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## Editor's Dais



Team of Journal of Hospitality and Tourism wishes all the readers Merry Christmas and a very Happy New Year. In next year tourism will also achieve new heights. In our present issue we have covered tourism as well as hospitality. In the very first paper Prof. Hong-bumm Kim along with A.J. Singh, Chang Huh discussed the importance of information technology specifically for managing various operations in hotel industry. He has emphasized that explosive growth of information technology; automation and communication have also influenced the strategic planning of hotel inside as well as outside for better efficiency and customer relation. In the study the authors analyse the Korean Hotel Industry. After that Dr. Rob Law and Jocelyn Lai have discussed the Perception of Associate Degree Students of the Hospitality and Tourism Industry in Hong Kong. The expectations affect career decision. The authors have analyzed the specific expectations of Associate Degree students towards the hospitality and tourism industry, which influence them choosing the field as career. In third paper Prof. Christine Lim and Ying Wang have evaluated Scope of Japanese Outbound Tourism Using Seasonal Time Series Models. Using quarterly Japanese tourist arrivals to Australia and China for the period 1976(1) to 2000(2) and 1986(1) to 2000(4), respectively, this study examined the forecasting performance of various seasonal time series models, namely the Naïve Trend and Seasonal, Time Series Decomposition, Winter's Exponential, and Box-Jenkins ARIMA and SARIMA models. In the fourth paper Yingzhi Guo, Dallen J. Timothy and Samuel Seongseop Kim have analyzed Tourism development Strategies in Western China with the help of strengths, weaknesses, opportunities and threats in the area. Dr. Damiannah M. Kieti along with Prof. John S Akama from Kenya in fifth paper discuss that the rapid development of mass tourism and haphazard development of tourism facilities in the parks and reserves conflict with the principles of sustainable utilization of the wildlife resources. Moreover, the protection of wildlife in the parks and reserves and tourism development may conflict with people's socio-economic and cultural interests. But it is generally acknowledged that the development of sustainable tourism and local community involvement in the decision-making process and equitable distribution of tourism revenues can play a

significant role in poverty alleviation and improvement of the living conditions of the local people. The authors have analyzed the form of tourist activities, role of local people in adjacent area as well as the impact on social and economic activities in Samburu National Reserve.

Prof. Raija Komppula from Finland in the sixth paper discusses the importance of customer value as a core tourist product for the development of tourism. The empirical part of the paper presents results of a case study, in which the content of a rural tourism customer value was investigated. The results show that the value-expectations of the customers in rural tourism are very emotional, but when the decision has been made about what kind of service processes are desired in order to yield the value related to the goals, the criteria for the choice of the product, which affect the decision to buy the products, are fairly concrete and, particularly during the first time, they are factors related to the technical and functional properties of the service system. Nelson TSANG Kee Fu, Vincent C.S. HEUNG and Gigi LEE in eighth paper analysed the feasibility of Hong Kong Marine Parks for the Development and Marketing of Ecotourism. They have discussed as the demand for nature-based tourism is increasing worldwide, marine parks provide an opportunity to meet such a demand. In this research they have adopted an exploratory and qualitative approach to explore the potential development of ecotourism with Heng Kong's marine parks. Dr. Allan Edwards, James Skinner and Keith Gilbert in their paper highlights the theoretical notion of Postmodernism and attempts to place Tourism research into the postmodernist frame of reference. This article also attempts to dispel some of the widespread bemusement concerning post-modern theories and post-modern tourism by reviewing some of the recent developments in the area and suggesting further research.

(Mukesh Ranga)



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**Mukesh Ranga**

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# Information Technology Practices and Performance Impacts

## *A Case of the Korean Hotel Industry*

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**Abstract:** Successful introduction of information technology applications in various operations of hotel management is vital to most service firms. With the explosive growth of Internet usage in the 1990s, technologies of information, automation, and communication are increasingly recognized as an essential component of the strategic plan in hotel companies. In this study, 62 super-deluxe hotels (five star), deluxe hotels (four star), and tourist hotels (three star) in Korea are examined to identify the impacts of information technology services on guest' satisfaction, guest convenience, and operational & managerial efficiency. The differential impacts of information technology services among super-deluxe, deluxe, and tourist hotels are also analyzed. The findings generally suggest that the impacts of information technology-enhanced services vary according to different outcome variables. A well-balanced introduction and management program of technologies is needed to make their performance successful in both customer service and operational areas. The different sizes of hotels are found to call for somewhat different information technology-enhanced service variables to enhance specific performance results. The implications of the study are discussed.

**Key Words:** Information technology; satisfaction, convenience, efficiency

## Introduction

Technologies related to information, communication, and automation has transformed many organizations in the service industry over the last two decades. A proliferation of the Internet has enabled and perhaps forced a revolution in the way business is conducted (Paraskevas and Buhalis 2002). The service sector has responded to this revolution with significant investments in information technology services. Organizations have realized that this is the only way to manage their resources effectively and remain strong in the emerging competitive arena (Buhalis 1998; Werthner and Klein 1999).

As Information technology (IT) and technology enabled services and

amenities are becoming more pervasive, customers and employees expect these conveniences in hotels as well. Hotel companies that are sensitive to this continuously changing environment will enjoy a competitive edge. Specifically, hotels will need to consider IT services which meet and exceed guest expectations at all hotel-guest interfaces, such as public areas, in-room and food and beverage outlets. Furthermore, hotels will need to consider the quality of information technology for all guest-managed interfaces such as reservations, check-in, access and ease of information. Managers of large properties, for instance, believe that information technology plays a key role in improving the effectiveness of the operations and enhancing customer satisfaction (Van Hoof, Verbeeten, and Combrink 1996). Implementing information technology-enhanced services is expected to increase the effectiveness of day-to-day operations and management of hotels.

It has been pointed out that the information technology services have been widely implemented in most guest contact and support areas of hotels such as rooms, food and beverage service areas, back office areas, maintenance and operations, and meetings and conventions. Van Hoof et al. (1996) indicate that the most common use of information technology in hotels is concentrated in the front desk, reservations, telephone department, and Management Information System (MIS) functions supported by the accounting department. The food and beverage department and housekeeping are next highest users of technology, and finally, the least computerized and automated department is engineering. This implies that information technology services have become a main source in sustaining a competitive edge and a strategic tool, especially in the service industry due to its pivotal role in the description, promotion, distribution, amalgamation, organization and delivery of service products (Main 2001). Technology can offer significant advantages in operational management such as property management system, tactical management such as financial modeling and yield management, and strategic management such as decision support system to hotel organizations.

However, there is also a skeptical view on the implication of information technology services in the hotel industry. Cho & Connolly (1996) observed that many hotel managers remained reluctant about the value of investment in information technology services due to their inability to accept the long-term investment return horizons for large scale technology expenditures. This requires strategic vision and commitment to new technology, which will secure future diffusion of benefits through the industry and stakeholders, including customers.

Therefore, the purpose of this study is to examine differences in the

practices and impacts of information technology services among hotel categories in Korea. More specifically, this study examines the relationships among three performance outcomes: User satisfaction, perception of convenience, and operational & managerial efficiency, among super-deluxe (five star) hotels, deluxe (four star) hotels, and tourist (three star) hotels.

## **Background of the Study**

The service industry literature is deficient in establishing the relationship between the use of information technology and its impact on productivity. Within this existing literature base, much of the focus has been on information technology. In reviewing the application of information technology services within the service industry, it is useful initially to explore the meaning of this term within this paper. It has a range of definitions.

Kirk and Pine (1998) provided a very broad scope for reviewing technology, covering such topics as building technology, environmental management technology, food production, service technology, and information technology. Pine (2000) has suggested a service-based descriptive definition which refers to technology being regarded as the skills, knowledge and methods for achieving plans in a changing environment, and thus encompasses management systems and techniques as well as the physical artifacts of technology, such as equipment and machines. Kirk and Pine (1998) have indicated that the definition of technology which relates to the sustenance of the organization and the comfort of the client is more relevant to service, since technology cannot be considered in isolation of people, both within the organization and its customers. They have defined technology as any developments in scientific knowledge and understanding that can be used to improve the products and services of the service industry.

In the service industry, not only is technology itself an important factor, but also the way technology is introduced into and used by organizations is crucial to its successful utilization. Kirk and Pine (1998) have insisted that the successful utilization of any technology is not only dependent upon its technical aspects, but more so, on the way people interact with and accept the technology. Some previous research recognized the continuing importance of technology to the service industry, reporting that technology was shaping up to be the most significant competitive advantage service firms can have (Go and Pine 1995; Go, Pine, and Yu 1994; IHA 1996). Information technology, for instance, has been viewed to provide not only improved quality and productivity, but also a competitive advantage, especially in servicing businesses when technology is used to empower employees to better serve

customers and to empower customers by making it easier for them to do business with the firm (Go and Pine 1995). According to Main (1995), only half of the responding independent hotels in UK used any form of information technology including software and hardware. The result indicated that those managers who did not use information technology were generally older and had fewer years of formal education. This might occur because a particular group was less likely to have been exposed to new technology and perhaps was unaware of the advantages it had to offer.

With rapid advances in telecommunications, advancements in computer capabilities, and the development of sophisticated software support the delivery of services, technologies related with computer hardware and software have become a major factor in the operation of service businesses. The convergence of technological applications places knowledge and information at the core of the competitive profile of tomorrow's service enterprise. The premise of this "information age" is that hotel firms in the future will build their success on how much they know about their customers; how they will provide them with information about their products and services, and how they will profitably distribute those products and services in an information-based environment. The focus in this case is building a sustainable competitive advantage by knowing more about what customers, competitors, suppliers, and regulators will do in the future. This combination of future-oriented thinking supported by knowledge-based systems will also require a retrained labor force capable of implementing these systems to add value to the firm. This suggests that the service firm of tomorrow will look and behave differently than what is familiar today (Olsen and Connolly 2000).

With the help of computer technologies, most hotels have increasingly pursued a fully integrated and automated property management system which provides hotel management with an effective means with which to monitor and control many front office and back office activities (Kasavana and Cahill 2003). Automation has simplified many auxiliary guest services and guest-operated devices such that interfacing auxiliary guest services to a property management system lies in the comprehensive coordination and tracking of guest-related functions. User friendly, guest-operated devices, such as information kiosks, have been located in the public area of many hotels. Van Hoof et al. (1996) noted that guests did not use guest-operated devices effectively, although that sentiment was less strong among managers of properties that had actually installed such devices. A lack of proper training, high turnover rates, and limited financial resources were considered major barriers to the successful use and implementation of technology services. Nevertheless, training both guests and employees in the use of technology

and raising their awareness about its benefit were seen as essential to a property's future competitive position.

Information technology services are also having the effect of changing the ways in which hotel firms conduct their business - reservations and information management systems such as computer reservation systems and electronic point of sale in the service sector; the way companies communicate; how customers look for information and purchase travel goods and services. In terms of consumer access to technologies, the use of the Internet is perhaps the dominant force (Connell and Reynolds 1999) shaping the industry. Centralized regional reservation systems are attractive to customers as they can book a service package or an entire visit to an area in one telephone call, where availability and booking and payment can be handled online. The survival route for small and medium-sized hotels lies in regional online information networks and third party online reservation service providers.

In a study conducted by Van Hoof et al (1996), they found that the size of a property, its level of automation, and its automation history were the main determinants of how lodging managers perceived technology. Managers of large hotel properties appeared to be more comfortable with technology and more appreciative of its benefits than managers of small properties. Technology needs, technology awareness among management and staff, and the use of technology to enhance guest satisfaction all increased with property size. For this reason, this study makes the a priori assumption that there will be a differential impact of technology based services on different categories of hotels. There may be, of course, a danger of technology push, particularly if hotel customers do not have a need for these technology-oriented facilities and devices. Indeed, some research warns against the dangers of infatuation with technology's physical manifestation, such as acquiring machines and equipment simply because they are the most up-to-date or sophisticated models available on the market (Kirk and Pine 1998; Ray Pine 1992; Walker and Craig-Lees 2002). Van Hoof et al. (1995) also found in their survey that customers benefited from improved in-room facilities, but did not always gain full benefit, possibly because of a lack of awareness of how to use them. This study counts on the different aspects of outcome variables such as satisfaction, convenience, and efficiency to identify ways in which hotel firms can employ not only information technology-oriented but also user-oriented approach in designing successful application of technology-enabled services.

## **Conceptual Framework and Research Questions**

The major focus of this study is to examine the practices and differential



performance impacts of employing information technology services in super-deluxe hotels (five star), deluxe hotels (four star), and tourist hotels (three star) in Korea. While this study assumes the hotel category to be a moderating variable on the relationship between information technology service variables and performance, the size itself may, in fact, be a determinant of the hotel's introduction and adaptation of information technology services at management and operational levels. The linkage between types of hotels and information technology usage behaviors has seldom been discussed in previous research. In particular, the causal position, relative importance, and measurement of organizational size, as it relates to various patterns of information technology usage behavior among and in hotels are becoming an increasingly debated and researched issue.

While it is easy to find examples of super-deluxe, deluxe, and tourist hotels that have grown as the result of being successful technology introducers, it is likely that they employ a different emphasis on the usage. Hence, it is useful to examine the nature of the moderating influence of hotel categories on the information technology service usage - performance relationship. Here, we suggest a conceptual framework that deluxe/relatively low price and small-scale hotels, for example, can achieve successful information technology service performance by employing their own inherent choice of technology usage as well as the large five star firms. The study formulated six research questions to operationalize the construct.

RQ 1: Are there differences in how hotel managers perceive the use of technology services in various areas of a hotel?

RQ 2: Are there differences in the perceptions of hotel managers about the effectiveness of employing technology services to increase user satisfaction?

RQ 3: Are there differences in the perception of hotel managers about the effectiveness of technology services increasing user convenience?

RQ 4: Are there differences in perception of hotel managers about the effectiveness of employing technology services to increase operational efficiency?

RQ 5: Do the categories of hotels have a significant effect on hotel managers' opinions about the impact of technology services to increase performance?

RQ 6: Do the categories of hotels have a significant effect on hotel managers' opinions about future investment in technology services for increasing their performance?



This study addresses these research questions; first by classifying the various technology enhanced services in Korean hotels; and then by determining whether the categories of hotels show specific similarities and differences in their usage patterns of technology services and the impact of these on performance results.

## **Methods**

### **Sampling and Procedure**

Initially, the researchers were faced with the problem of creating a valid and consistent scale factor of the hotels in the study sample. The hotels in Korea consist of a cross section of relatively small- to large-sized hotels. For this reason, the sampling frame identified for the study was the database of the Korean Hotel Association (KHA), which evaluates each of hotels and assigns them a star level (1-5) based on their strict rating system (e.g., services, facilities, and amenities). The star system consists of five categories: Super deluxe (five star) hotels, Deluxe (four star) hotels, Tourist hotels; first class (three star), second class (two star), third class (one star). In this study, Seoul, capital of Korea, was selected as a geographical sample region, because almost half (40%) of super-deluxe hotels, one-thirds (30%) of deluxe hotels, and one out of five (20%) tourist hotels are located in the study region. A total of Hotels in the study region accounts for 112. The sample of this study consisted of 62 hotels (52% of Hotels in Seoul), which included super-deluxe (five star) hotels (n=21), deluxe (four star) hotels (n=29), and tourist (three star) hotels (n=12). The unit of analysis was hotel managers at these properties.

A self-administered questionnaire was addressed to the hotel managers who were requested to deliver them to the appropriate managers responsible for implementing information technology services in their respective hotels. The delimitation of this study was a hotel management centric perception of the impact of technology based services on performance. As such, the study was designed with an overtly in-built bias focusing on the management perception of the research questions. The authors recognize that customer perceptions on the same questions may be different from the management perspective, which may be the topic of a separate study. The survey was conducted from April 14 to May 28, 2002. From an initial sample of 100 hotels, which were selected from a list of hotels in the 2002 annual report of KHA, a total of 62 hotels replied to the questionnaire for an effective response rate of 62%. Personal visits to all of the 100 hotels and persistent telephone follow-up were largely responsible for the exceptionally high response rate [1]. At each hotel, a respondent was permitted to fill only one questionnaire.

## Measurement

The questionnaire for this survey consisted of three parts. The first part examined the extent to which the respondents believed each of 20 information technology service variables in the operating departments: Rooms, Food & Beverage (F&B), back office, maintenance & operations, convention services-resulted in performance impacts of satisfaction, convenience, and operational & managerial efficiency. Responses to the questions were given on a five-point scale ranging from "1" equaling a strongly disagree rating to "5" equaling a strongly agree rating. The second part of the questionnaire was comprised of measuring how much the responding hotel perceived the necessity of investing in technology service amenities and equipment in the future. Respondents to the questions used a five-point scale ranging from "1" equaling a strongly disagree rating to "5" equaling a strongly agree rating. The third part consisted of measures regarding how actively each hotel used technology-enhanced services in their management and services to customers. Here, all respondents were asked to respond to the extent the 20 technology-based services were incorporated into their guestrooms, F&B areas, meeting and convention facilities, and back-office areas. The last part constituted a series of socio-demographic profile questions for the respondents and the corresponding hotel. The purpose of the socio-demographic profile questions was to examine whether perceptions on the technology-enhanced services would vary among different socio-demographic categories, particularly in the star category reflecting scale factors and service level. This article presents results from the first and second part of the questionnaire.

## Data Analysis

Twenty technology-enhanced service variables were identified, which constituted the specific elements of the hotel's five managerial and operational dimensions. Three performance outcome variables: user' satisfaction, perception of convenience, and operational & managerial efficiencies, were also presumed to be closely linked to technology service variables. A categorization scheme of a star system was used to distinguish hotels according to their size and service quality, and was designed to test for differences in the impact of a hotel's technology-based services on satisfaction, convenience and operational efficiency/performance. Finally, the degree to which hotels intended to invest in technology based services in the future and differences in this intention between hotel categories were examined.

To determine which of the 20 technology-enhanced service variables differed significantly in their technology usage across the three different categories of hotels, a one-way ANOVA (analysis of variance) was conducted.

Levene's test was applied before drawing valid explanation of the ANOVA test, because the three independent groups exhibited different sample sizes and this may have violated the assumption regarding the homogeneity of variance. In this regard, Kruskal-Wallis test was additionally introduced in case Levene's test showed significant variances across the three independent groups.

Repeated measures of ANOVA were also conducted to examine the differential effects of each information technology services (user' satisfaction, degree of providing convenience, and operational & managerial efficiency) in hotels. If the results indicated higher effects on a particular performance outcome, the managerial implications would be significant. To test the assumption of repeated measures of ANOVA, that all possible differences come from the same population variance, Mauchly's test of sphericity was employed. If Mauchly's test indicated statistical significance (i.e.,  $p < .05$ ), the Greenhouse-Geisser correction was applied to satisfy the assumption of repeated measures of ANOVA. SPSS version 12.0 was used for these analyses.

Finally, independent samples t-tests were conducted to determine if significant mean differences exist between super-deluxe and deluxe/tourist hotels in their intention to make future investments in technology based services at their hotel.

## **Results and Discussion**

The respondent profile consisted of 64.5 percent males and 35.5 percent females. With regard to the hotel as the unit of analysis, a third of respondents (33.9%) were super-deluxe hotels (five star), half of them (46.8%) were deluxe hotels (four star), and the remaining (19.4%) were tourist hotels (three star). Over two-third of respondents (71%) had between 5 and 10 years experience in hotels, and the remaining (29%) had more than 10 years of work experience at hotels.

As shown in Table 1, the use of information technology services is widely different between the three hotel categories in Korea. The results reflected in ANOVA indicate that statistically significant variations existed in the degree of technology usage between the three hotel categories, with the exception of "Remote check-in and check-out," and "Electronic management card." The results also indicate that super-deluxe hotels (overall mean = 3.68) exhibited highest usage patterns in information technology services in all five aspects of hotel services, whereas tourist hotels had considerably less information technology services, with an overall mean of 1.94.



The two most popular uses of in-room information technology applications in Korean super-deluxe and deluxe hotels are in-room communication (modem/Internet access) and cable television. Based on the market served, tourist hotels, not surprisingly, had negligible ( $M = 1.41$ ) use of in-room Internet or modem services. On the other hand, the only in-room information technology services used in tourist hotels is cable television ( $M = 3.41$ ).

The least used in-room technology application at super-deluxe and deluxe hotels is the in-room fax ( $M = 2.90$  and  $M = 1.55$ , respectively). As guests are relying more on Internet based communication media, the low use of in-room faxes is not surprising. Based on the results, in-room technology applications at tourist hotels in Korea is almost non-existent, with mean responses of less than 2.0 for all in-room applications, with the exception of the TV.

In addition, "remote check-in and check-out" was also less utilized across all three hotel categories, with no statistically significant difference ( $M = 2.0, 1.58, 1.25$ , respectively). These devices, are typically located in the lobbies hotels and can also be accessed through guestroom televisions or telephones (Kasavana and Cahill 2003). Based on the results of the study, it appears that Korean hotels still value personalized service, with regard to the initial guest contact (check-in) and departure process (check-out). In the 2000s, remote check-in and check-out applications, such as self check-in kiosks, and Interactive TV's are increasing at U.S. hotels serving business travelers. The value of these applications is seen in their efficiency as they reduce the time it takes to process guest registrations, check-ins, and check-outs.

Regarding Internet booking, super-deluxe (five star) and deluxe hotels (four star) that compose most international chain hotels in Korea, more managers indicate stronger agreement that they utilized this technology for reservations at their hotels ( $M = 4.04$  and  $M = 3.82$ , respectively) as compared to tourist hotels ( $M = 2.50$ ). As tourist hotels are primarily independent hotels catering the domestic market, they rely on the traditional distribution channels such as travel agencies and direct phone reservations.

With regard to food and beverage technology applications, wireless applications are almost non-existent in Korean hotels. Managers at super-deluxe hotels were neutral in their response ( $M = 3.0$ ) as to the use of this technology, while this was almost non-existent at tourist hotels ( $M = 1.0$ ).

Wide differences exist between hotel categories with regard to the use of information technology for back office applications. The two most used back office applications at super-deluxe and deluxe hotels are e-mail and

customer information systems. As with other hotel services, tourist hotels do not use much information technology to support their back office functions.

The two most common uses of maintenance and operations functions in Korean hotels are to support physical facilities such as ventilation, waste and energy management. While there were statistically significant differences in the patterns of usage between hotel categories, the mean scores indicate agreement among hotels, in particular super-deluxe and deluxe hotels. Electronic locking systems and ATM machines are also commonly used in super-deluxe and deluxe hotels. With the exception of energy management systems, in general tourist hotels do not use information technology to support these operations.

Table 2 summarizes the impact of information technology applications on user' satisfaction, user convenience, and operational & managerial efficiency in Korean Hotels. Results of the analysis indicate that hotel managers perceive differences in the impact among the three repeatedly measured groups of performance variables.

With regard to in-room and guest service technology applications, in-room modem/Internet hookup, in-room cable TV, and Internet bookings had the highest effects and were mainly perceived as providing guest convenience. Other in-room and guest service technology, such as in-room fax, remote check-in and check-out, cell phone rental and voice-mail systems also had fairly high effects and also primarily impacted guest convenience.

In the food and beverage area of Korean hotels, the respondents agreed that wireless technology applications primarily impacted operational efficiency. Furthermore, other back office technology applications such as e-mail, electronic file transactions, and customer information systems also primarily affected operational efficiency. The back office applications with the highest effect on operational efficiency are the customer information management systems.

Some of the maintenance and operations technology applications were viewed as primarily guest convenience, while others were viewed as providing operational efficiency. For example, ATM machines impacted guest convenience while ventilation, waste management and electronic management cards were viewed as providing operational efficiency. There was no statistically significant difference in the impact of electronic locking systems and energy management systems across the three performance variables. Finally, video conferencing was viewed as a guest convenience application while electronic office management systems have an equally strong effect on all performance variables.

**Table 1**  
**Utilization of Technology Enhanced- Services by Hotel Category <sup>a</sup>**

Technology-Enhanced Services In Hotel Management	Types of Hotels			One-Way ANOVA F (p) <sup>c</sup>	Levene Test $\chi^2$ (p) <sup>d</sup>	Kruskal- Wallis Test $\chi^2$ (p) <sup>e</sup>
	Super-deluxe Hotels (Five Star) n=21	Deluxe Hotels (Four Star) n=29	Tourist Hotels (Three Star) n=12			
In room modem/Internet hook-Up	4.28 <sup>b</sup>	3.93	1.41	33.902 (.000)***	1.046 (.358)	25.876 (.000)***
In room cable/satellite Broadcasting	4.61	4.10	3.41	6.021 (.004)**	.361 (.698)	16.042 (.000)***
In room fax	2.90	1.55	1.25	10.253 (.000)***	5.134 (.009)**	16.285 (.000)***
Remote check-in and check-Out	2.00	1.58	1.25	2.216 (.118)	1.990 (.146)	6.163 (.046)
Internet booking	4.04	3.82	2.50	6.303 (.003)**	10.947 (.000)***	5.873 (.053)
Cell-phone rental	2.66	2.03	1.41	3.875 (.026)	5.709 (.005)**	6.541 (.038)
Interactive TV guide	3.28	2.48	1.33	7.689 (.001)***	9.887 (.000)***	13.030 (.001)***
Voice-mail system	3.52	2.00	1.00	13.000 (.000)***	18.332 (.000)***	19.301 (.000)***
F&B Wireless POS	3.09	2.55	1.00	7.716 (.001)***	21.514 (.000)***	14.630 (.001)***
E-mail correspondence and Communication	4.33	3.75	2.33	9.841 (.000)***	1.911 (.157)	16.355 (.000)***
Electronic file transactions/Documentation	3.66	2.17	1.41	13.257 (.000)***	1.908 (.157)	17.849 (.000)***
Office Real time data logging/auto display mode	3.61	2.17	1.41	12.825 (.000)***	2.782 (.070)	17.772 (.000)***
Customer information management system	4.57	3.96	2.25	16.674 (.000)***	2.725 (.074)	23.032 (.000)***
ATMs (Automatic Teller Machines)	3.95	2.82	1.25	13.413 (.000)***	15.409 (.000)***	19.938 (.000)***
Electronic locking system	3.61	3.48	1.50	7.412 (.001)***	6.257 (.003)**	11.286 (.004)**
Electronic management card	3.38	3.10	3.08	.214 (.808)	1.543 (.222)	.740 (.681)
Automatic ventilation and waste management system	4.33	3.58	2.91	5.146 (.009)**	.235 (.791)	12.081 (.002)**
Energy management system	4.66	4.51	3.75	6.365 (.003)**	1.084 (.345)	14.269 (.001)***
Remote teleconferencing/ video meeting system	2.52	1.44	1.00	10.385 (.000)***	67.064 (.000)***	13.142 (.001)***
Copy machine & Printer	4.76	4.68	3.41	11.893 (.000)***	12.505 (.000)***	16.582 (.000)***

a. One-way ANOVA routine in SPSS was employed to analyze mean differences in three types of hotels.

b. Mean scored based on a 5-point scale where 1 equals strongly disagree, 2 equals disagree, 3 equals neutral, 4 equals agree, and 5 equals strongly agree. Overall means of each hotel are 3.7 (super-deluxe hotel), 3.0 (deluxe hotel), and 1.9 (tourist hotel).

c. Statistic for testing mean differences between subjects in One-way ANOVA.

d. Test statistic of homogeneity for variances in three independent groups.

e. Corrected non-parametric test for testing mean differences in case the homogeneity variance assumption is not satisfied.

\*, \*\*, \*\*\* refer the corresponding statistic is significant respectively under  $\alpha = .05, .01, \text{ and } .001$ .

After synthesizing the usage patterns (Table 1) with the performance variables (Table 2), it was logical to expect a relationship between the impact of the technology application and actual usage patterns in Korean hotels. If the technology was deemed to provide user satisfaction, convenience or operational efficiency, we expected to see a higher usage. This relationship



was not consistent across all hotel technologies and hotel categories. In general we found the gap between usefulness of technology and actual usage to be higher across all technological applications in the deluxe and tourist hotels, when compared to the super-deluxe hotels.

With regard to room applications, we found gaps in the performance means and actual usage of technology applications such as in-room fax, remote check-in, cell phone rental, and interactive TV guide. In each case, the technology was perceived to either provide user satisfaction, convenience or operational efficiency but had low mean scores for utilization. While wireless applications were seen as providing operational efficiency ( $M = 4.03$ ), its actual usage varied from neutral in super-deluxe hotels to non-existent in tourist hotels.

The back office applications indicated a much stronger relationship between the usefulness of the technology (impact) and actual usage in super-deluxe hotels. The highest effect of these applications, as indicated previously, was on operational efficiency and there was consistent agreement on their use in these hotels. On the other hand, as with other applications, while managers at tourist hotels find these applications useful (high impact on operational efficiency), in actual practice very few hotels use these technologies.

In the case of maintenance and operations technology we found a closer match between impact and usage for super-deluxe and deluxe hotels as compared to the tourist hotels. The only application that had some consistency between impact and usage in tourist hotels was energy management systems. Finally, while video conferencing was perceived to be useful in providing convenience, hotels across all three categories do not use this technology.

The results presented in Table 3 show management intentions of investing in information technology-enhanced services in the future. This need would reflect, of course, their perception on the gap between their current capabilities of the services and the expected level of the services from guests. The results indicate that super-deluxe hotels and deluxe/tourist hotels exhibited significant differences in their intentions to make technological investments. In general, super deluxe hotel managers show a higher propensity to spend on technology such as cell phone rental, voice mail systems, electronic file transactions, and ATMs, as compared to their deluxe and tourist hotel counterparts. On the other hand, deluxe and tourist hotel managers were more apt to spend on in-room modem/Internet hook-up and energy management systems, compared to super deluxe hotels. While differences exist in the degree of importance placed by managers at super-deluxe hotels vs. deluxe/tourist hotels, the

**Table 2**  
**Impact of Technology-Enhanced Services<sup>a</sup>**

Technology-enhanced Services In Hotel Management	Effects			Wilks' $\lambda$ (F) <sup>c</sup>	Mauchly's W ( $\chi^2$ ) <sup>d</sup>	Greenhouse -Geisser F <sup>e</sup>
	User Satisfaction	Providing Convenience	Operational Efficiency			
In room modem/Internet hook-Up	4.39 (.84) <sup>b</sup>	4.60 (.71)	4.26 (.81)	.754 (9.770)***	.748 (17.422)***	6.690**
In room cable/satellite Broadcasting	4.42 (.62)	4.47 (.67)	4.13 (.78)	.834 (5.805)***	.662 (24.759)***	7.083**
In room fax	3.52 (1.18)	3.84 (1.16)	3.71 (.98)	.804 (7.316)**	.820 (11.908)**	4.817*
Remote check-in and check- Out	3.55 (1.07)	3.74 (.89)	3.69 (1.14)	.937 (2.022)	.766 (15.987)***	1.455
Internet booking	4.21 (.70)	4.32 (.88)	4.31 (.93)	.986 (4.428)	.915 (5.324)	.406
Cell-phone rental	3.45 (1.00)	3.71 (.86)	3.40 (1.00)	.869 (4.526)*	.904 (6.033)*	3.758*
Interactive TV guide	3.74 (.87)	3.95 (.80)	3.76 (.94)	.907 (3.062)	.789 (14.232)**	1.746
Voice-mail system	3.61 (1.08)	3.87 (1.00)	3.85 (.97)	.886 (3.862)*	.881 (7.606)*	3.157
F&B Wireless POS	3.55 (1.20)	3.71 (1.11)	4.03 (1.02)	.860 (4.899)*	.915 (5.330)	4.083**
E-mail correspondence and Communication	4.02 (.98)	4.08 (.89)	4.15 (.74)	.960 (.697)	.969 (1.873)	.654
Electronic file transactions/ Documentation	3.37 (1.13)	3.56 (1.05)	3.77 (.95)	.862 (4.796)*	.935 (4.045)	5.530**
Real time data logging/ auto display mode	3.74 (1.17)	3.87 (1.06)	3.90 (.88)	.969 (.964)	.994 (.378)	1.012
Customer information management system	4.08 (1.04)	4.21 (.77)	4.40 (.69)	.862 (4.807)*	.882 (7.551)*	5.148**
ATMs (Automatic Teller Machines)	3.69 (1.24)	4.10 (.95)	3.87 (1.00)	.798 (7.585)**	.893 (6.801)*	6.677**
Electronic locking system	3.92 (1.16)	4.13 (.97)	4.08 (.93)	.933 (2.149)	.948 (3.217)	2.289
Electronic management card	3.73 (1.01)	3.79 (1.12)	4.10 (.84)	.832 (6.054)**	.953 (2.860)	7.343**
Automatic ventilation and waste management system	4.00 (.92)	4.23 (.84)	4.27 (.81)	.836 (5.865)**	.978 (1.336)	6.565**
Energy management system	4.29 (.88)	4.44 (.74)	4.44 (.69)	.917 (2.704)	.986 (.829)	2.684
Remote teleconferencing/ video meeting system	3.66 (1.34)	3.98 (1.02)	3.61 (1.15)	.778 (8.554)**	.757 (16.743)***	4.594*
Copy machine & Printer	4.27 (.79)	4.37 (.71)	4.34 (.72)	.963 (1.137)	.838 (10.579)**	0.715

a. GLM Repeated Measures routine in SPSS was employed to analyze Repeated measure ANOVA

b. Means and standard deviations (parenthesis) of 62 hotels. Mean scored based on a 5-point scale where 1 equals strongly disagree, 2 equals disagree, 3 equals neutral, 4 equals agree, and 5 equals strongly agree.

c. Statistic for testing the within-subjects factor in Repeated Measure ANOVA.

d. Test statistic of sphericity for verifying the variance-covariance matrix of the dependent variables.

e. Corrected test to adjust the degrees of freedom for the averaged tests of significance in case the variance-covariance matrix assumption is not satisfied.

\*, \*\*, \*\*\* refer the corresponding statistic is significant respectively under  $\alpha = .05, .01, \text{ and } .001$ .

summary mean scores (Table 3) clearly delineate the technology services identified for future investment.

Guest convenience and increased guest expectations are the primary reasons why managers at all three-hotel categories intend to invest in "In

room modem/Internet hook-up." Increasingly, business hotels are equipping guest rooms with high-speed Internet access (HSIA) as a standard amenity both for new developments and renovated properties. Franchise and management companies have started to include this feature as a part of their brand standards for franchisees. Therefore, it is not surprising the mean score for their investment plans at super deluxe hotels was 4.14 and deluxe/tourist hotels were 4.51, both showing agreement with the statement.

With the increasing number of electronic distribution channels, the Internet is becoming one of the most important sources for hotel reservations. A survey of the top 50 hotel companies conducted in 2001 showed that 90 percent had a web site and 95 percent were designed for direct booking through these sites (O' Conner and Frew 2002). Currently, hotel companies are competing for hotel guests with the third party online booking channels, such as Expedia, Travelocity, and Hotels.com. As a result, large hotel companies such as Starwood, Marriott Hotels, Hilton, and others are spending vast sums to promote their Internet booking sites and are offering "best rate guarantees," and other incentives for guests to book directly with them. Therefore, the results of this analysis, which points to higher planned expenditures on Internet bookings ( $M = 4.32$  and  $M = 4.30$ , respectively), is consistent with the overall trend in the global hotel industry.

According to Forrester Research, approximately two-thirds of U.S. households have adopted some form of cell phone technology, increasing from approximately 50 percent in 2000 (Forrester Research, 2004). If this trend continues into the future, telephone departments will become cost centers. This was further substantiated by a recent Delphi study where 85 percent of the panelists supported this prediction (Singh and Schmidgall 2004). The summary mean score of 3.64 by the super-deluxe hotel managers shows that they are aware of the opportunity for revenue enhancement by providing travelers an option to rent phones at the hotel instead of relying on airport vendors. Deluxe and tourist hotel managers did not see as strong a need to invest in this area, their response was closer to neutral ( $M = 3.09$ ).

Computer systems have become an integral part of both front and back office systems and have evolved from being a business tool to a driver of business processes in a hotel. Based on the analysis in Table 2, property Management Systems and related interfaces, which facilitate the electronic file transfers and documentation between departments showed the higher effects on operational efficiency ( $M = 3.77$ ). As a result, it appears from this research that super-deluxe hotel managers to a larger degree ( $M = 4.05$ ) and deluxe/tourist hotel managers to a lesser degree ( $M = 3.53$ ) intend to continue



investing in this technology.

Customization of a guest's experience in a hotel has become the key feature in the competitive strategy of successful hotel companies. With the launch of Wyndham Hotel's "Wyndham by Request" program, the popularity of boutique hotel chains such as the "W" and Kimpton, customer centricity is a focal point in professionally managed hotels. This trend is indicative of the need to understand not just the customer demographics but also the psychographic profile of the guest. Information gleaned from this analysis provides important clues to tailor a unique experience for each guest. Both, managers at super-deluxe hotels and their deluxe/tourist hotel counterparts understand the importance of this and have indicated their intention to spend more on technology which provides information about the customer ( $M = 4.36$  and  $M = 4.17$ , respectively). As a result it is expected that these hotels will invest in technology such as "Data warehousing" and "Data mining" programs to increase their understanding of customer needs. The intention to spend more on this technology is consistent with the strong effect of this information technology-enhanced services on user satisfaction, convenience, and operational efficiency (see Table 2).

Energy costs for hotels in the USA range from 4 to 5 percent of total sales (Smith Travel Research, 2003). The effect of energy management systems on customer satisfaction, user convenience, and improving operational efficiency is supported by management responses in Table 2 ( $M = 4.29$ ,  $M = 4.44$ , and  $M = 4.44$ , respectively). Managers of deluxe and tourist hotels show a higher propensity to spend on Energy management systems than super-deluxe hotels ( $M = 4.38$  vs.  $M = 3.95$ ). While important for both, it is likely that the five star hotels may already have sophisticated systems in place and therefore indicates a marginally lower mean score in their response to this question.

One of the primary concerns for hotels is the cost of disposing solid waste. Research indicates that hospitality businesses in the USA spend an average of 3.2 percent of their total operating costs on waste removal per year (Stipanuk and Roffman 1996). As the cost of disposing waste keeps increasing each year, hotels are looking at alternate ways to dispose solid waste. Most of these waste management systems reduce the source of waste, reuse the waste by diverting it to other uses, transform the waste into a less costly alternative, or recycle it by converting the waste into something useable. Given the importance of this to the performance of hotels, Korean managers' at all three hotel categories expressed intentions to invest in this technology.

Recent innovations in electronic locking systems go beyond the security

**Table 3**  
**Plans for Future Investments in Technology-enhanced Services**

	Technology-enhanced Services In Hotel Management	Types of Hotels		Independent Samples t <sup>t</sup> (Mean Differen
		Super-deluxe Hotels (Five Star) (n= 21)	Deluxe & tourist Hotels (Four & Three Star) (n= 41)	
R O O M	In room modem/Internet hook-up	4.14 (1.04) <sup>b</sup>	4.51 (.50)	<b>-2.099**</b>
	In room cable/satellite broadcasting	3.77 (1.15)	4.00 (.73)	<b>-.856</b>
	In room fax	3.36 (1.09)	3.60 (.91)	<b>-.983</b>
	Remote check-in and check-out	3.68 (.95)	3.47 (1.12)	<b>.772</b>
	Internet booking	4.32 (.72)	4.30 (.82)	<b>.081</b>
	Cell-phone rental	3.64 (1.09)	3.09 (.88)	<b>2.254**</b>
	Interactive TV guide	3.45 (1.18)	3.68 (.89)	<b>-.800</b>
	Voice-mail system	3.95 (.90)	3.36 (.96)	<b>2.488**</b>
F&B	Wireless POS	3.95 (1.00)	3.85 (1.05)	<b>.403</b>
Back- Office	E-mail correspondence and Communication	3.86 (1.04)	3.75 (1.07)	<b>.404</b>
	Electronic file transactions/ Documentation	4.05 (.79)	3.53 (.99)	<b>2.175**</b>
	Real time data logging/ auto display Mode	3.95 (1.05)	3.53 (1.05)	<b>1.604</b>
	Customer information management System	4.36 (.73)	4.17 (.89)	<b>.901</b>
Maint- enance	ATMs (Automatic Teller Machines)	3.91 (.81)	3.53 (1.01)	<b>1.716*</b>
	Electronic locking system	3.95 (.90)	4.00 (1.07)	<b>-.175</b>
	Electronic management card	3.91 (.92)	3.96 (.83)	<b>-.244</b>
& Opera- tion	Automatic ventilation and waste management system	4.05 (.84)	4.28 (.79)	<b>-1.159</b>
	Energy management system	3.95 (.90)	4.38 (.69)	<b>-2.214**</b>
Conv- ention	Remote teleconferencing/ video meeting system	3.91 (1.11)	3.53 (1.28)	<b>1.217</b>
	Copy machine & Printer	4.14 (.89)	4.15 (.82)	<b>-.069</b>

a. T-statistic for testing mean differences between two independent groups.

b. Means and standard deviations (parenthesis) of 62 hotels. Mean scored based on a 5-point scale where

1 equals strongly disagree, 2 equals disagree, 3 equals neutral, 4 equals agree, and 5 equals strongly agree.

\*, \*\*, \*\*\* refer the corresponding statistic is significant respectively under  $\alpha = .05, .01, \text{ and } .001$

enhancement features of the early models. The current systems are feature rich and can tie-in with, back-of- house systems, property management systems, POS, loyalty programs and energy management systems (Lefebvre 2004). Hotel managers participating in the present study, appeared to show an inclination towards spending to improve electronic locking systems in the future.

First applications of wireless POS systems involved restaurant orders placed by servers directly to a kitchen printer. By reducing the server's time away from the restaurant, the systems were designed to increase customer interaction and operational efficiency. As a logical extension of the wireless POS technology, Intercontinental Hotels Group developed the "E-menu," as a prototype in January 2004. The system places an ergonomically designed electronic menu tablet on each table and allows the guest to order directly. The E-menu has the ability to track customer preferences, suggest complimentary foods and wines, and calculate calories and recommend specific items on the menu to suit specific dietary needs (Rock 2004). While this technology holds promise in the future, the current applications are few. Therefore, it is not surprising that the hotel managers in the study did not display strong intentions of investing in wireless based POS applications.

## **Conclusion**

This study revealed that the extent to which information technology applications were used in Korean hotels was dependent on the hotel category. Clearly, super-deluxe and deluxe hotels had more technology applications as compared to tourist hotels, which tend to be smaller and perhaps do not see the economic feasibility in such investments. The research also identified the impact of these applications on various performance measures. Most rooms' related applications had the highest impact on providing guest convenience, while the back office and facilities maintenance technology impacted operational efficiency. While user satisfaction ranked high for various technology applications, convenience and efficiency had higher impacts across the board. The relationship between the impact of various technologies and its actual usage in Korean hotels was inconsistent. There was no unanimous indication that higher impacts were associated with more usage in hotels. This gap was particularly apparent in tourist hotels. Finally, across all hotel categories, Korean hotel managers appeared have consistent plans to implement information technology in their hotels in the future.

There were two limitations of this study that should be cautious about interpreting the results. First, the samples of tourist hotels were rather small



(n=12) comparing to other two types of hotels. Second, in this study, data were collected from hotel managers who responded to their perceived guest stratification in relation to the impact of technology-enhanced services. If this study used annual surveys or other systematic measures of satisfaction, the response would be more robust.

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# Perception of Associate Degree Students of the Hospitality and Tourism Industry

*The Case of Hong Kong*

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**Abstract:** It is well-known that expectations can affect career decisions. In this study, a survey was conducted to identify specific expectations of students towards the hospitality and tourism industry. The sample encompassed 185 Associate Degree [AD] students majoring in business program, with a specialization in hotel and tourism management. The factors affecting the students' career choices were analyzed. Frequency distributions and independent samples t-test for statistical significance were mainly the techniques used in the analysis. This study is expected to provide useful information for consideration by decision makers in the hospitality and tourism industry, as well as policy makers in the higher education sector, for developing education programs in this area.

**Keywords:** Associate Degree Students, Hong Kong, Hospitality and Tourism Industry

## Introduction

The Hong Kong Special Administration Region Government has announced that Disneyland has been opened since September 12, 2005. This news, together with the substantial increase in the number of tourist arrivals at the territory from Mainland China (from 2,627,000 to 8,467,000 in the past five years), and the burgeoning number of new hotels (from 88 to about 100 between 1998 and 2004) (Hong Kong Tourism Board, 2005), strongly indicate that the hospitality and tourism industry in Hong Kong will keep growing in the coming years. Such a growth inevitably needs a large number of professionals working in the hospitality and tourism industry.

The job nature of most workers in the hospitality and tourism industry is characterized by unstable working hours and the challenge of dealing with customers from all over the world. Farmer and Tucker (1988) attempted to assess the working conditions of workers in the hospitality industry by conducting a survey on 112 employees. Their finding showed that workers in restaurants, whether stand-alone ones or affiliated within hotels, tended to work more than 50 hours per week. Farmer and Tucker's study is consistent with the findings of McCleary and Weaver (1988a), who studied the

expectation of students at entry level positions in the hospitality industry. The latter authors claimed that most students were prepared to work long hours with only 8.8% of the sample expected to work 45 hours or less in a week. Still, there is no indication whether students have a thorough understanding on the real situation in the hospitality and tourism industry.

According to the research by Farmer and Tucker's (1988) study, there was a discrepancy between the expectation of students and the real working environment in hospitality and tourism, and that the most frequent problem areas were low wages, long and unpleasant working hours, lack of challenge and recognition, and unstructured evaluation process. About 50% of the surveyed students had changed jobs at least once, and 10% even left the industry altogether. This study showed the perception of students is different from the real situation in the industry. In other words, the inappropriateness of the perception of university graduates usually underestimates the harshness of the working conditions in the hospitality and tourism industry.

In this study, students in a local community college (hereafter named as College A) in Hong Kong that offers 2-year associate degree business programs (AD programs) are examined on their perception of the hospitality and tourism industry. Students pursuing studies in the Associate in Business program can choose up to eight courses in hotel operation and management courses during their two-year study. Although further study opportunities are available, many students prefer to take up employment after graduation. Therefore, a detailed study of the growing number of AD students' perception of the hospitality and tourism industry would help assess the future manpower supply in this burgeoning sector. It would also provide useful information for potential employers as well as academic staff to formulate teaching methods and programs to better prepare students for the industrial setting. It should be noted that it is not appropriate for employers or college professors to compel students to have an either positive or negative view of the industry, but a correct and realistic perception is essential for their career development.

Although many hospitality and tourism management graduates wish to start their career in this promising sector, some studies reported that a substantial number of Hospitality and Tourism Management graduates has left the industry due to reasons of low job satisfaction, poor employment conditions and absence of motivating incentives (Pavesic & Bryrner, 1990; Zacerelli 1985). This, in turn, resulted in a high turnover rate and wastage of trained and experienced personnel. Hence, there is a need to accurately assess the success of solving the problem and put the issue into proper perspective for students who have aspirations of pursuing a career in this industry.

Prior studies on students' perception of the hospitality and tourism industry have predominately concentrated on bachelor degree students and the perception and expectation of AD students have rarely been investigated. Thus, little is known about AD students' view of the industry. AD students are different from bachelor degree students as the former group is trained to be operational staff whereas the latter group is trained as managerial staff. If the AD students have an unrealistically high expectation of the working environment in the industry, it can lead to low morale in the future workforce and culminate in even higher staff turnover rate in the industry.

The aim of this research is to ascertain the general perception of AD students (using College A as the sample) towards the hospitality and tourism industry, and to provide recommendations to educators and employers. Specifically, the objectives of this study are to examine the perceptions of AD students on the working environment in hospitality and tourism, and to assess whether prior working experience has any influence on their perceptions. Drawing on the findings of the study, recommendations to educators and industrial leaders are made on how to project the industry's image to current AD students in order to promote better matching of students' expectation with the working conditions in the industry.

Having discussed the research background, the next section reviews published articles that are pertained to the issues of job selection by hospitality and tourism graduates. After that, there is a section to present the methodology used in this study. A section on findings and analysis is then followed, and the last section summarizes the study and offers suggestions for future research.

## **Literature Review**

### **University Studies and Career Decision**

Lau and Pang (1995) argued that the relevance of a program of study at a university is not important when a student selects his/her first job. In contrast, Kingston and Wolfe (1972) had an opposite finding, which showed that university education could affect the job functions that one worked in. In other words, the subject area that a student majors in at a university will affect his/her career decision. For a student who majors in hospitality and tourism, he/she will likely work in this industrial sector. Andrew (2001) supported the view of Kingston and Wolfe (1972) by advocating that the learning and teaching strategies applied at universities influence students' perception of the industry.

### **Factors Affecting Career Decisions**

Prior studies have been conducted to understand how university graduates



choose their first job. According to the findings of Kingston and Wolfe's (1972) survey, most graduates selected their first job based on their personal interests. Besides, the expected prospect of the industry, expressed in terms of financial reward, opportunities for early responsibilities, travel and general opportunities for career development, were also the critical factors for graduates to determine the selection of their first job.

Ginzberg et al. (1951) suggested that parents could directly influence their children's career aspirations, expectations, and maturity by means of instructions; and indirectly, by means of parental role models. Furthermore, Almquist and Angrist (1971) stated that students' career decisions were influenced strongly by college professors and occupational role models. Additionally, Lau and Pang (1995) suggested that the five most important criteria for graduates to choose their first jobs were: (1) opportunities for professional development, (2) good promotion prospects, (3) attractive salary, (4) match with career plan, and (5) good training.

Fringe benefits can also largely influence graduates' selection of their jobs. In the hospitality and tourism context, McCleary and Weaver (1988b) defined fringe benefits in eight areas of (1) medical insurance, (2) retirement plan, (3) dental insurance, (4) paid vacation, (5) long term disability insurance, (6) paid life insurance, (7) free meals provided while working, and (8) provision of a car. Although their study did not require students to identify the importance of each of the above variables, McCleary and Weaver (1998b) did provide useful definitions on how students perceived the term fringe benefits. Up till now, little research has been done to analyze the relationship of fringe benefits with students' perception of the hospitality and tourism industry. This aspect will be examined in this study.

## Hospitality and Tourism Education

Previous studies on students' perception of the hospitality and tourism industry have commented that the structure of many hospitality and tourism programs could be old-fashioned and hence they failed to address the industry's real need. To demonstrate, Nowlis (1996) stated that hospitality education must undertake a comprehensive curriculum reform to better serve the hotel and restaurant industry. Similarly, Ford and Bach (1996) argued that the traditional skill-based focus of hospitality programs was being challenged by the rapidly changing needs of the industry for more general managerial skills and interpersonal competencies. Lefever and Withiam's (1998) findings pointed out the inadequate areas of hospitality education. They concluded that hospitality practitioners would like academia to produce students who not only have appropriate technical abilities, but also have a realistic view of

the industry. Summarizing the results of previous studies, students' perception of the hospitality and tourism industry is strongly influenced by their university studies, which tends to provide a brief overview rather than the working environment in reality. What is taught at universities usually can lead students to have an over-optimistic view of the real working conditions of the industry.

### The Image of Potential Employers

Sciarini and Woods's (1997) research showed that the top five factors that influenced students' perceptions (in descending order of importance) were (1) experience of the potential employer's organization as a customer, (2) word-of-mouth from faculty members, (3) word-of-mouth from alumni, (4) company representative's personality, and (5) word-of-mouth from other students. Although their research did not further elaborate these factors, Sciarini and Woods's study is important because they pointed out that the students' past experience as a consumer help generate their perceptions of the potential employer's company, and these perceptions will very likely affect their career choice. Thus, the image of the company transmitted to the student through various social channels has a significant influence on the students' perceptions of the potential employer, which in turn, may affect their opinion of the industry as a whole.

### Work Values

Researchers usually used the theory of "work values" to underpin the discussion of career decision and career choice, and that many authors have defined the meaning of work values. For example, Riegel (1983) proposed that work values in general were personal values that lead to expectations about work. These expectations lead people to choose occupations that they believe can fulfill these expectations. Rosenberg (1957) compared the work values of university students with their occupational choice, and he found that students were likely to choose occupations that are congruent with these values. Similarly, Blau et al. (1956), as well as Holland and Nichols (1964) have conducted studies that confirmed a person's work values could determine his/her choice of occupation. Although there should be a close relationship between work values and career decisions, they are connected with a person's intrinsic values and this becomes a complex psychological issue. If work values were included, the allocation of cause to consequence and agency to eventuality would become a task of such analytical complexity.

### Pre- and Post-entry Analyses

Prior studies on students' expectations often involved the use of "pre-entry" and "post-entry" analyses (Mabey, 1986). A pre-entry analysis is used

to explore students' perceptions of potential employers prior to their employment; whereas a post-entry analysis studies the perceptions of graduates after they have joined the organizations. Ward and Athos (1972) conducted a study using pre-entry analysis to investigate the students' perceptions of prospective companies and successfully compare students' expectations with recruiting organizations' average description of their companies. In this present study, the sample is taken from two main groups of students: (1) Year One AD students who have normally just completed high school education and have no, or very little, working experience in the hospitality and tourism industry; and (2) Year Two students who usually have some working experience in the field during their industrial placement. With this sampling approach, it is possible to perform both pre-entry and post-entry analyses in this study.

## **Methodology**

The sample was selected by the cluster sampling method. A number of clustering units was selected from mutually exclusive sub-sets, and all individuals within the selected cluster were surveyed. The subjects in this study were the AD students in College A who had studied hospitality and tourism related courses. Both Year One and Year Two students were included in the survey.

## **Research Design and Data Collection**

A quantitative research method aiming at determining causes to consequences and frequency distribution of opinions was employed in this study. Data were classified into primary and secondary groups. The former was obtained directly by the investigators through their own research; whereas the latter was derived from results generated by other sources such as published articles.

The questionnaire appeared in bilingual descriptions in English and traditional Chinese. Since conducting surveys using the same set of questionnaires ensured consistency in the replies to the questions by the subjects surveyed, the questionnaire largely followed the ones used by Lau and Pang (1995), and McCleary and Weaver (1988b). In general, the questionnaire consisted of three parts.

Part one contained a qualifying question aimed at filtering out those subjects who were not interested in the hospitality or tourism industry. A question "Have you ever planned to work in the hospitality and tourism industry?" was asked in this part. Only the students who provided a positive answer were requested to complete the whole set of questionnaire.

Part two aimed at collecting information on the perceived importance of the factors that influence AD students' choice in job selection in the hospitality and tourism industry. Twenty fixed response questions were asked in this part. These questions were for the factors that could affect students' choice in job selection. Should respondents have more to add, they could do so in the open-ended question. Subjects were requested to indicate their level of agreement on each item, with a score of '5' represented strongly agree and '1' represented strongly disagree.

The final part was designed to collect demographic characteristics of the subjects surveyed. Data such as age, year of study, gender and monthly family income were obtained in this section.

Prior to the wide scale survey, 15 subjects were selected to conduct a pilot test. The main purpose of this preliminary trial was to test the clarity of the questions and to provide constructive feedback on the design of the questionnaire. Results of the pilot test showed that the question style and structure of the questionnaire were reasonable and reliable.

In addition to collecting primary data, secondary data were obtained from a review of the information and statistical figures published by the government, and from journal articles, newspaper clippings, and books.

## **Data Analysis**

Statistical Package for Social Science (SPSS) was used for data processing and analysis. Firstly, the collected data were analyzed in order to find out the frequency of the subjects' demographic characteristics. Also, as mentioned previously, pre- and post-entry analyses were employed in order to discover changes in students' perceptions as a result of exposure to the industrial environment. To achieve this goal, an independent samples t-test was used to test whether there were any significant differences between the perceptions of Year One and Year Two students.

## **Findings, Analysis and Discussion**

### **Demographic Distribution**

At the end of March 2005, 213 completed questionnaires were returned by students from College A. Among these returned questionnaires, 28 did not follow the instructions and they were thus discarded. In other words, a total of 185 valid questionnaires were received, representing 86.85 percent of the original sample size that responded positively to the qualifying question.

The 185 subjects who were in AD program comprised 45 male and 140 female students (Table 1). One hundred and thirty-one of them were Year

One students and 54 were in Year Two. A majority of the students (119 out of 185) were in the age group of 20 to 21. The rest of the population distribution was: 48 students aged between 18 and 19, 17 students aged between 22 and 23, and only 1 student aged above 23.

	<u>Frequency</u>	<u>Percent (%)</u>
<b>Gender</b>		
Male	45	24.3
Female	140	75.5
<b>Year of Study</b>		
Year One	131	70.8
Year Two	54	29.2
<b>Age Group</b>		
18-19	48	25.9
20-21	119	64.3
22-23	17	9.2
Above 23	1	0.5
<b>Monthly family income</b>		
HK\$ 10,000 or below	37	20.0
HK\$ 10,001 – 20,000	74	40.0
HK\$ 20,001 – 30,000	50	27.0
HK\$ 30,001 – 40,000	12	6.5
Above HK\$ 40,000	12	6.5
<b>Preferred career industry</b>		
Travel and Tourism	41	22.2
Hotel and Hospitality	125	67.6
Food Service	19	10.3

In terms of family income, the largest group, with 74 students, had monthly family income between HK\$10,001 and HK\$20,000 (HK\$7.8 = US\$1). In addition, 50 students reported that their monthly family income was between HK\$20,001 and HK\$30,000, and 37 students belonged to the low-income group with a monthly family income of HK\$10,000 or below. For the high-income groups, 12 students reported that their monthly family income was from HK\$30,001 to HK\$40,000, and another 12 had monthly family income above HK\$40,000.

Besides the obtained demographic information, it appeared that the most attractive industry to AD students was the hotel and hospitality industry, with 67.6% of the sample selected this as their preferred career industry. For the rest of the respondents, 22.2% were interested to work in the travel and tourism



industry, and 10.3% preferred to work in the food service industry.

## Differences in Perception by Year of Study

As previously stated, a major aim of this study is to determine whether there were any significant differences in perception towards the hospitality and tourism industry between Year One and Year Two students. The latter group should have more working experiences in the hospitality and tourism industry during their industrial placement. It is tempting to think that previous working experience in the hospitality and tourism industry would produce significant differences in students' attitudes towards the industry-specific items. Empirical evidence showed this was true for seven out of 20 of the variables. Specifically, Year One students placed a significantly higher level of importance on: (1) opportunity for promotion, (2) future growth of the industry, (3) work that keeps me interested, (4) good working conditions, (5) job challenge, (6) attractive salary, and (7) opportunity for traveling (Table 2). No statistically significant difference was found by year of study for the other 13 variables. The following sub-section discussed the variables that have exhibited significant differences between years of study.

**Table 2 A Comparison of the Perceptions of Year One and Year Two Students**

	Total (N = 185)		Year One students (N = 131)		Year Two students (N = 54)		Mean Difference	Sig.
	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation		
Future growth of the industry	4.1784	0.63893	4.2595	0.61504	3.9815	0.65849	0.2781	<b>0.007*</b>
Work that keeps me interested	4.0270	0.79695	4.1221	0.77482	3.7963	0.80984	0.3258	<b>0.011*</b>
Attractive salary	3.8595	0.76024	3.9389	0.69896	3.6667	0.86874	0.2723	<b>0.026*</b>
Good fringe benefits	3.8054	0.74087	3.8321	0.74578	3.7407	0.73164	0.0913	0.447
Good training program	3.7946	0.80147	3.7939	0.79147	3.7963	0.83281	-0.0024	0.985
Job challenge	3.7676	0.79059	3.8473	0.81781	3.5741	0.68960	0.2733	<b>0.032*</b>
Opportunity for promotion	3.7568	0.78038	3.8931	0.70440	3.4255	0.86005	0.4672	<b>0.000*</b>
Good working condition	3.6865	0.85280	3.8092	0.86036	3.3889	0.76273	0.4203	<b>0.002*</b>
Nice people to work with	3.4270	0.79148	3.4580	0.78701	3.3519	0.80464	0.1062	0.408
Appreciation of work performance	3.4162	0.79040	3.4046	0.80172	3.4444	0.76889	-0.0399	0.756
Opportunity for traveling	3.3514	0.89127	3.4427	0.89580	3.1296	0.84778	0.3131	<b>0.029*</b>
Job security	3.3243	0.82929	3.3511	0.79347	3.2593	0.91497	0.0919	0.495
Enhancement of sense of responsibility	3.2811	0.79872	3.3511	0.80311	3.1111	0.76889	0.2400	0.063
Meeting career plan	3.2649	0.80765	3.2443	0.79510	3.3148	0.84282	-0.0705	0.591
Good geographical location	3.2378	0.79924	3.2748	0.76514	3.1481	0.87755	0.1267	0.328
Work loyalty to the company	3.1892	0.80885	3.1832	0.81147	3.2037	0.80984	-0.0205	0.876
Reasonable working hours	3.0324	1.04727	3.0458	0.97557	3.0000	1.21314	0.0458	0.788
Comments from parents and teachers	2.9514	0.81615	3.0153	0.83191	2.7963	0.76182	0.2190	0.97
Access to superiors	2.9081	0.68142	2.9389	0.62948	2.8333	0.79503	0.1056	0.339
Assistance for personal problems	2.6865	0.68293	2.7176	0.67110	2.6111	0.71154	0.1064	0.336

\* Highlighted figures with sig. value > 0.05 represents a significant different between the perception of Year One and Year Two students.

Scale: 1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree.

## Factors Relating to Job Selection

This subsection firstly discusses the factors that had exhibited significant differences between Year One and Year Two students. Other factors are discussed afterwards.

### *Future Growth of the Industry*

As indicated in Table 2, future growth of the industry was rated as the most important factor with an overall mean at 4.1784. This result was not unexpected since the Hong Kong government had made a large amount of investments to develop the hospitality and tourism industry. Some analysts forecasted that the number of inbound tourists will grow rapidly in the coming decade. Such news should provide enough confidence to the students on the job prospects of the industry. Since a good future growth of the industry implies more job opportunities will be available, students studying relevant programs would feel more secure as they will have a good chance to find employment after their graduation.

A comparison between Year One and Year Two students' responses showed statistically significant differences on this factor. Generally, Year One students had a higher expectation towards the future growth of the industry. The reason for this discrepancy might be caused by the structure of the AD program. In College A, Year One business students were required to study ten courses in total, with nine compulsory courses in general business and one elective course. Year One students who were interested to work in the hospitality industry could select a course named Hotel Operation, which was an introductory course that only provided some general ideas to students. Whereas Year Two students, on the other hand, had an opportunity to select up to seven hospitality or tourism related courses, at both operational level and managerial level. Seemingly, the former group had less understanding about the industry; their exposures to the industry were relatively less than the latter group. The expectations of Year One students were based on their limited knowledge and information provided by the media about how they foresee the future development of the industry. However, with relatively more industrial experience during their industrial placement and academic knowledge, Year Two students were likely to be less influenced by the media than Year One students.

### *Work that Keeps Me Interested*

In the study of Taylor and Allene (1987), the value of interesting work was rated as the most important factor that influenced students in starting their career in the hospitality and tourism industry. In this study, the factor of "work that keeps me interested" was rated as the second most important factor (mean = 4.0270). With such a high priority placed on interesting work, it was natural that new recruits could be disappointed when they were put in routine positions with little responsibility. The result of unrealistic perceptions was likely due to the lack of, or insufficient, prior industrial exposure. Once they

have worked in the industry, they would realize that the daily operations are routine and little responsibilities would be given to entry level employees. Using waiters in a food and beverage outlet as an example, it usually takes them a minimum of two to three years to be promoted to senior waiters. They seldom have a chance to make managerial decision until they are promoted to a higher level. The lack of challenge usually discourages them from continuing their career in the industry.

While deciding whether to choose to work in the industry, Year One students were more concerned with interest in the job than Year Two students. Year One students generally had a significant higher expectation of interest in the job. The main reason for this difference could be due to the difference in the working experiences of two groups. Year Two students who had gained some experience from their industrial placements programs would have a better understanding of the job nature. Therefore, Year Two students had a relatively lower expectation of interest in the industry.

### *Attractive Salary*

Another important factor that influenced AD students' career selection decision was the attractiveness of the salary offered. It was rated as the third most important amongst twenty variables, with an overall mean at 3.8595. The result was consistent with the findings of Lau and Pang (1995) on a similar survey on undergraduate students. A comparison of the perceptions of Year One and Year Two students showed statistically significant difference at the 0.05 level with the former group having a higher expectation towards the salary of the industry. The main reason for such a difference could be because Year Two students were at the final stage of their studies and started to look for jobs. They were more likely to read career related magazines and recruitment advertisements. Therefore, they would have more understanding towards the average salary of different industries. Moreover, their expectations towards the salary of the hospitality and tourism industry should be more realistic and rational.

### *Job Challenge*

Previous studies have shown the increasing importance of job challenge in relation to a person's job selection and satisfaction. According to Pavesic and Brymer (1989), lack of job challenge was an important reason for leaving the industry. This is consistent with the findings of this research, which confirmed that most AD students attached large importance to this factor in their job selection, with a mean at 3.7676. When they discovered the lack of job challenge in their first job, they were likely to be disappointed and move to other jobs. As discussed before, substantial work responsibility is seldom

given to entry level employees, who may become disillusioned and decided to change their jobs.

This study showed a statistically significant difference between Year One and Year Two students. Apparently, prior experience was one of the reasons for causing the difference. The Year Two group who had more industrial exposure should be aware of the structure of labor division in the industry. As a result, their expectation on job challenge was lower. This was particularly true when most of Year Two students' past experiences were at the low level of the management hierarchy. The Year One respondents, on the other hand, had not much working experience, and they would hope to have great responsibilities and exciting challenges when they take up employment in the industry.

### *Opportunity for Promotion*

This factor was rated the seventh among the 20 job selection criteria, with a mean at 3.7568. Similarly, Lau and Pang (1995) stated that according to the career perceptions of undergraduate students, a good promotion prospect was viewed as an important criterion. This result showed that most AD students had relatively high expectation towards the chance of promotion in the industry.

On the contrary, according to the findings of Pavesic and Brymer (1989), most hospitality graduates left the industry because of the lack of opportunity for promotion (41.2%). Since the chance for promotion was not high, and the time needed for career advancement may be lengthy, AD students might thus have inappropriate attitudes towards the industry. A reason for their inappropriate attitude might be their unclear vision of the nature of hospitality and tourism. With education at the tertiary level, students believed that they should have the knowledge and skills to handle the work in the industry adequately. In other words, they believed that they were quite competitive in the job market. As a result, AD students thought they had the ability that made them worthy for early promotion.

There was a statistically significant difference between Year One and Year Two students in this factor, with the expectation of Year One students higher than Year Two students. Again, the level of working experience and industry exposure might be the reason for the dissimilarity. With more exposures and experiences, Year Two students were more realistic about the promotion criteria and requirements.

### *Good Working Condition*

This factor was rated eighth amongst the twenty variables, with the mean



at 3.6865. Generally speaking, most AD students considered good working conditions as a fairly important criterion for job selection. According to Farmer and Tucker's (1988) research on working conditions in the hospitality industry, half of the hospitality employees changed jobs and 10 percent left the industry completely for the reason of dissatisfaction with working conditions. Apparently, AD students had overoptimistic expectations on the working conditions in the hospitality and tourism industry. With the beautiful infrastructure and luxurious appearance, especially in hotels, it is easy to generate an illusion to students who had little working experience about the actual working conditions.

Year One and Year Two students showed a statistically significant difference on this factor at the 0.05 level. As discussed before, people with limited exposure to the industry tended to have false impressions on the actual working environment and conditions. With experience of the working atmosphere of the hospitality and tourism industry, Year Two students' perceptions towards the industry's working conditions were more realistic. However, it should be noted that, even though the latter group had a better understanding of the working conditions, their expectations might not be completely correct. The perception could also depend on the job nature of previous experience. For instance, a person with clerical experience in a hotel might give a higher score on the working conditions than a person with housekeeping experience.

### *Opportunity for Traveling*

This factor received a mean of 3.3514. The result showed that it was not considered as highly important by the respondents. However, an interesting finding of the figures was a statistically significant difference in the perceptions between Year One and Year Two respondents in which the former group had a higher expectation. A reason for the difference between Year One and Year Two students could, again, be attributed to the unequal backgrounds of these two cohorts in industrial exposure and experience.

### *Other Factors*

Apart from the previously mentioned nine factors, Year One students tended to rate higher than Year Two students on (1) Enhancement of sense of responsibility, (2) Job security, (3) Nice people to work with, (4) Good fringe benefits, (5) Good geographical location, (6) Reasonable working hours, (7) Assistance for personal problems, (8) Access to superiors, and (9) Comments from parents and teachers. However, the differences were not found to be statistically significant.



On the other hand, Year Two students placed more importance on career development related factors such as: appreciation of work performance, good training programs, loyalty to the company, and meeting one's career plan. The differences of these factors, however, were not statistically significant between the two groups.

### *General Discussion*

The results of the survey showed that Year One students had higher expectations towards the tourism and hospitality industry. The perceptions of Year Two students were, however, more appropriate and realistic. This finding strengthens the importance of internship programs for students as empirical findings showed those who had working experience tended to have a more realistic view of the industry.

Another important factor that affected students' perceptions toward the industry was the program structure. The results of the survey showed that, the more hospitality and tourism related courses that they had taken, the more knowledge they had and the more appropriate and realistic their perception of the industry became.

It is worthwhile to point out that although Year Two students appeared to have a more realistic perception towards the tourism and hospitality industry, their understanding of the real situation could be incomplete and inconsistent. In fact, most Year Two students acquired their working experiences through the internship programs provided by College A. The responsibility given to trainees, who were usually paid HK\$2,500 (US\$1 = HK\$7.8) per month or less, was far below of that of what full time staff received. Moreover, due to the time span of the training programs, which usually lasted for only a couple of months, students were unlikely to acquire an in-depth understanding on all aspects of the industry.

## **Conclusion**

### **Summary**

Findings of the research showed that AD students tended to have an over-optimistic view of the actual working conditions and the potential rewards of employment in the hospitality and tourism industry. Students were over-optimistic on salary and fringe benefits, and on factors such as interest in the job and challenges of the industry. The unrealistic expectations could, inevitably, render in future high staff turnover in the hospitality and tourism industry.

It is interesting to note that some factors like access to superiors,

assistance with personal problems, and comments from parents and teachers were rated as relatively unimportant among the 20 items listed on the questionnaire. This appears to be a reflection of the fact that young people nowadays usually tend to ignore the recommendations provided by their seniors.

Fortunately, AD students seemed to have more reasonable perceptions towards the working hours of the industry. The relatively low score given to this factor suggests that they appreciate the need to work long hours with overtime and unpopular work shifts.

## Implications

The findings should provide insights for hospitality and tourism educators to put more efforts to educate students about the real industrial situations. Career development seminars should be provided to students during their studies, with a view of offering information to them and let them know about the reality of actual working conditions. Speakers may include recent graduates or professionals with intimate knowledge of the industrial conditions.

The industry is partly responsible for not projecting an entirely appropriate image to prospective employees, since their daily operations are usually not disclosed to the public or only limited information is provided. The general public could find it difficult to search for information about the industry. This has caused a gap between the expectation of prospective employees and the actual working environment. It is, therefore, recommended that the industry should be more open to provide first hand information to students on a regular basis.

## Future Research

There are a number of implications following from the findings of this study, which suggest several issues that merit further research. For instance, the research could be expanded to include a larger sample size and more educational institutions. Instead of solely studying the perception of AD hospitality students from College A, research on the perceptions of other institutes' AD students in hospitality and tourism related programs may also be performed. In addition, when time and resources permit, in-depth interviews with the students are recommended in order to explore the main reasons that underpin their expectations and perceptions.

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# Forecasting Japanese Outbound Tourism Using Seasonal Time Series Models

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**Abstract:** Japan is one of the most important sources of international tourist arrivals to Australia and China. Using quarterly Japanese tourist arrivals to Australia and China for the period 1976(1) to 2000(2) and 1986(1) to 2000(4), respectively, this study examined the forecasting performance of various seasonal time series models, namely the Naïve Trend and Seasonal, Time Series Decomposition, Winter's Exponential, and Box-Jenkins ARIMA and SARIMA models. Before estimating the Box-Jenkins models, the augmented Dickey-Fuller tests for unit roots are used to check the stationarity of the data series. The performance of the various models are evaluated by analysing their ex post forecast accuracy using MAPE, MPE, RMSE, and Theil's U accuracy measurements. Models with the lowest forecast errors are identified as the 'best' models. Generally, Winter's Exponential and SARIMA models have outperformed the other forecasting techniques. Goodness-of-fit measures for the ex post forecasts (produced by the 'best' models) and the actual tourist arrivals in the same period are also estimated.

**Keywords:** Seasonality; Box-Jenkins models; Unit root tests; forecasting accuracy; Goodness-of-fit measures

## Introduction

Overseas travel was liberalized in Japan in 1964, the year in which the Tokyo Olympic Games was held. Since then, the number of Japanese outbound tourists has grown rapidly to more than 16 million in 2001 (JTB, 2003, January 9). In 2001, Japan was the fourth largest spender in terms of international tourism expenditures (US\$26.5 billion) and Japanese international travelers comprised 5.7 percent of the total international tourism market (World Tourism Organisation, 2002). The rapid growth of the Japanese outbound tourism was attributed mainly to the country's strong economy. In addition, lifestyle change, strong Japanese Yen in the 1980s and early 1990s, and government encouragement of overseas travel were some of the most prominent factors contributing to the boom in the Japanese outbound tourism. The Japanese outbound travel market has been in recession since 1997 due to the slowdown of the Japanese economy. Unforeseen events overseas, such as the September 11 attack in 2001, SARS outbreak and Iraq War in 2003, have also seriously affected Japan's demand for international travel.

Tourism demand forecasting is important since it provides essential information for tourism planning of infrastructure and facilities. Quantitative techniques for forecasting tourism demand comprise the causal model and the time series approach. Causal models (also known as econometric models) are based on economic theories and involve identifying functional relationships between several variables of interest. In time series approach, historical data pattern is extrapolated to undertake forecasting. As defined by Hanke et al. (2001), "a time series consists of data that are collected, recorded, or observed over successive increments of time" (p.54). Although causal econometric models are useful for explaining the relationship between tourism demand and various independent variables, Witt and Witt (1995) argued that the models are seldom used to generate forecasts or to evaluate forecasting accuracy. According to Poole (1988), "studies comparing the output of simple time series models and large econometric models of the entire economy have found that the simple models are more accurate predictors than the raw output of econometric models not modified by the analysts" (p.2). This observation is supported by other studies such as Witt and Martin (1987), Martin and Witt (1989), and Witt and Witt, (1992).

Examining the accuracy of different forecasting models was the focus of many past time series studies (see, for example Martin and Witt, 1989; Witt, et al., 1994; Kulendran and King, 1997; Chu, 1998; Burger, et al., 2001; Lim and McAleer, 2001a; Turner and Witt, 2001; Goh and Law, 2002; Johann du Preez and Witt, 2003). The empirical evidence based on the comparison of forecasting accuracy of various models is conflicting. Overall, the level of sophistication of the time series models used varies from the simple Naïve to the Box-Jenkins models. The simple Naïve model is usually adopted as a benchmark to compare the forecasting performance of the more complex models. It is often found that the more complex methods do not outperform the simple Naïve model. For instance, the simple Naïve model in Martin and Witt (1989) generated the most accurate one-year-ahead forecast among the seven quantitative forecasting methods used in their study. As suggested by the authors, high volatilities in tourism data make it difficult to forecast tourism demand. However, more recent studies by Chu (1998), Goh and Law (2002), and Turner and Witt (2001), have found the forecasting performance of the simple Naïve model to be inferior to that of the complex models.

Japan is one of the most important sources of international tourist arrivals to Australia and China. However, there are very few studies on Japanese outbound tourism to the two countries, especially to China. Using Box-Jenkins (1970) models, Lim and McAleer (2001b) and Lim and Pan (2003) examined



international tourism demand by Japan for Australia and China, as measured by tourist arrivals from 1976 to 1999 and 1986 to 2000, respectively. But the forecasting performance of the various Box-Jenkins models were not considered in their studies. The purpose of this paper is to use the time series approach to examine the Box-Jenkins and other seasonal forecasting models for Japanese outbound tourism to Australia and China. The 'best' estimated models are subsequently used to generate forecast for Japanese tourist arrivals to the two countries.

The rest of the paper is structured as follows. Section 2 presents the four seasonal time series forecasting models used in the study. The unit root tests for stationarity using the augmented Dickey-Fuller (ADF) procedure are provided in section 3. In section 4, the best ARIMA models are estimated for forecasting Japanese tourist arrivals to Australia and China, and the forecasting accuracy performance of these models are compared to the other seasonal forecasting models. Section 5 provides some concluding remarks.

## Seasonal Forecasting Models

Various time series forecasting models with seasonal component are fitted to the tourist arrival series from Japan to Australia and China. The former includes the Naïve Trend and Seasonal, Time Series Decomposition, Winter's Exponential, and SARIMA models. Unlike many past tourism forecasting studies which used the simple Naïve model as a benchmark to compare the forecasting performance of various more complex models, this study uses the Naïve Trend and Seasonal model instead. The latter is more appropriate than the simple Naïve model for benchmarking the forecasting accuracy performance of the other models since trend and seasonality are the two dominant features of tourism time series. Quarterly data on Japanese tourist arrivals to Australia for 1976(1) to 2000(2) are obtained from the Australia Bureau of Statistics while Japanese tourist arrivals to China for 1986(1) to 2000(4) are provided by the China National Tourism Administration.

### Naïve Trend and Seasonal Model

A simple Naïve model uses the latest information to forecast one period ahead. However, a Naïve Trend and Seasonal model takes into account seasonal and trend variations. In this model, a one-period-ahead forecast of quarterly tourist arrivals is given by equation (1):

$$\hat{Y}_{t+1} = Y_{t-3} + \frac{(Y_t - Y_{t-1}) + \dots + (Y_{t-3} - Y_{t-4})}{4} \quad (1)$$

where

$\hat{Y}_{t+1}$  = forecast of tourist arrival at time t+1, and

$Y_t$  = actual tourist arrival at time t.

This model uses current and past values of  $Y$  to forecast seasonal pattern and

trend, namely  $Y_{t-3}$  = forecast of seasonal pattern, and  $\frac{(Y_t - Y_{t-1}) + \dots + (Y_{t-3} - Y_{t-4})}{4}$

= trend during the past 4 quarters.

### Winter's Exponential Model

Winter's (1960) three-parameter exponential smoothing method in equation (2) incorporates both the linear trend and seasonality by using different smoothing constants to directly smooth the level, slope, and seasonal effect in a series:

$$L_t = \alpha \frac{Y_t}{S_{t-s}} + (1 - \alpha)(L_{t-1} + T_{t-1}) \quad (2)$$

where  $L_t$  = smoothed estimate of tourist arrivals at time t,  $\alpha$  = smoothing constant for th smoothed tourist arrival estimate,  $T_t$  = trend estimate,  $S_t$  = seasonality estimate,  $s$  = length of seasonality.

By taking the difference between two successive exponentially smoothed values ( $L_t - L_{t-1}$ ), the trend estimate can be calculated as:

$$T_t = \beta(L_t - L_{t-1}) + (1 - \beta)T_{t-1} \quad (3)$$

where  $\beta$  = smoothing constant for trend estimate.

In order to estimate seasonality, the estimated seasonal index ( $\frac{Y_t}{L_t}$ ) is multiplied by the smoothing constant for seasonality estimate,  $\gamma$ , and added to the previous seasonal estimate multiplied by  $(1 - \gamma)$ :

$$S_t = \gamma \frac{Y_t}{L_t} + (1-\gamma)S_{t-s} \quad (4)$$

The Winter's method with the forecast equation consisting of a trend and a seasonal factor is given as:

$$\hat{Y}_{t+p} = (L_t + pT_t)S_{t-s+p} \quad (5)$$

where  $p$  = periods to be forecast into the future.

## Time Series Decomposition Method

Time series can be decomposed into trend, cyclical, seasonal, and irregular components. While the trend component is the long-term movement of the time series and is often linear, the cyclical component is the wave-like movement around trend. The seasonal component could be observed only in short intervals within a year. It is assumed that the former repeats itself every year, and the irregular component causes changes in the series due to unanticipated events. The purpose of the Decomposition approach is to decompose a time series into trend (T), seasonal (S), cycle I, and irregular components (I), so as to develop forecasts for each component and then recombine them to produce forecasts of the overall time series (Frechtling, 2001). Equation (6) is the multiplicative form of the model, which assumes a multiplicative relationship among the components.

$$Y_t = T_t \times S_t \times C_t \times I_t \quad (6)$$

In practice, distinguishing trend and cyclical components can be very difficult, particularly in the short term. It is natural to assume a trend-cycle component or simply use a trend component only (Lim and McAleer, 2000; Hanke et al., 2001).

## Box-Jenkins ARIMA and SARIMA Models

The autoregressive integrated moving average (ARIMA) model is also known as the Box-Jenkins methodology. In this approach, a non-stationary series is transformed if it is differenced once or more times (if necessary) to obtain a stationary series, before it is identified, estimated, diagnosed, and forecasted. One of the advantages of this method is that various ARIMA models can represent a wide range of characteristics of time series that occur in practice. Another important feature of the method is the readily available formal model checking procedure, by which the diagnostic check is carried

out to examine the validity or adequacy of the estimated models (Hanke et al., 2001).

ARIMA(p,d,q) involves fitting various autoregressive(AR) models of order p and moving average (MA) models of order q, and d represents the order of differencing to obtain stationarity in a series. The ARIMA model can be expressed as follows:

$$Y_t = \Phi_0 + \Phi_1 Y_{t-1} + \Phi_2 Y_{t-2} + \dots + \Phi_p Y_{t-p} + \varepsilon_t - \theta_1 \varepsilon_{t-1} - \theta_2 \varepsilon_{t-2} - \dots - \theta_q \varepsilon_{t-q} \quad (7)$$

where  $Y_t$  is the number of tourist arrivals from a particular origin to a destination at time  $t$ ;  $Y_{t-1}, Y_{t-2}, \dots, Y_{t-p}$  are the number of (past) tourist arrivals at time lags  $t-1, t-2, \dots, t-p$ ;  $\Phi_0, \Phi_1, \dots, \Phi_p$ , and  $\theta_1, \theta_2, \dots, \theta_q$  are the coefficients to be estimated;  $\varepsilon_t$  is the error term at time  $t$ , which represents the effect of variables unexplained by the model;  $\varepsilon_{t-1}, \varepsilon_{t-2}, \dots, \varepsilon_{t-q}$  are errors in the previous time periods.

The seasonal ARIMA model or SARIMA(p,d,q)(P,D,Q) is used to accommodate seasonality in the series. P, D, and Q represent the order of autoregression, differencing and moving average, respectively, in the seasonal part of the model. Using quarterly data the seasonal difference for  $s = 4$  is defined as:

$$\Delta_s Y_t = Y_t - Y_{t-s}$$

or 
$$\Delta_4 Y_t = Y_t - Y_{t-4} \quad (8)$$

## Evaluation of Forecasting Models

Four forecasting accuracy measurements are used in this study to measure and interpret forecast errors. They include the mean absolute percentage error (MAPE), mean percentage error (MPE), root mean squared error (RMSE), and Theil's U-statistic.

MAPE and MPE, which are percentage error measurements (see equations (9) and (10), respectively), allow competing sets of forecasts to be compared.

$$MAPE = \frac{1}{n} \sum_{t=1}^n \frac{|Y_t - \hat{Y}_t|}{Y_t} \times 100 \quad (9)$$

$$MPE = \frac{1}{n} \sum_{t=1}^n \frac{(Y_t - \hat{Y}_t)}{Y_t} \times 100 \quad (10)$$

MAPE is particularly useful when the units of measurement of Y are relatively large. MPE measures whether the forecasts are consistently lower or higher than the actual observations, that is, whether a forecasting method is biased or not.

For ease of interpretation in terms of the original units of measurement, RMSE or Theil's U-statistic is often computed (given in equation (11) and (12), respectively). It is usual to take square roots to return to the original unit of measurements.

$$RMSE = \sqrt{\frac{1}{n} \sum_{t=1}^n (Y_t - \hat{Y}_t)^2} \quad (11)$$

$$Theil's U = \frac{\sqrt{\frac{\sum (Y_t - \hat{Y}_t)^2}{n}}}{\sqrt{\frac{\sum (Y_t)^2}{n}} + \sqrt{\frac{\sum (\hat{Y}_t)^2}{n}}} \quad (12)$$

As the square root of the average of all squared errors, RMSE ignores any over- and under-estimation. However, it does not allow for the comparison across different time series and for different time intervals. The Theil's U-statistic is a relative measurement based on a comparison of the predicted change with the observed change. Its value lies between 0 and 1, where 0 indicates a perfect fit and 1 indicates a forecast of no change (equivalent to the simple Naïve model).

## Unit Root Tests

Before fitting ARIMA models to the tourist arrival series, log transformations to capture the multiplicative effect in the levels of tourist arrivals, are applied to each of the series. The graphical representation of the



natural logarithmic transformations of tourist arrivals from Japan to Australia and China are given in Figure 1 and Figure 2, respectively.

Figure 1 Logarithm of quarterly Japanese tourist arrivals to Australia, 1976(1)-2000(2)

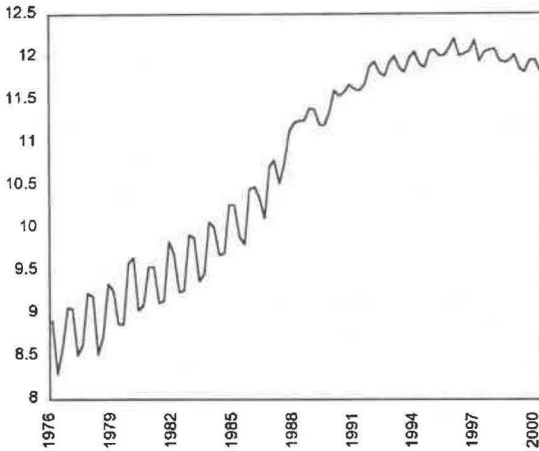
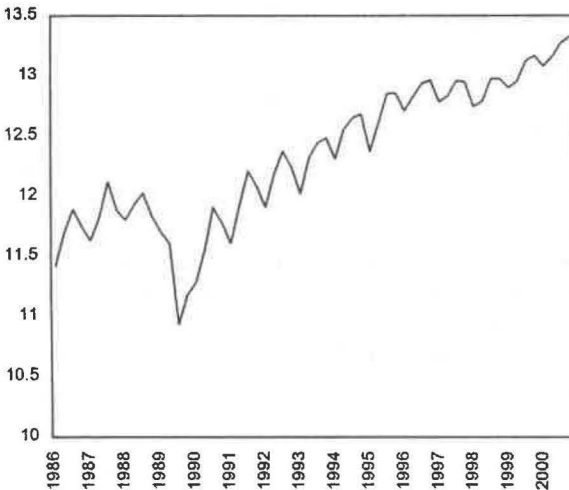


Figure 2 Logarithm of quarterly Japanese tourist arrivals to China, 1986(1)-2000(4)



A stationary time series is one with constant mean and variance over time (Hill et al., 2001). The log tourist arrival series in Figure 1 and Figure 2 appear to be non-stationary. Visual analysis of the correlograms of the log

series for both countries also suggests that the logarithmic tourist arrivals are non-stationary, as the autocorrelations are typically large for the first several time lags and gradually drop towards zero.

The augmented Dicker-Fuller (ADF) tests for unit roots are used for the logarithmic quarterly tourist arrivals to Australia and China. The ADF test allows a parametric correction for higher-order serial correlation and is expressed as follows:

$$\Delta Y_t = \alpha_0 + \beta T + \gamma Y_{t-1} + \sum_{i=1}^k \alpha_i \Delta Y_{t-i} + v_t \tag{13}$$

where  $\Delta Y_{t-1} = (Y_{t-1} - Y_{t-2}), \Delta Y_{t-2} = (Y_{t-2} - Y_{t-3}), \dots, T = \text{deterministic trend}$ .

Table 1 Unit root test results for the Logarithms and Log First Differences of Japanese tourist arrivals to Australia and China

Series	ADF lag length	ADF statistic	ADF critical value
Log (Australia)	4	-0.17	-3.46
Log (China)	4	-2.49	-3.51
DLog (Australia)	3	-4.47	-2.90
DLog (China)	1	-7.98	-2.92

Note: A deterministic trend is included in the ADF auxiliary regression for unit root test for log levels. The critical value is at the 5% significance level.

Under the null hypothesis of a unit root, that is  $\alpha = 0$ , the ADF statistic does not follow the conventional t-distribution. If the absolute ADF test statistic is less than the absolute critical value, the series has a unit root and is said to be non-stationary. In order to determine the lag length  $k$ , an initial lag length of 4 is used in the ADF regression, and the fourth lag is tested for significance using the standard t-test at the 5% level. If the fourth lag is insignificant, the lag length is subsequently reduced until a significant lag length is obtained. As shown in Table 1, the ADF test statistics for the logarithmic Japanese tourist arrivals to both Australia and China are greater than (or less negative than) the critical values. The null hypothesis of a unit root is not rejected at the 5% level of significance for the two series. As for the first differenced logarithmic Japanese tourist arrivals to Australia, the

ADF test statistic of -2.96 at lag length of 4 is marginally less than the critical value of -2.90. The lag length of 3 is subsequently tested, and the ADF test statistic of -4.47 is obtained. Thus, the null hypothesis of a non-stationary series is rejected. Using lag length of 1, the first differenced logarithmic Japanese tourist arrivals to China is stationary, as the ADF statistic of -7.98 is smaller than the critical value of -2.92.

## Empirical Forecasting Analysis

EViews 4 (2000) is used to estimate the smoothing constants in Winter's Exponential models by minimizing the sum of squared error (SSE) and the root mean squared error (RMSE) of the forecast. The mean of the initial observations is included to start the iterative calculations by the software. In the Time Series Decomposition method, a linear trend equation is first estimated using least square method, which minimizes the SSE. After removing the trend component from the series, the seasonal index is estimated by taking the median values of the particular quarters, which is adjusted by the seasonal Multiplier. An estimate of the cyclical effect is computed using a three-quarter moving average of the products of the cyclical effect (C) and irregular components (I). In ex post forecasting, the cyclical component is also calculated by using the three-quarter moving average, and the irregular effect is set at 1.

Various Seasonal ARIMA (or SARIMA) models are fitted to the logarithms of tourist arrivals series from Japan to Australia and China, using regular and seasonal differencing at lag 4. Two criteria are used in the initial selection of the appropriate model: the AR and MA coefficients must be statistically significant at the 5% level, and absence of serial correlation in the residuals, using the Lagrange multiplier test for serial correlation (LM(SC)). The selected models are then compared according to the Akaike Information Criterion (AIC), the Schwarz Bayesian Criterion (SBC) and the residual correlogram. The 'best' models selected should have the smallest AIC and SBC values, and random residuals.

### Model Estimation

By using different orders for  $p$ ,  $q$ ,  $P$ , and  $Q$  from 0 to 4, six models have been identified with significant parameters to explain Japanese tourist arrivals to Australia. The LM(SC) tests for all six models fail to reject the null hypothesis of no serial correlation. Residual checking using p-value associated with the Q-statistic also shows that the residuals of the six models are random. Based on the AIC criterion, SARIMA(2,1,3)(0,1,4) is the best model while SARIMA(0,1,3)(0,1,2) is the best model using the SBC criterion. However,

the latter is not useful for forecasting tourist arrivals from Japan to Australia because of the absence of the autoregressive (AR) and seasonal autoregressive (SAR) components (see Table 2). SARIMA(2,1,3)(0,1,4) and SARIMA(0,1,3)(0,1,2) are given in equations 14 and 15, respectively:

$$\Delta_4 Y_t^A = -0.0043 + 0.7722Y_{t-2} + \varepsilon_t + 0.306\varepsilon_{t-1} + 0.9452\varepsilon_{t-2} - 0.2554\varepsilon_{t-3} + 0.4091\varepsilon_{t-16} \quad (14)$$

$$\Delta_4 Y_t^A = -0.0022 + \varepsilon_t + 0.319\varepsilon_{t-1} + 0.9033\varepsilon_{t-2} - 0.2319\varepsilon_{t-3} - 0.6698\varepsilon_{t-8} \quad (15)$$

where  $\Delta_4 Y_t^A$  is the log 1st and seasonal differences of quarterly Japanese tourist arrivals to Australia.

Table 2 Estimated SARIMA models for the Logarithm of Japanese tourist arrivals to Australia

Variable	Coefficient	t-statistic	AIC/SBC	LM(SC)
Constant	-0.0043	-2.24	AIC= -1.47	F=0.85
AR(2)	0.7722	6.86	BSC= -1.29	P=0.43
MA(1)	-0.3060	-2.79		
MA(2)	-0.9452	-11.92		
MA(3)	0.2554	1.97		
SMA(4)	-0.4091	-3.27		
Constant	-0.0022	-2.14	AIC= -1.46	F= 1.25
MA(1)	-0.3190	-2.86	BSC= -1.32	P=0.29
MA(2)	-0.9022	-18.34		
MA(3)	0.2319	2.12		
SMA(2)	0.6698	7.70		

For the logarithmic tourist arrivals from Japan to China, the only significant SARIMA model with no serial correlation at the 5% level, is SARIMA(3,1,3)(2,1,4). The model is presented in Table 3 and expressed below as:

$$\Delta_4 Y_t^C = -0.0088 + 0.4887Y_{t-3} - 0.3141Y_{t-8} + \varepsilon_t + 0.9925\varepsilon_{t-3} + 0.972\varepsilon_{t-16} \quad (16)$$

where  $\Delta_4 Y_t^C$  is the log 1st and seasonal differences of quarterly Japanese tourist arrivals to China.

Table 3 Estimated SARIMA model for the Logarithm of Japanese tourist arrivals to China

Variable	Coefficient	t-statistic	AIC/SBC	LM(SC)
Constant	-0.0088	-9.01	AIC= -1.06	F=1.07
AR(3)	0.4887	5.07	BSC= -0.86	P=0.35
SAR(2)	-0.3141	-2.54		
MA(3)	-0.9925	-21.9		
SMA(4)	-0.9720	-35.20		

## Forecasting Performance

In this section, the accuracy performance of the various models is evaluated based on their four-quarter-ahead and eight-quarter-ahead ex post forecast. The accuracy of the forecasts is assessed by using the MAPE, MPE, RMSE, and Theil's U-statistic. The models which have the lowest forecast errors are identified as the 'best' models. Using the best models for each forecasting horizon, the ex post forecasts are subsequently generated.

Tables 4 and 5 contain the empirical results of the forecasting performance of the various models. The ranking of each model is also provided in the

Table 4 Four-quarter-ahead forecast performance of various models

Japanese tourists to Australia								
Forecast method	MAPE (%)		MPE (%)		RMSE		Theil's U-statistic	
Naive Trend & Seasonal	4.48	2	-4.38	2	7918	2	0.0264	2
Time Series Decomposition	12.04	4	-12.04	4	20720	4	0.0667	4
Winter's Exponential	3.28	1	0.18	1	5470	1	0.0187	1
SARIMA(2,1,3)(0,1,4)	5.57	3	-5.57	3	8961	3	0.0283	3
Japanese tourists to China								
Forecast method	MAPE (%)		MPE (%)		RMSE		Theil's U-statistic	
Naive Trend & Seasonal	14.30	4	14.30	4	80333	4	0.0783	4
Time Series Decomposition	11.44	3	11.44	3	63941	3	0.0613	3
Winter's Exponential	4.23	1	3.54	1	34961	1	0.0322	1
SARIMA(3,1,3)(2,1,4)	8.61	2	8.61	2	44067	2	0.0494	2



Table 5 Eight-quarter-ahead forecast performance of various models

Japanese tourists to Australia								
Forecast method	MAPE (%)		MPE (%)		RMSE		Theil's <i>U</i> -statistic	
Naïve Trend & Seasonal	14.01	2	-14.01	2	21794	2	0.0678	2
Time Series Decomposition	22.39	4	-22.39	4	35045	4	0.1048	4
Winter's Exponential	14.13	3	-14.13	3	22444	3	0.0697	3
SARIMA(2,1,3)(0,1,4)	5.08	1	-5.08	1	8591	1	0.0279	1

Japanese tourists to China								
Forecast-method	MAPE (%)		MPE (%)		RMSE.		Theil's <i>U</i> -statistic	
Naïve Trend & Seasonal	21.28	3	21.28	3	119806	4	0.1317	4
Time Series Decomposition	22.37	4	-22.37	4	34148	1	0.1024	3
Winter's Exponential	11.05	1	10.44	1	70838	2	0.0734	1
SARIMA (3,1,3)(2,1,4)	14.95	2	14.95	2	90736	3	0.0963	2

column next to the value of the accuracy measurements. It is clear from the tables that Winter's Exponential is the best model for the four-quarter-ahead forecasts for both Australia and China. In terms of the eight-quarter-ahead forecasts, the SARIMA model is the best model for Australia while the Winter's Exponential model appears to be the most accurate forecasting technique for China. Generally, the Winter's Exponential and SARIMA models perform better than the Naive Trend and Seasonal model. The Time Series Decomposition method is the worst forecasting model as it is ranked last in three of the four cases.

As suggested by Granger and Newbold (1973), it is worthwhile examining how closely the actual values of the variable and the forecasts resemble each other. Lim and McAleer (2002) examined the fit or relationship between the actual and forecast series by estimating the sample correlation coefficient for tourist arrivals to Australia from Hong Kong and Singapore. No other past tourism demand forecasting literature has determined how good the actual values fit the forecast observations.

The correlation coefficient and coefficient of determination are computed as goodness-of-fit measures to evaluate the predictive ability of the forecasting models. Using equation 17, the sample correlation coefficient estimates (denoted by *r*) between ex post forecasts (produced by the 'best' models) and the actual Japanese tourist arrivals (in the ex post period) are calculated as follows:

$$r_{xy} = \frac{n(\sum XY) - (\sum X)(\sum Y)}{\sqrt{[n\sum X^2 - (\sum X)^2][n\sum Y^2 - (\sum Y)^2]}} \quad (17)$$

where  $X$  = actual Japanese tourist arrivals in ex post period,  $Y$  = ex post forecasts of Japanese tourist arrivals,  $n$  = number of pairs of  $X$  and  $Y$ .

When interpreting the correlation, it is the squared correlation ( ) that is commonly used. The latter can range in value between 0 and 1, with a value close to 1 indicating a good fit. The squared correlation coefficient (also known as the coefficient of determination) describes the proportion of variance in common between the actual and the forecast tourist arrivals.

**Table 6 Comparing goodness-of-fits for four-quarter-ahead forecasting.**

Country	Forecasting model	Correlation coefficient ( $r$ )	Coefficient of determination ( $r^2$ )
Australia	Winter's exponential	0.8344	0.7112
China	Winter's exponential	0.8390	0.7039

As shown in Tables 6 and 7, the correlation coefficient estimates for Australia and China range from 0.7764 to 0.9208, which indicate high positive associations between the ex post forecasts and the actual values. The squared correlation coefficient estimates vary between 0.6028 and 0.8479. Thus, the 'best' models are able to predict 60 percent to 85 percent of the variations in

Table 7 Comparing goodness-of-fits for eight-quarter-ahead forecasting.

<u>Country</u>	<u>Forecasting model</u>	<u>Correlation coefficient (<math>r</math>)</u>	<u>Coefficient of determination (<math>r^2</math>)</u>
<u>Australia</u>	<u>SARIMA</u>	0.9208	<u>0.8479</u>
<u>China</u>	<u>Winter's exponential</u>	<u>0.7764</u>	<u>0.6028</u>

the actual tourist arrivals in the ex post period. The SARIMA model for the eight-quarter-ahead forecasting for Australia has the highest  $r$  value (0.9208), demonstrating excellent fitting of the ex post forecasts to the actual values in the same period. Alternatively, we can interpret using the coefficient of determination of 0.8479, that 85 percent of the variations in the ex post forecasts are in common with the variations in the actual tourist arrivals for the same period. The weakest association is found in the eight-quarter-ahead ex post forecasting of Japanese tourist arrivals to China, with a correlation coefficient estimate of 0.7764. Generally, the high correlation between the actual tourist arrivals and the forecasts produced by the 'best' models, is indicative of the adequacy of the forecasting models.

## Conclusion

One of the primary challenges facing tourism management is to generate accurate forecasts of tourism demand. The latter is essential for efficient tourism planning by both governments and tourism-related businesses in destination countries. A time series modelling of Japanese outbound tourism to Australia and China are presented in this paper. Given that the tourist arrivals from Japan to Australia and China exhibit trend and seasonal patterns, the forecasting techniques examined in the study are those which incorporate both trend and seasonal components in the data series.

Various seasonal forecasting models have been used to explain quarterly Japanese tourist arrival patterns to Australia and China for the period 1976(1) to 2000(2) and 1986(1) to 2000(4), respectively. Most tourism forecasting literature used the simple Naive model as a benchmark to compare its forecasting performance with other more complex univariate models. As mentioned earlier, tourism time series such as tourist arrivals are often trending (upward) and have dominant seasonal patterns. Thus, this study proposes to use the Naive Trend and Seasonal model for benchmarking instead of the simple Naive model.

Before estimating the Box-Jenkins ARIMA and SARIMA models, the tourist arrivals in log levels have been transformed into stationary series. The correlogram and ADF tests for unit roots are used to check the stationarity of the log series before and after taking ordinary and seasonal differencing for tourist arrivals to Australia and China separately. LM test for serial correlation and residual correlogram are used to verify the adequacy of the estimated SARIMA models. The best fitting SARIMA models for each series are selected based on the AIC and SBC values.

The performances of the various models are evaluated by analysing their ex post forecast accuracy using MAPE, MPE, RMSE, and Theil's  $U$  accuracy measurements. In general, the Winter's Exponential model has outperformed

the other forecasting techniques. The correlation coefficient and coefficient of determination estimates are computed as goodness-of-fit measures to check how well the actual tourist arrivals fit the forecast values.

Reliable forecasts provide useful information to destinations regarding the future demand for travel by the Japanese market. To obtain reliable forecasts, our study has shown that we need to estimate the 'best' forecast model(s) and to determine if the actual values fit the forecasts for the same period. Through informed decision-making, Australia and China can achieve better marketing, product development and infrastructure provision. It is particularly important for the tourism authorities in these destinations to manage the continuous improvement in the provision of tourism facilities and services to facilitate tourism growth in the Japanese market.

Australia and China are quite diverse destinations for Japanese tourists. It is often argued that the major barrier to travelling to Australia is distance, cost and/or time. Moreover, Australia faces strong competition from China and other competing destinations in the Asia-Pacific region. Japanese tourists visit China because of its proximity, close cultural ties and China is a relatively inexpensive destination. Nevertheless, Australia's natural attractions and environment are regarded as its strongest competitive drawcards which are particularly important to Japanese visitors who are increasingly interested in nature-based tourism.

It is expected that the resurgence in the Japanese outbound travel will be led by the 50 years of age or older age group, and single females with professional jobs and a sizable discretionary income (commonly known as 'office ladies'). Thus, Australia needs to reposition itself through destination marketing in Japan to retain or increase its market share. The use of Brand Australia Campaign with prominent Australian personalities such as Ian Thorpe, has appealed to the Japanese psyche and the advertising has been well received in Japan.

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# A SWOT Analysis of Tourism Development Strategies in Western China

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**Abstract:** Starting with a comparison of features of Western tourism resources and eastern tourism resources in China, the current analysis of tourist industry in the western area of China is analyzed from the following advantageous aspects: orientation, evaluation, combination, location, adjustment and strategies (S). Second, the weak points such as transportation, capital, fundamental establishment, human resources and regional views have been focused (W). Third, the opportunities such as international environment, domestic economics, industrial structures and ecologic environment have been mentioned (O). Fourth, the threats such as obtaining capital, financial adjustment, beneficial relationship, economic quality and international competitions are studied (T). Finally, the development strategies of marketing promotions, image location, festival marketing, ecological development, green system, product model, electric network, rich achievement and educational service are put forward in this paper.

**Key Words:** Western China, Tourism industry, SWOT analysis, Development strategies.

## Introduction

A close examination of China reveals significant socio-economic gaps between the eastern, central, and the western regions. Differing levels of development between regions have long been a major concern of the Chinese central government. Several policies have been established to support the rapid development of western China since the 1990s. Current policies are conducive to the development of tourism in western China (Fan & Yang, 2002), but much less so for the east. Along with the performance of large-scale development strategies in the west (Jiang, 1999), the then western provinces (i.e. Sichuan, Chongqing, Guizhou, Yunnan, Shaanxi, Ganxu, Ningxia, Qinghai, Xinjiang and Tibet) have considered tourism to be a priority development industry. Studies on the current structures of development

strategies for tourism in western China are believed to offer a strong impetus for tourism development (Li, 2003). Key strategies for tourism development include the following: reducing the large gap in economic development through tourism between the eastern, central and western regions; lessening the regional disparities in social development difference by developing tourism strategies; and dealing with the various types of problems inherent to each region, especially in the western area of China. Based on previous studies of western China and annual statistics published by China's National Statistics Bureau and the Chinese National Tourism Bureau, this paper analyzes the differences in tourism and other industries between the western and eastern parts of the country. The main objectives of this study are to introduce the current features of tourism resources in western China; to analyze the strengths, weaknesses, opportunities and threats facing tourism in the west; and to introduce the tourism-directed development strategies that are being utilized to promote the development of the industry.

## **Current Features of Tourism in western China**

### **Tourism Resources**

Western China has a large territory with various and complex natural and socio-economic conditions. The region's area amounts to 6.724 million square kilometers, which is 80 square kilometers more than India, 90 square kilometers less than Australia, and almost twice as large as Germany. There are some 50 minority groups that have different histories, cultures, local customs, and ways of living. The area borders more than ten countries and includes 20,000 kilometers of boundary lines. The area is known for its great mountains, plateaus, basins, deserts, grasslands and other geographical features, which have functioned as barriers to human activities for thousands of years.

Second, the western area is the original place of "Yellow River of the Culture". The tomb of the Yellow Emperor in Shaanxi province houses the remains of the ancestor emperor of the Chinese nation and is highly respected by the Chinese. The tomb figures of military forces of the Qing Dynasty, located in Lintong County, Shaanxi province, are often referred to as the 'Eighth Wonder of the World'. Ancient Chinese civilizations have met in many scenic locations, such as the ancient city of Xi'an, for many centuries. The one-time capital of Loulan, during the Xixia Dynasty, as well as the Mogao Grottos in Gansu province, have now been designated UNESCO World Heritage Sites. Furthermore, the old Silk Road and the media attention it has received in recent years, has created important heritage connections between the ethnic Chinese and the western minorities.

Third, there is a rich and diverse array of natural resources in western China comprised of complex and unusual features. The estimated reserves of water, oil, gas, coal and metals in the western area are among the highest in China. Qingzang is the hometown of the mysterious Tibetan medicines, whereas Sichuan province is known as the 'land of abundance'. Yunnan province is known by many names, including "the Kingdom of creatures", "Realm of Plants", "Regality of Colored Metals", "Medicine Treasury" and "Kingdom of Flavors". The complex environment and climatic conditions constitute an important part of the west's tourist appeal.

Fourth, various minority groups have unique traditions and cultural customs. For instance, the Xinjiang Uygur Autonomous Region is not only home to native dancing and singing, but it is also a place where western and eastern cultures converge. The massive cultural value and long history of minority groups is demonstrated in the Buddhism of Tibet, the female society of the Mosuo people in Yunnan, and the "Water-splashing Festival" of the Dai minority group (Liu & Yang, 2002).

### Eastern and Western Tourism Differences

The first contrasting feature between east and west is natural tourism resources. The western area is characterized by plateaus, snowy mountains and deserts. The central region is best known for mountains and rivers. Eastern China features coastal tourism resources combined with beautiful mountains and waterfront sites.

A second contrasting feature is cultural resources. There are rich and colorful cultural tourism resources with minority group folk customs in remote parts of the west. Han cultural traditions, the most modern and civilized cities, buildings and other human created tourism resources are concentrated mainly in the east. The west is better known for its traditional folk customs, ancient architecture, and handicrafts.

Another point of contrast is the development of tourism resources. Western China has more advantages for ecology-based tourism, owing to lower levels of air pollution compared to those in the east. Furthermore, tourism development in the western area focuses on a variety of tourism types, including educational and adventure travel, while eastern China's tourism is based more on urban areas, convention/business tourism, and marine-based tourism.

Another point of difference is that earnings from foreign tourists through tourism development have increased rapidly in the west, owing to the region's image and opportunities for ecotourism and adventure travel (Table 1).

Although the western region was affected by the Asian financial crisis in 1998 and SARS in 2003, total spending by foreign tourists in China shows a higher increase in the west than in the east (Zhu, Ding & Han, 2003).

Table 1. The Tourism Income Of Foreign Visitors Of China (Unit: US dollars)

Year	1993	1994	1995	1996	1997
Eastern Areas	392407	633456	721261	810948	875315
Middle Areas	15761	32507	46792	62673	81568
Western Areas	34777	43337	56872	74000	89275
Year	1998	1999	2000	2001	2002
Eastern Areas	912065	1009877	1211139	1338901	1204760
Middle Areas	76241	87648	106240	130335	154357
Western Areas	87839	103684	115221	127515	147780

Sources: China National Tourism Bureau, calculated from the Yearbook of China Tourism Statistics (1992-2003).

## A Tourism SWOT Analysis in Western China

### Strengths (S) of the Tourism Industry in Western China

To understand the current situation and the potential for tourism growth in the western provinces of China, a SWOT analysis was undertaken in 2004, based on extensive field work, secondary sources, and observations while living in the region. The first strength is the wide array of natural resources. Because of the conditional restriction of resource development and utilization, the advantages of some resources in western China are not as good as originally considered. There is a wealth of mineral resources, even though they are non-renewable. Along with undertaking large-scale development strategies in the western area of China, there will be increasing conflicts between reserves and demand for the western resources. Some fuels and raw materials in the west have no competitive advantage, nor has the comparative advantages in the international market, which will continue to be impacted since China's entry into the World Trade Organization (WTO) (Lu, 2000). A high price has been paid for the large-scale development and utilization of resources in the western area with few benefits. There were no protections in place for the development and utilization of tourism resources. The unique natural and human environments, which had been restricted from other industrial development, have become the main tourist resources in the west's tourism industry. Tourist resources in western China are exceedingly rich, and could be easily developed. There is also a large potential market for these resources.

The second strength is the high quality of tourism resources. The number, quality and array of tourist resources in western China are unmatched by those anywhere else in the world. The combination of ancient civilization and local customs is a major attraction, and nine of the 29 world heritage sites in China are located in the western region. As noted earlier, the west is also home to many minority ethnic groups, which creates a rich and interesting



cultural map that appeals to adventuresome tourists. In short, the wide variety of natural and cultural resources make the western region a unique and powerful destination for international and domestic tourists (Table 2).

Table 2. The National-Level Tourist Resources In The Western Areas Of China (Unit: Number)

Province & cities	World natural & cultural heritages	Person-Ecological circle of United Nation	National scenic spots	National level forest gardens	National historic and cultural cities	40 best of famous scenic spots in China	35 attractions of absolute astonishing beauties in China	National natural protection areas	National key cultural relics protections units in China	Best tourist cities in China
Sichuan	4	1	8	11	7	7	1	2	38	3
Chongqing	1		4	5	1		1	0	7	
Guizhou			8	2	2	2	1	4	9	
Yunnan	1	1	10	21	5		1	5	23	4
Tibet	1		1	0	3		1	2	24	
Shaanxi	1		3	7	6	2	2	4	51	2
Ganxi	1		3	8	4	1	1	4	19	1
Qinghai			1	2	1		1	1	5	
Ningxia			1	0	1		1	3	9	
Xinjiang		1	1	2	1		1	3	14	2
Western areas	9	5	40	58	31	12	12	28	199	12
China	27	10	119	296	99	40	35	90	750	54
%	30	50	34	20	31	30	34	31	26	22

Resources: National Construction and National Tourism Bureau (2002).

The third strength is the competitive advantages of tourism resources in the western area of China. The tourist resources have the dual characteristics of both uniqueness and universality. Natural scenery and famous cultural/historic sites are combined together, which are propitious to the development of tourist landscape. There are strong regional and complementary qualities that work together to form a unified product (Sun, 1999). These complementary advantages have improved the economic value of the tourist resources in western China, which have benefited the development and organization of cross-provincial tour circuits and tourist products. The different products of the east and of the west create a complimentary relationship, for many of the attractions of the west could not exist in the east. The combination of various natural resources, varying climate types and numerous folk cultures have formed different areas with different kinds of tourism resources in eastern China.

The fourth strength is the location advantage of the tourism industry in the west. The region is located in the northwest and southwest, bordering Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan, Pakistan, Nepal, India, Myanmar, Laos and Vietnam. Border trade and tourism are prevalent in these areas and could be developed further (Nin 1994; Timothy 2001; Zheng 1993). The new Longhai-Lanxin railway line also forms a new Asia-Europe bridge that connects sections of the ancient Silk Road and links transportation and

cultural channels between Eastern Asia, Western Asia and Europe. Another advantage is the unusual location of the west, which has begun to attract more foreign investment and develop economic cooperative zones, including tourism.

The fifth is the positioning of tourism in relation to other industries in western China. Important factors in successful development include that every province can choose the best industries for their own needs to take advantage of their resources based on natural, geographical and other production conditions. The most lucrative industries in the west are primary extractive industries, such as coal, oil, gas and metals. Tourism is the most productive service industry. In the economic development plans of the ten provinces in the western area, almost every one has prioritized tourism very highly. Sichuan, Yunnan, Tibet, Shaanxi and Chongqing have apparently already confirmed the important role of tourism in their economies (Table 3). The natural features, cultural traditions, and cultural relics of the west offer a strong, attractive and internationally competitive advantage. Additionally, the rich and inexpensive human resource pool offers more potential for tourism development in western China compared to many other industries.

Table 3. The Present Industrial Constructions In The Western Areas Of China

Provinces & cities	Superior Industries	Structure Industries
Sichuan	Tourism, High-tech, Mechanism, Electricity, metallurgy, Chemistry Industry	Electric information, water & electricity, mechanism & metallurgy, medicine chemistry, tourism, grocery beverages
Chongqing	Electric information, biological engineering, environmental protection. Combining system of light-engine-electricity, tourism	Mechanism, Chemistry, metallurgy
Guizhou	Energy, raw materials, engineering electricity, light industry, tourism industry	Two smoke, one wine, electricity, colored metals, chemistry
Yunnan	Modern medicine industry, flower industry, cultural recreation industry, engineering-electricity, construction & material industry, commercial & trade industry	Smoking, bio-resource development, mine industry, tourism industry
Tibet	Agriculture, stock raising, machining industry, tourism industry	Exploitation machining, tourism industry
Shaanxi	Science & technology, tourism industry, fruit industry, war industry	High new-tech, tourism, fruit industry, war industry
Gansu	Agricultural byproduct machining, biological products, chemistry industry of oil and gas, late machining of raw materials, tourism industry	Oil chemistry, metallurgy, construction & materials, mechanism & electricity, light weave & grocery
Ningxia	Machining of special and green grocery, biological medicines and bio-engineering, energy industry, new materials, combining industry of mechanism & electricity, tourism industry	Energy, chemistry, metallurgy
Qinghai	Special agricultural and stock raising, special tourism industry	Water & electricity, oil and gas, chemistry industry of salt lake, colored metals
Xinjiang	Tourism, housing industry, colored metal development, name brand products	Oil chemistry industry, cotton & its industry

Resources: Every Planning Committee in the western areas of China (1999).

The sixth is the ability of tourism to absorb employment layoffs and other factors in other industries. Although the west is large, with rich resources

and unique populations with many minorities, there still exist population pressures in terms of relative level of economic development and underutilization of resources. To increase employment levels, employment must become one of the main policy objectives in economic development in western China. Furthermore, owing to efforts to return farmland back to its natural vegetative state and the entrance of China into the World Trade Organization, there will be a considerable surplus of agricultural labor in the west, and it is likely that there will be more jobless peasants. This potential joblessness might end up being felt along ethnic lines with some minority groups experiencing higher levels of unemployment than others. The surplus agricultural labor could be displaced by tourism jobs, because it is a labor-intensive service industry (Table 4).

Table 4. The Status And Indirect Related Functions Of Tourism Industry In National Economics In The Western Areas Of China (Unit: %)

Province & cities	Percent of tourism income in GDP	As much as the third industry	Percent of import & export	Percent of direct obtaining employment	Ratio of indirect and direct obtaining employment	Number of indirect obtaining employment (Unit: person)
Sichuan	3.40	11.00	2.90	0.08	5.00	0.40
Chongqing	3.70	10.10	3.30	1.20	—	—
Guizhou	1.50	5.70	4.60	0.10	5.00	0.50
Yunnan	5.10	5.90	7.80	—	—	—
Tibet	3.80	11.10	33.50	27.00	1.50	40.00
Shaanxi	5.30	14.50	8.10	0.22	5.00	1.40
Gansu	1.10	3.30	3.90	1.10	2.20	2.40
Ningxia	0.70	1.11	5.20	0.14	1.80	0.25
Qinghai	0.50	1.30	1.40	0.10	—	—
Xinjiang	0.50	0.70	5.20	5.20	—	—

Resources: The Yearbook of China Statistics (2000).

The seventh strength is the strategic advantage of tourism as a focus of development efforts in the west. According to the department of tourism, eight of the ten provinces in western China have proposed supporting tourism in their tenth five-year plans. The other two provinces have chosen tourism as a potentially new and developing industry and consider it only a supporting industry (Table 5). Nearly all of western China remains undeveloped in the realm of tourism, so establishing the industry on a firmer footing may be difficult to start. To establish a strategic industry and to foster support industries are key steps for the development in western China and may help avert some of the development problems facing the region. Owing to its relative newness, tourism in the west has the potential to be developed in such a way that its positive effects will outweigh its negative impacts. Meanwhile, the tourism industry remains an important development option for all western regional governments.

Table 5. The Positioning And Development Objects of Tourism Industry in the Western Areas Of China

Provinces and cities	The industry positioning in the "Tenth Fives"			Percent of tourism total output in GDP (%)		
	Present situation	Direction	Development objectives	1996	2000	2005
China	New increasing point	Support industry	World great power country in tourism	3.8	4.6	5.6
Sichuan	Support in the third industry	Support industry	Big power province in biology	3.4	5	5.9
Chongqing	Support industry	Support industry	Big power city in tourism	3.7	5	7
Guizhou		Support industry	Big power province in tourism	1.5	5	6
Yunnan	One of the four support industries	Key support industry	Big power province in green biology	5.1	8	10-15
Tibet	Support industry	Key support industry	Big power province in biology	3.8	6	8
Shaanxi	Support industry	Key support industry	Big power province in tourism	5.3	7	8-10
Gansu	Forerunner industry	Support industry	To become support industry in 2015	1.1	-	3.3
Qinghai	Forerunner industry	Superior industry	Big power province in bio-tourism of plateau	0.5	2	5.6
Ningxia	New increasing point	Support industry	Special tourism base in northwestern	0.7	3	5.4
Xinjiang	Forerunner of the third industry	Forerunner industry	Base in support of Chinese tourism in 21 <sup>st</sup> century	0.5	6	8

Sources: The programming thought of the "Tenth Fives" in the western provinces and cities (2000).

## Weaknesses (W) of Tourism Industry in the western area of China

The first weakness in the area is the transportation bottleneck. The western area is far from the majority of China's tourists, who tend to be located on the east coast and eastern cities. The shortage of railways and highway networks also limits tourism development considerably, as getting around is more difficult than in the eastern portion of the country (Table 6). Likewise, the small number of airports in the west and their distance from major international airports leads to a serious dearth in international arrivals and results in higher travel costs.

Table 6. The Comparison Condition Of Transportation And Communication In The Three Areas Of China

Item	Transportation transits (M/Km <sup>2</sup> )		Taking account of average percentages in China (%)		The total number of telephones for every hundred persons	
	1994	2001	1994	2001	1994	2001
China	1175.4	70,057.2	100	100	2.4	25.9
Eastern	3193.7	40,143.2	65.8	59.97	3.9	36.81
Middle	1366.9	20,234.0	24.5	26.52	1.7	19.48
Western	584.8	9,680.0	9.7	14.51	1.0	16.31

Sources: Yearbook of China Statistics (2003).

The second weakness is a lack of capital. Since the western area lacks fiscal resources, it experiences great difficulties in operationalizing tourism and developing related resources. If the western area continues to be unable to attract domestic and international capital, it will be difficult to develop

tourism on a larger scale. In areas other than tourism, it is obvious that the west is also lacking in economic strength. Most areas are undeveloped with no strong economic strengths (Table 7). Meanwhile, many of the original tourist attractions and services have aged considerably and are falling into disrepair. The tourism infrastructure is also weak, and a great deal of capital will be required to construct green areas, transportation networks, tourist attractions, and tourism marketing campaigns (Fu, 2000).

Table 7. The Basic Situations Of The Three Regions In China

The three areas	GDP (0.1 billion \$ US)		Area (%)		Population (%)		GDP per capital (\$ US)	
	1998	2002	1998	2002	1998	2002	1998	2002
Eastern Areas	5376	7074.44	13	13.50	41	41.61	1077	1333.46
Middle Areas	2610	3138.50	28	29.62	36	35.26	597	697.83
Western Areas	1225	1589.13	59	56.88	23	23.13	437	538.87

Sources: China Statistics Bureau, Yearbook of China Economic Statistics (2003).

Notes: There is a little difference between Gross Domestic Production and Gross National Production and could be regarded as equal with each other.

The third weakness is the imbalance in governance and development priorities between western provinces. Because of differing economic powers among different provinces and cities, investment commitments have different priorities between provinces. The cumulative investment in infrastructure is under 10 billion RMB yuan in the provinces of Gansu, Guizhou, Tibet, Qinghai and Ningxia. Uneven investment levels lead to large differences in levels of development priorities in each area (Ma & Qing, 2000). There exist insufficient hospitality establishments in the western area, and construction moves slowly. Therefore, it is difficulty to meet the daily increasing consumption demand of western travelers (Table 8).

Table 8. The Comparison Of Tourism Establishment And Tourism Services In The Three Regions Of China

Foreigner hosted hotels		International travel agencies		Tourism employees		Foreigner hosted hotel (%)		International travel agencies (%)		Tourism employees (%)		Tourism income of foreign exchanges (%)	
1997	2002	1997	2002	1997	2001	1997	2002	1997	2002	1997	2001	1997	2002
3439	4949	615	1021	974856	3476957	62	55.73	66	58.75	72	58	83	79.95
1042	2270	201	304	235686	1537741	20	25.56	20	17.49	17	26	8	10.24
720	1661	175	413	142875	956893	18	18.70	14	23.76	11	16	9	9.81

Sources: China National Tourism Bureau, Yearbook of China Tourism Statistics (2003).

Fourth is the lack of marketing power. At present, the total tourism marketing budget is inadequate. Advertising is not attractive to potential visitors. There is a lack of cross-border tourism marketing between provinces, and service networks have not yet formed. There is a need to create a tourism image that is persuasive and appealing. Overall, the physical development of facilities at scenic spots is the primary focus of development agencies in the government at the expense of tourism marketing, which is relatively neglected.



The fifth weakness is a lack of trained human resources for tourism (Xiang & Hong, 2001). Both absolute and relative levels of human resource capital and knowledge output are inferior relative to the rest of China (Table 9). Low levels of human resources and industry knowledge are important factors in the western region's lagging development. Furthermore, the lack of investment in education and scientific technology illustrates that insufficient investment leads to the relative low level of output. At present, it is vital for the tourism industry in the western area to train potential tourism employees and provide skills training to the general public.

Table 9. The Output Level Of Manpower Capitals And Knowledge

Areas Item Year	Eastern Area				Middle Area				Western Area			
	Number		Rate (%)		Number		Rate (%)		Number		Rate (%)	
	1998	2001	1998	2001	1998	2001	1998	2001	1998	2001	1998	2001
Number of universities & colleges	482	578	47.16	47.18	338	399	33.07	32.57	202	248	19.77	20.25
Number of students in universities & colleges	1721864	3548225	50.51	49.34	1073826	2356339	31.50	32.77	61307	128609	17.99	17.89
Professors & clerks in universities & colleges	521921	606794	50.69	49.97	316342	381784	30.73	31.44	19130	225851	18.58	18.59
Education fee (Ten thousand RMB yuan)	13917681	21782019	54.97	56.59	722284	10274925	28.53	26.69	41768	643386	16.50	16.72
Number of above counties in China	2857	1403	49.45	36.43	1743	1360	30.17	35.32	1178	1088	20.39	28.25
Governmental civil servants or R&D employees	492356	510868	52.79	55.4	216863	223884	23.09	24.28	22447	187379	24.01	20.32
Authorized number of three patents	23139	64837	84.32	72.92	2377	14567	8.6	16.38	1926	9518	7.02	10.7
Bargain number of technologic market (Ten thousand RMB yuan)	2900936	5699320	66.56	72.81	948980	1248572	21.77	15.95	50831	879597	11.66	11.24
Fee of three items of sciences and technologies (Ten thousand RMB yuan)	419129	6179037	57.16	68.99	202884	1486344	27.67	16.59	111303	129126	15.18	14.42

Source: China Statistics Bureau, Yearbook of China National Statistics (2003).

The sixth weakness is the lack of a long-term vision. Tourism planning has been of an ad-hoc nature in recent years. It lacks long-term vision and tends to emphasize rapid development and instant benefits as is the case in most of the developing world (Timothy 1998, 1999; Tosun 2000; Tosun and Jenkins 1998) There are conflicts between conservation and management rights of tourism resources and there is a lack of a suitable management system in many aesthetically important areas. These conflicts and lack of long-term commitment has negatively affected tourism investments and tourism development (Cao, 2002).

### Tourism Opportunities

One opportunity is the potential for economic development through domestic and foreign investments. On the international front, foreign investments have grown a great deal in the Asia-Pacific region with relatively quick economic returns. In the long-term, it is likely that foreign investors will divert more of their attention to western China. Also, a positive future for the world economy and China's entrance into the World Trade Organization

may create opportunities for future economic reforms, attracting foreign investments, and other forms of international involvement in the west.

An increase in real domestic economic power is another potential opportunity. As a result of China's rapid economic growth in the past twenty years, the country's total economic power has been strengthened considerably. As part of this growth, billions of dollars in capital have been invested in the stock market, futures markets, and various financial institutions. If there were a chance for greater returns in western China, more of this money could be invested in the western region. In the west, the supply of production in most industries, including tourism, is generally larger than demand. There is also an abundant supply of strategic merchandise such as food. As a result, consumer prices and interest rates have been relatively low for many years, which can be seen as a major appeal for developing tourism in the west.

There are also opportunities for the adjustment of industry structures in the west by the Chinese government. For the eastern and coastal areas, the development of high-tech industries has been quickened, the promotion of industry structures has been advanced, many factories have begun appear in low-cost areas, and the search is on for new development space to reduce costs to be competitive on the global scene since China's entrance into the WTO. For the west, the investment environment has improved after the construction of some infrastructure during the past fifty years. There are many structural advantages for the re-adjustment of industries from the east to the west.

## Threats

One of the biggest threats for the western area is unpredictable capital growth. While the Chinese government has plans to increase public investments in the west, development efforts there should mainly depend on private capital in the long term. Nonetheless, foreign and domestic investments will be made based on market forces for the purpose of gaining high returns on the investment. Because of the region's limited infrastructure, compared to the east, both national and west provincial governments must take effective measures to attract foreign and domestic private investments.

There is also a degree of inflexibility in the central government's financial and investment policies, resulting in limited financial support from the central government. This is because central administration policies should play a critical role in stimulating both investment and consumption to ensure a moderate increase in the national economy. Also, the central government's financial support should play a greater role in building relationships between

the national administration and financial institutions to avoid risks in the functioning of the national economy and to make up for financial imbalances caused by flawed policies in the reformation process. Another reason for limited central government support is that there are ever more stop-production, semi-stop-production and seasonal enterprises with increasing joblessness and poverty among the people of western China. This unstable socio-economic phenomenon is more serious today than previously. Financial support by the central government is especially needed for this. All the factors clearly influence the investment tendencies of the central government. Without the support of Beijing, the strategies and development opportunities for the western area will surely be limited.

Another threat is the quality of economic increase. Large-scale development in the west faces several economic difficulties because energy and raw materials production has been decreased even though the production capability is relatively high. Outside demand has dramatically decreased and domestic demand has only seen slow growth. In some cases, high levels of production have taxed the resource based, while situations overwhelmed by the market system have been extended to include other types of resource production, which has further weakened the resource advantages of the west. The traditional, heavy industries and resource extraction in the west have been seriously challenged.

The change from international demand to domestic demand may also present some interesting challenges. The current situation appears to be that the domestic market is turning into an international market and the international market is becoming a domestic one. Currently, there are 200,000 enterprises in China that are classified as either foreign-invested, joint foreign and domestic-invested or domestic. In terms of the total level of industrialization in China, the eastern area has reached a medium level of industrialization, while the west has lagged behind.

## **Recommended Tourism Development Strategies**

Several tourism development scenarios for the western region of China can be recommended. The first is marketing and promotion. Inbound tourism markets in western China are primarily from Hong Kong, Macao and Taiwan, although there appears to be a slight decrease in these arrivals in recent years. However, the percentage of travelers from Japan and Korea appears to be increasing quite notably. There is considerable potential for market growth from countries in Southeast Asia, Europe and North America. Therefore, perhaps the most basic marketing strategy is to promote the region in Hong

Kong, Macao, Taiwan, Japan, Korea, North America, Europe, the Middle East, Australia, and New Zealand. In addition to the international market, domestic tourism should be stressed at the same time, which will provide additional support for tourism growth in the western provinces.

A second strategy is image positioning. Generally speaking, western China does not have a positive or a negative image overseas. In fact, it actually has very little image at all, for when people think of 'China', the image is typically that of the Han Chinese and the eastern regions of the country. If an image does exist of the west, it focuses primarily on mountains and deserts. Therefore, the image of the western provinces should be developed in the minds of potential visitors from the main market countries, emphasizing its strengths and wide range of natural and cultural resources. Efforts should be made by the Chinese central government and the western provincial governments to highlight the competitive advantages of the west, including mysterious places, vast open spaces, wide array of colorful cultures, growing cities, and natural wonders.

A third strategy is promoting events. There are many cultural events in the western region, especially dancing and vocal performances that are very interesting for domestic and foreign visitors. These events should be exploited better for tourism, as they reflect remnants of western cultures and ways of life.

The fourth strategy is nature-based tourism development. There are many natural resources and hidden treasures in western China that could be developed in sustainable ways for tourists to enjoy. These natural resources are so great that western nature-based tourism could become a critical part of the brand image in the 21st sustainable tourism development program of China to increase visibility. Basic policies, managerial standards and codes of conduct in eco-tourism should be established to meet local conditions. Likewise, environmental protection laws should be enacted to assure the least amount of damage to the natural environment as tourism continues to grow.

The fifth suggestion is to establish a greening system. To be in tune with e principles of sustainable development tourism as it develops should be maintained as a green industry from ecotourism codes of ethics to hotel and restaurant management. Management and tourism employees should receive training in green management and green practices, which is starting to be done in other parts of China (Deng and Burnett 2002; Zhang et al 2000). Green products should also be used to promote green management.

Another potential strategy is model communities. These could be developed to demonstrate cultures and ecosystems in places that are

representative of each one. This could assist in creating a more positive image of the western region and help develop domestic and international tourism.

The use of the Internet would also be an important move for the western region to assist in developing its tourism industry. Internet marketing is a highly valuable tool that the region could utilize to disseminate information in its main market regions and assist in creating the visibility that it needs. In addition to Internet marketing, a holistic and effective tourism information system could be established to assist in making reservations, business management, and tour programming a simpler process. This would certainly be a major attraction for international tour operators who might be put off somewhat by the lack of technology in the west. Easier access to the Internet in tourism locations might also assist in developing business tourism, including meetings and conventions.

Tourism should be developed with economic prosperity in mind for the people of western China. Tourism has the potential to alleviate poverty if the destination residents are permitted to be involved in decision making and in the economic benefits of tourism (Timothy 1999). Working groups should be established to determine how best to develop tourism that will alleviate poverty and better the lives of the people in the western provinces.

Human resource development is another critical and necessary component of tourism in the west. Skilled tourism employees are key to the successful development of tourism; thus, a high priority should be given to training residents to work in the industry. Management skills, foreign languages, and customer service abilities should be high priority items for training. Such efforts can help western poverty by qualifying people for employment in the tourism industry.

## **Conclusion and Limitations**

In summary, this paper described and examined the current tourism situation in the western region of China. Strengths, weakness, opportunities and threats in the industry were highlighted, and various development strategies for tourism were proposed. The overall framework and summary is demonstrated in Table 10.

The western provinces of China have a great deal of potential when it comes to tourism development. While there are a number of obstacles to tourism development there, including economic problems, lack of adequate infrastructure, and peripheral location, the region has many strengths and with commitment from the Chinese government, western provincial governments, and international investors, tourism could grow considerably

Table 10. The Development Strategies Of The Tourism Industry In The Western Areas Of China

Items	Features and characteristics
Strengths (S)	1 The orientation advantages of natural resources
	2 The evaluation advantages of tourism resources
	3 The combination advantages of tourism resources
	4 The location advantages of tourism industry
	5 The positioning advantages of tourism industry
	6 The adjustment advantages of tourism industry structures
	7 The strategy advantages of tourism industry
Weakness (W)	● The weakness of transportation bottleneck
	● The weakness of lack of capitals
	● The weakness of fundamental establishment
	● The weakness of lack of marketing power
	● The weakness of lack of human resources
	● The Weakness of regional views
Opportunity (O)	● The development of economic environment in both domestic and abroad
	● The increase of domestic total economic power
	● The adjustment of industry structure in the eastern and western
	● The need of improvement of ecological environment in domestic
Threats (T)	● The changeable modes of capital obtaining
	● The limitation of central financial adjustment
	● The adjustment of deep beneficial relationship
	● The quality benefit of economic increase
	● To the domestic change from international competition market
Strategies	● The strategy of marketing promotion
	● The strategy of image positioning
	● The strategy of event marketing
	● The strategy of ecological development
	● The strategy of green system
	● The strategy of sample models
	● The strategy of electrical inter-net
	● The strategy of escaping from poverty and reaching richness
	● The strategy of human resources

and successfully in a sustainable manner. New scenic spots should be developed, a global image created, and Internet marketing utilized to accomplish these goals.

On the basis of practical and theoretical notions, this study analyzed the current tourism situation in western China through published statistics extensive field work in the area, and SWOT analysis. It is hoped that this study will be helpful to the Chinese government, the subnational governments of western China, and domestic and international investors as they work together to develop tourism in this remarkable region.

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# Wildlife Safari Tourism and Sustainable Local Community Development in Kenya

*A case study of Samburu National Reserve*

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**Abstract :** Kenya is world famous for its wildlife attractions and magnificent landscape. Increasing number of tourists visit the country's national parks and reserves such as Maasai Mara, Amboseli, Lake Nakuru, Tsavo and Samburu among others. Parks and reserves have become the pillar of the country's tourism industry and significant amounts of revenue is generated from safari tourism activities. However, the rapid development of mass tourism and haphazard development of tourism facilities in the parks and reserves conflict with the principles of sustainable utilization of the wildlife resources. Moreover, the protection of wildlife in the parks and reserves and tourism development may conflict with people's socio-economic and cultural interests. But it is generally acknowledged that the development of sustainable tourism and local community involvement in the decision-making process and equitable distribution of tourism revenues can play a significant role in poverty alleviation and improvement of the living conditions of the local people. This research takes the case study of Samburu National Reserve to: (i) Analyse the forms of tourism activities that are taking place in Samburu National Reserve and its environs; (ii) examine the role the local people living in the adjacent areas are playing in wildlife conservation and tourism development and (iii) examine whether tourism assists in the improvement of the living conditions of the local people. This research is based on both primary and secondary information. A total of 350 local people were interviewed at various locations including residential areas, hotels, cultural centres, attraction sites and adjacent marketplaces. The interviews covered various research aspects such as the perceived negative and positive impacts of tourism, problems confronting the local communities, the role of the local communities in tourism development and wildlife conservation, and the reserve and the management, and local community relationships.

**Keywords:** Community tourism, Wildlife tourism, Kenyan tourism, Wildlife conservation, Samburu community, Sustainable tourism

## Introduction

Kenya is a popular tourist destination in Africa, accounting for over 6% of the total international tourists' arrivals to the continent. The relative importance of tourism in the country's has risen steadily over the last forty years, and currently the industry contributes over 10 per cent to Kenyas' Gross Domestic Product. The Kenya government has, over the years, continued to spearhead the development of tourism with a main aim of encouraging even more tourists to visit the various tourists destinations in the country, particularly, the national parks and reserves.

Kenya's unique wildlife attractions form the pillar of the fledgling tourism sector, with over 60% of the international tourists visiting the parks and reserves for wildlife viewing and photographing. However, the parks and reserves are at varying levels of development, particularly as relates to visitor facilities and services and accessibility. As a consequence, there has been attendance of promoting unplanned and rapid development of mass tourism in a few wildlife parks and reserves, whereas the majority of the country's other wildlife parks are rarely visited by tourists. These forms of haphazard development of mass tourism and unplanned development of lodges and camping facilities in delicate and sensitive wildlife habitats goes contrary to the principles of sustainable tourism development and utilisation of wildlife resources.

Apart from problems arising from haphazard development of mass tourism there is also increasing conflicts between the local people and park wildlife as wild animal stray into the surrounding communities and destroy their property, cause injuries and some times fatalities. Furthermore, the local people receive little or no direct benefits from the protected areas and they are rarely consulted as far as the management of the protected area is concerned. Worse yet, the local people feel that the government most often give attention toward wildlife protection because of the realised and potential tourism benefits. Whereas as their complaints as regard to property destruction and lack of their involvement are rarely taken into consideration.

Outside and within the protected areas, wildlife receives protection through enforcement of conservation by-laws which inhibits the local people from defending themselves whenever the wildlife strays into their land and causes destruction. These state conservation programmes and tourism development activities have led to suspension of human-wildlife conflict and the local people are increasing becoming indifferent and opposed to the development of tourism in their neighbourhood.

The existing wildlife and tourism development problems indicates that there is urgent need for the development of alternative strategies that will lead to sustainable development and utilisation of wildlife resources both for tourism and provision of local socio-economic needs.

## **Wildlife conservation visa-vis local community needs**

Over the years, wildlife conservation in Kenya and other African countries has mainly involved the creation of state protected areas where local people are completely excluded and are not allowed to utilise the wildlife resources for their sustenance. The local communities which traditionally had relied on

the park areas for their sustenance were often displaced and/or denied access to the park resource use once the area designated as a park. In fact any form of wildlife resource use by local people for sustenance was classified as poaching, a punishable offence which can lead to imprisonment and other forms of state imposed punishment. In this regard, the wildlife conservation program and tourism development projects in most instances ignored the socio-economic and cultural interests and values of local people living in areas adjacent to the protected parks and reserves. Thus, the local people were completely cut-off and were not involved nor were they consulted in the management of the wildlife protected areas.

Furthermore, the creation of parks and reserves did not only lead to the loss of access to resources, but also led to situations where the local communities adjacent to protected areas bear substantial direct and indirect costs, while they receive insignificant or no direct benefits in return. Thus, over the years the local people have continued to perceive protected areas as state resources, which cause increasing decrease of their income and restrict their access to existing resources needed for their sustenance. Particularly, the local people are offended by the fact that they are not allowed to graze their livestock in the parks nor can they contact subsistence hunting and collection of firewood and water from the protected areas. As a consequence, there is increasing intolerance and accelerating conflicts between the local people, wildlife managers and tourism developer.

It is worth noting that in the recent years, the population of the local people in the areas adjacent to the parks and reserves has been increasing tremendously. Thus, there is increasing need for land for the growing of crops and livestock rearing. It is increasingly been observed that there is increasing levels of poverty, malnutrition and general underdevelopment in the local communities surrounding the protected areas. Within this socio-economic of increasing poverty and underdevelopment, the local people perceive the protected areas as resources, which should be opened up for human settlement and local resource use. Furthermore, with increasing human population, the natural habitat in areas adjacent to the protected areas are increasingly being altered, as people clear the vegetation to make room for crop production and subsistence farming. Thus, important old and critical wildlife dispersal areas are increasingly being destroyed making the wildlife-protected areas to become unviable ecological island surrounded by completely altered or degraded habitats. As a consequence, the wildlife are increasingly being confined within the protected areas where they are increasingly being harassed by tourists who are always in hurry to see the 'big five' without regard of the ecological impacts caused by speeding vehicles and off-road driving. The natural beauty

of the parks and reserves that makes worthwhile for tourism development is completely being diminished.

## **Case study area and methodology**

This research uses the case study of Samburu National Reserve to analyse critical socio-economic issues that are confronting the conservation of wildlife and the development of wildlife safari tourism. Specifically, the research looks at socio-cultural and economic impacts which been brought about by development of wildlife safari tourism amongst the Samburu people due to their proximity to the reserve. As a fact the land on which the reserve has been established was originally part of the dry season grazing ranches of the Samburu pastoral community. The local people were unilaterally moved out of the reserve to create room for wildlife conservation and development of wildlife safari tourism.

The reserve is situated at the extreme north of the expansive riftvalley province. The reserves covers a total land areas of over 400 Square kilometers. The reserve itself and the surrounding region is criss-crossed by many undulating streamlets which drain in to the Ewaso Nyiro river. The unique landscape and, diverse wildlife resources and the local Samburu culture make this region a paradise for tourists who are eager to combine wildlife safari tourism with the cultural visitations to the adjacent Samburu homesteads. As consequence, Samburu national reserve and the adjacent region has become a popular tourist destination in Kenya, attracting over 200,000 international tourists plus many domestic tourists annually. Particularly, the unique Samburu culture provides an added advantage for tourists willing to combine safari tourists with visitations to the adjacent Samburu cultural manyattas.

As concerns wildlife viewing and photographing in pristine natural habitats, the region has high population of the 'big five' and many antelopes species including the Generuk ( an endemic and rare antelope species) found only in this region. Also the region has got diverse range of floral attractions and diverse landscapes that are ideal for site seeing and other recreational activities such as photographing, hill climbing, hiking and trekking. Thus the reserve and the adjacent areas has got the potential of attracting diverse range of tourists with different interests and motivational attributes. However, as already discussed above the nature of tourism development and wildlife conservation strategies are put in doubt the potentials of these natural and cultural resources in promoting sustainable local community development. This research investigates the underlying factors that have led to the local people not to benefit substantially from these existing resources. Specifically, the objectives of this study are two-fold; (i) to analyse forms of tourism

development activities that are taking place in the reserve and its adjacent areas (ii) to examine the roles the local people living in the adjacent areas are playing in the conservation and tourism development. In line with the stated objectives, the critical question of this research is; what forms and how are these activities contributing to the improvement of the livelihood the local Samburu people?

The first stage of data collection involved a search and compilation of relevant information and data on critical issues on wildlife-based tourism development and its role as a tool for socio-economic development. The information was mainly acquired from primary and secondary sources including University libraries, government and tourism related NGOs. Particularly, the Kenya Government documents and reports including economic surveys, statistical abstracts, tourism master plans and poverty mapping indexes were used to acquire information on local, regional and national trends of tourism development and the industry's role as a tool for socio-economic development.

The second stage of data collection involved conducting field interviews and surveys in different locations within and without Samburu National Reserve. This was undertaken in three months period (May to August 2003). Structured questionnaires containing principal items on wildlife-based tourism development and perceived socio-cultural and economic impacts of tourism were administered to the management of the reserve and local residents. The local residents were interviewed at various places including hotels, cultural centres, attraction sites and adjacent market places. The interview covered various research aspects such as the perceived negative and positive effects of tourism, problems confronting the local communities, the role of the local communities in the development and conservation of the reserve and the management and local communities relationship. In total 350 both the management and the local residents were interviewed. In addition, scheduled interviews and structured dialogue was conducted with selected private and public sector representatives, local community leaders and politicians.

## **Research Findings**

### **Local community benefits**

It should be stated that the local people living in areas adjacent to Samburu National Reserve receive minimal or no direct benefits from the reserve. For instance, the majority of the people working as managers, wardens and other service providers in the national reserves are mainly out-siders and; only less than 10% of the local Samburu people have received employment in the reserve



and adjacent tourist facilities. Furthermore, it should be stated that most of the local Samburu people who work in the reserve and the adjacent tourist facilities mainly occupy low paying, servile and seasonal job positions such as guards, porter, genitors, waiters and rangers. According to government poverty index estimates, the Samburu region has got one of the highest rural poverty indexes in the country, with more than 60% of the local population living below the poverty line (i.e earning less than US \$ 1 per day). In this regard, it has been observed that the majority of the local Samburu people live in extremely poor conditions and they lack basic necessities for their livelihood, including food, clean running water, clothing and shelter.

Due to the fact that and the reserve does not provide tangible direct benefits and the local people have been cut-off and are prevented from using the reserve resources, it can be argued that the conservation of wildlife and tourism development in Samburu region is part of the processes of socio-economic marginalisation and impoverishment of the people. In the recent past, there has been increasing mushrooming of cultural villages in areas adjacent to Samburu National Reserve and; currently, there are more than twenty cultural villages that are in close proximity to one another. In principle, these cultural villages are owned and managed by the local Samburu people who display various aspects of their culture, including art, performances and dance, traditional architecture and utensils to visiting tourists at a fee. However, when asked whether they receive adequate monetary benefits from tourists who visit the cultural villages, a significant 70% of the interviewees ascertained that they only receive minimal and token payments. Most of the local people observed that local tour- guides who take tourist to cultural villages usually pocket most of the tourists payments and only give the local people minimal payments. Tour guides usually take advantage of the desperate local economic situation and social deprivation and to bargain and give rock-bottom prices to the souvenirs, which they purchase from the local Samburu people. As one Samburu elder asserted;

*" Tour guides and tourists drivers who bring tourists here from Nairobi are very arrogant and they always take advantage of the fact that there are many cultural villages where they can take tourists to. They therefore completely underpay us. They tell us to either accept the payment or they can take the tourist elsewhere. Thus we end-up accepting payments as little as Ksh. 300 per a group of six (6) tourists instead of Ksh. 1800 which is the ideal payment for such a group".*

In addition, majority of the respondents (over 80%) stated that they receive minimal payments from the sell of the souvenirs and art-facts. This is

mainly due to the high number of local souvenir sellers, most of the people are willing to accept extremely low payments for the souvenirs. As one respondent stated:

*"There are so many cultural villages around here and the number of tourists visiting our village has been decreasing in the recent past as tour guides opt to take tourists to other cultural villages. Thus we accept any amount of money that we are paid by the tour guide. Moreover, similar souvenirs are being sold to the tourists by many people and there has been mass production of souvenirs in the cultural villages. Thus we are willing to accept any price offer instead of standing here the whole day and receiving nothing at all and going home empty-handed".*

However, it should be stated that although, most of the local Samburu people do not receive direct benefits from the reserve, the government uses some of the revenue collected as entry fee to the reserve to construct primary schools and health clinics which benefits the local people. As the majorities (90%) of the local people indicated that they are quite appreciative of these communal benefits which accrues to them. However, the local people argued not withstanding these forms of communal benefits, they should be able to receive direct monetary benefits from the reserve so that they can purchase basic items such as food, clothing and pay school fees for their children. Specifically, the local people argued that direct benefits should come in form of employment and the creation of viable business opportunities.

### Local community participation and attitude

Over the years there has been minimal local community participation and involvement in state conservation of wildlife programmes and tourism development initiatives. An overwhelming 90% of the local people ascertained that, most of the decisions as regards to the management of the reserve are usually made by the Samburu County Council and the Kenya Wildlife Service. The local people are never consulted in matters related to wildlife conservation programmes and tourism development projects. Due to this existing socio-economic scenario, the local people tend to be quite indifferent and may sometimes be hostile to wildlife conservation and tourism development initiatives that are carried out by the state and external interested groups. For instance, until recent, there have been high incidents of poaching of wildlife. Also in the recent past, there has been increased destruction of the wildlife habitats in the areas adjacent to the reserve and local people clear vegetation to make room for human settlement and crop production.

The lodge and camping facilities in the reserve and the adjacent areas usually owned and managed by external and foreign investors and developers.

Also, as already stated, very few local people receive employment in the reserve and albeit low-paying and servile positions.

In the overall, most of the respondents (65%) felt that the conservation of wildlife and development of tourism has over the years negatively impacted their traditional livelihood and culture. Particularly, the elderly felt that tourism has corrupted the moral norms that govern the society. A significant 63% of the respondents stated that the development of tourism has led to increased incidents of prostitution, alcoholism and high incidents of school drop-out. Furthermore, majority of the Samburu people (65%) felt that the art performances and cultural dances that are presented to tourists are confined and are far removed from their original cultural context and meaning and only serve to satisfy the whims of tourists. Thus there is an increasing and despondence among the Samburu people, particularly, among that their traditional way of life and socio-cultural values are being destroyed by tourism and other forces of modernity and westernisation. In this context, most of the community elders feel that they are powerless and they do not have any control over what is happening to their people especially as one elderly Samburu man lamented:

*"we as a people are getting completely lost, the youths no longer respect the elders, there are also increasing marital strife in the homes, the young are increasingly abandoning meaningful ways of life and have dropped out of school and have turned into begging and following tourists in the cultural villages.*

## **Discussion**

### **The nature of Kenya's tourism industry**

Over 80% of the tourists who visit Kenya's wildlife parks and reserves travel under all-inclusive tour package travel arrangement. This is mainly due to the fact that most of the promotion and marketing of Kenya as a tourist destination (as is the case with other Third world countries) in tourist generating countries, particularly in Europe and North America, is mainly under the control and management of overseas tour operators and travel agents. In most instances, due to their command of knowledge and understanding of overseas markets, overwhelming bargaining power and capital resources, overseas tour operators tend to have overwhelming leverage over the forms of tourists and travel package they sale to Kenya and Third world tourists destinations.

Taking advantage of their bargaining power and financial leverage, with an aim of increasing their profit margins, overseas tour operators tend to

favour the marketing of all-inclusive tour package. In these forms of travel arrangements, prospective visitors pay tour operators for a complete travel package. The payment arrangements include almost all travel components, such as air ticket, food, accommodation and recreational fees. Furthermore, tour operators contract non-Kenyan air carriers to ferry visitors to the country. Even within Kenya, foreign owned hospitality and lodge facilities, internal flights and, car rentals are contracted. The local tour companies that transport the tourists to various points within the country including visitations to parks and other tourists attractions are often owned and/or are subsidiaries of overseas firms.

Within this international context, and as proponents of dependency theory contend, the development of tourism in the Third world countries such as Kenya conforms to historical and economic structures of economic dependence (Britton, 1982; Oglethorpe, 1984; Oppermann, 1992). In this regard, the establishment and development of tourism in most Third world countries is usually externally oriented and controlled, and mainly responds to external market demands. In consequence, the nature of international tourism as a 'luxury and pleasure seeking industry' usually entails rich tourists from metropolis (mainly from developed countries in the North) visiting and coming to enjoy tourist attractions in the periphery (mainly the poor and resource scarce countries in the South as Kenya).

These forms of tourism development accentuate the economic structure of dependency on external market demand, and also lead to 'alien' development (i.e the establishment of state protected wildlife sanctuaries) to which local people, such as the Samburu cannot relate and respond, both socially and economically (Oglethorpe, 1984; Williams, 1993; Dieke; 2001). In consequence, the management and long-term sustenance of wildlife safari tourism and other forms of tourism development usually responds to and mainly depends on external control and support. These forms of tourism development tend to preclude local participation in tourism project design and management and local use of tourism resources, such as the wildlife resources in the state protected parks. The following quotation summarises the nature of Kenya's wildlife Safari tourism;

*"The ground operation of the country's tourism industry reflects (this) outward orientation. Typically a tour operator sends a micro-bus to the airport to collect tourists. Such visitors many be in an inclusive package tour already paid for overseas. The tour operators, for example, Abecrombie and Kent, United Tour Company, Kuoni world wide, Thomas Cook, and Hayes and Jarvis, would likely be foreign owned, or a subsidiary of foreign company. The firm takes tourists to an assigned hotel in Nairobi or Mombasa (and*

*other inland luxury hotels and lodges) for an overnight stay. On the following day, the tour operators take the tourists to a wildlife safari in one of the national parks. This safari lasts several days (usually not exceeding 2 weeks). At the end of the tour, the process is re-enacted in preparations for departure from the country" (Sindiga, 1996; 29)*

In these forms of wildlife safari tourism initiatives, there are usually very high leakages of the tourism receipts of overseas firms and multinational co-operations; sometimes as high as 70% of the per capita tourist receipts. Furthermore, of the small tourism revenues that remains in the country insignificant receipts trickle down to local communities such as the Samburu living in areas adjacent to the wildlife parks and reserves. It has been estimated that only 2 and 5 per cent of Kenya's total tourism receipts trickle down to the local people at the grass root level, in form of low paying and servile jobs, and the selling of souvenirs, agricultural produce and entry fees to cultural Manyattas (Bachmann, 1988; Sinclair, 1990; Sindiga, 2000).

## **Policy implication and conclusion**

It can be argued, in order for wildlife safari tourism and other forms of tourism development initiative to contribute to sustainable local community development, wildlife conservation and tourism programmes should be attuned to rural resource-use strategies and socio-cultural values. Consequently, there is need for the initiation of wildlife conservation and tourism programmes that put local communities at the centre of these initiatives that are aimed at the socio-cultural and economic empowerment of rural communities.

However, in order for local community based tourism programmes to succeed, local people need enhance capacity building initiatives accompanied by the provision of sanctioned authority to enable the people take control of their own destiny and have sanctioned authority to enable them to play a central role in the planning, design and implementation of tourism and wildlife conservation programmes.

The principal objectives of the alternative tourism development and wildlife conservation strategy should include: enhancement of equitable distribution of the wildlife safari revenues; increasing local participation in tourism decision-making; reduction of the high leakage rates and increase the multiplier effects of tourism; and minimisation of the social and environmental impacts of tourism. Furthermore, there is need to re-evaluate the role of overseas travel firms and multinational investment in the development of Kenya's tourism industry, in general and wildlife safari tourism in particular.

Over the years, the Kenya government has promoted 'open door' *laissez*

faire policy towards multinational tourism investors. However, it should be observed that the dependency on external capital investment and tourism market demand usually means that the country's tourism industry mainly responds to external socio-economic interests.

Thus, at the national level, there is need for the government and other tourism stakeholders to establish an alternative tourism development strategy. The main aim of the new strategy should be to minimise the dominant role and control of Kenya's tourism industry by foreign multinational tourism corporations and overseas tour operators. At the least, fiscal policy measures can be put in place to minimise and /or guard against the speculative capital investments, which tends to lead to over-exploitation and increasing leakage of tourism revenues.

However, in order to provide real challenge to the status quo, alternative tourism development and conservation strategies should form part of the broader international, national and local debate as to how to initiate a new global socio-economic and political order where local communities such as the Samburu community itself, rather than outside groups determine their own destiny and the right to a decent and sustainable livelihood.

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**John S. Akama** received his Ph.D training in Geography from Southern Illinois University. Since 1994 he has been touching courses in tourism and tour operations management in the School of Business Management at Moi University. Prof. Akama has done extensive research in tourism and wildlife management. He has published, extensively, in internationally recognized journals and has made Chapter contribution in books. He is also editor of a book entitled, "tourism development in Africa: strategies for the new millennium'. He also serves as visiting Professor in the WICE Programme at Wageningen University, Netherlands.





# Pursuing Customer Value in Tourism

## *A Rural Tourism Case study*

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**Abstract:** The purpose of this paper is to discuss the significance of customer value as the core of the tourist product and as the starting point of product development in tourism. First a new conceptualisation, that is, a model of prerequisites for a tourist service, adapted from Edwardsson's and Olsson's (1999) model is presented. Then a literature review on the concept of customer value is offered. The empirical part of the paper presents results of a case study, in which the content of a rural tourism customer value was investigated. Customer value can be divided into three stages. Expected value reflects the desired value of the customer, referring to the needs, goals and purposes of the customer, and how customers expect the alternative products to satisfy these needs. Perceived value reflects both the guest's perceptions and experiences before entering the facilities of the service provider and those the guest encounters while the service is actually being performed. The experienced value is formed both by the experiences encountered during the service process (episodes in the modules) and by those that occur after the guest has departed and reflects customer satisfaction with the received value, evaluated against the customers' goals and purposes. The results from the empirical study show that the process model on the formulation of value would seem to work well when describing how the goal of the holiday takes shape in the desired actions and through this into the desired consequences during the service process. The results show that the value-expectations of the customers in rural tourism are very emotional, but when the decision has been made about what kind of service processes are desired in order to yield the value related to the goals, the criteria for the choice of the product, which affect the decision to buy the products, are fairly concrete and, particularly during the first time, they are factors related to the technical and functional properties of the service system.

**Key words:** Customer value, tourist product, product development in tourism, rural tourism

## Introduction

Several definitions of the tourist product (Middleton 1989, Middleton and Clarke 2001, Murphy, Pritchard and Smith 2000), and the theory of service marketing (cf. e.g. Grönroos 2000) emphasise the added value of the product, which emerges at each stage of the production process. Today, tourism marketers emphasise the value of individual experience and promote images of the emotional experience (in German "das Erlebnis") of the customer in their advertising. When buying an experience, a customer pays to be able to spend time and enjoy a series of memorable events, which the enterprises "set on display" (Pine & Gilmore 1999, Mossberg 2001). According to Cho and Fesenmaier (2001), the most important challenge in travel and tourism marketing in the future will be the creation of an expectation of experience.

According to Stamboulis and Skayannis (2003), experience has always existed in destinations, but it has been considered as destination context

(services that make customer access to the experience possible) rather than content (experience created by the interaction of travellers with various elements of the destination). The question of experience is related to the creation of a myth which the tourist wants to experience. The myth is known to the tourist beforehand, and becomes a reason for their choice of destination. During the stay, tourists expect to live the myth and once they return home the myth has to remain alive. (Stamboulis & Skayannis 2003, 39-40)

So, the customer experience starts before the customer decides to purchase a certain product or a service (Shaw and Ivens 2002). Although tourists largely collect and use destination information for functional reasons (product knowledge, avoiding uncertainty, utility, efficiency) or to plan and take trips, the touristic information should also appeal to the salient needs in order to capture the attention of potential tourists. In the tourist's information search process the needs to be innovative, hedonic or entertained, and aesthetic or visual information choices have an important role. (Vogt & Fesenmaier 1998).

The practical models of product development and product formulation, for their part, emphasise the development of destination context: planning of different components of the destination product and the compatibility of different activities, accommodation alternatives and transportation. Current attention seems to focus more on the technical properties of the product rather than the experiences, or the value of the customer. Nevertheless, it is highly important for the tourism businesses to recognise which kind of customer value can be provided in the service system available, and that the value should be communicated for the different potential target groups in a suitable way.

In hospitality, tourism and leisure research, customer value or customer experience is rarely discussed as the core of the tourist product, or as the starting point of product development, although discussion of experience and its production has been wide and rich in leisure, recreation and tourism literature (see eg. Prentice et al. 1998, Lee & Shafer 2002). The relationships between customers' perceptions of quality, value and price are often discussed in terms of their influence on revisit intentions (see e.g. Kashyap & Bojanic 2000, Petrick et al. 2001, Petrick 2004 a and b). The relationship between satisfaction and value has often been the focus (see e.g. Petrick 2004a and b, Oh 1999, Hartline & Jones 1996) and measurement of the perceived value of a service has also been a topic of interest (see e.g. Petrick 2002, Al-Sabbahy et al. 2004, Petrick & Backman 2004). Lemmick et al. (1998) and de Ruyter et al. (1997) have examined how value evolves during the course of the service

delivery process in hospitality industry. Dimensions of perceived value (see e.g. Al-Sabbahy et al 2004) and the affective evaluations or hedonistic values (see e.g. Park 2004, Duman et al. 2003) have also been examined.

The purpose of this paper is to discuss the significance of customer value as the core of the tourist product and as the starting point of product development in tourism. First a new conceptualisation, that is, a model of prerequisites for a tourist service, adapted from Edwardsson's and Olsson's (1999) model is presented. Then, a literature review on the concept of customer value is presented. The empirical part of the paper presents results of a case study, in which the content of a rural tourism customer value was investigated.

## **The Correct Prerequisites For A Tourist Service**

Several definitions of the tourist product (Middleton 1989, Middleton and Clarke 2001, Murphy, Pritchard and Smith 2000), as well as the theory of service marketing (cf. e.g. Grönroos 2000), emphasise the added value of the product, which emerges at each stage of the production process. The aim and desired outcome for the customer is value, which at each given time is a subjective experience (cf. also Gunn 1994). To have an enjoyable experience during leisure is often the ultimate goal of an individual person and, on the other hand, providing enjoyable experiences is the eventual goal of leisure service providers as well (Lee & Shafer 2002, 290). Most tourism managers strive to provide quality and valuable experiences to their clientele in the hope that the guests will want to repurchase the service (Petrick 2004b).

But, because the emotional experience is subjective, it can be argued that it is not possible to produce emotional tourism experiences in enterprises. Edvardsson and Olsson (1999, cf. also Edvardsson et. al 2000) emphasise that the service company does not provide the service but the prerequisites for the various services. The company sells opportunities for services, which are generated through partially unique customer processes. The central goal of service development is to develop the best and right prerequisites for well-functioning customer processes and attractive customer outcomes. The prerequisites for the service are the end-results of the service development process. The correct prerequisites can be described by a model with three basic components: a service concept, a service process and a service system (Edvardsson & Olsson 1999).

The term service concept refers to the description of the customer's needs, and how these needs are to be satisfied, they refer to customer value. Service process relates to the chain of activities that must function properly if the service is to be produced. Special attention should be paid to some critical

activities, so that customer process and customer outcome achieve the right quality at reasonable cost. The service process consists of a clear description of the various activities needed to generate the service. The service system constitutes the resources (staff, the physical/technical environment, organisation structure, and the customers) that are required by or are available to the service process in order to realise the service concept. (Edvardsson & Olsson 1999)

The core of the tourist product, the service concept, consists of the idea of what kind of value the customer expects and how to create the prerequisites for this experience. In marketing terminology, the service concept is expressed in such a way that it evokes mental images of being able to gain, through a particular product, the very experiences and value that the customer expects from travelling. The service concept is based on the needs and motives of the customer to travel.

The description of the service process of the tourist product includes a definition of the formal product (cf. Kotler et. al 1999). For the customer, it is expressed in the form of a brochure or an offer. In the company and for the staff, the formal product might mean the determination and definition of the chain of activities in the customer process and the production process. This chain can be illustrated as a service blueprint, which first of all charts those activities and processes (customer processes) which the customer experiences at different stages of the service (Zeithaml & Bitner 1996, 206-207).

The service system includes those resources available to the service process so that the service concept can be realised. This includes the involvement of the service company's staff, the customers, the physical and technical environment, and the organisation and control of these resources. The hospitality element (cf. Smith 1994) of the tourist product is mainly produced by the staff and other customers. Freedom of choice, and customer involvement (cf. Smith 1994) are highly dependent upon the service process, the customers themselves and the physical environment. All these together, the service concept, the service process and the service system create the prerequisites of the tourist experience, the augmented product, the very intangible expectations, which will or will not be fulfilled as the outcome of the customer process.

For the customer, the tourist product is an experience based on his/her subjective evaluation, which has a certain price and which is the outcome of a process, where the customer exploits the services of those who offer them by taking part in the production process of the service him/herself. The experienced value of the product ultimately represents a trade-off of the salient

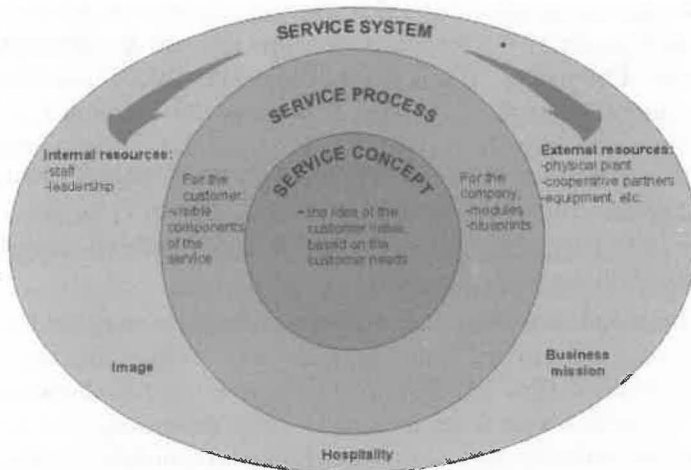


FIGURE 1. Prerequisites for the customer-oriented tourist product

Source: Komppula & Boxberg 2002, 24.

give and get components, that is, what is received and what is given (Zeithaml 1988, 14.) Figure 1 illustrates the nature of the customer-oriented tourist product.

## Literature Review of The Concept of Customer Value

The concept of customer value is currently topical and, consequently, highly discussed among researchers. In academic literature, the term is discussed in relation to pricing, consumer behaviour and strategy. In pricing literature, value is defined as the trade-off between customers' perceptions of benefits received and sacrifices incurred. In the consumer behaviour literature, value is defined in terms of customer needs and what is desirable. In strategy literature, definitions of value refer to the customers' willingness to pay for a product. (Chernatony et al. 2000).

Several related terms occur in the research literature: customer value (see eg. Huber, Herrmann, & Morgan 2001, Evans 2002, Christopher 1996, Dubé & Renaghan 2000, Kashyap & Bojanic 2000, Wang, Lo, Chi, & Yang 2004, Oh 1999, Woodruff 1997), customer perceived value (Monroe 1990, Heinonen 2004, Eggert, & Ulaga, 2002, Huang, & Tai 2003, Sweeney & Soutar, 2001, Petrick, Morais, & Norman, 2001, Wakefield, & Barnes 1996, Oh, & Jeong 2004, Duman & Mattila 2003), customers' desired value (Flint & Woodruff 2001), consumer value (Zeithaml 1988, Sheth, Newman & Gross 1991, Overby, Fisher & Woodruff 2004, Holbrook 2005, Park 2004, Byus &



Lomerson 2004), consumer perceived value (Sweeney, Soutar & Johnson 1999, LeBlanc & Nguyen 1999), total episode value (Ravald & Grönroos 1996), added-value (Chernatory, Harris & Dall'Olmo Riley 2000, Grönroos 1997), service value (Lemmink, de Ruyter, & Wetzels 1998, Cronin J. Jr, Brady, Brand, Hightower Jr & Shemwell 1997, Petrick 2002), value-added services (Szeinbach, Barnes, & Garner 1997), value mix (Ho & Cheng 1999), value in b-2-b (Lapierre 1997, Walter, Ritter, & Gemünden 2001; Simpson, Siguaw & Baker 2001, Ulaga 2003, Ulaga & Chacour 2001), and experiential value (Mathwick, Malhotra & Rigdon 2001).

One of the basic and very often cited definitions of value is suggested by Zeithaml (1988). According to her, "value represents a trade-off of the salient give and get components" (ibid 14). This kind of trade-off or ratio between 'give' and 'get' elements seems to be present in many definitions, but the contents of these elements may vary. In some definitions or models of value, the main assessment occurs between quality and price (see e.g. Huang et al. 2003, Ho et al. 1999, Oh et al. 2004), more often it is made between benefits and costs (see e.g. Evans 2002, Monroe 1990, Simpson et al. 2001) or between benefits and sacrifices (see e.g. Kashyap et al. 2000, Eggert et al. 2002, Walter et al. 2001). Usually these elements are, then, sliced into smaller pieces.

The concept of customer value has a strong relationship with customer satisfaction. Satisfaction and value are complementary yet distinct constructs. Overall satisfaction entails the customer's feelings in response to evaluations of one or more use experiences with a product (Woodruff 1997). Most satisfaction models are rooted in the disconfirmation paradigm, hence satisfaction is considered as a post-purchase construct. Customer perceived value, on the other hand, is the result of a cognitive comparison process, independent of the time and use of market offering (Eggert & Ulaga 2002, see also Spiteri & Dion 2004). So, it is reasonable to add time and situation as new perspectives into the discussion on definitions of value.

Lapierre (1997, 390) recognises three stages in value creation: before, during and after the transaction (see also Lele et al. 1991, 105). In Woodruff's (1997) definition, the time perspective is also present: "Customer value is a customer's perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situation" (ibid 142). This definition incorporates both desired and received value: desired value refers to the value that customers want to receive from products/services and their providers. Received value refers to the value customers actually experienced through specific product-customer interactions (see also Flint

and Woodruff 2001, 322).

The time dimension seems to be especially relevant when examining the value of a service, when service is seen as a process. According to Lemmink et al. (1998, 162), the value of a service is primarily formed during the service process and not only by the consequence or output (see also Cronin et al. 1997). Ravald and Gröroos (1996, 22-23) emphasise that customer-perceived value is "highly situation specific". In the context of relationship marketing, they use the term total episode value, which consists of the ratio between episode benefits plus relationship benefits and episode sacrifice plus relationship sacrifice.

### Dimensions of customer value

Dividing customer value into different dimensions is a typical way of examining the concept. Sheth et al. (1991) presented an often-cited theory of consumption values, explaining why consumers choose to buy or not to buy a specific product or a brand. They identified five consumption values: functional value (the perceived utility acquired from the functional, utilitarian, or physical performance of the product), social value (the perceived utility acquired from the product's association with one or more specific social groups), emotional value (the perceived utility acquired from the product's capacity to arouse feelings or affective states), epistemic value (the perceived utility acquired from the product's capacity to arouse curiosity, provide novelty, and/or satisfy a desire for knowledge) and conditional value (the result of the specific situation or set of circumstances facing the choice maker). The functional, social and emotional values have particularly gained some ground in other studies of value, too (see e.g. LeBlanc et al. 1999, Sweeney et al. 2001, Wang et al. 2004). In terms of time perspective, these dimensions refer to pre-purchase stage evaluations.

Based on Holbrook's (1994) typology, Mathwick et al. (2001) introduced four dimensions of experiential value, which are very illustrative in describing what kind of value can be experienced or expected. Consumer return on investment-value comprises the active investment of financial, temporal, behavioral and psychological resources that potentially yield a return. The consumer may experience this return in terms of economic utility, as well as utility derived from the efficiency of an exchange encounter. The other dimensions of experiential value (service excellence, playfulness, and aesthetic appeal) would represent different kinds of emotional experiences derived from different kinds of values. Value derived from service excellence reflects the generalized consumer appreciation of a service provider to deliver on its promises through demonstrated expertise and task-related performance

(Zeithaml, 1988). This dimension of value can be characterized as operating as an ideal, a standard against which quality judgements are ultimately formed (Mathwick et al. 2001, 42). The visual appeal and the entertainment dimension of aesthetic response offer immediate pleasure for its own sake, without a need for active participation in the service production. Playfulness reflects the intrinsic enjoyment that comes from engaging in activities that are absorbing, to the point of offering an escape from the demands of the day-to-day world. (Mathwick et al. 2001).

To sum up, there are some areas of consensus about a definition of customer value. First, customer value is inherent in or linked through the use of some product. Second, the perceptions typically involve a trade-off between what the customer receives and what he or she sacrifices to acquire and use the product. A third area of consensus is that customer value is based on an individual's perceptions. (Woodruff 1997, 141). Consequently, it is often referred to as 'perceived value' (see e.g. Monroe 1990, Wakefield et al. 1996, Choi et al. 2004). Perceived value is a subjective evaluation and in the end an individual's personal values determine which outcomes are desirable and which are not (Huber et al. 2001, 43-44). Even a consumer's cultural background may have an effect on value perceptions (Overby et al. 2004, 437) and customer values differ from one person to another (Holbrook 2005). Value perceptions seem to be context and situation specific (see e.g. Ravall and Grönroos 1996, Heinonen 2004). Lapierre (1997, 389) suggests that a person can change his/her value assessments even during the service creation process. A customer's evaluation of the service may be different before, during and after the transaction.

## The Customer Value of the Tourist Product

The guest's overall perception of customer value results from a variety of quality-related perceptions and experiences with the service provider over a period of time. On this service continuum, the value concept can be divided into three stages. Expected value reflects the desired value of the customer, referring to the needs, goals and purposes of the customer, and how customers expect the alternative products to satisfy these needs (see Woodruff 1997). The basis for value expectancies in tourism can be derived, first of all, from the person's underlying holiday-taking motivations, which can be classified into four motivational needs, based on the work of Maslow: intellectual (learning, exploring, discovering, thought or imagining), social (interpersonal relationships, esteem of others), competency-mastery (need to achieve, master, challenge, compete) and stimulus-avoidance (a drive to escape from stressful life situations) (Ryan 1997, 28).

*Perceived value* reflects both the guest's perceptions and experiences before entering the facilities of the service provider (these may include e.g. customer information, reservations, hours, grounds) and those the guest encounters while the service is actually being performed (including, e.g., check-in/point of entry, payment terms, guest assistance, physical facilities, guest services, checkout/point of departure, cf. Schlagel Wuest 2001, 57-64). So, the perceived value of a tourist product consists of two components: the perceived value before, and during, the service process. The experienced value is formed both by the experiences encountered during the service process (episodes in the modules) and by those that occur after the guest has departed (customer follow-up, complaint resolution, frequent guest incentives) and reflects customer satisfaction with the received value, evaluated against the customers' goals and purposes (Woodruff 1997, cf. also Schlagel Wuest 2001, 57-64).

Woodruff's (1997) customer value hierarchy suggests that customers determine desired (expected) value in a means-end-way. Customers learn to think about products as bundles of specific attributes and attribute performances. When buying and using a product, customers form desires or preferences for certain attributes based on their ability to achieve desired consequence experiences. Customers also learn to desire certain consequences according to their own ability to achieve their goals and purposes.

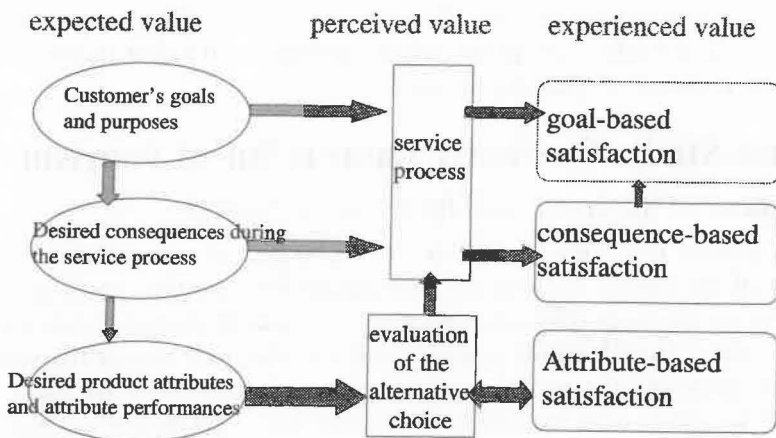


Figure 2: Customer value process  
(adapted from Woodruff 1997)

Figure 2 illustrates the value process of the customer. The customer has an ultimate need in relation to the consumption of a tourism product when purchasing one. To satisfy this need, the customer looks for different alternatives. This need may be e.g. a desire to escape everyday stress, which is a goal that guides the purchase decision. In order to satisfy this need, a person may behave differently in different situations depending, for example, on the available time, money, company, state of health etc. These factors define the means by which a person aims at pursuing these goals, in other words, ends. Thus, the person pursues the desired consequences during the service process, which in this case may include rest, idleness and being alone. The desired consequences define those attributes that the customers expect of the product, and which benefits they believe they will obtain in comparison with alternative products. The evaluation of the alternatives is based on the information and knowledge that is available to the customer at this point of decision-making. If the information convinces the customer that the qualities of the product will fulfil those expectations that he/she has in order to achieve his/her goal, the customer makes his/her mind up.

During the service process, the customer evaluates every single service module (accommodation, food, activities) and every singular episode in each module. The emotional value reflects the feelings of the customer during the service delivery experience, practical items pertain to the functional objects of the encounter and the logical value focus on the rational (value-for-money) components of the service quality. During the episodes, the customer perceives the value of the process, and by the end of the episode there is an experience related to that specific episode. (De Ruyter et al. 1997, 233) The overall value of the tourist product is experienced after consumption and evaluated against having satisfied the goals and purposes.

## **Case-Study: Customer Value in Rural Tourism**

### **Purpose of the study and the research method**

In order to test the applicability of the concept of customer value as the core of the service concept and starting point of product development, a multiple case-study on rural tourism product was conducted. Rural tourism is a typical Finnish tourist product, which is especially widely marketed to domestic guests. In practical marketing, the term is common, but there is no explicit definition for the product, or a consensus about the content of a rural tourism product. The objective of this empirical study was to examine what kind of value the tourists expected of, and experienced from a Finnish rural holiday site. The purpose was to investigate what the customer- expected-

value related to rural tourism offering was in general, and to discover why a customer specifically chose a rural destination as his/her type of holiday rather than, for example, travelling to a spa or going on a cruise, and why the customer chose a particular enterprise.

Altogether, 47 guests were individually interviewed for this study. These thematic interviews were conducted in nine rural tourism businesses, which were chosen from different parts of Finland, where rural tourism is common. The aim was to choose at least one typical company from the respective regions. The chosen companies are situated in five provinces around southern and middle Finland. The cases were chosen with the help of local practitioners and experts on tourism in the respective regions. In this sample, two of the businesses represent the most qualified businesses in rural tourism in Finland (category 1), three of the businesses represent a very typical type of full-time businesses, (category 2), three of the businesses represent a typical part-time entrepreneurship (category 3) and one of the cases is a new type of day-visitor rural attraction near a big city. The businesses chosen offer the customers at the least, accommodation and catering services. Apart from one, all the others were family businesses with no full-time personnel outside the family.

First, the entrepreneurs were interviewed in order to chart the structure of the clientele, the business mission, and the marketing goals and visions for the future of the enterprises. The marketing material was also analysed. Then, the entrepreneurs helped to pick the interviewees who in their opinion best represented their typical domestic customers (at least 85% of the clientele in rural tourism are domestic). The interviews were conducted in 2004, mainly during the summer. The data was analysed through content analysis. At first, the text data was quantified under each theme according to the types of answers. After this, the quantified data was examined according to the enterprises and, then, each theme was examined at the level of individual interviews, the objective of which was to obtain more profound and meaningful interpretations. Finally, differences and similarities between the two main segments (families with children, adults) were sought.

Male and female interviewees are equally represented, but it must be noted that in most cases both spouses were present in the interview. Half of the respondents were between 30 and 50 years of age. The clients of the category 3 businesses were older than the clients of other companies, and more often they travelled in adult companionship. The lengths of stay for the interviewees varied from one night to two weeks, category 1 companies representing the longest stay of the guests, and the category 3 businesses



representing the shortest stay. 50 % of all the interviewees came from the southern part of Finland (mainly from the capital area). In the category 3 companies, most of the clients came from the same or a neighbouring region of the company.

## Results

The results are presented here according to the main themes in the interview. Because the aim was to find the main similarities and differences in opinions on "what is the expected value of the rural tourism product" between two main target groups (families with children and adults), the data is quantified for generalised interpretation. In these summaries, the differences and similarities between the respective case enterprises are presented.

### How does the interviewee spend his/her holiday in general?

Travelling is a common way to spend one's holiday for most of the interviewees. Only 15% spent their holiday at home rather than away from home. Two-thirds said travelling abroad was a typical way to spend one's holiday, and slightly more respondents travelled at least in Finland during their holiday. Most of the interviewees have a holiday at least twice a year. Nearly half typically spend their holiday at a summer cottage or at a rural holiday site. Those people interviewed in eastern Finland favour destinations in the region. Similarly, the interviewees in southern and western Finland mostly favour their local destinations. Those who travelled with their families (57%) during the time of these interviews also travel with their families at other times. The reasons to travel for these respondents most typically included a habit, which had become a tradition (which was particularly emphasised in four enterprises), a desire to leave home, a desire to get away from everyday routines, and relaxation. Three out of four had also had a rural holiday before, and more than a quarter of the respondents in that very same place.

### Why did the interviewee chose a rural holiday site

Two-thirds did not even consider other ways to spend their holiday. A need for peace and quiet and an unhurried lifestyle, a desire to be at a destination which was familiar and safe and close to one's own roots, and the need to be in nature had led the respondents to spend this holiday specifically in the countryside (the desired consequences during the service process). It was believed that a rural holiday would bring about these effects particularly because the countryside offers nature (including the waterways), the

destination is situated in one's place of birth, children's welfare and needs are well met in the countryside and there are animals, people want to get away from towns/home, or the countryside offers peace. Some interviewees also offered expressions referring to rest, quietness and an unhurried lifestyle. In addition, factors related to different activities and, for example, to the location of an enterprise were mentioned.

### What does a "rural holiday" mean for the interviewee

At a general level, a rural holiday as a product specifically means peace and quiet for the respondents, an easy-going and warm atmosphere, nature, scenery and activities related to nature. When the respondents were asked about their general expectations related to rural holidays, the most important terms by far are those whose common denominator could be peace (peace, calmness, quietness, unhurried, stress-free life, one can just be) and terms whose common denominator could be nature activities (nature, activities, outdoor life). A genuine rural life with its animals is also a common expectation. It was important for many holiday makers, particularly those with children, that they could take part in farm-work.

Factors which were significant in terms of creating emotional experiences and the right kind of atmosphere were most often one's own peace of mind, which comes from being able to be at peace with oneself. A sauna is an important factor, as are hospitable hosts. The expectations for this particular holiday included not having to think about any programme or anything special, but that there was plenty of one's own time to spend together with no rush or stress. It was important to be able to have ready-made meals (particularly for women and families with children) and, naturally, different kinds of relaxing activities had an important role in the interviews. The enjoyment from the holiday in question was expected to come from good food, sauna, visits to nearby areas, peace and rush-free time, and many activities.

### Why did the interviewee chose this particular rural company

When the interviewees were asked why they had chosen this particular company as their holiday destination (the desired product attributes and attribute performances), the previously mentioned factors were also emphasised.. Those who had been at the same place several times mostly named factors related to the interaction between the host family and the guest. Those who were visiting the host company for the first time emphasised the appropriateness of the physical resources for the customer's needs (accommodation facilities; the cottages not too close to each other, saunas, beach and waterways). One important factor, particularly for shorter holidays,

was the location of the destination enterprise from home. These properties were also important for those who had visited the host company more often.

The importance of tourist brochures as a source of information when choosing the destination was significant: well over half of the respondents remembered having received the first piece of information about the enterprise from some general publication marketing rural tourism destinations, e.g. through Finnish Country Holidays Ltd. Another important source of information was recommendation by someone else.

### Disturbances during the holiday, revisit intentions

The majority of the respondents had not experienced any disturbances during their holiday. Of those who had experienced some, as many as half confessed that their work, which had followed them to their holiday, was the cause of this disturbance. Mosquitoes and some other minor issues had bothered a few others.

It was interesting to note that a factor which one respondent considered very important when choosing his/her destination (the possibility to ride snow-mobiles) was a disturbance factor for another respondent in the same enterprise; this guest had no intention to visit that same company again, because he/she had specifically hoped to enjoy peace and quiet. The majority of the interviewees were also able to imagine coming back to the enterprise for other reasons than their original ones. Some thought that they might sometime come back with a bigger group of friends/relatives, many also saw the rural destination as a potential meeting or recreation facility for their work.

### Comparison of the cases

Based on the results, the interviewed enterprises could be roughly divided into two groups: the established, successful traditional country holiday enterprises and those businesses which had an unclear rural tourism profile. The first-mentioned group includes four enterprises, which have some features in common: tourism is an all-year-round and principal line of business, the accommodation capacity is mainly in high-standard cabins (with separate bedrooms, sauna, complete kitchen), the cabins are situated so that there is no clear visibility from one cabin to the next, the capacity is for at least 60 people, the companies offer a possibility to buy meals every day, food is an important competition factor for all these enterprises, companies are situated by fairly large waterways, and all companies have animals to entertain children, at least in the summertime. Both of the category 1 enterprises and two of the category 2 companies can be placed in this group.

For three of these enterprises, the enterprise itself was the actual holiday destination for all the respondents, where they had specifically come to spend their holidays. The interviewed customers in these enterprises were long-term loyal customers. The accommodation capacity for these enterprises during the tourist seasons (Christmas, sports holidays, Easter, summer) is fully-booked and their main clientele are families with children. The attractions in the nearby areas are an additional property for these enterprises, which brings added value to the company's own product. For one company, the product attributes were the same for all other aspects, except that half of the respondents had come to the company primarily because of the nearby attractions, and not specifically to visit the company in question. These respondents, however, considered the country holiday and the value it offered as a factor based on which they chose accommodation in some specific region, whose appeal they considered interesting. The customers of all the enterprises that belonged to this group were fairly experienced travellers.

Companies which belonged to the second group shared the following factors: there was little accommodation capacity and/or it was modest, there was no food available unless ordered in advance, and rural tourism was a secondary business for the entrepreneur. Some of the companies had animals at least in summer and some did not. Three of these enterprises are in areas which are not traditional rural tourism destination locations and the companies are not situated by water. The clients of the companies in this group had come to the company mostly for other reasons than the company's own offerings: the most common motive was some event in the area, visiting relatives or passing-by. However, the reasons as to why the respondents had come to the enterprise were related to the respondents' desire to specifically come to a country holiday site instead of a hotel. The lengths of stay in these enterprises are, in general, significantly shorter than that in the enterprises belonging to the other group. The customers in these companies were less experienced as travellers than those who belonged to the other group.

### Customer segments

If the results are examined per customer segments, one observes that there are some differences between the expected, perceived and the experienced value, but that there are, however, even more similarities. Peace and quiet are a value important to all, but it is particularly valuable for families with children that there are nice things to do, which are typical of country life, and that there are domestic animals at the holiday site. Those who spend their holiday with adults do not consider animals as an important attribute. The opportunity to buy meals is important to all, but families with children

seem to evaluate this possibility in particular, but in such a way that you can also choose not to buy the meals. Half and full boards mean that there is a timetable, and a lot of people do not want this during their holiday. Women and in particular mothers expected idleness and rest above all, those who travelled with other adults emphasised the attractions in the destination area somewhat more than the families with children.

## Discussion

The results from the empirical study show, first of all, that the previously presented descriptive model (Prerequisites for the customer-oriented tourist product) works well for the rural tourist product. Regardless of the target group (adults or families with children), all the respondents expected to have a peaceful, quiet and rush-free country holiday. The expectations of the service process for these two target groups were also similar for their most central parts: in addition to the accommodation module, everybody's holiday included food, sauna and some kind of nature activities (most often swimming, rowing and walking in the forest). The differences between the target groups emerge with what else people wanted to do during their country holiday. Expectations related to the service system were also very uniform: people expect the owners to be hospitable, the hosts should have time to talk with their guests. For Finns, nature, particularly lake and forest scenery, is a self-evident part of a country holiday. For both those who travel with children or with other adults, the destination should be such that it is possible, on the one hand, to enjoy peace and quiet on one's own, and, on the other hand, to have interaction with the other visitors. It is particularly important for families with children that there are other children in the destination: the company of other children gives the parents a possibility to enjoy rest and peace. A genuine country setting, for its part, supports the need to be in a different environment from where one normally is. In the light of this data, Figure 3 summarises those necessary prerequisites which create a value-productive tourist product.

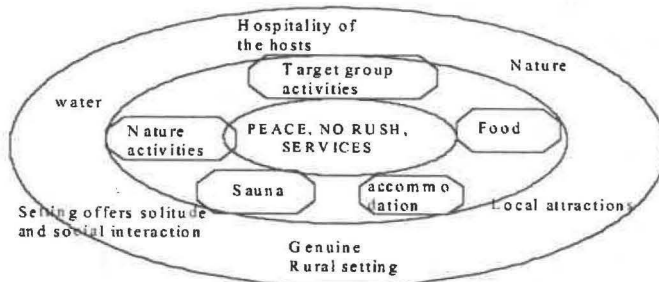


Figure 3. The necessary prerequisites for a rural tourist product, the general un-segmented model

The previously presented process model on the formulation of value would also seem to work well when describing how the goal of the holiday takes shape in the desired actions and through this into the desired consequences during the service process. The way in which the traveller wishes to achieve the desired goal is affected by, for example, situation factors (the available time, money), and the company one has during the holiday (for example family and particularly the stage of the family's life). These same factors also affect what kind of attributes the tourist values when making his/her final destination choice. The value for the customer comes from the service process which the customer implements in the company's service system.

The objective of the above described empirical study was to examine what kind of value the travellers had expected and experienced in a typical Finnish countryside destination. The value expectations, regardless of the target group, were somewhat similar. Men raise expectations related to activities more than women, who seemed to value peace of mind above all. Similar results have been reported by Ryan (1997), whose results show some evidence that when a holiday is a period of escape, women rate mental and physical relaxation, and avoidance of the daily hustle and bustle as more important than men do. The differences between men and women are, nevertheless, not as important as the family-life-stage: when the children are still little the women are fulfilling the role of primary care-giver and homemaker, and the needs of the children come first. (ibid 1997, 35-36). Looking after the children's needs was also a crucial value-producing property for families, according to this study.

The choice of rural tourism as the type of holiday also often seemed to be related to the respondent's own background: the countryside was felt to be part of one's own roots and the countryside brought back positive childhood memories in the respondents. Zamora et al. 2004 also propose that the rural origins of tourists has a positive effect on their willingness to pay for a rural destination, despite their current settlement in the city. In their study, this proposition was supported on very significant level. They argue that their childhood and youth experiences in the countryside remain in their memories and subconscious minds in a positive way even in the later years of their lives. The results of this study show that the value-expectations of the customers in rural tourism are very emotional, but when the decision has been made about what kind of service processes are desired in order to yield the value related to the goals, the criteria for the choice of the product, which affect the decision to buy the products, are fairly concrete and, particularly during the first time, they are factors related to the technical and functional properties of the service system.



## Product development implications of the study

As noted in the introduction of this article, current attention in product development in tourism businesses focuses on the technical properties of the product rather than the experiences of the customer. Nevertheless, the tourism businesses should aim to develop such service processes and a service system where it is possible for the customer to experience the expected value. The task of the company is to provide the best possible prerequisites for the experience: an attractive idea and description of the product (service concept), a successful service process and a reliable and well-functioning service system. Thus, product development in a tourism business can be seen as a process with three stages: service concept development, service process development and service system development.

Service process development entails developing the functional and technical dimensions of the service quality. The underlying prerequisite for a successful tourist product is a continuous service system development, which involves continual development of the company strategy and corporate quality. Service concept development is in practice more or less developing the customer orientation of the business as well as developing the marketing communications about the value of the product. One well-known Finnish activity-operator expresses the idea of service concept development as follows: "Very often the clients are looking for a product, which is short, sharp and attractive. Sharp means that the idea has to appeal.--- The presentation of the core product, the idea of the product, has to appeal. One can almost sell an old activity with a new presentation and a new aim, the same activity for a different reason, which then comes as a new activity." (Komppula 2001, 15-16)

In this study, some interviewees mentioned the fact that the marketing communication of rural tourism should pay more attention to the text describing the product. Businesses would have clearer expressions about what kind of value the customer can expect of the product. The respondents wanted to make a clear difference between the so-called cottage holidays and other rural tourism concepts: the customer wants to know what he/she is buying. Cottage holidays in Finland usually refer to a self-catering holiday in a cabin whose location is often remote and solitary. This product naturally fulfils the value expectations related to peace and a rush-free life-style, but requires a lot more active participation of the customer. Depending on the quality of the service system a cottage holiday may yield more consumer return on investment or playfulness-type value. On the other hand, the respondents identified farm tourism as a holiday on an operating farm.

The service modules and descriptions of their properties are emphasised in the marketing of the businesses investigated in this study. The service system has also been well described, but the customer is not present in the communication. For example, the Internet pages of the largest Finnish intermediary selling rural tourist destinations does not even define the difference between two product groups or their most important content. Instead, the client must simply choose between a farm holiday or a cottage holiday after which he/she simply has to browse through alternative enterprises. The description offered by the enterprises is based merely on a limited list of properties. Hence, the customer who wants to buy value is still sold properties.

### Limitations and directions for further research

As with any empirical research, the results of this study cannot be interpreted without taking into account its limitations. First, the sample of the rural tourism businesses where the interviews took place is not representative of all rural tourism enterprises of the studied type in Finland. Second, seeing that the interviews were conducted by several persons, there may be differences in the depth of various interviews, although the instructions were very detailed. Nevertheless, while this was the first attempt to apply both of the aforementioned two descriptive models, this data was sufficient enough to fulfil the purpose and objectives of this study. Further research is needed to deepen the understanding of the relationship between the value expectations, underlying travel motivation and the desired consequences during the service process. For example, if the underlying purpose of the holiday is to escape everyday stress, how does this need turn into different kinds of expectations of desired feelings, activities and emotional experiences. This would be very interesting from the marketing communication and segmentation point of view.

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# An Assessment of Hong Kong Marine Parks for the Development and Marketing of Ecotourism

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**Abstract:** There are four marine parks in Hong Kong that are managed for the purposes of conservation, education, and recreation. As the demand for nature-based tourism is increasing worldwide, marine parks provide an opportunity to meet such a demand. In this research, an exploratory and qualitative approach is adopted to explore the potential development of ecotourism with Hong Kong's marine parks. In order to obtain an objective assessment, this study uses a holistic approach that examines the topic from the aspects of both supply and demand by using three criteria for assessment criteria: tourism attractiveness; current management practices, and the activity preferences of ecotourists. This study shows that Hong Kong marine parks have generally good potential to be developed as ecotourism attractions.

**Keywords:** Ecotourism; Hong Kong marine parks; tourism attractiveness; management and marketing practices; activity preferences.

## Introduction

International tourism is an important source of foreign exchange and economic growth. To remain competitive, major world-class destinations are diversifying to attract environmentally tourist-oriented segments since these segments are growing at a very high rate (Weaver, 2001). For example, interest in ecotourism experiences is growing by 25% annually compared to an overall average of 4% to 5% for the tourism industry in general (Hassan, 2000).

Despite the rapid growth rate in ecotourism, there have been disputes over its definition. An analysis of some of the most popular definitions of ecotourism indicates that three dimensions can represent the essence of the concept: 1) nature-based, 2) environmentally educated, and 3) sustainably managed. The last dimension includes both the natural and cultural environments involved in supplying the ecotourism experience (Blamey, 2001). Ecotourism is regarded as a subset of nature-based tourism (Orams, 2001). Nature-based tourism involves activities that make use of the resources of nature. For reference and ease of understanding, this study adopts ecotourism for marine park development.

Although ecotourism is generally regarded as bringing benefits for local communities, encouraging tourism and biological diversity, this does not



guarantee its practicability. To explore ecotourism at the operational level, marine parks have been chosen as the focus of this paper for the following reasons. First, protected areas are ideal venues for ecotourism. They contain relatively unspoiled natural environments and the fact that some areas merit protection is usually due to the outstanding character of their natural landscapes, which makes them especially attractive to ecotourists (Weaver, 2001). Second, it is believed that the management objectives of marine parks are consistent with ecotourism, which can contribute to the sustainability of, and education about, the marine environment (Klee, 1999; Orams, 1999). Third, marine parks have a well-established management plan for their purposes. Regulations are in place to ensure that these areas are maintained in pristine condition (Weaver, 2001). They thus offer a foundation for the development of ecotourism. Fourth, it is suggested that a proactive management plan for the purpose of ecotourism be in place so that controls can be taken before problems get out of hand (Gubbay, 1995). At the moment, marine parks are not yet being widely promoted for purposes of tourism. Therefore, conducting proactive research on this topic will provide insights for better development in the future.

While the opportunity for developing ecotourism in marine parks is acknowledged, the following steps should include an assessment of a specific site's strengths, weaknesses, opportunities, and threats from the development of ecotourism, which will have great implications for its success. Therefore, the purpose of this paper is to establish criteria for assessing the potential for ecotourism and to demonstrate its utility as applied in four marine parks in Hong Kong. Specifically, the objectives of the study are (1) to develop a set of assessment procedure and criteria for the development of ecotourism in marine parks, (2) to generate a checklist for measuring the development potential of marine parks, and (3) to identify the development and management needs of marine parks in Hong Kong.

## **Criteria for Evaluating Ecotourism Potential**

Many authors have argued about the impact of ecotourism. However, most studies usually focus on a single aspect, such as environmental impact. This is not a fair approach to assessing the potential impact of ecotourism. Therefore, in this research, the potential impact on Hong Kong of developing ecotourism in marine parks will be considered from different angles to avoid the incompleteness of previous studies.

The development of tourism comprises the dimensions of both demand and supply. On the supply side, the attractiveness of marine parks for tourism

needs to be assessed by certain tourist criteria such as accessibility. On the demand side, it would be the best to identify the needs and wants of ecotourists who come to Hong Kong. However, since ecotourism in Hong Kong is not well developed, it is very difficult, if not impossible, to identify who the ecotourists are and/or who the potential visitors of marine parks might be. Therefore, the focus of this study is on what the majority of ecotourists like to do during their trips.

Although the management objectives of marine parks seem to be compatible with ecotourism, this is merely an assumption at the conceptual level. More evidence needs to be found to verify this symbiotic relationship at the functional level. Modifications may be required when taking the development of ecotourism into consideration.

While many research studies simply concentrate on one of the above dimensions, this study adopts a holistic approach in evaluating the potential for the development of ecotourism in Hong Kong from the aspects of both supply and demand by using three criteria for assessment: the attractiveness of the marine parks to tourists - the inventories and assessments of marine park assets; the preferred activities of ecotourists, and current management practices at marine parks.

One of the key objectives in the development of ecotourism is to ensure the sustainability of our fragile natural environment. The impact of such development must therefore be taken into consideration. Next, an inventory of the assets of marine parks can help to identify what is available and what is not for a tourism product. On the other hand, tourists are the customers of tourism products. How well a tourism product satisfies their needs and wants are critical to its success. Finally, one of the essential components of ecotourism is that it is sustainably managed. Therefore, management is an inevitable aspect in any evaluation of ecotourism potential.

## **Impact of Ecotourism**

Ecotourism has several kinds of impact, either positive or negative, on a destination. These are often divided into three categories: economic, environmental, and socio-cultural.

### **Economic Impact**

Regarding the economic impact, most attention thus far has been paid to the jobs, revenue, and profit that ecotourism generates (Lindberg, 2001; Ross and Wall, 1999a; Weaver, 2001).

Ecotourism may bring in employment opportunities through such

activities as the hiring of guides, the provision of transportation, the need to construct structures, and the demand for employees in protected areas and to fill positions in restaurants, motels, shops, and so forth. The creation of local jobs is very important in ecotourism because the extractive pressure on natural resources is lessened when residents receive benefits. They are more likely to support tourism and conservation, even to the point of protecting the site against poaching or other types of encroachment. Conversely, they may turn against tourism and conservation, and may intentionally or unintentionally damage the site (Lindberg, 2001).

Ecotourism also brings in revenues for the conservation of protected areas (Ross and Wall, 1999a; Weaver, 2001). Tourism revenues can make a substantial contribution to the costs of managing protected areas. For example, at Saba Marine Park in the Netherlands, royalties and low entrance fees of \$1.00 allowed the park to become financially self-sufficient. A surplus from tourism revenues at Galapagos National Park, Ecuador, allows some funds to be redistributed to other protected areas in Ecuador. At some ecotourism destinations, residents can also benefit from revenue-sharing programme that either provide cash payments or, more commonly, funding for community projects such as wells or schools (Lindberg, 2001).

### Environmental Impact

The impact of ecotourism on the natural environment depends on the nature of ecosystem and tourist activities. The ecological significance of the impact also varies greatly among different ecosystems (Buckley, 2001). Impact can be broadly classified into two categories: direct and indirect. Direct impact is caused by the presence of tourists, while indirect impact is caused by the infrastructure created in connection with tourism activities (Ceballos-Lascuráin, 1996).

The direct environmental impact from ecotourism activities include impact on the soil (erosion and compaction), vegetation, habitat, water resources, animal life (by tourists disturbing birds and mammals) and sanitation (Buckley, 2001; Ceballos-Lascuráin, 1996).

Many authors are cautious of the negative impact resulting from nature-based tourism (Butler, 1990; Wheeler, 1991; Zell, 1992). "There are significant numbers of cases which illustrate negative impacts associated with tourist-nature interaction" (Orams, 1999). It appears that environmental degradation is inevitable when tourism becomes established. However, there are cases where the development of tourism has actually improved the local environment. For example, the value of endangered species alive as tourist attractions, rather than dead for commercial products, has provided

justification for protecting marine animals such as dolphins. Also, ecotourism encourages tourists to become more environmentally responsible and sometimes to actively support the improvement of natural environments (Orams, 1999).

### **Socio-cultural Impact**

Socio-cultural impact refers to the impact of the development of tourism on local communities. A "host community" is a group of people who share a common identity, such as geographical location, class, and/or ethnic background. They may also share a special interest, such as concern about the destruction of native flora and fauna.

Ecotourism can, in ideal circumstances, provide the following benefits to the socio-cultural environment: increase demand for accommodation and food and beverage outlets; provide additional revenue to local retail businesses and other services; increase the market for local products, thereby sustaining traditional customs and practices; use local labour and expertise; provide a source of funding for the protection and maintenance of natural attractions and symbols of cultural heritage; provide funding and/or volunteers for field work associated with wildlife research and archaeological studies; and create a heightened awareness among the community of the value of local/indigenous culture and the natural environment (Ross and Wall, 1999a; Wearing, 2001).

However, as a result of tourism, local people may lose access to land and resources they previously enjoyed. Ecotourism can lead to a change in resource ownership and management that, while being beneficial to the tourism industry, is detrimental to the local people. Subsequent local resentment toward national parks and designated conservation and protected areas can arise when the area is viewed to be of principal benefit to tourists rather than locals (Wearing, 2001). When evaluating the impact of ecotourism, is not possible to determine whether ecotourism is a sustainable option for a destination simply by considering a single aspect because every aspect is of equal importance. Therefore, in this study, all three categories of impact are considered so that a balancing of various aspects can be achieved.

### **Attractiveness of Marine Parks to Tourists**

Attractions, which include activities, are the pull factors that draw visitors to a destination. Ceballos-Lascuráin (1996) divided attractions into two categories: core attractions and supporting attractions. Core attractions are the principal assets that a region offers to tourists including natural attractions such as lakes, geological formations, wildlife, or cultural attractions that provide tourists with the opportunity to learn about local customs. Supporting

attractions are minor, but they supplement the main attractions. They may be man-made such as a visitor centre, or services such as guided tours. Some authors (Gartner, 1996; Reynolds and Braithwaite, 2001) have suggested that the criteria for evaluating attractions that can apply to all forms of tourism include: 1) authenticity - the honesty of the attraction, for example, the degree of natural behaviors exhibited by the fauna and the environment in which it is viewed; 2) uniqueness - a sense of the experience being special and unusual; 3) expansion of activities - many options for activities that tourists can engage in; 4) intensity - the excitement generated by an experience; 5) duration - the length of exposure to stimuli. In addition, Reynolds and Braithwaite (2001) identified two more attributes specific to wildlife tourism: 1) the popularity of a species - representing the physical attractiveness, size, danger, and drama associated with the species, and the publicity that the species has enjoyed in the public media; and 2) status of the species - referring to the rarity of the animal. Species on rare and endangered lists appear to hold a special attraction to tourists. In the context of protected areas, MacKinnon et al. (1986) proposed a checklist of factors that make a protected area attractive to visitors (See Table 1). For the purpose of this study, some are selected and classified into a number of categories that serve as indicators of the degree of attractiveness of marine parks:

- § Accessibility - means of transportation, easy to get there?
- § Cultural attraction - does the area have additional cultural attractions?
- § Infrastructure - tourist facilities
- § Natural scenery
- § Recreational activities
- § Tourist circuit - any other sites of tourist interest near the area?
- § Wildlife - popularity and status of the species

### Activities Preferred by Ecotourists

A considerable amount of past research on ecotourists has been devoted to developing a profile of the ecotourist. It was found that the characteristics and travel motives of ecotourists are different from those of mass tourists. Ecotourists themselves are not one homogenous group, for example, soft versus hard ecotourists (Fennell, 1999; Wight, 2001). Beyond socio-demographics of ecotourists, and since ecotourists are generally portrayed as recreationists engaging in various activities, attention has been directed to the participation or interest of ecotourists in certain tourist activities. Knowledge about their preferences in terms of activities helps managers of

**Table 1 Checklist on the tourist potential of protected areas**

<del>(A)</del> Is the protected area	<p><u>2-1.</u> Close to an international airport or major tourist centre?</p> <p><u>2-2.</u> Moderately close?</p> <p><u>2-3.</u> Remote?</p>
<del>(B)</del> Does the area have	<p><u>2-4.</u> High cultural interest?</p> <p><u>2-5.</u> Some cultural attractions?</p> <p><u>2-6.</u> Few cultural attractions?</p>
<del>(X)</del> Is the journey to the area	<p><u>2-7.</u> Easy and comfortable?</p> <p><u>2-8.</u> A bit of an effort?</p> <p><u>2-9.</u> Arduous or dangerous?</p>
<del>(A)</del> Is the area	<p><u>2-10.</u> Unique in its appeal?</p> <p><u>2-11.</u> A little bit different?</p> <p><u>2-12.</u> Similar to other visitor reserves?</p>
<del>(E)</del> Does the area offer	<p><u>2-13.</u> "Star" species attractions?</p> <p><u>2-14.</u> Other interesting wildlife?</p> <p><u>2-15.</u> Representative wildlife?</p> <p><u>2-16.</u> Distinctive wildlife viewing, e.g. on foot, by boat, from hideouts?</p>
<del>(Q)</del> Does the area have	<p><u>2-17.</u> A beach or lakeside recreation facilities?</p> <p><u>2-18.</u> Rivers, falls or swimming pools?</p> <p><u>2-19.</u> No other recreation?</p>
<del>(I)</del> Is successful wildlife viewing	<p><u>2-20.</u> Guaranteed?</p> <p><u>2-21.</u> Usual?</p> <p><u>2-22.</u> With luck or highly seasonal?</p>
<del>(H)</del> Is the area close enough to other sites of tourist interest to be part of a tourist circuit? Does it have	<p><u>2-23.</u> Outstanding potential, other attractive sites?</p> <p><u>2-24.</u> Moderate potential?</p> <p><u>2-25.</u> Low or no such potential?</p>
<del>(I)</del> Does the area offer	<p><u>2-26.</u> Several distinct features of interest?</p> <p><u>2-27.</u> More than one feature of interest?</p> <p><u>2-28.</u> One main feature of interest?</p>
<del>(S)</del> Is the surrounding area	<p><u>2-29.</u> Of high scenic beauty or intrinsic interest?</p> <p><u>2-30.</u> Quite attractive?</p> <p><u>2-31.</u> Rather ordinary?</p>
<del>(K)</del> Are the standards of food and accommodation being offered	<p><u>2-32.</u> High?</p> <p><u>2-33.</u> Adequate?</p> <p><u>2-34.</u> Rough?</p>

Source: (MacKinnon *et al.*, 1986)

protected areas provide facilities that are appropriate to the area but attractive to the tourists at the same time. It also helps in designing effective promotional campaigns through the selection of appropriate message themes (Palacio and McCool, 1997). However, it has been found that preferences in activities may vary by the type of site, and by the origin, age or gender of the ecotourists (Wight, 2001). There may also be differences between groups of frequent



ecotourists and occasional ecotourists (Diamantis, 1998). The diverse number and terms of the activities that were examined in past studies makes it difficult to provide a full picture of the types of activities ecotourists generally prefer, thereby limiting the use of preferences in activities as a criterion for assessing the development of ecotourism. This study eliminates the above limitation by combining the activities examined in previous studies about the preferences in activities of ecotourists on a quantitative basis.

## Management of Ecotourism

Theory of ecotourism has often not been successfully put into practice. It is suggested that appropriate management strategies can facilitate the development of synergistic relationships between tourism, biodiversity, and local communities (Ross and Wall, 1999a). There are a wide variety of strategies that can be used, and they are divided into four categories: host community, economic, regulatory, and educational.

## Managing the Host Community

A strong base of public support is one of the first prerequisites for good ecotourism management. Host communities resist the development of tourism mostly because they believe tourism brings them nothing except disturbances.

Creating supportive communities can be achieved by communicating and sharing the benefits of the development of tourism with the host community, and ensuring the highest level of local participation. This can lead to the avoidance of decisions that may have a negative impact on local residents, and encourage people to have control over the making of decisions that affect them (Ross and Wall, 1999a). Local involvement can be achieved through a range of formal and informal means, including informal conversations, group discussions, questionnaires, and regular meetings. If communities can be involved in the planning process from the beginning, this can reduce the likelihood of conflict and misinformation in the future (Wearing, 2001).

## Economic Management Approach

Many cases of ecotourism face difficulty with funding, largely due to the fact that many areas still charge little or nothing because of the legislative obligation to provide recreational opportunities at a minimal cost to the public (McKercher, 2001). As in the case of Bunaken, Indonesia, there is nothing to spend money on at the sites, nor is there an opportunity for visitors to make voluntary donations (Ross and Wall, 1999b). In order to make ecotourism financially viable, some authors (Dharmaratne, 2000; Middleton, 1998) suggest self-financing as the solution. The price charged can cover costs,

provide an acceptable profit, and reflect the value of the product (McKercher, 2001). Money can also be used as an incentive or disincentive to modify the behaviour of people, such as imposing financial penalties for inappropriate or damaging behaviour, or offering a financial reward for reporting inappropriate behaviour (Orams, 1999). Examples of options for collecting revenue include entrance fees, admission fees for the use of facilities, users fee for renting gear, camping spots, licenses/permits (e.g. hunting, fishing), and on-site donations (Lindberg and Huber, 1993).

### Regulatory Management Approach

The purposes behind the imposition of regulatory practices are to protect the safety of tourists, reduce conflicts among tourists, and protect the environment from the negative impact of inappropriate tourist behaviour (Orams, 1999).

A common regulatory practice is use limitation, which refers to the setting of maximum levels for a site and closing it to additional use after the limit has been reached, in order to control the impact of visitors. Use limitation can also be achieved by controlling the size and number of tour operations acting within natural areas (Orams, 1999; Wearing and Neil, 1999).

Other common practices include regulations to prohibit certain activities that are harmful to the environment, and zoning for different uses in different parts of the region to ensure efficient site protection (Orams, 1999; Wearing and Neil, 1999).

### Educational Management Approach

Education serves three essential purposes: to direct visitors to behave in an environmentally sensitive manner while enjoying nature; to enhance appreciation for natural surroundings by providing opportunities to learn about natural features; to promote an ethic of conservation and environmental stewardship both for visitors and local communities (Orams, 1999; Ross and Wall, 1999b).

Environmental education can be passive and/or active. Passive techniques of interpretation include environmental guidelines, best-practice handbooks, reading materials, maps, signs, visitor/education centres, displays and exhibits, publications, and self-guided trails; whereas active interpretation includes guided tours, talk groups, and theatre (Buckley, 2001; Ross and Wall, 1999a; Wearing and Neil, 1999).

An issue relating to education is the quality of the staff who are responsible for teaching. Many authors have suggested that staff play a crucial part on an effective education programme (Middleton, 1998; Saleh and

Karwacki, 1996; Victurine, 2000). Therefore, effective training should be given so as to develop knowledgeable and professional staff (Middleton, 1998).

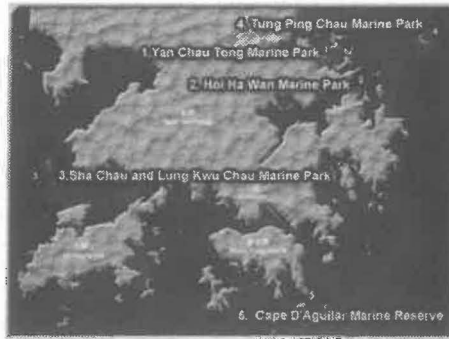
The ultimate goal of a variety of management strategies is to keep the detrimental impact of ecotourism to a minimum and to make the most benefit out of tourists. The approaches mentioned above serve as yardsticks of good ecotourism practices. In this study, they are used for comparison with the current management practices of marine parks.

## **Tourism in Hong Kong and its Marine Environment**

For years, Hong Kong has been the most frequented destination in Asia. In 2000, 13.06 million visitor arrivals were recorded. Tourism receipts totalled \$61.5 billion, contributing 5% of the Gross Domestic Product (Tourism Commission, 2001). While Hong Kong has always been regarded as a modern, culturally rich city, attention has been given to the potential for developing ecotourism because it can create a fresh and positive image of Hong Kong, and also enhances the city's competitiveness to allow it to maintain its leading position as a tourist destination in Asia.

Hong Kong is surrounded by sea and has a sea surface area of about 1 800 km<sup>2</sup>. It lies within the sub-tropical area of the southern coast of China at the estuary of the Pearl River. Although primarily tropical, Hong Kong is also affected by the seasonal fluctuations of warm, cold water and monsoon weather conditions, therefore there is an admixture of tropical and temperate forms such as corals, sea grasses, fishes, and dolphins. With reclamation, sewage disposal, and many large coastal infrastructure developments, many people regard Hong Kong's marine waters as grossly polluted. Fortunately, much of Hong Kong's coastline and diverse marine life still remain. In 1995, the Marine Parks Ordinance (Cap.476) was enacted for the designation, control, and management of marine parks and marine reserves. The Marine Parks and Marine Reserves Regulation was enacted in July 1996 for the prohibition and control of certain activities in marine parks or marine reserves. The marine parks in Hong Kong are a relatively large area of sea that can be set aside for purposes of conservation and recreation. By comparison, a marine reserve is a smaller area of sea but with a high conservation value, which is reserved for scientific and educational study (<http://parks.afcd.gov.hk/newmarine/eng/Service/index.htm>). At present, there are four marine parks in Hong Kong: Hoi Ha Wan Marine Park, Yan Chau Tong Marine Park, Sha Chau and Lung Kwu Chau Marine Park, and Tung Ping Chau Marine Park (see Figure 1). All of the the marine parks are managed by the government (Country and Marine Parks Authority, 1999).

**Figure 1. The four marine parks in Hong Kong**



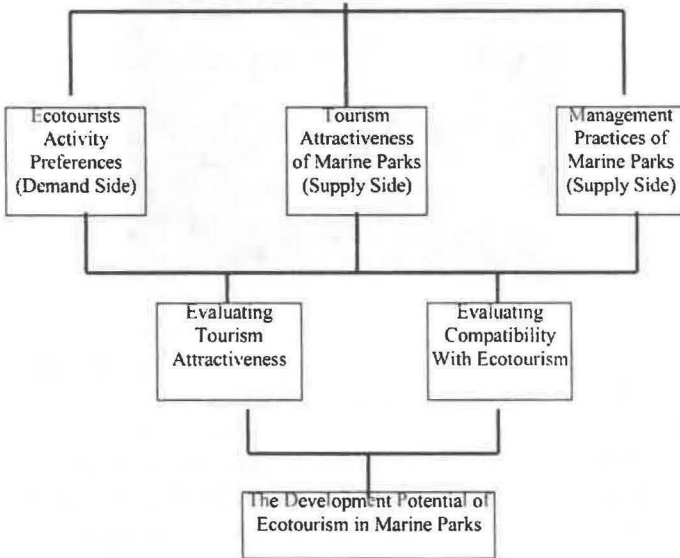
Visitors go to these marine parks for recreation, conservation, and education with regard to marine resources, given that over 90% of the area of the parks are sea. There are no specific official figures on the demand for ecotourism and marine parks. By observation, through a physical count and estimation of those who go to the seashore for recreation, education, and relaxation, the overall potential demand is about 1.2 million visitors per annum, which is quite substantial given that the population of Hong Kong is about 7 million.

Under the Marine Parks Ordinance (Hong Kong Government 1995), marine parks are protected by designation, control, and management: the designation of special zones inside the marine parks; the monitoring of the ecology, water quality, and environment; the controlling of activities inside the marine parks; the maintenance of park facilities and the promotion of public awareness on marine conservation in Hong Kong. Since the land to water ratio of the parks is very small, the main task is preserve the resources in water areas. Some activities with the marine parks are prohibited by legislation, such as unauthorized fishing, the possession of trawl nets used for fishing, and the damaging of any shoreline features on a beach.

## **Methodology**

Although ecotourism has been regarded as an emerging trend in tourism, its development in Hong Kong is still at the stage of infancy. There has begun to be more awareness of the development of marine parks as ecotourism attractions, but the industry still has little knowledge about the feasibility of such an endeavour. Therefore, this study adopts an exploratory and qualitative approach to exploring this issue in a comprehensive manner. The study looks at both the supply and demand sides of ecotourism by analysing secondary data. Figure 2 shows the assessment procedure adopted for this study.

Figure 2. The Assessment Procedure for the Development of Ecotourism in Marine Parks



With regard to the issue of the potential of marine parks to be attractive to tourists, an inventory of assets is built up using secondary data and grouped into seven categories set up in the literature review. These seven categories are: accessibility, cultural attraction, infrastructure, natural scenery, recreational activities, tourist circuit, and wildlife. The sources of secondary data include websites and printed materials about marine parks (Appendix 1).

As mentioned earlier, ecotourism in Hong Kong is not well developed. Thus, it is very difficult to identify who the ecotourists are and/or who the potential visitors of marine parks might be. Therefore, the focus shifts to what the majority of ecotourists like to do during their trip. Data from seven different journal articles (Appendix 2) that have examined the activity preferences of ecotourists from four different countries (Australia, Belize, the US, and the UK) were selected to represent the activity preferences of the majority of ecotourists. All of the activities mentioned in each article were listed through content analysis. Similar activities were grouped together, resulting in twenty-two categories of activities: hiking, wildlife viewing, photography, local cultures, scuba diving, bush walking, bird watching, camping, touring, white water rafting, admiring nature, swimming, viewing

flora, visiting national parks, horse riding, biking, fishing, skiing, canoeing, sailing, going on guided trail walks, and sunbathing. HLA/ARA (1994) divided ecotourists into the two categories of general and experienced ecotourists, while Diamantis (1998) divided them into frequent and occasional ecotourists. As a result, nine cases were identified from the seven journal articles and were numbered from one to nine (Appendix 2). Finally, the occurrence of activities in each of the nine cases, as well as their respective availability in the four marine parks, were recorded in Table 3.

Based on an extensive literature review, it was concluded that there are basically four approaches to the ideal management of ecotourism. The last part of the paper presents the key concepts of the different approaches and compares those with the current management practices of marine parks in Hong Kong. Such an evaluation provides insights on whether the current situation is in alignment with the ideal management direction, thereby implying the future success of the development of ecotourism.

Due regard should be given to the limitations of the assessment criteria, which have been based purely on a literature review. In addition, the results of the assessment merely reveal their presence rather than their quality. However, the criteria do provide insights on the demand-supply situation on ecotourism in marine parks and on the direction of future advances.

## Results

### Tourism Attractiveness of Marine Parks - Supply Side

Table 2 Supply side - Evaluation of the Tourism Potential of Marine Parks

	Hoi Ha Wan Marine Park	Sha Chau and Lung Kwu Chau Marine Park	Tung Ping Chau Marine Park	Yan Chau Tong Marine Park
Area and Location	<ul style="list-style-type: none"> <li>■ Sea area: 260 hectares</li> <li>■ Sai Kung Peninsula</li> <li>■ Remote</li> </ul>	<ul style="list-style-type: none"> <li>■ Sea area: 1,200 hectares</li> <li>■ Western part of Hong Kong</li> <li>■ Remote</li> </ul>	<ul style="list-style-type: none"> <li>■ Sea area: 270 hectares</li> <li>■ Crescent-shaped island in the north-eastern part of Hong Kong</li> <li>■ Remote</li> </ul>	<ul style="list-style-type: none"> <li>■ Sea area: 680 hectares</li> <li>■ North-eastern part of Hong Kong</li> <li>■ Remote</li> </ul>
Accessibility	<ul style="list-style-type: none"> <li>■ Through public transportation: bus and/or mini-van</li> <li>■ Only on weekends/public holidays</li> <li>■ Relatively easy to access</li> </ul>	<ul style="list-style-type: none"> <li>■ By ship on a dolphin-watching tour</li> <li>■ Weekends and some weekdays depending on different tour companies</li> <li>■ Accessible</li> </ul>	<ul style="list-style-type: none"> <li>■ By ship</li> <li>■ Very limited ferry schedule only on weekends/public holidays</li> <li>■ Relatively easy to access</li> </ul>	<ul style="list-style-type: none"> <li>■ By hiking or renting a ship</li> <li>■ Difficult to access</li> </ul>
Cultural Attractions	<ul style="list-style-type: none"> <li>■ Historical lime kilns that were built more than a hundred years ago for burning pieces of coral and shells; abandoned in the 1970s</li> </ul>	<ul style="list-style-type: none"> <li>■ No information</li> </ul>	<ul style="list-style-type: none"> <li>■ Temples such as Tin Hau Temple</li> <li>■ Village relics</li> </ul>	<ul style="list-style-type: none"> <li>■ No information</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>■ Restaurants and grocery stores</li> <li>■ Warden post, camping grounds, notice boards, signs, hiking trails, restrooms</li> <li>■ WWF HK Hoi Ha Marine Life Center (under construction)</li> </ul>	<ul style="list-style-type: none"> <li>■ Pier</li> </ul>	<ul style="list-style-type: none"> <li>■ Pedestrian paths, camping grounds, barbecue sites, notice boards, road signs, hiking trails, kiosks, restrooms</li> <li>■ Vacation lodges</li> <li>■ Pier</li> </ul>	<ul style="list-style-type: none"> <li>■ Pier</li> </ul>

Natural scenery	<ul style="list-style-type: none"> <li>• Natural coastline</li> <li>• Sandy beach with a small mangrove community</li> </ul>	<ul style="list-style-type: none"> <li>• Natural coastline</li> </ul>	<ul style="list-style-type: none"> <li>• Unique landscape</li> <li>• Variety of rock formations</li> <li>• Magnificent coastal landforms</li> </ul>	<ul style="list-style-type: none"> <li>• Natural coastline</li> <li>• A wide variety of landforms such as bays, projecting headlands, peninsulas, rock cliffs, sand pits, and beaches</li> <li>• Various types of beaches ranging from mudflats to rocky shores</li> </ul>
Recreational activities	<ul style="list-style-type: none"> <li>• Swimming, sailing, canoeing, scuba diving, and yachting</li> <li>• Wildlife viewing</li> <li>• Hiking, camping, sunbathing, and guided visits</li> </ul>	<ul style="list-style-type: none"> <li>• Wildlife viewing</li> </ul>	<ul style="list-style-type: none"> <li>• Wildlife viewing</li> <li>• Swimming, diving, boating, and canoeing</li> <li>• Hiking and camping</li> </ul>	<ul style="list-style-type: none"> <li>• Swimming, diving, sailing, canoeing, and yachting</li> </ul>
Tourist Circuit	<ul style="list-style-type: none"> <li>• Sai Kung West Country Park (Wan Tsai Extension)</li> </ul>	<ul style="list-style-type: none"> <li>• No other sites of tourist interest</li> </ul>	<ul style="list-style-type: none"> <li>• Plover Cove Country Park (Extension)</li> </ul>	<ul style="list-style-type: none"> <li>• Pat Sin Leng Country Park and Plover Cove Country Park</li> </ul>
Wildlife	<ul style="list-style-type: none"> <li>• A rich coral community that is different from a tropical reef</li> <li>• 39 out of 50 recorded local stony coral species can be found</li> <li>• A wide variety of animal species of scientific interest</li> </ul>	<ul style="list-style-type: none"> <li>• Chinese White Dolphin- first-class protected animal, 'star' species</li> <li>• Finless porpoises (dolphin)</li> <li>• A variety of marine resources including fish and shrimps</li> <li>• 250 cormorants (bird) roosting in this park</li> </ul>	<ul style="list-style-type: none"> <li>• Ample opportunities for watching birds, butterflies and dragonflies</li> <li>• Over 30 hard and soft coral species</li> <li>• Over 130 species of fish</li> <li>• Over 40 species of seaweed</li> <li>• Over 100 species of marine invertebrates</li> <li>• Rocky shore animals</li> </ul>	<ul style="list-style-type: none"> <li>• A diversity of stony corals and marine eel grass, which is rare in the tropics</li> </ul>

Table 2 shows the tourism attractiveness of the four marine parks. The assessment was based on secondary data (Appendix 1). Some of them are simple facts and some are discussed in detail as follows.

### Accessibility

As shown in Table 2, the locations of the four marine parks are rather remote. However, it is precisely their remoteness that keeps their environment in a pristine condition. With regard to Hoi Ha Wan, although the park is relatively easy to reach through public transportation, connections are required and it takes an average of two hours to get there. Also, the vessels currently used/allowed to go to Tung Ping Chau and Yan Chau Tong are very slow and small. This increases the time required to travel to the parks, particularly for groups over a hundred, which limits the number of people visiting the parks at a time. As for Sha Chau and Lung Kwu Chau, it is accessible by joining a dolphin-watching tour. This is the most convenient way for tourists to go to a marine park. Therefore, effective water transportation is very important. Largely because of its accessibility, dolphin-watching in Sha Chau and Lung Kwu Chau is going to develop at a faster rate than in the other three marine parks. Nevertheless, accessibility remains a great challenge for the development of ecotourism or the promotion of the marine parks.



**Table 3** Comparison of Ecotourist Activity Preferences and Availability in Hong Kong Marine Parks

ACTIVITY PREFERENCES <sup>1</sup>	CASE NUMBER <sup>2</sup>									AVAILABILITY IN MARINE PARKS <sup>3</sup>			
	1	2	3	4	5	6	7	8	9	Hoi Ha Wan	Sha Chau & Lung Kwa Chau	Tung Ping Chau	Yan Chau Tong
Hiking	✓	✓	✓	✓	✓	✓				✓	×	✓	✓
Wildlife viewing	✓	✓	✓			✓		✓	✓	✓	✓	✓	✓
Photography	✓	✓	✓					✓	✓	✓	✓	✓	✓
Local cultures	✓		✓		✓	✓	✓			✓	✓	✓	✓
Scuba diving			✓	✓			✓	✓	✓	✓	✓	✓	✓
Bush walking	✓						✓	✓	✓	×	×	×	×
Bird watching	✓	✓						✓	✓	×	✓	✓	×
Camping				✓	✓	✓			✓	✓	×	✓	×
Touring		✓			✓			✓	✓	✓ <sup>4</sup>	✓	Not for public	Not for public
White-water rafting				✓		✓		✓	✓	×	×	×	×
Admiring nature					✓	✓		✓	✓	✓	✓	✓	✓
Swimming	✓		✓		✓					✓	✓	✓	✓
Viewing flora		✓						✓	✓	✓	✓	✓	✓
National park visits	✓							✓		Sai Kung West Country Park	×	Plover Cove Country Park	Pat Sin Leng Country Park
Horse riding								✓	✓	×	×	×	×
Biking				✓		✓				Permit	×	×	×
Fishing					✓	✓				Bona fide fishermen through permit system			
Skating				✓		✓				×	×	×	×
Canoeing				✓		✓				✓	✓	✓	✓
Sailing				✓	✓					✓	✓	✓	✓
Guided trail walks	✓									✓	×	✓	✓
Sunbathing			✓							✓	×	✓	×

Keys: ✓ Available; × Unavailable

<sup>1</sup> Variables ranked by frequency of response

<sup>2</sup> Source: <sup>1</sup> Weaver and Lawton, 2002; <sup>2</sup> Saleh and Karwacki, 1996; <sup>3</sup> Palacio and McCool, 1997; <sup>4</sup> TIAA, 1994; <sup>5</sup> HLA/ARA, 1994 (general ecotourist); <sup>6</sup> HLA/ARA, 1994 (experienced ecotourist); <sup>7</sup> Blamey and Hatch, 1998; <sup>8</sup> Diamantis, 1998 (frequent ecotourist); <sup>9</sup> Diamantis, 1998 (occasional ecotourist)

<sup>3</sup> Assessment based on websites and printed materials

<sup>4</sup> Available in the coming summer

## Cultural Attractions

In Hoi Ha Wan, there are historical lime kilns that show the lives of Hakka villagers more than a hundred years ago while in Tung Ping Chau, visitors can find relics of local villages and learn about Chinese religion (Appendix 1: No.1). These cultural attractions are unique and have great appeal to western tourists who would like to learn about the history and culture of the Chinese.

## Infrastructure

As shown in Table 2, the available infrastructure is mostly commonplace, but some are worth highlighting. The Hoi Ha Wan Marine Park Warden Post is situated adjacent to the entrance of Hoi Ha Village. The warden post serves as a management office as well as a visitor centre. In the warden post, a small exhibition and video programme on the marine park are provided. In addition, there is a marine park warden on duty who will give an introduction to the marine park, address enquiries, and distribute leaflets, posters, and information on activities in the park (Appendix 1: No.7). The Jockey Club HSBC WWF HK Hoi Ha Marine Life Center, which is currently under construction, is a marine education center that will provide an exhibition panel, interactive display auditorium, and thematic guided study tour for the public. These facilities encourage ecotourism, with an emphasis on the educational component. Being the most recently established marine park, the infrastructure at Tung Ping Chau is quite comprehensive. However, tourist facilities in the remaining two marine parks are extremely inadequate. Infrastructure is a prerequisite for tourism. It should be in place before visitors are invited to come.

## Natural Scenery

All four marine parks have beautiful natural coastlines. In addition, Tung Ping Chau is famous for its sedimentary rock formations, which have given rise to many magnificent and unique coastal landforms (Country and Marine Parks Authority, 2000). Ten different scenic spots can be found along the island's coastline (Appendix 1: No.7).

## Recreational Activities

A wide variety of activities including water sports and terrestrial activities are available in Hoi Ha Wan, Tung Ping Chau, and Yan Chau Tong (see also Appendix 1: No.7/9). Currently, in Hoi Ha Wan, guided tours are available for school and organizations only. Public guided visits will also be available in the coming summer. This is a great advancement that is beneficial for the development of ecotourism. On the other hand, the availability of scuba diving in Hong Kong marine parks is very attractive to ecotourism as scuba diving is very popular in Western countries especially in the Great Barrier Reef of

Australia, although Hong Kong marine parks will not be able to reach the same scale of popularity.

### **Tourist Circuit**

With the exception of Sha Chau and Lung Kwu Chau, the other three marine parks all have country parks nearby. Hong Kong's country parks comprise scenic hills, woodlands, reservoirs, and coastlines, and offer activities ranging from leisure walking, fitness exercises, hiking, and barbecuing to family picnics and camping (Appendix 1: No.1). These are additional attractions that can enrich a tourist's experience. Following this same approach, the Agricultural, Fisheries, and Conservation Department is promoting the 'Tung Ping Chau Eco-Exploration' programme. The idea is to combine country and marine parks in Tung Ping Chau as a total ecotourism experience that will allow for a more complete educational experience and greater enjoyment.

### **Wildlife**

Regarding wildlife viewing, all four marine parks have their distinct features. For example, Hoi Ha Wan is known for its rich coral community; Sha Chau and Lung Kwu Chau is where the Chinese White Dolphin can be found; Tung Ping Chau possesses a variety of plants and animals such as birds, butterflies, and dragonflies; and Yan Chau Tong features its marine eel grass, which is rare in the tropics (Appendix 1: No.1/7/9/10/12). All of these are of high ecological value.

### **Ecotourist Activity Preferences - Demand Side**

As shown in Table 3, the left-most column lists the twenty-two most popular activities for ecotourists in the nine cases cited. The middle column shows their actual occurrence in the nine cases. The activities are ranked by frequency of count, with the highest frequency listed first. Therefore, the five activities most preferred by ecotourists are hiking, wildlife viewing, photography, encountering local cultures, and scuba diving.

The right-most column of the same table (Table 3) indicates the availability of those activities in each of the four marine parks in Hong Kong. The top five activities - hiking, wildlife viewing, photography, encountering local cultures, and scuba diving, can be pursued in all four marine parks. Also, of the twenty-two preferred activities, only bushwalking, white water rafting, horse riding, biking, fishing, and skiing are not available for visitors in any of the marine parks. Of the four marine parks, Hoi Ha Wan has the greatest potential to attract ecotourists, as fifteen out of the twenty-two activities can be found there. Tung Ping Chau has fourteen activities.

Therefore, as shown by the results, marine parks offer a variety of activities that can satisfy ecotourists from different countries.

## **Current Management Practices in Marine Parks - Supply Side**

In Table 4, the first two columns show the ecotourism practices and their purposes as suggested in the literature review; and the last two columns show the current management practices in marine parks (Appendix 1: No.9/11/12). It was found that current practices in marine parks are very much aligned with ecotourism management techniques. However, admission fees are not applicable in the case of Hong Kong. All four marine parks are only small-scale parks that are wholly controlled and financed by the government. The expenses incurred do not reach the level of some national parks like the Yellow Mountains in Anhui, China. Therefore, the no-charge policy works well here, as this can also encourage visits. Because of the regulatory management approach and in order to monitor the number and size of tour groups, tour operators are advised to notify the Marine Parks Division of their arrangement. The management of marine parks may then consider scheduling groups at different times if there are a number of tours planning to go there at the same time. Other than that, the purpose of having a fishing permit system is to maintain a balance among the marine environment, local livelihoods, and fishing rights. This can protect marine biodiversity as the fish in the area will have enough time to reproduce and replenish themselves if fishing is limited. This will also help to protect dolphins, which reside in the area of Sha Chau and Lung Kwu Chau, by reducing the disturbance from fishing boats and fish nets. Although fishing is restricted in marine parks, local fishermen actually benefit from this regulation because their fish yield can be sustained and their fishing rights are exclusive.

### **Implications for Marketing and Management**

While demand for ecotourism is increasing around the globe, many challenges for its development at an operational level involve an assessment of the real attractiveness of natural resources and the development of appropriate marketing strategies. This requires an understanding of both the demand and supply sides of ecotourism, or ecotourism will continue to exist on paper only. The assessment criteria presented in this paper are important for signalling the true value of resources. The careful application of such criteria will identify the strengths, weaknesses, opportunities, and threats to a site, thereby increasing the possibility that the development of ecotourism will pay off.

Although there is still a very long way to go before marine parks can be established in the ecotourism sector, the outlook is positive. This case study of Hong Kong shows that marine parks have generally good potential to be developed as ecotourism attraction. Their most important strength lies in the

**Table 4 Comparison of Marine Park Management Practices with Ecotourism Management Techniques**

ECOTOURISM MANAGEMENT TECHNIQUES	PURPOSE	CURRENT PRACTICES IN HONG KONG MARINE PARKS	COMMENT
Source: Literature review		Source: marine park printed materials	
Managing host community			
<ul style="list-style-type: none"> <li>• Communication with host community</li> <li>• Local participation</li> </ul>	<p>3.1 To gain local support</p> <p>3.2 To understand the attitudes of the local community</p>	Marine Park Visitor Liaison Group-regular meeting every few months	To let local people and the public to express their opinions regarding management and monitoring of marine parks
Economic			
Entrance fee	To cover the costs of managing certain activities and to make a profit for research and environmental protection	No entrance fee is required	<ul style="list-style-type: none"> <li>• Encourage visitors to go to marine parks</li> <li>• Cater for visitors who simply want relaxation and sight-seeing</li> <li>• Not suitable in Hong Kong as marine parks are non-profit making and completely financed by government</li> </ul>
Fines	To modify people's behaviour	Penalty for destructive and unauthorized behaviour	Contravention may lead to a fine of HK\$25,000
Regulatory			
Controlling the number of visitors	To control the impact of visitor behavior/behaviour	Monitor the total number of visitors per year	Number of visitors has been acceptable and thus no restriction on number of visitors at this stage
Prohibiting certain activities	To reduce the harm done to the environment	Monitor the number and size of tour groups	Arrange tours at different times if necessary to avoid overcrowding, which affects tourist satisfaction, and protect environment from high concentration of use
		Marine Parks Ordinance (Cap.476) (see Appendix 6 for prohibited activities)	<ul style="list-style-type: none"> <li>• Park wardens patrol and check whether anyone breaks the rules; they are empowered to give warnings and take law enforcement action whenever necessary</li> <li>• Contravention may lead to convictions, fines, and one year of imprisonment</li> </ul>
		Fishing permit system	Permits are issued to local villagers and bona fide fishermen only
Zoning	To allow for efficient site protection	Designated area for mooring, anchoring and recreational activities	
Educational			
Passive interpretation	<ul style="list-style-type: none"> <li>• To encourage appropriate behaviour to reduce visitor impacts/conflicts</li> <li>• To enhance appreciation for nature through education</li> <li>• To promote an ethic of conservation</li> </ul>	<ol style="list-style-type: none"> <li>1. Code of conduct</li> <li>2. Public seminars</li> <li>3. Printed material such as leaflets and postcards</li> <li>4. WWF Marine Life Centre</li> <li>5. Exhibitions</li> <li>6. Signs</li> </ol>	<ul style="list-style-type: none"> <li>• Guidelines for visitors to minimize impacts</li> <li>• Introduce marine parks' ecology, value and educate visitors about appropriate behaviour</li> </ul>
Active interpretation		<ul style="list-style-type: none"> <li>• Educational visits</li> <li>• Beach clean-ups</li> <li>• Seashore field studies</li> </ul>	Organized for schools and organizations
		<ul style="list-style-type: none"> <li>• Public lecture series</li> <li>• Public guided visits (available in summer 2002)</li> </ul>	To enhance public awareness of marine environment and marine conservation

natural resources that they possess. Currently, Sha Chau and Lung Kwu Chau Marine Park, is the fastest growing, mainly because of the presence of the Chinese White Dolphin, which is regarded as a 'star' species. However, Hoi Ha Wan and Tung Ping Chau should not be overlooked because they offer diverse activities and sight-seeing opportunities, and relatively better accessibility and infrastructure. Although accessibility and infrastructure are only supporting functions, the development of tourism would be impossible without them. These are the greatest weaknesses of Hong Kong's marine parks. A great deal of advancement in these two areas will be required if ecotourism is to be widely promoted. The four marine parks have designated sea areas, representing over 90% of the area of the parks. The remaining area consists of coastal areas surrounding the sea fronts. These marine parks are typical

parks as they are sheltered by land and located near the sea fronts. Therefore, the proposed assessment procedures could also be applied to other countries where the marine parks have similar features.

The evaluation of the preferences of ecotourists in terms of activities indicates that Hong Kong marine parks do have the opportunity to be promoted in the international market in the long term. But the first step for now is to gain awareness and support from the domestic market. Also, more research on ecotourists will be required in order to design a good marketing plan for both domestic and international visitors.

Referring back to Table 4, the current management practices at the marine parks actually follow the same practices of good ecotourism techniques. Although the primary objective of marine parks is marine conservation, as people become more aware of this pristine environment through the on-going promotion of marine parks, the demand for tourism will increase. The impact of visitors on the fragile environment will become the greatest challenge. It is important for management to develop a vision of tourism planning and to stay tuned to changes in the tourism market. Several techniques that can be used prior to implementing a tourism development project to ensure the sustainability of the environment; e.g. conducting an environmental impact assessment, commonly known as EIA; and assessing the carrying capacity as well as limits of acceptable change of the park (Ceballos-Lascuráin, 1996; Wearing, 1999).

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### Appendix 1 List of secondary data (supply side)

Websites	
1	Country and Marine Parks Authority: <a href="http://www.info.gov.hk/afcd/parks/e/ehome.htm">http://www.info.gov.hk/afcd/parks/e/ehome.htm</a>
2	Hong Kong Dolphinwatch Ltd.: <a href="http://www.zianct.com/dolphins/">http://www.zianct.com/dolphins/</a>
3	Hong Kong Ecotourism Association: <a href="http://www.ecotourismhongkong.org/">http://www.ecotourismhongkong.org/</a>
4	Hong Kong Marine Conservation Society: <a href="http://www.hkmc.org">http://www.hkmc.org</a>
5	HKNature: <a href="http://www.hknature.net/index1.htm">http://www.hknature.net/index1.htm</a>
6	Hong Kong Tourism Board PartnerNet: <a href="http://partnernet.hktourismboard.com/dev/">http://partnernet.hktourismboard.com/dev/</a>
7	Marine Parks: <a href="http://parks.afcd.gov.hk/marine/newmp/index.htm">http://parks.afcd.gov.hk/marine/newmp/index.htm</a>
8	Tourism Commission: <a href="http://www.info.gov.hk/tc/content/content2.htm">http://www.info.gov.hk/tc/content/content2.htm</a>
Title of leaflets published by Agricultural, Fisheries & Conservation Department	
9	"Help protect our marine environment: Marine parks and marine reserve" (July 1999)
10	"Hong Kong's Chinese White Dolphin and Finless Porpoise"
11	"Marine Parks: Educational activities" (August 2001)
12	"Tung Ping Chau Eco-exploration" (November 2001)
13	"Understanding the threats to coral communities in Hong Kong and contribute your efforts to conserve it" (2001)

**Appendix 2 List of journal articles of ecotourists (demand side)**

<b>Case No.</b>	<b>Author</b>	<b>Year</b>	<b>Target</b>	<b>Journal Title</b>
1	Weaver & Lawton	2002	Australian ecolodge overnight ecotourist	Overnight ecotourist market segmentation in the Gold Coast Hinterland of Australia
2	Saleh & Karwacki	1996	Australian ecotourist	Revisiting the Ecotourists: The Case of Grasslands National Park
3	Palacio & McCool	1997	Belize ecotourist	Identifying ecotourists in Belize through benefit segmentation: A preliminary analysis
4	TIAA	1994	US adventure & outdoor travellers	Adventure Travel: Profile of a growing market
5	HLA/ARA	1994	North American general ecotourist (next trip)	Ecotourism-nature/adventure/culture: Alberta and British Columbia market demand assessment
6	HLA/ARA	1994	North American experienced ecotourist (next trip)	
7	Blamey & Hatch	1998	Australia nature-based tourists	Profiles and motivations of nature-based tourists visiting Australia
8	Diamantis	1998	UK group frequent ecotourists	Ecotourism: characteristics and involvement patterns of its consumers in the United Kingdom
9	Diamantis	1998	UK occasional ecotourists	



# Postmodernist Theory and its Relationship to Tourism Research

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**Abstract :** This article highlights the theoretical notion of Postmodernism and attempts to place Tourism research into the postmodernist frame of reference. This is achieved by a brief description of the theory and further development in section two which reviews the challenges of postmodernism to research in the tourism field. There is then an endeavour to intertwine the constructs of postmodernist theory and to illustrate how it can relate to the tourism industry and in particular contemporary tourism. Indeed, we argue that even though a number of authors have begun to chart the sociological dimensions of post-modern tourism they have done so without highlighting the definitions and structure of postmodernist theory. Examples are given in order to support the theoretical approach to research which we suggest in this paper and every effort is undertaken in order to argue that postmodernist research in tourism can be beneficial and fruitful for future directions. Consequently this article attempts to dispel some of the widespread bemusement concerning post-modern theories and post-modern tourism by reviewing some of the recent developments in the area and suggesting further research.

**Key Words:** Post-modern Tourism, Tourism Examples, theory, contemporary theory,

## Introduction

Postmodernism is a term that is used to describe multiple interrelated phenomena including: a 'philosophy' (Derrida, 1976; Foucault, 1980; Lyotard, 1984); an 'aesthetic sensibility' (Jencks, 1987); and a 'cultural condition' (Baudrillard 1983, 1990; Harvey, 1989; Jameson, 1983, 1994). While there is no single definition of postmodernism there is an overall consensus that the post-modern condition is 'related to dramatic changes in the material and cultural dimensions of life, resulting from immense advances in production, distribution, communication and computer technologies' (e.g., Baudrillard, 1983; Harvey, 1989; Jameson, 1994; Lyotard, 1984).

In the cultural domain, discussions on postmodernism are centered on issues of meaning and representation. Post-modern culture is characterised as a landscape saturated with 'simulacra' and 'hyper reality' (Baudrillard 1983, 1988), 'spectacle' (Debord 1979), 'pastiche' (Jameson 1984), and 'self-referential' images (Fiske 1987) that communicate through a 'non-representational mode of signification' (Poster 1990) and in a non-linear,

'figural' fashion (Lash 1990). The saturation of culture with hyper real images and free floating signifiers detached from any grounding in reality proclaims the end of fixed transcendental meanings, truth claims and grand narratives. At the same time, the constant stream of images, plundered from their historical and social contexts only to be juxtaposed in a free-play of signifiers, erodes the social foundations of the stable coherent and centered modern idea of self. Postmodernism shatters all solid structures of social and intellectual life, and as Gitlin (1989) suggested, "is best understood not just as a style but as a general orientation, as a way of experiencing the world and our place, or placelessness in it" (p. 101).

The aesthetic sensibility emerging out of the post-modern condition is often viewed as arising from the market place. Postmodernism, it is argued, is the art-form of consumer culture, the expression of a schizophrenic, fragmented and aestheticised experience of everyday life in late capitalist societies (Hassan, 1980; Hebdridge, 1989; Jameson, 1984; Gitlin, 1989; Lash, 1990). In cultural works, the post-modern aesthetic is associated with a tendency toward depthlessness, repetition, fragmentation, irony, parody, pastiche, nostalgic, impulse, formal self-consciousness, and a mixture of forms, periods and styles. It is asserted that such an aesthetic invites a fascination with the immediate and the spectacular rather than with the contemplation of hermeneutic meaning, that it celebrates the surface rather than the depth, that it emphasises the discontinuity between signifiers while dissolving the signified, and that it erases the distinction between high culture and popular culture (Baudrillard, 1983; Jameson, 1984).

## **The Post-modern Challenge**

However, there are some challenges, which require noting, for example: postmodernism rejects the realist and modernist ideas of reality, meaning and representation. Realism assumes the existence of a fixed, uniform and objective reality that can be transparently represented (or, in semiotic terms, the equivalence between the signifier and the signified). Modernism challenges the assumption that a representation is a transparent reflection of reality, while retaining the idea that there does exist an underlying reality (or, in semiotic terms, the signifier is differentiated from the signified). Postmodernism challenges both of these assumptions. Reality, whether it is represented transparently or abstractly is viewed as a fiction, constructed and sustained only by its cultural representation, in semiotic terms, the distinction between the signifier and signified dissolves, as the signified no longer exists. In place of reality, postmodernism proposes hyperreality, that is, the endless referral signs to other signs. Instead of singular meaning it

introduces multiplicity, indeterminacy and free-play of signifiers.

Hyperreality is a term coined by Baudrillard (1988) to refer to the fact that the media saturation in our information society has made people, to a great extent, perceive and interpret lived experiences holographically, creating what he called 'persuasive fictions'. Filmic, photographic, and electronic representations have had a profound effect on the cultural narratives that shape people's identity, often creating feelings of anxiety and despair. In the current hyper real condition in which people are often presented with images and messages that represent norms of beauty, social interaction, and economic transactions that are not attainable in their own lived experiences, these moments of 'psychic disequilibrium' become part of life.

## **Postmodernism and Tourism**

It is generally proposed that the state of post modernity in tourism is characterised by three primary conditions: the spectacle (Debord, 1979); a hyperreality (Baudrillard, 1988); and a focus on the surface rather than depth (Jameson, 1984). A closer examination of each of these conditions in the context of tourism is therefore warranted.

In the 1960s, Debord was already writing about life in modern societies being experienced as an accumulation of spectacles. Debord (1979) argued the spectacle was producing social relations mediated by images and representations: "...the colonisation of more and more of these social relationships by the capitalist commodity form has meant that contemporary societies are increasingly spectacular" (p. 91). In a way, just like Harvey, Zukin and other political economists and critical geographers Debord saw the increasing presence of the spectacle as an expression of the development of strategies of capitalist accumulation. According to Debord, the spectacle is the uninterrupted discourse that the present order articulates about itself, a bit like a long eulogious monologue. In other words, the spectacle can be viewed as a self-portrait of power at a particular time.

Debord (1983) further argued that tourism has become increasingly concerned with spectacle:

"Tourism, human circulation considered as consumption, a by product of the circulation of commodities, is fundamentally nothing more than the leisure of going to see what has become banal. The economic organisation of visits to different places is already in itself a guarantee of their equivalence. The same modernisation that removed time from the voyage also removed from it the reality of space". (p. 168)

Tourism sights, whether natural or man made, are spectacular. Some

sights are unique scenic attractions (e.g., the Grand Canyon, the Alps) or cultural attractions (e.g., Paris, Rome). Other destinations such as tropical resorts, world fairs or the Olympics attempt to outdo one another in spectacle. Here the tourist consumes the sign or representation not the actual sight.

On the other hand, some destinations emphasise hyperreality. Hyperreality is illustrated by theme parks such as Disneyland and Disneyworld where an idealised version of small town America is presented in Main Street USA, mechanical animals take the place of live animals on the jungle cruise, and fantasy characters come alive via costumed employees (Belk, 1991; Fjellman, 1992). Although hyperreality is a sterilised and romanticised presentation of a world free of problems it seems to be increasingly preferred to harsher tourism realities. In both spectacle and hyperreality there is a reliance on creating a presentation of images and surfaces lacking depth. From a semiotic perspective, in postmodernism signs come to refer only to other signs rather than 'real' referents in the object world.

Faced with the presentation of surfaces in hyperreal spectacles one reaction of the audience or consuming public is to search for authenticity in other times (nostalgia) and other places (tourism). The fragmentation of post-modern culture sometimes leads to the belief that in a simpler time and place things were, or are, more coherent and meaningful (MacCannell, 1976; McCracken, 1988; Urry, 1990). But while the search may start as a quest for authenticity it is quickly realised that there are only surfaces and illusions in other times and places as well. In one view, the quest then becomes a game of playfully allowing ourselves to suspend disbelief in the spectacles presented to us as tourists or heritage-seeker, while simultaneously realising that the performance, like those of Disneyland, is a fantasy. Rather than seekers after truth, we become hedonistic seekers of novelty and pleasure.

Feifer (1986) coined the term 'post-tourist' to describe the self-conscious contemporary traveller:

*"Above all, though, the post-tourist knows that he is a tourist: not a time traveller when he goes somewhere; historic not an instant noble savage when he stays on a tropical beach; not an invisible observer when he visits a native compound. Resolutely realistic, he cannot evade his condition of outsider". (p. 271)*

The following section extends on Feifer's (1986) notion of the contemporary traveller by discussing the concept of the contemporary tourist and its relationship to postmodern theoretical knowledge production.



## Contemporary Tourism

Urry (1990) elaborated on Feifer's observations in *The Tourist Gaze: Leisure and Travel in Contemporary Societies*. He stated:

*"The post-tourist is freed from the restraints of 'high culture' on the one hand, and the untrammelled pursuit of the 'pleasure principle' on the other. He or she can move easily from one to the other and indeed can gain pleasure from the contrasts between the two. The world is a stage and the post-tourist can delight in the multitude of games than can be played". (p. 100).*

Urry (1990) developed the theoretical implications of Feifer's comments on post-tourism to illustrate "how postmodernism is ushering in some major new conceptions of what it means to be a contemporary tourist" (p. 93). Urry is most interested in the playfulness of Feifer's post-tourist, his delight in "the 'multitude of choice', his freedom from the 'constraints of high culture', and his awareness that 'tourism is a game', or rather 'a whole series of games' with multiple texts and no single, authentic tourist experience" (p. 100). As both of these studies suggested post-tourism is a post-modern enterprise, a spatial practice socially and culturally infected. As Urry explained, "postmodernism involves a dissolving of the boundaries, not only between high and low cultures, but also between different cultural forms, such as tourism, art, education, photography, television, music, sport, shopping and architecture" (p. 82).

Urry (1990) indicates how in certain ways tourism has become "bound up with and partly indistinguishable from all sorts of other social and cultural practices..[so that] people are much of the time tourists whether they like it or not [and thus] the tourist gaze is intrinsically part of contemporary experience" (p. 82). Urry integrated this idea with material about emerging patterns of class structures in society, applying in particular, the ideas from Bourdieu (1984).

Urry (1990) advised against contemplating the feasibility of "the theory of tourist behaviour" (p. 135). What is required instead, he believed, is a "range of concepts and arguments that capture both what is specific to tourism and what is common to tourist and certain non-tourist social practices. The concept of the tourist gaze attempts to do this...[by] "categorising objects of the gaze in terms of romantic/collective, historical/modern, authentic/inauthentic" (p. 135).

Lash and Urry (1994) in *Economics of Signs and Spaces* have widened the debate on post-modern tourism. Unlike much current writing on postmodernism, Lash and Urry made connections between social institutions

and the fragmented culture of everyday life. Their point of departure was to argue that the global circulation of objects (commodities) is shadowed by the actual symbolic migration of hybrid subjects (people). The increasingly frantic transportation of subjects and objects melts the boundlessness of cultural traditions, replacing social structures with information formations. The modern economy, according to Lash and Urry, depends upon knowledge-intensive forms of production and aesthetic modes of consumption. Old-style manufacturing, in the West at least, had been replaced by a culturally coded service sector. As a consequence, in the new millennium the single largest item in terms of world trade will be international tourism. Lash and Urry further argued that the production of tourism is heavily reliant upon the semiotic aspect of the social and physical locations of those spaces to be visited.

Lash and Urry (1994) argued that the acceleration and internationalisation of capital has carved up our experience of space and time. These processes have led to an increasing sense of the depthlessness and disposable nature of modern culture. For instance, the development of new communications technology allows armchair viewers to travel around the world (via the Discovery channel) without ever leaving their lounge rooms. Ultimately then, this heralds what Lash and Urry see as the end of tourism. As a consequence, the post-tourist is constantly engaged with a dedifferentiated culture where consumer choice is paramount and identities are constantly being reworked.

Arguably, the most fundamental implication of the "end of tourism", as suggested by Lash and Urry (1994), is the unavoidable process of critical self-appraisal that it imposes on the tourism management discipline. Postmodernism, compels proponents of modern tourism management to re-examine their theoretical accomplishments and question their epistemological assumptions.

The postmodern tourism researcher must wade into uncharted territory for which there are no blueprints. All blueprints as 'grand narrative' are definitely suspect. This is laudable for scholarship but lamented by those who want security. Security we feel can no longer be an option in the current tourism research milieu. Indeed, we must take risks and branch out into the unknown and lead the field into uncharted waters through the experimentation and delivery of new theory that both informs and drives the profession.

It is therefore more than tempting to spend our energies mourning the passing of the good old days. Or more comforting still, we could ignore the imperatives of contemporary social theorising and continue to make forays

up abandoned intellectual gullies. Indeed, it would more lucrative and less troublesome to do so. Breaking with certainty is daunting and demanding for researchers, when we transcend the anti-positivist, anti-empirical impetus that has characterised modernism in the past we engage in research that is more challenging more controversial and more disturbing across ideological boundaries but filled with tension and uncertainty. We then push the boundaries of research and enhance our own thinking in ways that we previously could not have imagined.

Despite the strong support for adopting a postmodern approach to research Parson's (1994) identifies limitations of postmodernism applied to research. She claims that postmodernist researchers have surrendered reliability and 'bathed in the glow of detailed and accurate accounts of their research participants' lives' resulting in '...the absence of a true (valid) base upon which to construct social theory' (p. 23). She identified this as the 'crisis of legitimation'. She identifies a second crisis arising from the application of postmodernism to research as the 'crisis of representation'. This relates to the problems of defending representations of research participants as legitimate rather than merely as constructions of the researcher. This is a particular problem for research approaches that deliberately set out to take participants' stories through increasing levels of abstraction. Consequently, we need to be aware that postmodernism is not the panacea which solves all our problems but a set of theories which if utilized correctly can only further enhance knowledge.

## **Conclusion**

In endeavouring to emulate rigorous standards of research tourism researchers should be encouraged to take more methodological 'risks' and embrace more eclectic research approaches. Postmodern research approaches offer these opportunities. Moreover, if tourism researchers embrace postmodern thought it provides them with a theoretical framework to question the social, historical and political forces that play a role in shaping social reality.

The most fundamental implication of postmodernism is the unavoidable process of critical self-appraisal that it imposes on tourism research. Postmodernism compels tourism researchers to examine their theoretical accomplishments, question their epistemological assumptions and continually challenge the appropriateness of their methodological procedures. Through embracing such concerns the tourism researcher will increasingly identify dimensions of the reflexive nature of researcher and participant intersubjectivity and the reflexive moments of research interaction. Because

of their vantage point in interacting intensively at multiple levels and in an enduring way with people from all walks of life tourism researchers are well positioned to take up many of the challenges of the postmodern critique. By doing so they can integrate these challenges into the orthodoxy of current research methods and in their application in the field.

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## **Book Review**

# **Handbook For Distance Learning In Tourism**

**Gary Williams**

2005, The Haworth Press

New York, pp-1-244

In the present book the author has provided practical and applied information in a descriptive and conversational style. The author has used simple and understandable English beneficial for the students, educators and introducers of new projects, with a sound base. This book discusses how a new project of distance learning in tourism. The author has very systematically arranged the chapters in the book that even a new person can understand whatever he/she wish to know about distance learning in tourism.

Whenever a new project in any field is to be started, the entrepreneur or the project manager do the homework like knowledge of the field, duty of different persons and basic requirements to start the new project. The author has analytically arranged first three chapters making understand the reader about flexible learning environment with the help of development model for flexible learning projects involving the design, production, use and evaluation of learning resources. Depending upon the project complications a project manager has to play different roles. In second chapter (pp15-26) quality of a manager as a team member as well as a leader are discussed. Basic requirements for starting a project are to be decided in advance so that there should proper arrangements. Proper discussion with concerned persons should be done. Content should be aware of the advantages and challenges of developing flexible resources (pp27-51). The educational and design foundations on which a learning resource is developed consist of media-independent and media-dependent components. Fourth chapter (pp53-81) discusses about both in designing a learning resource. Technology is the main factor that guides the determination of the media used. In the most situations more than one medium is used. As the students react differently to different media at the different stages of the development of their understandings. Fifth chapter (pp83-96) discusses about the media used for learning resources keeping in mind teacher, institution and course related issues. The course content design specifications are based on the educational needs and wants of the students. Print resources continue to be developed despite of the Internet.

Sixth chapter (pp97-128) discusses about developing print media resources. The author has explained nine-stage production process that involves the application of a design to quality content, resulting in a print-learning resource. As new generation students are more inclined towards the Internet now a day World Wide Web is very useful information source. Seventh chapter (pp129-163) discusses about the websites related to course for which teachers act as advisor. They analyse the advantages and disadvantages of developing and using websites. Chapter also discusses about student friendly website as well as matters related to maintenance and revision of course website. In chapter eighth chapter (pp165-184) discusses about Computer-mediated contact (CMC) tools like e-mail, Web forums, and Listserves. How these tools can be used in effective way so that it will be helpful for managing strategies, teaching and social contact for students as well as teachers. CMC environment is helpful for the students as they have less contact programs with teachers in distance learning. When the websites are made then these should be managed properly so that there should be optimum utilization and the students get maximum benefit. Ninth chapter (185-201) discusses about Course management system. When learning resources are developed consideration should be given to teaching and learning environment. In tenth and eleventh chapter (pp203-234) the author has emphasized on flexible learning environment for teacher related to a particular course, related e-mails and on-campus activities as a educational designer. On the other hand students have also some expectations from the teacher and students have also certain role to play according to teacher's expectations. Author has very analytically described the same. Although there is less emphasis on the tourism related matter in the book. But overall this book good for students, educators and planners in distance learning.

(Mukesh Ranga)



# Tourism and Hotel Development in China

Hanqin Qiu Zhang, Ray Pine, Terry Lam

2005, The Haworth Press

New York, pp-1-297

Tourism development is no longer seen solely in terms of destinations, with much more consideration been given to origins or markets and associated linkages. Tourism is coming up as a major source of earning in the developing countries. Present book is an informative, concise and excellent work, which covers different aspects related to culture, economics, politics and tourism of China. Positioned in the eastern part Asia and on the western bank of the Pacific Ocean, China is one of the largest countries in the world. As a large country, China posses a variety of landscapes and climataes. China has the highest population in the world. The book is started with the background information on geography, population, culture politics and economics. In the very first chapter (pp1-9) describes all the above factors alongwith the development of the tourism. Second chapter(pp11-14) discusses about the pre 1949 tourism development and post 1949 development of tourism in China. Inbound tourism plays an important role in the development of tourism in term of economic growth, social exchange and political interaction. Chapter three (pp21-37) describes the International tourism development in China alongwith tourist market and characteristics of foreign tourist in inbound market. The authors have also described the popular urban tourist destinations as well as the major destinations of International Tourism. In Chapter four (41-60) authors have described the development of domestic tourism. Whenever tourists visit any place they have some notions in their mind and as the tourism develop there are social, economic and political impacts on the area. The authors have discussed these factors alongwith the development potential of the domestic tourism. In the fifth Chapter (pp61-86)they have discussed the different aspects of outbound tourism with a case study of outbound travel of Hong Kong. Government plays an important role in the development of tourism in an area by making tourism friendly policies. In the Chapter sixth to eighth (pp87-118) the authors have described the beginning of tourism policy in China and tourism as a part of foreign affairs and diplomatic tool. They have described the role played by government in development of tourism in China. They have talked about the implementation of government policy alongwith the opportunities and difficulties in the implementation of the

policy. Travel services plays an important role in the development of tourism in any area as better the service, the customers will satisfy and they visit again in the area. This is helpful in banding the image of a tourist destination. In Chapter ninth (pp119-143) the authors have described the development of travel services and evaluate the performance of different type of travel agencies. They have also described the SWOT analysis of travel services. The book has very systematically analysed the tourism and hotel industry. The chapter tenth (pp161-183) the authors have described the growth in China's Hotel Industry. They have mentioned different hotel categories and ownership of the hotels. They have also made a comparison between the hotels on the basis of size. In Chapter twelve (185-202) the authors have discussed about the hotel chain development strategies alongwith global dominance of hotel chains. Prospects and problems in hotel chain operations have also been analysed. For the students, academicians and policy makers it is necessary that they should know the operations management of the hotel. In Chapter thirteen (pp 205-220) the authors have discussed above factors with a case study in Shanghai. Whenever the work environment is discussed then it is necessary to know about the incentives given to the employees of the hotel. In Chapter fourteenth (pp223-239) the authors have discussed about the labour problem, compensation to employees and related laws alongwith new strategies to attract employees. When the better employees are they need to be motivated with incentives and other benefits. Chapter fifteenth (pp241-259) discusses about work motivation in Chinese hotels. In the last but not least the authors have discussed about potential of China tourism and hotel industry. The book is a comprehensive note of tourism and hotel development in China.

(Mukesh Ranga)

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