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damage and unethical labour practises. Customers, who declared the higher intentions to boycott those hotels, accused solely for environmental damage, are above 34 years of age, employees and retired persons. These customers are influenced by their past boycotting experience and by their intentions to boycott brands “guilty” of financial support to wars and unfair profiting. Customers, who declared the higher intentions to boycott the hotels, accused solely for unfair labour practices, are also above 34 years of age. They would boycott their favourable brands if they were accused for exploitation of workforce.

TOURISM PROPERTY ACQUISITION IN SOUTH AFRICA: A DESTINATION MARKETING ANALYSIS

Marios Sotiriadis & Adrinet Snyman

In the highly competitive environment of the tourism industry it has become increasingly important to attract different market segments. This is probably a more challenging task for South Africa (SA) which is becoming a globally emerging destination. The aim of this paper is to report on a study which explored the main supply-side factors influencing households and individuals in purchasing tourism property in SA. The research findings indicated that the five pull factors are, in order of importance, natural resources, government policy, country’s perception and infrastructure, competitiveness, and economy. The current study allows for a better understanding of the factors that influence the decision of foreigners to invest in tourism properties in SA and indicates the close relationship between tourism property acquisition by foreigners and tourism destination marketing. The findings also suggest that destination marketers should seriously consider this market segment to be incorporated into destination marketing planning and activities.

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Deyan Hristov & Petia Petrova

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EXPLORING THE COGNITIVE IMAGE OF A TOURISM DESTINATION

Nikolaos Stylos & Andreas Andronikidis

This paper explores and evaluates the structure of the cognitive component of tourism destination image. The empirical study is operationalized in a sun-and-sand tourism destination of a Greek region. Given the reported multidimensionality of the construct, and the critic on the psychometric properties of previously defined scales measuring tourism destination image, this study examines the applicability of a new scale and provides empirical evidence to propose an alternative component structure for the formation of cognitive tourism destination image. Our analysis suggests four image dimensions: (1) must-be conditions (2) attractive conditions, (3) appealing activities, and (4) natural environment. Implications are discussed.

IMAGE COMPONENTS OF NIGHTLIFE-CLUBBING DESTINATIONS

Irene C. Kamenidou, Spyridon A. Mamalis, George Kokkinis & Christos Geranis

This study explored 141 British tourists’ perception of Kavos’ Corfu as a destination. It measured the components of Kavos’ destination image. Data was collected with an aided self–completion questionnaire and data analysis included descriptive statistics (frequencies, percentages and means), reliability, and factor and cluster analysis. 18 destination components were rated on a 5-point Likert scale and continuously factor analyzed, producing 4 factors and accounting for 80.7% of the total variance. Segmentation based on factors produced 3 segments with N=32; 50 and 59 British tourists respectively and with Final Cluster Centers ranging from 3.03 to 4.60. This research has contributed to the theoretical gap of the tourism industry literature regarding destination image formation in the Mediterranean and specifically Greece. These results can be used as a basis for destination improvement and strategy formation.

FROM E-BUSINESS TO C-COMMERCE: COLLABORATION AND NETWORK CREATION FOR AN E-MARKETING TOURISM STRATEGY

Androniki Kavoura & Vicky Katsoni

The role of networks has been recently associated with tourism planning. It may lead to a win-win situation for the promotion of a destination, since all parts involved cooperate to promote a uniform and complete tourist experience. Visitors, residents and business organizations who are associated directly or indirectly with a market destination need to develop dynamic relations through co-operation. The paper argues for the
necessity of public and private collaboration, an issue that needs to be taken into consideration when networks are created for tourism marketing. National tourism organisations can have a significant role to play in these networks. To this end, the role of social media and information technology is of significance for destination marketing. Incorporation of information and communication technologies and the adoption of e-commerce in a marketing tourism destination strategy may strengthen networks and alliances between the public-private sector for the implementation of a successful tourism development.

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advertisements were presented followed by a set of questions containing measures of the attitude towards the advertisement. The purpose of this study was to explore the issue of brand confusion in advertising of international hotel chains, a topic never surveyed in the past. This study was limited to a specific product category (international hotel chains), hence practical implications should be formulated with caution. Nevertheless, the following suggestions seem to be valid: The affective reaction to hotel advertisement is very important; advertisement likeability leads to less hotel brand confusion; hotel advertisements should be distinctive and not too information dense; building awareness, loyalty and involvement reduce brand confusion.

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EDITORIAL

This special issue concentrates on Tourism Destination Marketing and Management (TDMM) concepts and practices. In order for sustainable and competitive development practices that are a basis for being active- in a difficult globalized but in the same time from the financial crisis affected economic environment- there is a need for conceptual, empirical and practical tools that are important for new theoretical discussion and affective implications in tourism management and TDMM concepts and practices.

This special issue presents also papers from the 1st International Conference of Contemporary Marketing Issues (ICCMI), held in Thessaloniki, Greece, between June 13-15 of 2012 and jointly organized by Alexander Technological Educational Institute of Thessaloniki and Bucks New University of UK. After a call for papers proposal interesting papers were selected, blind reviewed and included in this special issue from authors who were not able to attend the Conference. The main aim of ICCMI 2012 was to thoroughly examine Contemporary Marketing Issues and discover new perspectives in the field of Marketing within the globalized, cooperative contemporary environment. The organizers with the editorial board of the Journal had found interesting the idea to publish a special issue with emphasis on “Marketing for DMO’s and Tourism Destinations”. The papers coming from the Conference were enhanced and upgraded by over 50% and all papers were handled through the Journal's publication guidelines. All papers included in the special issue proposed new insights and perspectives in the wider knowledge area of Marketing for DMO’s and Tourism destinations.

Lodging firms’ risk taking practices in tourism destinations, Ethical and Unethical hotel practices, Synergies and Alliances in the Public Sector, Marketing of Urban Heritage & new market players, Tourism property acquisition, Destination Marketing analyses, E-networks, positioning and branding of natural kind tourist attractions, stakeholders, and Image analyses of tourism destinations are basic elements and strategic aspects for Tourism Destination Marketing and Management practices. We believe that this special issue enriches the tourism destination marketing literature by exploring existing and new research issues from the perspective of the rapidly changing global economy.
At next we present briefly the papers included in this issue.

The paper by Ming-Che Chien, Min-Ming Wen and Charles C. Yang, titled “Stock-option-based executive compensation plans and lodging firms’ risk-taking”, deals with stock-option-based executive compensation by lodging industry firms on risk-taking, and gives emphasis to manager perceptions of the risk firms that affects the design of CEOs’ compensation contracts. The study examines research questions by using three-stage least squares in estimating a two-equation simultaneous equation system, in which both firm’s risks and compensation structures are endogenous. Risk is measured by total risk and idiosyncratic risk. Results show that contracts with large versus small bonus-option components induce risk-taking and in addition, perceptions of firms’ risk do substantially impact the design of compensation contracts.

In the issue the paper, titled “Intentions to boycott unethical hotels: a conjoint analysis”, by Irene Tilikidou, Antonia Delistavrou and Christos Sarmaniotis, the authors using a marketing analysis technique knowing as Conjoint Analysis, investigates the consumers’ intentions to boycott a hotel due to certain unethical business practices. The results indicated that almost all respondents declared their intentions to boycott those hotels, which have been accused of both environmental damage and unethical labour practices. Customers, who declared the higher intentions to boycott those hotels, accused solely for environmental damage, are above 34 years of age, employees and retired persons. These customers are influenced by their past boycotting experience and by their intentions to boycott brands “guilty” of financial support to wars and unfair profiting. Customers, who declared the higher intentions to boycott the hotels, accused solely for unfair labor practices, are also above 34 years of age. They would boycott their favorable brands if they were accused for exploitation of workforce.

The paper with the title “From e-business to C-commerce: Collaboration and Network Creation for an e-marketing Tourism Strategy” by Androniki Kavoura and Vicky Katsoni, emphasizes to the technologies that we can use to create extra value to information and co-operation & synergies that can bring flexibility and more successful administration practices related with destination managerial applications. Moreover the paper argues for the necessity of public and private collaboration, an issue that needs to be taken into consideration when networks are created for tourism marketing. National tourism organisations can have a significant role to play in these networks. To this end, the role of social media and information technology
is of significance for destination marketing. Incorporation of information and communication technologies and the adoption of e-commerce in a marketing tourism destination strategy may strengthen networks and alliances between the public-private sector for the implementation of a successful tourism development.

The paper titled “Public Sector Alliances in Marketing Urban Heritage Tourism: A Post-Communist Perspective” by Deyan Hristov, Petia Petrova emphasizes to the current degree of collaboration and partnerships in marketing and promotion bounded by municipal bodies and other public organisations, involved in urban heritage tourism. Its aim is to uncover the scope of collaborative activity among public sector organisations. The research approach adopted in this project includes the application of a case study in the heritage town of Plovdiv, Bulgaria. The findings provide evidence that public organisations need to realise the benefits of mutual marketing and promotion activities created in a local, regional and Internet-based context. The roles of the local airport, urban events, as well as the Internet should be recognised and used as a catalyst of tourism demand.”

Exploring the other papers of the issue the reader can find a paper about destination management strategy for South Africa based on the results of a segmentation process. The paper titled “Tourism property acquisition in South Africa; SA: a destination marketing analysis” by Marios Sotiriadis, Adrinet Snyman deals with the analysis of marketing segments that are attractive for SA. The research findings indicated that the five pull factors are, in order of importance, natural resources, government policy, country’s perception and infrastructure, competitiveness, and economy. The findings also suggest that destination marketers should seriously consider this market segment to be incorporated into destination marketing planning and activities.

In the same framework, analyzing customer perceptions and creating affective marketing strategies for a destination is the interesting paper titled “Exploring the Cognitive Image of a tourism destination”, by Nikolaos Stylos and Andreas Andronikidis. The empirical study is operationalized in a sun-and-sand tourism destination of a Greek region. Given the reported multidimensionality of the construct, and the critic on the psychometric properties of previously defined scales measuring tourism destination image, this study examines the applicability of a new scale and provides empirical evidence to propose an alternative component structure for the formation of cognitive tourism destination image. Our analysis suggests four image dimensions: (1) must-be conditions (2) attractive conditions, (3) appealing activities, and (4) natural environment. Implications are discussed.
Also the same issue includes the paper titled “Image Components of Nightlife-Clubbing Destinations” by the authors Irene C. Kamenidou, Spyridon A. Mamalis, George Kokkinis and Christos Geranis. It’s an interesting paper specially for his niche segmentation study about components that are important to analyse Nightlife-Clubbing Destinations. More specifically the empirical part gives emphasis to the components of Kavos’ destination image. Data was collected with an aided self – completion questionnaire and data analysis included descriptive statistics (frequencies, percentages and means), reliability, and factor and cluster analysis. 18 destination components were rated on a 5-point Likert scale and continuously factor analyzed, producing 4 factors and accounting for 80.7% of the total variance. Segmentation based on factors produced 3 segments with N=32; 50 and 59 British tourists respectively and with final Cluster Centers ranging from 3.03 to 4.60. This research has contributed to the theoretical gap of the tourism industry literature regarding destination image formation in the Mediterranean and specifically Greece. These results can be used as a basis for destination improvement and strategy formation.

Finally, the paper in this issue entitled as “Positioning and Branding a Wilderness Tourist Attraction to meet all Stakeholders Objectives” by Agnes Otjen, gives a clear focus to three basic elements those of managing wilderness tourist attractions, the Branding strategy and Stakeholder destination management and strategy involvement. This article presents a case study. This case study confirms that bringing multiple stakeholders into the branding process is a highly effective way to create a powerful message for eco-tourist destinations.

Closing this editorial, we want to mention that without the interesting papers and the hospitality of the Tourismos Editorial Board it was too difficult or else impossible to prepare and create this special issue, therefore we want to thank all the authors for their good job and coordination and also we want specially thank the members of the journal for their important contribution. Our thanks also to all the reviewers, for their valuable recommendations and their critical academic work.

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STOCK-OPTION-BASED EXECUTIVE COMPENSATION PLANS AND LODGING FIRMS’ RISK-TAKING

Ming-Che Chien
National Taipei University

Min-Ming Wen
California State University

Charles C. Yang
Florida Atlantic University

This study investigates the impact of stock-option-based (SOB) executive compensation by lodging industry firms on risk-taking, and whether or not perceptions of the risk firms face affects the design of CEOs’ compensation contracts. The data analyzed include market-based risk measures and executive compensation for 98 firms over the period from 1992 to 2005 (totaling 734 firm-CEO observations). The study examines research questions by using three-stage least squares in estimating a two-equation simultaneous equation system, in which both firm’s risks and compensation structures are endogenous. Risk is measured by total risk and idiosyncratic risk. Results show that contracts with large versus small bonus-option components induce risk-taking and in addition, perceptions of firms’ risk do substantially impact the design of compensation contracts.

Keywords: Option-based compensation, risk, executive compensation, compensation structure, lodging industry

JEL Classification: L83, M1, O1

INTRODUCTION

Executive compensation plans and firm risk-taking are of great interest to various corporate stakeholders and regulators. Regulators have a strong desire to protect the integrity of the financial system by monitoring and controlling institutional risk-taking. The literature examines the linkage between these two managerial discretions—risk-taking and executive...
compensation—along two lines of research. The first line relates to whether and how the compensation structure, the compensation level, or both induce risk-taking behaviors (Agrawal, Makhija, & Mandelker, 1991; Aggarwal & Samwick, 1999; Chen, Steiner, & Whyte, 2006; Houston & James 1995; Jensen & Murphy, 1990a, 1990b; Mehran, 1995, Fotiadis & Vassiliadis, 2013). The second thrust of research examines whether or not perceptions of risk affecting a company plays a significant roles in the design of CEO compensation contracts (Grace, 2004; Mehran, 1995; Smith & Watts, 1992).

This research integrates the two lines of research in studying the lodging industry. The mixed empirical results in prior studies and the limited inquiry on the subjects motivated investigating the association between risk-taking and compensation structure (Stylos & Vassiliadis, 2011). The remainder of this paper is organized as follows. Section 2 provides a literature review. Section 3 presents hypotheses. Section 4 presents the data sources and method, Section 5 presents empirical results, and Section 6 concludes the paper.

**LITERATURE REVIEW**

A number of executive compensation studies focus on the executive pay-performance relationship in tourism/hospitality related industry. Gu and Choi (2004) examine CEO compensation determinants in the casino industry. Their study suggests that the casino industry can maximize shareholder wealth if it ties executive pay to revenue efficiency. To put tourism hospitality compensation in context, Sturman (2001) recognizes that executive pay is lower in the hospitality industry than in other industries while Kefgen and Mahonet (1996) find that casino executives receive compensation that is almost 10% more than their hotel and restaurant counterparts.

The research by Kim and Gu (2005) is based on agency theory. They examine antecedents of CEO cash compensation designs in the U.S. restaurant industry. Results of their study suggest that to mitigate the agency problem and enhance firm value, the restaurant industry should tie CEO cash compensation to profitability and stock performance. Furthermore, they find that CEOs of large versus small firms receive higher compensation and that revenue efficiency positively affects CEO compensation in the restaurant industry. Kim and Gu’s (2005) findings are consistent with earlier studies (Carr, 1997; Cooley, 1979; Core, Holthausen, & Larcker, 1999; Elston & Goldberg, 2003; Finkelstein &
Hambrick, 1989; Mangel & Singh, 1993; McKnight, 1996; Riahi-Belkaoui, 1992).

The effects of risk on compensation could depend on whether or not compensation relates mostly to pay or mostly to incentives. Research on the relationship between risk-taking and executive compensation is limited in lodging-and-casino industry. Rogers (2005) analyzes the effect of risk-taking incentives on the incidence of executive stock option re-pricing in the casino industry. The results suggest that managerial risk-taking incentives positively affect the decision to re-price stock options in compensation designs, a finding that is consistent with the hypothesis that managers whose incentives aligned less with those of shareholders are more likely to have options re-priced. All else being equal, incentive-related compensation likely associates more closely with a firm’s risk-taking level than does pay-related compensation. In addition, based on the managerial risk aversion hypothesis, managers of high-risk firms demand higher pay to compensate for the uncertainty of future employment.

Empirical findings relating to risk-taking and compensation are mixed. The effects of firm risk on executive compensation rely on two lines of reasoning: the principal-agent model and the asymmetric information hypothesis. Garen (1994) develops a model examining the determinants of the level and structure of executive compensation in light of the principal-agent theory. Garen modifies the agency model to allow for CEO control over investment projects which therefore allows the CEO to influence the variability of the firm’s income by choosing safer or riskier ventures. However, Garen (1994) finds that none of his models show a significant relationship between risk and compensation. Mehran (1995) also finds no significant impact of firm risk on the ratio of equity-based compensation to total compensation. Research by Smith and Watts (1992) suggests no significant association between the extent of firms using bonus or stock option designs and firm risk. On the other hand, Core et al. (1999) find that higher executive compensation levels are negatively related to governance (i.e., risk reduction). Grace (2004) concludes that firm risk is one essential determinant in the design of executive compensation contracts. Particularly, Grace (2004) finds that the higher the level of firm risk, the greater the use of incentive compensation. This is taken to imply a positive effect of firm risk on incentive compensation.

The two-way relation between firm risk and executive compensation suggests an endogenous relationship between these two managerial decisions. Using banking industry data, Chen et al. (2006) provide evidence supporting the endogenous relationship between firm risk and
option-based executive compensation. Pursuing endogenous relations is an important innovation involving using a simultaneous equation model in which risk and compensation are endogenous variables and managerial decisions about these two separate issues are jointly determined (Chen et al., 2006; Marx, Mayers, & Smith, 2001).

Various findings exist for industries where the matters being pursued have been the subject of research. Houston and James (1995) conclude that SOB compensation structure in the banking industry does not promote risk-taking. This is explained by bank chief executive officers (CEOs) who receive less cash compensation, are less likely to participate in stock option designs, and receive a smaller percentage of their total compensation in the form of stock options than do their counterparts in other industries. John et al. (2000) stress theoretical arguments highlighting the continuing viability and importance of an empirical investigation into the relation between executive compensation and risk. They contend that regulations of bank risk-taking based on imposing capital requirements and restricting asset choices limits regulatory effectiveness. John et al. (2000) demonstrate that, unlike capital and asset regulations that indirectly affect managerial decisions, altering the compensation structure provides a direct method of influencing managerial risk-taking incentives.

**Research Motivation and Hypotheses**

As already noted Rogers (2005) results suggest that managerial risk-taking incentives positively affect the decision to re-price executive stock options. For the lodging industry, then an issue is whether the compensation structure in the lodging industry affects managerial risk-taking invites further inquiry. Pursuing this issue does not ignore studies in the hospitality literature having examined executive compensation and performance (e.g., Barber, Ghiselli, & Deale, 2006; Gu & Choi, 2004; Kim & Gu, 2005; Madanoglu & Karadag, 2008, Fotiadis et al, 2013). Quantitative examination of the endogenous relation between SOB executive compensation packages and firm risk-taking is breaking new ground in tourism and hospitality research.

Even where there is work on SOB executive compensation packages and firm risk-taking disparate results appear in the literature. Houston and James (1995) investigate whether compensation in the banking industry, relative to other industries, is structured to promote risk-taking. Their results do not support the hypothesis that compensation structure in the banking industry promotes risk-taking. However, Chen et al. (2006) analyze the impact of compensation on risk across banks and conclude
that stock option-based executive compensation does promote risk-taking. Such contradicting results found in the banking literature show that this research is not simply trying to show that a result found for other industries applies to lodging. In addition, this paper contributes to the lodging literature by extending the existing literature that focuses more on the compensation-performance relationship.

Executive compensation consists of salary and bonus and incentive-related compensation. While this study focuses on the effects of incentive-related compensation on risk-taking behaviors in the lodging industry, the possibility that cash compensation can also have effects is not precluded. As suggested in the literature, different compensation structures give managers different incentives. For instance, Bryan, Hwang, and Lilien (2000) suggest that stock options provide incentives for managers to make decisions that risk neutral shareholders prefer. In addition, equity-based compensation gives managers greater incentives to make value-maximizing decisions, thereby increasing risk-taking. Consequently, option-based executive compensation aligns CEOs’ interests with shareholders by requiring executives to assume additional risk. On the other hand, as option-based executive compensation increases, the executive’s personal portfolio becomes less diversified. As such, managers may make decisions that actually reduce firm risk in an attempt to diversify the risk of their personal portfolios. Based on the above, the study treats firm risk as a managerial choice. This implies firm risk is endogenous to other managerial decisions. The ideas just introduced suggest the following risk-taking versus risk-averse hypotheses. Testing the validity of the hypothesis is testing whether or not the incentive-based component of executive compensation has an effect on a firm’s risk-taking. In other words, hypothesis H1 suggests that the risk taking associated with a firm increases with an increase in the CEO’s stock option-based compensation.

**H1: Option-based compensation for the CEO of a firm promotes risk-taking behavior.**

To consider the endogenous relationship between managerial decisions related to risk and compensation requires examination of a two-way relationship. Since a firm faces a broad array of strategic choices, the simultaneity of these strategic choices has to be taken into account and the managerial choices should be jointly determined. This suggests equations as follows where risk-taking is a function of compensation structure and other firm characteristics variables, and on the other hand, compensation structure is a function of risk-taking along with other firm characteristics variables. The concept of an endogenous relation is shown
Ming-Che Chien, Min-Ming Wen & Charles C. Yang

in equations 1A and 1B. As is pursued below in introducing analysis by three-stage least squares regression (3SLS), to be valid, regression models for relations involving endogenous variables is must correctly allow for the endogenous relationship.

\[ \text{Risk} = f(\text{compensation structure, firm characteristics variables}) \]
Equation 1A

\[ \text{Compensation structure} = f(\text{risk, firm characteristics variables}) \]
Equation 1B

H2 augments H1 by bringing in the information asymmetry hypotheses. The information asymmetry hypothesis refers to higher firm risk corresponding with higher information asymmetry. In practical terms, this relates to managers preferring incentive-based compensation to take advantage of private information. Therefore, information symmetry is tested for to investigate how a firm’s risk level affects the design of compensation contracts. The information asymmetry hypothesis is H2.

\[ H2: \text{Executives perceiving themselves in firms facing high versus low-risk favor the use of incentive-based compensation.} \]

METHOD AND DATA

Method

To pursue this research how some concepts are measured needs to be clearly defined. For example, the ratio of annual stock option-based compensation over total compensation is the measure used to capture the role of stock-option-based compensation in compensation plans. Market-based risk measures are employed in this study are based a model. The Capital Asset Pricing Model (CAPM) is expressed by Equation. As given the model generates market-based risk measures for each year based on daily stock return data. Such data can be obtained from the Center for Research in Security Prices (CRSP) database.

\[ R_{jt} = \alpha + \beta_{mj} (R_{mt} - R_{ft}) + u_{jt}, \quad (2) \]

where \( R_j \) is the daily return on firm stock \( j \),
\( R_m \) is the daily return on the CRSP equally-weighted index,
\( R_{ft} \) is the daily three-month T-bill yield obtained from the Federal Reserve Bank of St. Louis, and \( u_j \) is a random error term.

Estimation of Equation 1 results in the risk measure, \( \beta_{mj} \). As described in CAPM, \( \beta_{mj} \) is a proxy for systematic risk. Furthermore, two additional risk measures are generated by calculating the standard deviation of the stock returns (\( \sigma_j \)) and the standard deviation of the residuals (\( \sigma_{uj} \)). As found in the literature cited, in estimating Equation 1, the standard deviation of daily stock returns (\( \sigma_j \)) is measuring the firm’s
total risk. The standard deviation of the residuals (\( \sigma_{uj} \)) is defined as idiosyncratic risk. Given that executives are less diversified in stock holdings than shareholders of their company, reasoning suggests they are more concerned about total and idiosyncratic risk than systematic risk. Therefore, this research focuses on the relations between total risk, idiosyncratic risk, and option-based compensation.

As suggested above, risk-taking behaviors and option compensation structure design are considered as the two endogenous variables. Equation 3, the RISK equation is formulated to explicitly examine H1. The specification of the compensation (OPTION/TOTAL) equation (Equation 4) tests facilitates testing H2. The general rational for Equations 3A and 3B is that OPTION_TOTAL\(_{i,t}\) is lineally related to RISK subject to these variables influencing each other and some exogenous variables listed (and defined below) influencing RISK but not OPTION_TOTAL\(_{i,t}\). For instance, a positive and significant measure OPTION/TOTAL, would support the risk-taking hypothesis (H1). On the other hand, a negative and significant support the risk-aversion hypothesis. Finally, an insignificant coefficient will be consistent with the risk-neutral argument; that is that executive’s option-based compensation does not have any measurable impact on firms’ risk-taking behavior. In a similar way Equation 4 is expressing that RISK is lineally related to OPTION_TOTAL\(_{i,t}\) subject to exogenous variables listed influencing OPTION_TOTAL\(_{i,t}\) but not RISK (table 1).

Table 1. Risk and compensation equation

<table>
<thead>
<tr>
<th>PANEL A1 Risk Equation (Total Risk)</th>
<th>PANEL A2 Compensation Equation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parameter</td>
<td>Estim.</td>
</tr>
<tr>
<td>Intercept</td>
<td>0.010</td>
</tr>
<tr>
<td>OPTION/TOTAL</td>
<td>0.045</td>
</tr>
<tr>
<td>CASH</td>
<td>0.019</td>
</tr>
<tr>
<td>D_DUAL</td>
<td>-0.003</td>
</tr>
<tr>
<td>INTERLOCK</td>
<td>-0.007</td>
</tr>
<tr>
<td>Ln(TA)</td>
<td>-0.003</td>
</tr>
</tbody>
</table>
### PANEL B: Idiosyncratic Risk Equation and Compensation Equation

<table>
<thead>
<tr>
<th>Risk Equation (Idiosyncratic Risk)</th>
<th>Parameter</th>
<th>Estim.</th>
<th>t-Value</th>
<th>Compensation Equation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>0.007</td>
<td>1.02</td>
<td></td>
<td>Intercept</td>
</tr>
<tr>
<td>OPTION/TOTAL</td>
<td>0.045</td>
<td>10.71***</td>
<td></td>
<td>σ̄_u</td>
</tr>
<tr>
<td>CASH</td>
<td>0.020</td>
<td>6.76***</td>
<td></td>
<td>CASH</td>
</tr>
<tr>
<td>D_DUAL</td>
<td>-0.004</td>
<td>-2.51**</td>
<td></td>
<td>D_DUAL</td>
</tr>
<tr>
<td>INTERLOCK</td>
<td>-0.007</td>
<td>-2.76***</td>
<td></td>
<td>INTERLOCK</td>
</tr>
<tr>
<td>Ln(TA)</td>
<td>-0.003</td>
<td>-7.39***</td>
<td></td>
<td>Ln(TA)</td>
</tr>
<tr>
<td>CAPITAL_RATIO</td>
<td>-0.003</td>
<td>-2.60***</td>
<td></td>
<td>ROA</td>
</tr>
<tr>
<td>GROWTH</td>
<td>0.000</td>
<td>4.15***</td>
<td></td>
<td>GROWTH</td>
</tr>
<tr>
<td>AGE</td>
<td>0.000</td>
<td>1.59</td>
<td></td>
<td>AGE</td>
</tr>
</tbody>
</table>

\[ \alpha \beta \gamma \delta \]

\[ \text{OPTION}_i,t = \alpha_{0,1} + \alpha_{1,1} \text{TOTAL}_i,t + \alpha_{2,1} \text{ROA}_i,t + \alpha_{3,1} \text{MEETING}_i,t + \alpha_{4,1} \text{DUAL}_i,t + \alpha_{5,1} \text{AGE}_i,t + \alpha_{6,1} \text{LN_TA}_i,t + \alpha_{7,1} \text{GROWTH}_i,t + \alpha_{8,1} \text{CASH}_i,t + \alpha_{9,1} \text{INTERLOCK}_i,t + \epsilon_i,t \quad (3) \]

\[ \text{TOTAL}_i,t = b_{1,0} + b_{2,1} \times \text{OPTION}_i,t, b_{3,1} \times \text{CAPITAL}_i,t + b_{4,1} \times \text{AGE} + b_{5,1} \times \text{LN_TA} + b_{6,1} \times \text{GROWTH} + b_{7,1} \times \text{CASH} + b_{8,1} \times \text{INTERLOCK} + \epsilon_i,t \quad (4) \]
OPTION_TOTAL\(_{i,t}\)=\(a_{0,2}+a_{1,2}TOTAL\_RISK_{i,t}+a_{2,2}ROA+a_{3,2}M\)EETING+\(a_{4,2}D\_DUAL+a_{5,2}AGE+a_{6,2}LN\_TA+a_{7,2}GROWTH+a_{8,2}C\)ASH+\(a_{9,2}INTERLOCK+\varepsilon_{i,t}\)  (3)

\(TOTAL\_RISK_{i,t}=d_{1,0}+d_{1,1} \times OPTION\_TOTAL_{i,t} + d_{2,1} \times CAPITAL\_RATIO + d_{3,1} \times D\_DUAL + d_{4,1} \times AGE + d_{5,1} \times LN\_TA + d_{6,1} \times GROWTH + d_{7,1} \times CASH + d_{8,1} \times INTERLOCK + \varepsilon_{i,t}\)  (5)

Where variables and parameters are specified below in Table 2.

**Table 2.** Variables, their description and summary justification for inclusion in equations

<table>
<thead>
<tr>
<th>Variable or group of variables</th>
<th>Description</th>
<th>Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td>(TOTAL_RISK_{i,t})</td>
<td>TOTAL_RISK(<em>{i,t}) is the total risk of firm (i) at time (j) and is measured by (\sigma</em>{j}), (\sigma_{uj}) is the idiosyncratic risk (standard deviation of residuals (u_{j}) from equation (1));</td>
<td></td>
</tr>
<tr>
<td>(IDIOSYNCRATIC_RISK_{i,t})</td>
<td>IDIOSYNCRATIC_RISK(<em>{i,t}) is the idiosyncratic risk of firm (i) at time (t) and is the standard deviation of residuals (u</em>{j}) from equation (1)</td>
<td></td>
</tr>
<tr>
<td>(OPTION/TOTAL)</td>
<td>The total value of annual stock options granted as a percentage of the total annual compensation of the CEO</td>
<td></td>
</tr>
<tr>
<td>(a_{1,1}) and (b_{1,1})</td>
<td>are respectively regression coefficients of “TOTAL RISK” and of “OPTION_TOTAL”</td>
<td></td>
</tr>
<tr>
<td>(c_{1,1}) and (d_{1,1})</td>
<td>are respectively regression coefficients of “IDIOSYNCRATIC RISK” and of “OPTION_TOTAL”</td>
<td></td>
</tr>
<tr>
<td>Variable</td>
<td>Description</td>
<td>Source</td>
</tr>
<tr>
<td>---------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>LN_TA</td>
<td>As a measure of firm size, the natural logarithm of the total assets of the firm</td>
<td>Chen et al (2006)</td>
</tr>
<tr>
<td>CAPITAL_RATIO</td>
<td>As a measure of financial leverage, the capital-to-assets ratio (see e.g., reference/s);</td>
<td>Chen et al (2006)</td>
</tr>
<tr>
<td>GROWTH</td>
<td>Three-year revenue growth rate from (t-2), (t-1) and t.</td>
<td>Chen et al (2006)</td>
</tr>
<tr>
<td>ROA</td>
<td>As a measure of firm performance and is the ratio of net income to total assets.</td>
<td>Chen et al (2006)</td>
</tr>
<tr>
<td>CASH</td>
<td>The total value of cash compensation as a percentage of the total annual compensation of the CEO;</td>
<td>Chen et al (2006)</td>
</tr>
<tr>
<td>MEETING</td>
<td>The number of board meetings held during the year t;</td>
<td>Conger, Finegold, &amp; Lawler (1998) suggest that the effectiveness of the board can be improved by time in meetings. Vafeas (1999) finds that the frequency of board meetings increases only after poor firm performance.</td>
</tr>
<tr>
<td>D_DUAL</td>
<td>A dummy variable equal to 1 if the chief executive officer also holds the chairman title, otherwise 0;</td>
<td>the coefficient is expected to be negative in risk equation (Yermack (1996) and Core et al. (1999) find evidence that CEOs in dual roles creates agency problems the coefficient is expected to be negative in option equation (Brickley, Coles, &amp; Jarrell (1997))</td>
</tr>
<tr>
<td>INTERLOCK</td>
<td>A dummy variable equals to 1 if interlock relationship exists, otherwise 0;</td>
<td>Chen et al (2006) The existence of an interlock relationship implies weak</td>
</tr>
</tbody>
</table>
In Table 2 statements about inclusion of variables are terse so some elaboration is appropriate. Having D_DUAL allows examining whether an CEO also a chairman of the board has an impact on the firm’s risk strategy. Yermack (1996) and Core et al. (1999) find evidence that CEOs in dual roles creates agency problems. If a CEO’s dual role makes him/her less aligned with shareholders, the coefficient is expected to be negative. However, if the dual role reduces the importance of alternative incentive-alignment mechanisms as argued in Brickley, Coles, & Jarrell (1997), D_DUAL is expected to be negatively associated with option-based compensation. The variable INTERLOCK allows consideration of how a compensation committee interlock relationship of CEOs affects their risk-taking behaviors given that one (or more) of the following three interlock relationships exist (see Appendix 1). The existence of an interlock relationship implies weak corporate governance mechanisms under which the interests of such CEOs may diverge from those of shareholders, and so the coefficient for this variable is expected to be negative. If a CEO is more risk-averse or holds a less diversified portfolio, the CEO is more likely to prefer non-option based compensation structure. In this case a negative coefficient of INTERLOCK is expected. On the other hand, for a more risk-taking CEO, an option-based compensation structure is preferred and a positive coefficient is expected. The CEO’s age (AGE) is introduced because Tufano (1996) contends that the CEO’s age serves as a proxy for age-related risk aversion. Other variables one might like to consider (e.g., number of directors) are not in the analysis because the ExecuComp database used in this study determines variables used.) Jensen & Murphy, 1990; Ke et al., 2002) discuss the purpose of granting incentive compensation being to align the interest of shareholders and managers. Having , firm performance (ROA) allows examining if the expected positive relation exists with incentive compensation. MEETING is included since the effect of board meeting frequency on executive compensation is not a priori clear. Conger, Finegold, & Lawler (1998) suggest that the effectiveness of the board can be improved by time in meetings, so additional meetings serve to increase the alignment of
managerial and shareholder interest. Vafeas (1999) finds that the frequency of board meetings increases only after poor firm performance. Interpreting increased meetings as lowering firm value as a result of weak corporate governance reflects poor alignment of managerial and shareholders’ interests.

Data
We collect data from three databases: CompuState, CRSP, and ExecuComp. To focus on the lodging industry, data falling under the SIC codes 7011, 6798 and 7990 are used (e.g., see Singh and Upneja 2008). SIC 7011 is for hotel/lodging firms. The code 6798 includes REIT firms and 7990 contains gaming firms. Compensation data for the lodging industry was extracted from Standard & Poor’s ExecuComp, which contains: current cash compensation including salary and bonus, long-term cash incentive payouts, and options and restricted stock grants. The ExecuComp database also contains corporate governance and financial statement variables such as the sales growth rate, total assets, board meetings, CEO interlock relationship, and whether the CEO is also a chairman.

The sample covers a 14-year period extending from 1992 to 2005. Complete market returns and daily return for each firm were retrieved from the database of Center for Research in Security Prices (CRSP) and were merged with the executive compensation data. The final sample including all necessary data for the empirical analysis contains 3347 firm-CEO-year observations over the 14-year sample period 1992-2005. The data are for 98 distinct firms.

FINDINGS

Descriptive Statistics
Table 3 reports descriptive statistics of all of the variables used in this analysis. Some values provide insights. The corporate governance structure of the entire industry is reflected by, for example, the CEO-Chair dummy variable having a value of 0.10. This suggests that about 10% of CEOs also hold the position of Chairman of the board. The average number of board meetings each year is about 7 with a minimum of 3, and a maximum of 20. Scope exists for seeing an effect. On average 1% of firms’ CEOs also serve on the compensation committees either in the companies where they are CEOs or in the companies where they serve on the boards. This percent is so small that finding a significant relation
would show a great influence of D_DUAL. Regarding the CEOs age, CEOs of the lodging industry have an average age of 55, median age of 54, and standard deviation of 9. Given about 15% are 45 or under and 15% are 65 or older, diversity in age is such that an effect could be detected.

Table 3. Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Median</th>
<th>Std_Dev</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>σ</td>
<td>0.03</td>
<td>0.02</td>
<td>0.02</td>
<td>0.01</td>
<td>0.12</td>
</tr>
<tr>
<td>σ_u</td>
<td>0.02</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.11</td>
</tr>
<tr>
<td>β_m</td>
<td>1.03</td>
<td>0.98</td>
<td>0.62</td>
<td>0.03</td>
<td>3.89</td>
</tr>
<tr>
<td>OPTION/TOTAL</td>
<td>0.18</td>
<td>0.03</td>
<td>0.25</td>
<td>0.00</td>
<td>1.00</td>
</tr>
<tr>
<td>D_DUAL</td>
<td>0.10</td>
<td>0.00</td>
<td>0.31</td>
<td>0.00</td>
<td>1.00</td>
</tr>
<tr>
<td>MEETING</td>
<td>7.31</td>
<td>7.00</td>
<td>3.43</td>
<td>3.00</td>
<td>20.00</td>
</tr>
<tr>
<td>INTERLOCK</td>
<td>0.01</td>
<td>0.00</td>
<td>0.10</td>
<td>0.00</td>
<td>1.00</td>
</tr>
<tr>
<td>AGE</td>
<td>55.23</td>
<td>54.00</td>
<td>9.22</td>
<td>30.00</td>
<td>87.00</td>
</tr>
<tr>
<td>SIZE</td>
<td>7.96</td>
<td>8.04</td>
<td>1.13</td>
<td>3.28</td>
<td>10.17</td>
</tr>
<tr>
<td>CAPITAL_RATIO</td>
<td>0.40</td>
<td>0.39</td>
<td>0.16</td>
<td>0.00</td>
<td>0.94</td>
</tr>
<tr>
<td>ROA (%)</td>
<td>2.36</td>
<td>2.17</td>
<td>3.39</td>
<td>0.00</td>
<td>27.90</td>
</tr>
<tr>
<td>GROWTH (%)</td>
<td>27.49</td>
<td>9.14</td>
<td>12.35</td>
<td>-2.58</td>
<td>190.39</td>
</tr>
</tbody>
</table>

Key: This table reports the descriptive statistics for all variables used in the analysis. σ measures total risk; σ_u is the idiosyncratic risk; OPTION/TOTAL is a ratio dividing options compensation by total compensation; D_DUAL =1 if CEO is also the Chairman of the board; 0 otherwise; MEETING is the frequency of board meetings; SIZE is firm size measured by the natural log of total assets; CAPITAL_RATIO is the ratio of capital to assets; ROA is return on asset defined as the ratio of net income to total asset; and GROWTH is the 3-year sales growth rate. AGE is the present age of the CEO. INTERLOCK = 1 if CEO interlock relationship exists. Interlock relationship indicates whether the named officer is involved in a relationship requiring disclosure in the “Compensation Committee Interlocks and Insider Participation” section of the proxy.

Table 4 shows various executive compensation components and the compensation structure over time from 1992 to 2005. Comparing all compensation components for the lodging industry, the option component increases from $286,715 to $465,322, representing a 3.80% annual growth rate. Bonuses increase from $156,165 in 1992 to $512,399 in

**Table 4. Time-Series Data of Executive Compensation**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SALARY</th>
<th>BONUS</th>
<th>STOCK OPTIONS</th>
<th>TOTAL COMP</th>
<th>OPTIONS/TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>236.584</td>
<td>156.156</td>
<td>286.715</td>
<td>721.339</td>
<td>0.159</td>
</tr>
<tr>
<td>1993</td>
<td>221.572</td>
<td>182.583</td>
<td>452.666</td>
<td>1014.647</td>
<td>0.176</td>
</tr>
<tr>
<td>1994</td>
<td>301.222</td>
<td>125.018</td>
<td>755.348</td>
<td>1348.225</td>
<td>0.270</td>
</tr>
<tr>
<td>1995</td>
<td>309.096</td>
<td>141.193</td>
<td>694.435</td>
<td>1272.054</td>
<td>0.166</td>
</tr>
<tr>
<td>1996</td>
<td>275.445</td>
<td>105.880</td>
<td>1153.620</td>
<td>1656.201</td>
<td>0.395</td>
</tr>
<tr>
<td>1997</td>
<td>302.033</td>
<td>134.851</td>
<td>828.263</td>
<td>1634.925</td>
<td>0.345</td>
</tr>
<tr>
<td>1998</td>
<td>288.122</td>
<td>227.487</td>
<td>908.800</td>
<td>1764.159</td>
<td>0.274</td>
</tr>
<tr>
<td>1999</td>
<td>321.880</td>
<td>324.241</td>
<td>788.908</td>
<td>1614.351</td>
<td>0.331</td>
</tr>
<tr>
<td>2000</td>
<td>359.618</td>
<td>394.312</td>
<td>626.296</td>
<td>1711.741</td>
<td>0.226</td>
</tr>
<tr>
<td>2001</td>
<td>345.455</td>
<td>264.182</td>
<td>727.717</td>
<td>1782.522</td>
<td>0.209</td>
</tr>
<tr>
<td>2002</td>
<td>345.069</td>
<td>266.260</td>
<td>262.455</td>
<td>1398.790</td>
<td>0.133</td>
</tr>
<tr>
<td>2003</td>
<td>353.712</td>
<td>285.653</td>
<td>351.324</td>
<td>1426.189</td>
<td>0.127</td>
</tr>
<tr>
<td>2004</td>
<td>370.235</td>
<td>453.937</td>
<td>270.409</td>
<td>1722.808</td>
<td>0.091</td>
</tr>
<tr>
<td>2005</td>
<td>407.806</td>
<td>512.399</td>
<td>465.322</td>
<td>2582.199</td>
<td>0.113</td>
</tr>
</tbody>
</table>

Key: OPTIONS/TOTAL is calculated as the average of the options to total compensation ratios for all executives in a given year. All compensation levels are measured in $000.

**Regression Method and Results**

Regression for the equations given with endogenous variables can be done with either 2sls or 3sls. As suggested in Judge, Hill, Griffiths, Lütkepohl, & Lee (1988), 3SLS incorporates the information that is related to the error covariances and thus 3SLS estimation is asymptotically efficient, we implement 3SLS for parameter estimation.

Panel A1 of Table 5 gives estimation results for the set of equations (3) and (4) and Panel A1 of Table 5 gives estimation results for the set of equations (5) and (6). Each equation’s model is jointly significant at the 1% level with the F values, 5.94 for the models of TOTAL_RISK and OPTION_TOTAL and 6.19 for the model of IDIOSYNCRATIC_RISK and OPTION_TOTAL.
The 3SLS results reported in Panels A1 and B1 show that the CEO’s compensation structure (OPTION_TOTAL). Given the positive and statistically significant (1% level) value of the Option_total coefficient of in equations (3) and (5), results consistently suggest that as option-based compensation increases the firm’s total and idiosyncratic risks also increase. Such results are consistent with the risk-taking (H1) stating that as the CEO’s compensation is more option-based, the interests of executives and shareholders converge.

**Table 5.** 3SLS Estimates for the Simultaneous Equation System of Risk and Compensation Structure

<table>
<thead>
<tr>
<th>PANEL A1</th>
<th>PANEL A2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk Equation (Total Risk)</strong></td>
<td><strong>Compensation Equation</strong></td>
</tr>
<tr>
<td>Parameter</td>
<td>Estimate</td>
</tr>
<tr>
<td>Intercept</td>
<td>0.010</td>
</tr>
<tr>
<td>OPTION_TOTAL</td>
<td>0.045</td>
</tr>
<tr>
<td>CASH</td>
<td>0.019</td>
</tr>
<tr>
<td>D_DUAL</td>
<td>-0.003</td>
</tr>
<tr>
<td>INTERLOCK</td>
<td>-0.007</td>
</tr>
<tr>
<td>Ln(TA)</td>
<td>-0.003</td>
</tr>
<tr>
<td>CAPITAL_RATIO</td>
<td>-0.004</td>
</tr>
<tr>
<td>GROWTH</td>
<td>0.000</td>
</tr>
<tr>
<td>AGE</td>
<td>0.000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PANEL B1</th>
<th>PANEL B2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk Equation (Idiosyncratic Risk)</strong></td>
<td><strong>Compensation Equation</strong></td>
</tr>
<tr>
<td>Parameter</td>
<td>Estimate</td>
</tr>
<tr>
<td>Intercept</td>
<td>0.007</td>
</tr>
<tr>
<td>OPTION_TOTAL</td>
<td>0.045</td>
</tr>
<tr>
<td>CASH</td>
<td>0.020</td>
</tr>
<tr>
<td>D_DUAL</td>
<td>-0.004</td>
</tr>
<tr>
<td>INTERLOCK</td>
<td>-0.007</td>
</tr>
<tr>
<td>Ln(TA)</td>
<td>-0.003</td>
</tr>
<tr>
<td>CAPITAL_RATIO</td>
<td>-0.003</td>
</tr>
<tr>
<td>GROWTH</td>
<td>0.000</td>
</tr>
<tr>
<td>AGE</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Key: σ measures total risk; σu is the idiosyncratic risk; compensation structure is measured by OPTION_TOTAL, which is a ratio dividing options compensation by total compensation; CASH is a ratio of cash compensation to total compensation; D_DUAL =1 if...
CEO is also the Chairman of the board; 0 otherwise; MEETING is the frequency of board meetings; Ln(TA) is the natural logarithm of total assets; CAPITAL_RATIO is the ratio of capital to assets; ROA is return on asset; and GROWTH is the 3-year sales growth rate. AGE is the present age of the CEO. INTERLOCK = 1 if CEO interlock relationship exists. Interlock relationship indicates whether the named officer is involved in a relationship requiring disclosure in the “Compensation Committee Interlocks and Insider Participation” section of the proxy.

Among the firm characteristic variables, firm size (LnTA) has negative and significant effects on risk-taking, whereas revenue growth significantly and positively affects risk-taking. The parameter estimate for the capital-to-assets ratio is negative and significant at the 1% level, consistent with the expectation that lower financial leverage has a negative influence on risk.

For the corporate governance variables, the dual role of the CEO (D_Dual) carries a negative sign and is significant in both risk equations, consistent with the arguments that a CEO’s dual role makes him/her less aligned with shareholders (e.g., Core et al. 1999). CEO age (AGE) was not significant in this analysis.

The compensation equations of Panels A and B of Table 3 also present results of the impact of risk on compensation. As shown in Panel A2 and B2, both total risk and idiosyncratic risk are significant, positive factors in the compensation structure equation supporting the information asymmetry hypothesis (H2).

Among the firm characteristic variables, firm size (measured by total assets) is significant and positive indicating that larger firms use more option-based compensation; return on assets is significant and positive. For the corporate governance variables, the number of board meetings has no significant effect on compensation design while the endogeneity is attributed to total-risk. On the other hand, corporate governance is significant (at the 5% level) and negative if the endogeneity is attributed to idiosyncratic risk. This last finding is consistent with Vafeas (1999) wherein increasing board meeting frequencies occurred only after poor firm performance making option-based compensation less attractive. The CEO interlock relationship shows positive and significant effects on the use of option-based compensation. Other corporate governance variables, such as the dual role of Chairman/CEO, and CEO age do not affect compensation structure decisions. This result suggests that corporate governance structures are not effective in setting executive compensation in the lodging industry.

In summary, the findings from the simultaneous equation framework in which risk and compensation are endogenous and jointly estimated suggest that option-based compensation does induce a firm’s
risk-taking. In addition, firm risk does appear to have an effect on the compensation contract design, a result that supports the information asymmetry H2.

DISCUSSION

This study investigates two issues regarding compensation structure and firm risk for the lodging industry. Specifically, the study examines whether a company’s option-based compensation induces risk-taking and whether the firm’s risk determines the design of CEOs’ compensation contracts. A simultaneous equation model of firm risk and option-based compensation was constructed and tested using the 3SLS method. Treating both firm risk and compensation structure as endogenous is justified because both variables are endogenously determined decision variables. Failing to estimate them in a simultaneous equation framework may result in simultaneity bias.

Results can be summarized as follows. The 3SLS results suggest that firm risk increases when the executive compensation contract is more option-based. Firm risk does impact executive compensation contract design, supporting the information asymmetry hypothesis. (3) Corporate governance variables are mostly significant in the risk-taking equation, but are not effective in setting executive compensation in the lodging industry.

The existing literature in lodging industry examines the effects of compensation on performance. This research contributes to the literature by extending this line of research to examining the effects of compensation on risks. In addition, this study contributes to the lodging literature by examining not only the effects of compensation structure on risk-taking, but also the endogenous effects of risks on compensation structure. Use this style for the next section of your paper, as well as for any subsequent sections. You may name the title as required, but make sure not to change the type of letters/fonts or the formatting of the paper. Start each new paragraph with indent like this. Make sure not to change the type of letters/fonts or the formatting of the paper.

REFERENCES


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INTENTIONS TO BOYCOTT “UNETHICAL” HOTELS: A CONJOINT ANALYSIS

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Alexander Technological Institute of Thessaloniki

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Christos Sarmaniotis
Alexander Technological Institute of Thessaloniki

Presents examination of consumers’ intentions to boycott a hotel due to certain unethical business practices. The orthogonal design of Conjoint Analysis formulated 10 types of hotels based on 4 attributes: environmental damage, unethical labour conditions, price and ownership. The results indicated that almost all respondents declared their intentions to boycott those hotels, which have been accused of both environmental damage and unethical labour practices. Customers, who declared the higher intentions to boycott those hotels, accused solely for environmental damage, are above 34 years of age, employees and retired persons. These customers are influenced by their past boycotting experience and by their intentions to boycott brands “guilty” of financial support to wars and unfair profiting. Customers, who declared the higher intentions to boycott the hotels, accused solely for unfair labour practices, are also above 34 years of age. They would boycott their favourable brands if they were accused for exploitation of workforce.

Keywords: Ethical Consumption, Ethical Tourism, Hotel Boycotts

JEL Classification: L83, M1, O1

INTRODUCTION

Tourism is undeniably a major economic force and one of the most increasing sectors in the global economy (W.T.O., 2001; Weeden, 2002; Goodwin and Francis, 2003; Lansing and De Vries, 2007). Large numbers of people are being transported internationally bringing with them billions of Euros or dollars. On the other hand, tourists undeniably put too much
stress on the physical and human environment of the destination countries. In this sense, tourism has long been seen as an unsustainable sector in its development and practice (Weeden, 2002; Manaktola and Jauhari, 2007; Han et al., 2010). Therefore, we can very often find accusations and denouncements in the internet that concern unethical business practices of specific hotels or hotel chains. Information like this is sometimes followed by calls for boycotts. This type of action has usually nothing to do with travelling aversive directives about a certain country due to causes related to international politics. In fact, this action is a type of consumer behaviour that might be included into the “negative ethical consumption” topic of research. These ethical denouncements almost never find promotion through the mass media channels. These types of action are usually organized by NGOs or consumers’ associations or ecological groups. They mostly reveal exceptional or even cruel damages of the physical and the human environment taking part at a certain place. Examples of these unethical hotel practices might be destruction of shores and woods, dangerous management of hazardous waste, overconsumption of water and energy, children labour or (more than the usual) exploitation of workers, refugees etc.

At the same time, there are practitioners (Goodwin and Francis, 2003) and academics (Weeden, 2002), who have argued that there is a niche market, which seeks for holidays providing more than just two sunny weeks in some luxurious premises. This niche market of potential hotel customers, would like to use their accommodation choices in order to “punish” unethical practices and “reward” ethical business. Sustainable tourism has been suggested as a positive alternative to the negative or even destructive impact of mass tourism (Weeden, 2002, Han et al., 2009). There has been some research evidence that ethical issues are parts of the decision making criteria (Creyer and Ross, 1997; Weeden, 2002; Han et al., 2010). Also that there is a definite consumers’ segment, which puts pressure for corporate social responsibility (Goodwin and Francis, 2003) and that consumers in this segment would reward an ethical firm through their willingness to pay more for ethical products (Mintel, 1999).

Precise examination of ethical consumer behaviour with reference to tourism is at a relatively early stage by all means (Cleverdon and Kalisch, 2000; Tallontire et al., 2001; Ritchie et al., 2005, p. 189; Han et al., 2010). Also, the possibility of boycotting a hotel due to unethical practices has never been under investigation so far. Therefore, the aim of this research study was twofold: firstly to examine consumers’ intentions to boycott hotels that have been accused for certain unethical practices and secondly
to explore some of the factors that might be found able to influence this kind of negative ethical behaviour.

ETHICAL CONSUMPTION

Negative ethical behaviour is a type of ethical consumption. Ethical consumerism, in general, refers to a kind of consumer behaviour, which is affected by ethical criteria. Ethical is the consumption that takes into account the societal norms or, in other words, “what is good for the society” (Smith, 1990). In an effort to categorise all possible activities included in the ethical consumption concept, Tallontire et al. (2001) proposed three types of ethical consumerism namely positive, negative and consumer action. The latter form has been named “discursive” by Michelletti et al. (2005).

The positive type concerns the choice of ethical products or service such as eco-efficient products and organics (Crane, 2001) and/or fair trade products (Delistavrou and Tilikidou, 2012). The negative type concerns the boycotting or consumers’ remit from particular products, certain firms or groups of firms; more generally it means actions of denial, rejection or exit from a certain market. This type includes the refusal of buying products produced by business that challenge consumer ethics regarding the environmental destruction, the exploitation of workers or local producers in the underdeveloped countries, child labour, animal rights etc (Klein et al., 2003; Kozinets and Handelman, 2004). The discursive type refers to a channel of communication among consumers, to the formulation of public opinion through a framework of social debate, as well as to a number of continuously transforming cultural activities, which are based mainly on computer and network innovations (Tallontire et al., 2001; Michelletti et al., 2005).

There had been some claims that worldwide organized boycotts would have been increasing (Friedman, 1999). Later, a few studies were implemented which focused exclusively on the negative type of ethical consumption (boycotting) with regards to products or services. Some individual variables have been found able to motivate compliance to boycotts. For example, perception of boycott success, cost of boycotting, social pressure (Sen et al., 2001; Klein et al., 2003), social image of boycotters, moral self-expression, self-realization, express uniqueness (Kozinets and Handelman, 2004), self-enhancement (Klein et al., 2003), freedom from guilt (Klein et al., 2003; Kozinets and Handelman, 2004), target’s egregiousness (Klein et al., 2001; Klein et al. 2003).
ETHICAL TOURISM

It has been claimed that tourism might get evolved into a successful example of a customers’ trend towards more ethical consumption patterns (Goodwin and Francis, 2003). Ethical tourism is now an established term having its roots within the sustainable tourism development (Tallontire et al., 2001; Weeden, 2002; Lansing and De Vries, 2007). According to the World Tourism Organization (WTO) sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development and to the necessity of a suitable balance between these three dimensions to guarantee a long term sustainability of global tourism (WTO, 2001 and 2012). Further, the stakeholder theory recognises that both tourism enterprises and tourists should take their own share of responsibility towards formulating and rewarding (respectively) an ethical hotel strategy (Robson and Robson, 1996). Of course, sustainable tourism and its claims have received their own share of criticism. Arguments have been made that sustainable tourism is not in fact a truthful effort, but just another marketing ploy (Lansing and De Vries, 2007).

Although it is rather difficult to distinguish clearly between sustainable tourism and ethical tourism, it has been advocated that ethical tourism is a concept that goes beyond the three principles of sustainability (Weeden, 2002). Ethical tourism should include consideration and responsibility not only towards the physical environment, but also towards the human environment and the cultural heritage of the destination countries (Lansing and De Vries, 2007). Therefore an “ethical hotel” is a broader term than a “green hotel”. A green hotel is the hotel that takes measures to harm the environment less or even more to protect the physical environment by efficient use of energy, water and other materials (Green Hotels Association, 2005). An ethical hotel strategy includes environmental protection along with honest pricing, fair treatment of the locally owned firms, fair treatment and wages for all employees, honest promotion techniques etc (Tallontire et al., 2001; Weeden, 2002; Lansing and De Vries, 2007).

With regard to previous data concerning ethical touristic choices, Jaffe (1993) found that customers are not willing to pay more just to fund green hotel policies. Watkins (1994) found that the 54% of consumers in USA declared to be “environmentally minded travellers”, who would prefer to stay in green hotels. Han et al. (2009) found that female customers of older age, who have favourable attitudes towards eco-friendly behaviours and positive images of green hotels, were more willing to stay at a green hotel, to recommend it and to pay more for it. A
year later, Han et al. (2010) employed a refined TPB model and found that attitudes, subjective norm and perceived behavioural control positively affected intentions to stay at a green hotel, while intentions did not statistically differ between eco-friendly or eco-indifferent customers. Obviously, the research on ethical tourism so far has been concentrated exclusively on the positive type of ethical consumption. The relevant findings have not yet provided a detailed description of ethical tourists. The other types of ethical consumption (negative and discursive) have never been incorporated in any research effort with reference to tourism.

Michelletti et al. (2005) assumed that ethical consumers might be informed citizens, who possess the means and the skills to search for and share information about products and services they are interested in. This suggestion needs to be empirically tested in order to understand whether consumers would reject an unethical hotel and take the trouble to search for a more ethical solution for their holidays. Rejecting an unethical hotel is in fact a type of boycotting, an example of negative ethical consumption.

ASSUMPTIONS AND OBJECTIVES

According to the literature review, it was assumed that “unethical” is the hotel, which has been accused for significant environmental damage (air and water pollution, energy over-consumption, waste disposal etc) and unfair labour practices (uninsured, unpaid labour, illegal layoffs etc). It was also assumed that a) past boycotting experience might affect customers’ intentions to boycott hotels and b) respondents’ negative ethical consumption (intentions to boycott products or brands) might be connected with their intentions to boycott hotels.

The general objective of this research study was to examine customers’ intentions to boycott (reject) unethical hotels. Also, to find out whether the above presented assumptions should be accepted; whether past boycotting experiences or intentions to boycott products or brands are able to influence the respondents’ intentions to boycott unethical hotels. As in any marketing research, an effort was made to explore the demographic profile of hotels’ future boycotters.
METHODOLOGY

A structured questionnaire was administered to 600 households of Thessaloniki, Greece urban area and provided 540 usable questionnaires during April-May 2012. The sampling method was a combination of the two-stage area sampling and the systematic sampling (Tull and Hawkins, 1993, p. 544; Zikmund 1991, p. 471). One respondent, above 18 years of age, from one household was interviewed by teams of two trained marketing senior students.

Conjoint analysis was utilized to examine which hotel/s might be boycotted (rejected) by future customers due to its/their unethical attributes. This type of research approach is somehow opposite to the usual one, which would have tried to find the mostly preferable hotel/s. This approach (rejection, not preference) might hopefully minimize the social desirability effect (Robinson, 1991, p. 47), which usually leads to an overestimation of preferences towards products and services that are “good for the society” (Tilikidou, 2007).

The survey was built upon a scenario, which was being explained in brief to the respondents by the interviewers. The respondents were asked to hypothesize that they intended to get a holiday package of 7 days during next summer in a Greek island. Surfing through internet resulted in offers for 10 different hotels at the same island for the same time period. Further searching revealed that denouncements have been made by consumers’ associations with regard to unethical practices of some of the hotels. The attributes of each hotel were presented to the respondents in 10 cards. The respondents were firstly asked to rate each one of the 10 hotels. Attractiveness was measured on a scale from 0=Not at all attractive to 10=Very much attractive. Then, they were also asked if they would boycott (reject) each one of the hotels. Boycotting was measured on a YES/NO basis in order to obtain a ranking measurement too.

The attributes that were put into the analysis were: a) if any denouncement for environmental damage has been located (Yes/No), b) if any denouncement for unethical labour practices has been located (Yes/No), c) which is the ownership of the hotel (local entrepreneur / multinational chain) and d) what is the price for a double room for 7 days (400/550/700 Euros). It is apparent that the first two attributes are ethically oriented criteria according to the above presented review of the literature; price was added, as it is quite unexceptionably the most important decision making criterion. The orthogonal design provided 10 combinations of hotels, which are presented in Table 2.
The questionnaire also included the variable Previous Boycott Participation measured in a YES/NO basis. Then the respondents were asked about the Number of Previous Boycotts they had participated in and the relevant variable was measured on a ratio basis from 0 to 5. In another question the respondents were kindly asked to state how possible would have been to boycott their favourable brands (of any product or service) in case these companies were accused for one or more unethical practices. The relevant variable measured intentions of Negative Ethical Consumption on a 5-point possibility scale from 0=Not at all to 4=Very much and contained nine (9) items.

Finally, five demographic variables were also included in the questionnaire (Gender, Age, Education, Income and Occupation) all measured on the EL.STAT. scales.

RESULTS

Conjoint analysis was conducted through SPSS. Pearson’s r and Kendall’s tau were found significant (p<0.005). The part - worth scores (utilities) indicate the influence of each factor level on respondents’ preference for a particular combination. It is observed (Table 1) that Environmental Damage was found to be the most important factor (36.730% average importance) followed by Unfair Labour Practices (30.501%) and Price (24.864%), while Ownership was found to be the by far less important attribute (7.905%).

The descriptive statistics (Table 2), with regard to the hotels’ ratings, indicated that the less attractive was the Hotel D (Mean = 1.18), which at the price of 700 Euros, belongs to a local entrepreneur and has been accused of both environmental damages and unethical labour practices. It was followed by the Hotel J (Mean=1.50), which at the price of 550 Euros, belongs to a multinational chain and has also been accused of both environmental damages and unethical labour practices. These results were certainly expected, as both the hotels D and J have been accused about unethical practices towards the physical and the human environment. However, the Hotel D is additionally more expensive than the Hotel J, while the ownership does not count in the decision making process. As expected, the ranking results indicated that the Hotels J and D were the first to get rejected by the 96.7% and 96.5% of the respondents respectively.
### Table 1: Conjoint Analysis Utilities

<table>
<thead>
<tr>
<th>Utilities</th>
<th>Utility Estimate</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental Damage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>-1.463</td>
<td>0.583</td>
</tr>
<tr>
<td>No</td>
<td>1.463</td>
<td>0.583</td>
</tr>
<tr>
<td><strong>Unfair Labour Practices</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>-1.215</td>
<td>0.583</td>
</tr>
<tr>
<td>No</td>
<td>1.215</td>
<td>0.583</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>400€/week</td>
<td>1.073</td>
<td>0.777</td>
</tr>
<tr>
<td>550€/week</td>
<td>-0.908</td>
<td>0.911</td>
</tr>
<tr>
<td>700€/week</td>
<td>-0.165</td>
<td>0.911</td>
</tr>
<tr>
<td><strong>Ownership</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multinational Chain</td>
<td>-0.315</td>
<td>0.583</td>
</tr>
<tr>
<td>Local Entrepreneur</td>
<td>0.315</td>
<td>0.583</td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.451</td>
<td>0.614</td>
</tr>
</tbody>
</table>

#### Importance Values

- **Environmental Damage**: 36.730
- **Unfair Labour Practices**: 30.501
- **Price**: 24.864
- **Ownership**: 7.905

#### Correlations

<table>
<thead>
<tr>
<th>Correlation</th>
<th>Value</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson's r</td>
<td>0.931</td>
<td>0.000</td>
</tr>
<tr>
<td>Kendall's tau</td>
<td>0.857</td>
<td>0.001</td>
</tr>
<tr>
<td>Kendall's tau for Holdouts</td>
<td>1.000</td>
<td></td>
</tr>
</tbody>
</table>
Table 2: Ranking and Rating Results

<table>
<thead>
<tr>
<th>Combinations</th>
<th>Environment</th>
<th>Fairness</th>
<th>Price</th>
<th>Ownership</th>
<th>Boycott %</th>
<th>Attractiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel A</td>
<td></td>
<td></td>
<td>700€/week</td>
<td>Mult/nal Chain</td>
<td>42.4</td>
<td>5.28 3.136</td>
</tr>
<tr>
<td>Hotel B</td>
<td></td>
<td>Unfair Labour</td>
<td>400€/week</td>
<td>Mult/nal Chain</td>
<td>65.7</td>
<td>3.58 2.849</td>
</tr>
<tr>
<td>Hotel C</td>
<td>Environ. Damage</td>
<td>Unfair Labour</td>
<td>400€/week</td>
<td>Mult/nal Chain</td>
<td>88.3</td>
<td>2.30 2.699</td>
</tr>
<tr>
<td>Hotel D</td>
<td>Environ. Damage</td>
<td>Unfair Labour</td>
<td>700€/week</td>
<td>Local Entr/neur</td>
<td>96.5</td>
<td>1.18 1.677</td>
</tr>
<tr>
<td>Hotel E</td>
<td>Environ. Damage</td>
<td></td>
<td>400€/week</td>
<td>Local Entr/neur</td>
<td>66.9</td>
<td>3.16 2.848</td>
</tr>
<tr>
<td>Hotel F</td>
<td>Environ. Damage</td>
<td></td>
<td>550€/week</td>
<td>Mult/nal Chain</td>
<td>85.4</td>
<td>2.22 2.228</td>
</tr>
<tr>
<td>Hotel G</td>
<td></td>
<td>Unfair Labour</td>
<td>550€/week</td>
<td>Local Entr/neur</td>
<td>78.1</td>
<td>2.78 2.354</td>
</tr>
<tr>
<td>Hotel H</td>
<td></td>
<td></td>
<td>400€/week</td>
<td>Local Entr/neur</td>
<td>6.9</td>
<td>8.75 2.004</td>
</tr>
<tr>
<td>Hotel I</td>
<td>Environ. Damage</td>
<td></td>
<td>400€/week</td>
<td>Mult/nal Chain</td>
<td>71.9</td>
<td>3.17 2.973</td>
</tr>
<tr>
<td>Hotel J</td>
<td>Environ. Damage</td>
<td>Unfair Labour</td>
<td>550€/week</td>
<td>Mult/nal Chain</td>
<td>96.7</td>
<td>1.50 1.880</td>
</tr>
</tbody>
</table>

The examination of Previous Boycott Participation indicated that one out of four (26.3%) respondents have previous experience in boycotting. As to the Number of Previous Boycotts, 16.1% of the consumers have just once experienced boycotting, while 7.6% have participated twice in a boycott. The variable of Negative Ethical Consumption takes theoretical values from 0 to 36 and providing a Mean of 28.0741 (Std. Dev. 5.7047) indicated a relatively high level of total intentions to boycott unethical products and/or companies in the future. It is indicated in Table 1 that the higher Means were obtained by items N04 (Mean=3.51) and N06 (Mean=3.27). The first one (N04) refers to child
labour while the second one (N06) to workforce exploitation, so both of the items concern unfair labour practices.

ANALYSIS OF THE RESULTS

The analysis focused on those hotels with only one unethical attribute (Hotels B, E, F, G, I). The Hotels A and H were from the beginning excluded from the analysis because they had no unethical attributes at all. The Hotels C, D and J were also excluded from the analysis because they have been accused for both kinds of unethical attributes (environmental damage and unfair labour practices). A very large majority of the respondents (almost all) declared their intentions to boycott these hotels; so, no statistically significant differences would be expected among respondents.

Chi-square test was utilised to examine whether Previous Boycott Participation as well as Number of Previous Boycotts might influence consumers’ intentions to boycott the Hotels B, E, F, G and I. It was found (Table 3) that consumers, who boycotted in the past even one product or service, are more likely to get engaged in Boycotting these hotels. No statistically significant (p<0.05) results were found between the Number of Previous Boycotts and Boycotting of any of the above 5 hotels.

Chi-square was also employed to examine the impact of demographics on Boycotting of the aforementioned hotels. Statistically significant (p<0.05) differences were found with regard to Boycotting of Hotels E, F, and I (accused only for environmental damage,) across Age (> 34 years old) and Occupation (employees and retired persons). Also, with regard to Boycotting of Hotels B and G (accused for unfair labour practices) across Age (> 34 years old).

Spearman’s non parametric correlation was utilized to investigate the relationships between customers’ Boycotting of each one of the Hotels B, E, F, G and I with Negative Ethical Consumption as a whole, as well as with each one of its items. A statistically significant but very weak relationship was found between Boycotting of Hotel F and Negative Ethical Consumption as a whole (Table 3, first line). Many statistically significant relationships are indicated between Boycotting of a hotel and each one of the separate items of Negative Ethical Consumption. All the relationships are weak but they lead to certain comments upon observing the results more carefully (Table 3).

It is observed that relationships are indicated between Hotels E, F and I (accused for environmental damage) and item N07 (boycott a
favourable brand accused for providing financial support to Governments responsible for wars) and also item N09 (boycott a favourable brand accused for excessive and irresponsible profiting). Significant, again weak, relationships were also found (Table 4) between Boycotting of Hotels B and G (accused for unfair labour practices) and item N06 (boycott a favourable brand accused for workforce exploitation).

Table 3: Correlation between Boycotting Hotels and intentions of Negative Ethical Consumption

<table>
<thead>
<tr>
<th>Negative Ethical Consumption (as a whole)</th>
<th>Hotel B</th>
<th>Hotel E</th>
<th>Hotel F</th>
<th>Hotel G</th>
<th>Hotel I</th>
</tr>
</thead>
<tbody>
<tr>
<td>r</td>
<td>0.068</td>
<td>0.058</td>
<td>0.129</td>
<td>0.085</td>
<td>0.081</td>
</tr>
<tr>
<td>Sig.</td>
<td>0.116</td>
<td>0.177</td>
<td>0.003</td>
<td>0.049</td>
<td>0.059</td>
</tr>
</tbody>
</table>

| N01: Environmental damage | r      | 0.084  | 0.070  | 0.102  | 0.030  | 0.052  |
|                           | Sig.   | 0.050  | 0.102  | 0.017  | 0.485  | 0.227  |

| N02: Financial scandals | r      | 0.045  | -0.038 | 0.108  | 0.116  | 0.065  |
| (bribery of social servants, cartels etc) | Sig.   | 0.298  | 0.378  | 0.012  | 0.007  | 0.129  |

| N03: Scandals concerning product safety (dangerous gadgets, etc) | r       | -0.084 | -0.043 | 0.082  | -0.014 | 0.008  |
|                                                              | Sig.    | 0.051  | 0.315  | 0.055  | 0.754  | 0.852  |

| N04: Child labour | r       | -0.054 | -0.027 | 0.035  | -0.065 | -0.036 |
|                  | Sig.    | 0.214  | 0.530  | 0.418  | 0.130  | 0.407  |

| N05: Animal testing | r       | 0.064  | 0.028  | 0.005  | 0.014  | -0.002 |
|                     | Sig.    | 0.139  | 0.514  | 0.904  | 0.748  | 0.972  |

| N06: Exploitation of workforce | r       | 0.125  | 0.058  | 0.058  | 0.106  | 0.099  |
|                                | Sig.    | 0.004  | 0.179  | 0.177  | 0.014  | 0.022  |

| N07: Financial support to governments, responsible for wars | r       | 0.008  | 0.109  | 0.120  | 0.008  | 0.116  |
|                                                           | Sig.    | 0.861  | 0.011  | 0.005  | 0.853  | 0.007  |

| N08: Interests are hostile to our country | r       | -0.029 | 0.057  | 0.044  | -0.014 | 0.026  |
|                                           | Sig.    | 0.503  | 0.185  | 0.313  | 0.740  | 0.552  |

| N09: Excessive and irresponsible profiting | r       | 0.092  | 0.117  | 0.131  | 0.129  | 0.128  |
|                                          | Sig.    | 0.033  | 0.006  | 0.002  | 0.003  | 0.003  |
DISCUSSION

The respondents’ intentions to participate in future boycotts of products or brands as well as boycotts of unethical hotels are rather high. Although Greece is currently facing one of the most severe economic crises in history, the results of this study demonstrate that price is not the ultimate criterion when Greeks decide to boycott an unethical hotel. It seems that ownership of the hotel does not play any role at all. Instead, environmental damage was found to be the most important factor of this conjoint analysis scenario. The findings (both rating and ranking) that concern Hotels C and F might be viewed as an example of the above mentioned argument. These two hotels are both owned by multinational chains. The Hotel C has been accused for both environmental damage and unethical labour practices while the Hotel F has been accused just for environmental damage. The Hotel C is cheaper than the Hotel F. However, they both obtained almost equal scores in both rating (Means 2.30 and 2.22 respectively) and ranking (88.3% and 85.4% of rejection respectively). These findings simply verify that the most important factor in the respondents’ perceptions is the damage to the environment.

In case denouncements about unethical practices are absent, the price plays a central role in customers’ decision making. For example, the Hotel H gained by far the higher score in rating (Mean=8.75) and the lower boycotting percentage in ranking (6.9%). This hotel at the price of 400 Euros is owned by a local entrepreneur. It is followed in rating by the Hotel A (Mean=5.28) and in ranking (42.4%). The Hotels H and A are the only combinations free from denouncements. The Hotel A is owned by a multinational chain and its price has been set at 700 Euros. The ownership has been found of not much importance as a factor. So, it is obvious that the large differences in scores are associated with the difference in price between the two hotels. Of course, price has always been the most important factor in consumer behaviour and its significance will not get any weaker during an era of a global economic crisis.

Further, it is argued that previous experience should be taken into consideration in consumer research studies like the present one. The results of this study indicated that Greeks’ previous participation in boycotting was found to be rather low. Nevertheless, the results indicated that those consumers, who had even once experienced boycotting in the past, were found more likely to get involved in hotel boycotting in the future.

There are also some subtle relationships hidden in rather weak relationships among the correlations. For example, consumers’ intention
to boycott unethical hotels, accused only for unfair labour practices, seems to be associated with boycotting favourable brands in case of workforce exploitation. On the other hand, consumers’ intention to boycott unethical hotels accused only for environmental damage is associated with boycotting favourable brands, accused either for financial support to Governments responsible for wars or for excessive and irresponsible profiting. However, the relevant relationships in Table 3 are very weak and thus further, possibly non parametric statistical analyses are needed to understand better the insights of these aspects of ethical behaviour.

With reference to demographics, it has been mentioned above that analysis was focused only on those hotels with just one unethical attribute. There was no reason to analyse the demographics with relevance to the hotels with two unethical attributes due to the fact that all of the respondents declared their intentions to boycott them. So, it was found that employees and retired persons are more likely to boycott hotels accused just for environmental damage. Middle aged customers intend to boycott both the hotels that are accused just for environmental damage and the hotels that are accused just for unfair labour practices.

It should be noted that the discussion of our results is mandatorily limited as no other conjoint analysis study has been located in the literature to allow results’ comparison. Most probably a certain limitation of this study was the limited explanatory strength of the conjoint analysis design; this might be attributed to the small number of attributes that were included in the analysis. This exploratory effort should be followed by a broader research project in order to get deeper in a relatively undiscovered area, such as negative ethical consumption or boycotting in particular. Another limitation of this study is the partial profile of boycotters. It should be attributed to the absence of other - besides demographics - personal variables of the respondents, for instance attitudes or psychographics. Further research is needed to cover some parts of the existing research gap. The large difference between the estimations of previous experience in boycotting and intentions of future hotel boycotting might be also considered to be a limitation of this study. This finding might be most probably attributed to a remaining social desirability effect (Robinson et al., 1991, p.47).
CONCLUSIONS AND IMPLICATIONS

In this study, the conjoint analysis was employed to explore customers’ intentions to boycott (reject) unethical hotels and reveal the factors that might be found able to affect this type of negative ethical behaviour. The results indicated that almost all respondents declared their intentions to boycott those hotels, which have been accused of both environmental damage and unethical labour practices. In addition, price was found to be an important factor in the decision making process, in case that no unethical denouncement has taken place with regard to a certain hotel. The respondents did not seem to be taking into consideration the ownership (local or foreign) of any given hotel. Customers, who declared higher than their counterparts’ intentions to boycott the hotels, accused just for environmental damage, are older than 34 years of age, employees and retired persons. The same customers are influenced by their past boycotting experience as well as by their intentions to boycott favourable brands that provide financial support to Governments responsible for wars and unfair profiting. Customers, who declared higher than their counterparts’ intentions to boycott the hotels, accused for unfair labour practices, are older than 34 years of age, who also intent to boycott their favourable brands in case these brands are accused for exploitation of workforce.

The results of this study might highlight important implications for those hotel managers, who are interested in adopting and implementing an honest ethical strategy. They should design their communication techniques in a way sufficient to reach mature employees and retired persons. They should definitely target their efforts to the ecologically conscious consumers, as the environmental concerns were found the strongest decision making criterion. The marketing effort should include publicity about the measures taken for environmental protection (e.g. energy and water conservation, recycling, organics etc) in combination with information relevant to the rights of the hotel staff, or actions of corporate social responsibility, which aim to benefit the employees. On the other side, hotel management trying to avoid customers’ boycotting should design advertising messages that not only confine to the description of the hotel’s facilities and services but also include green certification(s) and employees’ testimonials on fair labour practices.

Ethical consumers need to get an ethical merit for their trouble to search for information and reject a hotel due to its unethical attributes. Their choice should make them feel that they are not alone; that they actively contribute to a movement in favour of the protection of the...
physical environment and the human rights. After all, these consumers need to feel that they are powerful enough to make a socially beneficial difference even through their holiday consumer behaviour.

There is no doubt that tourism is one of the most significantly increasing industries in the beginning of the 21st century. At the same time there is also no doubt that the presently evolving economic crisis will affect tourism too among all other sectors of the global economic and social life. There is much left to be further understood with regard to the evolutions in the tourism industry and the development of ethical tourism.

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TOURISM PROPERTY ACQUISITION IN SOUTH AFRICA: A DESTINATION MARKETING ANALYSIS

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In the highly competitive environment of the tourism industry it has become increasingly important to attract different market segments. This is probably a more challenging task for South Africa (SA) which is becoming a globally emerging destination. The aim of this paper is to report on a study which explored the main supply-side factors influencing households and individuals in purchasing tourism property in SA. The research findings indicated that the five pull factors are, in order of importance, natural resources, government policy, country’s perception and infrastructure, competitiveness, and economy. The current study allows for a better understanding of the factors that influence the decision of foreigners to invest in tourism properties in SA and indicates the close relationship between tourism property acquisition by foreigners and tourism destination marketing. The findings also suggest that destination marketers should seriously consider this market segment to be incorporated into destination marketing planning and activities.

Keywords: Tourism property, investment, supply-side/pull factors, destination marketing, South Africa.

JEL Classification: L83, M1, O1

INTRODUCTION

An increasing number of individuals, worldwide, who visit places as tourists, seem to be willing to buy property in their favourite destinations as second homes or to move or retire to in the future (Hall & Müller, 2004). However, this phenomenon has not received much attention in terms of research or by destination marketing organizations. The literature suggests that second-home tourism is an out-of-the-ordinary type of
tourism (see, for example Gallent et al., 2005). It differs due to the economic and physical investment tourists make in the destination. Demand for tourism property is not a type of consumption, but might be considered as an investment. The literature review relating to the phenomenon of second-home ownership and tourism property acquisition indicates that scholars are interested in some specific topics. Research on second homes has been performed from various disciplinary perspectives and has addressed themes such as tourism, retirement and seasonal migration (Williams & Hall, 2000a) and patterns of second-home ownership (Oxley et al., 2008; Norris & Winston, 2010).

Tourism property acquisition may be considered as a foreign direct investment (FDI) made by a household or an individual. According to Dwyer et al. (2010) and Varvaressos (2008), tourism FDI can be defined as when an investor based in one country acquires a tourism asset in another country with the intent to manage the asset. Most mainstream property purchases by foreigners have been by western Europeans or Americans, although buyers from Asia, the Middle East, and Russia have also made their mark (Horner & Swarbrooke, 2004). The literature indicates that there is a lack of knowledge about the factors that influence the tourism property acquisition. Despite the increasingly important economic activity of land development projects and tourism property in South Africa (SA) have to date not been researched to any large extent (Visser, 2004). It is believed that SA is an ideal destination for tourism property acquisition because it offers value for money, good infrastructure and political and economic stability (Mohammed, 2006; SA Department of Trade and Industry, 2012a). Furthermore, it is estimated that FDI remains paramount for the SA tourism industry in order to sustain inbound tourism growth. Growth in inbound tourism arrivals has led to SA’s rising popularity as a tourism destination, from being ranked 52\textsuperscript{nd} by the World Tourism Organisation (WTO) in the early 1990s to 34 in 2010 (SA Tourism, 2010). Inbound tourist arrivals are 8.1 million per annum (SA Tourism, 2010).

This article aims to address one issue unexplored by related research on tourism property. It considers the determining factors, i.e. the supply-side factors, influencing property acquisition in foreign countries. The paper’s aim is to report on a study that investigated the crucial pull factors influencing households/individuals investing in tourism property in SA. From a destination perspective, this marketing analysis is very important in order to successfully attract property investors and to obtain stable visitation influx. The paper commences with a literature review in order to identify knowledge gaps and determine factors that influence the
tourism property investment. Thereafter an overview of the context will be presented focusing on the offering in SA. In the next section the research methodology is outlined, followed by a presentation of the findings and the related discussion. The paper concludes by setting out the marketing implications and making recommendations for destination marketers.

LITERATURE REVIEW

The second-home ownership is now recognized as “an integral part of contemporary tourism and mobility” (Hall & Müller, 2004:3). The topic of migration has been examined from a tourism perspective, mainly in studies devoted to second homes, combining the analysis of mobility forms with an assessment of the tourist background. Williams & Hall (2000b) have examined a number of specific forms of tourism-related migration in the context of social and economic trajectories. O'Reilly (2003) used the category of time spent in the destination together with the way of life to classify the international foreign community in Fuengirola, Spain. She distinguished migrants from tourists in terms of orientation to home, and identified four main groups, namely: full residents, returning residents, seasonal visitors and peripatetic visitors. Illés & Michalkó (2008) investigated the interrelationship between tourism and migration in Hungary by examining the seasonality of tourism flows and property acquisition by foreigners. They used a macro-perspective by considering spatial patterns and social characteristics.

According to Snyman (2007), there is a growing interest in investing in tourism property in SA, including game reserves, holiday homes and wine farms. These products are used both for private/leisure and business purposes. However, there is not much literature or empirical studies with regard to tourism property acquisition by individuals. It seems that researchers have mainly been interested in the motivating factors of demand for second homes. The literature relating to second-home ownership indicates that there are three crucial push/motivating factors in the purchasing of second homes/tourism property, namely: Compensation, life cycle and affluence. These factors are briefly presented below. The individuals/households purchase second homes for the following reasons. Firstly, compensation (i.e. escape from everyday stresses) in order to compensate for deficiencies in their primary residence. Secondly, life cycle, the purchase is linked to retirement or future retirement plans - these purchases are associated with life cycle
factors, in particular retirement. The research evidence indicates that purchases are particularly strongly associated with retirement planning (Hall & Müller, 2004; Gallent, et al., 2005). Thirdly, affluence which links the purchase of a holiday home to growing wealth, the availability of mortgage credit and investment concerns (Norris & Winston, 2010). The research suggests that investment considerations motivate a substantial part of second-home purchase decisions (Oxley et al., 2008). According to Norris & Winston (2010), there is widespread agreement about the importance of affluence. Their study explored the characteristics of second-home ownership in the Republic of Ireland by applying the above factors to the case of Ireland. They found that the growth in second-home ownership was driven primarily by affluence and that compensation and lifestyle were less relevant drivers in the Irish case. It is worth noting that other demand drivers are inheritance and place attachment.

The issue of tourism property/second home must also be considered from a supply side, examining the pull factors, in other words those factors that influence the choice of the property’s area. The literature review indicates that very few studies have explored these supply factors. Related literature (see, for instance, Norris & Winston, 2010) suggests that the main pull factors are: (i) Institutional framework: including the housing regulatory regime and fiscal regime for the building and purchasing second or investment properties; and (ii) real estate development projects providing second-homes production at reasonable prices. This article focuses principally on the supply-side factors of tourism property acquisition, a topic which is mostly underresearched. In our approach we considered tourism property as being a form of direct investment. Because of the lack of literature in this field and scarce empirical studies, this study took into consideration the push factors mentioned in the literature related to foreign direct corporate/business investments. Research on this type of investments in the tourism industry focuses on the fundamental determinants of international investment decisions. Some scholars have stressed factors influencing the attraction of FDI in various countries. These factors include: political situation and various development barriers (Henderson, 2011) and macroeconomic variables (Pranic, Ketkar & Roehl, 2011). Furthermore, related literature indicates some factors influencing tourism development and destination attractiveness, such as transport infrastructure and networks (Boopen, 2006); location, quality and quantity of natural resources, infrastructure and accessibility (Marzuki, et al., 2011); the role of government in tourism development and national image (Chheang, 2009). According to
researchers (e.g. Biswas, 2002; Saayman & Snyman, 2005; Dwyer et al., 2010; Pranic et al., 2011), the influencing pull factors include: market size and growth, host government policies; openness and exports, exchange rates, public finances, investment and infrastructure and political stability. In addition to these economic factors there are two additional social factors that play a role in SA, namely HIV/AIDS (Naudé & Krugell, 2007) and crime and security (Holloway et al., 2006).

From a tourism destination perspective, a recent study conducted by Perles Ribes et al. (2011) focused on an analysis of the tourism competitiveness of residential destinations on the Spanish coast, applying Porter's competitive advantage theory. With regard to competitiveness, a conceptual and methodological tool has been suggested by international organizations - the Travel and Tourism Competitiveness Index (TTCI) which indicates the drivers of travel and tourism competitiveness (Dwyer et al., 2011). The structure of the overall index encompasses fourteen component pillars which are allocated to three subindexes, i.e. regulatory framework, business environment and infrastructure, and human, cultural and natural resources. Finally, Ramabodu et al. (2007) demonstrated the diversity of property investment opportunities but also emphasized the challenges that are faced in SA. Their study addressed how diversity and such factors as the country's history, government, different cultures, black empowerment and international interests, influence property potential.

Based on the above literature review, it is possible to identify the main pull factors/elements of attractiveness for tourism property investment in a destination. These factors may be classified into five main categories, namely: (i) Government policy: the regulatory framework including policy regulations, foreign ownership restrictions, property rights, rules governing FDI, bilateral agreements; (ii) country’s perception and infrastructure: political stability, safety, transports networks, tourism, and information and communication technologies infrastructures; (iii) natural resources: environment, climate, nature, and tourism attractions; (iv) economy: elements of the general business environment, i.e. inflation, economic outlook, market size and growth, human capital, etc.; (v) competitiveness: access, purchasing power parity, extent and effect of taxation, cost of living, and health services. These factors are included in the suggested conceptual framework that is illustrated in Figure 1.
**Figure 1.** Investment in tourism property / second home: motivating drivers and supply-side factors

**Demand-side drivers / Motivations:**
1. Compensation
2. Life-cycle
3. Affluence
4. Other: Inheritance and Place attachment

**Supply-side Factors / Elements of Attractiveness:**
1. Governmental policy
2. Country’s perception and infrastructure
3. Natural resources
4. Economy
5. Competitiveness
The integrated approach to the topic of tourism property acquisition requires the consideration of both demand and supply. On the one hand (demand) are the motivating factors for tourism property ownership. On the other hand is the supply side, the pull factors that influence people to invest in a certain destination. The two sides are illustrated in Figure 1 which provides a conceptual framework that highlights the crucial factors involved in the decision-making of households/individuals interested in acquiring a tourism property. On the demand side are the factors that motivate individuals to purchase a tourism property. Once the decision to invest in a tourism property has been taken, the next issue to consider is the place/location, i.e. the hosting destination. The choice of this location will be determined by the pull factors, i.e. the elements of attractiveness. These determining factors are on the supply side; they constitute the elements that attract potential investors of tourism property to a particular destination.

The above literature review clearly indicates that there is a lack of research in the field of the supply/pull factors for tourism property acquisition. None of the above studies address this topic. Before moving on to the presentation of the study, an outline of the context is necessary. The following section will examine current trends in tourism property.

TRENDS IN TOURISM PROPERTY ACQUISITION AND SA OFFERING

The investment by foreigners in tourism property is a phenomenon that has been occurring mainly during the last three decades. The reasons for property buying include (Truly, 2002; Horner & Swarbrooke, 2004; Illés & Michalkó, 2008; Norris & Winston, 2010) holiday home, permanent home after retirement, permanent residence when they immigrate, source of income through the use of the property for accommodation purposes. This phenomenon of tourists buying properties in their favourite destinations, for whatever purpose, has been observed particularly in Europe, probably for the following reasons (Horner & Swarbrooke, 2004; Mazn, 2006): high standards of living, developed outbound tourism, experienced tourists, and the European Union and the single market. Typically the most important factors in the purchasing decision for foreign buyers are the climate, nature and lifestyle. Other factors include access, communications, attractions and outdoor activities, the cost of
living, and health services (Truly, 2002). Spain is by far the number one destination for “residential tourists” from Europe, with the coastal areas between the Costa del Sol and the Costa Blanca being very popular because of the excellent year-round climate and good infrastructure (O’Reilly, 2003; Perles Ribes et al., 2011). A recent trend is the search for new, less expensive countries (including the Caribbean, and SA) in which to buy property (Horner & Swarbrooke, 2004). The purchase of second homes by foreigners means they are likely to visit the destination quite often which is beneficial to local businesses (Illés & Michalkó, 2008). However, it is worth stressing that the growth of property buying by foreigners has impacts on the host community, both positive and negative (see for instance Hall & Müller, 2004). Brida, Osti & Santifaller (2011) tried to provide a comprehensive overview of opinions and attitudes of second home owners, local residents, politicians, real estate agents. The outcome of this study is a holistic picture of the phenomenon, which examines the positive and negative impacts and shows the need for public regulation.

So-called retirement/residential tourism in which tourists become residents looks set to increase, encouraged by the easing of restrictions on foreign property ownership in many parts of the world. Countries interested in developing plans and private projects in the field of tourism property must seriously consider all determining factors. Within the above outlined framework of a very competitive environment, it seems that SA, as a hosting country of tourism property investment, has some competitive advantages. The country has valuable natural resources and offers excellent facilities. Outstanding shopping, good banking facilities and a strong infrastructure combine to make SA an extremely popular destination for second homebuyers (SA Department of Trade and Industry, 2012a). The main reasons why SA tourism property is considered a good investment include the following (SA Tourism, 2010): Economic stability; a politically stable country with a government dedicated to encouraging foreign investment; a warm temperate climate with the advantage of reverse seasons in the southern hemisphere; stunning scenery and a relaxed outdoor lifestyle; superb opportunities for viewing wildlife; good infrastructure with excellent transport facilities; transparent and well regulated property purchase process; and an increase in tourism partly stimulated by the 2010 World Cup. Other significant economic factors positively influencing investment interest in SA include (i) the favourable exchange rate between the Rand and other major currencies; (ii) the cost of living in SA is generally lower than in most
countries in Western Europe (SA Tourism, 2010; SA Department of Trade and Industry, 2012b).

**STUDY: METHODOLOGY, FINDINGS AND DISCUSSION**

This section presents the methodology applied and the study’s findings. The study used data to test the importance of the five supply-side factors of tourism property acquisition/investment. The variables for our analysis were selected on the basis of their relevance to the issues highlighted in the literature and because of their established reliability.

**Methodology: Technique and sample**

The research method used was a field survey using quantitative research. A structured questionnaire was thus sent to real estate agencies in SA. These agents are active in the field of foreign property acquisition mainly by individuals and households. Agencies were contacted to determine those specializing in tourism property and a total of 350 estate agencies were identified. These agencies formed the sample population for the study. All 350 were then contacted and asked to participate in the research. From the 350 agencies, 78 were willing to participate in this survey and had sufficient information on tourism property investments. These agencies were situated in the following provinces: Western Cape, Eastern Cape, KwaZulu-Natal, Limpopo, Gauteng, and Mpumalanga. Each of these agencies was visited and 78 questionnaires were completed in the presence of the interviewers, between May 2010 and October 2010.

The questionnaire consisted of factors identified in the literature review and a pilot study of five questionnaires was conducted to ensure the clarity of questions. The data gathered from the questionnaires was entered in Microsoft Excel and the descriptive statistical analyses were performed by using the Statistical Programme for Social Sciences (SPSS 15.0). The analyses included descriptive analyses and a factor analysis. A principal axis exploratory factor analysis with Promax rotation was performed on 42 statements where five factors were retained explaining 54% of the variance. These statements are the outcome of literature review and based on related suggestions. The original factors, as indicated by literature, were grouped into four categories, namely: political, economic, strategic and labour.
Study Findings: Statistical Analyses and Discussion

As mentioned above, the statistical data was analysed using the software SPSS 15.0 and a factor analysis was performed. The main findings are outlined below.

Profile of main markets. According to the results presented in Tables 1 and 2, most of the foreign tourism property buyers come from the UK (38%), Germany (23%), the Netherlands (12%), USA (7%) and France (5%). It is interesting to note that these investors and the results correlate well with SA Tourism’s annual report (2010). According to this report, these markets are the top five overseas markets for SA. The findings thus confirm a very strong relationship between tourism demand countries and tourists investing in tourism property. This element confirms the findings of Mueller (2003) who indicated a relationship between tourists visiting a country and the individuals investing in tourism property in this destination. Most of the property investments take place among the coastal and bushveld areas of SA (Table 1). Findings also indicated that different markets prefer different products even though there is a common theme (Table 2). The findings also confirmed that most of these buyers invest as individuals (more than 90%) and a smaller percentage as part of a consortium. All markets, with the exception of the Dutch, considered climate as the primary reason for property investment. Research performed by Snyman (2007) also indicated that climate and scenery positively influence foreigners to visit SA, thereby confirming the relationship between tourists visiting a destination and the individuals investing in an area.

This analysis grouped the 42 individual statements into five key factors influencing tourism property acquisition. To determine the appropriateness of principal components analysis (data reduction procedure) for the collected data, a correlation matrix for the motivational data, the Kaiser-Meyer-Olkin measure of sampling adequacy, was used to examine whether the strength of the relationship between variables was large enough to proceed to a factor analysis. The Barlett test was found to be significant ($p < 0.00001$). Therefore the data reduction by principal components would be legitimate. A factor analysis with Promax rotation was performed. An eigenvalue of 1.0 was used for the factor extraction criterion and loadings of 0.30 were used for item inclusion. Cronbach’s coefficients were also examined for each factor to check the reliability of the data and to serve as a measure of internal consistency among the items – all Cronbach’s coefficients were above 0.7, indicating reliability (see Table 3).
Table 1. Profiles of main markets of tourism property investors – Motives (in %)

<table>
<thead>
<tr>
<th>Markets</th>
<th>Climate</th>
<th>Investment</th>
<th>Price</th>
<th>Value</th>
<th>Lifestyle</th>
<th>Holiday</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>18.1</td>
<td>10.9</td>
<td>9.4</td>
<td>8.0</td>
<td>7.2</td>
<td>---</td>
</tr>
<tr>
<td>Germany</td>
<td>17.2</td>
<td>12.9</td>
<td>7.5</td>
<td>8.6</td>
<td>9.7</td>
<td>---</td>
</tr>
<tr>
<td>USA</td>
<td>14.3</td>
<td>10.7</td>
<td>7.1</td>
<td>7.1</td>
<td>7.1</td>
<td>---</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>---</td>
<td>25.9</td>
<td>14.8</td>
<td>18.5</td>
<td>18.5</td>
<td>14.8</td>
</tr>
<tr>
<td>France</td>
<td>9.7</td>
<td>6.5</td>
<td>6.5</td>
<td>---</td>
<td>6.5</td>
<td>9.7</td>
</tr>
</tbody>
</table>

Table 2. Profile of main markets of tourism property investors - Popular products

<table>
<thead>
<tr>
<th>Products</th>
<th>Game reserve</th>
<th>Golf estate</th>
<th>Houses</th>
<th>Apartment / Guest house</th>
<th>Bed &amp; breakfast</th>
<th>Wine farm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Markets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>11.1</td>
<td>10.7</td>
<td>9.4</td>
<td>8.8</td>
<td>8.8</td>
<td>8.8</td>
</tr>
<tr>
<td>Germany</td>
<td>10.4</td>
<td>10.1</td>
<td>10.7</td>
<td>9.4</td>
<td>9.4</td>
<td>---</td>
</tr>
<tr>
<td>USA</td>
<td>12.6</td>
<td>10.7</td>
<td>10.7</td>
<td>12.6</td>
<td>8.7</td>
<td>---</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>10.0</td>
<td>11.6</td>
<td>8.4</td>
<td>9.5</td>
<td>8.4</td>
<td>---</td>
</tr>
<tr>
<td>France</td>
<td>13.4</td>
<td>10.5</td>
<td>8.2</td>
<td>10.5</td>
<td>---</td>
<td>11.9</td>
</tr>
</tbody>
</table>

Table 3. Factor analysis – Results

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>Mean Value</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Country’s perception &amp; infrastructure</td>
<td>1.96</td>
<td>0.924</td>
</tr>
<tr>
<td>2. Governmental policy</td>
<td>2.61</td>
<td>0.823</td>
</tr>
<tr>
<td>3. Economy</td>
<td>1.94</td>
<td>0.813</td>
</tr>
<tr>
<td>4. Competitiveness</td>
<td>2.40</td>
<td>0.704</td>
</tr>
<tr>
<td>5. Natural resources / Environment</td>
<td>2.88</td>
<td>0.869</td>
</tr>
</tbody>
</table>
As already mentioned, the original factors were grouped into four categories: political, economic, strategic and labour. After the factor analysis similar statements were grouped together after which some of the factor names have been changed to accordingly incorporate all the statements. In other words, there was a modification, an improvement of factors grouping in order to provide a better and more comprehensive image of determining factors. That is the reason why the 42 statements have been categorised into five groups, as depicted in Table 3. The reason for undertaking a factor analysis is to correlate statements in the questionnaire and grouping them together as one factor. A principal axis exploratory factor analysis with Promax rotation was performed for determinant pull factors of tourism property investments by foreigners in SA. Five factors were retained. The commonalities varied between 0.28 for negotiations and 0.70 for unrest. The factors were labelled according to similar elements. The factors of climate, scenery, and location had significant loadings on more than one factor and were removed from the factor analysis. The five factors (see Table 3) were: Country’s perception and infrastructure (Factor 1), government policy (Factor 2), economy (Factor 3), competitiveness (Factor 4), and natural resources and environment (Factor 5). Factor 1 “Country’s perception and infrastructure” covers aspects such as political stability, security, hygiene, transports networks. Infrastructure as a determinant was also found to be crucial by other studies (e.g. UNESCAP, 2001; Van Zyl & Mahoney, 2002; Boopen, 2006, Dwyer et al., 2011; Marzuki et al., 2011). Factor 2 “Government policy” is related to the regulatory framework that plays an important role in attracting foreigner buyers. Studies undertaken by Vickers (2002), Chheang (2009), and Norris & Winston (2009) also support this finding. Factor 3 deals with the economy (inflation, economic outlook, etc.). Naudé and Krugell (2007), Dwyer et al. (2010), and Pranic et al. (2011) have highlighted the fact that a stable economy is a prerequisite for investments. Factor 4 “Competitiveness” dealing with issues such as access, transport costs, purchasing power parity, taxation, has high mean value. The crucial importance of this factor has been well documented by Dwyer et al. (2011) and the study of Perles Ribes et al. (2011). Factor 5 “Natural resources and environment” is related to climate, nature, tourist attractions, etc. It captured the country’s main tourism thrust – wildlife and the big five (this refers to lion, elephant, rhino, cheetah and buffalo). According to the findings, this factor appears to be the most critical pull factor. This finding demonstrates the importance of SA’s natural resources.
The correlations between the five factors are presented in Table 4. This table indicates correlations that have practical significance (Ellis & Steyn, 2003) between factor 1 (country’s perception and infrastructure) and factors 2, 3 and 4 (government policy, economy and competitiveness). There is also a practically important correlation between governmental policy and economy, and between economy and competitiveness. The literature on economics indicates that political stability and governance are important factors for FDI (Naudé & Krugell, 2007; Dwyer et al., 2010; 2011). It can thus be stressed that all five factors are crucial from a marketing perspective, namely (in order of importance): natural resources/environment, government policy, competitiveness, country’s perception and infrastructure, and economy. Furthermore, these factors are interrelated and constitute a whole, thus pointing to the fact that a hosting destination should adopt and implement a comprehensive approach in this field.

Table 4. Factor correlation matrix between key factors for the pulling factor

<table>
<thead>
<tr>
<th>Factor</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country’s perception &amp; infrastructure (1)</td>
<td>1.000</td>
<td>0.512**</td>
<td>0.600**</td>
<td>0.419**</td>
<td>0.164*</td>
</tr>
<tr>
<td>Government policy (2)</td>
<td>0.512**</td>
<td>1.000</td>
<td>0.455**</td>
<td>0.313*</td>
<td>0.302*</td>
</tr>
<tr>
<td>Economy (3)</td>
<td>0.600**</td>
<td>0.455**</td>
<td>1.000</td>
<td>0.455**</td>
<td>0.292*</td>
</tr>
<tr>
<td>Competitiveness (4)</td>
<td>0.419**</td>
<td>0.313*</td>
<td>0.455**</td>
<td>1.000</td>
<td>0.311*</td>
</tr>
<tr>
<td>Natural resources/Environment (5)</td>
<td>0.164*</td>
<td>0.302*</td>
<td>0.292*</td>
<td>0.311*</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Notes: * Statistically significant on a 5 per cent level; ** statistically significant on a 10 per cent level.

CONCLUSIONS: MARKETING IMPLICATIONS AND RECOMMENDATIONS

The growth of international tourism has stimulated the rise of foreign property buying for second homes and retirement homes, a phenomenon called tourism property acquisition. This phenomenon has various aspects for the investor, as well as for hosting destination. Every country being involved or willing to develop this market segment must consider all related issues, mainly from a marketing perspective. According to
estimations this segment of tourism property acquisition by foreigners will grow worldwide (Snyman, 2007). Within this framework it is necessary, from hosting country perspective, to gain a better understanding of tourism property investor and the factors influencing his decision making. This knowledge contributes to successfully attract this type of investment, as well as to reach a stable visitation influx. The study’s purpose was to examine the key pulling factors determining the choice of area of tourism property. It is estimated that the main and most important contribution of the study is to analyse the topic of tourism property investment from a supply-side. It has approached the issue as an investment made by individuals. Furthermore, the article explored the supply-side factors determining the choice of country as a location to make this investment. The main conclusions are as follows. firstly, the literature review allowed us to identify the pulling factors for the investment decision making which are most prominent. These factors were classified into five main categories: natural resources, government policy, competitiveness, country’s perception and infrastructure, and economy. Secondly, this article has explored the relevance of the above supply-side factors of tourism property acquisition as an investment by households/individu als. Study’s findings allowed showing that all key pulling factors are relevant to South African case. Findings also suggested that natural resources / environment constitute the most crucial element of attractiveness for tourism property investment by foreigners in the case of SA.

One additional finding of the study was to determine the profile of the main demand markets (motives and products). It is worth pointing out that study enhance to: (i) identify a relationship between travel behaviour (visiting of destinations) and property acquisition. It has been demonstrated that once tourists have visited a destination there is a greater chance of buying a property; (ii) indicate that there is a differentiation in property preference between various demand markets. Despite the similarities in the preferred products by major markets such as game reserves and golf estates; one could distinguish, for example, the French who are more interested in wine farms, and the Germans who prefer holiday homes. Furthermore, this study showed that natural resources are a main motivator for investors in tourism property in SA. In general, it seems that the relationship is one where a person visits as a tourist and then acquires a property, which leads to repeat visitation. This finding confirms the suggestion formulated by Illés & Michalkó (2008).

Based on study’s findings and conclusions, the following implications could be drawn. It is our conviction that tourism marketers
are directly involved in the field of tourism property investment. On the one hand, it is suggested that empowerment of tourism marketers on aspects of tourism property should have a positive impact on increasing investment. The various demand markets must be properly considered and approached accordingly. On the other hand, tourism communication dissemination should have information available of interest to potential investors. This has far-reaching implications, since the functions of tourism property and tourism promotion in SA are currently performed in separate organizations and as separate functions. A better coordination and management is an imperative in this field. All explored pulling factors have been identified as crucial for use by tourism marketers. However, it is important to highlight that the most important factor is the case of SA are natural resources including wildlife and the Big 5. This supply-factor should be used as a competitive advantage for differentiation and better positioning. The other most crucial supply-side factors, in order of importance, are the governmental policy and the competitiveness. These factors have policy and marketing implications in terms of focus on land development projects and tourism property within a destination marketing and integrated communications mix.

Obviously the present study provides a better understanding of determining factors in choosing a destination for tourism property investment. Therefore, tourism marketers should use this knowledge in their marketing strategy and plans. Any actions and initiatives to formulate a policy and management plans aiming at attracting and increasing tourism property investments to SA need to be based on the understanding of what initially motivates property buyers. Study’s findings suggest that destination marketers have to focus on specific issues, consider this segment as a challenge and promising, and incorporate this component in destination marketing planning. It offers considerable tourism business opportunities, mainly creating a stable tourism flows regardless the economic circumstances. In other words, it contributes to increased inbound tourism creating income and jobs. For these reasons tourism property acquisition should be an integral part of SA tourism policy and management, as well as a strategic aim of its tourism destination marketing.

It is estimated that this article makes a contribution by acquiring a better understanding in this knowledge area where little research has been conducted. However, it encompasses some limitations; mainly from a contextual and spatial perspective. Firstly, there is a need for more robust quantitative research on tourism property acquisition, both from demand and supply-side to test the hypotheses generated by the largely qualitative
case study research on which much of the literature is based. The conclusions drawn upon study’s findings couldn’t be generalized to other countries; the SA constitutes a particular case and special country. Similar researches must be conducted in other countries in order to confirm or not the present study’s findings. Secondly, the present study highlights the differences between tourism property investors in the main demand markets. The study was limited to the five main demand markets for SA tourism. These markets are all developed countries (Western Europe and USA). It would be very interesting to explore some other demand markets, mainly developing countries, for example from Asia (India) and South America (Brazil). Furthermore, a comparative analysis between the two set of demand markets (developed and developing countries) could be performed. Finally, a comparative study between tourism property acquisition in SA and in one or more European countries (e.g. Spain, France, or Greece) might be conducted aiming at testing and validating the five pulling factors and at identifying similarities and differences in the investigated field. Another interesting issue to be explored is a comparison in the field of vacation homes investment; i.e. the similarities and differences between the second home ownership in a particular country and the investment for tourism property abroad by the citizens of same country.

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PUBLIC SECTOR ALLIANCES IN MARKETING URBAN HERITAGE TOURISM: A POST-COMMUNIST PERSPECTIVE

Deyan Hristov
University of Bedfordshire

Petia Petrova
University of Bedfordshire

This paper investigates the current degree of collaboration and partnerships in marketing and promotion bounded by municipal bodies and other public organisations, involved in urban heritage tourism. As the majority of published research projects accentuate on private and mixed stakeholder alliances, this study is important in order to uncover the scope of collaborative activity among public sector organisations. The research approach adopted in this project includes the application of a case study in the heritage town of Plovdiv, Bulgaria. The findings provide evidence that public organisations need to realise the benefits of mutual marketing and promotion activities created in a local, regional and Internet-based context. The roles of the local airport, urban events, as well as the Internet should be recognised and used as a catalyst of tourism demand.

Keywords: Destination marketing, Public sector, Post-Communist, Co-operation, Heritage, Plovdiv.

JEL Classification: L83, M1, O1

THE DYNAMIC NATURE OF URBAN HERITAGE TOURISM

The contemporary phenomenon of globalisation is considered a key catalyst and influencer of urbanisation dynamics. As international travel has reached significant levels, the number of tourists visiting a city in a given year often surpasses the volume of those destinations’ host communities (AlSayyad, 2001). Accordingly, tourism markets have become increasingly competitive in order to attract the progressively selective and discriminating post-tourist (Urry, 2002). One way to distinguish often standardised products and services is by providing a
unique cultural and heritage experiences (AlSayyad, 2001). The growth of heritage tourism in recent times represents a transformation of the concept of heritage towards commercialisation, commodification of the past in novel forms (Smith et al., 2010; Urry, 2002; Daher, 2000; Timothy, 2011).

Present tourism and travel growth is luring many government agencies and other groups into marketing their heritage tourism destinations (Timothy, 2011; Morrison, 2010; Misiura, 2006). One of the main activities of the state then is the promotion of tourism through tourism marketing applied strategies to create international or domestic tourism demand (Hall, 2005). Marketing has been recognised to play a crucial role in enhancing promotion effectiveness of destinations among potential tourists and visitors (Cooper and Hall, 2008). Many cities with limited marketing budgets thus advocate the application of partnerships as a way of boosting their marketing and promotion effectiveness (Richards and Palmer, 2010).

Destination governments, ministries of tourism and other public management organisations have turned heritage into competitive advantage in terms of promoting their places (Timothy, 2011). By clustering fixed attractions and events, joint marketing can link together physical areas of interest and events of local character (Richards and Palmer, 2010). Hence, individual attractions and events could achieve more in terms of promotion when pooling marketing resources and the role of the public sector in this process should be further explored (Richards and Palmer, 2010). The focus of this paper then is on examining collaborative marketing and promotion activities among public stakeholders as their role in terms of destination marketing is vital for prospective heritage tourism development (Timothy, 2011). Involvement of all key heritage tourism actors representing the public sector is imperative.

The role of the public sector may vary based on the political and economic characteristics of a given state (Hall, 2005). Most communities around the world with a resident population of more than 50,000 now have some form of local Destination Marketing Organisations (DMO) (Morrison, 2010). DMOs in developed countries are not likely to achieve more than important, however, marginal influence over the total tourism volume and expenditure (Middleton, 2002). In contrast, DMOs in developing tourism destinations have a far greater influence over their tourism sectors (Middleton, 2002) due to the relatively low maturity of the market and limited presence of private sector entrants. They are then
potentially better able to evaluate the success of their marketing efforts (Middleton, 2002).

In some Post-Communist states, the role of the public sector may be stronger still (Mosedale and Albrecht, 2011; Toonen, 1993). In such countries there may be a unique mixture of marketisation and growth in the private sector, combined with a historically strong and bureaucratic public sector with influence over tourism development and marketing (Webster, Ivanov and Illum, 2011; Hristov, 2013). Harrill (2009) argues that there is a serious gap between destination marketing and planning, including urban planning - not only in Eastern European countries, but worldwide. It is within such context that this paper looks at tourism management of marketing and planning and how it varies in Post-Communist countries in general. The transition process in former communist states towards market-oriented economy needs to deal with some major obstacles – mostly political (Webster, Ivanov and Illum, 2011). Reason for it is that the tourism sector has been strongly influenced by the state over the past few decades (Hall, 2005). The state is the key player, which appears to be slowing down and restricting this shift to a significant extent.

PLOVDIV AS A HERITAGE DESTINATION

Plovdiv is one of the oldest cities in Europe and the beginning of its history dates back to 4,000 years BC (Detev, 2012). Situated on Maritsa River, Plovdiv is a beautiful town with extensive physical heritage that reflects on different layers of history. The unique location of Plovdiv, which is at some of the significant ancient crossroads, has stimulated strong political, religious and cultural influences from the West and the East (Genchev, 2007). The town is place of ancient civilisations, such as the Thracian, Hellenic, Roman and Byzantine before becoming part of Bulgaria (Plovdiv Municipality Tourist Centre, 2011). Older than some of the most ancient towns like Carthage, Athens, Constantinople and Rome, the place has managed to maintain its unique cultural and historical identity (Genchev, 2007). The town has a variety of museums, such as the Ethnographic Museum, the Historical Museum, the Museum of Natural Science and the Archaeological Museum. Churches, mosques and temples are functioning as a home of faith and reflection of the peaceful coexistence of different religions (Genchev, 2007).

More recent cultural and architectural heritage dates back to the Bulgarian Revival in the 18th Century when Plovdiv used to be an
important economic centre (Genchev, 2007). The town was home to many wealthy and educated people who travelled across Europe and brought new cultural trends. The rich traders from Plovdiv showed their wealth through the construction of beautiful and richly ornamented houses (Genchev, 2007). One of the most famous landmarks is the architectural complex of the Ancient Plovdiv, where many beautiful houses from the times of the Bulgarian Revival had been preserved and restored (Pizhev, 2003). The combination of unique ancient and recent history provides opportunities here to drive tourism development and regeneration, by promoting local heritage.

The purpose of this article is:
A. To examine the willingness of public sector bodies to form marketing and promotion alliances in the field of urban heritage tourism.
B. To explore the existing level of collaborative marketing and promotion initiatives (including Internet-based marketing initiatives).

METHODOLOGY

This is a qualitative study with an emphasis on semi-structured interviews, observation of municipal discussions on tourism development, and analysis of documentary samples. The project was then carried out on the basis of both, primary and secondary data.

Primary data collection included semi-structured expert interviews. Face-to-face interviews offered the possibility of modifying interviewee enquiry when experiencing engaging responses, as well as investigating underlying issues in a way that other data collection tools, such as postal or electronic Delphi questionnaires are less-efficient (Robson, 2011). Thus, the researcher had the opportunity to be selective, as well as to reshape and adjust the flow of an interviewee’s speech in pursuance of specific issues regarding stakeholder co-actions and alliances in the field of marketing. Within the context of research, semi-structured interviews assessed key-professional points of view of experts (David and Sutton, 2011). The interviews were supplemented by the use of probes in order to get an interviewee to expand on response to a particular research objective when there is a feeling that the participant has more to give (Jennings, 2010; Robson, 2011).

The pre-study work aimed to capture the development of questionnaires and ethical forms, explore the stakeholder network, and establish contacts with local authorities took two months. The actual
study commenced in January 2012 and took six months to be completed as data collection and data analysis stages required considerable amount of time.

A sample of seven professionals and experts representing all public organisations involved in urban heritage tourism was identified and subsequently used for interview data collection purposes (see Table 1 below). The sample included representatives of the local Municipality of Plovdiv, such as the Deputy Mayor responsible for tourism and culture development within the area, the Deputy Chairman of the Tourism Council, as well as marketing experts from the Municipal Enterprise for Tourism. The interviews took place in the Old Plovdiv, as well as in the contemporary urban area of Plovdiv, Bulgaria during the first two weeks of March, 2012.

Table 1. Heritage tourism actors in Plovdiv.

<table>
<thead>
<tr>
<th>Key Actors</th>
<th>Source of Funding</th>
<th>Project Participant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plovdiv Municipality</td>
<td>EU/State/Public</td>
<td>[Deputy Mayor responsible for Culture, Education, Tourism, Innovations, Development, and European Politics]</td>
</tr>
<tr>
<td>Municipal Enterprise for Tourism (DMO)</td>
<td>EU/Municipal</td>
<td>[Municipal Enterprise for Tourism: Executive Director]</td>
</tr>
<tr>
<td>The Tourism Council</td>
<td>Public/Private</td>
<td>[Tourism Council: Deputy Chairman];</td>
</tr>
<tr>
<td>Ancient Plovdiv Municipal Institute</td>
<td>State/Municipal</td>
<td>[Ancient Plovdiv Municipal Institute: Executive Director]</td>
</tr>
<tr>
<td>Plovdiv 2019</td>
<td>State/Municipal</td>
<td>[Plovdiv 2019: Executive Director]</td>
</tr>
<tr>
<td>Plovdiv Airport</td>
<td>Municipal</td>
<td>[Plovdiv Airport: Executive Director]</td>
</tr>
<tr>
<td>University of Agriculture and Regional Development</td>
<td>State/Private</td>
<td>[UARD: Head of Tourism Department]</td>
</tr>
</tbody>
</table>

During the two weeks of carrying out interviews, the researcher was invited to attend a Round Table for Local Heritage Tourism Development in Plovdiv Municipality - attended by the key tourism public bodies and hosted by the Tourism Deputy Mayor. The researcher had the opportunity to record five discussions that contributed to the primary data sample. Discussions provided valuable insights of issues concerning partnerships of local tourism bodies in Plovdiv.
Secondary data sources included the Strategy and Plan for Tourism Development in Plovdiv Area 2009-2013, as well as the Concept for Tourism Development in the Old Plovdiv. Both strategies are publicly available through the web-based information system of the Tourism Council in Plovdiv and formed the basis of the secondary data sample. As previously outlined, the study was conducted in a Post-Communist setting where the presence of the public sector is dominant due to the relatively slow shift towards market economy. Private sector market entrants have not been considered as leading figures - their voice in the decision-making process is limited.

DATA ANALYSIS

The interviews were transcribed, with the exceptions of segments of text where the respondents veered off topic. In such cases, as suggested by Gibbs (2007), these fragments of text were ignored as they were irrelevant to the aim and objectives of research. Secondly, in most cases when a project looks at policies, organisations and evaluation, the salient factual content of what respondents have said is sufficient for analysis of collected qualitative data (Gibbs, 2007). Voice data files were transcribed. During the pre-interview arrangements participants were happy to avail themselves of the confidentiality arrangements of this research. As a result the name of the city involved (Plovdiv) and their actual job roles are indicated in this paper.

The NVivo9 (QSR International, 2013) software package for qualitative data analysis was applied to facilitate the process of qualitative analysis of the large amounts of data involved and in the development of consistent coding schemes. A coding scheme through the use of thematic coding nodes being part of the NVivo9 software package has been created (Edhlund, 2011). Two parent nodes which reflect objectives A and B were created. Following a hierarchical order, a set of sub-nodes under each of the parent nodes was generated. The first set of sub-nodes (part of objective A) included all public sector heritage organisations and contributed to assessing the willingness of bodies to apply collaborative marketing and promotional initiatives. Existing alliance marketing practices reflected the second set of sub-nodes (part of objective B). Additional sets of nodes related to the Municipal discussions, as well as the strategy papers were created accordingly. These were subsequently put against the objectives of this study.
RESULTS

This paper is not a representation of all existing heritage tourism stakeholders in Plovdiv. Scope of study was therefore limited by all public bodies and organisations, which are either, involved in or affected by heritage tourism development in Plovdiv. The number, influences and interest of the different public organisations is considerable. The secondary data and interviews suggested the following stakeholders and areas of interest (see Figure 1).

Figure 1. Public stakeholder network of Plovdiv
Apart from best practices in collaboration with the airline company Ryanair outlined below, private sector intervention in urban heritage is not explored, as its role in shaping heritage marketing and promotion in Old Plovdiv is minor at this stage of local tourism development.

Outcomes of the applied methodology emphasised on several key directions of marketing and promotion partnerships – those were intended to develop alliances locally, regionally, as well as virtually (on the Internet).

LOCAL PERSPECTIVE

Airport Alliances and the Local Airport

The results suggested that public purse support for marketing the destination is limited. In such cases, co-operative marketing and promotion of Plovdiv through public-private partnerships could be viable strategy if the Municipality’s resources regarding such activities are scarce. Then Plovdiv Airport and Ryanair promotional collaboration works towards advertising Plovdiv through the web site of the air carrier. Through marketing and price promotions, Ryanair aims to inspire web site visitors explore Plovdiv, as the Airport Director emphasised. Such public-private alliance initiatives tend to be less resource-dependent and hence, being feasible promotional and advertising tool in the context of Plovdiv.

“The economically-efficient option to market Plovdiv through web-based portals, such as the Ryanair one is an opportunity, by which we can promote our heritage while using relatively small marketing budgets.”

(Plovdiv Airport, Executive Director)

Plovdiv Airport is a state-owned airport which provides air transport services for the South-Central region of Bulgaria. It is 8 miles away from the town centre of Plovdiv. The main traffic of the Airport is charter flights from and to the United Kingdom, Ireland and Russia. Plovdiv Airport collaborates with Ryanair and services scheduled flights to London Stansted Airport. The active season for the airport is during the winter due to its proximity to the most popular ski resorts in Bulgaria – Bansko and Pamporovo. Many cities with highly restricted advertising budgets advocate the application of collaborative marketing and promotion activities in order to increase their marketing effectiveness.
(Richards and Palmer, 2010) and the Airport can serve as a marketing and promotional tool for regional attractions.

Although there is a current proposal for establishing Tourist Information Centre (TIC) on the Airport, the Strategy for Development of Tourism in Plovdiv 2009-2013 and the discussion with Plovdiv Airport Director suggest that the level of alliance promotional practices and marketing in Plovdiv is relatively low. Interview respondents highlighted that Municipality of Plovdiv and Plovdiv Airport could be successful partners in terms of local tourism promotion and marketing. Alliance marketing initiatives, which are bounded by Plovdiv Airport and Municipality of Plovdiv (through its various municipal organisations, such as the Tourist Information Centre, Plovdiv 2019 Municipal Foundation and the Ancient Plovdiv Municipal Institute) could be an example of a sound practice (see Figure 1). The local airport was seen as a key stop point for many visitors providing opportunities to market Plovdiv and the region.

“The airport administration is planning to open a Tourist Information Centre in collaboration with Plovdiv Municipality. Once tourists arrive in Plovdiv, they will be serviced by the local tourist information centres which we plan to further develop this year.”

(Municipality of Plovdiv, Deputy Mayor)

Similarly, the Director of Plovdiv 2019 Municipal Foundation highlighted that Plovdiv Municipality should put a greater emphasis on promotion and provide a more ‘aggressive’ type of marketing, as the opening of a Tourist Information Centre may not be sufficient enough to attract visitors to Old Plovdiv. In the same degree,

“We should not just wait for those tourists to come and find us (...) we have to create an interest on any potential tourist (...) we can put sculptures, art expositions etc. In fact, when people land on Plovdiv Airport they should be able to spot something more than contemporary urbanistic elements, which can be noticed anywhere nowadays. Instead, they should be able to explore and appreciate our culture and heritage straight from the Airport.”

(Plovdiv 2019, Executive Director)
Cultural Events and Venues

Results revealed that, key tourist attractions and cultural events of Plovdiv are connected with the Old Plovdiv, being a host area of various cultural venues of local character. The majority of network actors asserted that Old Plovdiv and the contemporary urban area interact with each other - the symbiosis between the two places is prominent. The proposition is strongly supported by the Tourist Information Centre and the Ancient Plovdiv Municipal Institute. They argued that the architectural heritage of Plovdiv in the old town could be the place where major cultural events take place – festivals, art exhibitions, theatre and opera. Thus physical heritage can be marketed through cultural events and vice versa.

A further relationship of Old Plovdiv with art and cultural events, even if those not directly linked to heritage is the success story, highlighted by the Tourism Deputy Mayor: “The Roman Amphitheatre and the Ancient Roman stadium, dating back to the 2nd Century A.D. which are unique places not only in Bulgaria, but in Europe can host different cultural events during the summer months.”

Marketing and promotional co-actions between Old Plovdiv and cultural events in the contemporary town were supported by other municipal bodies as well. Key events and attractions in the new town are often delivered in collaboration with Old Plovdiv. The key attractions and events of Plovdiv are connected with the Old Plovdiv as the town is host of numerous cultural venues of local character. Some interviewees saw a strong potential of cultural events to drive tourist activity. The Tourism Council Deputy Chairman assumed that cultural events could be a major pull factor for tourism activity. Others suggested enhancing the offering of the town by further integrating the physical heritage (Old Plovdiv) with cultural and other events, or creating events that directly link to the cultural heritage of the contemporary area. The Executive Director within the Tourist Information Centre proposed development of tourist routes in the old town, which are associated with art and cultural events:

“If we manage to complete a tourism product about the Old Plovdiv and include elements such as art events, heritage exploration and all of the resources we have, the old town will become a very popular tourist spot.”

(Municipal Enterprise for Tourism: TIC, Executive Director)
The Online Presence of Plovdiv

As previously emphasised, promoting tourism online is seen as an important area for development. The electronic distribution of heritage tourism products needs further work as shown in the Strategy for Tourism Development in Plovdiv 2009-2013. Web-based marketing and promotion are of high importance when it comes to improving the image of Plovdiv and market it as a tourist destination. As the Executive in the Tourist Information Centre stressed, “all resources we have, such as physical heritage, archaeology, events, art venues could be accessible through the Internet.” In this sense, Old Plovdiv public bodies and the Tourist Information Centre in Plovdiv work collaboratively towards the application of web-based marketing.

“I have to say that the Tourist Information Centre works well, as Old Plovdiv public agencies can find viable partner in the face of our organisation when it comes to presenting venues, events, attractions and projects to tourists. Hence, we maintain the first electronic event calendar in Bulgaria - eventsplovdiv.info. Our aim is to target internationally through this web based event information portal.”

(Municipal Enterprise for Tourism: TIC, Executive Director)

It is evident that Plovdiv Municipality has implemented some innovative practices, compared to other regions of the country. Nevertheless, as Plovdiv 2019 Director emphasised “we should further develop our Internet presence and display all key venues and events in the Old Plovdiv.” Web-based marketing initiatives are practical solution for destinations with limited economic resources and could be a key driver of change when it comes to development of the whole marketing strategy for Plovdiv. Hence, still much more is needed to catch up with cutting edge practice and fully maximise the benefits of using it – save resource, effectiveness of operations, enhanced marketing and promotion.

REGIONAL PERSPECTIVE

Beyond Municipality Borders

The heritage of Old Plovdiv does not stand alone, the region is rich in Thracian heritage in particular. Interviewees supported co-
operative promotional initiatives between Municipality of Plovdiv and other municipalities within the South-Central region of Bulgaria. The Round Table discussions suggested that Plovdiv Municipality can benefit from tourism through collaborating in developing the cultural heritage tourism in a regional context. Among Municipality’s priorities should be the establishment of partnerships with peripheral regions, and this can be beneficial to Plovdiv as some respondents outlined. Thus, “when we observe Plovdiv we unarguably say that it is the most important urban agglomeration in the area, but we should be looking at the whole South-Central region of Bulgaria”, as the Tourism Deputy Mayor highlighted. Emphasising on the fact that the South-Central region is a rich source of Thracian heritage:

“Old Plovdiv could be related to some cultural and heritage sites from peripheral areas. Plovdiv can collaborate with other town and village areas being part of the South-Central region of Bulgaria.”

(UARD University, Professor)

In the light of regional alliance marketing and building on the mediating role of Plovdiv Airport as discussed earlier, it becomes clear that the Airport could be major actor in regional frameworks as well. As the Executive Director of Plovdiv Airport pointed out, “the Tourism Deputy Mayor of Plovdiv supports the idea that Plovdiv Airport is of great importance to the whole region as it is the ‘Southern Gate of Bulgaria’”. This demonstrates agreement of the key direction of development linked to the local heritage tourism.

“Although Plovdiv area is nearest to the Airport, neighbouring municipalities are also part of the fund programme for airport development. In fact, all six districts within the South-Central region of Bulgaria are interested in the development of this airport.”

(Plovdiv Airport, Executive Director)

Plovdiv Airport may be able to go beyond promoting the local tourism product. Instead, it can potentially contribute to municipalities within the South-Central region as will increase tourism flows and boost tourism activity in key heritage spots, such as the Valley of Perpericon and the Thracian Temples in Starosel.
DISCUSSION AND CONCLUSIONS

This paper discussed the willingness of public sector bodies to form marketing and promotion alliances in the field of urban heritage tourism. The study also explored the current level of applied collaborative marketing initiatives of heritage stakeholders in the context of Plovdiv. In contrast to other published studies in the area and having in mind the setting of investigation, it builds on emerging partnership developments taking an Eastern-European angle. In contrast to the West, most of the countries in Eastern Europe still struggle to fully develop their Post-Communist economies and the relatively slow process of shifting towards market economy can be noticed (Webster, Ivanov, and Illum, 2011; Hristov, 2013). Partnerships and particularly mixed alliances need to be explored further in the context of Plovdiv. Tourism development is inevitably being affected by the current situation as public sector bodies still have major impact over decision-making. As Timothy (2011) outlined earlier, tourism growth is driving governments to market their heritage tourism destinations and the trend of continued involvement of government agencies is even stronger in the Post-Communist context of Plovdiv. Although the private sector does not fall within the scope of study, it has to be emphasised on the increasing role of public-private partnerships in developing destinations (as in the case of Plovdiv). Municipalities experiencing shortages in marketing and promotional budgeting should work towards exploring the benefits of mixed alliances (Hristov, 2013), as the current practice of advertising Plovdiv through mutual promotion initiatives between Ryanair and Plovdiv Airport suggests.

Alliances in the Old Plovdiv are currently present, although not fully explored. Urban heritage partnerships are mainly focused on cultural events, physical and online airport promotion. In local perspective, marketing and promotional co-operation between Plovdiv Airport and Municipality of Plovdiv is to be established through the opening of an Airport Tourist Information Centre, serving as a mediator between the two parties and capturing marketing initiatives and heritage promotion campaigns on the Airport. Attention should also be given to emerging alliances featuring architectural heritage within the Old Plovdiv and cultural events and festivals hosted in either the old town or the contemporary Plovdiv. Richards and Palmer (2010) recognised the role of the public sector in creating joint marketing initiatives. Those may have major implications in terms of marketing and promotion of physical
heritage located in the old town. Municipal organisations are advised to collaborate in developing a series of festivals and cultural events related to all historical epochs part of Old Plovdiv. Such concept could be beneficial to the town in terms of promoting the variety of historic layers. Identically, an emphasis should be given to the emerging web-based marketing and promotion in Plovdiv, as the Internet advertising tools tend to be budget-friendly when applied to destinations in developing countries. Collaborative marketing and promotion in developing destinations is seen as a driver of marketing effectiveness (Richards and Palmer, 2010). Collaboration is then of key importance in view of the budget constraints on marketing. The Municipality should recognise the essential role of web-based marketing and promotion, as part of local tourism development strategies. As argued above, Internet advertising campaigns tend to be cost-efficient way of marketing the local heritage. They are able to reach wider audience and target not only local and regional, but even national and foreign markets. Public sector resources should be used for building an effective marketing and promotional online strategy of Plovdiv through collaboration among key heritage network actors.

In regional perspective, alliances among municipalities selling heritage tourism products within the South-Central region of Bulgaria could be further explored and tend to be of high importance to Plovdiv. The role of Plovdiv Airport in this process is also crucial as already argued.

The number of stakeholders involved and their overlapping areas of interest and responsibility suggest a need of coming together in an ongoing formal agreement. The presence of the historically strong and bureaucratic public sector is common in Post-Communist states as Webster, Ivanov and Illum (2011) argued earlier and this was covered on Figure 1 above. Political barriers are also present in former Communist countries with economies in transition (Webster, Ivanov and Illum, 2011), and in this case the emphasis is on structural factors slowing down the work and responsiveness of the various bodies (Hristov, 2013). The private sector represented by the Tourism Council is excluded of the decision-making process (see Figure 1). It is then clear that Plovdiv needs a body, which efforts will be concentrated on enhancing the local tourism through involving stakeholders representing both, the public and the private sector. The Municipal Enterprise for Tourism through its Tourist Information Centre body is the current form of Destination Marketing Organisation (DMO) in Plovdiv. Responsibilities and functions of other public organisations also fall within the scope of a typical DMO as in the
the Tourism Council coordinating partnerships between tourism businesses and municipal structures. Hence, the establishment of an independent DMO is recommended at this stage if the heritage tourism product is to be fully developed. A DMO in Plovdiv could serve as a platform for active collaboration and discussions between bodies, organisations and businesses representing the public and private sector (Hristov, 2013). There is a need for close collaboration with the accommodation and transport providers so heritage tourism products are further promoted, and included in holiday packages. A local DMO body will be working towards intensifying the public-private Partnerships and bring authorities and businesses which share common objectives together. As previously argued by Urry (2002), it is imperative that competitive destinations should be able to attract the emerging, increasingly selective post-tourist and the above recommendation is a key step towards it.

IMPLICATIONS AND FUTURE RESEARCH

Outcomes of this investigation can be applicable to tourism destinations in emerging economies with limited marketing and promotion budgeting. The study advocates and supports collaborative initiatives and partnerships among the public sector as a way of implementing effective marketing strategies in developing tourism markets as it is in the case of Old Plovdiv. Neighbouring urban heritage tourism destinations may then implement sound practices explored in the context of Old Plovdiv.

Active public sector working towards adopting open-door policy for private sector inclusion can provide an alternative platform for tourism destination managers to effectively market and promote areas of tourism activity. This is to be done by pooling resources with private parties – a survival approach in times of austerity and limited public funding for tourism. In this sense, tourism businesses are to play vital role in contemporary destination management as a provider of economic resources.

Future research regarding marketing planning of urban heritage tourism destinations should capture the role of web-based campaigns in collaborative marketing and promotion. Ways of developing active electronic distribution channels with limited budgeting through co-efforts, bounded by public tourism parties in Post-Communist settings should also be uncovered.

This study proves to be of practical value to destination practitioners as it captures practices that emphasise on the importance of
actively engaging with private parties in times, when economic resources are scarce (e.g. airline companies, as in the case of Plovdiv). Similarly, it calls for an increased understanding from the public sector of the benefits that inter-organisational collaboration (within the Municipality) and alliances with other public bodies (e.g. Plovdiv Airport) can bring. Thus, the prospective role of local airports in terms of marketing and promotion in urban heritage tourism destinations should be addressed. Directions of collaborative marketing and promotion in the light of the advances and increased accessibility of the air transport and thus, providing destination development opportunities through airports in localities should also be brought to attention.

REFERENCES


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EXPLORING THE COGNITIVE IMAGE OF A TOURISM DESTINATION

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This paper explores and evaluates the structure of the cognitive component of tourism destination image. The empirical study is operationalized in a sun-and-sand tourism destination of a Greek region. Given the reported multidimensionality of the construct, and the critic on the psychometric properties of previously defined scales measuring tourism destination image, this study examines the applicability of a new scale and provides empirical evidence to propose an alternative component structure for the formation of cognitive tourism destination image. Our analysis suggests four image dimensions: (1) must-be conditions (2) attractive conditions, (3) appealing activities, and (4) natural environment. Implications are discussed.

Keywords: Tourism destination, Cognitive image, dimensions

JEL Classification: L83, M1, O1

INTRODUCTION

Within the tourism marketing literature, recognizing attributes and attitudes associated with a specific destination by visitors is crucial (Baloglu & Love, 2005; Pike, 2002). In this context, researchers have operationalized the destination image concept, which has generally been utilized as an attitudinal construct (i.e. Gallarza, Gil, & Calderon, 2002; Beerli & Martin, 2004).

The premise then for advancing the study of destination image is that it contributes in understanding tourist behavior (Mansfeld, 1992; O’Leary & Deegan, 2003). For example, among others the construct’s importance has been suggested in explaining tourists’ preferences and visitation patterns (Mayo, 1973; Milman and Pizam, 1995), destination selection process (Chon, 1992; Echtner & Ritchie, 1991; Gunn 1972; Hunt 1975; Oppermann
Destination image research, despite the wide empirical validation in various studies, is loosely defined (Mazanec and Schweiger 1981), lacking a conceptual framework (Fakeye and Crompton 1991; Gartner 1994). Although more research work on destination image has provided more solid conceptual structures (i.e. Beerli and Martin, 2004; Pike and Ryan, 2004; Baloglu and McCleary, 1999; Chen and Kerstetter, 1999), still there are alternative views both on the definition of this image and its components (Gartner, 1989; Grosspietsch, 2006).

Regarding the multidimensionality issue, several studies centered on the cognitive component of image (i.e. Chaudhary, 2000; Echtner & Ritchie, 1993; Fakeye & Crompton, 1991; Grosspietsch, 2006) while other studies, more recent, have also considered the affective component (i.e. Beerli and Martin, 2004; Hong et al., 2006; Ryan and Cave, 2005; Sirakaya, Sonmez, and Choi, 2001; Son and Pearce, 2005). Further to the heterogeneity in components operationalized within cognitive image studies (Leisen, 2001), there is also no consensus in the dimensions comprising the cognitive image of a destination (Lee et al., 2005).

This paper aims to provide an in-depth examination of factors affecting image formation. Specifically, we concentrate on one of the components of the destination image, namely, the cognitive component by analyzing its composition. To address this objective, we carry out an empirical study in a sun-and-sand tourism destination in a tourist region of Greece. Regarding the attributes of the cognitive component of image, we explore and evaluate the applicability of previously defined scales of tourism destination image. In this way, the present study adds to the existing knowledge by providing empirical evidence for the structural pattern of elements contributing to the formation of destination image.

**STUDY BACKGROUND**

Previous research suggests that tourism destination image is a multidimensional construct (i.e. Baloglu and Brinberg, 1997; Echtner and Ritchie, 1993; Dann, 1996; Driscoll, Lawson and Niven, 1994; MacKay and Fesenmaier, 1997; Walmsley and Jenkins, 1993). However, a variety of alternative dimensional patterns reflecting destination image have also been reported (Leisen, 2001).

For example, Gartner (1994) suggested that the overall tourism destination image comprises three elements, namely, the cognitive,
affective, and the conative. In this respect, many studies conceptualized destination image as a construct comprising two interrelated components: the cognitive component reflecting evaluations of the perceived attributes of the destination, and the affective component echoing tourists’ feelings towards the destination (i.e. Baloglu and Brinberg, 1997; Baloglu and McCleary, 1999; Chen, 2001; Gartner, 1994; Hong et al., 2006; Walmsley and Young, 1998).

There is a consensus among researchers implying that both components contribute to the development of overall tourism destination image (i.e. Fakeye & Crompton, 1991; Phelps, 1986). Further to this, more recent work (i.e. Baloglu & Love, 2005) proposed the examination of overall image alone as the third component of the image next to the cognitive and affective components.

Most of previous research investigated the cognitive component of image (i.e. Baloglu and McCleary, 1999; Chaudhary, 2000; Chon, Weaver and Kim, 1991; Echtner and Ritchie, 1993; Fakeye and Crompton, 1991; Gartner 1989; Gartner and Hunt, 1987; Gartner and Shen, 1992; Goodrich, 1978; Grosspietsch, 2006; Hu and Ritchie, 1993; Hunt, 1975; Phelps, 1986; Walmsley and Jenkins, 1993). Researchers utilized alternative scales comprising different attributes in an effort to establish valid measures of destination image. Lee et al. (2005) criticized the lack of homogeneity of the attributes utilized in examining the cognitive destination image as idiosyncratically defined according to corresponding study contexts. Similarly, Gallarza, Gil, & Calderon (2002) questioned the psychometric properties of the majority of scales that measured the cognitive image.

Echtner and Ritchie (2003) in reviewing previous studies on cognitive destination image, concluded that the common attribute-based synthesis of the construct comprises 34 cross-referenced attributes altogether. In one of the first approaches involving a multi-item expression of cognitive destination image, Hunt (1975) suggested the use of a 20-item-attribute scale, based on tourism experts’ opinions and measured on a 5 and 7-point semantic differential scales. Hu and Ritchie (1993) proposed a 16-item-attribute scale using a 5-point semantic differential measuring scale. Main goal of the latter study was to evaluate the relative importance of each touristic attribute contributing to the attractiveness of a travel destination. Milman and Pizam (1995) used a 14-item cognitive image scale aiming at evaluation of a series of statements pertaining to overall perception of a tourist destination. In this case a 5-point Likert scale was employed, ranging from “1 = strongly disagree” to “5 = strongly agree”. In the published research of Baloglu and Mangaloglu (2001), destination images were examined in order to rate four countries as summer vacation
destinations, emphasizing the importance of travel intermediaries’ images. The measurement of this comparative research study has many similar items scale-wise with that of Milman and Pizam (1995). In the study of Pike and Ryan (2004), respondents were asked to indicate perceived performance for each one of five leading domestic holiday areas of New Zealand, using a 20-item-attribute cognitive scale with a 7-point measurement scale anchored with “1=not important” and “7=very important”. Finally, Beerli and Martin (2004) suggested a 29-item-attribute scale, using a 7-point Likert scale anchored by “1=totally disagree and 7=totally agree”. Each one of testing attributes reflects a different aspect of tourists’ perceived image from the destination.

RESEARCH DESIGN AND METHODOLOGY

Instrument Development

The measurement scale of cognitive destination image was developed according to recommended research procedure shown on Table 1 (Huang, 2009). These methodological steps were taken in order to enhance the content validity and reliability of measurements. A comprehensive literature review was first conducted to generate an initial list of measurement items (Beerli and Martin, 2004; Pike and Ryan, 2004; Baloglu and Mc Cleary, 1999; Echtner and Ritchie, 2003; Chen and Kerstetter, 1999). Three additional items were added to the 25-item scale resulted from literature review, after Critical Incident Technique (CIT) (Chell, 1998; Woolsey, 1986) was employed based on a sample of 64 undergraduate business administration students. The list of measurement items was formed both in greek and English. Participation of students to CIT implementation depended on whether they were actively involved in the past in deciding a tourism destination for their vacations. Other than that, students were approached by getting into classes, selected in a random order, and asking permission from instructors to run CIT before classes start. CIT returned 64 filled-out self-administered questionnaires in greek language, underlining the most positive, as well as the most negative experiences students could recall from a tourism destination they has visited in the past. The list of measurement items derived from both literature review and implementation of CIT was then submitted to a team of experts comprised of 5 tourism researchers and industry professionals. Field experts checked the measurement items that had been previously translated in English. The panel judged the applicability and validity of the
measurement items to current study, applying three round reviews of Delphi method (Clayton, 1997). The list of items remained the same but many items were rephrased, based on the expert panel’s opinions.

According to this list a draft questionnaire was designed for a pilot study, including demographic items, too. The resulted questionnaire was pre-tested with foreign tourists approached at International Airport of Thessaloniki, Greece (SKG) on June 8, 2013, during their wait to depart for their countries of permanent residence after spending vacations in Greece. Some of them were asked to fill out the questionnaire while waiting for check-in, while others entering the transit area of the airport and after passport, hand-luggage check. Pilot study revealed that answering the questionnaire at check-in departing areas was a difficult task for the tourists due to lack of space and time, resulting in unfinished questionnaires. However, survey was particularly successful in the transit area, where tourists found it much more convenient to provide their opinions. A few corrections in items’ expression were also indicated by pilot-study participants. After taking care of the issues raised during pilot study, the questionnaire was re-examined by the same team of experts, who were all agreed that the final version of it was suitable for conducting the main survey.

Table 1. Research Procedure for the current study (Huang, 2009)

<table>
<thead>
<tr>
<th>Research stage</th>
<th>Research action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literature Review</td>
<td>Research on cognitive image measurement scale items</td>
</tr>
<tr>
<td>Elicitation Study</td>
<td>• Implementation of Critical Incident Technique (CIT) using a sample of 64</td>
</tr>
<tr>
<td></td>
<td>undergraduate students who had vacations in Greece at least once in the past</td>
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<tr>
<td></td>
<td>without parental guidance</td>
</tr>
<tr>
<td></td>
<td>• Confirmation of measurement items by 5 field experts (Delphi method)</td>
</tr>
<tr>
<td>Initial Questionnaire</td>
<td>Results from literature review and elicitation study</td>
</tr>
<tr>
<td>Development</td>
<td></td>
</tr>
<tr>
<td>Pilot Study</td>
<td>Questionnaire was tested on 85 tourists departing from International Airport</td>
</tr>
<tr>
<td></td>
<td>of Thessaloniki, Greece to their home countries (June 8, 2013)</td>
</tr>
<tr>
<td>Final Questionnaire</td>
<td>Results of experts’ opinions and pilot study</td>
</tr>
<tr>
<td>Development</td>
<td></td>
</tr>
<tr>
<td>Data Collection</td>
<td>Mall interception technique, 325 usable self-administered questionnaires</td>
</tr>
<tr>
<td></td>
<td>(International Airport of Thessaloniki, Greece / June 26-30, 2013)</td>
</tr>
<tr>
<td>Data Analysis</td>
<td>Missing Values Analysis (MVA) using SPSS</td>
</tr>
<tr>
<td></td>
<td>Exploratory Factor Analysis using Principal Component Analysis (PCA)</td>
</tr>
</tbody>
</table>
Sample design and data collection characteristics

As Hair et al. (2010) suggest that absolute sample size must have more observations than variables, in case of collecting data for factor analysis performance. Moreover, researchers should make sure they have gathered a minimum of 50 and ideally 5 observations per variable. Therefore, in our case a sample size of 280 observations is considered adequate (5×28×2=280). Main survey took place at SKG during June 26-30, 2013 using mall interception technique. During those 5 research days a total of 522 tourists were approached and 342 accepted to respond to the questionnaire. Finally, the survey procedure returned 325 usable questionnaires, with a mean daily yield of 65 full responses.

Table 2 summarizes the survey profile of 325 tourists, with 48.2% of them being men and 51.8% women. The vast majority of survey participants were returning to three countries: Russian Federation (46.1%), Germany (35.5%) and U.K. (13.2%), featuring anyway as three of the top tourist markets of Greece (SETE, 2012). More than 33% of them are youngsters and at the same time large portions of visitors are in their 30’s or 40’s (20% to 25%). As far as the annual household income is concerned, it should be noticed that 23.5% of the visitors in Greece live at their home country with less than 10,000 € at an annual base, the majority of whom are people coming from Russia and students from all tourist markets. At the upper extreme, there is a 17.1% of tourists making more than 100,000 € annually, but the fact is that some 56% of the survey participants have an aggregate annual household income of less than 50,000 €. Additionally, the educational level of 65.1% of those tourists is college studies or more, and only 5.4% of them have not gone to High school. Most of respondents work in the private sector as employees (52.5%) or they run their own business (12.9%), with students being another important segment. In conclusion, there is a clear predominance of individuals aged between 30 and 49 years (45.6%), with college education, working as full-time employees and living with less than 10,000 € per year.

Measurement and data analysis

According to Fishbein and Ajzen (1975) cognitive beliefs are clearly distinguished from attitudes. Triandis (1977, 1980) suggested that cognitive belief of an individual is a function of perceived consequences (i.e. perceptions) and the individual evaluation of these consequences (i.e. attributed importance). Thus, cognitive destination image of cognitive item $i$ is calculated through equation 1:
Table 2. Survey participant profile

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td>Male: 48.2%</td>
</tr>
<tr>
<td></td>
<td>Female: 51.8%</td>
</tr>
<tr>
<td><strong>Country of Residence</strong></td>
<td>Russia: 46.1%</td>
</tr>
<tr>
<td></td>
<td>Germany: 35.5%</td>
</tr>
<tr>
<td></td>
<td>UK: 13.2%</td>
</tr>
<tr>
<td></td>
<td>Other: 5.2%</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>&lt; 19: 10.0%</td>
</tr>
<tr>
<td></td>
<td>20-29: 23.1%</td>
</tr>
<tr>
<td></td>
<td>30-39: 20.4%</td>
</tr>
<tr>
<td></td>
<td>40-49: 25.2%</td>
</tr>
<tr>
<td></td>
<td>50-59: 14.9%</td>
</tr>
<tr>
<td></td>
<td>&gt; 60: 6.4%</td>
</tr>
<tr>
<td><strong>Annual Household income (€)</strong></td>
<td>&lt; 10,000: 23.5%</td>
</tr>
<tr>
<td></td>
<td>10 k – 30 k: 17.8%</td>
</tr>
<tr>
<td></td>
<td>30 k – 50 k: 14.7%</td>
</tr>
<tr>
<td></td>
<td>50 k – 70 k: 12.6%</td>
</tr>
<tr>
<td></td>
<td>70 k – 100 k: 14.3%</td>
</tr>
<tr>
<td></td>
<td>&gt; 100 k: 17.1%</td>
</tr>
<tr>
<td><strong>Highest Level of Education</strong></td>
<td>&lt;High School: 5.4%</td>
</tr>
<tr>
<td></td>
<td>High School: 15.6%</td>
</tr>
<tr>
<td></td>
<td>Post-Secondary: 6.2%</td>
</tr>
<tr>
<td></td>
<td>College, no grad.: 9.8%</td>
</tr>
<tr>
<td></td>
<td>College, compl.: 38.1%</td>
</tr>
<tr>
<td></td>
<td>Tech. Training: 7.7%</td>
</tr>
<tr>
<td></td>
<td>Post-graduate: 17.2%</td>
</tr>
<tr>
<td><strong>Employment Status</strong></td>
<td>*FLB: 12.9%</td>
</tr>
<tr>
<td></td>
<td>**FTE: 52.5%</td>
</tr>
<tr>
<td></td>
<td>†PTE: 10.9%</td>
</tr>
<tr>
<td></td>
<td>Household: 2.3%</td>
</tr>
<tr>
<td></td>
<td>Student: 16.0%</td>
</tr>
<tr>
<td></td>
<td>Pensioner: 4.0%</td>
</tr>
<tr>
<td></td>
<td>Other: 1.4%</td>
</tr>
</tbody>
</table>

Note: *FLB = Free-Lance professional / Businessman, **FTE = Full-Time Employee, †PTE = Part-Time Employee

\[
CI_i = P_{ci} \times V_{ci} \tag{1}
\]

where,

\( CI_i \) = cognitive destination image of item \( i \),
\( P_{ci} \) = perceived consequence of item \( i \),
$V_{ci}$ = evaluated importance of item $i$.

Final questionnaire is comprised by 3 main sections: a) control questions, b) cognitive destination image questions measuring with the same 28-item scale both perceptions ($P_{ci}$) and value or importance ($V_{ci}$) attributed by respondents to each cognitive item, and c) demographics. Cognitive image was measured based on its two components by asking respondents to provide feedback on: 1) “My visit to Greece has included or it can offer….”, and 2) “I evaluate the following attributes, for the case of Greece, as follows….”. Table 3 presents the list of cognitive attributes that were included in the self-administered questionnaire.

All items related to cognitive image have been measured on a 7-point Likert scale ranging from “1=totally disagree” to “7=totally agree” for capturing perceptions and from “1=totally unimportant” to “7=totally important” for evaluating importance. This type of measurement scale has been widely applied in tourism destinations marketing studies (Alcañiz et al., 2009; Lam and Hsu, 2006; Baloglu and Mangaloglu, 2001; Beerli and Martin, 2004; Chen and Tsai, 2007). Moreover, respondents were given the choice to reply “I cannot answer”, if this was their true will, in order to avoid false neutral evaluations (Shoemaker et al., 2002).

Data were processed with SPSS statistical package according to the step-by-step procedure of Table 4. Missing data analysis took place using Expectation-Maximization (EM) technique, since missing data accounted for > 5% of the sample (Walker et al., 2013). Then, we proceeded in repetitive implementation of EFA using Principal Component Analysis (PCA) to summarize most of variance in a minimum number of factors for prediction purposes (Hair et al., 2010). Reliability or internal consistency was measured twice: firstly, before EFA implementation on the 28-item CI scale, and secondly after pruning 5 items, on the resulting 23-item CI scale. Pruning of those items was decided based on two criteria, i.e. communalities and factor loadings, in order to minimize “noise” and increase scale validity (Hair et al., 2010). Table 5 illustrates the quantitative criteria that were put in use for scale evaluations. Finally, the number of factor extracted was cross-checked with applying parallel analysis (PA). This Monte Carlo simulation process provides the researcher with eigenvalues from randomly generated correlation matrices, which can then be compared with those extracted from researcher’s dataset (Patil et al., 2007). According to Horn (1965), the number of factors to retain will be the number of eigenvalues (generated from the dataset) having larger values than the corresponding random eigenvalues.
Table 3. Items of the cognitive image in questionnaire

<table>
<thead>
<tr>
<th>Cognitive destination image</th>
</tr>
</thead>
<tbody>
<tr>
<td>• (C1) Good climate</td>
</tr>
<tr>
<td>• (C2) Great beaches</td>
</tr>
<tr>
<td>• (C3) Beautiful landscape</td>
</tr>
<tr>
<td>• (C4) Great variety of plants and animals</td>
</tr>
<tr>
<td>• (C5) Good quality of infrastructure</td>
</tr>
<tr>
<td>• (C6) Availability of hotels/ lodgings/ camping</td>
</tr>
<tr>
<td>• (C7) Convenient to get tourism information</td>
</tr>
<tr>
<td>• (C8) Various shopping opportunities</td>
</tr>
<tr>
<td>• (C9) Exciting night life and entertainment (e.g. nice bars, restaurants, shows, casinos etc.)</td>
</tr>
<tr>
<td>• (C10) Relaxing /avoidance of daily routine</td>
</tr>
<tr>
<td>• (C11) Interesting cultural attractions</td>
</tr>
<tr>
<td>• (C12) Interesting historical monuments &amp; relevant events</td>
</tr>
<tr>
<td>• (C13) Good facilities for sports training</td>
</tr>
<tr>
<td>• (C14) Nice opportunities for biking / fishing / hunting / climbing</td>
</tr>
<tr>
<td>• (C15) Appealing local food (cuisine)</td>
</tr>
<tr>
<td>• (C16) Safe place to travel</td>
</tr>
<tr>
<td>• (C17) Easily accessible from permanent residence</td>
</tr>
<tr>
<td>• (C18) Family-oriented destination</td>
</tr>
<tr>
<td>• (C19) Standard hygiene and cleanliness</td>
</tr>
<tr>
<td>• (C20) Friendly and hospitable local people</td>
</tr>
<tr>
<td>• (C21) Good value for money</td>
</tr>
<tr>
<td>• (C22) Political stability</td>
</tr>
<tr>
<td>• (C23) Good reputation</td>
</tr>
<tr>
<td>• (C24) Unpolluted / unspoiled natural environment</td>
</tr>
<tr>
<td>• (C25) Implementation of policies towards sustainability &amp; environmental protection</td>
</tr>
<tr>
<td>• (C26) Strikes and Social unrests</td>
</tr>
<tr>
<td>• (C27) Satisfactory customer care on behalf of various professionals (e.g. waiters, hotel managers, tour guides)</td>
</tr>
<tr>
<td>• (C28) Nice opportunities for wine-tourism</td>
</tr>
</tbody>
</table>

Table 4. Major steps in data analysis

<table>
<thead>
<tr>
<th>Steps</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Handling</td>
<td>• Data coding</td>
</tr>
<tr>
<td></td>
<td>• Handling missing data with Expectation-Maximization Technique (EM) using SPSS</td>
</tr>
<tr>
<td>Descriptive Analysis</td>
<td>• Characteristics of sample</td>
</tr>
<tr>
<td></td>
<td>• Overall data quality / Sample Adequacy</td>
</tr>
</tbody>
</table>
The 28 items of the proposed cognitive image scale were subjected to principal component analysis (PCA) using SPSS. Prior to performing PCA, reliability and suitability of data for factor analysis was assessed. Initially, scale reliability was assessed with internal consistency (Cronbach’s alpha $\alpha$), and the results are presented on Table 6. Taking into account the criterion for internal consistency shown in Table 5, we conclude that the 28-item scale is a reliable one. Inspection of the correlation matrix revealed the presence of many coefficients of .30 and above. The Keiser-Meyer-Olkin (KMO) value was initially calculated at .934 for the 28-item scale (Table 7), exceeding the recommended value of .60 (Kaiser 1970, 1974. Moreover, Bartlett’s Test of Sphericity (Bartlett, 1954) reached statistical significance, supporting the factorability of the correlation matrix.

Principal components analysis was initially implemented, with Promax rotation, revealed the presence of five components with eigenvalues exceeding 1, explaining 37.85%, 7.16%, 6.54%, 4.81% and 3.92% of the variance, respectively. An inspection of the screeplot revealed a clear break after the fourth component. Using Catell’s (1966) scree test, it was decided
to retain four components for further investigation (Figure 1). This was further supported by the results of Parallel Analysis (PA), which showed only four components with eigenvalues exceeding the corresponding criterion values for a randomly generated data matrix of the same size (28 variables × 325 respondents). Therefore, we proceeded with the implementation of a new PCA, applying an a priori criterion for four components to be extracted. A detailed check of communalities, as well as of cross-loadings in the Pattern matrix leads to taking out of the scale five variables in consecutive steps: CI4, CI7, CI9, CI20 and CI26. At this point, the final stage of EFA has been reached. First, reliability of the 23-item cognitive image scale has to be determined.

### Table 6. Scale reliability of cognitive destination image

<table>
<thead>
<tr>
<th>Scale Reliability</th>
<th>28-item scale</th>
<th>23-item scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Consistency - Cronbach’s alpha</td>
<td>.926</td>
<td>.928</td>
</tr>
</tbody>
</table>

### Table 7. Suitability of data for factor analysis

<table>
<thead>
<tr>
<th>Measures</th>
<th>Values (28-item scale)</th>
<th>Values (23-item scale)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin for Sampling Adequacy</td>
<td>.934</td>
<td>.933</td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity (Approx. $\chi^2$)</td>
<td>22597.585</td>
<td>11594.308</td>
</tr>
<tr>
<td>df</td>
<td>378</td>
<td>253</td>
</tr>
<tr>
<td>Sig.</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

As Table 6 shows, evaluation of Cronbach’s alpha has been increased (.928 > .70) and the new 23-item scale can be assumed reliable (George, 2003). Then, Keiser-Meyer-Olkin (KMO) value was initially calculated at .933 for the 23-item scale (Table 7), satisfying the relevant criterion (.933>.70). Moreover, Bartlett’s Test of Sphericity (Bartlett, 1954) reached again statistical significance.

Principal component analysis took place with Promax rotation, because it was previously found that Varimax or no-rotation did not result in a clear factorial structure. Table 8 shows strong correlations among four components extracted (e.g. -.669, -.640, .532), which means that an oblique rotation like promax, and not an orthogonal one, would be most appropriate (Hair et al., 2010) (Table 9).
Figure 1. Scree plot for the 28-item cognitive scale

Table 8. Correlations of cognitive image components from initial extraction (Varimax Transformation Matrix)

<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.632</td>
<td>.532</td>
<td>.452</td>
<td>.336</td>
</tr>
<tr>
<td>2</td>
<td>-.640</td>
<td>.423</td>
<td>.588</td>
<td>-.256</td>
</tr>
<tr>
<td>3</td>
<td>-.093</td>
<td>-.669</td>
<td>.578</td>
<td>.457</td>
</tr>
<tr>
<td>4</td>
<td>-.426</td>
<td>.300</td>
<td>-.340</td>
<td>.783</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

Consequently, this components extraction explains 40.54%, 8.58%, 7.27% and 5.82% of the variance respectively (Table 11). This result was supported by implementation of a new Parallel Analysis with Monte Carlo simulation (Patil et al., 2007), which allowed only four components with eigenvalues exceeding the corresponding criterion values for a randomly
generated data matrix of the same size (23 variables × 325 respondents), as it is shown on Table 10.

Table 9. Correlations of cognitive image components from final extraction (Promax Correlation Matrix)

<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.000</td>
<td>.569</td>
<td>.456</td>
<td>.476</td>
</tr>
<tr>
<td>2</td>
<td>.569</td>
<td>1.000</td>
<td>.440</td>
<td>.260</td>
</tr>
<tr>
<td>3</td>
<td>.456</td>
<td>.440</td>
<td>1.000</td>
<td>.338</td>
</tr>
<tr>
<td>4</td>
<td>.476</td>
<td>.260</td>
<td>.338</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.

Table 10. Comparison of eigenvalues from PCA and criterion values from parallel analysis

<table>
<thead>
<tr>
<th>Component Number</th>
<th>Criterion value from parallel analysis</th>
<th>Actual eigenvalue from PCA</th>
<th>Decision PCA &gt; PA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.592845</td>
<td>9.325</td>
<td>Accept</td>
</tr>
<tr>
<td>2</td>
<td>1.478940</td>
<td>1.743</td>
<td>Accept</td>
</tr>
<tr>
<td>3</td>
<td>1.418301</td>
<td>1.660</td>
<td>Accept</td>
</tr>
<tr>
<td>4</td>
<td>1.350061</td>
<td>1.359</td>
<td>Accept</td>
</tr>
<tr>
<td>5</td>
<td>1.301890</td>
<td>1.029</td>
<td>Reject</td>
</tr>
<tr>
<td>6</td>
<td>1.250563</td>
<td>.926</td>
<td>Reject</td>
</tr>
</tbody>
</table>

a) Sample: 325, b) Number of variables: 23, c) Percentile of Eigenvalues: 95

Table 11. Results of Exploratory Factor Analysis (PCA) for cognitive destination image

<table>
<thead>
<tr>
<th>Component / Items</th>
<th>Factor Loadings</th>
<th>Eigenvalue</th>
<th>Variance Explained</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Factor 1:</strong></td>
<td></td>
<td>9.325</td>
<td>40.54%</td>
<td>.852</td>
</tr>
<tr>
<td>Must-be Conditions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of hotels/lodgings/camping</td>
<td>.633</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relaxing/avoidance of daily routine</td>
<td>.796</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appealing local food (cuisine)</td>
<td>.739</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safe place to travel</td>
<td>.687</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Easily accessible from permanent residence</td>
<td>.688</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family-oriented destination</td>
<td>.509</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good value for money</td>
<td>.647</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfactory customer care on behalf of various professionals</td>
<td>.562</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Factor 2:
The four component solution explained a total of 62.21% of the variance, which agrees with specified condition of 60% or higher (Hair et al., 2010). The rotated solution revealed the presence of a simple structure, with all four components showing a number of strong loadings and the corresponding variables loading substantially on only one component (see Table 11), thus satisfying validity criterion for factor loadings (> .50) (Table 5). Calculation of Cronbach’s alpha for each component resulted in very high values, supporting reliability for the proposed grouping of variables under these four components.

DISCUSSION AND CONCLUSIONS

The present study explored tourists’ image associations to examine the dimensionality of cognitive tourism destination image. The study has both theoretical and practical implications. From a theoretical standpoint, the

<table>
<thead>
<tr>
<th>Attractive conditions</th>
<th>Factor 3: Appealing Activities</th>
<th>Factor 4: Natural environment</th>
<th>Total Variance Explained</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>62.21%</td>
</tr>
<tr>
<td>Good quality of infrastructure</td>
<td>1.743</td>
<td>8.58%</td>
<td>.877</td>
</tr>
<tr>
<td>Standard hygiene &amp; cleanliness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political stability</td>
<td>.547</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good reputation of destination</td>
<td>.558</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unpolluted/unspoiled natural environment</td>
<td>.808</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of policies towards sustainability &amp; environmental protection</td>
<td>.856</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Various shopping opportunities</td>
<td>.559</td>
<td>7.27%</td>
<td>.793</td>
</tr>
<tr>
<td>Interesting cultural attractions</td>
<td>.774</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interesting historical monuments &amp; relevant events</td>
<td>.806</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good facilities for sports training</td>
<td>.504</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nice opportunities for biking/fishing/hunting/climbing</td>
<td>.638</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nice opportunities for wine-tourism</td>
<td>.576</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good climate</td>
<td>.667</td>
<td>5.82%</td>
<td>.754</td>
</tr>
<tr>
<td>Great beaches</td>
<td>.810</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beautiful landscape</td>
<td>.767</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
study explored the structure of factors reflecting tourism destination image. It added to the existing knowledge by providing empirical evidence for the elements contributing to the analysis of cognitive destination image. It was found that a destination image is developed on four dimensions. The uniqueness is that it demonstrates an alternative structure of elements contributing to destination image development. Aligned with results from previous studies, the study empirically confirmed that cognitive destination image is multi-dimensional. Our analysis suggests four image dimensions: (1) must-be conditions (2) attractive conditions, (3) appealing activities, and (4) natural environment (Table 12).

The “must-be conditions” are those that in the eyes of tourists are basic when they consider a destination. In other words, these are conditions that a specific destination should fulfill as an entry requirement in the market. They include attributes such as “availability of hotels/lodgings/camping”, “safe place to travel”, and “satisfactory customer care on behalf of various professionals”.

<table>
<thead>
<tr>
<th>Components</th>
<th>Observed Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Must-be conditions</td>
<td>CI6, CI10, CI15, CI16, CI17, CI18, CI21, CI27</td>
</tr>
<tr>
<td>2 Attractive conditions</td>
<td>CI5, CI19, CI22, CI23, CI24, CI25</td>
</tr>
<tr>
<td>3 Appealing activities</td>
<td>CI8, CI11, CI12, CI13, CI14, CI28</td>
</tr>
<tr>
<td>4 Natural environment</td>
<td>CI1, CI2, CI3</td>
</tr>
</tbody>
</table>

The “attractive conditions” are those that are expected to provide satisfaction to tourists and could include among others, “standard hygiene and cleanliness”, and “implementation of policies towards sustainability and environmental protection”. The “appealing activities” are those that could form a basis for differentiation for a specific destination, and could “interesting historical monuments and relevant events” and “good facilities for sports training” among others.

In comparison to other research studies with similar (but not identical) sets of cognitive items, this study differs in the proposed conceptualization of destination image. Chen and Kerstetter (1999) concluded in four image dimensions from a total of 39 cognitive items that were named tourism infrastructure, atmosphere, natural amenity, and farm life, with regard to a rural tourism site. Bosque and Martin (2008) identified a set of four cognitive factors including 22 items, namely infrastructure and socioeconomic environment, atmosphere, natural environment and cultural environment. A research study of Jeong and Holland (2012) revealed four cognitive underlying dimensions, i.e. activities, facilities, natural attractions
and cultural attractions, which came from 38 items that were initially examined. Previous studies in addition to those published by Beerli and Martin (2004) and Chen and Hsu (2000) have created sets of factors that have a similar grouping of variables and referring to the nature of tourism destination. In our case, the grouping of variables does not follow the same pattern, but corresponds to tourists’ involvement with the tourism destination. The natural environment dimension could be considered as exception to that; however, “natural environment” is a distinct dimension in all studies published on cognitive destination image. Therefore, the procedure described above revealed four factors that represent tourists’ prioritization of their needs towards destination.

The study has certain limitations that relate mainly to the fact that the cognitive approach of tourism image formation was only investigated, which limits the significance of “destination image” as predictor of tourist behavior. Furthermore, in case of examining decision making for a tourism destination it would require to apply a confirmatory factor analysis to evaluate the proposed cognitive measurement scale.

REFERENCES


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REFEREED ANONYMOUSLY*

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IMAGE COMPONENTS OF NIGHTLIFE-CLUBBING DESTINATIONS

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This study explored 141 British tourists’ perception of Kavos’ Corfu as a destination. It measured the components of Kavos’ destination image. Data was collected with an aided self–completion questionnaire and data analysis included descriptive statistics (frequencies, percentages and means), reliability, and factor and cluster analysis. 18 destination components were rated on a 5-point Likert scale and continuously factor analyzed, producing 4 factors and accounting for 80.7% of the total variance. Segmentation based on factors produced 3 segments with N=32; 50 and 59 British tourists respectively and with Final Cluster Centers ranging from 3.03 to 4.60. This research has contributed to the theoretical gap of the tourism industry literature regarding destination image formation in the Mediterranean and specifically Greece. These results can be used as a basis for destination improvement and strategy formation.

Keywords: Tourism, destination image, Kavos, Corfu

JEL Classification: L83, M1, O1

INTRODUCTION

Research on destinations image started in the early 1970s with the seminal works of Gunn (1972), Mayo (1973) and Hunt (1975). Since then, destination image has been a very important topic in the tourism literature (Pike, 2004; O’Leary & Deegan, 2005). Destination image is
considered as an important aspect of destination marketing (Tasci et al., 2007). From consumer behaviour point of view, destination image is a leading consideration in interpreting tourists’ decision making process since it affects the destination selection and the level of tourists satisfaction (Gallarza et al., 2002; O’Leary & Deegan, 2005; Kamenidou et al., 2009). Studies (i.e., Lee et al., 2005) reveal that destination image is an essential antecedent of tourist satisfaction. Destination image is vital for a destination's survival since destinations are becoming more and more replaceable (Assaker et al., 2011), due to increasing competition from new and emerging destinations worldwide.

Destinations with intense night life and clubbing (i.e., Ibiza, Kavos, Faliraki, Agia Napa) are of a great importance for young tourists. Although, these destinations are very popular, to the authors knowledge there have not been studies regarding the perceived components of the above mentioned and popular destinations and to what extent these components are important for destination image formation. Also, the British tourists comprise a significant market share for Corfu, which for many years it has been considered a very “in” destination for young British people (O’ Connor, 2008), especially for the age range of 17-24. Thus, this study aims to investigate international tourists’ perceptions of the destination image components from the famous nightlife/clubbing destination Kavos, Corfu. Andriotis (2010) indicates that the majority of the research body has been centered mainly on non-European young tourists, while for British there are a significant number of studies focusing on Ibiza. The principal theme of these studies is young tourists' behaviour in these destinations.

The structure of the paper proceeds as follows. Continuously a brief literature on destination image and night life destination is presented. Thereafter, the methodology and results are unfolded. Lastly, this paper closes with the conclusions, limitations and recommendations.

LITERATURE REVIEW

Destination Image

Destination image is a well-researched concept in tourism literature. However, there is not a universally used definition. Jenkins (1999) asserts that defining destination image is rather problematic. The most well-known definition is that by Crompton (1979: 18) “the sum of beliefs,
ideas and impressions that a person has of a destination”, mainly because of its simplicity.

The body of study on destination image has covered many issues. Gallarza et al. (2002) reports that the main research areas on the topic include the conceptualization of the destination image, the destination image formation, the measurement of the destination image destination image change over time, influence of distance on destination image, active and passive role of residents in image study and destination image management policies such as positioning and promotion (e.g. Baloglu & McCleary, 1999; Pike & Ryan, 2004; Tasci & Gartner, 2007; Kamenidou et al., 2009; Prayag, 2009; Cheng & Lu, 2013). Also, a number of studies have centred on segmentation based on destination image (i.e., Kamenidou et al., 2009; Assaker & Hallak, 2012).

This body of research indicates that destination image is rather a multifaceted issue and complex system (Agapito et al., 2010) and there are many different approaches to studying destination image (Gallarza et al., 2002). Furthermore, it is quite difficult to recognize the features that construct the tourists’ destination image since it consists of tourists’ individual explanation of reality (Bigne et al., 2001). Destinations which potential tourists hold strong positive images have a high probability of being chosen (Alhemoud & Armstrong, 1996).

**Night Life destinations**

Summer vacations at nightlife/clubbing destinations draw the interest of numerous young tourists from many countries (i.e., Andriotis, 2010; Tutenges, 2012). Sönmez et al (2013) describe these destinations as "purposefully packaged and aggressively marketed by transnational tour operators [TO] to that segment of youth travellers seeking hedonistic playgrounds that offer unrestrained drinking and round-the-clock partying with others of their own age, a host of activities that permit behaviors unconstrained by social norms at home, and music and dancing to offer a release from customs of the civilized social spaces of daily life" (p. 40).

For young tourists, the most important motivation factor for tourism is to obtain hedonic and pleasure seeking vacations (Diken & Laustsen, 2004) that are different from those typically encountered in normal everyday life (Andriotis, 2010). This experience plays a significant part in the lives of youth (Tutenges, 2012), since it helps them to create, enhance exciting and "memorable” vacations (Briggs & Turner, 2012). Previous studies (see Andriotis, 2010; Sönmez et al., 2013) indicate that this kind of experiences involves excessive drinking, drug use, risk sex behaviors
and many times the consequences are injuries, accidents, vandalism, fights, assaults, and even deaths. Mewhinney et al., (1995) assert that tourism constitutes the context in which risk behaviours occur especially in cases of young tourists, accompanied only by friends or other peers.

Although nightlife and clubbing focused tourism takes place in many locations around the world (Tutenges, 2012), the primary destinations are considered to be across the Mediterranean, Aegean, and Ionian seas (Sönmez et al., 2013). In particular, the same authors indicate that the most well-known nightlife destinations are in Spain (Ibiza, Mallorca), Greece (Crete, Corfu, Kos, Rhodes, Zakynthos) and Cyprus (Ayia Napa) while emerging destinations are in Bulgaria (Sunny Beach), Slovenia (Izola), Turkey (Alanya, Bodrum, Gümbet, Marmaris), and Egypt (Sharm el Sheikh).

**METHODOLOGY**

Due to that a destination image is a multifaceted concept; it is significant to investigate the multiple dimensions of it, so as to distinguish the point of importance of each attribute of destination experience. This study’s aimed population was international tourists who were staying at Kavos Corfu, which is considered as a popular tourist destination in Corfu. From the international tourists, British tourists were targeted since they consist of the core of international tourism in Corfu, representing more than 50% of international tourists of the area (Skinner, 2013).

Data collection regarding British tourists’ perception of components formulating Kavos’ destination image was realized with a questionnaire. The questionnaire was developed based on other academic studies (Crompton, 1979; Baloglu & McCleary, 1999; Diken & Laustsen, 2004; Yoon & Uysal, 2005; Kamenidou et al., 2009; Andriotis, 2010; Briggs & Turner, 2012; Sönmez et al., 2013) after making the proper modifications. A follow up qualitative research via depth interviews was undertaken with 13 British tourists in order to validate the destination image components, before using it in the field research. Eighteen image components were included in the questionnaire while 16 others were dropped since they were not considered at all as a part of Kavos’ destination image. The questionnaire is divided into 4 sections: the first section refers to visitation behavior, the second regards Kavos’ destination image components, the third destinations competing Kavos, and lastly the fourth refers to British tourists’ socioeconomic and demographic characteristics (gender, age, occupation, marital status).
For the quantitative study, convenience sampling was employed to collect the data required. Only term for a tourist to be part of the study was that they had to stay in Kavos at least two days, in order to have a complete and overall judgment.

The sample collection took place in Kavos during the months of July and August, 2011. Totally, two hundred and fifty questionnaires were handed out and 141 were included as considered useful for the research, accounting for a response rate of 56.4%. This sample size can be considered as satisfactory for the purposes of the research as well as the main statistical analysis utilized (Hair et al., 2010). Data analysis included descriptive analysis (frequencies, percentages and means), reliability and factor analysis and cluster analysis.

RESULTS-DISCUSSION

Consumers’ profile and visitation to Kavos

As to gender, 62% of the sample was males and 38% were females. Regarding age the largest part of the sample were up to 22 years old (67.6%), single (100%), students (77.9%) and monthly income (82.8%) up to 1000.00£. From the sample, 75.2 % have never visited Kavos and only 14.8% had 1-3 times before.

Main reasons for choosing Kavos as a destination (MS>4.00) was to “experience the wild nightlife and clubbing” (MS=4.30); to “experience pleasure from the ‘liberated sex life’ ” (MS=4.27); to “go off limits” (MS=4.09).

The main sources of information regarding Kavos were 68.2% from tour operators; 66.1% from the internet; and 65.2% friends/relatives, while the main destination competing to Kavos is Ibiza Spain (68%); Malia, Crete (61%); and Ayia Napa, Cyprus (40%).

Factor analysis

The 18 destination components produced by previous literature and qualitative depth interviews were then tested on a 5-point Likert attitudinal scale. Specifically tourists were asked to point their degree of agreement towards each component which is “reflecting the image of Kavos as a destination”. Means Score of each item is presented on Table 1. These items that were rated as destination image were exploratory factor analyzed with Principle Component Analysis and varimax rotation in order to capture the underlying dimensions of Kavos’ destination.
image. Factors with eigenvalues greater and loadings on the factor >0.50 were detained. In this matter, no item had to be eliminated (Table I). In the factor analysis, the indicators Kaiser-Meyer-Olkin measure of sampling (KMO), Bartlett Test of Sphericity (BTS) and Significance (p) are presented, which are indicators of competence implementation of the model Principal Component Analysis (Hair et al., 2010). Factor analysis produced four factors (K.M.O.= 0.877; B.T.S=2055.363; df=153; p= 0.00) accounting for 80.7% of the Total Variance (T.V.), with total reliability of the scale, a=0.9286.

Table 1: Kavos destination image factors

<table>
<thead>
<tr>
<th>Factors</th>
<th>Satisfaction items</th>
<th>Factor loading</th>
<th>Mean Score</th>
<th>Cronbach a/ factor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Factor 1:</strong> Wild destination</td>
<td>Good - exciting nightlife</td>
<td>0.816</td>
<td>4.42</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sexually wild place/ Liberation of ethics/ free relations</td>
<td>0.892</td>
<td>4.58</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Liberate alcohol consumption</td>
<td>0.886</td>
<td>4.75</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Having fun, being entertained, doing exciting things</td>
<td>0.754</td>
<td>4.01</td>
<td>0.9250</td>
</tr>
<tr>
<td></td>
<td>Finding thrills and excitement</td>
<td>0.821</td>
<td>4.13</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Adventurous place</td>
<td>0.569</td>
<td>4.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Beach parties</td>
<td>0.656</td>
<td>4.07</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Festivals and events</td>
<td>0.679</td>
<td>3.25</td>
<td></td>
</tr>
<tr>
<td><strong>Factor 2:</strong> Money for value destination</td>
<td>Special deals</td>
<td>0.890</td>
<td>4.80</td>
<td>0.9286</td>
</tr>
<tr>
<td></td>
<td>Good prices</td>
<td>0.883</td>
<td>4.66</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Coupons for bars etc</td>
<td>0.876</td>
<td>4.72</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Value for money</td>
<td>0.848</td>
<td>4.00</td>
<td></td>
</tr>
<tr>
<td><strong>Factor 3:</strong> Infrastructure quality and safe destination</td>
<td>Hygiene and Cleanliness</td>
<td>0.767</td>
<td>3.80</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Safe destination/Personal Safety</td>
<td>0.791</td>
<td>3.98</td>
<td>0.8042</td>
</tr>
<tr>
<td></td>
<td>Quality of Infrastructure (e.g. Efficient transportation, suitable accommodation, quality and variety of restaurants, shopping facilities, swimming pools)</td>
<td>0.797</td>
<td>3.37</td>
<td></td>
</tr>
<tr>
<td><strong>Factor 4:</strong> Sea and Sun destination</td>
<td>Good climate/ pleasure weather</td>
<td>8.71</td>
<td>3.80</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Nice and clean beaches</td>
<td>8.60</td>
<td>3.01</td>
<td>0.7560</td>
</tr>
<tr>
<td></td>
<td>Sandy beaches</td>
<td>7.31</td>
<td>327</td>
<td></td>
</tr>
</tbody>
</table>
The “Wild destination” factor was the first factor derived over factor analysis and includes 8 items, all associated with the “wild life” that tourists would live in Kavos. This factor accounts for 33.7% of the total variance and has item loadings on factor ranging from 0.569-0.892. These items have Mean Scores (MS) ranging from 3.25 up to 4.75, on a 5-point Likert Scale. The highest MS is granted to the item “Liberated alcohol consumption”, followed by “Sexually wild place/ Liberation of ethics/ free relations” (MS=4.58). These two items seem to cover the destination image that British tourists held regarding Kavos, and regarding the first factor derived.

The “Money for value destination” factor was the second factor identified via factor analysis and includes 4 items, all associated with the “money for value” aspect, i.e., good prices, deals, coupons, etc. that tourists get in Kavos. This factor accounts for 24.0% of the total variance and has item loadings on factor ranging from 0.848-0.890. These items have Mean Scores (MS) ranging from 4.00 up to 4.80, on a 5-point Likert Scale. The highest MS is granted to the item “special deals” (MS=4.80), and it seems to cover the destination image that British tourists held regarding Kavos in this factor. In general, British tourists believe that they get what they pay for.

Factor 3 was named “Infrastructure quality and safe destination” since it included the items associated with both infrastructure such as suitable accommodations, transportation, etc., and to personal safety, and with factor loadings ranging from 0.767-0.797. The MS of the items that consist of this factor range from 3.37-4.05, with the least MS referring to quality of infrastructure, meaning that Kavos cannot be regarded as a destination of good quality infrastructure.

Lastly, factor 4 was named “Sea and sun destination” since it included the items associated with sea and sun components of a destination, and with factor loadings ranging from 0.731-0.871, and MS ranging from 3.01-3.80. This destination does not seem to have a sea and sun destination according to British tourists.

Tourist segments based on destination image perception

In order to segment the sample based on the four factors dimensions of Kavos’ destination image, cluster analysis was employed. At first hierarchical cluster analysis was performed and secondly K-means cluster analysis, in order to define if clusters had physical interpretation. The analysis resulted in a three cluster solution. Each segment's Final Cluster Centers (FCC), as well as the sample size is presented in Table 2.
Table 2: Cluster analysis based on destination image factors

<table>
<thead>
<tr>
<th>Satisfaction Factors</th>
<th>1st cluster n=32</th>
<th>2nd cluster n=50</th>
<th>3rd cluster n=59</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1: Wild destination</td>
<td>3.33</td>
<td>4.60</td>
<td>3.66</td>
</tr>
<tr>
<td>F2: Money for value</td>
<td>3.03</td>
<td>4.18</td>
<td>4.09</td>
</tr>
<tr>
<td>F3: Infrastructure quality and safe destination</td>
<td>3.09</td>
<td>4.24</td>
<td>3.20</td>
</tr>
<tr>
<td>F4: Sea and sun destination</td>
<td>4.05</td>
<td>4.01</td>
<td>3.30</td>
</tr>
</tbody>
</table>

Sample: 141

The three segments obtained via K-means cluster analysis were: Cluster I: Tourists in this cluster have FCC>4.00 only in one case, and thus consider that Kavos is a “sea and sun destination”, while they neither agree nor disagree about the other destination components regarding Kavos. Cluster II: Tourists in this cluster have FCC>4.00 in all cases, and thus consider that Kavos is a wild destination with good value for money, with qualitative infrastructure and safe destination and also a sea and sun destination. Cluster III: Tourists that perceive that Kavos’ destination image is of: “value for money destination”. It is a cluster that composes of 59 tourists that believe that Kavos’ has good value for money (FCC>4.00) and a tendency to be a wild destination place (FCC=3.66).

CONCLUSIONS

This research covers the gap in literature of the destination image measurement, since it deals with the destination image components of nightlife/clubbing destinations that are visited in a large percentage by young British tourists. Results revealed that for British young tourists, Kavos image as a tourist destination is “a wild destination with a good value for money”, since the two before mentioning factors interpret almost 60% of the total variance. Previous research show that British youngsters when going on vacation are interested and for so chose destination where they can drink and use different kinds of substances (Plant & Plant, 2006, in Tutenges & Hesse, 2008; Bellis et al., 2007; Bell, 2008; Downing, et al., 2011; Briggs and Turner, 2012)
However, destinations have certain carrying capacities beyond which, both the wellbeing of local residents and the satisfaction of tourists can be jeopardised. Therefore, these destinations can no longer be positioned as irreplaceable unique products, due to their overdevelopment (Buhalis, 2001), negative image and local populations reactions to tourists’ misbehaviours (Bell, 2008) and the local authorities and government’s priorities (Priporas & Kamenidou, 2003). For example, regarding the negative destination image extracted from tourists’ misbehaviour, Calafat et al., (2011: 38) stated “… The case of Malia (Crete) is even more extreme: the vast majority of holiday references concern solely its nightlife, with very little mention of other features. It is noteworthy that those links related to press and radio news items tend to give a negative image of this tourist resort, providing little or no support to its promotion as a healthy and attractive destination”.

Hence, even though nightlife/clubbing destination deliver high profits to the local community, local stakeholders (authorities, residents, storeowners, etc), should rethink if they desire this kind of destination image positioning and its consequences in the long run, or should change it.

LIMITATIONS-RECOMMENDATIONS FOR FUTURE RESEARCH

Even though there was an attempt to minimize limitations when designing this research, still some exist and need to be mentioned. First of all, the outcomes of this study may not have represented all tourists in Greece, neither all British tourists. This research was limited to British young tourists aged from 17-27 years old and only in one nightlife/clubbing destination, Kavos, Corfu. Moreover, this study used only 18 items to measure the image of Kavos as a destination. Further research should be undertaken to other nightlife/clubbing destinations of Greece that has a high percentage of English young tourists in order to validate the findings of this research, and to investigate if other items should be included in the destination image scale. Such studies could be conducted in Ibiza (Spain), Malia (Crete), Faliraki (Rhodes) and Ayia Napa (Cyprus), which were considered by tourists’ as main competitive destinations. Future studies should also include local residents’ opinions’ towards this particular form of tourism provided by their area of residence.
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FROM E-BUSINESS TO C-COMMERCE: COLLABORATION AND NETWORK CREATION FOR AN E-MARKETING TOURISM STRATEGY

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Technological Educational Institute of Athens

Vicky Katsoni
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The role of networks has been recently associated with tourism planning. It may lead to a win-win situation for the promotion of a destination, since all parts involved cooperate to promote a uniform and complete tourist experience. Visitors, residents and business organizations who are associated directly or indirectly with a market destination need to develop dynamic relations through co-operation. The paper argues for the necessity of public and private collaboration, an issue that needs to be taken into consideration when networks are created for tourism marketing. National tourism organisations can have a significant role to play in these networks. To this end, the role of social media and information technology is of significance for destination marketing. Incorporation of information and communication technologies and the adoption of c-commerce in a marketing tourism destination strategy may strengthen networks and alliances between the public-private sector for the implementation of a successful tourism development.

Keywords: networks, c-commerce, private-public sector collaboration, tourism, communication and social media

JEL Classification: L83, M1, O1

INTRODUCTION

The growth of international tourism is closely related to its ability to use computerised systems (Fuchs et al., 2010), as the use of information and communication technologies (ICTs) through the generation, gathering, processing, application, and communication of information, becomes very important to all travel and tourist stakeholders for day-to-day operations of their business and can help them in creating strategic benefits (Buhalis,
1998). The latter are mainly caused because of flexible pricing and reduced communication and distribution costs, better specialised and differentiated services, close relationships with customers, smart enterprise networks, established entry barriers, and knowledge acquisition (Go, 1992; Buhalis, 1998; Fuchs et al., 2010).

Key stakeholders in the tourism industry can promote the destination’s economic development by collaborating with the use of ICTs (Katsoni, 2011). Taking into consideration that destinations compete with each other in order to attract the potential visitors, who have time and resource limitations, destinations need to differentiate themselves to assert their unique and distinctive characteristics (Pritchard and Morgan, 2001; Kavaratzis and Ashworth, 2008; Kavoura, 2013; Kuscer, 2013).

Destination stakeholders include public sector and governments, residents, tourism industry sector, destination management organisation and other groups—such as the most important categories which may influence and determine the management and marketing; these groups develop dynamic relations with the aim to cooperate and collaborate rather than compete (Goeldner and Ritchie in Konečnik, 2004).

This paper argues for the necessity to shift emphasis on the role of networks’ cooperation and collaboration through the incorporation and use of ICTs, for a better and holistic tourist strategy approach. We argue that alliances are necessary for the implementation of a successful tourism marketing strategy and we emphasise the importance of a public-private sector cooperation.

COOPERATION, COLLABORATION AND NETWORK CREATION FOR THE IMPLEMENTATION OF A SUCCESSFUL E-MARKETING STRATEGY

Tourism is a fast-evolving economic activity which contributes immensely to employment, economic growth, sustainability and competitiveness and has therefore consequent social, cultural and environmental implications (Katsoni, 2013b). Tourism is part of a global cultural economy, a complex process that ‘produces places as material natures, social relations and discursive conceptions’ (Bærenholdt et al., 2004: 26). Tourism is also a typical cross-cutting industry, as it caters for a variety of economic branches, such as accommodation, gastronomy, transport, and a wide range of cultural and recreational facilities. In order to create and implement a total strategic marketing plan and advertising of
a respective area, a holistic identity of the area with specific dimensions and characteristics is necessary.

Rainisto (2003) argued for a number of critical success factors in destination marketing utilised for a successful destination development, such as the creation of a planning group, which may determine the value of the destination. Based on the destinations’ resources, a unique selling proposition is created depending on selected attractions of the destination, promoting the physical and soft or immaterial attraction factors (Kotler et al. in Rainisto, 2003: 70). In that way, the sum of characteristics that differentiate one particular tourism destination from any other are important to be identified and communicated to target groups (Rainisto, 2003) and the creation of networks can facilitate such a promotion. Coordination of these activities is necessary to implement the marketing plan and the communication message of the tourism destination in order to safeguard commitment among key tourism stakeholders and avoid conflicting actions (Kavaratzis and Ashworth, 2008; Sartori, Mottironi and Antonioli, 2012).

Tourism destinations typically comprise numerous autonomous suppliers, often Small- Medium Tourist Enterprises (SMTEs). Cooperative programs go a long way in blending various stakeholders in the hospitality community into a unified marketing presence. They develop mutual respect and appreciation regarding the needs of each actor by maximising membership participation and destination exposure. Different public agencies encourage the establishment of small medium enterprises in order to develop tourism activities in rural areas for example (Chatzigeorgiou, Christou, Kassianidis & Sigala, 2009: 147); museum groups and the management of museums (private or public) associated within a specific area may also initiate network co-operation based on their attractions and visitors’ interests in order to fully employ destination marketing management (Vasiliadis and Fotiadis, 2008: 29).

Limited research has taken place to examine the role of networks for the promotion of a destination (Saraniemi, 2009; McGehee et al., 2010). Networks reinforce ‘bonding’ and ‘bridging’; the former is associated with cooperation inside the enterprises of the community whereas the latter is associated with external cooperation, as is for example the coordination of activities between entrepreneurs in a region and the contribution of an external cooperation, such as an advisor from another country or a private sector stakeholder who has experience in tourism marketing and planning (Jones in McGehee et al., 2010: 489). Networks create teams. Mickan and Rodger (2000) present characteristics of effective teams. The features of teams that create a network are associated
with “complementary skills who are committed to a common purpose, performance goals and approach for which they hold themselves mutually accountable” (Katzenbach and Smith in Mickan and Rodger, 2000).

Cooperation and network formation between tourist operators, who are independent but at the same time, interdependent, may add value to the tourism destination product and could serve as a type of ‘one-stop shop’ for a tourist destination (Gartrell, 1991; Kotler, Palmer and Bejou, 1995; Mickan and Rodger, 2000; Bowen and Makens, 2003; Leiper, 2004). Networks can offer a workable structure for cooperation. Networks could be a strategic alliance improving the product/services offered by the tourism destination, improve overall performance and increase competitive position, as sometimes it is difficult for a single firm to cope with the risks, complexities and constant changes of its environment (Cravens et al., 1993; More and McGrath, 2003; Petrou et al., 2007).

A systems theory approach is associated with the elements of interdependence and relationships, coordination of activities between and within teams and at the same time, distinctive roles for the implementation of the superordinate goal that is clearly defined and shared among the network team (Mickan and Rodger, 2000). Nonetheless, this is not always the case since personal expectations for example, or the way others perceive the roles of the members in the group may influence the way networks function and the results of the network (Mickan and Rodger, 2000; Ooi and Pedersen, 2010). Leadership is also significant for the network’s successful implementation and in addition, the establishment of trust among members of the network or team, which in turn, influence team’s processes and interaction such as coordination to perform different tasks; in that way, conflict is avoided (Mickan and Rodger, 2000). Nevertheless, at times, relationships may be loose among stakeholders or teams who form part of a network and may not be symbiotic who may not even want to co-operate (Ooi and Pedersen, 2010). Furthermore, social network theory argues that the attributes of individuals are less important than their relationships and ties with other actors within the network (Mickan and Rodger, 2000; Povilanskas and Armaitienė, 2010).

We could mention examples from different countries regarding existence and operation of networks. Joint initiatives of various communication federations and associations, independent companies and important personalities in Greece such as the Hellenic Advertisers’ Association, the Association of Advertising and Communications’ Companies, the Greek Association of Branded Product Manufacturers created advertising campaigns to promote Greece’s tourism abroad in
2010; it is the first time in Greece that the private sector volunteered to support Greek culture and tourism and 24 radio and TV adverts were produced (On Board, 2013: 192).

Another typical example of network creation which promotes the unique characteristics of a tourism region, is TUI Viagens, Portugal; specifically, in regard to the island of Sao Miguel, Azores, local tours are advertised and synergies and networks are created such as Azorean circuits, whale watching, scuba diving, tracking tours, rent-a-car and English and German guides, offering a total experience to the tourist (http://www.tuiportugal.com).

Public and private cooperation is also an issue that needs to be accounted for in the creation of networks. Public authorities can not only help in establishing networks between various tourist stakeholder, but they can also assist in developing and maintaining products on a long-term and sustainable basis. Networks can enhance the co-operation of all stakeholders in a tourism destination, as they can provide flexible and valuable marketing information, they encourage innovation, resource development and access to knowledge, unite the existing fragmented nature of tourism supply and finally provide a total tourism product (Augustyn and Knowles, 2000; Inkpen and Tsang, 2005; Saxena, 2005; Novelli et al., 2006; Daskalopoulou and Petrou, 2009). National Tourist Organisations can be accounted as public for example. “The role of National Tourist Organisations…is increasingly supported by the involvement of the private sector towards a collaborative and entrepreneurial set of values” (Wight, 2013: 135). A typical example where public and private sectors can cooperate is the recent effort for promoting the tourist product in Greece. More specifically, Greek Law 4070/2012, refers to the creation of an organisation which will promote Greece, -in paragraph 1 it is stated that an anonymous organisation is created entitled “Marketing Greece Anonymous Organisation of Promotion and Development of Tourism” and with the title “Marketing Greece A.E.”. Its sole Proprietors are the Association of Greek Tourist Enterprises (SETE) and the Greek Public…where the Ministry of Development, Competitiveness, Shipping, Culture and Tourism and SETE will be in charge to sign all important decisions taken.

Greek Law 4070/2012, mentions in Article 5, that the aim of the abovementioned organisation is the development and adoption of promotion and advertising programmes of Greek tourism, internationally and nationally. In addition, its aim is the research of international and domestic tourist market, for the creation, development and adoption of a branding system for Greek tourism at national, peripheral, regional
level...as well as activities related to the support of tourism. SETE will participate with a 70% and the Greek Public will participate with 30% to the capital of the organisation. It is the first time that public and private organisations cooperate together in Greece in order to promote the Greek tourist product, allowing for us to argue for the creation of synergies among the private and public sector.

Tourist boards and strategic authorities are important for the businesses involved as they encourage entrepreneurship on accommodation, food, services, attractions; they may provide a voice on industry issues and implement the marketing of the country (Wight, 2013). Their role can be significant because they may interact with interest groups and support the industry in tourism policy issues (Wight, 2013).

The abovementioned efforts of tourism networking in Greece that have been mentioned above have not been successfully implemented so far, since the characteristics of effective teams have not been developed. Greek Laws are continuously changing and there is tension between the different agents involved -tensions exist between the Ministry of Culture and the Greek National Tourism Organization which interchangeably change names, merge, then again change names in short periods; at the same time, there is conflict and mistrust among its members over who has the administrative power and should be responsible for management issues such as the management and organization of cultural activities in heritage sites (Kavoura, 2001; Kavoura, 2013). Contrary to what network theory dictates about collaboration and team working, cooperation among the public and private Greek sector does not seem to be implemented.

THE ROLE OF ICTs ON NETWORKS FOR THE IMPLEMENTATION OF A SUCCESSFUL E-MARKETING STRATEGY

Collaboration around ICTs may help the promotion of the tourism destination and enhance economic development. Principals for tourism development should incorporate ICTs into their strategic marketing policies, addressing issues that affect them such as collaboration, cooperation and competition.

The way tourism stakeholders choose to promote and disseminate information for a tourist destination varies tremendously, since sometimes the destination is presented by multiple websites through the actual tourist operators themselves, whereas centralised bodies such as tourist bureaus
try to demonstrate the total tourist experience on that location, but they have the characteristic of being bureaucratic and mainly “hierarchical tourist boards” (Palmer and McCole, 2000). In addition, tourist companies among three European countries were found to have differences towards the adoption of e-business technologies and applications (Vlachos, 2013) which may in fact influence the way information and communication technologies are implemented. The importance of demonstrating a comprehensive and unified tourist experience in a holistic profile of the tourist destination is not widely acknowledged by the tourist stakeholders. We argue that an understanding of the necessity of member participation and cooperation is vital to tourism marketing destination marketing.

According to Werthner and Klein (1999: 261), “most of the destination sites are purely informational servers, where booking is mostly not supported”; they further assert that this reflects a lack of agreement for a holistic business cooperative destination strategy, suggesting that a number of issues should be addressed, such as forming co-operative strategies and covering the entire product range, particularly regarding the airline sector.

The creation of collaborative commerce (c-commerce) refers to collaborative management of information flows between businesses through ICT use and enables the formation of partnerships in new expeditious ways, in order to keep up with or to access unique or innovating resources, based on trust and business culture that values partnerships and ongoing dialogue between the public and private sectors can also be encouraged, for example, on the future need for training places (Ring and Van De Ven, 1992; Holsapple and Singh, 2000; Fairchild and Peterson, 2003; Levy et al., 2003; Turban et al., 2004). Trust, rather than competition with each other is the objective since networks deter competition (Inkpen and Tsang, 2005; Kavaratzis and Ashworth, 2008; McGehee et al., 2010: 486). The emphasis is on cooperation among businesses; rather than on spending energy, time and money to observe how to ‘compete’ other businesses, everyone works as part of a group with multiple benefits and results for all.

A network with great potential for tourism development, which has really revolutionised communication, interaction and business in general, is the ‘virtual’ or ‘social’ network. ‘Virtual’ or ‘social’ networks can be defined as permeable structures without physical borders separating them from the environment, comprising a multiplicity of autonomous, interdependent, and self-organizing actors that rely on the internet infrastructure to integrate and exchange value (Poon, 1993; Pollock,
Online travel communities have no restrictions of distance and time and has become an effective customer relationship management (CRM) tool by enabling tourism stakeholders to manage and attract customer relationships through its integration with the new communication media, by providing in-depth, focused, and member-generated contents, engaging tourists through interactions with other members based on common attributes and interests, (by allowing them to maintain existing social ties and form new connections), and retaining them by facilitating relationship building with other members (Wellman et al., 1996; Wang and Fesenmaier, 2004; Zhu et al, 2005).

Blogs are virtual forms of networking among tourist as they act as media through which individuals and organisations present opinions and/or information about specific topics that are useful for the tourist destination, such as images, photographs, links to related sites, critique, variety of activities, reviews and opinions (Pühringer and Taylor, 2008). DMOs and other tourist stakeholders can benefit from the existence of blogs, as they can provide them with valuable information into the types of ‘e-word of mouth’ messages (Bickart and Schindler, 2002). Specifically, blogs can help them identify and monitor tourist trends in the destination, and they can also provide them with specific performance reviews, product and event evaluations, reviews of service standards. In addition, blogs can help a marketing competitor analysis by providing identification of product or infrastructure gaps (Pühringer and Taylor, 2008).

The tourism sector virtual organisation is a network of independent tourism sector competitors linked by ICT to share skills, costs, assets and broaden access to markets. Palmer and McCole (2000) argue that the ‘virtual organisation’ structure or collaboration around ICT by SMTEs is a more effective way of promoting tourism destinations since it is flexible and responsive to business changes that occur in their operating environment. The use of ICT thus facilitates the rapid interchange of business information and reflects the actual product offer and activities that the tourist will experience associated with online brands. The online brands have the following characteristics; they have users, they promise a price benefit, they prove their value with experience, they continuously adjust, their globalisation is easy; they have a relational and experiential character since each person develops a personal relation and has a unique experience with the brand (Kapferer, 2013).
The perceived image of the tourism destination is created by the tourist’s virtual experience of the content of tourism destination Websites. An analysis of the Destination Management Organisations’ (DMOs’) website emphasises that there are two main functions: firstly, general publicity in terms of providing Web presence, information and interaction; and secondly, advertising, including publication of the tourism products or services without prices, provision of e-mail addresses and e-mail booking, online selling with credit card payment, capability for customers to acquire an account identity for direct purchases and other services, such as call for information, tourism guide services, etc. (Gretzel et al., 2006). Thus, a specific whole is created and advertised electronically. To make a step further, the promotion of such virtual experience via the website may include more than one participating businesses which create a network that aims to promote a unique and consistent identity destination message.

A typical example is Azores, Portugal. Businesses that operate in the tourism industry such as hotels, tourist guides, rent car companies, trips, local restaurants are in cooperation and initiate advertising and promotional campaigns in order to attract tourists; this takes place via the traditional print media, such as leaflets (see for example, Panazorica Tours, 2013) and via the internet where a website is provided where all the activities are consistently promoted in a uniform way (http://www.panazorica.pt). Another example for Portugal is the network created by 5 star hotels. ‘Stay close to Azores’ is their slogan, their logo is an open ended circle connected with another open ended circle and hotels from Portugal and more specifically from Lisbon and the islands of Azores -Sao Miguel, Terceira and Faial- promote their businesses; a website is provided with all the necessary information regarding reservations made to the participating hotels in addition to a central email address (http://www.bensaudehotels.com; http://www.bensaude.pt). This information is also promoted in the print promotional material of the destination (see for example, The Azores Tourist Guide 2013). Lack of cooperation among the participating groups may result in the limited usage of communication and information technology (Borges-Tiago, Couto, dos Santos Natário and Braga, 2007) because tourists make purchase decisions based on the totality of the experience available at a destination (Williams and Palmer, 1999).

A tourist portal is defined as an information gateway to the Internet and is an example of collaboration between tourist stakeholders allowing the exchange of business intelligence and information relating to a specific tourist destination, and by providing a single point of content
management for the available information. (Turban et al., 2004). Portals can also initiate customer relationship management (CRM), by allowing tourism stakeholders to push value-added products to targeted customer segments at the customer portal (Turban et al., 2004: 322). Web service technology with respect to information travel systems facilitates “interoperability among many heterogeneous systems such as flight reservations and hotel bookings” (Dogac et al., 2004: 21), as tourist sites’ hyperlinks regarding car rentals, airlines, accommodation and the like, facilitate the concept of destinations’ holistic view on behalf of the tourist (Palmer and McCole, 2000).

Cultural tourism presents an area’s cultural heritage, ranging from environmental attractions to historical, artistic, archaeological and folkloric features, and is a good example of the way in which online technologies, such as the portals discussed above, have influenced the tourism industry. The MEDINA (Mediterranean by Internet access) project (2002 to 2007) was one of the first European established cultural web portals for fourteen Mediterranean countries, where access to the portal was achieved through mobile devices (e.g. personal digital assistants or smart phones) (Garzotto et al., 2004) and network creation can add to the whole process.

The evolution of Web 3.0 or Semantic Web as a “mesh of information linked up in such a way as to be easily processable by machines, on a global scale” (Siau and Tian, 2004), by using a ‘common and minimal language to enable large quantities of existing data to be analysed and processed’ (Gutierrez et at, 2011: 250), suggest that tourism organisations experience continuous change and the uncertainty that has defined it (Mistilis and Buhalis, 2012). The existence of the Semantic Web, where meaning of content is recognised and understood by computers, enabling machine to machine interaction (Mistilis and Buhalis, 2012) and interoperability-centric capability, reinforces the role of networking, as it leads to an enhanced product creation, greater efficiency in matching tourism supply and demand, reduced dependency on third party intermediaries, facilitation in consumer choice and improvement in B2B networking (Mistilis and Buhalis, 2012:53).

The incorporation of information and communication technologies to the marketing tourism strategy is significant for further strengthening networks and alliances for the implementation of successful tourism development.
IMPLICATIONS FOR MANAGEMENT: THE CONTRIBUTION OF NETWORKS FOR THE IMPLEMENTATION OF AN ADVERTISING COMMUNICATION PROGRAMME AND AN E-MARKETING TOURISM STRATEGY

This conceptual paper argued for the significant role of networks for a successful e-marketing communication and advertising strategy. Rather than basing their relations on competition, the actors involved in the promotion of the distinct characteristics of a destination, can offer and enhance the whole created system.

Networks may include public and private alignments. National Tourist Organizations may unite and bring the private entrepreneurial activities together, ‘extinguishing’ the disagreements that may exist. Industry contribution may add to the marketing and advertising campaigns (Wight, 2013: 135) especially in periods of economic crisis as is nowadays where there is limited budget that a destination may have for its promotion.

Synergies and interdependence among those involved can reinforce relations and coordination of activities when all parts involved cooperate to promote a uniform and complete tourist experience.

To this end, the role of social media and information technology is of significance for destination marketing. Communication in marketing needs to be coordinated and networking among all important tourist stakeholders could facilitate the ultimate goal of providing a holistic and coherent message towards tourists.

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POSITIONING AND BRANDING A WILDERNESS TOURIST ATTRACTION TO MEET ALL STAKEHOLDERS OBJECTIVES

Agnes Otjen
Montana State University-Billings

The Beartooth Nature Center (BNC) is Montana’s premier wildlife education refuge. Home to over seventy wild animals unable to be returned to their natural environments after accidents or abandonment, the BNC houses mountain lions, bears, moose, bobcats, and a variety of large birds. Located in Red lodge, Montana, the northern gateway to the world-renowned Yellowstone National Park, the BNC is in a unique position to create greater awareness of important ecological and wilderness sustainability issues for. Primarily funded through donations from tourists and local residents, effective branding and marketing are crucial for its survival. This article presents a 2011 student-driven brand development and marketing campaign designed to create greater visibility and name recognition for the BNC. Using contemporary theories which emphasize the importance of including all stakeholders in the branding process, students created a brand-positioning television and targeted collateral campaign. As a result of this campaign, attendance at the BNC doubled the following summer. This case study confirms that bringing multiple stakeholders into the branding process is a highly effective way to create a powerful message for eco-tourist destinations.

Keywords: Positioning and Promotion Campaign, Stakeholders, Destination Branding, Eco-tourism, Wilderness Sustainability

JEL Classification: L83, M1, O1

INTRODUCTION

Trying to establish a brand image that satisfies the diverse objectives of multiple stakeholders can be difficult to accomplish. This paper describes a successful branding process used by Montana State University Billings students to develop a marketing strategy which met the needs of multiple stakeholders and achieved the goals of the organization. In addition to the stakeholder requirements, the project also addressed the inherent
problems of marketing a natural place as a tourist attraction. For the last three decades, small rural communities in countries from Australia to Africa have used eco-tourism as a means to build the local economy, while sustaining natural places. However, marketing and sustaining an ecological tourist attraction are not always compatible. Encouraging economic growth can make it difficult to maintain the ecological integrity of the attraction. In fact, because marketing of tourist destinations traditionally concentrates on increasing the number of visitors, it has been seen as an enemy of sustainability (Buhalis, 2000). In the last decade, the eco-tourism destinations which have most successfully balanced their ecological missions with their economic needs have done so by making sure all stakeholders are involved in the branding and marketing process. The Beartooth Nature Center (BNC) is the premier educational center of its kind in the region. Located near the northern entrance to Yellowstone National Park in Red Lodge, Montana, the BNC provides a home for local wild animals that are no longer able to survive in their home environment due to injury or abandonment. Grizzly bears, birds of prey, moose, lions, raccoons and wolves all live in an enclosed, but well-cared-for environment where visitors are guaranteed interaction. The BNC approached the Marketing Department of Montana State University Billings (MSUB) in 2011 for assistance in creating an effective branding and marketing campaign. Their ultimate goal was to build a larger, more up-to-date facility. In order to realize this goal, they needed to create greater awareness of their project, attract more visitors, and ultimately, receive more donations to fund the expansion.

LITERATURE REVIEW

In the United States, domestic travel combined with international tourism is a $1.3 trillion industry, with a direct payroll of $162 billion representing 1 out of 8 jobs (heritagedestination.com, 2005). World Tourism Organization estimates that nature tourism accounts for 20% international travel and is the fastest growing sector at 10% to 30% growth overall. (United Nation’s World Tourism Organization, 2007).

Within this context, wilderness and eco-tourism can be profitable. In 2000, according to Trails.com, wilderness and eco-tourists spent $1200 more than the average traditional tourist (Trails.com, 2000).

The key to marketing an eco-tourist destination successfully is branding. Current holistic marketing theorists argue that building a distinct image that communicates a differentiated value must start by including all stakeholders. The success of such holistic approaches has
been demonstrated by brand models in New Zealand (Clark, et.al, 2010), Zambia (Rogerson, 2004), the King Valley (Wheeler, et.al, 2011, Canada’s Rideau Canal (Donohoe, 2011) and the Dutch Caribbean Islands (Daye, 2010).

Daye (2002) explains how the function of an effective brand does not merely give information, but also provides a meaning which appeals to stakeholders’ values. The successful branding of an eco-tourist site like the BNC, for example, must reflect the tourists’ desire to engage with the natural world as well as protect and sustain it. Drawing from the Means End Chain Conceptual Advertising Strategy, (Bagozzi, Dabholkar, 2000), Daye argues that a logo for an eco-tourist site should be symbolic, factual and emotive and that a slogan should be distinct and unique (2002). He maintains that physical attributes and distinctive local features can be very powerful in a marketing campaign. For example, the state of Florida effectively uses a flamingo as its symbol and ensures that visitors know that it is one of only four places where these unusual birds breed. To create a powerful brand for the BNC following Daye’s theories, students needed to work with the stakeholders to identify the organization’s key physical attributes as well as its unique features.

Aker (1997) argues that branding is a perceptual process which uses five essential brand personalities: sincerity, excitement, competence, sophistication, and ruggedness. Sincerity expresses wholesomeness and family values; excitement appeals to the unique, young, cool and daring; competence denotes success and influence; sophistication speaks to elegance and prestige; while ruggedness signifies the outdoors. The students working on this project identified “sincerity,” and “ruggedness” as the two fundamental brand personalities for the BNC based on the strengths of the product.

Students studied Hanna and Rowley’s (2010) Brand-Management Model (Figure 1), which locates brand identity at the core of the brand-building process. In this model, brand identity expresses the distinctive characteristics that stakeholders ascribe to a place, provides a framework for overall coherence, and creates the means for building the effective brand.
Significantly, this holistic model identifies stakeholders as an essential part of the branding process in the relationships area. As the authors explain, “the first stage in the process of positioning or repositioning any tourism destination brand is to establish the core values of the destination and its brand—these should be durable, relevant, communicable and hold saliency for both stakeholders and potential tourists . . . and … should be translated into brand personalities” (Hanna and Rowley, 2010). This model offered students an opportunity to benchmark branding practices identified below (Table 1).
Table 1. A comparison of brand development stages, Hanna & Rowley (2010).

<table>
<thead>
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<tbody>
<tr>
<td>1. Assessment and audit</td>
<td>1. Market audit</td>
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<tr>
<td>2. Analysis and advantage (defining positioning)</td>
<td>2. Consumer research</td>
</tr>
<tr>
<td>3. Alignment</td>
<td>3. Identifying target markets</td>
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<tr>
<td>4. Articulate</td>
<td>4. Portfolio strategies</td>
</tr>
<tr>
<td>5. Activation (market communications)</td>
<td>5. Developing strategies</td>
</tr>
<tr>
<td>6. Adoption and attitude (engagement)</td>
<td>6. Implementation Track and review</td>
</tr>
<tr>
<td>7. Action and afterwards (experience management/ monitoring evaluation)</td>
<td></td>
</tr>
</tbody>
</table>

Table 2 describes the involvement of destination stakeholders in Hankinson’s (2010) five elements of brand orientation. Analysis of the field interviews indicated broad agreement among stakeholders about the relevance and importance of each step. Though the degree of implementation varied in each case, the fostering of stakeholder partnerships was found to be the strongest indicator of a successful branding initiative at 40%. (Hankinson, 2010)

Current research also shows that the importance of community stakeholders is not always considered in the destination branding and marketing process (Jamal & Getz, 1995, 1999.) Moreover, Schroeder and Salzer-Morling & Strannegård, (2004) have shown that marketing often neglects the importance of a community stakeholders’ cultural perspective. Yet, as Gnoth (2007) argues, the values and meanings expressed in the cultural, social, natural, and economic dimensions of people’s lives actually comprise the assets or “capital” of the destination. Students were persuaded by this review which supported a more holistic approach to destination branding. They were particularly interested in the
approaches that include local values, cultures, and identities as part of a broader sustainable destination management philosophy as described by Wheeller, Warwick, and Weiler. (Wheeler, Warwick, Weiler, 2011). For these reasons, including the community stakeholders became a crucial part of the destination-branding process for the BNC project.

**Table 2. Critical antecedents: responses from senior managers**
(Hankinson 2010)

<table>
<thead>
<tr>
<th>Critical antecedents</th>
<th>Respondents</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Stakeholder partnerships</td>
<td>25</td>
<td>40</td>
</tr>
<tr>
<td>2. Brand leadership</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>3. Departmental coordination</td>
<td>22</td>
<td>26</td>
</tr>
<tr>
<td>4. Stakeholder communications</td>
<td>21</td>
<td>22</td>
</tr>
</tbody>
</table>

Students also learned that ecological issues pose significant and complex issues for eco-tourist destinations. Fyall and Garrod (1998) note that marketing strategies attracting mass tourists to eco-tourist destinations have replaced the golden rule of conservation. An increasing number of tourists and their impact on institutional infrastructures and resources threaten the ability to balance the desire for preservation with the need for revenues (Dearden & Rollins, 2009). As a result, contradictory commercial values can create complexity, uncertainty, and conflict in the management of eco-tourism sites where preservation should be the fundamental priority (Donohoe, 2012). Nevertheless, progressive organizations have shown that creative thinking can offset some of these environmental problems. Organizations like Visit Scotland have been able to emphasize conservation while encouraging tourism by promoting greener forms of transportation (Lane, 2009).

During their secondary research, students learned that eco-destinations which are brand winners have one common feature: they are founded on intensive stakeholder, consumer, and competitor research which is thoughtfully expressed in everything that communicates the brand’s personality.

**STRATEGIC ANALYSIS**

When the project began, the BNC’s goal was to raise $12 million to move to a new location where it could improve and expand its facilities. The
students’ initial review of the facility and its weaknesses as well as a subsequent mall-intercept study showed that the BNC had the following marketing and branding problems:

- It was unknown to tourists in terms of both its existence and its mission.
- Its value was not clear to tourists or residents.
- It needs to articulate its value to the right target audiences in order to increase its financial resources.

When the students became involved, the BNC had not yet brought its stakeholders together nor had it identified its brand promise. In order to articulate its brand identity, the BNC had first to understand its significant relationships. Students determined that the BNC needed to better understand its relationship to Yellowstone County, Montana residents, and Yellowstone National Park. Understanding these central relationships would make the new BNC brand both durable and salient for all its stakeholders.

Their preliminary research, including the mall-intercepts of residents and a quantitative email survey of donors also showed that the personalities of the animals held at the Center were important to all stakeholders. Through additional focus groups with school officials and students, they discovered visitors not only wanted to view the creatures, but envisioned having a relationship with them. Learning each rescued animal’s name and history allowed stakeholders to feel a personal connection to the animals and increased their interest in the mission of the BNC.

**TARGETING STAKEHOLDERS**

The student work began by making sure the BNC included all necessary stakeholders in its marketing process. Following the development stages similar to those described in Table 1, students started with Market Audit and Target Identification. These steps, along with the relationship articulation depicted in Figure 1, helped them develop a brand that satisfied all stakeholders. Eventually, they were able to use this information to deliver a branding promise that was both durable and equal to the experience of visiting the BNC.
Tourists

Student research showed that in 2010, 10.5 million non-residents visited Montana, spending $2.48 billion. Over four million out-of-state tourists visit Yellowstone National Park annually. Because the BNC is located on the highway near the northern entrance to Yellowstone, some 356,000 vehicles pass its gates every year. Another 110,000 ski tourists each winter and 100,000 tourists each summer visit Red Lodge, where the BNC is located.

Using Weaver’s (2002) Natural-Tourist Spectrum Analysis (Table 3), students identified visitors to the BNC as a “softer” natural-tourist group as their needs were consistent with the product offerings in this category. This group of eco-tourists accounts for 30% of all nature tourism. The visitors to this kind of destination are typically physically passive, prefer short trips, expect services such as restrooms and food, and want interpretations of the places they are visiting. For example, the visitors to the BNC wanted to better understand the animals they were observing. This “softer” eco-tourist became the students’ target audience and not the “harder” tourist or the “structured groups” in Weaver’s description.

Table 3. Natural-tourists spectrum (Weaver, 2002)

<table>
<thead>
<tr>
<th>Harder</th>
<th>Structured</th>
<th>Softer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong Environment Commitment Enhance sustainability Specialized Trips Long Trips Small Groups Physically Active Expect Few Services Emphasis on Personal Experience</td>
<td>Strong Environment Commitment Enhance sustainability Specialized Trips Short Trips Larger Groups Physically Active Services Expected Emphasis on Interpretation</td>
<td>Moderate Environment Commitment Steady state Sustainability Multi-purpose trips Short trips Larger Groups Physically passive Expect services Emphasis on Interpretation</td>
</tr>
</tbody>
</table>
Residents

There are over 19,000 school children in the area. Even though nearby Yellowstone County only has a population of 130,000, it draws about 300,000 Montana residents to big events throughout the year. At the time of the study, the BNC currently attracted about 20,000 visitors each year.

Donors

At the beginning of the project, the BNC had over 200 individual and corporate sponsors and donors worldwide, but primarily their funders lived in Yellowstone County.

TARGET RESEARCH

Student conducted research in order to understand tourists’ motivations for visiting the BNC. Using a quantified survey instrument in 100 mall-intercept interviews of residents, students discovered that:

- 51% of local respondents were aware of BNC
- 90% of tourists visited because a local friend took them
- 60% said the featured animals were the primary reason they visited
- 60% visited more than once
- 60% wanted updated exhibits
- 70% visited while in Red Lodge
- 25% made it a primary destination
- 33% were aware of its mission
- 85% thought it was a benefit to children
- 62.1% were willing to travel 1-60 miles to visit a zoo
- 38% said they would “most definitely” visit

Students sent an additional quantitative research survey instrument via email to donors and received a response of 120, indicating a strong donor involvement. This survey revealed:

- 50% were likely to sponsor an animal
- 80% strongly agreed BNC was worthy of his/her donations
- 40% strongly agreed they gave because the animals were regional
- 40% strongly agreed it was important that the BNC was environmentally effective
- 60% wanted to sponsor specific animals
50% believed that BNC needed to use donations for advertising
65% thought it was important to house only native animals to the region
50% encouraged a new facility for the BNC

In order to help establish a brand orientation using Hankinson’s framework, students also conducted three focus groups with employees, donors, tourists and residents in order to determine how they perceived the value of the BNC. They discovered in all three focus groups that all of the participants humanized the animals as part of their motivation. They then used this information to develop a positioning statement that would eventually lead to the overall slogan and campaign.

Students also learned that the primary visitors to BNC are out-of-state tourists who are brought as guests of local residents. This meant that an increased local awareness of BNC’s value would create an opportunity for an increase in visitors. Residents and their tourist-guests offered a base for repeat visits, especially if the residents were motivated by relationships with particular animals.
Schools and families with children also appeared to be a strategic audience because the majority of the people surveyed agreed that children would benefit from visiting the BNC.

In the course of the research, one element stood out: visitors desired a personal relationship with the animals. A love of the animals and the opportunity of getting to know them as individuals, with their histories and needs, was the core motivation of most visitors. It was the animals themselves that made the BNC sincere and rugged. To many visitors, the animals were the BNC.

BRANDING METHOD

Using their values and identity, MSUB students developed a Means End Chain Conceptual Advertising Strategy (MECCAS) (Table 4) as a method for understanding the values of BNC stakeholders. It demonstrated how the Means End Chain was expressed for the BNC visitors.

Students also developed perceptual maps for each stakeholder group. Using the values established in their research, they located the BNC’s position where it was most competitive. The challenge was to create a positioning statement that satisfied all three groups in one slogan. (See Figures 2, 3, and 4)
Table 4. Means End Chain Conceptual Advertising Strategy

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Physical Consequences</th>
<th>Psychological Consequences</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>A home for injured or abandoned wild animals. Each one has its own personality and story.</td>
<td>Participation with the sanctuary of actual wild animals. I know them; I go back to visit the ones I have a relationship with.</td>
<td>My visit and donation is saving the planet, protecting the wilderness, and saving the animals. I donate to save the lions who were orphans.</td>
<td>Universalism</td>
</tr>
<tr>
<td>Beautiful setting with gardens and pathways making it possible to always see the animals. Similar animals that live here also wild in Yellowstone Park.</td>
<td>Easy access, food and restrooms; it’s a lovely setting in which to spend the day.</td>
<td>Enjoyable experience that I can tell my friends about; I might not have seen anything at Yellowstone Park. My kids got to know the bears personally.</td>
<td>Hedonism</td>
</tr>
<tr>
<td>Educational materials teaching people about animals in the wild and how they can be protected.</td>
<td>Learning and a new understanding about the earth.</td>
<td>I am humbled and have a new appreciation for myself and my family.</td>
<td>Stimulation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Elements</th>
<th>Benefits</th>
<th>Hooks</th>
<th>Driving Force</th>
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</table>
Figure 2. Tourists

Figure 3. Residents
The resulting brand-positioning statement stated that the BNC was for softer eco-tourists interested in animals and nature. For residents and tourists, the BNC was a place where one was certain to see animals. For donors, the BNC was a cause that made them feel socially responsible.

Repeatedly, the students’ research and analysis showed the key value to communicate was the opportunity to develop a relationship with the animals. Overall, the stakeholders saw the animals as part of the community and the culture. Students communicated this value in the brand-positioning statement they developed: At the Beartooth Nature Center, you will see and understand wild animals. The slogan for the BNC became: “Befriend the Beasts.”

In January, students began using focus groups to test the “Befriend the Beasts” slogan with three different campaign tones.

- Humorous animal personification
- Heartfelt connection with humans
- Escape to nature

Students interviewed resident and donor stakeholder groups using sample scripts and story boards for each campaign tone. The unmistakable winner was “humorous animal personification.”

![Figure 4. Donors](image-url)
campaign tone motivated and interested stakeholders and made them feel connected to the animal personalities. After seeing the materials, they felt they had a relationship with the wild animals being protected at the BNC. This campaign strategy motivated the stakeholders to visit, to take guests, and/or to donate to the BNC.

IMPLEMENTATION

Analysing the size of the potential audience data listed under “Targets” above, (local residents, students, visitors to local events, donors and tourists), students determined that with a 3% action result from the combined groups, the BNC could double its number of visitors. They determined that they could use the limited resources available to target key audiences (local residents, the regional school system, and donors) at large events. They also decided to use television-based Public Service Announcements as an umbrella for the new branding. Moreover, given the large number of motorists who drive by the BNC, the students recommended better highway signage to create awareness and provide directions to the facility.

Students oversaw the production of three humorous animal personification television commercials which were aired in the Yellowstone County. The commercials featured actual animals in their habitats and used voiceovers that allowed the animals to “speak for themselves.” In one, a deer contemplates crossing a busy highway and then decides instead to head to the BNC for safety. On arrival, he is welcomed by two owls. In another, two mountain lions lament being orphaned by their mother and grumble about being stuck with each other. The two comic owls mock their grumbling. The third commercial stages what appears to be a dangerous confrontation between a bobcat and a strange visitor only identified by his boots. As the two come closer together, the audience expects a violent confrontation. Then, in the last moment, the audience sees Jeff, the BNC director, reach down and gently pet the affectionate wild cat. To extend the television campaign, students also designed an accompanying poster to reach local residents and tourists shopping in Red Lodge.

Because students also identified over 300,000 people attending various events in the area, a large part of the campaign promoted the new brand at these events using posters, fliers, and program ads. Table 5 illustrates the events the students targeted.
Table 5. Events

<table>
<thead>
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<th>Events</th>
<th>Details</th>
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<tbody>
<tr>
<td>Home of Champions Rodeo and Parade- July 2-4, 2011</td>
<td>• Parade float&lt;br&gt;• Flier distribution in the parade area&lt;br&gt;• Booth at the parade with animals</td>
</tr>
<tr>
<td>Billings Mustangs</td>
<td>• Radio/Print combination (including a half-page game announcement)&lt;br&gt;• Five-night event sponsorship (Five home games per sponsor)</td>
</tr>
<tr>
<td>Big Sky State Games- Summer 2011</td>
<td>• Program advertisement and flier in participants bags</td>
</tr>
<tr>
<td>The Scout Show- March 19, 2011</td>
<td>• Booth at show at Metra Park&lt;br&gt;• Distribute pamphlets and brochures focusing on family-based events at BNC</td>
</tr>
</tbody>
</table>

Students decided that individual donors would best be pursed through fundraising events. They also identified corporate donors and possible granting opportunities that were consistent with the overall brand. The organizations and groups they targeted included:

- Pet Smart
- Veterinarians
- Kenmark (Fox)
- Yellowstone Valley Woman’s Magazine
- Harley Davidson
- Tourism Infrastructure Investment Program (TIIP)
- Environmental Education Grants Program
- Montana Legacy Project (preserving Montana land)

With the support of the Yellowstone County School Districts, they also promoted the brand through the schools in order to reach the 19,000 children (Table 6).

Lastly, they recommended that even though the BNC Website offered many valuable learning tools, it could be effectively redesigned. They felt particular attention should be paid to Web materials that would attract more interest and interaction from the education community. Students also suggested that the BNC Web address appear on every piece of printed material.
### Table 5. School programs

<table>
<thead>
<tr>
<th>Kindergarten</th>
<th>3rd Grade</th>
<th>School/Grade Assemblies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presentations were between 30 and 60 minutes. They were tailored to suit particular age groups. They were designed to be fun and exciting without being overly technical. Children in each age group received a small poster and a flier to take home to their parents.</td>
<td>Presentations were between 45 and 60 minutes and were slightly more technical than the kindergarten group, but were not overwhelming to students. Children in this age group received a small poster, a flier to take home (with an admission coupon), and trading cards. The trading cards focused on the eight most popular animals at the BNC. (Bears, mountain lions, raccoons, porcupine, wolves, owls, lynx and fox.) Each animal’s ‘tale’ was printed on the back as well as information about the animal (age, diet, species, etc.). When a student</td>
<td>Presentations were tailored to fit the needs of the school and were 45 to 60 minutes or longer as needed. They were designed to fit the educational group. For example, if the assembly was for ages K-6, the appropriate materials that would be interesting to the entire group were prepared.</td>
</tr>
</tbody>
</table>
FEEDBACK AND CONCLUSION

In order to determine if they had followed an effective model that reached all stakeholders, students evaluated their campaign against Hankinson’s branding process. They also considered whether their work achieved Hankinson’s description of an active place brand. Did it enhance the “coherence of the experience”; support the efficient use of resources to “maximize the enjoy-ability and appropriateness of the experience”; did it facilitate the “evolution of the experience”? And, in general, as far as key stakeholders are concerned, did it “engender ‘pride of place’ that was effectively shared and communicated?” (Hankinson, 2012)

Based on attendance at the BNC and reviews with stakeholders, students determined that they had, indeed, made sure that key groups were included in the process which, as Hankinson’s model predicted, created support from the community and donors for the new brand. They also saw relationships strengthened in the process of developing the campaign. Local businesses in the area supported the branding efforts by featuring BNC posters in their store windows and at big events. Local TV stations ran almost double the usual number of Public Service Announcements in support of the on-air campaign. Several discussions with all stakeholders revealed the majority considered the brand and slogan to represent accurately the experience of the BNC. There was shared pride in the campaign which used personalized images of the BNC animals to relate to the values of the stakeholders. As a result, attendance at the BNC doubled during the summer of 2011. Moreover, the campaign itself won a Gold Addy from the Montana State Chapter of the American Advertising Federation in 2012.
The effectiveness of the campaign inspired donors to continue working on plans for the new BNC home which will ultimately complete the long-term promise created by this branding project. This new excitement and interest in the BNC would not have been possible without a brand that was well received by the community and which has attracted more tourists and more donors, both private and corporate.

Students concluded that the theories advanced by current literature are indeed effective in the branding of an eco-tourist destination. As their experience with the BNC taught them, understanding the values of all stakeholders and including them in the process makes it possible to sustain an important wilderness attraction which offers environmental, social, and economic benefits to the area. The BNC promises to be a valuable and sustainable part of the local ecosystem, environment and culture. Its success is the very definition of sustainability.

All materials including television and collateral can be reviewed at:
http://www.msubillings.edu/BusinessFaculty/otjen/examples_of_advertising.htm
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EXPLORING BRAND CONFUSION THROUGH HOTEL ADVERTS

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Brand confusion takes place when a person views an advertisement for a particular brand as a communication about a different brand. The purpose of this study is to investigate the problem of brand confusion in advertising and more specifically, to study into more depth some of the parameters that lead to brand confusion in print advertising of international hotel chains. This study was conducted in 127 men and women, and based on 17 international hotel-chain advertisements. Respondents were selected through quota sampling, using age and education as variables. Consumer characteristics and the dependent variable ‘brand confusion’ were measured through a questionnaire completed during interview, while print advertisements were presented followed by a set of questions containing measures of the attitude towards the advertisement. The purpose of this study was to explore the issue of brand confusion in advertising of international hotel chains, a topic never surveyed in the past. This study was limited to a specific product category (international hotel chains), hence practical implications should be formulated with caution. Nevertheless, the following suggestions seem to be valid: The affective reaction to hotel advertisement is very important; advertisement likeability leads to less hotel brand confusion; hotel advertisements should be distinctive and not too information dense; building awareness, loyalty and involvement reduce brand confusion.

Keywords: hotel branding, advertising, promotion, hospitality marketing

JEL Classification: L83, M1, O1

INTRODUCTION

Advertising is intended to stimulate selective demand for the advertiser’s brand, but often also stimulates primary demand for the product category in general. Far worse than this problem is the phenomenon of brand confusion that potentially causes advertising to stimulate selective demand for competing brands instead of the advertiser’s brand. Misattribution by consumers can be an important reason for advertising
ineffectiveness. When consumers perceive an advertisement for a certain brand as promoting another, it is not only ineffective, but even counterproductive (Poiesz and Verhallen, 1989): it produces an effect that the advertiser specially wants to avoid. Therefore, brand confusion is a phenomenon that should receive the researchers’ continuous attention, and measures of brand confusion should be added to the more conventional advertisement effectiveness measures (Poiesz and Verhallen, 1989).

*Brand confusion* takes place when a recipient views a commercial communication for brand X as a communication about a different brand Y (Poiesz and Verhallen, 1989; Christou, 2005). Not only the brand name, but on a more general level also the product or service displayed in the advertising message may be the subject of confusion, e.g. an advertisement by a hotel resort might be interpreted by the consumer as an advertisement for a tourist destination. At the lowest level, confusion can take place with regard to particular message components, for example between slogans (Poiesz and Verhallen, 1989). The present study is limited to brand confusion; correct identification and confusion are not perfectly related.

Depending upon whose position is taken, brand confusion can be ‘positive’ or ‘negative’ (Häcker and Verhallen, 1988; Christou, 2011a). ‘Negative’ brand confusion refers to the extent to which the reference brand is confused with other brands; i.e. the degree to which the reference brand advertises for its competitors. ‘Positive’ brand confusion refers to the degree to which other brand advertisements are confused with the brand at issue; i.e. is the degree to which competitors advertise for the brand at issue. ‘Positive’ brand confusion is not necessarily an advantage for a brand. It may be a threat to a clear positioning and image building strategy if a company’s brand name is incorrectly attributed to a competitor’s advertising message.

Taking into account that tourism products may be considered as brands, the purpose of this study is to investigate the problem of brand confusion in advertising and more specifically, to study into more depth some of the parameters that lead to brand confusion in print advertising of international hotel-chains.

**HOTEL BRANDING AND BRAND CONFUSION**

Based on previous research, three categories of parameters that have an impact on brand confusion in destinations’ advertising can be identified,
i.e. product category related factors, consumer characteristics and message characteristics.

Tourism and hospitality products are becoming more and more objectively similar with respect to their functionality and presentation (Poiesz and Verhallen, 1989). In an increasingly cluttered marketplace, the reduced inter-brand differences necessitate the use of advertising to create a unique and recognizable brand image (Poiesz and Verhallen, 1989). This leads to an overload of stimuli which, in turn, may lead to brand confusion.

Ha (1996) refers to the degree of similarity and proximity of advertisements as a dimension of the advertising clutter. The degree of overall similarity of strategy (DOSS) seems to have increased over time as far as the information content is concerned, although tourism destination ads tend to become more diverse as to their emotional content (De Pelsmacker and Geuens, 1997; Farmaki, 2012). Successful advertising techniques get imitated and waves of similar advertising arise. It can be expected that a higher DOSS leads to more brand confusion.

Brand confusion can also be caused by wilful brand imitation. In this case consumers may buy the imitator brand thinking it is the original (Ward and Loken, 1986). The aim of the creators of imitator brands is to position their product next to the better known brand (Foxman and Muehling, 1990); this is often the strategy adopted by new – not well known – mass tourism destinations. The degree of competition in the product category or, in other words, the number of competing brands in a product category and the similarity of their market shares, may also lead to more brand confusion (De Pelsmacker and Van Den Bergh, 1998; Sigala, 2013).

A consumer’s attitude towards advertising in general will presumably affect his recognition of brands in print advertisements. Someone who is very negative about advertising in general is likely to be more irritated by individual advertisements and, therefore, block out most of the advertising messages targeted at him. Indeed, irritation leads to less recall, especially in advertising haters (De Pelsmacker et al., 1998b). Also, the attitude towards the advertisement (Aad) may play an important role. Especially in the case of low involvement products or consumers (as is often the case for mass tourism tour operator packages), a positive attitude towards the advertisement may lead to more interest in the message and the brand, and eventually a more positive attitude towards the brand (Batra and Ray, 1986). De Pelsmacker et al. (1998b) concluded that a more positive Aad was related with less brand confusion. Consumers who have a high personal involvement (Zaichkowsky, 1985;
Ihamaki, 2012) in a product category possess a more fully developed knowledge structure with respect to brands in the category, and are therefore less likely to be confused (Foxman and Muehling, 1990).

The more familiar consumers are with the various brand offerings within a product class (for example, if they have visited already various mass tourism destinations in different countries), the more likely they can be expected to be able to make distinctions among brands, thereby reducing the likelihood of confusion. *Product category familiarity*, a major component of consumer knowledge, has been defined as the number of product related experiences that have been accumulated by the consumer (Jacoby *et al.*, 1986; Alba and Hutchinson, 1987; Sigala, 2010; Christou, 2011b). Cumulated advertising exposure, information search, salesperson interactions, choice, decision making, purchase and ultimately product usage are capsulated in the consumer’s memory and build-up product class and brand experience. *Brand salience*, i.e. brand awareness, brand loyalty, and use of a particular brand, may influence brand confusion. For instance, brand awareness has been found to be statistically significant for discriminating between consumers who confuse and consumers who do not confuse brands (Foxman and Muehling, 1990). The *degree of media use* may be a factor of importance, since consumers that read more magazines or newspapers or watch more television, will be more frequently exposed to advertisements.

Advertisers use a large number of techniques to convey their message and to influence the consumer’s ability and motivation to process the information offered (De Pelsmacker *et al.*, 1998a; Christou and Nella, 2010; Sigala, 2012). Advertisements may differ in emotional and informational content, as well as in format or creative strategy used. As far as *emotional content* is concerned, advertisers use techniques such as humour, eroticism, warmth, and provocation to draw the consumer’s attention. Very often, though, the capacity of these messages to draw the attention distracts the consumer, and leads to lower brand recall (Gelb and Zinkhan, 1986; Severn *et al.*, 1990). *Information content* refers to characteristics such as the number and type of selling arguments used (Abernathy and Franke, 1996), the degree of repetition of the arguments, the number of times the brand name is shown or mentioned and, more generally, the type of motivation used, e.g. informational or transformational (Rossiter and Percy, 1997). Although the richness of information may stimulate elaborate processing during exposure, and as a result lead to more attention and less confusion (Poiesz and Verhallen, 1989), information dense advertisements also lead to more irritation (De Pelsmacker and Van Den Bergh, 1998), and consequently may induce
more confusion. Format characteristics refer to the use of human models, product-in-use pictures, headlines, baselines, logos, large or small body copy or pictures, colours and typography; for instance, advertisements with pictures and advertisements in which a product in use is shown, result in less confusion. De Pelsmacker and Van den Bergh (1998) also conclude that the headline and the picture of the product were two of the most important determining factors of absence of confusion.

RESEARCH METHODOLOGY

The purpose of this study is to investigate the impact of a number of consumer characteristics on brand confusion, more specifically for international hotel chains. Brand confusion is operationalized as a consumer’s false identification of a brand name (in our case this is the name of the hotel chain) when an advertisement is presented with the brand name excluded from the message.

A total of 54 print advertisements, pertaining to 17 different hotel chains, were used as stimuli. It involved advertisements that were published in several magazines in the six months preceding the survey. The product category investigated (hotels), was selected because of the substantial amount of print advertisements available during that period of time, the diversity of brands advertised, as well as the publication frequency. The only problem is that the advertising stimuli in this product category were very similar in nature, resulting in a very high general degree of brand confusion.

The advertisements were presented to a representative sample of 127 persons in Greece, users of the product category under investigation (i.e., they all had visited hotel chains in the past, though not necessarily all the hotels represented at the advertisements of the study). Respondents were aged between 20 and 60, and were selected following a quota sampling procedure, using age and education level as quota variables. As part of a larger survey, participants were personally interviewed in cooperation with a professional marketing research agency in September of 2013. All respondents were recruited randomly until a quota sample of 127 was reached.

Consumer characteristics and the dependent variable ‘brand confusion’ were measured by means of a questionnaire completed during the personal interview. The questionnaire was composed of two parts. A first part provided measures of the attitude towards advertising in general, magazine reading behaviour, involvement with the product category
under investigation, spontaneous destination brand name recall for the chosen product category, brand loyalty, and product category familiarity measured as the extent of product use (visitation to different hotels) and the number of brands used regularly (number of hotels visited). Demographic information, including age, education level and profession, was also collected at this stage. The second part of the survey involved the actual testing of the advertisements; each respondent was assigned twenty-four advertisements. The advertisements were presented one by one, each time followed by a set of questions containing measures of the attitude towards the advertisement (11 items based on Madden et al., 1988; Olney et al., 1991 and Cho and Stout, 1993: likable, interesting, convincing, appealing, easy to forget, effective, irritating, believable, clear, informative, distinctive) and recognition of the advertisement. Participants were also asked to identify the brand (destination) each advertisement referred to (‘attribution’). In order to control for a possible presentation bias, separate groups of participants viewed the advertisements in different orders.

RESULTS AND DISCUSSION

In general, brand confusion scores were found to be discomfitingly high: from a total of 3216 observations, in 1286 cases (40%) respondents admit not to know what brand is advertised. For the following analyses these observations are excluded. Since not knowing which brand is advertised is not considered to be real confusion, these cases are irrelevant for further analyses. Of the remaining 1930 observations, in which case the respondents think they know which brand is advertised, 43% actually confuse brands and attribute a wrong brand to the advertisement. Overall, in only 1061 (33%) of all observations the advertised brand is correctly identified.

Two dimensions of the attitude towards advertising in general were measured: to what extent the subjects think advertising in general is irritating or fascinating, and to what extent they believe advertising in general contains useful information or not. Respondents who confused brands, as compared to participants that attributed brands correctly, evaluated advertising to be more irritating (3.61 versus 3.18, \(t\)-test, \(p = 0.001\)), but did not hold a different opinion on the information content of advertising. It can be assumed that the level of irritation served as a ‘gatekeeper’ for further processing of the advertising message.
Besides the effect of the attitude towards advertisements in general, also the impact of the attitude towards each individual advertisement (Aad) was assessed. This measure was a characteristic of the stimulus as judged by the respondents. Principal component analysis with Varimax rotation on the 11 items of the Aad scale used showed three dimensions, explaining 67.3% of the variance: affective reaction, composed of the items ‘likeable’ and ‘appealing’ (summed); distinctiveness, the item ‘different from other advertisements’; and informativeness, the item ‘one learns something from this advertisement’. The criteria used to define the Aad components were: variables should load more than 0.70 on one factor and less than 0.35 on the others, and correlations between variables loading on the same factor should amount to more than 0.70, while the correlations between variables of different factors should be less than 0.30.

Table 1: Hotel brand confusion & attitudes towards the advertisement

<table>
<thead>
<tr>
<th></th>
<th>Participants confusing brands*</th>
<th>Participants correctly attributing brands*</th>
<th>Significance level t-test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude towards advertising - irritation level</td>
<td>3.61</td>
<td>3.18</td>
<td>$P = 0.001$</td>
</tr>
<tr>
<td>Affective reaction</td>
<td>3.79</td>
<td>4.73</td>
<td>$P &lt; 0.001$</td>
</tr>
<tr>
<td>Distinctiveness</td>
<td>4.18</td>
<td>4.81</td>
<td>$P = 0.030$</td>
</tr>
<tr>
<td>Informativeness</td>
<td>2.21</td>
<td>2.84</td>
<td>$P = 0.268$</td>
</tr>
</tbody>
</table>

* Average scores on 7-point Likert scales

Relating brand confusion to what participants held of the advertisement revealed that respondents who confuse the brand as opposed to those who correctly identify the brand, rate the affective Aad-dimension, as well as the distinctive dimension significantly lower (Table 1). In other words, the extent to which consumers perceive the advertisement as attractive and as distinct from other advertisements is inversely related with brand confusion. Although the direction of the causality cannot be revealed in this study, it seems more plausible that the relation flowed from advertisements responses to brand confusion and not from brand confusion to the attitude towards the advertisement. The reason for this is that people who did not know which hotel brand was advertised were excluded from the analysis, eliminating the possibility that one evaluated the advertisement unfavourably simply because he/she did not know the advertised hotel. It has to be added, though, that the extent to which the respondents felt certain they attributed the right brand, was not measured.
As to the effect of the format of the advertisements, significantly more people confuse hotel brands when the advertisements contain human characters (59%) than when they do not (30%) ($\chi^2$, $p = 0.004$). A plausible explanation for this the nature of the product category investigated with respect to the think-feel dimension of the Foote, Cone and Belding (FCB) classification of products and services. According to this symbolic-utilitarian framework (Rathford, 1987; Sigala et al., 2012), hotels may be classified as purely symbolic, real ‘experience or feel’ products, as a result of which consumers are attracted to more affective and emotional formats. All in all, the affective reaction of respondents towards advertising in general and towards specific advertisements in particular appears to be strongly related to brand confusion, although certain differences can be observed between different hotels’ advertisements.

As to the information component of Aad, no difference was observed between participants who confuse and do not confuse hotel brands. The number of information cues present in the advertisements varied between 5 and 11, leading to brand confusion (2.28 versus 1.96; $t$-test $p < 0.001$). Although no significant effect of the perception of informativeness of the advertisement (as a component of Aad) was found, on the basis of these results it may be concluded that information overload in advertising leads to higher levels of confusion. This is confirmed by the fact that the copy of advertisements leading to brand confusion counted more words than their non-confused counterparts (267 versus 141, $t$-test $p < 0.001$). The density of the copy (the number of words divided by the size of the copy) was also larger for advertisements leading to brand confusion (1.68 versus 0.86, $t$-test $p < 0.001$). In Table 2 the effects of a number of other consumer characteristics on brand confusion are shown. Consistent with the findings of Foxman and Muehling (1990), highly involved respondents showed lower levels of destination brand confusion than low involvement consumers. The number of respondents confusing brands does not differ for light and heavy product category users, although the difference points in the expected direction. As expected, highly brand loyal consumers confused destination brands more often than variety seekers. Similarly, respondents mentioning more brands in use were confused to the same extent as those who mentioned fewer brands. Hence, product category familiarity does not seem to influence hotel brand confusion. Destination brand salience was measured as the level of brand awareness and brand loyalty. As expected, brand awareness leads to lower levels of confusion. However, people that are top-of-mind aware of hotel brands were
confused to the same extent as consumers that were not top-of-mind aware of the brands. Brand loyalty, as measured by distinguishing respondents who tick one particular brand as compared to those who tick the option ‘miscellaneous destination brands’ when asked what destination they most frequently visit, had a significant impact on brand confusion in the sense that more loyal customers seem to confuse brands than their ‘variety seeking’ counterparts (46.7% versus 30.2%, \(p = 0.031\)).

**Table 2:** Hotel brand confusion & respondent characteristics

<table>
<thead>
<tr>
<th>Brand awareness:</th>
<th>Confusion level</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-top-of-mind aware</td>
<td>49.3</td>
<td>(\chi^2, p = 0.015)</td>
</tr>
<tr>
<td>Top-of-mind aware</td>
<td>22.7</td>
<td></td>
</tr>
<tr>
<td>Brand loyalty</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loyal customers</td>
<td>46.7</td>
<td>(\chi^2, p = 0.031)</td>
</tr>
<tr>
<td>Variety seekers</td>
<td>30.2</td>
<td></td>
</tr>
<tr>
<td>Involvement:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High involvement</td>
<td>40.4</td>
<td>(\chi^2, p = 0.003)</td>
</tr>
<tr>
<td>Low involvement</td>
<td>52.0</td>
<td></td>
</tr>
<tr>
<td>Usage frequency:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heavy users</td>
<td>41.3</td>
<td>(\chi^2, p = 0.084)</td>
</tr>
<tr>
<td>Light users</td>
<td>44.9</td>
<td></td>
</tr>
<tr>
<td>Age:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 40</td>
<td>37.9</td>
<td>(\chi^2, p = 0.002)</td>
</tr>
<tr>
<td>Over 40</td>
<td>54.0</td>
<td></td>
</tr>
<tr>
<td>Perceived exposure:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not seen it</td>
<td>54.0</td>
<td>(\chi^2, p &lt; 0.001)</td>
</tr>
<tr>
<td>Seen it a few times</td>
<td>40.8</td>
<td></td>
</tr>
<tr>
<td>Seen it several times</td>
<td>37.6</td>
<td></td>
</tr>
</tbody>
</table>

*Magazine readership* was expected to have an impact on the *perceived frequency of previous exposure* to the advertisements, and therefore on brand confusion. Indeed, the more magazines participants read, the more they claimed to had seen the advertisements several times (20.2%, 26.8% and 32.5% for reading one, two and more than two magazines respectively, \(p < 0.001\)). Furthermore, the fact that respondents thought they had seen the advertisement before significantly lowered the likelihood of destination brand confusion (Table 2). A remarkable finding is that claiming to have seen the advertisement only a few as opposed to
several times, does not seem to affect brand confusion at all. One might be tempted to conclude that this lends support to the idea of Jones (1995) that one exposure might be enough, and that frequency of exposure is not so important. On the other hand, it could be that respondents only remembered having seen the hotel advertisement, but had no idea how many times they were exposed to it.

As far as the demographic characteristics of the respondents are concerned, neither education level nor profession had a significant impact on brand confusion. Age seemed to have a significant effect on brand confusion in the sense that more respondents over 40 confuse brands than their younger counterparts (54% versus 37.9%, $\chi^2, p = 0.002$). A possible explanation that the former were less involved in the product categories investigated has to be rejected. As a matter of fact, respondents over 40 actually appeared more involved (5.73 versus 5.11, $t$-test $p < 0.001$). Furthermore, they can be assumed to have more brand experience, since they mention to use the products more often (56.0% versus 31.4% are heavy users, $\chi^2, p = 0.040$). A possible explanation for the fact that more people over 40 confused brands may be that they are more loyal to particular hotel brands, and as a consequence, pay less attention to other brands. Significantly more respondents aged over 40 as compared to the younger ones, showed brand loyalty (65.0% versus 31.8%, $p < 0.001$), lending support to the suggestion that a high level of destination brand loyalty is a key factor in the higher brand confusion observed in people older than 40, that counterbalances the effects of more product usage, more product involvement and more magazine reading.

**FEEDBACK AND CONCLUSION**

It can be concluded that hotel brand salience, the level of product category involvement, the degree of perceived exposure (as a result of the difference in magazine readership), the general affective attitude towards advertising, the likeability and distinctiveness of the advertisement, the degree of information overload, and to a certain extent the age of the respondent, are the main consumer-related explanatory parameters of brand confusion for hotel chains.

Consumers most vulnerable to hotel brand confusion generally have lower levels of product category involvement, brand awareness and brand loyalty. They have a more negative general attitude towards advertising, and are more easily irritated by it. If they do not like a particular advertisement, or they think it is not distinctive enough, they are more
likely to be confused by it. Information overload advertisements tend to lead to more brand confusion. People over 40 appear to be more vulnerable to brand confusion than their younger counterparts. Other socio-demographic characteristics do not appear to have an impact on hotel brand confusion.

This study was limited to a specific product category (hotel chain brands). Therefore, practical implications should be formulated with caution. Nevertheless, the following suggestions seem to be valid: the affective reaction to tourism advertisement is very important; advertisement likeability leads to less hotel brand confusion; tourism advertisements should also be distinctive and not too information dense; and, building awareness, loyalty and involvement reduce destination brand confusion.

However, the present study has a number of limitations that are likely to affect the generalizability of the results obtained. It can be suggested that future research in hospitality marketing and branding includes more advertisements (and in a variety of formats – not just print ads), more diversified stimuli, and certainly more product categories from different types of hotels. This would also enable the investigation of product category and message related parameters. Finally, in order to investigate further hotel chain advertising campaign parameters a longitudinal approach may also be more appropriate.

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*REFEREED ANONYMOUSLY*

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BOOK REVIEW

From Heritage to Terrorism: Regulating Tourism in An Age of Uncertainty

Although, tourism-related studies focus on terrorism as the main threat of industry, others are interested in understanding the fascinating relation between terrorism and tourism. Whilst some specialists consider that terrorism resulted from resentment and poverty, others allude to the intercultural shocks, where tourism is embedded with. Whatever the case may be, few scholars have delved into the role of laws and jurisprudence in regulating tourism and terrorism. In view of that, From Heritage to terrorism, originally authored by Simpson and Simpson, represents a valuable effort to understand, from a fresh view, the logic of terrorism as well as its commonalities with tourism. Brilliantly, this book explores how the law facilitated the expansion of tourism over years, protecting the interests of capital holders. The existent jurisprudence suggests that tourism was determined by the legal system. It is unfortunate that scholarship preferred to study the economic forces that coexisted to boost tourism worldwide, avoiding a clear diagnosis of the laws. Circumscribing the laws to the local, and tourism to the global, the trivialization of legal comparative studies in tourism research is one of the most troubling obstacles, this book should overcome. Quite aside from this difficulty, it is necessary to trigger a new discussion respecting to the connection of tourism and terrorism.

The main thesis of this pungent project exhibits the need to show tourism is very hard to regulate because of its mobile nature. Touring represents an act of encountering others, a new discovery, which not always is hospitable. In some conditions, travellers are attacked or rejected by natives because their behaviour, or at least by their polemic cultural values. At the time, terrorism seems to be encouraged by discrepancies on the value given to heritage and history, some heritage
“makers” decides what part of history should be or not reminded; acts of atrocities in past are regulated by particular interests, which sometimes generate terrorism. In this vein, Simpson & Simpson’s book starts from a critical question to what extent terrorism should be regulated by the international law?

The paradigm of nation-state shows confidence in the paradoxical belief that that law reduces the conflicts among actors. An open question is also addressed by authors at time citizens become in tourists. They remind that it is important to debate if law can be used to protect the interests of status quo, which encourages the economic asymmetries of this globalized tourist world, or it signals to an desire to respect the ethnic difference and multiculturalism. Unless otherwise resolved, this argument goes on to acknowledge that “law is but a tool that can only be understood in the hands of those who control it”. Nations are today commoditized as products, which confers identity and heritage to a wide international demand. The specialists and experts encourage tourism as an activity of peace, wealth and as an answer to the needs of people. Its importance depends on the hegemony of the market on nations’ autonomy. Rather, others emphasize on tourism as a mechanism of control and alienation, because enlarge the inequalities between tourist-producing and tourist-receiving countries. Following this argument, one might speculate that terrorism resulted from a sentiment of resentment, generated by liberal force of market.

The originality of this book rests on the dichotomy that the same law generates respecting to tourism and mobility. If national jurisprudence declares what type of movement is legal and what type should be banned by state, how can we understand terrorism?. By chance, is terrorism an attack to the law?, or simply a hate-filled sentiment against the effects of mass-tourism traffic?, is control a way towards happiness?

Although the jurisprudence in sustainable tourism tries to regulate the negative aftermaths of the industry, the fact is that the system paradoxically provides the justification to promote tourism and the consequent reasons why it should be constrained. In respective, the disparities of legislation around the world makes very hard to apply the law to citizens from other states. Given this, local law enforcement poses a quandary in an era where uncertainty flourished elsewhere. On one hand, states allude to the protection of tourists ignoring the safety of the local natives. This means that their money is more important than their behaviour. On another, local interests should be amalgamated to much broader policies granted by state. The obsession for heritage consumption results in terrorist attacks because state does not follow sustainable
policies, which take the voice of locals and natives. To reverse these trends, law should be formulated to orchestrate all involving stake-holders interests. At some extent, the neoliberal demand echoes the promises that tourism would serve as an invisible-hand in order for local economies to be enhanced. Further, the doctrine of “free-transit” alludes to the needs of human rights in ensuring a just retribution of wealth. To cut the long story short, law and national jurisprudence plays a crucial role regulating tourism to respect all interests of local agents. In so doing, terrorism has fewer probabilities to have success.

We have delineated the main argument of this book to the study of tourism and terrorism. Nevertheless, there are some points which merit to be discussed. Unlike Simpson & Simpson’s argument, we argue that (modern) tourism is terrorism by other means. Of course, the law plays a vital role in this process but not by the reasons stipulated in this text.

The organization of labour gave to work-force a commercialized leisure to deter their protests and claims. Policies of this calibre rushed anarchism to divide in two sides, one of them inclined to support the unionization of labour in US, the others attacked by bombing officials, and important members of society. The jurisprudence of a capitalized society conferred to workers not only a reason to work, but also rejected the most negative effects of terrorism, which were associated to anarchism, towards the boundaries of society. The right to strike, which was legally given by elite to work-force in the early organization of labour (Wagner act), shares with terrorism certain commonalities, unexplored by specialists (Korstanje & Clayton, 2012; Korstanje, 2013; Korstanje & Skoll, 2013).

To explain further, whenever passengers are stranded at an airport or train stations because of problems between owners and unions, the sense of urgency facilitate the things for stronger ones. Businesses and terrorism organizations are not concerned about the vulnerability or needs of passengers. The latter one are manipulated as means for achieving certain goals (instrumentality). In a world designed to create and satisfy psychological desires, consumers as holders of money, are of paramount importance for the stability of system. The threat that represents the consumers and the derived economic loses are enough to dissuade owners from the worker’s claims. In these types of processes, typified by law, State not only takes intervention mediating between both actors but also is in charge of leading negotiations. But if negotiations fail, the state uses its armed force might to force the workers back to their jobs.

An early historical example is the great rail strike of 1877 when federal troops were withdrawn from the occupied former Confederacy to
kill strikers, terrorizing the mass of rail workers to end the strike. In doing so, first anarchists decided for terrorist acts, until they were disciplined by states. Once done, their forms of violence were mutated to another more symbolic way of protests, the strike. Capitalism owes much to worker unions, more than thought. Whatever the case may be, tourism has extended to the globe, as the well being of industrial societies had advanced. The evolution of tourism, as a mass industry, came from a combination of economic factors, much encouraged by worker unions, such as working hour reduction and a rise in the wages.

Last but not least, industrial societies pave the way for expanding trade in the world, in which tourism plays a crucial role, domestic workers are subject to conditions of exploitation. If anarchism introduced poverty relief in industrial societies, their virulent ideas were not accepted until they were changed to ways acceptable to the state and ruling class. From the ideals of bloody revolution, European societies passed to the working class organizations—unions and political parties. This is the reason why we argue that tourism indirectly resulted from terrorism. Violence exerted by the anarchists was not enough to change the society, or at least its ways of productions, but their ideas not only inspired many artists, but also many syndicalist leaders (Joll, 1979).

The capitalized society needed from a profound organization of human relation to work. The migrants who have arrived to US, in quest of better opportunities brought new ideologies (as anarchism), which organized a particular view of labor system. At time some anarchist organized attacks to officials and top director of police (terrorism), others were dissuaded to manage the worker union struggle. The former ones were jailed or deported, while the latter aspired to new benefits such as working hour reduction and better condition of work. Terrorism was legally disciplined by the introduction of strike, which conferred to workforce the right to stop the production when their rights to be violated. Worker union had success in their claims, capital holders accepted a drastic reduction of working hours and better wages. These benefits disposed to accelerate not only the ways of production, but also the mass consumption of workers. Modern tourism not only resulted from the success of first worker union’s dispute, but also it was the precondition to reject terrorism beyond the homeland. However, the ideals of anarchism never were eradicated in America. This is the reason why, tourism is terrorism by other means.

The history of pioneers in anarchism shows us two relevant aspects. First and foremost, states create their boundaries as a barrier to protect their economies. What inside can be denominated “a strike”, beyond
labeled as “terrorist attack”. Secondly, terrorists, most of them educated in the best Western universities learned our tactics of negotiations, strategies of exploitation and projected to more violent forms of expression. At the time tourism gave to worker unions a reason to work, the social system repelled the most negative aspects of their ideologies towards the boundaries. Actually, terrorists not only have been educated in the best western universities, they are familiar with our style of life. Although it is recommendable by specialist and researchers interested in terrorism, this book ignores precisely what a much broader international audience today fears, which means the bombing to an international resorts in Bali, has been taught by West.

REFERENCES


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AIMS & SCOPE

TOURISMOS is an international, multi-disciplinary, refereed (peer-reviewed) journal aiming to promote and enhance research in all fields of tourism, including travel, hospitality and leisure. The journal is published by the University of the Aegean (in Greece), and is intended for readers in the scholarly community who deal with different tourism sectors, both at macro and at micro level, as well as professionals in the industry. TOURISMOS provides a platform for debate and dissemination of research findings, new research areas and techniques, conceptual developments, and articles with practical application to any tourism segment. Besides research papers, the journal welcomes book reviews, conference reports, case studies, research notes and commentaries. TOURISMOS aims at:

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The scope of the journal is international and all papers submitted are subject to strict blind peer review by its Editorial Board and by other anonymous international reviewers. The journal features conceptual and empirical papers, and editorial policy is to invite the submission of manuscripts from academics, researchers, post-graduate students, policy-makers and industry practitioners. The Editorial Board will be looking particularly for articles about new trends and developments within different sectors of tourism, and the application of new ideas and developments that are likely to affect tourism, travel, hospitality and leisure in the future. TOURISMOS also welcomes submission of manuscripts in areas that may not be directly tourism-related but cover a
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For the Research Papers section, *TOURISMOS* invites full-length manuscripts (not longer than 6000 words and not shorter than 4000 words) from a variety of disciplines; these papers may be either empirical or conceptual, and will be subject to strict blind peer review (by at least three anonymous referees). The decision for the final acceptance of the paper will be taken unanimously by the Editor and by the Associate
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Case Studies
Case Studies should be not longer than 3500 words and not shorter than 2500; these articles should be focusing on the detailed and critical presentation/review of real-life cases from the greater tourism sector, and must include - where appropriate - relevant references and bibliography. Case Studies should aim at disseminating information and/or good practices, combined with critical analysis of real examples. Purely descriptive accounts may be considered suitable for this section, provided that are well-justified and of interest to the readers of TOURISMOOS. Each article should have the following structure: a) abstract, b) introduction (including an overall presentation of the case to be examined and the aims and objectives of the article), c) main body (including, where appropriate, the review of literature, the presentation of the case study, the critical review of the case and relevant discussion), d) conclusions (including also, where appropriate, recommendations, practical implications, and suggestions for further study), e) bibliography, f) acknowledgements, and g) appendices. All Case Studies are subject to blind peer review (by at least one anonymous referee). The decision for the final acceptance of the article will be taken unanimously by the Editor and by the Associate Editor.

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Book Reviews
Book Reviews should be not longer than 1500 words and not shorter than 1000; these articles aim at presenting and critically reviewing books from the greater field of tourism. Most reviews should focus on new publications, but older books are also welcome for presentation. Book Reviews are not subject to blind peer review; the decision for the final acceptance of the article will be taken unanimously by the Editor and by the Book Reviews Editor. Where appropriate, these articles may include references and bibliography. Books to be reviewed may be assigned to potential authors by the Book Reviews Editor, though TOURISMOS is also open to unsolicited suggestions for book reviews from interested parties.

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Conference Reports should be not longer than 2000 words and not shorter than 1000; these articles aim at presenting and critically reviewing conferences from the greater field of tourism. Most reports should focus on recent conferences (i.e., conferences that took place not before than three months from the date of manuscript submission), but older conferences are also welcome for presentation if appropriate. Conference Reports are not subject to blind peer review; the decision for the final acceptance of the article will be taken unanimously by the Editor and by the Conference Reports Editor. Where appropriate, these articles may include references and bibliography. Conference reports may be assigned to potential authors by the Conference Reports Editor, though
TOURISMOS is also open to unsolicited suggestions for reports from interested parties.

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Industry Viewpoints should be not longer than 1500 words and not shorter than 500; these articles may have a “commentary” form, and aim at presenting and discussing ideas, views and suggestions by practitioners (industry professionals, tourism planners, policy makers, other tourism stakeholders, etc.). Through these articles, TOURISMOS provides a platform for the exchange of ideas and for developing closer links between academics and practitioners. Most viewpoints should focus on contemporary issues, but other issues are also welcome for presentation if appropriate. Industry Viewpoints are not subject to blind peer review; the decision for the final acceptance of the article will be taken unanimously by the Editor and by the Associate Editors. These articles may be assigned to potential authors by the editor, though TOURISMOS is also open to unsolicited contributions from interested parties.

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NOTES FOR CONTRIBUTORS

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- Conference reports should be emailed directly to the Conference Reports Editor (Dr. Vasiliki Galani-Moutafi), at v.moutafi@sa.aegean.gr.
- Book reviews should be emailed directly to the Book Reviews Editor (Dr. Marianna Sigala), at m.sigala@aegean.gr.
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Feedback regarding the submission of a manuscript (including the reviewers’ comments) will be provided to the author(s) within six weeks of the receipt of the manuscript. Submission of a manuscript will be held to imply that it contains original unpublished work not being considered for publication elsewhere at the same time. Each author of a manuscript accepted for publication will receive three complimentary copies of the issue, and will also have to sign a “transfer of copyright” form. If appropriate, author(s) can correct first proofs. Manuscripts submitted to TOURISMOS, accepted for publication or not, cannot be returned to the author(s).
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Research Papers should be not longer than 6000 words and not shorter than 4000. Research Notes should be not longer than 2000 words and not shorter than 1000. Case Studies should be not longer than 3500 words and not shorter than 2500. Book Reviews should be not longer than 1500 words and not shorter than 1000. Conference Reports should be not longer than 2000 words and not shorter than 1000. Industry Viewpoints should be not longer than 1500 words and not shorter than 500. Forthcoming Events should be not longer than 500 words. Manuscripts that do not fully conform to the above word limits (according to the type of the article) will be automatically rejected and should not be entered into the reviewing process.

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- Manuscripts should be double-line spaced, and have at least 2,5 cm (one-inch) margin on all four sides. Pages should be numbered consecutively.
- The use of footnotes within the text is discouraged – use endnotes instead. Endnotes should be kept to a minimum, be used to provide additional comments and discussion, and should be numbered consecutively in the text and typed on a separate page at the end of the article.
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- The name(s) of any sponsor(s) of the research contained in the manuscript, or any other acknowledgements, should appear at the very end of the manuscript.
- Tables, figures and illustrations are to be included in the text and to be numbered consecutively (in Arabic numbers). Each table, figure or illustration must have a title.
• The text should be organized under appropriate section headings, which, ideally, should not be more than 500-700 words apart.
• The main body of the text should be written in Times New Roman letters, font size 12.
• Section headings should be written in Arial letters, font size 12, and should be marked as follows: primary headings should be centred and typed in bold capitals and underlined; secondary headings should be typed with italic bold capital letters; other headings should be typed in capital letters. Authors are urged to write as concisely as possible, but not at the expense of clarity.
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• **Subsequent pages**: the paper should begin on the third page and should not subsequently reveal the title or authors. In these pages should be included the main body of text (including tables, figures and illustrations); list of references; appendixes; and endnotes (numbered consecutively).

• The author(s) should ensure that their names cannot be identified anywhere in the text.

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