results are analyzed and a draft plan related to the marketing of Cappadocia is presented in the paper.

## FINDINGS AND SUGGESTIONS

The in depth interview guide moved from general questions like what are the cultural characteristics of Cappadocia that differentiate it from other cities, how can Cappadocia become a strong brand, which sectors are most suitable for investment in the region and how the city branding process can be defined, to more specific ones such as example branded cities and their attributes. The interview came to an end by discussing how Cappadocia can become a brand in the truest sense of the word.

Understanding the dimensions of the brand and determining its value begins by discussing the definitions of brand. In this paper our dimensions are culture, historical heritage, natural beauty, education, investment and placement, tourism, convention and other activities, local government and external relations and transportation. We wanted to evaluate these dimensions how effect the city marketing and branding.

First of all when we glanced over the tourism statistics, it is obviously seen that Cappadocia is very important region for tourism. In tourism centers there has been a growing tendency in the number of domestic and foreign visitors. The increasing trend in tourist number can be observed by the examination of figures. As shown in the table 1 and 2 number of tourist arrivals are increased every year.

Table 1 Number of Tourist Arrivals (Turkey)*	
Year	Arrivals
2000	10.428.153
2001	11.618.969
2002	13.256.028
2003	14.029.558
2004	17.516.908
2005	21.124.886
2006	19.819.833
2007	23.340.911
2008	26.336.667
2009	27.077.114
2010	28.632.204

\*www.tuik.gov.tr

Table 2 Number of Tourist Arrivals (Cappadocia)**	
Year	Arrivals
1995	911.917
1996	1.210.589
1997	1.489.280
1998	1.297.242
1999	825.948
2000	1.750.798
2001	1.614.656
2002	1.732.836
2003	1.728.506
2004	1.391.629
2005	1.814.281
2006	1.819.221
2007	1.875.680
2008	2.139.427

\*\*

<http://www.nevsehir.gov.tr/nevsehir/turizmistatistikleri/>

With this facts in our minds, we wanted to collect information about tourism sector, investment, education, transportation, convention and festivals held in Cappadocia. And interview results are given below.

**Tourism:** According to the both of interviewees, the number of foreign and domestic tourists visiting this area during the summer months is approximately 20.000 and 60.000. Most tourists come from Germany, Spain, and Japan respectively to Cappadocia. Germany's precedence is due to the promotion of the region by Turkish citizens living in Germany. Spaniards show interest in the region due to religious reasons. The Japanese find the geological forms in the region interesting and feel their selves to Turkey because of cultural similarities. Foreign and domestic tourists visiting the region stay at different accommodation facilities based on their expectations and expenditure profiles. Service delivery of the facility is positively correlated with the star status of the facility. According to the interviewee (1) service quality for tourism sector is a concept that consists of many determinants such as ease of booking, the attitude of the customs police, direction signs, infrastructure, transportation, etc. What accommodation services are should be evaluated in service quality concept. Most of the hotels in the territory are new, affordable and in good shape so hotel services in the region can be considered as fine. According to the interviewee (2) the increase in the number of tourism-related educational institution graduates and the participation of those in the sector increases the service quality of the sector. In addition the personal who phrased ranker and trained in the sector, are considered to have the sufficient skills. As in every tourism region reliability of the staff is an important issue. According to the increase in training activities the number of tourism personal who is reliable in terms of information and personality is expected to rise. The interviewee (2) stated that the people of the region are conscious about the importance of tourism and they are hospitable. In this issue evaluation of different segments gives different results. However generally it is clear that the fraction who gains from tourism do not disparage tourism and mistreat tourists. Another evaluation can be made on the basis of the region. According to this assessment the attitude of public in Cappadocia region is good, however in internal parts of the region such as Aksaray, Niğde, Kırşehir the goodness of attitude decreases.

**Investment:** According to the interviewee (1) in this region most of the investment is plied to agricultural and tourism sector. For the development of agricultural sector development of agriculture-based industry is essential. Agriculture-based industry in which agriculture and industry interact reciprocally, is an industrial sub-sector that uses agricultural products as raw materials and improving the quality and quantity of these inputs by processing through various operations. Development of agricultural and industrial sectors that compose the integral rings of the economical development chain is crucial for achieving the predetermined objectives of development. The vast majority of the businesses in the region is small-scaled, has limited employment capacity and narrow opportunities. Executives of those businesses generally consist of family members. These businesses are far away from Professional management style that has insufficient capital accumulation which are trying to maintain the available position by the usage of traditional experience and knowledge and which are weakly competitive. According to the interviewee (2) in this region, after agricultural sector, tourism sector is the

second sector that creates the majority of employment. In tourism sector the activities like boutique hotels and balloon tourism come forward as new investment fields. 81 percent of the plants are situated in Nevşehir where is considered the centre of Cappadocia.

Both of the interviewees stated that, number of plants that are documented by municipalities are more than those which possess a certificate of tourism. Among them there are 35 boutique hotels that are defined as “private property” by the ministry culture and tourism. Boutique hotels bearing low bed capacity which are furnished appropriately to the tissue of the region serves high income tourists. Nature tourism which takes place according to the scenic beauties is the highest potential that the region possesses. The region possesses adequate potential in terms of thermal and health, culture, congress, balloon, belief tourism, haunting tourism and eco-tourism to support such type of tourism and the duration of stay. The region is very rich in terms of culture and special interest tourism according to the possessions of natural sites, underground cities, churches, caravanserais, ruins and cultural values such as pottery, wine and minstrelsy. Total sum of archeological, urban, native, urban-archeological sites and overlapping is 530 and this constitutes approximately %5 of Turkey’s total. The region hosted various civilizations and acted a part in the evolution and weightiness of various religions. Since the early years of Christianity, with the churches carved into fairy chimneys, Cappadocia is one of the most important and famous center in terms of persuasion tourism after Antakya, Ayasofya and Efes. 26 hotels in the region there are appropriate assembly rooms for arranging congresses. These hotels are four or five star hotels in which the number of assembly rooms ranging from 1 to 12. With the national parks, special environment protection areas, natural protection areas and traditional city structure, the region is a very convenient area for supporting and improving eco-tourism activities. In the provinces of the territory totally 42 hospitals are existent. According to the data of health care personal in the territory although midwife and nurse per capita is close to average of Turkey, doctor per capita is well below the average. The occupancy of the hospitals in the territory changes between % 49 and % 57. No serious investment exists in terms of financial sector. Employment rate in the service sector is %30. Depending on the inadequate employment opportunities in the region agricultural employment average is above the Turkey average.

**Education:** According to the interviewee (1) 2009-2010 primary school enrollment rate in Nevşehir is 96.42 percent and secondary school enrollment rate is 59.62 percent. In the light of these figures it is possible to claim that educational institutions in the city is adequate. Prevalent educational intuitions make contribution to the promotion of the region in the extent of their facilities. According to the interviewee (2) the drivers, assistant, office personal involved in tourism sector do not have full fledged education and almost all do not know foreign language. In the region tourism marketing personal that know a foreign language is required. Employees in education sector can obtain opportunity to travel abroad and improve their foreign languages by the funds that are provided by National Agency. Private health care institutions employ multilingual personal for summer season for short term.

**Transportation:** According to the both of the interviewees, in Cappadocia region transportation is executed extensively by motorway and airway. Besides transportation service that tourism agencies and tour operators provide, the transportation by private car, car rental and the transportation provided by minibuses within the region is important.

**Activities:** According to the interviewee (1) in the region especially in Göreme, Ürgüp and Avanos there are many entertainment venues. These venues’ adequacy of hospitality is growing every day. In the region continental climate prevails by the large. Tourism season ends around December and starts again around April. According to the interviewee (2) Cappadocia cuisine is developed around the agricultural products growing in the region. The lack of diversity of agricultural products in the territory have affected the cuisine and nutrition habits. The ingredients that are mainly used in foods are potatoes, beans, lentils, chickpeas and pumpkin. At the same time molasses is used widely. The types of food which consists of grain and meat, suit the tastes of local people. In recent years many shopping malls opened in the region. These shopping centers are serving proportionately to the population of the area where they are founded. Cappadocia shopping mall in Nevşehir can be shown as an example of this kind of shopping centers. Due to the natural structure, trekking sport is an important activity in the valleys. The geographical formation of the region provides an extremely convenient for photography.

**Convention and Festival:** According to the both of interviewees, in the region there are few international events are held. In 2007 Tekfen Philharmonic Orchestra performed a concert in Ürgüp. Again in 2007 European mountain bike championship was organized. In addition various art groups are organizing art camps in the region. In Cappadocia region international and national conferences are arranged. These conferences are generally arranged by Professional associations. In addition private sector enterprises are arranging educational activities. Between 21-28 September 2005 under the leadership of Nevşehir municipal with approximately 1500 participant from 200 countries one of the comprehensive organizations World Peace Conference was organized.

At the end of the conference by the Cappadocia Peace Declaration, Nevşehir was announced as a world peace center by UN.

## CONCLUSION

Successful cities have an interesting history, albeit sometimes colorful; where change, progress, and diversity were embraced. All of the positive attributes of the city were important focal points for the people. A good relationship between municipal government and the residents of the city also existed in the cities that were successful. Since each city resident is a walking-talking advertisement, support from residents and belief in the city brand were attributes these cities possessed. These cities branded themselves in ways their residents found believable, and in doing so, the brand was reinforced as truthful. This reinforcement came in many forms such as word-of-mouth, political climate perception, advertising, early public relations, and graphic design. As their positive attributes were exposed, this reinforced the positive city brand. These cities also had functionality and added value, much like strong brands. The original qualities they possessed were based on the function of their geographic location for trade, industry, employment, and economy. But their added value contributed to their distinctiveness as a brand, and this was specifically outlined in their culture, attractions, and people. In other words, there was more to the city than just employment, more to attract people that would say 'this is a quality place to live'. Cities that adapted not only to changing economic conditions, but also to political climate and other factors, were survivors. They embraced new political climates, world events, shifts in attitudes, and attempted to cooperate to find common ground with people. They did not seek one type of resident nor did they expect one type of business or industry to sustain them. By adapting to and embracing diverse cultures, people, and ideas; they evolved into a strong city brand that survived.

To make Cappadocia more attractive, we must create a place where people will want to live, not just work a place of interest. Cappadocia needs to keep its focus on its perceived brand in regards to the outside world. If cities are not satisfied with their image, then they need to make inward changes that will alter not only their image, but who they really are. Even the greatest branding campaign in the world still needs a good product to back it up, or eventually the brand becomes false. This is true of anything that attempts to be something it is not. Any changes that are made within the city must have the support of the majority of the residents. Despite this digital age of technology and globalization, people and word-of-mouth are still the best vehicle that can be used to promote any kind of brand, including a city.

For Cappadocia region to become a brand, there exists number of studies that are necessary to be done. Firstly transportation infrastructure is required to be diversified. At this point construction of Kayseri-Nevşehir railway will be useful to emerge a new transportation option. Besides increasing the number of scheduled air-way runs is another important point. Again as relevant to this issue easing the transportation of the tour busses to historical places and designating park areas around these places, updating the signs indicating the historical places and meeting the historical, cultural places in terms of vehicle and pedestrian traffic are essential. Within the scope of urban planning the determination of the historical tissues and the subsidence areas and the execution of projects that prevent the destruction of the historical tissue during urban renewal. Within the field of tourism activity the development of methods that encourage restructuring of the accommodation facilities and enterprises, in the matter of building new hotels local and central government playing an easing role and encouraging the establishment of hotels that are included in international hotel chains. In addition to this it is important to develop eco-tourism aimed accommodation facilities. Besides it will be useful to make an inventory of the immovable historical and cultural values of the region and registering them in terms of structuring local memory. Local and national media should support the promotion of the region with latest news. Another important point is to make studies on urban improvement around historical places. Establishing new museums in which the region's historical and cultural depth is kept alive and regulating existing museums to make them functional is another point. Other important issue; the development and diversify of languages are important to establish better relationships with foreign tourists. The creation of logo and determination of messages that evoke an emotional impact is important to make brand-city image become catchy. To make the name of the region more popular in international platform some activities such as international balloon days, horseracing activities, international tracking races and international folk dance fair can be organized. Generally increasing the popularity of the region-specific foods and themes will make positive contribution to the process. If one region desires to get more attention by tourists, it should have characteristic features, like Paris-Eiffel Tower, St Petersburg- Red Square, New York- Statue of Liberty, Italy-Pisa Tower, Prague – Kafka. For Cappadocia; fairy chimneys, Ihlara Valley, Göreme Open Air Museum should be forefounded. Furthermore, authentic airport, authentic bus station, cultural centers can established to be more attractive. Also,miniature exhibitions which reflects the characteristics of the region can be organized.

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# DESTINATION BRAND PERSONALITY AND BEHAVIORAL INTENTIONS: A COMPARISON OF FIRST-TIME AND REPEAT VISITORS

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## ABSTRACT

The purpose of this research is to investigate whether or not there are any significant differences between first-time and repeat visitors in terms of perceived destination brand personality and tourist's behavioral intentions. An empirical study is carried out among 368 visitors to Las Vegas. The results indicate that destination brand personality perceptions of first-time and repeat visitors are similar at overall level but statistically different at certain dimensional levels. The study also supports that repeat visitors are more likely to return than first-time visitors. However, no significant differences were found for intention to recommend between the two groups.

**Key Words:** Destination branding; brand personality; behavioral intentions, first-time and repeat visitors.

## INTRODUCTION

Today, destinations are faced with increasingly tougher competition than they have ever been in the past. Every major destination around the globe is competing for tourism dollars. In such a competitive marketplace, the viability of tourism destinations depends on an ability to develop effective marketing and management strategies. Therefore, Baloglu, Pekcan, Chen and Santos (2003) argue that strategies generated by "one-for-all" models, which assume that overall tourist population is homogenous, would not be useful for destination marketing activities. Instead, a segment-based approach is more pragmatic because it provides more practical implications for destination marketing organizations (DMOs). First-time and repeat visitors constitute the two distinct market segments of a tourism destination. Although marketing wisdom suggests that it is easier and less expensive to reattract previous customers (repeat visitors) than to acquire new ones (first-time visitors), both segments play a fundamental role in the success of a destination (Oppermann, 1996). While repeat visitors provide a stable tourism demand, an undersupply of first-time visitors may represent an indication of destination in decline. Thus, DMOs strive to achieve a balance between first-time and repeat visitors (Lau & McKercher, 2004).

A number of studies have reported significant differences with regard to travel behavior of first-time and repeat visitors (e.g., Fakeye & Crompton, 1991; Lau & McKercher, 2004; Li, Cheng, Kim, & Petrick, 2008, Kemperman, Joh, & Timmermans, 2003; Kozak, 2001; Kozak, Bigné, & Andreu, 2004; Opperman, 1996, 1997). Understanding these differences is of vital importance for DMOs in developing effective tourism marketing and management strategies. However, previous studies have extensively investigated the differences between first-time and repeat visitors in terms of demographics, tripographics, destination perceptions (with the exception of brand personality perceptions), perceived value, and travel motivations (Li et al., 2008). To the best of our knowledge, there is no reported study examining the differences in destination brand personality perceptions of first-time and repeat visitors. Therefore, the present study aims to investigate whether or not there are any significant differences between first-time and repeat visitors in terms of perceived destination brand personality and behavioral intentions. Accordingly, this study will address the following research questions:

Research Question One (RQ1): What are the major differences between first-time and repeat visitors' destination brand personality perceptions (at personality trait/dimensional level)?

Research Question Two (RQ2): What are the major differences between first-time and repeat visitors' overall destination brand personality evaluation?

Research Question Three (RQ3): What are the major differences between first-time and repeat visitors' behavioral intentions (intention to return and intention to recommend)?

## LITERATURE REVIEW

### First-Time vs. Repeat Visitors

Gitelson and Crompton (1984) were among the first to recognize the importance of repeat visitation and its marketing implications. The authors identified five reasons why people undertake repeat visits: risk reduction/contentment with a particular destination, risk reduction/find same kind of people, emotional attachments to a place, further exploration of a destination, and show destination to other people. Gitelson and Crompton (1984) also found significant differences between the travel motivations of the two groups, indicating that repeat visitors are more likely to travel for relaxation, while first-time visitors travel for novelty and new cultural experiences. Since then, a number of conceptual and empirical studies have examined first-time and repeat visitation. Although previous studies present rather mixed and sometimes conflicting findings between the two groups (Li et al., 2008), some significant differences were mentioned below.

Previous studies suggest that first-time visitors are more likely to be younger (Gitelson & Crompton, 1984) and long-haul tourists (Li et al., 2008). First-time visitors explore a destination widely and visit popular tourism attractions (Lau & McKercher, 2004). They tend to stay shorter (Oppermann, 1997) and spend less at a destination (Wang, 2004). First-time visitors have also more complex and differentiated images of destinations (Fakeye & Crompton, 1991). On the other hand, repeat visitors are more likely to visit friends/families (Gitelson & Crompton, 1984; Li et al., 2008) and engage more in local life-related activities (Wang, 2004). Repeat visitors stay longer and are more beneficial economically to a destination (Wang, 2004). They are also more satisfied with the destination (Anwar & Sohail, 2004; Li et al., 2008).

### Destination Brand Personality

Destination personality refers to the brand personality in the context of tourism literature. Ekinci and Hosany (2006) define destination personality as “the set of personality traits associated with a destination” (p. 127), adapting Aaker’s (1997) brand personality terminology. Although brands are inanimate objects, consumers often view them as having human characteristics (Aaker, 1997). For instance, “Europe is traditional and sophisticated; Wales is honest, welcoming, romantic, and down to earth; Spain is friendly and family oriented; London is open-minded, unorthodox, vibrant, and creative; and Paris is romantic” (Ekinci & Hosany, 2006, p. 128). Although product/brand personality research in the consumer goods domain began in the early 1960s, the investigation and application of brand personality to tourism destinations are relatively new. Ekinci and Hosany (2006) are the first to examine the applicability and validity of Aaker’s (1997) brand personality framework in the context of tourism destinations. The authors found that tourists ascribe personality characteristics to destinations, and hence, the concept of brand personality can be applied to tourism destinations. Since then, empirical studies on destination personality began to emerge in the tourism literature (e.g., Ekinci, Sirakaya-Turk, & Baloglu, 2007; Hosany, Ekinci, & Uysal, 2006, 2007; Murphy, Benckendorff, & Moscardo, 2007, Sahin & Baloglu, 2009; Usakli & Baloglu, 2011).

### Tourist’s Behavioral Intentions

The measurement of behavioral intentions has been pervasive in tourism marketing. Although intentions are not always accurate predictors of subsequent behavior, they are crucial in understanding the complex tourist behavior. It has been suggested that previous experience with a destination may affect revisit intention. Indeed, a number of studies have found that repeat visitors are more likely than first-time visitors to return (e.g., Gyte & Phelps, 1989; Juaneda, 1996; Kozak, 2001; Kozak & Rimmington, 2000; Li et al. 2008). However, tourist behavior is different in many respects from what is generally implied by consumer behavior. For example, in the consumer behavior literature, it has been suggested that satisfaction with a product leads to repeat purchase, but sometimes tourists may not return even though they are satisfied with the destination (Kozak, Huan, & Beaman, 2003). This might be explained by the variety seeking nature of tourists. Tourists have generally certain travel budgets and they might prefer different destinations for each of their future trips. In such cases, word-of-mouth recommendation is an important behavioral intention that should be examined. For instance, Li et al. (2008) found that repeat visitors are more likely to give positive word-of-mouth than first-time visitors.

## METHODOLOGY

This study utilized a survey research design. A self-administered questionnaire was developed based on the literature review and the interviews with the marketing managers of Las Vegas Convention and Visitors Authority.

Even though Aaker’s (1997) Brand Personality Scale (BPS) is the most comprehensive instrument for measuring brand personality and widely used within different product categories and across different cultures, it is not specifically designed for tourism destinations. Therefore, to ensure that personality traits used in this study are pertinent to Las Vegas, a two-stage scale development procedure was conducted to a group of 28 tourists visiting Las Vegas. In the first stage, a free-elicitation task was conducted to identify the unique traits that

describe Las Vegas. In the second stage, the 42 personality traits in the BPS were tested for content validity. The two stages left 29 personality traits (6 unique personality traits and 23 traits from BPS) for the final study. The destination brand personality was measured using these 29 personality traits on a 5-point Likert type scale ranging from (1) strongly disagree to (5) strongly agree. Behavioral intentions (intention to return and intention to recommend) were measured using 10-point numerical scales where (1) means not recommend at all and do not intend to visit, (10) means definitely recommend and very likely to visit, respectively. Overall destination brand personality evaluation was captured using a 10-point numerical scale with (1) representing very negative and (10) very positive. Demographic and trip related questions were also asked to provide additional background on the respondents.

The target population of this study was visitors to Las Vegas. A convenience sampling method was used during the research process. The self-administered questionnaires were distributed in front of the “Fountain Show” at Bellagio, one of the largest casino hotels on the Las Vegas Strip. The data were collected from January 19, 2009 to March 8, 2009. There were seven weeks in this data collection period. Two days for each week were randomly selected, making a total of 14 days. The surveys were conducted by three trained graduate students. Out of 382 questionnaires collected, a total of 14 questionnaires were not usable. Thus, a total of 368 questionnaires were coded for data analysis.

## RESULTS

The majority of respondents (62.5%, 230 visitors) were first-time visitors. The remaining 37.5% (138 visitors) had visited Las Vegas previously, and the mean number of previous visits within the past three years was less than three (mean = 2.9, median = 2.0). A series of chi-square tests was applied in order to investigate whether or not there were any significant relationships between the two groups in terms of demographic and trip profiles. It was found that first-timers are more likely to be long-haul tourists ( $p=.043$ ). No other significant differences between the two groups were noted.

### Factor Analysis

Before testing the research questions, an exploratory factor analysis was performed on 29 brand personality items to reduce data and to identify the underlying dimensions. Five items exhibited low factor loadings (<.50) and were removed. After removing them, the analysis was repeated. The factor analysis produced five dimensions for the destination brand personality of Las Vegas (see Table 1). These factors are described briefly below.

Factor 1, labeled *Vibrancy*, is composed of seven personality traits, namely “energetic, alive, vibrant, showy, exciting, sexy, and daring”. Factor 2, *Sophistication*, consisted of “feminine, charming, upper-class, good looking, and glamorous”. Factor 3, *Competence*, includes five traits, namely “leader, successful, confident, independent, and intelligent”. Factor 4, *Contemporary*, also includes five traits, namely “unique, up-to-date, imaginative, young, and trendy”. Finally, Factor 5, Sincerity, consisted of “friendly” and “cheerful”.

Table 1 Factor Analysis of Destination Brand Personality Items

Factors	Eigenvalue	Explained Variance (%)	Reliability ( $\alpha$ )
Vibrancy	10.835	45.147	.915
Sophistication	2.142	8.924	.867
Competence	1.516	6.317	.844
Contemporary	1.133	4.721	.812
Sincerity	1.079	4.498	.833
<b>Total Variance Explained</b>		<b>69.607</b>	

Note. Extraction Method: Principal Component Analysis, Rotation Method: Varimax with Kaiser Normalization, KMO Measure of Sampling Adequacy: .920. Bartlett’s Test of Sphericity  $p$  .000 (Chi-Square: 5631.535, df 276)

As seen in Table 1, Aaker’s (1997) original five personality dimensions were replicated to a great extent. In three of the five factors (Sophistication, Contemporary, and Sincerity), the personality items loaded under the original dimensions of Aaker’s (1997) study. In one factor (Competence), the personality items were also similar to those in Aaker’s (1997) study. Since Aaker’s (1997) Ruggedness dimension was failed in the content validity stage, it was not used in this study. Instead, destination specific personality traits were used. These destination specific personality items were loaded on one factor (Vibrancy).

### Research Question Analysis

RQ1 dealt with differences between first-time and repeat visitors in terms of perceived destination brand personality at dimensional level. To do this, an independent *t*-test was employed on the five factors of destination brand personality (see Table 2). Significant differences were found in three factors: *Vibrancy* ( $p = .026$ ), *Sophistication* ( $p = .024$ ), and *Contemporary* ( $p = .022$ ). First-time visitors scored significantly higher than their repeat counterparts on Sophistication and Contemporary, indicating that first-timers tend to perceive Las Vegas more sophisticated and more contemporary. Repeat visitors, on the other hand, scored significantly higher on Vibrancy, indicating that repeaters tend to perceive Las Vegas more vibrant than first-timers. There were no significant differences for Competence and Sincerity ( $p$  values  $> .05$ ).

Without taking into account the significance levels, in three of the five factors (Sophistication, Competence, and Contemporary) first-timers scored higher than the repeaters. In two factors (Vibrancy and Sincerity), repeaters scored higher than the first-timers.

Table 2 Comparison of Destination Brand Personality Dimensions

Dimensions	First-Time	Repeat	<i>t</i> -value	Sig. <i>t</i>
Vibrancy	4.31	4.45	-2.232	.026*
Sophistication	3.70	3.49	2.260	.024*
Competence	3.58	3.48	1.083	.279
Contemporary	4.17	4.00	2.303	.022*
Sincerity	3.68	3.75	-.694	.488

Note. Items measured on a 5-point Likert-type scale.

We argue that it is important to distinguish overall destination brand personality perception from personality trait or dimension based perceptions; because personality trait/dimension based perceptions are not the only antecedents of overall destination brand personality. Overall destination brand personality is a much broader concept based on holistic evaluation of the destination, not just on the sum of the individual assessments of each trait/dimension. Therefore, RQ2 examined differences between first-time and repeat visitors' destination brand personality perceptions at overall level. As shown in Table 3, there were no significant differences for overall destination brand personality between the two groups ( $p > .05$ ).

Table 3 Comparison of Overall Destination Brand Personality and Behavioral Intentions

	First-Time	Repeat	<i>t</i> -value	Sig. <i>t</i>
Overall Destination Brand Personality	7.53	7.40	.577	.565
Intention to Return	6.71	7.37	-2.094	.037*
Intention to Recommend	7.44	7.63	-.714	.476

Note. Items measured on a 10-point numerical scale. The higher the score is, the more positive the personality perception or the stronger the intention to return/recommend.

Finally, RQ3 investigated if any statistically significant differences existed between the behavioral intentions of first-time and repeat visitors. An independent *t*-test was performed and the results are presented in Table 3. When asked for their intentions to return to Las Vegas within the next two years, repeat visitors were more likely to return than first-time visitors ( $p = .037$ ), consistent with previous literature (Gyte & Phelps, 1989; Juaneda, 1996; Kozak, 2001; Kozak & Rimmington, 2000; Li et al. 2008; Milman & Pizam, 1995). However, no significant differences were found for intention to recommend between both groups ( $p > .50$ ). The previous literature presents also conflicting results on recommendation. For example, Li et al. (2008) found that repeat visitors are more likely to give positive word-of-mouth than first-time visitors. On the other hand, Kozak, Bigné and Andreu (2004) found no significant differences with respect to recommendation between first-time and repeat visitors.

### CONCLUSIONS

The present study makes important theoretical and practical contributions to the understanding of first and repeat visitation by investigating the differences in destination brand personality perceptions and tourist's behavioral intentions. An empirical study was carried out among visitors to Las Vegas based on the purpose of the study. The results indicate that first-timers are more likely to be long-haul tourists. The study further shows that first-time and repeat visitors significantly differ at three destination brand personality dimensions, namely *Vibrancy*, *Sophistication*, and *Contemporary*. Specifically, it was found that first-time visitors tend to perceive Las Vegas more sophisticated and more contemporary than their repeat counterparts, while repeat visitors tend to perceive Las Vegas more vibrant than first-time visitors. Ekinci & Hosany (2006) state that brand personality can be seen as a viable metaphor for building destination brands, understanding visitors' perceptions of

destinations and crafting a unique identity for tourism places. On the basis of the findings above, DMOs should consider the brand personality perception differences between first-time and repeat visitors while developing marketing campaigns emphasizing the distinctive personality of their destinations. For instance, destination marketers of Las Vegas should customize their marketing communications for both groups based on the above differences. The study also investigated the destination brand personality perceptions of the two groups at overall level. However, no significant differences were found at overall level.

Consistent with previous studies, this study found that repeat visitors are more likely to revisit in the future than first-time visitors. This indicates that repeat visitors are becoming increasingly important for destinations since they require lower promotional expenditure and less persuasion efforts than first-time visitors. However, it does not mean that first-time visitors are unimportant. Both groups have different roles in the success of a destination. However, converting first-time visitors to returning ones should be the goal of most destination marketers. The study also examined if any statistically significant differences existed between first-time and repeat visitors for word-of-mouth recommendation. The two groups were found to be similar for their intentions to recommend.

Based on the findings of this study as well as previous literature, we suggest that understanding differences between first-time and repeat visitors can provide valuable insights for DMOs. Specifically, information regarding visitors' previous experience with a destination (as first-time and repeat visitors) can be vitally important in maintaining a competitive advantage. Today, competitiveness is the key element of management and marketing strategy. Therefore, first-time and repeat visitors should be treated as two distinct market segments for developing effective destination marketing and management strategies.

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# INVESTIGATING THE RELATIONSHIPS BETWEEN OVERALL TOURIST SATISFACTION AND DESTINATION ATTRIBUTES

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## ABSTRACT

This study investigates the relationships between tourist satisfaction and different destination attributes in Malaysia. The primary data collected through the questionnaire with a sample size of 300. The study measures tourist satisfaction with destinations based on 30 destination attributes. Fifteen satisfactory attributes were identified. The correlation analysis and regression analysis showed that there is a significant relationship between overall tourist satisfaction and destination attributes. The analysis of variance confirmed that overall tourist satisfaction is significantly different. Findings of this study are helpful to the tourism industry as a whole.

**Key Words:** tourist, satisfaction, destination attributes, Malaysia, demographic characteristics, travel behaviour.

## INTRODUCTION

The tourism industry is the fastest growing industry in the world. One of the major concerns in the tourism industry is measuring tourist satisfaction with reference to the tourist destination. The clear importance of consumer satisfaction in the tourism industry motivates various companies to conduct consumer satisfaction surveys to identify what extent their consumers are satisfied from time to time, with or without the help of marketing agencies. The significance of tourism for economies is explained by the fact that tourism involves various activities, such as travel agencies, accommodation, sightseeing, shopping, and entertainment (Jager & Fourie, 2004). In recognizing of the importance of tourist destination attributes, several studies of destination image have been conducted. In a thorough examination of related literature, Morachat (2003) state that there have been 142 research reports on the image studies during the period of 1973 – 2001. These studies provide preliminary information with regards to how the image of a destination is and offer implications for understanding all types of behavior-related issues, including motivation, decision-making, perception of service quality, and satisfaction.

This study aims to achieve a general objective and several specific objectives .The general objective of this study is to measure tourist satisfaction with destinations, based on the destination attributes. The specific objectives of this study are:

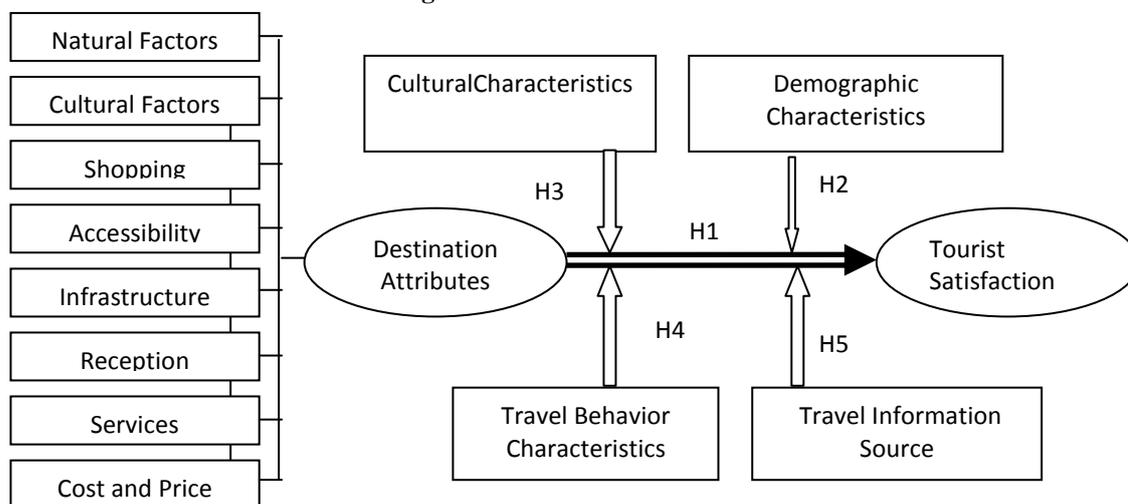
1. To identify the relationships between the destination attributes and overall tourist satisfaction.
2. To investigate the differences in the destination attributes that tourists select, depending on tourists' demographic characteristics.
3. To investigate the differences in the different destination attributes that tourists select, based on cultural characteristics.
4. To investigate the differences in the destination attributes that tourists select, depending on travel behavior characteristics.
5. To investigate the differences in the different destination attributes that tourists select, based on information source.

## CONCEPTUAL MODEL AND RESEARCH HYPOTHESIS

The research model is schematically represented in Figure1. As outlined the model, tourist's satisfaction is influenced by destination attributes. Attractiveness of the destination is described by eight attributes and each

attribute has a set of sub items (thirty sub- attributes) to explain it. The relationship between destination attributes and tourist's satisfaction is affected by four factors, namely, tourist demographic characteristics, travel behavior characteristics, cultural characteristics and information source. These factors provide a more lucid picture of the differences in the contribution of attributes to tourists' satisfaction and moderate the relationship between destination attributes and overall tourist satisfaction.

**Figure 1: Research Model**



Based on the research framework, five hypotheses were constructed. The hypotheses of this study are designed to investigate the relationships between destination attributes and overall tourists' satisfaction, with respect to the influence of controlling factors as follows:

H<sub>1</sub>: There is no significant relationship between the destination attributes and the overall tourist satisfaction.

H<sub>2</sub>: There is no significant difference in the overall satisfaction of tourists in terms of tourists' demographic characteristics.

H<sub>3</sub>: There is no significant difference in the overall satisfaction of tourists in terms of cultural characteristics.

H<sub>4</sub>: There is no significant difference in the overall satisfaction of tourists in terms of tourists' travel behavior characteristics.

H<sub>5</sub>: There is no significant difference in the overall satisfaction of tourists in terms of travel information source.

## METHODOLOGY

The data used in the study are first hand data, which were collected through close-end questionnaires. The questionnaire consists of two sections. The first section explores destination attributes affecting tourists' expectations, perceptions and satisfaction levels, in relation to the destinations. Respondents are requested to give a score to each of the 30 attributes on the levels of expectations and satisfaction separately, using a 5-point Likert-type scale. The second section of the questionnaire is aimed at gathering information on the respondents' demographic, travel, cultural and information source characteristics. A pilot study is carried out to make sure the results are valid and reliable. The questionnaires were distributed in the areas where there are many tourists such as hotels, shopping malls, interesting places and restaurants. A sample of 300 tourists who were visiting Klang Valley, Malacca and Penang participated in this study. After eliminating the invalid questionnaires, data is coded, computed, and analyzed using the Statistical Package for Social Sciences (SPSS). The significance of the relationships is investigated with 95% confidence. The different statistics applied in this study are based on the requirement of hypotheses testing. Statistical analyses, such as frequencies, factor analysis, descriptive; correlation analysis, Multiple Regression Analysis and Multiple Analysis of Variance (MANOVA) are used according to the respective objectives of the study.

## DATA ANALYSIS AND RESULTS

This section is divided into three major sections, with respect to the objective of this study. The first section provides a brief description of the respondents. In the second section, tourist satisfaction is measured by expectation-perception method. Hypothesis testing comes next. In the first section, the frequency distribution of respondents is presented. Of the 300 questionnaires distributed in the three provincial areas, namely Klang Valley, Penang, and Malacca from June to August in 2005, 234 questionnaires were analyzed. Incomplete

questionnaires included missing sections, i.e., in the either expectation or satisfaction section of the instrument or basic information about demographic and other characteristics. 56 percent of respondents are males and the remaining are females. The largest group of respondents is between 25 to 36 years old and the largest yearly income is below US \$ 20,000 per year. Most of the respondents reported that they have professional jobs (43.6%) and 61 percent diploma holder or graduates. The largest group of respondents is from Asian countries and the smallest group is from Africa. 53.4% of the respondents are Christian while 22.6% are Muslim. In addition, most of them belong to a medium sized family (47.4%). As with regards to travel characteristics, 15.4 percent of respondents have been in Malaysia before, 46.6 percent decided to stay in Malaysia for less than a week. 55.1 percent of tourists spent less than three months to plan for their trip and almost 31% are as couples. The various sources that tourists use to find their destination and also to arrange their travel is also examined. Majority of respondents report that they have Internet access (76.5%). In the case of initial information source about destination, while 31.2% of respondents used Internet, only 12.4 percent of respondents used TV or magazines to find initial information about the destination. Eventually, 56.4 percent of respondents came to Malaysia with travel agencies packages and 28.6 percent arranged it online.

**Table 1: Paired t-test of Tourists' Expectations and Satisfaction with Attributes**

<b>Attribute</b>	<b>Expectation (Mean)</b>	<b>Satisfaction (Mean)</b>	<b>Mean Difference</b>	<b>Sig.</b>	<b>Attribute Type</b>
<b>Natural Factors</b>					
Item 1 Natural Beauties	3.97	4.2	0.23	.001	Satisfactory
Item 2 Climate	3.61	3.5	-0.11	<b>.077</b>	Indifferent
Item 3 Water	3.53	3.36	-0.17	.004	Dissatisfactory
Item 4 Wildlife	3.65	3.36	-0.29	.000	Dissatisfactory
Item 5 Vegetation	3.6	3.84	0.24	.000	Satisfactory
<b>Cultural Features</b>					
Item 1 Architectural and Artistic	3.29	3.75	0.46	.000	Satisfactory
Item 2 Historical and Ancient Ruins	3.27	3.41	0.14	.011	Satisfactory
Item 3 Carnivals and Festival	3.53	3.34	-0.19	.000	Dissatisfactory
Item 4 Distinctive Local Features	3.47	3.49	0.02	<b>.777</b>	Indifferent
Item 5 Religion Attractiveness	3.26	3.6	0.34	.000	Satisfactory
Item 6 Food	3.47	3.36	-0.11	<b>.078</b>	Indifferent
<b>Recreation and Shopping Facilities</b>					
Item 1 Out-Door Activities	3.64	3.74	0.10	<b>.100</b>	Indifferent
Item 2 Night-time Recreation	3.55	3.73	0.18	.011	Satisfactory
Item 3 Health, Rest, and Serenity	3.12	2.94	-0.18	.004	Dissatisfactory
<b>Accessibility</b>					
Item 1 Availability of Transportation	3.62	3.68	0.06	<b>.445</b>	Indifferent
Item 2 Availability of Accommodation	4.02	4.15	0.13	.024	Satisfactory
<b>Infrastructure</b>					
Item 1 Physical Distance to Destinations	3.68	3.82	0.14	.028	Satisfactory
Item 2 Time to Reach Destination	3.47	3.71	0.24	.001	Satisfactory
<b>Reception</b>					
Item 1 Information Centers	3.53	3.41	-0.12	.046	Dissatisfactory
Item 2 Signposts and Displayed Maps	3.51	3.23	-0.28	.000	Dissatisfactory
Item 3 Local Tour Guides and Operators	3.56	3.96	0.40	.000	Satisfactory
Item 4 Community's Attitudes	3.73	3.99	0.26	.000	Satisfactory
<b>Services</b>					
Item 1 Bank/Cash Machines	3.86	4.04	0.18	.032	Satisfactory
Item 2 Police and Security	3.62	3.41	-0.21	.002	Dissatisfactory
Item 3 Medical or Health	3.32	3.13	-0.19	.001	Dissatisfactory
Item 4 Communication	3.56	3.62	0.06	<b>.312</b>	Indifferent
Item 5 Water, Energy, and Sewerage	3.38	3.67	0.29	.000	Satisfactory
<b>Cost/Price</b>					
Item 1 Value Spent for Food	3.84	3.89	0.05	<b>.515</b>	Indifferent
Item 2 Value Spent for Lodging	3.84	4.03	0.19	.011	Satisfactory
Item 3 Value Spent for Transportation	3.58	3.82	0.24	.004	Satisfactory

In order to achieve the general objective of this study, the tourist satisfaction is measured using Paired t-test analysis. In order to examine satisfactory, indifference, and unsatisfactory attributes, the Paired t-test was

employed. Satisfaction is measured by using the five Likert Scale, ranging from 1 (very dissatisfied) to 5 (very satisfied) and Expectation is ranges from 1 (very low) to 5 (very high). The results of Paired t-test analysis show that the tourists, who visited Malaysia during the study are satisfied with 15 out of 30 attributes of the destinations that they visited. This study also identified 8 dissatisfactory attributes and 7 indifferent attributes.

### HYPOTHESIS TESTING:

In hypothesis testing, i.e. using factor analysis, eight factors with 26 variables are defined by the original 30 variables that loaded most heavily on them (loading  $\geq 0.6$ ) and four attributes were dropped due to the failure of loading on any factor. Therefore, eight factors were identified for the next analysis process. The first specific objective of this study is to investigate the relationships between destination attributes and overall tourist satisfaction. Hypothesis one is established in order to achieve the first objective. Correlation analysis was used to investigate relationship between attributes (eight factors derived by factor analysis) and overall tourist satisfaction.

**Table 2: Correlation Analysis Results**

Factor	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7	Factor 8
<b>Pearson Correlation</b>	0.108	0.118	0.404	0.348	0.255	0.113	0.131	0.114
<b>Sig. (2-tailed)</b>	0.010	0.012	0.000	0.000	0.000	0.035	0.046	0.001
<b>N</b>	234	234	234	234	234	234	234	234

The correlation results are significant and show significant relationships between the two variables. In addition, multiple regression analysis is conducted, using overall tourist satisfaction as the dependent variables and eight attribute factors as independent variables. The equation for tourists' overall levels of satisfaction is expressed in the following equation:

$$Y_s = \beta_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5 + B_6X_6 + B_7X_7 + B_8X_8$$

$\beta_0$  = constant (coefficient of intercept)       $B_1, \dots, B_8$  = regression coefficient of Factor 1 to Factor 8

**Table 3: Multiple Regression Coefficients Analysis**

Coefficients	B	Std. Error	Beta	T	Sig.
Constant	3.751	0.052		72.587	0.000
Factor 1: Natural Factors	0.109	0.052	0.1061	2.1091	0.036
Factor 2: Cultural Features	0.117	0.052	0.1137	2.2600	0.025
Factor 3: Recreation and Shopping Facilities	0.412	0.052	0.4003	7.9606	0.000
Factor 4: Accessibility	0.356	0.052	0.3455	6.8704	0.000
Factor 5: Infrastructure	0.270	0.052	0.2622	5.2136	0.000
Factor 6: Reception	0.110	0.052	0.1067	2.1211	0.035
Factor 7: Services	0.131	0.052	0.1273	2.5307	0.012
Factor 8: Cost/Price	0.111	0.052	0.1076	2.1399	0.033

In conclusion, all underlying dimensions are significant. Thus, the results of multiple regression analysis reject hypothesis  $H_1$ .

In order to achieve the second objective of the study and test hypothesis H2, a Multivariate Analysis of Variance was conducted to investigate the effects of demographic characteristics on overall tourist satisfaction. The results indicate that there is no significant difference in the overall satisfaction of the respondents is found for Gender, Marital Status, and Job. Significant difference in the overall satisfaction of the respondents is found only for Age ( $F=15.9$ ,  $Sig=.000$ ), Family Income ( $F=7.003$ ,  $Sig=.000$ ), and Education ( $F= 3.140$ ,  $Sig=0.015$ ). The results show that younger respondents were more satisfied with the destinations than older respondents. Furthermore, respondents with higher income are more satisfied compared with respondents with lower income, and respondents with lower education level are more satisfied compared with respondents with higher educational level.

Multivariate Analysis of Variance is used to test the third hypothesis. The results of the MANOVA on Cultural Characteristics show that there are no significant differences in the overall tourist satisfaction and religions of tourists and with the overall tourist satisfaction and family size.

**Table 4: Multivariate Analysis of Variance (Cultural Characteristics)**

	Sum of Squares	df	Mean Square	F	Sig.
Origin	105.655	4	26.414	15.061	.000
Religion	1.619	4	.405	.315	.868
Family Size	1.349	4	.337	.643	.632

To examine the effects of the characteristics of the travel behavior on overall tourist satisfaction, the Multivariate Analysis of Variance was conducted. The results of MANOVA between overall tourist satisfaction and travel behavior characteristics indicate that there is no significant difference in overall satisfaction of the respondents, i.e. in terms of the number of past trips, time spent to arrange travel, and travel parties. However, the results illustrate significant differences are found in past experiences ( $F=4.95$ ,  $Sig=0.001$ ) and length of stay ( $F=6.57$ ,  $Sig=0.000$ ). The study shows that the respondents, who had travelled to Malaysia earlier, are more satisfied than the respondents, who have never travelled to Malaysia. Furthermore, the study finds that the respondents who plan to stay longer in Malaysia are more satisfied with the destinations among other categories.

In order to test hypothesis H5, a Multivariate Analysis of Variance was conducted to investigate the effects of information source on overall tourist satisfaction. The results indicate that there is no significant relationship between Internet Access and overall tourist satisfaction. However, significant difference is found in the overall satisfaction of the respondents by Initial Source of Information about Malaysia ( $F=2.57$ ,  $Sig=.039$ ) and Way of Travel Arrangement meet to Malaysia ( $F=2.80$ ,  $Sig=.027$ ). The results show that there are significant differences between initial source of information used for choosing Malaysia as the destination and travel arrangements with overall respondents' satisfaction.

## CONCLUSION

This study, examined the relationships between tourist satisfaction and destination attributes in Malaysia. The relationship between destination attributes and overall tourist satisfaction is affected by demographic characteristics, cultural characteristics, travel behavior characteristics, and information source. Five hypotheses were constructed and appropriate techniques were identified to test the hypotheses. The international visitors in this study expressed high degrees of satisfaction with Malaysian destinations. Overall satisfaction is within the range of 32% to 54% being satisfied or very satisfied. A small proportion of visitors reported dissatisfaction, or expectations not were met (11.5%). Visitors are satisfied with natural beauty and vegetations, but dissatisfied with climate, water and wildlife. The dissatisfaction is a result of the hot climate. Visitors expected four seasons. They find Malaysia to be a hot destination, with normal temperature of approximately 35 centigrade through out the year. Visitors are satisfied with some of the cultural attributes, such as architectural and artistic building, historical and ancient ruins, and religion attractiveness but are dissatisfied with carnivals and festivals and food in the destinations. Visitors are indifferent with distinctive local features. As for outdoor activities, respondents expressed their satisfaction with night recreation and dissatisfaction with health, rest and serenity facilities in Malaysia. Lack of sufficient health services in some busy destinations resulted in dissatisfaction with health, rest and serenity. Reception is one of the most important factors in satisfaction measurement. Respondents of this study expressed that they are dissatisfied with information centres, signposts and maps. The lack of appropriate information signs could result in this dissatisfaction. Respondents also are dissatisfied with security and health services. With the presence of different nationalities in Malaysia, it may be difficult to ensure security. There are security and safety problems in the tourism industry. The dissatisfaction with health may result from hot temperature that causes specific illnesses and health problems. Results of this study show that respondents are satisfied with the money spent on lodging and transportation; but dissatisfied with money spent on food. It is because Malaysian food is different from food in other countries and visitors are therefore less likely to be satisfied with it. It is expected that most foreigners don not favour Malaysian food. The lack of sufficient western or foreigner restaurants may also cause dissatisfaction with this attribute. Quality of food and value for money spent on food are found to be dissatisfactory attributes in this study. The taste of Malaysian food is significantly different than that of many other countries. It is spicy, hot, and oily, and options are limited which is similar to other western countries. However, it may be interesting for some tourists who like to try out different food and drinks. For some, however, it may impose a serious problem. For example, children may not like to taste food other than what they are used to eating. Certain people have to maintain their diet, i.e. food consumption. Hypothesis testing shows that attributes of recreation and shopping facilities greatly influence tourists' overall satisfaction. It is followed by accessibility. The third most influential dimension is infrastructure followed by services, cultural features, cost/prices, and reception. The weakest factor is the natural factors. MANOVA test show that the highest level of satisfaction is linked to tourists in the age group of 25 years old or

younger. In terms of family income, the highest satisfactions are for tourists with annual income USD 60,000 or more. Tourists with secondary education and above are more satisfied compared to others. In terms of nationality, Asians are the most satisfied tourists and African tourists are the least. Furthermore those who stay in Malaysia between one and two weeks have a higher level of satisfaction than others. Other results show that tourism organizations provided better information to tourists and thus tourists are more satisfied with the destination. Online information is the least satisfactory source. Finally, those who have seen Malaysia before displayed a higher level of satisfaction than first time travelers.

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# DESTINATION SATISFACTION FROM THE PERSPECTIVE OF INTERNATIONAL TOURISTS VISITING IRAN

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## ABSTRACT

Extant tourism literature reveals that the travelers' satisfaction from a tourist destination is a significant determinant of their post-holiday behaviors. The aim of this study was to investigate the effects of these variables on international travelers' perceptions and to examine the relationship between destination satisfaction and positive word of mouth of the tourists visiting Tehran, Iran. International travelers participated by filling out a self administered questionnaire. A sample of 326 tourists was collected through convenience sampling, at the Imam Khomeini International Airport in November 2010. The lodging and transportation dimensions were found to have an insignificant effect on destination satisfaction.

**Key Words:** Destination satisfaction, international travelers, Iran, tourism, positive word of mouth, lodging.

## INTRODUCTION

Effective management of tourists' attitudes and behaviors are of pivotal importance to service business success. This is also valid for tourism organizations. There are plethora of empirical studies about tourist' satisfaction, destination satisfaction and loyalty in the extant literature (e.g, Castaneda, Frias and Rodriguez, 2007; Kotler and Armstrong, 2006; Rittichainuwat, Qu and Mongkonvanit, 2002).

A careful examination of the tourism and hospitality literature also indicates that there are a number of empirical studies which have measured tourists' satisfaction, destination satisfaction and loyalty through the use of guests from a variety of hospitality settings (e.g, Rittichainuwat, Qu and Mongkonvanit 2002; Huh, Uysal and McCleary, 2006; McDowall, 2010).

However, little is known about the impact of destination satisfaction factors of international tourists in developing countries like Iran. Recognizing this void in the literature, the present study develops and tests a model that investigates the selected factors which have significant impact on destination satisfaction using data collected from international tourists in Imam Khomani Airport, Tehran.

Iran is willing to increase its international tourism arrivals as a way to generate more revenue than oil. In terms of development, the tourism industry is relatively new in Iran, when compared to some of its neighbors such as Turkey, Egypt, and Jordan because of their regional immediacies and similarities in culture, attractions, and religion. The Revolution of 1979 has caused the media to generate much misinformation about Iran, thereby scarring its image, particularly in the Western world. Before 1979 Iran was a well sought-after destination due to its impressive history of over 2,500 years. United States citizens alone accounted for 70,000 of the tourist arrivals in 1977 (compared to 800 in 1995) many hotel chains such as the Hilton, Sheraton, Intercontinental, and Hyatt developed hotels throughout the country (Alavi and Yasin, 2000). Following the research model and hypotheses, the methodology and results of the empirical study are discussed. The paper concludes with the implications for hotel managers and future research directions.

## LITERATURE REVIEW

Destination satisfaction is explained by Ibrahim and Gill as the emotional state of tourists after experiencing the destination (Ibrahim and Gill, 2005). Ryan also describes destination satisfaction by mentioning the degree of satisfaction gained by the tourist which is related to the degree of expectation of the tourists, the reality on which the expectations are based, the ability of the tourist to adjust the observed realities and the nature of the serious encounter that shape the reality (Ryan, 1991).

A review of the tourism literature revealed that the travelers' satisfaction from a tourist destination is an important determinant of their post-holiday behaviors. Tourist satisfaction with a destination may be seen as the tourist's assessment of the destination characteristics. As it is mentioned in various studies, there is no doubt that if tourists are satisfied with their holiday experience, it is expected that they will be more likely to continue to return to a destination and recommend it to others (Kozak and Rimmington, 1998; Oppermann, 1999).

In a demanding competitive environment there are some factors that play a crucial role in the success of service organizations that are prerequisites of high levels of service quality, achieving customer satisfaction and increasing customer retention rates (Lovelock and Wright, 1999; Kotler and Armstrong, 2006).

To sum up, there are many different factors affecting the tourist's perception about the destination. Lodging, restaurants, shopping, tourist attractions, transportation facilities, local cuisine and environment and safety are the important determinants for destination satisfaction as mentioned by many researchers (Choi, Chan and Wu, 1999; Heung, 2000; Weimair, 2000; Rittichainuwat, Qu and Mongknonvanit 2002; Pawirta and Tan, 2003; Beerli and Martin, 2004; Hankinson, 2004; Sarikaya and Woodside, 2005; Poon and Low, 2005; Erdogan H, Ekiz (2006). The behavioral outcome gained from destination satisfaction is the recommendation made by tourists to other people that indicate the results in repeated purchase and also positive word of mouth (Oliver, 1980; Taylor and Baker, 1994; Zeithaml, Berry, and Parasuraman, 1985, and Heung, 2000).

Lodging is one of the dimensions in destination satisfaction. Chen and Gursoy (2001) mentioned the importance of satisfaction with lodging experience and restaurant meal that are the main determinants of total destination satisfaction, since the tourists spend most of their times in their hotels or in the restaurants (Chen and Gursoy, 2001). Kandampully and Suhartanto (2000) diagnosed the hotel image and customer loyalty in New Zealand hotel chains and found a positive correlation between customer loyalty and satisfaction with housekeeping services, reception, food and beverage and price (Kandampully and Suhartanto, 2000). Poon and Low (2005) stated that the destination satisfaction of Western and Asian travelers was mostly based on the hospitality of staff within hotels (Poon and Low, 2005). In a study by Gyimothy (2000), he stated that more than half of the tourist respondents pointed out the importance of restaurant facilities as an essential part of visiting a destination (Gyimothy, 2000). Soriano (2002) claimed significance of fresh ingredients as well as the cost of food in the customer satisfaction and a reason for customers to repurchase. The other study was contributed in the Australian restaurant sector by Sparks (2003) who found that restaurants make a considerable contribution to a tourist destination's attractiveness that influence customer choice in choosing a destination to travel (Sparks, Bowen and Klag, 2003).

Transportation service is one other dimension of the destination satisfaction. Transportation service offered to a tourist both to and from destination is all perceived and evaluated by tourist as an important factor in destination satisfaction (Weimair, 2000). One other researcher who conducted his research on the transportation issue is Hankinson (2004). By conducting his study under the accessibility dimension, he stated that transportation is one of the major factors that lure tourists choose a specific destination to travel. The other important dimension of transportation that makes this service important in destination satisfaction are the ease of access, quality of the service, closeness of the airport and the motorways (Hankinson, 2004).

Environment is the other dimension of destination satisfaction, since environment is an influential catch element; it is a vital factor in the tourism products. Kaynak, Bloom and Leibold (1994) examined the environment by classifying it as natural and artificial environment. They concluded that to improve the travelers' destination satisfaction, both classifications of environments must be carefully planned, promoted and preserved. Peace and tourism is an important topic today in tourism literature. The need for safety and achieving a safe environment is one of the fundamental conditions to guarantee tourism. Tourism flourishes in a peaceful environment and prosperity and likewise extremely vulnerable to perceived political instability and lack of safety. For Western travelers, the security and safety factor is outweighs the other factors in explaining customer satisfaction, especially after September 11th (Poon and Low, 2005).

The next influential element in the destination satisfaction is shopping opportunities and the development of local handicrafts that also play an essential role in the development of a new market for tourism (Costa and Ferrone, 1995). Souvenirs or symbols of a certain culture can remind the tourist about a particular place its culture or religion. Shopping is a very important part of the travelers' part in countries like Japan. Cultural

obligation says that the Japanese must take home souvenirs for families and relatives (Reisinger and Waryszak, 1994).

Having given the significance of such relationships between these core dimensions and guest's satisfaction from a destination, a careful examination is required which can provide and enhance the development of a destination's positioning strategy. Therefore, it is suggested that assessment of these dimensions can effectively help all tourism's social shareholders in a destination while building their marketing policies and strategies (Ekiz, 2006).

The following hypotheses are developed based on the reviews made in the literature review.

H<sub>1</sub>: Lodging has a direct significant effect on tourists' satisfaction from the tourist destination.

H<sub>2</sub>: Shopping and tourist attractions in Iran have a direct significant effect on tourists' satisfaction from the tourist destination.

H<sub>3</sub>: Environment and safety in Iran have a direct significant effect on tourists' satisfaction from the tourist destination.

H<sub>4</sub>: Iranian's restaurant facilities have a direct significant effect on tourists' satisfaction from the tourist destination.

H<sub>5</sub>: The transportation facilities and infrastructure in Iran have a direct significant effect on tourists' satisfaction from the tourist destination.

H<sub>6</sub>: Destination satisfaction has a direct significant impact on positive word of mouth.

## METHODOLOGY

The sample used in this study was based on the international tourists who had spent their holidays in the capital city of Iran, Tehran. The sample was collected from the international airport of Tehran, from the non native tourists who were on the way back to their countries. The method used in the study was convenience sampling method; the questionnaires were filled out by a self-administered manner on November 2010.

The questionnaires consist of four parts and the respondents were asked to indicate on a 5 point Likert scale about their perceptions of Iran. The questions were divided for each of the influential dimensions on destination satisfaction that were accommodation, lodging, cuisine, shopping, transportation and safety. The questions also asked their reasons and frequency of their visit to Iran. The demographic questions were also asked at the end of the questionnaires.

The impact of each independent dimension on the dependent variable - destination satisfaction - was analyzed by multiple regression analysis. Regression analysis is defined as "the technique used to drive an equation that reveals the criterion variables to one or more predictor variables which are held fixed at various levels" (Churchill, 1979). The regression equations of the study are as follows:

$$Y:\text{destination satisfaction (DSAT)} = a + b_1(X_1: \text{lodging (LOC)}) + b_2(X_2: \text{shopping and tourist attractions (ST)}) + b_3(X_3: \text{environment and safety (ES)}) + b_4(X_4: \text{restaurant facilities (RF)}) + b_5(X_5: \text{transportation facilities (TR)}) + E$$

$$\text{Positive Word of Mouth (PWM)} = b_0 + b_1(\text{DSAT}) + e_t$$

## RESULTS

Out of 362 questionnaires that were distributed, 326 usable ones were returned with a response rate of 90 percent. The research model has been designed and multiple regression analysis in SPSS 13.0 has been used for the measurement of the hypothesized relationships. More than 212(65 %) of the respondents were male, and the largest majority was between the ages of 36-50 (39%). 130(40%) of the respondents were high school graduates whereas 55(17%) held graduate degrees. 121(37%) indicated that they had taken one vacation last year and 81(25%) has been on two vacations in the past year. The most frequent reason for visiting Iran was for business purposes 166 (51%) followed by vacation 95(29%). 150(46 %) indicated that it was their first time in Iran. 179(55%) of the respondents stayed in Tehran and 23(7%) had stayed in more than two cities within Iran. The largest groups of respondents were from Malaysia 39(12%), Japan 33(11%), followed by Germany 29(9%) and UK 26(8%). Reliability coefficients were calculated for each study variable and at the total level. Alpha coefficients were found to be 0.90 at the aggregate level and all reliability coefficients were estimated acceptable. Particularly, reliability coefficients ranged from 0.90 to 0.72 for the study variables. Generally, these findings illustrate that each coefficient exceeds the cut-off value as suggested by Nunnally (1978).

The regression analysis was first confirmed by testing the assumptions of normality, linearity, homoscedasticity, and independence of residuals. The tests show that "the residual are normally distributed about the predictor

dependent variable score, residuals have straight line relationship with the predicted dependent variable scores, and the variance of residuals about predicted dependent variable scores is the same for all predicted scores” (Tabachnick and Fidell, 1996, 136). In order to carry out multiple regression analysis the dimensions of lodging (LOC), shopping and tourist attractions (ST), environment and safety (ES), restaurant facilities (RF), and transportation facilities (TR) were taken as the independent variables. Destination satisfaction (DSAT) was taken as the dependent variable. In addition, there is no evidence of multicollinearity problem, meaning that each conditioning index is lower than 30, and at least two variance proportions are lower than 0.50 (Tabachnick and Fidell, p.87). Furthermore, the results of the analysis show that there was also a positive correlation with a  $R^2$  of 0.456 and an “F” value of 10.239 and a significance level of  $p < 0.000$ .

### Regression Results

As table 1 indicates lodging exert an insignificant positive effect on destination satisfaction ( $\beta = 0.050$ ). Shopping and tourist attractions show a significant positive effect on destination satisfaction ( $\beta = 0.172$ ). Environment and safety factors also point at a significant positive effect on destination satisfaction ( $\beta = 0.051$ ). Restaurant facilities exert a significant positive effect on destination satisfaction ( $\beta = 0.372$ ). Finally, Transport facilities depict an insignificant positive effect on destination satisfaction ( $\beta = 0.159$ )

Table 1: Results of Multiple Regression Analysis

Multiple R = 0.496 <sup>a</sup> $R^2 = 0.456$ Adjusted $R^2 = 0.222$ Standard error = 0.47619				
F = 10.239    P < 0.000 <sup>a</sup>				
Dependent variable: Destination satisfaction (DSAT)				
Independent variable	Beta <sup>a</sup>	t-value	p <sup>b</sup>	
Intercept	0.497			
Lodging (LOC)	0.050	0.708	0.480	
Shopping and tourist attractions (ST)	0.172	2.365	0.019	
Environment and safety (ES)	0.159	2.234	0.027	
Restaurant Facilities (RE)	0.372	5.111	0.000	
Transportation facilities (TR)	0.051	0.730	0.466	

Notes: <sup>a</sup>Standardized coefficient, <sup>b</sup> $p < 0.05$ .

According to the hypotheses suggested in this research, the multiple regression analysis results show that H2, H3, H4 were accepted and H1 and H5 were rejected. In total, the five dimensions taken in the research explain 46% of the variance on destination satisfaction. This percentage indicates that there are other variables which exert influence on destination satisfaction other than the ones used in this research. These may be the image of the destination and other factors such as financial services (using credit cards, ATM machine etc), accessibility and competition. If these results are added to the regression equation, then higher  $R^2$  results may be achieved in future studies.

The overall destination satisfaction of international tourists in Iran had a statistically significant and positive effect on their word of mouth (degree of recommendation of Iran as a tourist destination to others). The effect of overall destination satisfaction on positive word of mouth was 29% of the explained variance. This means that a unit change in the overall destination satisfaction of international tourists in Iran, leads to a positive change in their PWM by 0.29%. Thus, H6: Destination satisfaction has a direct significant impact on positive word of mouth has been accepted.

## DISCUSSION AND CONCLUSION

This paper aimed to examine the effects of environment and safety, lodging, restaurant facilities, shopping and tourist attractions, transportation facilities on international travelers’ satisfaction perceptions from Iran as a tourist destination. In addition it examined the relationship between destination satisfaction and positive word of mouth of the tourist visiting Tehran, Iran.

The result of the regression analysis revealed that the restaurant facilities were the most important factor influencing tourists’ satisfaction with Iran as a tourist destination. The existing literature in this field states that there is an important connection between local cuisine and tourists’ satisfaction with a destination (Sparks, Bowen and Klag, 2003). Although restaurant facilities were the most important dimension of destination satisfaction in Iran, the dimension concerning lodging was found to be statistically insignificant. In other words the international tourists seem to be satisfied with the Iranian cuisine, services in the restaurants but they were not satisfied with the actual setting of the hotels and the conditions of the rooms, infrastructure and so forth. The

same problem was relevant to the hotel industry. Human resources need to understand what represents quality service and they need to understand the relation between service and customer satisfaction and other behavioral outcomes it can initiate accordingly (Arasli and Sadeghi, 2006).

Shopping and tourist attractions were found to be the second most significant dimension of a tourists' satisfaction within Iran as a travel destination. This indicates that those tourists visiting Iran took time to experience its rich historical sites and traditions. United Nations Educational, Scientific and Cultural Organization ranks Iran seventh in the world in terms of possessing historical monuments, museums and other cultural tourist attractions (UNESCO).

Another significant component of destination satisfaction is transportation (Weiermair, 2000). Iran has an established public transport system, but it is slow due to the huge amount of traffic on the streets, the vehicles are old and there is also isolation of genders. The public transport system is usually preferred by lower income families in Iran. During the last five years a new international airport has opened in Tehran to deal with increasing number of international flights and has modern facilities comparing to the old Mehrabad International Airport.

The environment and safety issues within a tourist destination are very important (Baloglu and Uysal, 1996). However, the relationship was found to be statistically insignificant. Much of Iran's territory suffers from overgrazing, desertification and deforestation. Iran's big cities such as Tehran are overpopulated and lack good infrastructure. Tehran is rated as one of the worlds' most polluted cities (Wikipedia, 2010). Iran is portrayed in a bad image as a country which is not safe and under the constant threat of social and political disturbance, by western media. Not only do these images make tourists think twice about visiting Iran but also those who do are in doubt and perhaps scared that something may happen to them whilst out on the streets.

## **STUDY IMPLICATIONS AND LIMITATIONS**

The government and organizations within the tourism industry should concentrate their efforts and take measures in order to support tour operators and hoteliers financially. They also should take a more active role in international tourism fairs and provide tourism promotional items. Preparing comprehensive training programs for people employed in the hospitality sector can be a good solution to the existing problems. The Iranian government should also streamline entry rules and regulations into the country, making it more accessible for the average tourist. Iran has a bad image in the international arena. A lot of this image has been constructed by the western media based on the conflict that is going on in the region at the moment. The way to overcome such bad promotion is 'word of mouth' advertising. In our study a positive significant relationship was found between destination satisfaction and positive word of mouth. Tourists who are happy with their holiday experience will go home and recommend it to their family and friends. Their recommendations will suggest others to visit Iran. It can be concluded that the higher satisfaction of international tourists have about visiting Iran, the more likely they would revisit it or recommend it to others, and thus the findings of this research are in line with other research that has been conducted in this area in the past. In the highly competitive tourism environment, aggressive marketing tactics, human resource training and putting importance on service quality will provide Iran with a much needed enhance in attracting international tourists.

The study has been conducted in the capital city of Iran. However, it cannot be claimed that, Tehran can be representative of the other cities like Shiraz, Esfahan, and Caspian Sea etc. In future studies, the same questionnaire should also be distributed in other cities throughout Iran in order to collect broader data. Another problem was the fact that some tourists said they did not want to answer questions concerning what they thought about Iran. Replication studies with large sample size elsewhere would be fruitful for further generalizations of the study findings. Moreover, it would be interesting to see how many business travelers actually make time to discover the country while they are on the business, since most of the respondents who participated in this study came to Iran for business purposes. Several other dimensions such as providing financial services would contribute a lot to the attraction of more international tourist to the country have to be considered in the future studies.

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# TRAVELERS' TRAVEL INTENTIONS: IMPLICATIONS OF PAST TRAVEL EXPERIENCES AND PERCEPTIONS OF RISK

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## ABSTRACT

Tourists' choices of a traveling destination are additionally influenced by previous experiences and perceived risks. The purpose of this research was to investigate travelers' satisfaction levels on their experience during the stay in Taiwan. The research also examined whether the information resources about Taiwan provided to the foreign travelers influence their decisions of traveling Taiwan. This study examined existing data collected by the Taiwanese Tourism Bureau regarding tourist trip planning factors. The study will analyze the results of Taiwanese government surveys of tourist visitors to Taiwan.

**Key Words:** past travel experiences, perceived risk, travel intention

## INTRODUCTION

People enhance their quality of life by taking vacations. The essential role of vacations and travel in human welfare is now recognized by granting legal vacation rights in most countries, the recognition of vacations as a basic human right by the United Nations in 1948, and international declarations on vacation rights and freedom of movement by the World Tourism Organization in 1980 and 1982 (Richards, 1999, p. 189).

Choosing the quality of intangible tourism products and services is not easy. The intangible tourism products cannot be read from a tag or seal; travelers hard to predict the outcome of their choice but only know when their decisions were poorly made. Rapoport and Wallsten (1972) stated that individual involves risk when making decisions which are uncertain. Zeithaml (1981) stated that the tourism services are intangible, when travelers consumed the production which difficult for them to examine standardize, their perceived risk in taking trips would be likely to high.

When travelers' perceived risk is likelihood high; it might consequently make travelers hesitate to purchase tourism products and services. Travelers' perceived risks of an unfamiliar destination include waste disposal and pesticide residue in foods, water, and environment safety. These risk factors seem to have much considerable by travelers in the context of pleasure travel because of their satisfaction risk on their choice of pleasure travel destination and arrangement.

The purpose of this research was to investigate travelers' satisfaction levels on their experience during the stay in Taiwan. The populations of this study were Japanese, Americans, and German foreign visitors with largest amount of visiting, respectively. The research also examined whether the information resources about Taiwan provided to the foreign travelers will influence their decisions of traveling Taiwan.

## LITERATURE REVIEW

### Taiwan's Tourists Information Resources

Many studies have stated that exposure to relevant information is the most important factor in the information search process (Goldman, 1977; Gursoy & McCleary, 2004; Lehto, Kim, & Morrison, 2006; McGuire, 1976). External information searches require "[a] degree of attention, perception, and effort directed toward obtaining environment data or information related to the specific purchase under consideration" (Betty & Smith, 1987, p. 85). To serve foreign visitors traveling to Taiwan, the Taiwan Tourism Bureau has been known to enhance the

content and network function of tourism information. Moreover, this network function improves the image of Taiwan in the international arena. Media exposure helps Taiwan to become an international travel destination.

### **Perceived Risk Familiarity and Previous Information**

Tourists' choices of a traveling destination are additionally influenced by previous experiences and perceived risks. Such risks include transportation, facilities, customs, and overall environment (Tsaur, Tzeng, & Wang, 1997). Sönmez and Graefe (1998) found that when tourists choice of traveling destination, they most concern the risk or safety during the decision making process. In addition, Poon and Adams (2000) found that in the findings of travel surveys that safety and security are most concerned by tourists. There are four major risk factors to tourism: "(1) war and political instability; (2) health concerns; (3) crime; (4) terrorism" (Floyd, Gibson, Pennington-Gray, & Thapa, 2003, p. 23). Daley (2003) defined perceived risk as "the probability of any loss that can occur" (p. 146). Thus, when the perceived risk of loss increases, an individual may resort to external information searches. In Chen's (1998) tourist cognitive decision-making model, advertising services that reduce perceived risk will greatly encourage a consumer to take a trip.

Tourists' information searches about the aspects of dimensional travel information may be retrieved from various intermediaries or by way of prior experiences and knowledge (Vogt & Fesenmaier 1998). The more familiar the user is with the search topic, the more the user will select appropriate information channels. Hence, tourists have to decide whether they wish to use either external or internal experience contingencies as guides to start their information search strategies (Fodness & Murray, 1999; Gursoy & McCleary, 2004; Hawkins et al., 2000). Nevertheless, the most analyzed segment scholars have studied is the tourists' purposes of their trips (Fodness & Murray, 1997). Proper marketing focuses on these motivations, selects a proper marketing group, and evaluates the whole to discover any differences or shared similarities with other marketing groups.

## **METHODOLOGY**

This study examined existing data collected by the Taiwanese Tourism Bureau regarding tourist trip planning factors. The study analyzed the results of Taiwanese government surveys of tourist visitors to Taiwan. Foreign travelers to Taiwan (not Taiwanese citizens) have been surveyed after visiting Taiwan. These available survey data enabled a comprehensive study of selected groups, Japanese, American, and German travel to Taiwan between the months of January and December, 2006. The Taiwanese government survey took place at the Taiwan Taoyuan International Airport and at the Kaohsiung International Airport.

Of a total population of 5,510 surveyed inbound visitors to Taiwan, selected groups of Japanese, American, and Germans totaled 2,468, and these respondents were the subjects of this study. The total valid sample of 2,468 participants included 2,106 Japanese (85.3%), 95 American (3.8%), and 267 German (10.8%). Respondents in four age groups including: 12-19 (1.1%), 20-29 (45.6%), 30-39 (41.7%), and 40 and over (11.6%). In the three education groups, the highest level of education included the following: elementary school (2.3%), high school (24.1%), college and up (72.8%), and non-responders (0.7%).

A one-way analysis of variance (ANOVA) with five levels of travel frequency was used to assess the effect of the independent variable on the dependent variable (the six types of information sources). Results reveal a statistically significant result,  $F(4, 2463) = 65.69, p = .0001$ . The follow-up procedure using Tukey's Honestly Significant Difference (HSD) *post-hoc* test was used to determine which groups of frequent travelers significantly differed from each other. It also indicates that travelers with frequency of 2-5 times were significantly higher in use each type of information sources than the first-time visitors. The frequency of 6-10 time visitors was significantly higher than both first-time visitors and 2-5 time visitors. The travel frequency of 11-20 time visitors was also significantly higher than both first-time visitors and 2-5 time visitors. The travel frequency of 21 or more time visitors was significantly higher than first-time visitors and 2-5 time visitors.

To examine the correlations between experiences of convenience, environment internationalization, and safety during the stay in Taiwan and tourists' overall satisfaction. Further, a multiple regression analysis was conducted to determine if tourists' overall satisfaction was predicted by the information provided regarding convenience, environment internationalization, and safety. As the results indicate significant correlations between overall satisfaction and experiences with the variables of convenience, environment internationalization, and safety. In addition, there was a significant relationship between convenience and environment internationalization ( $r = .358, p = .0001$ ), environment internationalization and safety ( $r = .483, p = .0001$ ), and convenience and safety ( $r = .305, p = .0001$ ) in overall experiences.

In order to determine the predictive ability of satisfaction with safety, convenience, and environment internationalization on overall satisfaction, a stepwise multiple regression analysis was used. The variable of overall satisfaction was defined as the criterion variable while the variables of safety, environment internationalization, and convenience were defined as the predictor variables. The overall predictive model for

satisfaction with safety, environment internationalization, and convenience. The analysis of variance indicated that the regression model was able to predict significantly the values for the dependent variable,  $F(3, 2464)=441.60, p=.0001$ .

The coefficient of determination ( $R^2$ ) was computed as .350 and the adjusted  $R^2$  was .349, indicating that the regression model accounted for 34.9% of the total variance in the overall satisfaction based on safety, environment internationalization, and convenience. The regression equation could be written as:  
Overall Satisfaction = .305safety + .281environment + .049 convenient + 1.744

The analysis of variance indicated that satisfaction with safety was able to significantly predict the values to the dependent variable,  $F(1, 2466) = 919.21, p=.0001$ . The coefficient of determination ( $R^2$ ) was computed as .272 and the adjusted  $R^2$  was .271, indicating that the regression model containing safety accounted for 27.1% of the total variance in overall satisfaction can be attributed to safety.

The analysis of variance indicated that satisfaction with the elements of safety and environment internationalization in the regression model was able to predict significantly the values to the dependent variable,  $F(2, 2465) = 653.46, p=.0001$ . The coefficient of determination ( $R^2$ ) was computed as .346 and the adjusted  $R^2$  was .346, indicating that the regression model accounted for 34.6% of the total variance in the overall satisfaction was based on safety and environment.

Adding environment as a significant predictor in the regression model led to an increase (7.5%) of explained variance with a total of 34.6%. Based on the results, the environment had the weaker but significant association linked to the overall satisfaction of tourists. Overall, the effect of safety was much more strongly related to overall satisfaction in travel than the environment internationalization predictor variable.

Adding convenience as a significant predictor in the regression model led to a relatively small increase (0.3%) in explained variance with a total variance of 34.9%. Based on the results, the convenience had the weakest but still significant association linked to the overall satisfaction of tourists. Overall, the effect for convenience was least strongly related to overall satisfaction with of all predictor variables.

## CONCLUSION AND DISCUSSION

Consumer pre-purchase information search behavior has been investigated for years to find what extent information search types influence travel planning (Fodness & Murray, 1999). Results of this study confirmed that travelers' prior knowledge and experiences influenced their use of information sources and types of itinerary plans. Travelers with up to six times the frequency in visiting Taiwan were likely not to use travel agents in Taiwan to plan for their trips. Results of this study imply that experienced travelers often rely on their existing prior knowledge or experiences for a routine or repeat trip. This finding reinforces the Knowledge-based searches and external information searches are negatively related in the acquisition of information.

The Taiwanese government has gathered data that may be analyzed to examine how tourists acquire information and the Taiwanese government can use the results of this study in considering appropriate future investments in information resources for Japanese, American, and German tourists. Tourists' choices of a traveling destination are additionally influenced by previous experiences and perceived risks. Such risks include transportation, facilities, customs, and overall environment (Tsaur, Tzeng, & Wang, 1997). Travelers also have to decide destinations, accommodations, and types of transportation. Daley (2003) defined perceived risk as "the probability of any loss that can occur" (p. 146). It is understandable that the information search for travelers is necessary to state their choice of destination. When travelers desire information on conveniences, environment internationalization, and safety during their stay in Taiwan be known, Taiwan travel leaders would more easier to focus on these issues to increase tourism in Taiwan. This study showed travelers' desires for information on conveniences, environment internationalization, and safety during their stay in Taiwan, and safety were high considerations for respondents. This could be explained that when the perceived risk of loss increases, an individual may resort to external information searches. Overall, the selected travelers to Taiwan in this study believed that they were safe to travel to this destination in the world, but expected that Taiwan should provide increased conveniences to travelers. Taiwan travel leaders need to emphasize the importance of safe travel and to advertise conveniences for travelers.

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# SELECTING THE 'RIGHT' CELEBRITY ENDORSER: LATENT MEAN STRUCTURE ANALYSIS

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## ABSTRACT

The purpose of this study is to identify an appropriate celebrity endorser based on the feedback of the target market using latent mean structure analysis. The study also provides clues to what extent celebrity-endorsed advertisements are different from a non-endorsed advertisement and explores the differences in terms of destination match-up between native and non-native celebrity-endorsed advertisements. The results indicate that the proposed dimensions and method represent a comprehensive approach for selecting a celebrity for endorsement purposes. It allows destination marketing managers to foresee if potential tourists have a positive or negative attitude towards a celebrity-endorsed print destination advertisement.

**Key Words:** Celebrity Endorsement, Latent Mean Structure Analysis

## INTRODUCTION

In terms of general consumer products and services, there are plenty of options available, however it has been found that people tend shift their attention because they are attracted by a famous smile. Society's obsession with fame and fortune has been around for a long time (Braudy, 1997). It is likely this fixation will continue, if not become more popular in the future due to increased media access and interaction. The first advertisers appointed celebrities as pioneers to set trends, and when British actress Lillie Langtry appeared on a package of Pears soap in 1893, she became the world's first celebrity endorser (Louie, Kulik, & Jacobson, 2001). The possible reason for this trend is that using a credible and respected celebrity as an endorser is perceived as more effective than an ordinary spokesperson (Charbonneau & Garland, 2005). This perceived credibility is due to the fact that celebrities are often associated with higher levels of status because of their prevalent recognition by the public as well as extra perceived qualities and power attached to them through repeated media exposure (La Ferle & Choi, 2005). From a business point of view, Jagdish and Wagner (1995) claim that celebrity endorsement contracts are generally taken as worthwhile advertising investments because the average impact of the announcement of hiring a celebrity for endorsement on stock returns is positive. Similarly, Agrawal and Kamakura (1995) examined 110 celebrity endorsement contracts and conclude that there is a positive outcome on stock return, which according to them means that the celebrity endorsement are worth investing in. Interestingly, the authors also state that the use of celebrities in advertising continues when marketing managers 'think' that celebrity endorsement is a useful component in their marketing strategy despite the high costs. Apart from these findings, the evidential widespread use of well-known faces in advertising support the fact that contracting the 'right' celebrity endorser is considered to be a worthwhile strategy to peruse.

However, how does one find out which celebrity is the most appropriate one? The focus of this study is to assist in this matter and offers a method that evaluates relevant dimensions to identifying an appropriate celebrity among a group of potential endorsers. The first two dimensions scrutinized in this study are the perceived attractiveness and believability of the celebrity endorser. These constructs are believed to have a positive impact on people's attitudes which in turn leads to positive behavioural intentions. This process in the context of this study suggests that people form a favourable attitude towards a destination and advertisements for that place due to the endorsement of a celebrity. The overall aim of such appointments is to promote a destination in order to stimulate more tourist arrivals and to boost its image. The process and impacts of a celebrity-endorsed print advertisement for a destination have been examined by van der Veen and Song (*under review*). Their results indicate that a celebrity endorser has a significant impact on people's attitudes and in turn on their visit intentions. The current study follows up on those results and is also set within the context of mainland Chinese tourists visiting Hong Kong. However, this study will look closely into the topic of selection and proposes a method to choosing the most appropriate spokesperson for a destination among a group of

potential celebrity endorsers. Commercial celebrity endorser rankings (e.g., Cebra by Millard Brown or Performer Q-Scores by Marketing Evaluations) provide some direction to selecting the 'right' celebrity endorser. However, their detailed methodology and evaluative measurements are limited to the public due to corporate interests. On the other hand, the decision to appointing a celebrity endorser is sometimes based on gut-feeling, popularity or simply on the personal preference of the owner or designer. Since 'gut-feeling' or 'having a good relationship with a particular celebrity' approach may not necessarily be the most appropriate way for selecting an celebrity endorser, this study puts forward several relevant evaluative dimensions and a method that may constitute a comprehensive approach for appointing a celebrity for endorsement purposes that takes into account the feedback from the target market.

## LITERATURE REVIEW

Without doubt, celebrity endorsements are attention-grabbing stimuli and form an opportunity to differentiate products, services and brands by going beyond a focus on activities, attributes and rational benefits. It is believed that consumers learn and recognize relationships between spokespersons and brands through media exposure (Burroughs & Feinberg, 1978). This apparent linkage has become more and more refined and at the same time it has become more complicated (Kambitsis, Harahousou, Theodorakis, & Chatzibeis, 2002). This perceived association is important as it helps to draw attention to the endorsed brand and to imprint the desired image values of the celebrity endorser onto the brand. The connection is supposed to make advertisements more credible, create brand equity, enhance message recall and marginal value of the advertising expenditures (Jagdish & Wagner, 1995). The desired merits have often been researched and various models have been proposed to investigate the processes that are involved in the celebrity endorsement phenomenon. Ohanian's (1991) source credibility model is held to be the most appropriate one for understanding the factors that explain the impact of celebrity endorsers on certain outcomes. Her framework has been evaluated by van der Veen and Song (2010) and their results indicate that some changes are required. The revised model captures perceived believability and attractiveness of the celebrity endorser. These constructs are then related to attitude towards the advertisement, attitude towards the destination and visit intentions for simultaneous assessment.

One of the antecedents in the model is the perceived attractiveness because physical attractiveness is one of the most visible and accessible characteristics of a person (Patzner, 1983). At the same time, research indicates that physically attractive communicators can be successful in changing consumer attitudes (Baker & Churchill, 1977; Kamins, 1990). Studies indicate that the other variable, the endorser's perceived believability, is important in affecting attitude and intention to buy an endorsed brand (Till & Busler, 1998). The believability construct represents the knowledge that the communicator perceives to possess to support the claims made in the advertisements. At the same time, it represents the extent to which these claims are provided in an honest and trustworthy way. The other variables of interest are attitude and behavioural intentions, and they are incorporated because several tourism studies indicate that attitude is an important factor in tourist choice behaviour (Fesenmaier, 1988; Um, & Crompton, 1991). In addition, other scholars have empirically demonstrated that attitude towards a destination influences travellers' preferences and intentions (Goodrich, 1978; Milman & Pizam, 1995). The match-up construct is included because it represents an important concept in evaluating the appropriateness of the relationship between the endorser and the brand. For example, Charbonneau and Garland (2005) indicate that advertising practitioners consider celebrity endorsement to be a valuable promotional strategy while acknowledging it is not without risk. They indicate that the risk could be avoided or perhaps decreased when there is an appropriate fit between the celebrity and the brand. Explanations can be found in social psychological research in that individuals respond to a stimulus if the stimulus is personally relevant, unexpected, interesting and salient (Nisbett & Ross, 1980). This was also found by other scholars and they note that inferences can be generated spontaneously when inferential cues are salient to consumers at the time of decision-making (Broniarczyk & Alba, 1994). However, this effect was shown to vary to the level of incongruity. Stayman, Alden and Smith (1992) indicate that respondents who are exposed to incongruent information are likely to discount the cue. In contrast, when they are exposed to congruent information they are likely to understand the information within the cued schema. Schmitt, Tavassoli and Millard (1993) suggest that congruity of different elements in the advertisement lead to improvement in retrieval processes because nodes are more closely associated if the information represented is related. Furthermore, they suggest that advertisements containing related items among different advertisement components were remembered better than those that have unrelated components. Accordingly, Tesser and Martin (1996) state that in order to get the best effect a certain degree of 'similarity' between the image of the product and the image of the celebrity should be considered, moreover, the more relevant the association is the more positive the consumers' response will be.

## RESEARCH METHOD

To achieve the objectives of the study an experimental research design was designed. This allowed for determining the effects of the four treatment groups versus a control group, and for testing among the treatment groups themselves using latent mean structure analysis. To be consistent with past studies, the stimuli used in this study comprised a set of colour print advertisements. The advertisements presented to the respondents showed a picture of a celebrity endorser with the Hong Kong's Wan Chai harbour front in the background combined with the official slogan. It was ensured that the respondents were familiar with one of the depicted celebrity endorsers (Any Lau, Maggie Cheung, David Beckham, or Britney Spears). The background picture and the celebrities were previously selected in a pre-test (Van der Veen & Song, 2010). Half of all celebrity endorsement studies use student samples (Amos, Holmes, & Stratton, 2008); however students are not valid surrogates for adult consumers (Burnett & Dunne, 1986; Khera & Benson, 1970). Therefore, this study concentrates on adult consumers, which relevant for holiday decisions because travelling is still considered as a luxury in mainland China. It was further ensured that the respondents were over the age of twenty and that they were financially independent to represent potential tourists as faithfully as possible. Research suggests that the best predictor of behavioural intention and future actual behaviour is the frequency of past relevant behaviour (Sonmez & Graefe, 1998; Quellette & Wood, 1998). Therefore, this study only targeted novices in order to avoid the influence of past experience. The questionnaire used a seven-point semantic differential scale format for the manifest variables and the detailed items can be found in van der Veen and Song (2010). Six interpreters translated the questionnaire using the double translation method from English to Simplified Chinese (de Mooij, 1997). The questionnaires were distributed on 25 November 2007 at five popular shopping locations in Guangzhou. This city was selected because it produces the largest number of overnight visitor arrivals to Hong Kong (Huang & Hsu, 2005). A local research company was contracted to arrange the survey and 1044 valid questionnaires were retained for analysis. The quota sampling method, although not as rigorous as probability sampling, was chosen as the most cost-effective means of obtaining a representative sample of potential tourists to Hong Kong. The quotas were set according to the visitor profile published by the Hong Kong Tourism Board. The demographic characteristics of the sample did not appear to deviate in any significant way from the population of interest. All of the indicators had positive mean values and there appeared to be no violation of a normal distribution, and all the descriptive statistics are available upon request. The overall measurement model consists of five constructs (Attractiveness, Believability, Attitude to Advertisement, Attitude to Hong Kong and Visit Intentions) combined with the construct Match-up as a moderator. For the study purposes, the group effects are of interest because it tells whether the celebrities have any effect on the relevant dimensions. Therefore, a two-part strategy by Sörbom (1974) was implemented to estimate the relative differences in factor means across groups instead of absolute differences (Kline, 2005). The latent mean differences are indicated by the mean vector of independent variables or as centroids in MANOVA terms (Schumacker & Lomax, 2004). The means of latent variables are unable to be observed, however they derive their structure indirectly from the manifest variables (Byrne, 2006). The statistical software program LISREL 8.80 (Scientific Software International, Inc., Lincolnwood, IL, USA) was used for the analysis. In terms of assessing model fit, Hair, Anderson, Tatham, and Black (2006) suggest reporting the Chi-square value and the associated degrees of freedom, Comparative Fit Index (CFI), and the Root Mean Square Error of Approximation (RMSEA), because together they provide sufficient information to evaluate the model fit.

## RESULTS

The multiple confirmatory factor analysis comparison option was used to test measurement invariance and group mean differences. In the first step, the measurement model without the mean structure was simultaneously estimated across the groups to evaluate the degree of measurement invariance, that is, to determine if the indicators measure the same dimensions in all the groups (Kline, 2005). Normally the Chi-square difference test serves this purpose which equates the difference in values between the multiple group measurement models under the null and alternative hypothesis (Du Toit & Du Toit, 2001). However, scholars argue that the Chi-square difference test is as sensitive to sample size and non-normality as the Chi-square statistic itself, thereby rendering it an impractical and unrealistic criterion on which to base evidence of invariance (Cheung & Rensvold, 2002; Little, 1997). As a result, two alternative criteria are suggested; (a) the multiple group model exhibits an adequate fit to the data, and (b) the difference in the CFI values between models is negligible (Byrne, 2006). The global fit indices indicate a reasonable fit ( $\chi^2 = 1829.03$ ;  $df = 780$ ,  $p < 0.01$ ;  $RMSEA = 0.080$ ;  $NFI = 0.93$ ;  $CFI = 0.96$ ). When looking at the alternative criteria, the multiple group models display an adequate fit to the data, indicating that both the NFI and the CFI are above the minimum acceptable 0.90 level (Chau, 1997; Hu & Bentler, 1999; Rigdon, 1996) and the difference in CFI values (0.01) proved to be negligible. Although the RMSEA value is at the upper boundary, the other indices indicate an acceptable fit and that partial measurement invariance was sufficiently satisfied. Partial measurement invariance has been supported as acceptable for measurement invariance models (Byrne, 2006; Steenkamp & Baumgartner, 1998).

### ***Treatment vs. Control***

The control group was the reference sample, all relative factor mean differences between each treatment condition and the control condition are estimated (Kline, 2005). The control group (n=218) without celebrity endorsement and the four treatment groups of Andy Lau (n=206), David Beckham (n=204), Britney Spears (n=205) and Maggie Cheung (n=211) were compared on three dimensions, Attitude towards the Advertisement, Attitude towards Hong Kong and Visit Intentions respectively. Results show that in general the treatment groups perform better. The majority of the mean vectors of independent variable scores are minus, which indicates a score closer to 1. The original scale format is 1 to 7, with 1 being positive and 7 being negative. However, not all the scores are significantly better than the control group when looking at the *t*-values. Even though the mean vectors of independent variable scores are positive, none of the values for Visit Intentions are significantly different from the control group. This could mean that celebrity endorsement may not necessarily be better than no celebrity endorsement in order to influence people's intentions to visit Hong Kong. In terms of Attitude towards the Advertisement, most celebrities show latent means that are significantly lower than the control group, indicating that they perform better than the control group. However, Britney Spears reports a significantly higher mean value (*t*-value = 6.26), making her performance inferior to the control group. Similar results are found regarding the Attitude towards Hong Kong, where most of treatment groups perform significantly better than the control group. By excluding Britney Spears, these results illustrate that celebrity endorsement is significantly better than no celebrity endorsement in order to influence the Attitude towards Hong Kong. In general, the other three treatment groups (Andy Lau, David Beckham and Maggie Cheung) clearly show statistical significant and more positive values for the attitude constructs compared to the control group. The majority of the treatment groups indicate a lower mean score and such an occurrence is extremely unlikely due to sampling error alone (Bray & Maxwell, 1985). Britney Spears indicates higher mean scores than the control group for both the Attitude towards Hong Kong and the Attitude towards the Advertisement. It is likely that her poor performance is due to negative news surrounding her personal life and career which were picked up by tabloids during the course of the study. Although, she performed worse than the control group it clearly demonstrates that her apparent endorsement has a certain impact.

### ***Across Treatment Groups***

The multi-group modelling feature was again employed to test for factorial invariance across the four treatment groups for all major dimensions and partial measurement was successfully attained. The results show that Britney Spears is perceived significantly less attractive than the other three celebrities. However, there are no significant differences regarding perceived Attractiveness among the others and none was really standing out. Both David Beckham and Britney Spears report significant higher mean scores than Andy Lau (-1.19/-2.18) and Maggie Cheung (-0.84/-1.82) in terms of believability. This indicates that the two native celebrity endorsers' perceived believability regarding Hong Kong is more positive than the two non-native celebrity endorsers'. Similar results are found for the Match-up construct where David Beckham and Britney Spears reported significant higher latent mean scores than Andy Lau (-1.99/-2.88) and Maggie Cheung (-1.62/-2.51). This illustrates that the two native celebrity endorsers were perceived to be more associated with Hong Kong than the two non-natives. Andy Lau and Maggie Cheung also reported significantly lower mean values than David Beckham (0.78/0.64) and Britney Spears (1.43/1.30) for Attitude towards the Advertisement. This indicates that the respondents' attitude towards the advertisement is more positive for the two native celebrity-endorsed advertisements than for the two non-native groups. Britney Spears reported the highest mean values among all groups in terms of Attitude towards Hong Kong. The other celebrities perform significantly better in generating a positive attitude towards the destination. As illustrated previously, the celebrity endorsers did not influence Visit Intentions more positively than the control group. When this construct was examined across the treatment groups, none of the celebrity endorsers excelled and there were no significant mean differences between the treatment groups. Nevertheless, it appears that Andy Lau performs best and is found the most appropriate celebrity endorser in terms of his lower latent mean scores for most of the constructs. In addition, the results also show that Britney Spears is the least appropriate celebrity endorser for Hong Kong as she reported significantly higher mean values on all major constructs. In general, it shows that native celebrity endorsers (Any Lau and Maggie Cheung) perform significantly better in terms of perceived believability and match-up than the non-native celebrity endorsers (David Beckham and Britney Spears).

## **DISCUSSION & CONCLUSION**

Although it is not possible to control all the elements intervening to differentiate the image of a destination, it is possible to manipulate some of them with the aid of advertising and other promotional instruments (Bigné et al., 2001). The results indicate that there were positive celebrity endorsement effects and that the treatment groups significantly score better on both attitude dimensions. However, no significant differences were detected for visit intentions. This finding concurs with Sanbonmatsu and Kardes (1988) and they indicate that when respondents were exposed to an advertisement with a celebrity they did not differ from subjects exposed to an advertisement featuring no celebrity in their willingness to purchase. This is probably because behavioural intentions require consumers to exhibit a higher level of commitment than attitude formation (Peterson &

Jolibert, 1995). In terms of managerial implications, various members of a distinct market segment could be identified and compared according to similarities of responses to the endorsement claim. Another aim of the study was to explore the differences in terms of destination match-up between native and non-native celebrity-endorsed advertisements. The results show that both native celebrity endorsers perform better in generating a positive attitude response than the non-native celebrities. This is mainly due to their positive rating of perceived believability and their perceived match-up with the destination. This is certainly not unexpected and corresponds with previous research that indicates satisfactory advertising effectiveness exists when congruence between the characteristics of the endorser and the endorsed brand is present. For example, Choi, Lee and Kim (2005) show that domestic celebrities are more effective in delivering messages consistent with the prevalent cultural values in the country compared to celebrities with international recognition. This is perhaps because consumers are likely to identify themselves with the domestic celebrities. In other words, the native celebrities (Any Lau and Maggie Cheung) illustrate personal relevance towards the destination endorsed. The proposed evaluative dimensions combined with the tested method allow for comparison of celebrity endorsers to assist marketing managers in selecting an appropriate celebrity endorser before a campaign is launched. It is believed that evaluating the celebrity endorser on more than two variables is preferred and is more objective. This way, one can obtain an all-inclusive picture of which celebrity endorser performs better and in which areas. Destination marketing managers could integrate these constructs into their market analysis to predict whether their potential visitor have a positive or negative attitude towards a celebrity-endorsed print destination advertisement. The resulting information provides concrete and practical insights that may help them in selecting an appropriate celebrity endorser to target markets.

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## LOYAL TOURISTS OF TURKEY

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### ABSTRACT

As “the new Holy Grail” of the business world (Henry, 2000, p.13), customer loyalty is believed to translate into high profitability for companies due to lower costs of serving the already known customer, and repeat customers’ purchasing more, paying higher prices, and willingly offering word-of-mouth recommendations to others (Bowen & Shoemaker, 2003; Chi & Qu, 2008; Gounaris & Stathakopoulos, 2004; Henry, 2000; Jang & Feng, 2007; O'Brien & Jones, 1995; Reichheld, 1996; Rowley & Dawes, 2000; Skogland & Siguaaw, 2004; Taylor, 1998). Therefore, this field of inquiry received ample attention from both academia and practitioners alike, resulting in ubiquitous loyalty programs, especially favored by airline, hotel and restaurant. However, despite several studies applying the loyalty concept to tourism destination context (Chen & Gursoy, 2001; Chi & Qu, 2008; Oppermann, 2000; Pritchard & Howard, 1997; Yoon & Uysal, 2005), destination loyalty or loyal travelers are yet to be defined by firm and solid results.

Table 1  
Comprehensive List of Destination Loyalty Dimensions Used in the Study

Loyalty dimensions	Type of measurement scales
Previous visitation	Have you visited Turkey before? If Yes, how many times?
	Yes/No Open-ended (interval)
Satisfaction	Please rate your level of satisfaction with this trip to Turkey by circling the appropriate number on the 10-point scale right below.
	1=Not satisfied at all; 10=Extremely satisfied
Liking	I like Turkey.
	1=Extremely disagree; 7=Extremely agree
Trust	I trust Turkey.
	1=Extremely disagree; 7=Extremely agree
Intention to revisit	I intend to visit Turkey again.
	1=Extremely disagree; 7=Extremely agree
First choice	I usually chose Turkey as my first choice among vacation places.
	1=Extremely disagree; 7=Extremely agree
Recommendation	I would recommend Turkey to my friends and relatives.
	1=Extremely disagree; 7=Extremely agree
Not switching	I would not switch to another place for my next vacation.
	1=Extremely disagree; 7=Extremely agree
	I would like to stay in the same hotel if I come back to Turkey.
	1=Extremely disagree; 7=Extremely agree
	I would like to use the same travel agent if I come back to Turkey.
	1=Extremely disagree; 7=Extremely agree
	I would like to fly with the same airlines if I come back to Turkey.
	1=Extremely disagree; 7=Extremely agree

Thus, the purpose of this study is to investigate destination loyalty by profiling loyal travelers of a destination, Turkey in this case. Based on the literature on the dimensions of loyalty, a comprehensive list of destination loyalty dimensions displayed in Table 1 is used to measure the loyalty of different types of travelers from different tourist markets including American, European and Asian country origins. The underlining hypothesis guiding this study is that loyal travelers are different from other travelers in terms of sociodemographics (gender, age, country, nationality, education, marital Status) and psychographics (novelty seeking and risk avoidance personality characteristics). An extensive dataset consisting of 755 cases of diverse type of visitors to

a very touristic city of Turkey is used for the objectives of this study. Results show some distinct differences in profiles of loyal tourists. Detailed results and implications for the industry will be provided at the conference.

**Key Words:** Consumer loyalty, destination loyalty, consumer satisfaction, consumer trust, repeat visitation, WOM.

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