

UNIVERSITY OF STRATHCLYDE

DEPARTMENT OF MARKETING

MARKETING OF TOURISM: AN INVESTIGATION OF THE APPLICATION
OF MARKETING CONCEPTS AND PRACTICES IN PROMOTING EGYPT AS A
TOURIST DESTINATION IN BRITAIN AND IRELAND

VOLUME ONE

MOHAMMED FATHY EL-SAYED MOHAMMED KASSEM

Submitted according to the regulations for the degree of Ph.D.

Glasgow

June 1985.

To those who love me and have supported me all through.
My parents, my uncle Al Shiekh Abdel Galeil Kassem,
my wife Nagla'a, and my daughters Rihab, Manal, and Marwah.

ABSTRACT

The success of marketing physical products has led many scholars to suggest that marketing is a universal activity which can be applied with equal success to the sale of services.

The purpose of this research is to examine the relevance and contribution of marketing to the tourism sectors in general, and the extent to which marketing concepts and modern marketing practices have been accepted and implemented by the Egyptian Tourism Bodies, and the British and Irish tour operators in promoting Egypt as a tourist destination in Britain and Ireland in the particular.

A thorough examination of the literature regarding the applicability of marketing concepts and techniques to all tourism related sectors as well as the similarities and/or differences between goods marketing and services (tourism) marketing was carried out, based upon which specific hypotheses have been formalised and tested.

The empirical investigation was carried out in the period between May and the end of October, 1984. Two studies were conducted in order to verify the existence of the so-called marketing oriented philosophy in the Egyptian tourism related sectors, and the British and Irish tour operating companies offering Egypt as a tourist destination in Britain and Ireland. The first study was conducted with the British and Irish tour operators. Two questionnaires were distributed to all 34 British and Irish tour operators promoting visits to Egypt. The first questionnaire aimed at investigating their familiarity with Egypt as a tourist

destination from which it was hoped to assess the marketing efforts of the Egyptian Tourism Bodies. The second one aimed at examining the marketing activities undertaken by tour operators to promote Egypt as a tourist destination. Another study was conducted with the actual British tourist customer of Egypt. A pre-tour questionnaire was distributed to 750 visitors who were going to Egypt in order to determine what image and expectations they have about the country. A post-tour questionnaire was distributed to another 750 visitors who were coming back from Egypt in order to assess their level of satisfaction with the country as a tourist destination.

The findings of the field work reveal that the Egyptian Tourism Bodies are far from becoming marketing oriented and they have a long way to go to make effective use of marketing concepts and techniques. Thus, the marketing concept, with its total integration of business activities designed to provide customer satisfaction at a profit, is not wholly adopted and implemented by the British and Irish tour operators in promoting Egypt as a tourist destination. In addition, there is still room for possible improvement in many areas in order to fulfil the existing/potential customers' needs and maintain their satisfaction.

ACKNOWLEDGEMENTS

In the course of preparing this research, I have received substantial help from others to whom I extend my thanks and gratitude.

My greatest debt of gratitude is owing to my supervisor, Professor Michael J. Baker, Deputy Principal and Head of the Department of Marketing at Strathclyde University, who offered all the sort of help that made this study possible. His guidance, constant encouragement, generosity with time, constructive comments and criticisms and inspiring discussions were of vital support and were above the call of duty. To him goes more than I can ever acknowledge here.

Grateful thanks are due to Mr. A. Gordon, Senior Lecturer in the Department of Marketing for his advice, assistance and criticisms during the difficult times of field work and data analysis.

Many thanks go to the managing and marketing directors of the British and Irish tour operating companies who participated in this study. Without their co-operation the tour operators' survey would not have been possible.

I am also much indebted to Mr. Mamdouh Abdel Kader, Managing Director of Egypt Air in the UK, Mr. Samy Abed El Krim, General Manager of Egypt Air Station at Heathrow Airport, and Mr. Kent, Managing Director of Bales Tours for the distribution of pre and post tour questionnaires. Without their effort and help, the

study would not have been completed. This support is gratefully acknowledged.

I would like to express my heartfelt gratitude to the respected and beloved Moslem Scholar, my uncle, Shiekh Abed El Galeil Kassem, who gave me all manner of support and help throughout my life.

I am also much indebted to Mr. Neil McCallum, Departmental Librarian, Mr. Alex Tomeny, Senior Librarian, and all the staff members of Social Sciences at Mitchell Library in Glasgow, who offered me a quiet and nice carrell to study in throughout the course of preparing this research.

Special thanks also go to the Al-Azhar University and the Egyptian Government for the financial support to undertake this study.

My thanks go to June Peffer for undertaking the typing work so expertly.

Thanks are also due to all the staff members and secretaries in the Department of Marketing for their assistance.

My very special thanks and heartfelt gratitude to my wife, Nagla'a El-Kady, for her patience, constant encouragement, and understanding of the unsociable life she had to share with me during the preparation of this work. She tried her best to make our stay in the UK enjoyable and contented. To her goes more than I can ever acknowledge here.

Finally, very special thanks are due to my dear children, RIHAB, MANAL, and MARWAH, who have surrounded me with a warm and joyful atmosphere, and their innocent smiles have provided me with rays of hope and peace of mind which allowed me to carry on my research.

Mohammed Fathy Kassem
Glasgow, June 1985.

<u>CONTENTS</u>		Page No.
CHAPTER ONE:	GENERAL INTRODUCTION: THE PURPOSE AND SIGNIFICANCE OF THE STUDY	1 - 11
	Introduction	1
	Importance of the Study	5
	Organisation of the Study	6
CHAPTER TWO:	MARKETING APPROACH IN TOURISM	12 - 117
	Introduction	12
	The Nature and Scope of Marketing	14
	The nature of marketing	14
	Marketing definition in the light of its scope	15
	Summary	19
	The Nature and Scope of Services Marketing	21
	Service definitions	21
	The importance and scope of services	23
	The extent and importance of marketing in the service sector	26
	The marketing of services	31
	The first trend	32
	The second trend	39
	Integrative point of view	41
	Summary	42
	The Nature and Scope of Tourism	46
	Introduction	46
	Definition of tourism	47
	Character of the tourist industry	52
	Forms of tourism	53
	The scope of tourism	56
	Factors contributing to the growth of tourism	56
	Obstacles to the growth of tourism	62
	Summary	66

	Page No.
The Nature of Marketing in Tourism	67
Lack of literature	67
Definition of marketing in tourism	72
The Tourist Markets	77
International market	77
Overall trends	77
International tourist arrivals and receipts during 1970-1980	79
Generators of international tourism	82
The share of intraregional tourism	83
Summary	84 ✓
The Middle East market	85
The Nature and Scope of Tourism in Egypt	90
Egyptian tourist market	90
Tourist fields in Egypt	93
Traditional tourism	93
Active tourism	93
Sports, leisure and recreational tourism	93
Health tourism	93
Youth tourism	94
Car tourism	94
Yacht tourism	94
Desert and Aqua Safari tourism	05
Adventure tourism	95
Congress tourism	95
Efforts of developing the Egyptian tourist market	95
The tourist customer in Egypt	96
The nationality of the tourist customer in Egypt	98
Main nationalities exporting tourists to Egypt (1975-1979).	100
Egypt's market share	101
The scope of tourism in Egypt	103
Summary	106

	Page No.
CHAPTER THREE: PLANNING FOR MARKETING TOURISM	118 - 239
Introduction	118
The Nature of Planning	120
Introduction	120
Definition of planning	120
Advantages and limitations of managerial planning	123
Corporate planning	126
Summary	128
Steps of Marketing Planning	130
Summary	133
The Nature and Scope of Marketing Research	134
Introduction	134
Definition of marketing research	134
The scope of marketing research	136
Types of research	137
Marketing research techniques	140
Summary	152 →
* Establishing a Marketing Strategy for Tourism	153
Introduction	153
General analysis of the tourist market	153
The concept of a market	153
Nature of a tourist market	154
Summary	165
Analysis of the tourist customer behaviour	166
Introduction	166
Tourist motivation	166
Images and attitudes of tourist	174
The image of countries and nations	175
The image of holiday resorts	177
The carrier image	181
The image of travel agent	185

Life style, demographic, decision-making process and customs and habits of the tourist customer	187
Summary	195
Segmenting the tourist market	197
Introduction	297
Definition of market segmentation	197
The nature of market segmentation	199
The nature of market segmentation in the field of tourism	206
Summary	218
The objectives of marketing tourism	220
Objectives of tourism development plan in Egypt	223
CHAPTER FOUR: MARKETING MIX IN TOURISM	240 - 413
Introduction	240
The Nature and Scope of the Marketing Mix	242
Introduction	242
Definition of the marketing mix	242
The composition of the marketing mix	243
The composition of the marketing mix in tourism	247
The marketing mix development process	250
The application of the marketing mix concept	252
Problems in applying the mix concept	253
Summary	256
Product Policy	258
Introduction	258
The nature of the tourist product	258
Characteristics of the tourist product	265
Product development policies	268
The new product development process	272
The product life cycle and product policy	274
The problems of seasonality and the product policy	278

	Page No.
Coordination and integration of tourism suppliers and the product policy	281
The role of the government in the development process of the tourist product	285
Formulation of a national tourism policy	288
The assessment of national tourist attractions	<u>290</u>
Summary	193
Pricing Policy	295
Introduction	295
Definition of price	296
Significance of price	297
Pricing decisions in tourism	301
The seasonal variation and pricing policy	308
The role of the government in pricing policy	314
The role of the tour operator in pricing	318
Summary	320
Distribution Policy in Tourism	323
Introduction	323
The role and importance of the tourism distribution system	324
The structure of the tourism distribution system	330
Travel agencies (retail agencies)	332
Tour operators (wholesalers)	340
Organisation for direct distribution	347
New types of distribution intermediaries	352
Newspaper travel	353
Health travel	353
Selling travel door-to-door	353
Insurance companies as travel distributors	353
Shop committees	353
Distribution policy options	354
Factors determining distribution policy	362

The role of the national tourism organisation in the distribution policy	364
Summary	366
Promotion Policy in Tourism	369
Introduction	369
The role of a national tourist organisation (NTO) in promotion	370
Summary	376
The Steps of Promotion Strategy	377
Promotion objectives	378
Assessing the 'state of awareness' of each segment	382
Defining form of message appropriate to each segment	382
Deciding the activities to undertake	384
The trade-oriented promotional activities	389
Consumer-oriented promotional activities	391
The role of advertising in tourism promotion	393
The role of public relations in tourism promotion	395
The role of local specialised agencies	396
The overall promotion budget	398
Monitoring and evaluation system	399
Summary	400
 CHAPTER FIVE: DESIGN OF THE FIELD RESEARCH	 414 - 448
Introduction	414
Statement of the research sequence, problems and objectives.	414
Formulation of the Research Hypotheses	424
Identification of the Sample	426
Tour operators' survey	427
Customer survey	429

	Page No.
Development of the Questionnaires	433
Tour operators' questionnaire	437
Questionnaire No.1	437
Questionnaire No.2	440
Tourist consumer questionnaire	443
Pre-tour questionnaire	443
Post-tour questionnaire	445
CHAPTER SIX: THE FINDINGS OF THE TOUR OPERATORS' SURVEY	449 - 555
Introduction	449
Tour Operators' Familiarity with Egypt as a Tourist Destination	452
Introduction	452
The type and size of tour operating companies offering Egypt as a tourist destination	453
Type of tour operating companies	454
Size of tour operating companies	455
Number of employees	455
Capital employed	456
Annual sales turnover	456
The overall degree of familiarity with Egypt as a tourist destination possessed by tour operators and their general attitudes towards the country	458
Tour operators familiarity with Egypt as a tourist destination	458
Length of time Egypt has been one of the tour operators' tourist destinations	459
Number of visits to Egypt by tour operators	461
The importance of Egypt as a tourist destination to tour operators	462
Proportion of total business of tour operating companies derived from Egypt as a tourist destination	464
The relationship between the importance of Egypt as a tourist destination to tour operating companies, and the proportion of their total business derived from it.	465

	Page No.
Tour operators' image of Egypt as a tourist destination	467
The marketing activities undertaken by the Egyptian tourism bodies to familiarise the tour operators with Egypt as a tourist destination	471
Development of the tourist product (attractions and facilities)	471
The tourist attractions with which tour operators are concerned	472
Tour operators' views on the present state of development of Egypt's main tourist attractions and tourist facilities	475
Tour operators' suggestions on the major improvements which need to be made in tourist facilities of Egypt	477
Price aspects: Tour operators' familiarity with prices of Egypt's tourism	481
Promotion policy: Tour operators' views on the promotional activities carried out by the Egyptian tourism bodies	489
The relations between the Egyptian tourism bodies and the tour operators	489
Frequency of approaching tour operators to promote tourism in Egypt	492
The promotional activities of the Egyptian tourism bodies directed towards the tour operators	495
Promotional and financial incentives offered by the Egyptian tourism bodies to tour operators	497
Main conclusion	501
An Assessment of the Marketing Activities carried out by Tour Operators to Promote Egypt as a Tourist Destination	507
Introduction	507
The extent of the adoption of the marketing concept by tour operators	508
Marketing goals influencing decisions in tour operating companies towards marketing Egypt as a tourist destination	510

	Page No.
Existence of full-written marketing goals	513
Existence of integration of marketing functions under the control of the Chief marketing executive	514
The degree of tour operators' dependence on marketing research in promoting Egypt as a tourist destination	516
Utilisation of marketing research	517
By whom marketing research is carried out	518
Types of research activities	519
Reasons for not doing marketing research by tour operators	522
Conclusion	523
Marketing policies and practices of tour operating companies offering Egypt as a tourist destination	525
Pricing policy	525
The objectives of pricing policy	526
Major factors considered in pricing Egypt as a tourist destination	527
Price discounts	528
Distribution policy	53-
Channels of distribution used and the reasons considered in the channel selection	531
Channels of distribution used	531
Reasons considered in the channel selection	532
Factors considered by tour operators to sell more travel to Egypt	533
Incentives offered to middlemen	533
Incentives offered to tourist customers	534
Escort services	535
After-sales service	536
Airlines with which tour operators are dealing to transport their tours to Egypt	538

	Page No.
Promotion policy	540
Promotional methods used by tour operating companies to promote Egypt as a tourist destination	540
Tour operating companies' use of advertising media	542
Tour operators' opinions on factors that might restrict travel to Egypt	546
Main conclusion	553
✓ CHAPTER SEVEN: THE FINDINGS OF THE CUSTOMER SURVEY	556 - 665
Introduction	556
Customers' Image and Expectations of Egypt as a Tourist Destination	559
Introduction	559
Characteristics of the British tourist customer in Egypt	560
Marital status	560
Age groups	561
Educational groups	562
Income groups	562
Customers image and expectations of Egypt as a tourist destination	563
Customers' visits to Egypt	565
The reasons and expectations considered to be important for the British tourist customers' visit to Egypt	566
Unimportant reasons for visiting Egypt	572
The relationship between important reasons and expectations for visiting Egypt and Demographic differences	574
Summary	594
Sources of information influenced British tourists to visit Egypt	594
The relationship between sources of inform- ation influenced tourists to visit Egypt and demographic differences	597

	Page No.
Arrangements of the British tourists' visits to Egypt	601
Customers' ways of visit arrangement	601
The relationship between ways of visit arrangement and demographic differences	604
The customers' use of airlines for travel to Egypt	606
Main conclusion	609
Customer's satisfaction with Egypt as a tourist destination	612
Introduction	612
Customers' satisfaction with tourist services and facilities in Egypt	613
Customers' views on the entrance procedures in Cairo Airport	613
Customers' satisfaction with transport services in Egypt	616
Customers' length of stay in Egypt	620
Customers' satisfaction with accommodation services	621
Customers' satisfaction with other services	633
Customers' satisfaction with tourist attractions	640
Customers' opinions on the pricing policy of the Egyptian tourism bodies	649
Customers' opinions on prices of tourist services and facilities	650
Customers' opinions on discount policy	652
Customers' satisfaction with local sources of information	654
The overall satisfaction of tourist customers with the visit to Egypt	657
Main conclusion	663

	Page No.
CHAPTER EIGHT: CONTRIBUTION OF THE STUDY AND SUGGESTIONS FOR FURTHER RESEARCH	666 - 672
Introduction	666
Contribution of the Study	667
Limitation of the Study	669
Suggestions for Further Research	670
APPENDICES:	673 - 747
Appendix No.1: Tour Operators' Questionnaires	673 - 690
A. List of Tour Operating Companies	673 - 674
B. Questionnaire No.1	675 - 682
C. Questionnaire No.2	683 - 690
Appendix No.2: Customer Questionnaires	691 - 707
A. Pre-Tour Questionnaire	693 - 699
B. Post-Tour Questionnaire	700 - 707
Appendix No.3: Bibliogrpahy	708 - 747

TABLES

2.1	Regional shares of international and domestic arrivals 1980.	77
2.2	International tourism arrivals and receipts during 1970-1980.	80
2.3	International tourism receipts by region (excluding international fares receipts) in millions of United States dollars.	81
2.4	Main tourist generating countries 1976.	82
2.5	Share of intraregional tourism in the various regions of the World (in percentages).	83
2.6	Growth in arrivals to the study area (ooo,s) (Middle East).	86
2.7	Nationality of arrivals in the study area (the Middle East region) (% share of all arrivals).	86
2.8	Reasonably attainable targets of tourist arrivals in the Middle East (study area) (in ooo,s).	87
2.9	International tourist arrivals in the Middle East in millions.	88
2.10	Tourist arrivals to Egypt: Tourist nights and tourist receipts. (Tourist receipts in millions of Egyptian pounds) (1975-1980).	97
2.11	Origins of tourism visits to Egypt in main groups of countries (1975-1979).	99
2.12	Generators of Egyptian tourism 1975-1979.	101
2.13	Tourist arrivals, length of stay and tourism receipts in Egypt and other countries in 1980. (Tourist arrivals in ooo,s), (length of stay in days), (tourism receipts in millions of U.S. dollars).	102
2.14	Future potential of tourist arrivals to Egypt 1981/82 - 1986/87 (ooos,).	103

	Page No.
3.1 Life-style of two vacation types.	189
3.2 Life-styles and travel profiles of three travel groups.	190
3.3 Reasons for choosing last holiday according to importance.	209
3.4 Segmenting the tourist market according to the holiday motivations.	214
4.1 U.S. travel agencies 1970-1981.	333
4.2 Estimated supplier dependence on travel agents.	334
4.3 Development of package tour sales - Germany (FR) 1971/72 to 1974/75.	347
5.1 Response rate of tour operators' survey.	429
5.2 Response rate of tourist consumer survey.	433
6.1 Type of tour operating companies.	454
6.2 Number of employees in the tour operating companies.	455
6.3 Capital employed in the tour operating companies.	456
6.4 Annual sales turnover in the tour operating companies.	456
6.5 The overall degree of familiarity of tour operators with Egypt as a tourist destination.	459
6.6 Number of years Egypt has been offered by tour operators.	460
6.7 The number of visits undertaken by tour operators to Egypt during the last five years.	461
6.8 Degree of importance of Egypt as a tourist destination to tour operators.	463
6.9 Dependence of tour operators' total business on Egypt as a tourist destination.	464
6.10 The relationship between the importance of Egypt as a tourist destination to tour operating companies and the proportion of their total business derived from it.	465

	Page No.	
6.11	Tour operators' views on the reasons why their customers visit Egypt.	469
6.12	The attractions with which tour operators are concerned in the Greater Cairo area.	472
6.13	The attractions with which tour operators are concerned in the Middle Egypt area.	473
6.14	The attractions with which tour operators are concerned in the Upper Egypt area.	473
6.15	The attractions with which tour operators are concerned in the Alexandria area.	474
6.16	The attractions with which tour operators are concerned in the Suez Canal, Red Sea, and Sinai Area.	474
6.17	Tour operators' opinions of the adequacy of Egyptian attractions and facilities.	476
6.18	Tour operators' suggestions on the major improvements which need to be made in the Egyptian tourist facilities.	477
6.19	Tour operators' views on the prices of Egyptian tourism services.	482
6.20	Prices of package tours per person to Egypt and other tourist countries in the Middle East area from the UK in summer 1984.	487
6.21	Relation of the Egyptian tourism bodies with the tour operators.	491
6.22	Frequency of approaching tour operators by the Egyptian tourism bodies to promote tourism in Egypt.	594
6.23	The promotional activities carried out by the Egyptian tourism bodies to familiarise tour operators with tourism in the country.	496
6.24	Incentives offered by hotels of Egypt to tour operators.	498
6.25	Incentives offered by Egypt Air to tour operators.	498

	Page No.
6.26 Incentives offered by the tourist office of Egypt in London to tour operators.	499
6.27 Incentives offered by tourist firms/travel agencies of Egypt to tour operators.	499
6.28 Tour operators' views on marketing goals influencing their decisions towards the promotion of Egypt as a tourist destination.	512
6.29 Structure and formalisation of marketing planning.	414
6.30 The title of the executive in charge of marketing activities.	515
6.31 Marketing research in the tour operating companies.	517
6.32 By whom marketing research is carried out.	518
6.33 Frequency of performance of marketing research activities.	519
6.34 Reasons for not doing marketing research.	522
6.35 Pricing objectives.	526
6.36 Methods of pricing.	527
6.37 Price discounts.	529
6.38 Channels of distribution used by tour operators.	531
6.39 Reasons considered in the channel selection.	532
6.40 Incentives offered to middlemen.	533
6.41 The use of escort services.	536
6.42 The frequency of providing the after-sales service.	537
6.43 Frequency of deal with airlines.	538
6.44 Frequency stated promotional methods.	541
6.45 Tour operating companies' use of advertising media.	544
6.46 Obstructions of travel to Egypt.	547 - 548

	Page No.
7.1 Marital status of British tourists visiting Egypt.	561
7.2 Age groups of the British tourist customers of Egypt.	561
7.3 Classification of the British tourist customers of Egypt by education.	562
7.4 Classification of British tourists visiting Egypt by income.	562
7.5 Visits of British tourists to Egypt.	565
7.6 Number of previous visits to Egypt in the last five years.	566
7.7 Reasons for travel to Egypt.	567 - 568
7.8 The expectation of 'plenty to do and see in Egypt' by demographic differences.	576
7.9 Expectation of meeting 'friendly people' by demographic differences.	578
7.10 The importance of 'comfortable accommodation' by demographic differences.	579 - 580
7.11 The importance of 'reasonable prices generally' by demographic differences.	581 - 582
7.12 The importance of 'feeling of personal security' by demographic differences.	584
7.13 The importance of 'attractive customs and way of life' by demographic differences.	585
7.14 The importance of 'good weather' by demographic differences.	587
7.15 The importance of 'organised tour' by demographic differences.	588 - 589
7.16 The importance of 'adventure' by demographic differences.	591 - 592
7.17 The importance of 'exotic environment' by demographic differences.	593

	Page No.
7.18 Sources of information influenced British tourists to visit Egypt.	595
7.19 Sources of information by marital status groups.	598
7.20 Sources of information by educational groups.	599
7.21 Sources of information by income groups.	600
7.22 Arrangements of British tourists' visits to Egypt.	602
7.23 Ways of visit arrangement by educational groups.	605
7.24 Customers' use of airlines for travel to Egypt.	606
7.25 Reasons for the customers' choice of airlines.	608
7.26 Customers' opinions on the entrance procedures in Cairo airport.	614
7.27 Customers' satisfaction with transport services in Egypt.	617
7.28 Customers' length of stay in Egypt.	621
7.29 Customers' satisfaction with the hotel accommodation in Egypt.	622
7.30 The relationship between customers' satisfaction with 'friendliness of staff' and their length of stay.	624
7.31 The relationship between customers' satisfaction with 'toilet/shower facilities' and their length of stay.	625
7.32 The relationship between customers' satisfaction with 'modernity of rooms' and their length of stay.	626
7.33 The relationship between customers' satisfaction with 'swimming pool' and their length of stay.	627
7.34 The relationship between customers' satisfaction with 'cleanliness' and their length of stay.	628
7.35 The relationship between customers' satisfaction with 'overall value for money' and their length of stay.	629
7.36 The relationship between customers' satisfaction with 'efficiency of services' and their length of stay.	630

	Page No.
7.37	The relationship between customers' satisfaction with 'quality of food and drinks' and their length of stay. 631
7.38	The relationship between customers' satisfaction with 'ease of parking' and their length of stay. 632
7.39	Customers' opinions on services and facilities that they might have experienced while in Egypt. 635
7.40	Customers' opinions on the attractiveness of attractions located in the Greater Cairo area. 641
7.41	Customers' opinions on the attractiveness of attractions located in the Middle Egypt area. 642
7.42	Customers' opinions on the attractiveness of the attractions located in the Upper Egypt area. 643
7.43	Customers' opinions on the attractiveness of the attractions located in the Alexandria area. 644
7.44	Customers' opinions on the attractiveness of the attractions located in the Red Sea area. 645
7.45	Customers' opinions on the price of tourist services and facilities in Egypt. 651
7.46	The use of discount policy. 653
7.47	Types of discount offered by the Egyptian tourism bodies to customers. 654
7.48	Customers' satisfaction with local sources of information. 656
7.49	Customers' satisfaction with the visit to Egypt. 657
7.50	The relationship between 'length of stay' and customers' satisfaction with the visit. 659
7.51	Customers' opinions on reasons for coming back. 660
7.52	Customers' opinions on reasons for not coming back. 661
7.53	The use of after-sales service by the Egyptian tourism bodies. 662
7.54	Customers' satisfaction with the after-sales service. 663

FIGURES

2.1	A map of Egypt.	91
4.1	The distribution system in tourism.	359
4.2	Distribution activities in tourism.	361
5.1	Diagram portrays the hypothesis of the study.	425

CHAPTER ONE

GENERAL INTRODUCTION : THE PURPOSE AND SIGNIFICANCE OF THE STUDY

CHAPTER ONE

GENERAL INTRODUCTION: THE PURPOSE AND SIGNIFICANCE OF THE STUDY

Introduction

The growth of the service sector in the economy is perhaps one of the most important features of modern society. From a study of the growing volume of services, it appears that as people grow more affluent, they have a greater need or desire for services [1]. Most of the advanced countries are living now in this stage of economic growth. The United States is now pioneering this new stage of economic development and Britain and Western Europe are following the US pattern. More people are now employed in services than manufacturing firms, and the service industry's share accounts for more than 60% of the total output of Britain [2].

However, consumer and industrial products have provided the major focus for enquiry and research by both academics and researchers, and little attention has been given to the problems involved in marketing services, and until the early 1970s the literature of services marketing was very limited.

In the last decade, the debate concerning whether the marketing of products is similar to or different from the marketing of services has resulted in three different views. These views will be extensively discussed in chapter two. The first view stresses that there is no difference between products and services, so the same concepts and techniques discussed under products apply as well to the marketing of services. The work of Levitt [3], Ornstein [4], Enis and Roering [5], Wyckham et al. [6] and Bonoma and Mills [7] support this view.

The second view emphasises that unique features do exist for different kinds of services, and that these unique features have to be recognised in order to develop an appropriate service marketing theory. Wilson [8], Eiglier et al. [9], Bossom [10], Shostack [11], Gummesson [12], among others [13], tried to develop concepts and approaches that suit the service sector and differ at the same time from the traditional one.

The third one is a balanced perspective between the two preceding viewpoints. This perspective, of which Baker [14], Gronroos [15], and Cowell [16] are representatives, argues that although there are similarities in both marketing of products and services, especially at the strategic level, there are some differences in characteristics for many services which require new marketing elements and/or more emphasis on some of the existing elements in addition to the popular marketing activities.

This controversy over the similarities and/or differences between product and services marketing encourages many authors to examine the applicability of marketing concepts and tools to a wide range of service activities. Coverage in the literature includes the application of marketing, or specific aspects of it, to service situations like transport services [17], insurance [18], family planning [19], banking [20], building societies [21], professional services [22], career services [23], recreation and leisure services [24], and tourism services [25].

In an ever shrinking interrelated world society, few industries have as much impact on the economy of a nation as tourism. Statistics relative to this are revealing. Tourism accounts for 30 per cent or more of the Gross National Product of countries such as Tunisia and Morocco [26]. In 1980 the tourism

industry in Canada generated an estimated revenue of \$13 billion including over \$3 billion in foreign exchange earnings contributed by travellers from foreign countries [27]. The share of international tourists receipts in exports of goods and services is of considerable proportions in European countries like Austria (21.4 per cent), Greece (20.5 per cent), Portugal (16.2 per cent), and Spain (23.1 per cent) [28]. In Spain in 1978, there were more visitor arrivals (40 million) than the actual population of the country (36 million) [29]. Incoming tourism is the fifth largest revenue earner of all UK exporters, providing almost £3,800 million per annum in revenue, while accounting for 16 per cent of invisible exports per annum [30]. In Finland, tourism ranks among the leading industries and has turned the Finnish balance of trade from a deficit of \$31.1 million in 1963 to a surplus of \$34 million in 1970 [31]. Newly emerging nations in such areas as the Caribbean depend very heavily on tourist income, which often represents the major part of the Gross Domestic Product (GDP). The tourism industry continues to provide jobs to many people in both developed and developing nations.

In Egypt, with which this study is concerned, tourism represents one of the four reliable workhorses of the country's hard currency earnings, i.e. workers' remittances (amounted to \$3 billion in 1980 - 1981); Oil (reached \$2.75 billion in 1980 - 1981); tourism (brought in \$700 million in 1980 - 1981); and the Suez Canal (\$900 million in 1980 - 1981) [32].

While such economic benefits attract much attention, international tourism also contributes to non-economic goals, by providing the greatest single opportunity for cultural, social and political exchanges among people all over the world [33].

In short, tourism has long been recognised as a desirable means of stimulating the growth of the national economy. It is also the largest single item in the world's foreign trade, and for some countries, is already the most important export industry and earner of foreign exchange. For other countries, tourism represents a promising new resource for economic development. The importance of tourism was formally recognised when the twenty first United Nations General Assembly designated 1967 as the International Tourist Year with a unanimous resolution acknowledging that "tourism is a basic and most desirable human activity deserving the praise and encouragement of all peoples and all Governments." When travelling away from home, tourists come in contact with the places they visit and with their inhabitants, and social exchange takes place.

Recognising such economic and non-economic potentials, public agencies and tourism related organisations throughout the world continuously strive to attract more tourists to their countries. As a consequence, pressures are mounting on all tourism bodies for effective marketing management of the tourist services and attractions offered by these bodies, i.e. national tourist organisations, suppliers of tourism services (hotels, airlines, transport firms, etc.), tour operators, travel agents, etc., and recently there has developed an increasing interest in applying marketing concepts and tools in the field of tourism industry.

Based upon the above, the present study aims at examining the relevance and contribution of marketing to all tourism sectors in general, and the extent to which marketing concepts and modern marketing practices have been accepted and implemented by the Egyptian Tourism bodies, and the British and Irish tour operators in marketing Egypt as a tourist destination in Britain and Ireland in the particular.

Importance of the Study

The present study is considered important for the following reasons:

Firstly : The academic importance

(a) Despite the importance of tourism and its increased influence on the nations' economy, the literature on marketing in developed and underdeveloped countries has neglected the tourist industry as most of the literature focuses on the marketing of physical products. Thus, very little has been written about the marketing of tourism. This is due to the fact that mass tourism is a relatively recent phenomenon. It is hoped that this study will contribute towards a better understanding of the marketing of tourism by all tourism related sectors, and cover partly that gap in the literature.

(b) In Egypt, the researcher's home country, marketing studies in general are very limited indeed, one can count them on the fingers of two hands, while the literature on marketing of tourism is almost absent. Hence, in addition to the body of literature, the study is an attempt to provide useful information to the Egyptian Government, Egyptian higher education institutions, and to domestic and foreign companies operating in tourism.

(c) Since this kind of exploratory research in the field of marketing of tourism has not been widely examined in the English literature of the emerging nations, the findings could serve as raw material for further research in future.

Secondly : Practical importance

(a) To Egypt, this study was undertaken in the hope that it would help the policy makers at State level. It would provide valuable information about all Egyptian Tourism Bodies i.e. hotels, Egypt Air, tourist firms, tourist office in London, transport, administrators of attractions, etc, their strategies and policies, their pitfalls and deficiencies. The study as well, will highlight the problems which tourists meet, their needs and wants, their image and expectations about the country, and the reasons for their satisfaction or dissatisfaction. Also, the study will examine how Egypt is marketed as a tourist destination by the British and Irish tour operators in Britain and Ireland. All this information would help the policy makers at State level to develop their strategies for the tourist sector and to solve its problems, and to overcome its difficulties.

(b) To the British and Irish tour operators, the study provides useful information which can enable them to see certain areas for possible improvement in promoting Egypt or any other destination country. More specifically, this study hopes to provide and suggest ways by which these tour operators can benefit from applying the marketing concept in their business in order to satisfy their customers' needs and wants.

Organisation of the Study

The study is organised in eight chapters, the first of which is the introduction.

Chapter two is devoted to provide a marketing approach in tourism as a service industry. It begins by discussing briefly the

nature and scope of marketing and its relevance to the services area. This is followed by an extensive investigation of the nature and scope of the marketing of services in general. It then proceeds to examine the definitions, characteristics and classifications of tourism. Next, it reviews the literature which outlines the nature of marketing in tourism, its markets, Egypt's market share, and the nature and scope of tourism in Egypt.

Chapter three is an attempt to establish a marketing strategy for tourism. It begins by discussing the nature of marketing planning and the role of marketing research in the whole planning process. It then asks three basic questions. The first is: Where are we now? To answer this question, the tourist market in terms of demand and supply is examined with particular emphasis on the tourist behaviour i.e. motivation, image and attitude, life style, and customs and habits. Then, market segmentation is thoroughly discussed. The second question is: Where do we want to be? To answer this question, the objectives of tourism marketing in general, and the objectives of the Tourism Development Plan in Egypt are touched upon. The answering of the third question: How do we get from where we are to where we want to be is left to be the subject of the next chapter where the elements of the marketing mix are examined.

Chapter four examines the application of the marketing mix elements in the tourism industry. In this respect, it begins by discussing the nature and scope of the marketing mix its definitions, composition, development, application and its problems. Then, the aspects pertaining to each element of the marketing mix, i.e. product, price, distribution, and promotion, and their applicability to the tourism industry, together with the extent to which these are similar to or different from their application in

product marketing are emphasised in the light of the characteristics of the tourist product.

Chapter five discusses the design of the field study, and is a bridge between the theoretical framework and the empirical findings. It includes the identification of the problem areas and objectives, formulation of hypotheses, identification of the sample and the development of the questionnaires.

Chapter six is devoted to presenting a discussion of the tour operators survey findings together with the statistical methods used in the analysis of the data.

Chapter seven presents a discussion of the customer survey findings together with the statistical methods used in the analysis of the data.

Chapter eight presents the contributions of the study, discusses its limitations and, where possible, makes recommendations and suggestions for further research to be undertaken.

REFERENCES

1. Regan, William J., "The Service Revolution", Journal of Marketing, vol. 27, July 1963, pp. 57-62.
2. Baker, Michael J., "Services, Salvation or Servitude?", The Quarterly Review of Marketing, April 1981, pp.7-18.
3. Levitt, T., "The Industrialisation of Services", Harvard Business Review, Sept./Oct. 1976, pp. 63-74.
4. Ornstein, Edwin J., "The Marketing of Money", Epping, Gower Press, 1972.
5. Enis, B.M. and Roering, "Services Marketing: Different Products, Similar Strategy" in Donnelly J. and W. George, The Marketing of Services, AMA, USA, 1981, pp.1-4.
6. Wyekham, R.G., P.T. Fitzroy and G.D. Mandry, "Marketing of Services: An Evaluation of the Theory", European Journal of Marketing, Vol. 9, No.1, 1975, pp. 59-76.
7. Bonoma, T.V. and M.K. Mills, Developmental Service Marketing, Graduate School of Business, University of Pittsburgh, Working Paper Series, 1979.
8. Wilson, A., The Marketing of Professional Services, McGraw Hill, London, 1972.
9. Eiglier, P. et al., Marketing Consumer Services: New Insights, Cambridge, Mass., Marketing Science Institute, 1977.
10. Besson, Richard M., "Unique Aspects of Service Marketing", Arizona Business Bulletin, No.9, Nov. 1973.
11. Shostack, G. Lynn, "Breaking free from Product Marketing", Journal of Marketing, No.2, April 1977.
12. Gummesson, E., "Toward a Theory of Professional Service Marketing", Industrial Marketing Management, April 1976.

13. See for Example:

Booms, B.H. and M Bitner, "Marketing Strategies and Organisation Structure for Service Firms", in Donnelly J. and W. George, The Marketing of Services, AMA, USA, 1981.

Lovelock, C., "Why Marketing Management Needs to be Different for Services", in Donnelly J. and George, op.cit.

14. Baker, Michael J., "The Marketing of Services", The Scottish Bankers' Magazine, May 1977; Also, "Services, Salvation or Servitude, op.cit.

15. Gronroos, C., An Applied Service Marketing Theory, Swedish School of Economics and Business Administration, Working Paper 57, 1980; Also, "A Service Oriented Approach to Marketing of Services, European Journal of Marketing, vol. 19, No.8, 1978.

16. Cowell, D.W., "The Marketing of Services", Managerial Finance, vol. 5, No.3, 1980.

17. Majaro, S., "Transport Needs Marketing", The Bankers' Magazine, Vol. 1, No.3, 1974.

18. Meidan, A., Marketing for Insurance Companies in Britain and the State of the Art, Unpublished Working Paper, Division of Economic Studies, University of Sheffield, December 1977.

19. El Ansary, A. and O. Kramer, "Social Marketing - The Family Planning Experience", Journal of Marketing, vol. 37, No.3, July 1973.

20. Howley, J.C. and G. Sawage, "Bank Marketing in the Personal Sector", Managerial Finance, Vol. 5, No.3, 1980.

21. Barnes, P.A., "The Marketing of Building Societies", Managerial Finance, Vol. 5, No.3, 1980.

22. Gunnesson, E., "The Marketing of Professional Services: An Organisational Dilemma", European Journal of Marketing, Vol. 13, No.5, 1979.

23. Fulop, C., "The Marketing of Placement Services", European Journal of Marketing, vol. 6, No.2, 1972.
24. Cowell, D.W., "Marketing in Local Authority Sport, Leisure and Recreation Centres", Local Government Studies, Vol. 5, No.3, 1979.
25. Wahab, S. et al., Tourism Marketing, Tourism International Press, 1976.
26. Hudman, L., Tourism: A Shrinking World, Columbus, Ohio, Grid Inc., 1980, p.130.
27. Fletcher, T.R.G., "Role of the National Government in Tourism in Canada", Paper presented at the International Congress on Strategic Issues in Tourism Development for the Canadian Travel Industry, Directions for the Eighties Conference, Halifax, Canada, 1981.
28. Tourism Policy and International Tourism in OECD Member Countries, Paris, OECD, 1980. p.56.
29. Kahn, H., "The Golden Age of Tourism", World Travel, Tourism Mondial, vol. 147, WTO, March/April 1979, pp.27-29.
30. British Tourist Authority, Tourism in the UK - the Broad Perspective, London, September 1982.
31. Kotler, P., Marketing for Non-Profit Organisations, Englewood Cliffs, NJ., Prentice Hall, 1975, p.414.
32. Hughes, Margaret, "Egypt: Tourism Picking up After Bleak Winter", Financial Times, Monday June 7, 1982.
33. Mathews, H.G., International Tourism: A Political and Social Analysis, Cambridge, Mass., Schenkman Publishing Company, 1978; World Travel, "Tourism's Social and Cultural Impact", WTO, vol. 164, 1982.

CHAPTER TWO

MARKETING APPROACH IN TOURISM

CHAPTER TWO

MARKETING APPROACH IN TOURISM

Introduction

The objective of this chapter is to present a marketing approach in tourism as a service. To achieve this objective, a very brief discussion will be made to explore the nature and scope of marketing in order to determine its relevance to the services area. Next, an extensive investigation will be made on the nature and scope of the marketing of services in general in order to determine the extent to which marketing concepts and practices can be applied in tourism as a specific service. To do so, this chapter will be organised as follows:

Section A:

The Nature and Scope of Marketing

- The nature of marketing
- Marketing definition in the light of its scope

The Nature and Scope of Services Marketing

- Definition of "services"
- The importance and scope of services
- The extent and importance of marketing in the service sector.

The Marketing of Services

Section B:

The Nature and Scope of Tourism

- Definition of tourism
- Character of the tourist industry

- Forms of tourism
- The scope of tourism

The Nature of Marketing in Tourism

- Lack of literature
- Definition of marketing in tourism

The Tourist Markets

- International market
- Middle East market

The Nature and Scope of Tourism in Egypt

- Tourist fields in Egypt
- The tourist customer in Egypt
- Egypt market share
- Future potential of tourism in Egypt

Section A

The Nature and Scope of Marketing

The nature of marketing

It is a well established fact that the nature of marketing has necessitated a wide variety of interpretations and so encompassed many different viewpoints. The following arguments may represent this lack of agreement on the nature of marketing and stress that the answer to the question "what is marketing?" is very complicated and somewhat confusing.

"Marketing is not easy to define. No one has yet been able to formulate a clear, concise definition that finds universal acceptance" [1].

Baker [2] illustrates this view best when he indicated that marketing is an enigma. He argued that "at the same time, it is both simple and complex, straightforward and intricate, a philosophy or state of mind and a dynamic business function; it is new and it is old as time itself".

Kelly [3] supports this view. He noted that marketing can be perceived as a field of management practice, as a social discipline, or as a developing science. As a field of business practice, marketing consists of the activities involved in the generation of markets and consumers and in the development and distribution of customer-satisfying goods and services. As a socio-management activity, marketing includes all tasks involved in the development and delivery of a flow of goods and services from production to consumption. As a social discipline, marketing is the study of the economic and social instrumentality through which a standard of living is delivered to consumers.

With regard to the many diverse views of marketing Baker [4] suggests that uncertainty, confusion or misunderstanding as to the scope and nature of this exchange relationship (marketing) would seem to stem from the fact that all of us have participated in such interchange and have formulated our own interpretation of its nature. He argues that consensus is possible by distinguishing between marketing as a philosophy of exchange between persons and/or organisations, and marketing as it has emerged as a business function.

Marketing definition in the light of its scope

It is worth mentioning that the many approaches to classifying various stages in the development of marketing thought suggest that the general trend in the evolution is a general expansion of the scope of marketing.

The idea of the marketing concept emphasises to begin with, the study of the customer's wants and needs, of products and services and working back from that point to organise the enterprise and its activities in a way that allows for the satisfaction of these wants and needs. However, in other interpretations, the marketing concept is a customer orientation philosophy which counteracts the production orientation where the stress is on producing good products but marketing these products is seen as a secondary function.

The marketing concept differs also from the selling concept which assumes that the company's products will not achieve a high volume of sales unless a considerable promotional effort has been undertaken by the company. This difference between the marketing concept and the selling concept was highlighted by Levitt [5]: "Marketing focuses on the need of the buyer, selling focuses on the need of the seller. Selling is preoccupied with the seller's need to convert his product into cash, marketing with the idea of satisfying the needs of the customer by means of the product and a whole cluster of things associated with creating, delivering and finally consuming it".

A review of the literature indicates that there is a host of definitions concerning the marketing concept; some have concentrated only on consumer satisfaction [6], others on the relationship between consumer satisfaction and the firm's profits [7], while others take an integrative point of view. For the purpose of our study it is enough to stress the integrative perspective because it is attributed to a recognition of the broader meaning of the marketing concept.

Kotler [8] among others, defines the marketing concept as "a customer-orientation backed by integrated marketing aimed at generating customer-satisfaction as the key to satisfying organisational goals".

Consistent with this view, Bell and Emory [9] suggest that the marketing concept should have three elements:

1. Consumer concern by making him the focus of marketing decisions through a service that delivers a high level of satisfaction per consumer dollar spent.
2. Integrated operations, a view that the entire business is a total operational system with consumer and social problems taking precedence over operational considerations in all functional areas.
3. Profit reward as the residual that results from efficiently supplying consumer satisfaction in the marketplace.

To put the marketing concept into action, Baker [1] identifies the following basic steps:

1. Identification of a need which can be satisfied profitably within the constraints and opportunities represented by the potential supplier's portfolios of resources, and which is consistent with the organisation's declared objectives.
2. Definition of a particular segment or segments of the total demand which offer the best match with the producer's supply capabilities (the target audience).

3. Development of a specific product or service tailored to the particular requirements of the target audience.
4. Preparation of a marketing plan specifying the strategy to be followed in bringing the new offering to the attention of the target audience in a way which will differentiate it from competitive alternatives. (The main elements of such a plan will comprise pricing, promotion, selling and distribution policies).
5. Execution of the plan.
6. Monitoring of the results and adjustment as necessary to achieve the predetermined objectives.

He concludes that "It is these steps which constitute the marketing function and translate the concept or philosophy into a practical managerial activity".

Theoretically the marketing concept has been accepted as a successful business philosophy by most of the marketing writers. Practically, although the results of the empirical studies which had been conducted in that respect in the United States in the mid 1960's [11] and in the early 1970's [12] had revealed that most of the big manufacturing firms have adopted the marketing concept, it has been observed that many other firms have rejected this concept [13]. Today the concept is regarded as inadequate because it ignores the non-profit sector and wider social responsibility issues. In addition, social objectives may be changing. Consequently, Kotler and Levy [14] in 1969 suggested that the concept of marketing be broadened to include non-business organisations. Although they did not specifically propose a new definition of marketing, they observed that churches, police departments, and public schools have products and consumers, and that they use the normal tools of the marketing mix. Therefore, Kotler and Levy conclude that these organisations perform marketing, or at least marketing-like activities.

Despite the sharp issue which Luck [15] took with Kotler and Levy by insisting that marketing be limited to those business processes and activities that ultimately result in a market transaction, Ferber [16] and Lavidge [17] began to espouse the dual thesis that (i) marketing be broadened to include non-business organisations, and (ii) marketing's societal dimensions deserve scrutiny.

Empirical evidence indicates that, at least among marketing educators, the broadened concept of marketing represents a fait accompli. A study by Nichols [18] showed that 95% of marketing educators believed that the scope of marketing should be broadened to include non-business organisations. Similarly 93% agreed that marketing goes beyond just economic goods and services, and 83% favoured including in the domain of marketing activities whose ultimate result is not a market transaction.

The movement to expand the concept of marketing probably became irreversible. Kotler and Zaltman [19] coined the term "social marketing" which they defined as "the design, implementation and control of programs calculated to influence the acceptability of social ideas and involving considerations of product planning, pricing, communication, distribution and marketing research".

Such additions both extend the boundaries of marketing and recognise marketing's changing role within a changing system. Marketing's evolution has been summed up by Kotler [20] in his generic approach, which shows how marketing developed from a branch of applied economics devoted to the study of distribution channels through a management discipline concerned with increasing sales, through an applied behavioural science directed at understanding consumer behaviour to the "discipline task of creating and offering values to others for the purpose of achieving a desired response". He proposes that the essence of marketing is the transaction, defined as "the exchange of values between two parties". Kotler's generic concept of marketing states: "Marketing is specifically concerned

with how transactions are created, stimulated, facilitated, and valued".

In summary, marketing thought has passed through a series of stages during its development.

The production-orientation stage, where the emphasis was upon increasing output and little marketing effort was necessary. The sales-orientation stage, which assumes that the company's products will not achieve a high volume of sales unless a considerable promotional effort has been undertaken by the company.

The marketing concept stage, where the focus shifted from consumer-orientation to a balance between consumer satisfaction and the firm's profit; to an integrative point of view. For the purpose of our study, the focus will be mainly on the integrative perspective because it recognises the broader meaning of the marketing concept.

Despite apparent acceptance of the marketing concept by most of the marketing writers and the big firms, it has been observed that many other writers and firms have rejected this concept. It is recognised that it ignored the non-profit sector and wider social responsibility issues,

Consequently, the stage of broadening the marketing concept has emerged. Marketing is considered a universal activity which can be applied to the sale of goods and services and also to non-profit organisations.

To this end, we can conclude that marketing can be applied to the sale of both services sold by commercial organisations intent on making a profit - such as hotel service, travel service and tourism - and not-for-profit services' organisations such as churches and police departments.

In other words, marketing has relevance for all organisations, whether profit or non-profit, whether they provide products or services.

The discussion revealed that, so far the words "products" and "services" have been used with no attempt to distinguish between them. Yet, a growing amount of discussion and literature centres around the debate concerning whether the marketing of products is similar to/or different from the marketing of services.

In the next part of this section, an attempt will be made to explore the nature and scope of the marketing of services in general before focusing on the marketing of a specific service (tourism) which is the subject of this research.

The Nature and Scope of Services Marketing

Service definition

Perhaps one reason for the paucity of literature concerned with the marketing of services is that no common definition and boundaries have been established to delimit the field of services. The definition of service has been regarded by a number of writers such as Stigler [21], Converse [22], Ferber [23], Stanton [24] and Kotler [25] among others. However, the definition of what constitutes a service remains imprecise.

With respect to services, perhaps Judd [26] sums up the situation best when he classified the definitional effort into two types. The first might be called an illustrated definition in which a list of examples accompanies the definition. The second type of definitional approach might be called definition by listing because in this type, the definition is accomplished by the listing. He argues that the emphasis on listing in each of these definitional attempts may explain the imprecision noted at the outset.

The American Marketing Association [27] defines services as "Services-Activities, benefits, or satisfactions which are offered for sale, or are provided in connection with the sale of goods". Under this interpretation, it would include (i) intangible benefits or satisfactions offered for sale independently of other goods or services (insurance, investments, some medical service); (ii) intangible activities which require the use of tangible goods (amusements, hotel service, transportation service); and (iii) intangible activities purchased jointly with products or other intangible activities (credit, training dealer salesmen).

This definition has been criticised by Stanton [28]. In his opinion, it is too broad, because he is concerned primarily with the services sold by some business or professional firms with profit-making

motives - commercial services - in contrast to those sold by non-business organisations. It also lacks the precision needed for useful analysis. Consequently, he defines "services" as separately identifiable, intangible activities which provide want satisfaction when marketed to consumers and/or industrial users and which are not necessarily tied to the sale of a product or another service". He includes such services as medical care, insurance, repair services (but not the repair parts purchased), and entertainment; he excludes credit, delivery and packaging services which exist only when there is a sale of an article or another service.

It is quite obvious that he stresses the separating out those services which exist only in connection with the sale of a product or another service.

As we noted earlier, Judd [29] confirmed that the emphasis on listing may explain the imprecision. He argued that this list is merely illustrative and no attempt has been made to make it complete. Consequently, he defined services as "Marketed Services - a market transaction by an enterprise or entrepreneur where the object of the market transaction is other than the transfer of ownership (and title, if any) of a tangible commodity".

There are at least three implications for marketing in the proposed definition. First, by emphasising "the object of the market transaction is other than the transfer of ownership of a tangible commodity" a definite line is drawn. Second, a clear cut demarcation between products and services will permit describing the similarities and differences that exist in the marketing of products and services. Finally, as the breadth of services become more fully recognised, individual marketing practitioners within service enterprises may come to recognise the common interest they have in solving problems they previously thought unique to their particular business.

For the purpose of our research, and based upon the foundation of the preceding definitions, the study will adopt the latter definition for many reasons. First, it is generally accepted by the writers on the subject [30]. Second, this definition, together with a product definition, exhausts the category of "economic goods". Third, it limits consideration to services that are countable because they have enterprise or entrepreneur status. Finally, this definition permits recognising three broad, yet mutually exclusive areas of services within each of which a more complete list might be built. These three areas arise from: (i) the right to possess and use a product (Rented Goods Services); (ii) the custom creation of repair, or improvement of a product (Owned Goods Services); or (iii) no product elements but rather an experience or what might be termed experiential possession (Non-Goods Services).

This definition, as Judd [31] declared, has the defect of any definition by exclusion in that, from the definition itself, nothing can be learned about what are the essential characteristics of a service. Yet, by this approach it is possible to be quite definite about what services are not. Moreover, he argued that this definition has the further advantage of not becoming outdated by service innovations through dependence on a list of services.

Having discussed the nature of service, the study steps forward to examine the importance and scope of services before moving to investigate the extent to which the marketing policies and techniques may find an application in the service sector.

The importance and scope of services

We live in a service society. Service industries have enjoyed phenomenal growth during recent years. More people are now employed in services than in manufacturing.

Kotler [32] pointed out that "One of the major developments in post-World War II America has been the phenomenal growth of service

industries - from about 35 per cent of GNP to the almost 50 per cent of GNP. Furthermore, approximately 66 per cent of the non-governmental labour force is engaged in service industries, and this percentage is expected to rise as the United States increasingly moves into a post-industrial society. In contrast, the United Kingdom has approximately 50 per cent of its work force employed in the service sector, followed by France (46 per cent), Germany (41 per cent), and Italy (35 per cent). As a result of rising affluence, more leisure, and the growing complexity of products that require servicing, the United States has become the World's first service economy".

Similarly, McMahon and Worswick [33] declares that total employment in all service industries in America has, in fact, risen by some 130 per cent in the past forty years, while the numbers employed in manufacturing, mining, construction and agriculture are only about 3 per cent up.

Moreover, Stanton [34] indicated that "out of every dollar that we spend as consumers, about 41 cents go for services, and the forecast is that this figure will increase rather than decrease".

Regan [35] has posed the following series of five propositions supporting the forecasts for growth:

1. We have exhausted much of the growth potential in domestic markets for goods, so manufacturers are turning to markets which are more difficult to serve but which have higher rates of return. These are markets where commodity-associated services provide utilitarian satisfactions to business and functional satisfactions to household consumers. Also, higher incomes and higher consumption levels will provide bigger markets for service industries such as medicine, education, travel and research.

2. Mass-production techniques long used in manufacturing products are now being applied in the development of service technologies. Production systems are being developed which will routinise services so they can be provided faster, more conveniently, and at lower unit costs for the mass markets. In this respect, we have seen how data-processing systems have been developed successfully for communications and information services. Language laboratories, teaching machines and programmed learning systems are mechanising the field of education services.
3. As a wider market is reached by means of technologies in services systems, we can expect a growing impersonalisation of these services.
4. The impersonalised attention and substitution of manufactured equipment will encourage a reduction in the extrinsic values of a service, even though the intrinsic values may be the same or higher. In the medical field, for instance, technology may improve the accuracy of the diagnosis and the quality of the remedy (intrinsic essentials); the delivery of these services to more and more people will probably result in a decrease in the extrinsic elements such as abundant personal attention and loving care from the family doctor.
5. In the long run, however, we can expect a proliferation of services which are adaptable to a wide variety of tastes, just as the mass production of commodities has led to a diversity in product choice today. The qualitative standards of tomorrow's services will probably be different from those of today or yesterday. Intrinsically, the service may be the same or better, but extrinsically, it will probably be poorer until we find an acceptable substitute for personalisation. Even if we could dramatically increase the supply of teachers, doctors and other research specialists, however, it is doubtful that society would support the traditional high unit cost system.

In the short run, the emerging service systems both limit the range and impersonalise the nature of services. In the long run, it is possible that a desirable proliferation of services will develop, paralleling that for commodities.

The extent and importance of marketing in the service sector

Despite the increasing dominance of services in the U.S. and all advanced industrialised countries, a search of the relevant literature reveals that little attention has been devoted to explore them. Services marketing is an uncharted frontier. The basic texts still disagree on how services should be treated in a marketing context. Marketing seems to be overwhelmingly product-oriented. Stanton [36] pointed out that "yet relatively little has been written in the way of a conceptual, integrated, all encompassing study to guide marketing executives in service concerns".

Groönroos [37] argued "Marketing literature and research almost completely take their examples from goods industries. Therefore, the problems relevant to this area of business have been investigated very thoroughly indeed. Marketing scholars have, however, been very little interested in the problems of firms in service industries. Examples of the marketing problems and the marketing planning situation of these industries are very seldom discussed by researchers or treated in marketing texts".

A view commonly expressed by researchers and writers on the subject, is that there is a paucity of material available. Ten years ago, for example, Blois [38] among others, illustrated this view when he stated "... in the U.K. and other economically developed nations, it is surprising to find so little written about the marketing of services. Thus, an examination of marketing journals such as the European Journal of Marketing, Journal of Marketing and Journal of Marketing Research indicates that few articles on this topic have been published. As far as textbooks are concerned, relatively few mention the topic at all and those that do often spare only a few paragraphs

to it. For example, Kotler in 1967 does not comment at all, while the second edition of his book has a chapter on "metamarketing", but only two pages of it are about the marketing of services. Indeed, few writers spare even a complete chapter to the subject (examples of authors who do are Stanton, and Converse et al., and Wilson writes one of the few books concerned solely with the topic, although, as his title (The Marketing of Professional Services) indicates, he is concerned with a particular sub-set of services".

The above represents some source materials available. However, it has been recognised that service marketing has failed. The research which Grönroos [39] conducted among companies in several service industries in Sweden and in Finland, has confirmed the view that marketing services is a difficult task.

George and Barksdale [40] supported this view when they surveyed four hundred service and manufacturing firms and concluded that "in comparison to manufacturing firms, service firms appear to be: (i) generally less likely to have marketing mix activities carried out in the marketing department, (ii) less likely to perform analysis in the offering area, (iii) more likely to handle their advertising internally rather than go to outside agencies, (iv) less likely to have an overall sales plan, (v) less likely to develop sales training programmes, (vi) less likely to use marketing research firms and marketing consultants, and (vii) less likely to spend as much on marketing when expressed as a percentage of gross sales".

Several reasons for this lack of a marketing orientation in the service industries can be given. Many service businesses are small (shoe repair, barbershops) and do not use management techniques such as marketing which they think would be expensive or irrelevant. There are also service businesses (law and accounting firms) that are antagonistic to the idea of marketing, believing that it is unprofessional to apply any marketing planning to their services and

even prohibiting it in their code of ethics. Other service businesses (colleges, hospitals) had so much demand for years that they had no need for marketing until recently [41]. No doubt the intangibility of services poses more difficult marketing problems than those which product sellers face.

In the opinion of Stanton [42], the all-encompassing reason, however, seems to be that top management has yet to recognise how important marketing is to the success of a firm. This failure is reflected in three areas of weakness. First, these executives have a limited view of the marketing function and of the business they are in. They equate marketing with selling and fail to consider other parts of the system. Railroad executives saw their task as running a railroad, instead of marketing a transportation system or a total materials-handling system. The second point - a consequence of the first - is that management fails to recognise that many of the problems are marketing problems; and once this fact is recognised, management may still not act quickly. Finally, there has been insufficient coordination of all marketing activities in service firms. Many service firms lack an executive whose sole responsibility is marketing - a counterpart of the vice-president of marketing in goods-producing companies.

Finally, in Baker's [43] judgement that "a great deal of the reluctance on the part of industrial managers to adopt policies and procedures which appear to have been very successful in consumer goods industries was due to a mental block in the thinking of these industrial managers". It is also in his opinion that "the same block is preventing many senior and middle managers in service industries from recognising the potential relevance of marketing techniques and practices in their own business". He argues that, "it would be naive to ignore that much of the resistance exhibited towards marketing is the direct result of the negative connotations associated with the word. Thus, in many quarters, marketing is conceived of as a brash, loud mouthed, foot-in-the-door, get-rich-

quick type of activity which may be all very well in the selling of cigarettes, detergents and baked beans, but which has very little to do with the production and sale of major items of industrial equipment let alone with professional services".

Today, as competition intensifies, as costs rise, a productivity stagnates, and as service quality deteriorates, an increasing number of service firms are taking an interest in marketing. They can profit by studying the few service industries that have already moved into marketing. Airlines were one of the first service industries to formally study their customers and competition and take positive steps to make the travellers' trip easier and more pleasant. They first had to build people's confidence in air travel and then try to outperform each other in preflight, inflight, and postflight services to win customer loyalty. Banks represent a service industry that moved from hostility to active use of marketing in a relatively short period of time. At first they saw marketing mainly as promotion and friendliness, but now they have moved toward setting up marketing organisation, information, planning and control systems [44].

As competition becomes keener, more marketing sophistication will be needed in services marketing. One of the main needs in services marketing is to find ways to increase productivity. Economists tell us that the three ways to increase productivity are (i) to improve the quality of the labour force, (ii) to invest in more efficient capital equipment, and (iii) to automate tasks previously undertaken by labour. Lovelock and Young [45] argue that there is a fourth component to improving productivity in service industries - that is - to change the ways consumers interact with service producers. In their opinion this is a task that marketing - the art of demand management - can tackle best. Service managers can use marketing tools to encourage consumers to modify their behaviour so that services can be delivered in a more productive and economically efficient manner.

Having discussed the extent and importance of marketing in the service sector, the study turns now to explore the extent to which marketing policies and practices can be applied to the service sector, in the light of the dispute among the scholars of marketing on the differences and the similarities between goods and services.

The Marketing of Services

A review of the available literature indicates that there is some confusion about the marketing of services. Most services marketing proponents undoubtedly concur with Shostack's [46] statement "services are not things and should not be marketed as things". However, many trends which particularly concern the differentiation between products marketing and services marketing are presented.

The first strand in the literature is that which is concerned with defining the nature of a service. In fact, as we noted earlier, there does not appear to be any one generally accepted definition of services used by marketers.

The second approach is the taxonomic, where services are classified according to unique characteristics they are thought to possess. It is perhaps currently the most widely accepted approach to developing a framework within which services may be categorised (e.g. Wilson [47], Stanton [48] and Kotler [49]). The weakness with such schemes is that particular service types do not always fit the frameworks suggested and, therefore, invalidate their general usage.

Finally, another trend is where authors have attempted to develop listings of perceived similarities and differences between products and services on functional lines, e.g. Branton [50], Eiglier et al. [51]. However, there are difficulties in establishing functional features which accurately and precisely delimit the differences between products and services. Exceptional cases so often invalidate the functional features suggested.

Consequent with the above, other scholars of services marketing differentiate "products" from "services" (Bateson [52]; Berry [53]; Lovelock [54]; Thomas [55]). Generally, this categorisation is based upon the intangibility of services and the necessity for

simultaneous production/consumption. According to their view, a unique process of marketing strategy formulation for services is needed.

In contrast to the above view, Enis and Roering [56] argue that buyers purchase neither tangible objects nor intangible features; rather they purchase a bundle of benefits - a product. Consequently, one generalised strategy formulation process should suffice for all products.

From the above approaches and trends, we can distinguish two extreme trends. The first, is where the writers emphasise that services have unique characteristics so, unique marketing programmes should be applied. The second, in which authors stress that buyers purchase a bundle of benefits rather than product or service, thus one generalised strategy should suffice for all products and services.

In the following, an attempt will be made to discuss each of these views extensively.

The first trend, in which writers claim, that services possess several distinctive characteristics which have significant marketing implications. These differentiating features create marketing problems and result in marketing programmes which are often substantially different from those found in connection with the marketing of products. A number of the distinctive characteristics which are considered by Wilson [57], Kotler [58] and Stanton [59] can be identified as follows.

Intangibility: Services are intangible. The impossibility of a customer's tasting, feeling, seeing, hearing, or smelling a service before he buys it places some strain on the marketing organisation. This burden falls mainly on a company's promotional programme where the salesmen and the advertising department must concentrate on the benefits to be derived from the service, rather

than stressing the service itself. For example, the tourist who buys an aeroplane ticket to enjoy visiting the pyramids in Egypt, buys the hope of recreation. Therefore, the tour operator or travel agent should promote not merely seeing the pyramids but the enjoyment of a ride on a camel, hunting in the desert, fishing in the Nile, and the warm climate.

On the other hand, the factor of intangibility offers some competitive advantages to a firm. Stanton [60] argued that problems of physical distribution are eliminated. There is nothing to store or handle; there is no inventory to control; and a company will never be faced with losses from a decline in inventory values.

Inseparability: Many services are inseparable from the supply of the service. A corollary to this point is that given services are often created and marketed simultaneously. For example, the entertainment value is inseparable from the performer. Of course, preparation and training may be done in advance. From a marketing standpoint, inseparability means that frequently direct sale is the only possible channel of distribution, and one seller's services cannot be sold in very many markets. This characteristic also limits the scale of operation in a firm. One guide, for instance, can guide only so many tours in a day. Also, because each man - that is, each "service institution" - is a specialist, the service company often cannot add a variety of other services to its line the way a department store or supermarket can.

As a modification of the inseparability feature there may be a tangible representation of the service by someone other than the creator-seller. A travel agent, for instance, may represent and help promote the tourist service, which will be sold by the institution producing it.

Variability (Heterogeneity): The same service can be highly variable, depending not only on who is providing it, but when it is being provided. As a matter of fact, it is not possible to standardise completely even the output of one seller. An aeroplane does not give the same quality of service on each trip. Complicating this characteristic is the fact that often it is difficult to judge the quality of a service. Of course, the same can be said for some products. It is particularly difficult to forecast the quality in advance. Perhaps as Regan [61] and Levitt [62] indicate, there will be a standardisation of services through the increasing use of service technology at the expense of personalised service, especially in medicine and education; and this would mean that services will follow goods from custom to mass production and standardisation.

In the light of these problems of standardisation and quality evaluation, the service company should pay particular attention to the "product planning" stage of its marketing programme. Management must do all it can to ensure consistent and high-quality performance. In this way Kotler [63] suggests that service firms can take two steps. The first step consists of developing a good personnel selection and training programme. Airlines, banks, and hotels spend substantial sums of money to train their personnel to provide uniform and courteous service. The second step consists of developing an adequate customer satisfaction monitoring system. By doing so, the company can build the customer confidence and good reputation that are so vital to repeat business and to favourable word-of-mouth advertising.

Perishability and fluctuating demand: Services cannot be stored. Although a car can be kept in inventory until it is sold, the revenue from an unoccupied aeroplane seat on a particular flight is lost forever. Furthermore, the market for service fluctuates considerably by seasons, by days of the week, and by hours of the day. Many ski lifts lie idle all summer, and golf courses in some areas go unused in

the winter. Use of city buses fluctuate within a day.

In the opinion of Kotler [64], the perishability of services is not a problem when demand is steady because it is easy to staff the service in advance. But when demand fluctuates considerably, service firms have several means available to try to produce a better match between demand and service capacity. In this regard, Sasser [65] described many strategies for managing demand and supply. On the demand side he presents the following strategies:

1. Differential pricing can be used to shift some demand from peak to off-peak periods, for example, special weekend prices for car rentals.
2. Non-peak demand can be developed, as when hotels developed their mini-vacation weekends.
3. Complementary services can be developed during peak time to provide alternatives to waiting customers, such as cocktail lounges to sit in while waiting for a table, and automatic tellers in banks.
4. Reservation systems are a way to pre-sell service and know how much is needed; airlines, hotels and physicians employ them extensively.

On the supply side he suggests the following strategies:

1. Part-time employees can be used to serve peak demand, as when restaurants call in part-time waitresses when needed.
2. Peak time efficiency routines can be introduced, such as employees performing only essential tasks during peak periods.
3. Increased consumer participation in the tasks can be used, as when consumers fill out their own medical records.

4. Shared services can be developed, as when several hospitals agree to limit and share medical equipment purchases.
5. Facilities with built-in expansion possibilities can be developed, as when an amusement park buys surrounding land in case it is needed for later expansion.

The above illustrate just some of the characteristics put forward. However, other headings not suggested by Stanton or Kotler or Wilson, are useful [66]. For example:

Degree of essentiality: Thus, if you own a car then third party insurance cover is legally essential while full cover is considerably less essential, in that it is not legally obligatory.

Degree to which one can postpone: This is partially covered by Wilson's description of his classification "degree of commitment", but there would seem to be two separate factors. Thus, taking out a life insurance can be delayed but once taken out implies a degree of commitment (in Wilson's sense).

However, Blois [67] argued that in some cases a service would be impossible to postpone because of its degree of essentiality, but some services can be postponed although essential. An example of this is regular attendance at the dentist - certainly essential if good teeth are to be maintained but easily able to be postponed while no pain occurs!

Having discussed the distinctive characteristics of services on which the differentiation between the marketing of services and the marketing of physical goods is based, the study will step forward to examine the other perspectives along the same line of thought.

Booms and Bitner [68] have recommended that first, the marketing mix must be modified in order to be more useful to service marketers. The services marketing mix does have certain elements in common with goods marketing. Services marketers are, for example, concerned with the elements of the marketing mix as most often summarised by McCarthy's label of the "4 P's - product, price, place and promotion". In their opinion, each of these marketing mix elements must be modified, however, to provide maximum usefulness to the service marketer. Second, the service marketing mix should be expanded to include three new P's:

Participants: All human actors who play a part in service delivery and thus influence the buyer's perceptions, namely, the firm's personnel and other customers in the service environment.

Physical Evidence: The environment in which the service is assembled and where the firm and the customer interact; and any tangible commodities which facilitate performance or communication of the service.

Process of Service Assembly: The actual procedures, mechanisms, and flow of activities by which the service is delivered.

They argue that these new elements are essential to the definition and promotion of the service in the customer's eyes, both prior to and during the service experience. They can be used by the firm to influence buyers' responses and, therefore, rightfully belong in the marketing mix.

With regard to the distribution channels of services, Grönroos [69] declared that the difference between the concept of distribution channels and the concept of physical distribution does not seem meaningful in the context of services. For example, a guide may be considered part of the channel of distribution for inclusive tours.

Without him, he argued, much experience and many views and facts, which are part of the tours, would not be accessible to the consumers. At the same time, the guide distributes this part of the service, that is, he performs physical distribution.

He concluded that, applying the traditional concept it may be difficult to view a person like the guide as a part of the channel of distribution, and he certainly is not performing any physical distribution, because there is nothing tangible to distribute. In terms of accessibility, he comments: "the guide is, however, a manageable resource making it possible for the customers to consume the service.

In determining costs for pricing purposes, Lovelock [70], Dearden [71] and Thomas [72] are of the same opinion. They noted that relative to manufacturing firms, it is much more difficult for service businesses to determine which fixed and operating costs are associated with which products - especially when several services are being produced concurrently by the same organisation. If a marketer does not know the average cost of producing a unit of service, it is hard to determine what the selling price should be.

The variable cost of selling one additional unit of a service (e.g. an extra seat on an aircraft, an extra room in a hotel) is often minimal. Since demand may fluctuate widely by time of day (or week, or season) in their view, this gives service marketers much greater flexibility than goods marketers to offer similar products at different prices to different market segments. The challenge is to ensure that the weighted average of all prices charged exceeds the average costs, thus looping the problem back to the tasks of cost determination and allocation.

After we extensively discussed the view of the first trend, which claims that services have distinctive characteristics, consequently, unique marketing strategy should be applied, it seems fairly logical

to discuss the view of the second trend, where writers emphasise that one generalised strategy should suffice for all products and services.

The second trend; the above discussion illustrates that most scholars of services marketing differentiate 'products' from 'services'. Generally, this categorisation is based upon the intangibility of services, and the necessity for simultaneous production/consumption. These criteria suggest a distinctive and unified focus for a group of marketers which supposedly results in clear separation from all other marketers.

From an objection point of view, this distinction blurs a key point. Enis and Roering [73], for instance, argue that services are not tangible objects. Obviously, buyers, however, purchase neither tangible objects nor intangible features; rather, they purchase a bundle of benefits - a product. They propose that the noun-product is an all-inclusive term for that which is offered to the buyer.

In other writings, Enis [74] has partitioned the total set of offerings into three elements of products, labelled goods (tangible things), services (intangible activities) and ideas (abstract concepts).

Consonantly with Enis, Sasser [75] and Bateson [76] define the product as "a product is any bundle or combination of qualities, process, and capabilities (goods, services and/or ideas) that a buyer expects will deliver want satisfaction. This definition may be elaborated as follows.

First, this definition designates 'product' as the generic term despite the fact that most students of services marketing equate the term product with goods as distinct from services. Enis and Roering [77] argue that this definition suggests that the term product be used to denote the bundle of benefits that produces buyer satisfaction, that combination of tangible goods and intangible elements,

as well as the abstract ideas associated with them. A product - any product - is a combination of all these attributes. Furthermore, the product concept need not be restricted to an economic good or service, nor necessarily be offered for monetary profit.

Second, the forementioned definition stresses the buyer's perspective. A product is what the buyer perceives it to be, no more and no less. For example, Avon Inc., sells cosmetics, yet some of its customers buy 'hope' - expectations of soft skin, shining hair, and fragrant bodies. Other customers purchase Avon products because they collect the uniquely-shaped bottles. And another segment of Avon customers buy the products only because the in-house visits of Avon representatives alleviate loneliness for a time.

Levitt [78] proposes a similar view when he emphasised that "a customer attaches value to a product in proportion to its perceived ability to help solve his problems or meet his needs".

As a specialist in industrial marketing, Corey [79] has expressed it, "the product ... is a total package of benefits the customer receives when he buys".

In other writings, Levitt [80] supports this theme when he suggests that "there are no such things as service industries, there are only industries whose service components are greater or less than those of other industries. Everybody is in service".

In the judgement of Enis and Roering [81], the distinction between goods and services is sufficiently inadequate to be confusing to those contemplating strategy formulation. Specifically, they argue that the goods/services classification suffers from two logical inconsistencies. First, the term services is not internally consistent; unlike (heterogeneous) products are grouped together. Second, the converse is also true; products which may be seen as similar by the buyer are separated into goods and services. That is,

there is a homogeneity between the classes. For example, in formulating marketing strategy, the bank (service) might be better advised to observe the activities of a gold dealer (good) rather than to observe the operation of a MacDonald's restaurant (service).

On the basis of the foregoing arguments, they have recommended that, perhaps rather than attempting to formulate a unique services marketing strategy, a more fruitful approach for those concerned with knowledge development and utilisation would be to build on the well-developed and accepted marketing tradition. They noted that the ratio of tangible to intangible elements varies substantially but elements of each are present in all products. Consequently, one generalised strategy formulation process should suffice for all products.

Having discussed the two extreme trends, it seems fairly logical to present an integrative point of view.

Baker [82], after discussing the distinctive characteristics of services, concluded that "At the strategic level it is also clear that the basic marketing approach should be the same for services, just as I have argued it is the same for capital, industrial and consumer goods. While it would be wrong to deny that there are differences between these categories of goods or between products and services, the importance of these differences lies at the tactical level of competition between producers of similar outputs, and to prescribe for those would be to assume an omniscience which no one possesses".

He reconsidered the factors which are cited as differentiating between goods and services to introduce some useful guidelines for developing an effective marketing strategy for products and services alike. These guidelines might be summarised as follows.

First, marketers are concerned with maximising satisfaction. So they must ascertain what benefits the consumer wants and build

these into their offering.

Second, a much more constructive approach of universal applicability is to think in terms of a spectrum of 'differentiation' running from homogeneous to heterogeneous, and to recognise that the economies of scale which accompany greater homogeneity brings the consumption of services within the purchasing power of increasing numbers of consumers. It also enables us to segment markets in a viable way and so ensure that we optimise the return on capital employed. Only by doing so will it be possible to offer earnings in services occupations which approach those in the manufacturing sector.

Finally, with respect to the issue of perishability, it is the opinion of Baker that it would be much more constructive to think in terms of 'availability' and demand management. It is an axiom of marketing that one can only consume what is available (with possible exception of future trading). In services where outputs are perishable, then demand management becomes necessary, and it is here that the marketing tools of pricing and promotion come into their own.

To sum up Baker's thesis is that the most effective approach to the marketing of services is not to try to invent the concept and function, but to transfer it, and to do so we must look for similarities between products and services, rather than differences.

In summary, the definition of service has been regarded by a number of writers. However, no common definition and boundaries have been established to delimit the field of services. The definition of what constitutes a service remains imprecise. Two approaches to the definitional effort have been discussed. The study has adopted a definition, and the reasons for this adoption are presented.

Despite the increasing dominance of services in all advanced industrialised countries, the available literature revealed that little attention has been devoted to explore them. Services marketing is

an uncharted frontier. Several reasons for this lack of a marketing orientation in the service industries are given. The importance of marketing in the service sector is discussed. The need for marketing orientation in the service sector was very clear.

Considerable attention has been given to discuss the marketing of services. A review of the literature related to this topic revealed that there are two extreme trends and an integrative point of view. In the first trend, marketing scholars have argued that services have distinctive characteristics. Consequently, they have recommended that unique marketing strategy is needed. In the second trend, marketing writers have argued that the buyer purchases neither services nor products. He purchases a bundle of benefits. So, the proponents of this trend have argued that one generalised strategy should suffice for all products.

However, there is a balanced perspective between the two preceding extreme viewpoints. This perspective does not ignore the differences between products and services which can be treated at the tactical level. But it also believes that, at the strategic level, the basic marketing approach should be the same for services and products.

On the basis of the discussion in this section, we can conclude that:

1. Knowledge and understanding of the nature of the marketing of services is still developing and that, at the present time, it is difficult to point exactly to what the differences are between the marketing of products and the marketing of services.

2. It may also be of value to focus upon the similarities and the commonalities of product and service marketing as much as upon the supposed differences, for some product marketing guidelines may be generalisable to 'service' situations.

Having discussed the marketing of services as a wide area, the study will turn now to explore the extent to which marketing can play a part in tourism.

Section B

Introduction

In the previous section, an attempt was made to discuss the nature and scope of marketing. The objective, in this case, has been to explore the extent to which marketing concepts and practices can be applied in the service sector in general, and in tourism in particular. Therefore, the nature and scope of the marketing of services has been the subject of an extensive discussion.

In this section, the aim is to investigate the extent to which marketing can be applied in tourism. To do so we will discuss the nature and scope of tourism before moving on to review the literature which outlines the nature of marketing in tourism. Next, the tourist markets will be identified in order to determine Egypt's market share, and the nature and scope of tourism in Egypt.

The Nature and Scope of Tourism

Introduction

Despite the size and importance* of the activity, it is still possible to ask what tourism is. Perhaps this is a good thing and reflects the youthful vigour of tourism studies. In a strict sense, of course, tourism is a service industry. Its output is a particular kind of a service rather than a tangible physical good, which characterises the manufacturing industries. Tourism is a complex combination of interrelated industries and trades. Because it is not mainly an agriculturally or industrially productive activity, it is usually classified in the tertiary sector which, in the main, is a service sector.

Tourism, however, is more than a service industry because the 'tourist product' is a composition of cultural background and historical heritage, different environments, natural beauty and landscapes, good hospitality, worthy accommodation and good cuisine.

It is, therefore, incumbent that developing countries treat tourism as an industry worthy of being encouraged by various incentives. Consequently, tourism could progress and take its place in the overall plan** for social and economic development of the country. This is the practical and operational side of tourism.

From a functional viewpoint, tourism as a phenomenon, may be scientifically broken down into three basic elements:

* The importance of tourism was discussed above in chapter one.

**

Tourism planning will be discussed in the next chapter.

- (a) a human element which is the tourist whose needs and desires should be catered for.
- (b) a physical element which includes the place and means of transportation used.
- (c) a time element which is the duration of the trip and stay at destination.

Definition of tourism

Giving a satisfactory definition of tourism has not been an easy task. The reason resides in the fact that tourism has so many facets that are difficult to bring together under one definition. In particular, the need for a precise and generally accepted definition of tourism is an axiom that few would dare to challenge.

The range of definitions of tourism has been regarded by many writers from different points of view. However, it can be classified into two main groups. ^{٤٢٢} The first comprises conceptual definitions which attempt to elucidate the essential nature of tourism as an activity. The second covers technical definitions which are used to designate those who take part in this activity (namely, the tourist, visitor, holiday-maker, excursionist, and day tripper) and are employed by the various agencies responsible for compiling statistics and reports on tourism.

Conceptual definitions of tourism may be subdivided into those which emphasise the demand or market aspects of tourism, and those which regard tourism from the vantage point of its links with recreation and leisure activity. ^{٤٢٣}

Burkart and Medlik [84] provide a market based definition. "Tourism denotes the temporary and short term movement of people to destinations outside the places where they normally live and work and their activities at those destinations".

Another is Lickorish's [85] description of tourism as "Tourism embraces all movement of people, outside their own community for all purposes except migration or regular daily work. The most frequent reason for this movement is for holidays, but it will also include, for example, attendances at conferences and movement on sporadic or infrequent business purposes".

Lickorish found that most surveys use a more restricted definition, because of technical requirements such as policy or customs control, which is often limited to holiday trips away from home, of not less than one night or sometimes not less than four nights' duration.

It is clear that market based definitions of tourism tend to include travel for purposes of both pleasure (i.e. holidays) and business (i.e. conference traffic). The two definitions cited above could conceivably embrace the day as well as the staying visitor.

In contrast to demand orientated definitions, there are conceptual definitions which focus on the role of tourism as a part of recreation activities. For instance, the Countryside Recreation Research Advisory Group [86] sees tourism as "... travel away from the home environment in order to discover and enjoy different environments and facilities for recreation which they offered and is defined to include a stay away from home for one night or more".

In this and similar definitions the emphasis is on the relationship between tourism and recreation: both are seen as component parts of that broad block of people's uncommitted time known as leisure, and as making similar and occasionally conflicting demands on physical and natural resources.

Tourism is held to differ from other aspects of recreation only in as much as it extends over a longer time-scale which involves a

stay away from home [87]. In this light, it has been viewed by Patmore [88] as "... the peak of leisure experience, with a freedom to range more widely than can ever be the case in other, briefer, leisure hours". Since the pleasure motive and the overnight stay are highlighted in recreation based definitions of tourism, business and day tripper travel tend to be excluded.

Technical definitions of tourism are employed in a wide variety of studies, surveys and plans at both the national and local levels. At a national scale, statistics on overseas tourism to Great Britain are mainly derived from the Department of Industry's International Passenger Survey [89]. The latter provides a record of the number of 'visitors' to Great Britain for all purposes, and estimates of their expenditure. Curiously, visitors staying less than twenty four hours are not included in expenditure estimates. The principal source of national-level statistics on domestic tourism is the British Home Tourism Survey carried out jointly by Britain's statutory national tourist boards [90]. This survey supplies data on 'tourist trips' of one night or more away from home for all purposes, including holidays, visits to friends and relatives, and business and conference travel.

The above shows that there is some discrepancy then, between the technical definitions of tourism used in the official statistics on overseas and domestic tourism collected at the national level. There is acceptance of the convention that both pleasure and business motivated travel be included as tourism, and there is agreement that the proviso of a stay away from home for one night or more is the factor which distinguishes tourism from day trip excursions and from those business and leisure activities which typically occur within a person's immediate environs.

To define a 'foreign tourist', there is an established definition for the purpose of gathering statistics. At the United Nations Conference on International Travel and Tourism held

in Rome in 1963, a revised definition was prepared by the International Union of Official Travel Organisations (IUOTO) [91] and adopted. "A 'tourist' describes any person visiting a country other than that which is his usual place of residence, for any reason other than following an occupation remunerated from within the country visited". This definition covers: Tourists, i.e. temporary visitors staying at least 24 hours in the country visited and the purpose of whose journey can be classified as either leisure (recreation, health, holiday, study, religion and sport) or business, family, mission, meeting. Another category of foreign visitors distinguished as 'excursionists' will include temporary visitors staying less than 24 hours in the country visited, including cruise passengers.

It has been recommended by the international agencies concerned that individual countries should apply these basic definitions in compiling their national tourist statistics to ensure international comparability.

Egypt's tourist arrivals data are tabulated by the Central Agency for Public Mobilisation and Statistics (CAPMS) on the basis of immigration formalities (Law No.89 for 1960) according to the IUOTO definition.

The term 'tourist' used to cover those persons who enter Egypt legally for a period of over 24 hours and less than a year for the following reasons:

- (a) leisure, recreation, holiday, sport, health, study, religion;
- (b) business, family, friends, mission and meeting (92).

Leiper [93] classified the definitions of tourism. He identified three approaches to a definition: economic, technical and holistic. Economic definitions recognise that tourism is an

industry or business; technical definitions demarcate the tourist to provide a common base by which to collect statistics; and holistic definitions attempt to embrace the whole essence of the subject.

Thinking of 'tourism' as a generic term that recalls to the mind certain acts, images and interaction between man, time and place, Wahab [94] defines tourism as follows.

"Tourism is a purposeful human activity that serves as a link between people either within one same country or beyond the geographic limits of states. It involves the temporary displacement of people to another region, country, or continent for the satisfaction of varied needs other than exercising a remunerated function. For the country concerned, tourism is an industry whose 'products' are consumed on the spot forming invisible exports. The benefits accruing therefrom can be witnessed in the economic, cultural and social life of its community".

Based upon the above discussion of definitions of tourism, Wahab's definition will be adopted in our thesis because the definition includes all possible facets of this complex activity, (namely, tourism as a purposeful human activity; the objectives of tourism; tourism as a service industry and the characteristics of its product; and the benefits accruing from tourism).

The terms 'tourist', 'visitor' and 'traveller' will be used with the same meaning in our study, and will be defined according to an international standard as used by the United Nations Conference on Travel and Tourism held in Rome in 1963 and adopted by Egypt as well. The definition is discussed above.

The discussion of definitions of tourism revealed that the tourist industry has many different and complex facets. Therefore, it may be useful to turn to explore the character of this industry.

Character of the tourist industry

Based upon conceptual definitions discussed above, Burkart and Medlik [95] identify five main characteristics of tourism.

1. Tourism arises from a movement of people to, and their stay in, various destinations.
2. There are two elements in all tourism: the journey to the destination and the stay including activities at the destination.
3. The journey and the stay take place outside the normal place of residence and work, so that tourism gives rise to activities which are distinct from those of the resident and working populations of the places, through which tourists travel and at which they stay.
4. The movement to destinations is of a temporary, short-term character, with intention to return within a few days, weeks or months.
5. Destinations are visited for purposes other than taking up permanent residence or employment remunerated from within the places visited.

Having discussed the characteristics related to conceptual definitions, it is also recognised that tourism has many general characteristics which can be identified as follows.

Firstly, tourism is "a multi-dimensional phenomenon"; many and varied activities each make their own separate and individual contribution to a comprehensive service to tourists. However, these activities though separate, are interdependent. Such interdependence implies a need for co-operative effort and common policies, but "the diversity and ... (small size) of many units make the formulation of any national plan by voluntary means inpracticable and therefore uneconomic" [96]. Nevertheless, some measure of co-operation and co-ordination has been achieved between tourist centres, hoteliers and tour operators.

Secondly, the industry is marked by a widely differing economic performance - tourism is dependent upon so many varied activities that the situation can arise "where weak links in the chain of services and activities adversely affect the progress of otherwise healthy sectors of the industry". [97] A good example of this is the seaside resort of Whitby which has become far less viable as a resort because of inadequate transport links, especially since it lost its railway connections which left it almost marooned.

Thirdly, the industry is primarily a service industry and a large proportion of those actively engaged in it find employment in tertiary occupations, e.g. catering, transport, travel agency work. The industry is also marked by a fairly distinct seasonal rhythm: there are few places in Britain, other than London and Stratford-on-Avon, which have an all-year-round trade. This means that casual work and seasonal unemployment are often distinguishing features of the industry, especially in the typical resort town. This unsatisfactory situation could be improved by the staggering of holidays, the promotion of second and out-of-season holidays at reduced prices, i.e. by applying marketing techniques, etc. Anything which will help to lengthen the tourist season will help the industry generally.

Finally, the industry is essentially a dynamic one [98]. It is dominated by the changing ideas and attitudes of its customers and must be prepared to show a much greater degree of sensitivity and willingness to adjust to new conditions than it has in the past, (i.e. the need for marketing research).

The purposes of travelling involve many kinds of tourism, and the following part will be devoted to these.

Forms of tourism

Tourism does not lend itself to a single form. It is a generic term which encompasses several forms of travel and stay pursuant to

the motivations which are at the base of displacement. People travel to reach various ends and to gratify differing needs. Accordingly, tourism as a phenomenon, is presented under several forms by writers on the subject [99]. Examples can be classified as follows.

1. According to the number of people travelling:

- (a) individual tourism in which only one person or family is travelling;
- (b) group tourism in which a number of persons, usually tied up with a certain link, travel together, e.g. club, school (affinity group) or an organised tour by a travel agency usually accompanied by a tour leader. The number in such groups may vary but is usually more than 15 or 20.

2. According to the purpose served by travel:

- (a) recreational tourism or leisure tourism which serves the reformation of physical and mental capacities of the individual tourist, and relaxing from work weariness and exhaustion in resort areas;
- (b) cultural tourism serves to enrich information and knowledge about other countries and satisfy the need for entertainment. It also includes visits to exhibitions and fairs, cultural events, places of natural interest, archeological excavations, etc;
- (c) health tourism which satisfies the need for medical treatment in other countries or places with curative facilities, e.g. hot springs, mud baths, treatment by mineral water having special curative properties, treatment by hot sand, etc. This requires certain conditions like cleanliness, quietness, and reasonable standards of living;
- (d) sport tourism satisfying people's hobbies like fishing, animal hunting, deep-sea diving, skiing, sport excursions and hiking;

(e) conference tourism which includes scientific, professional and even political gatherings. This would require the existence of conference facilities in the country and other important factors like geographical location, availability of easy transport, good climate, etc. A person participating in such conferences would ask for other tourist facilities: sightseeing tours, excursions, souvenir purchasing, etc.

3. According to the means of transport:

- (a) land tourism (buses, private cars, railroad);
- (b) sea tourism or river tourism;
- (c) air tourism.

4. According to geographical locality:

- (a) national domestic tourism which represents the tourism movement of citizens and residing foreigners inside the country;
- (b) regional tourism, i.e. tourist movement between countries forming one touristic region, e.g. tourist traffic between countries of Western Europe;
- (c) international tourism including tourist movement between different countries in the world.

5. According to age (age modifies needs and habits):

- (a) youth tourism;
- (b) adult tourism.

6. According to sex:

- (a) masculine tourism;
- (b) feminine tourism.

7. According to prices and social class:

- (a) deluxe tourism;
- (b) middle-class tourism;
- (c) social tourism.

This classification represents a form of market segmentation which will be the subject of an extensive discussion in the next chapter.

Having mentioned forms of tourism, the study turns now to discuss the scope of tourism in the light of the factors favouring its growth and the obstacles to this growth.

The Scope of tourism

Factors contributing to the growth of tourism:

Some four thousand years ago, cruises around the world (much limited at that time) were organised and conducted from Egypt. Probably the first journey ever made for the purposes of peace and tourism was that of Queen Hatshepsut to the lands of Punt (believed to be what is now called Somalia) in 1490 B.C. The course of events of this momentous tour have been recorded on the walls of the Temple of Deir El Bahari at Luxor.

McIntosh and Gupta [100] declared that "The Romans were able to travel as much as a hundred or more miles in a day by using relays or horses furnished from rest posts five or six miles apart. Romans journeyed primarily to see famous temples in the Mediterranean area, particularly the pyramids and monuments of Egypt. Greece and Asia Minor were popular destinations as were other countries of the Eastern Mediterranean. The Romans also travelled during holiday occasions, to the Olympic Games as well as to medical baths and seaside resorts. They not only enjoyed the medical baths but also theatrical productions, festivals, athletic competitions and other forms of amusement and entertainment often provided at the Spa".

Recently, during the past 50 years, basic changes have taken place in the modes of travel, the volume of travellers, the accommodation industry, and in general, the related services required to serve the tourist.

Economists and other social scientists who forecast the nature of society in the future seem to indicate that all modern countries are progressing towards life styles which favour the growth and development of tourism.

Several factors have been used by various writers to explain the rapid growth of tourism today, and in the future [101]. Factors such as increased real personal income; technological improvements in manufacturing which result in more productivity per worker; increases in leisure time with a decrease in the working week; predictions for longer vacations; higher levels of education; development of sabbatical leave for persons outside the field of education; growth of interest in cultural matters including appreciation of the cultures of other people and places; technological developments such as subsonic aircraft which can carry more passengers with more comfort and, at least, stable if not decreasing fares; improvements in communications; and awareness of other countries and places - all favour the growth of travel and tourism.

Other factors are related to conditions in the tourist receiving countries, such as improved accommodation and other tourist amenities; improved security conditions; simplification of border crossing formalities; and improved public health.

It is perhaps useful to provide some elaboration to the above factors as follows.

It is widely accepted that tourism is proving that it is one of the priority activities for which individuals are willing to sacrifice

other consumer or durable goods. Supporting this view, we introduce some empirical evidence.

In 1976, a nationwide survey in West Germany showed that German tourists would rather reduce spending on driving, drinking and smoking before cutting down on travel to other parts of the world [102]. The survey found that one in ten Germans would save on food, one in five on driving, one in four on liquor and tobacco, and one in three would save on other leisure activities - if their financial situation made the choice necessary. Two out of five would save on clothes, and three out of five would save on purchases of other items.

In Britain in 1976, Finch [103] declared that "Some 45% of British adults took one holiday of four or more nights away from home, and 19% took two or more holidays. £3.725 million was spent by the British on tourism, and as an item of consumer expenditure it ranked higher than fuel and light, cars and tobacco".

Moreover, after the 1978 tourist season, WTO conducted a significant sample survey showing shares earmarked for tourism in the family budget [104].

This sample survey revealed, for example, ^{مكتشف} that only 6 per cent of the persons interviewed would be willing to forgo holidays, whereas 9 per cent would be willing to cut down on comfort, 14 per cent of food, 16 per cent on other recreational activities, 27 per cent on car travel, and 28 per cent on clothing.

In Italy, it is reported that "there is confidence in the future of the tourist industry. Mainly because both Italians and other Europeans have come to regard a holiday not as a luxury but as a necessity" [105].

Jordanian official sources predict a 'bright future' for tourism to countries of Islamic civilization - a relatively new development

triggered off by a great wave of interest in Islamic art that is expected to attract many tourists, students and art lovers [106].

The growth of leisure and tourism over the past few decades is a phenomenon with which we are all familiar. The working week has been reduced to $4\frac{1}{2}$ days in West Germany. In 1976, figures are quoted showing that the average family in Germany spends 240 marks a month on leisure. Of this, 29% goes on holidays, 15.7% on television and radio (artificially high because of the increasing number of first time colour TV sets), 13.7% on trips in the family car (excluding holiday journeys) and 8.7% on books and newspapers [107].

Moreover, employers realised that paid holidays had not affected industrial production or business [108]. They agreed to the third week, and then the fourth, of paid holidays. It is recognised that in Western Europe the fifth week, even from the standpoint of output, may also be regarded as a productive investment, and indeed Sweden in 1978 enacted legislation introducing this additional week of paid holidays.

The right to paid holidays is universally recognised, the trend is to grant longer holiday periods. It is reported that the legal minimum in many countries is three weeks. Worldwide, more than 500 million wage-earners are entitled to paid holidays: roughly half in Europe, slightly less than 30 per cent in the Americas, and the rest in Asia and the Pacific (approximately 12 per cent), South Asia (6 per cent) and the Middle East (less than 1 per cent).

Consonantly, in 1978, the air transport sector, following a series of consultations, has adopted a new attitude towards rate-setting policies by liberalizing a number of rigid practices hitherto applied in establishing air fares. The direct consequence of this has been an appreciable increase in charter flights, enabling new segments of the population to take part in domestic and international tourism and opening up new tourist destinations [109].

Furthermore, until very recently, the marketing of most travel products has been directed to men. However, no social change which has occurred recently has more direct impact on the potential of the travel market than the changing role of women.

In 1980, Rena [110] analysed the travel market for women in the U.S. whether they were working or non-working, whether they were travelling for pleasure or for business. She concluded that "there is no question that there is a strong and growing market for travel among women. There is also no question that working women are far more valuable to the travel marketer than non-working women. It is clear that the patterns of discretionary travel among both working and non-working women are affected by their stage in the life cycle. It is also clear that women are viable customers for both pleasure and business travel, and that their participation in the business travel market is growing".

Therefore, she suggested that "... the travel marketer who thinks that the prime target is men, should really check these assumptions in light of the new realities ... The travel marketer who want to meet the challenge of the new opportunities should remember the duck hunter's maxim, 'the way to hit a target is to aim at where it is going to be, not where it has been'".

From the latter discussion, it is clear that women represent a new segment in the travel and tourism market.

Having discussed the factors which contribute to the growth of tourism today, it may be useful to look for its future. In 1979, one of the leading futurologists in the world, Kahn [111], looking ahead to the future of tourism in the next fifty years in a survey in the U.S. predicts a golden era for tourism. He argues that "many changes will undoubtedly take place during the next fifty years. Facilities and devices familiar today will undergo considerable change and the nature

of the travelling public will also change radically. In 50 years it is obvious that the great majority of the world population will travel extensively as a matter of course. Travel will not be confined mainly to adults. Families will travel together as units from the time children are very small. It will be as natural for people to travel across a continent or around the world as it is today to drive a few miles to visit friends". That is, because travel will be very much simpler, and by the turn of the century, space travel might well be coming into vogue.

Kahn expects that "Travel will be very much simpler, however. It should be possible to obtain space on a flight by a telephone call or perhaps simply by inserting a credit card in a slot in a home computer and dialling an appropriate number. On arrival at the airport, the passenger will simply board the aircraft and take his pre-assigned seat. Charges for the flight will be automatically billed to his account. Tickets will probably not be used except possibly for very cheap transportation modes which operate on a first come - first served basis. Baggage, if carried at all, will be deposited at a control point either at the airport or at a travel terminal elsewhere and retrieved on arrival. The advent of throw-away clothing may eliminate the need for baggage except for a small carry-on bag for such small personal possessions as toiletries".

His prediction goes further, he anticipates that "... by the turn of the century, space travel might well be coming into vogue. It is probable that space stations and moon colonies will be established in the next fifty years, initially for scientific and manufacturing purposes. Space hotels and resorts on the moon are quite possible, if not probable, and spacecraft evolved from today's space shuttle should routinely operate between earth and space destinations".

In his view, honeymoons on the moon may become popular and space excursions of various sorts may attract the adventurous as places of

interest on earth become overcrowded. Spa-type space hotels and hospitals catering to people with cardiac conditions, severe burns and other ailments for which the weightlessness of space would be beneficial, can also be anticipated.

Kahn predicts that "the tourism industry of the future is likely to remain basically as segmented as it is now, due both to its overall size and to the wide disparity in the functions of its various components. While it would appear logical for the various segments of the industry to co-operate with each other for the overall benefit of the industry as a whole, the track record to date indicates little inclination to do so". He argues that "this will, however, not prevent tourism from becoming a very major industry, probably the major industry of the future, due to a combination of increasing per capita GNP, a steady decline in the real cost of travel and a steady increase in the travel market, due to population expansion and the availability of more leisure time".

Having discussed these evolutionary trends, it seems fairly logical now to turn to examine the obstacles to the growth of tourism.

Obstacles to the growth of tourism:

With regard to the growth of leisure time, in 1980 Ornstien and Nunn [112] pointed out that "the biggest increase in leisure time in the last 20 years has been paid holidays, with 99% of the working population having more than three weeks per year, compared with 97% having two weeks in 1961. Yet, the proportion which go away from home for more than three days in a year has hardly changed; in 1977 as in 1961, only about 60%. Further, about 25% of those who did go away for more than three days stayed with relatives or friends, possibly adding to the revenue of transport undertakings and of the entertainment and facilities where their relatives live, but doing nothing for the holiday accommodation trade".

They present factors which have some effect in maintaining the proportion who do not go away, or who stay with relatives, which can be summarised as follows.

1. The increased age of the population. In the age group 65+, 50% stay at home; the young, aged 16-34 are about the average of 40%; only in the middle age group 35-64, does it slightly improve to 37%.
2. Cost is a major factor. There may be as many as 20% of families who barely make ends meet, with nothing to spare for a holiday. But some who could afford a holiday, do not go away.
3. To certain tastes, the holiday facilities offered are not attractive. These are particularly the young adults perhaps wanting a holiday away from mum and dad for the first time, but not finding anything to their special liking; newlyweds with babies and toddlers, for whom facilities are not always provided; and the active elderly, whose tastes and needs are not well catered for except at high cost.
4. Psychological factor. Large numbers of people, particularly in the lower-classes, have not considered a holiday abroad because of their fear of the unknown - they always want what they are accustomed to. They are worried about having to cope with strange people, places and food.

In my opinion, most of these problems can be solved by applying the techniques of marketing. For example, these people who do not go away, or stay with relatives or friends, represent a large untapped potential for the holiday trade, if the right facilities and interests can be provided for them; reassurance imparted to them; and helpful service given in transit and on arrival. In these, marketing research and promotion can play an important role.

Lansing and Blood [113] focusing on a number of basic psychological studies made which deal with the more concrete reasons why those people studied did not go on a trip during a certain period of time. In their view, most of these studies support the fact that barriers to travel fall into five broad categories.

1. Expense: Consumers operate within monetary constraints, and travel must compete with other allocations of funds. In one particular study 62 per cent of the respondents cited expense as the reason for not taking a trip. Saying travel is too expensive is an indirect way of saying that travel is not important, but, even allowing for this interpretation, costs are a principal reason for staying at home.
2. Lack of time: This barrier is characteristic of people who cannot leave their business, job, or profession.
3. Physical limitations: Poor health and physical limitations keep many persons, particularly the elderly, at home.
4. Family stage: Parents of young children often do not travel because of family obligations and inconveniences in travelling with children.
5. Lack of interest: Unawareness of travel destinations which would bring pleasurable satisfaction is a major barrier.

Seekings [114] and Hern [115] emphasise that economic factors have some problems for the tourist industry. These factors can be classified as follows.

1. The generalised cost-profit squeeze in the various branches of tourism from airlines and hotels to travel agencies.
2. The fuel crisis at home and abroad, with its direct influence on travel as well as its enormous psychological impact.
3. The world-wide instability of currency exchange.
4. Inflation, especially in industrially developed Western Europe, Japan, and other continents.

5. The total complex of rising costs in the travel industry, including wage increases, rising taxes plus other overhead factors.

Throughout their book, The Golden Hordes: International Tourism and the Pleasure Periphery, Turner and Ash [116] adopt a critical attitude to international tourism. They argue that tourism is the enemy of authenticity and cultural identity, a systematic destroyer of beauty and an arouser of discontent.

Finally, Burkart and Medlik [117] elaborate this view when they discussed the problems of growth and development of tourism.

The first of these problems is that of land use. When, for example, much of the area of a tourist destination is devoted to arable land and to other forms of agriculture, there may be a conflict in the demands which tourism makes on the countryside, both in its requirements for land for its facilities and in the need for public access. If tourism is to grow, more land has to be devoted to it and opened to tourists. This calls for provision of areas of land and increasing access, and raises the problem of the allocation of scarce resources in the most equitable and aesthetically satisfying way.

Secondly, there may be conflict between the demands of visitors and the interests of residents of a town or region. Whilst both call for a high level of facilities for leisure and amenity, the larger the number of visitors the greater the risk of inconvenience and loss of amenity and facilities to those living in the town or region. Tourism implies the injection into the destination of an alien element which may engender resentment on the part of the native population. It is an important task of the tourist organisation to educate the resident population as well as to attain economic benefits of tourism at minimum social disturbance. This is also a planning and social problem.

Finally, tourism is to a considerable extent a seasonal activity. Relatively little of it continues throughout the year and most of its facilities are used intensively for less than half of the time. This leads to a wasteful use of scarce resources and may, in particular, result in seasonal unemployment. This is an economic as well as a social problem.

In summary, there is a very bright future ahead for the tourism and travel industry. It will become a larger giant than it already is in the next fifty years.

However, there are clouds on the horizon, to be sure, but its overall size and effectiveness will depend to a large extent on the actions it takes on its own behalf.

In my judgement, most of the problems presented above can be solved by applying marketing techniques. Therefore, the next section will be devoted to examining the available literature which outlines the nature of marketing in tourism as it exists today.

The Nature of Marketing in Tourism

Lack of literature

بند کی تعداد

Despite the irrefutable world trade importance of international tourism, it has not yet managed to attract the serious academic attention it deserves. Most of the literature in the field tends to be elementary and superficial, and little of it has intensively treated the economic and social issues that governments, especially of developing countries, have to face when formulating their tourism policies.

Studies assessing the economic impact of tourism, travel statistics on jobs created, money spent by tourists, the number of travellers, their country of origin and their destination resort, all these studies may provide interesting demographic and economic data on who travels; where they go and why travel takes place, but they fail to answer the question of how tourism is marketed in the destination country. The marketing of international tourism has been particularly neglected and very few empirical studies have been undertaken in the area of tourism marketing.

Goffe [118] argues that "Many people have consequently continued to see the marketing of tourism only in the narrow and arrested sense of tourism promotion". On other activities, he adds, "a more comprehensive concept of marketing has gradually gained acceptance. But for some reason, perhaps because tourism falls among the service industries, what would seem to be a logical extension of tourism has not occurred".

As we indicated earlier, most of the literature focuses on the marketing of physical goods. Thus, very little has been written about the marketing of tourism. In my opinion, this is due to the fact that modern tourism is a relatively recent phenomenon. Hopefully, this study will contribute towards a better understanding of the marketing

of tourism and cover that gap in the literature. The following represents a literature review of the most important writings [119] in marketing of tourism.

In 1965, Spoor analysed the travel agency business and the different types and means of travel (rail, sea and air). The author explains insurance in travel and the law affecting travel as well as trade associations and national tourist offices. The book is more of a business guide than an academic analysis.

In his book International Tourism, Peters [1969] [120] refers to the marketing function in tourism in a few pages. He examines the role of a national tourist organisation and its marketing activity at the national level. He also examines the development of tourist resorts, the influence of travel agents and tour operators on the travel trade, and the planning of international tourism.

It may be argued that marketing of the tourist product does not differ in a broad sense from marketing of any other type of product. In 1971, Jeffries [121] points out that tourism or 'destination' marketing - as he prefers to call it - should be no different in its principles from marketing of any other commodity. He defines the characteristics of the tourist product that could be measured as follows.

- (a) The means of transport from home to destination.
- (b) The principal means of transport at the destination.
- (c) The principal activity at the destination.
- (d) The means of accommodation.
- (e) The length of stay.
- (f) The geographical shape or perimeter indicated by lines drawn between the points where overnight stops are made.
- (g) The amount of mobility.

A practical example of a tourist product is given by the author. "Arrival in Scotland by air from the U.S.A. to observe scenery and traditions; medium class hotel; length of stay fifteen days; generally mobile (four overnight stops on average)".

Jeffries suggests that the characteristics which are described above - transport to and within the destination, purpose of visit, accommodation, etc. - are commonly studied in tourist research, in addition to its usefulness in tourism planning and pricing.

In another writing, Jeffries [122] stresses that marketing of tourism is not different from the marketing process of any physical product. He argues that "This process is fundamentally the same everywhere; whether one is seeking to market the potential physical output of an industrial plant or the potential tourism output of a country".

Yet the writer refers to some problems in tourism marketing such as data collection given that the tourism product which is in reality a complex of services is so intangible. Other difficulties are met in communication and control as many tourism resources are controlled by different bodies, public and private, over whom the official tourism organisation will have relatively little authority.

While Jeffries refers to some problems in tourism marketing which are identified above, in 1981, the Tourism and Recreation Research Unit at the University of Edinburgh [123] explains these problems as characteristic of tourism which make it different from other goods and services in marketing terms. It is argued by the Research Unit that "Marketing has two separate, but linked, aspects. The first is to identify and assess revealed or latent demand for the service or products provided. The second is to design and promote the product or services in ways which achieve the desired aims. Tourism, however, is different to other goods or services in marketing terms.

Firstly, it is one of the few goods or services in which the public sector plays a major marketing role; an exercise which is conducted by both local and national authorities. Secondly, it involves the movement of consumers rather than the product. Thus, to consume the tourism product the consumer must be in close contact with the producer. Thirdly, as a service, tourism products can only be consumed at the time they are produced; the supply at any one time is fixed. Thus for tourism, marketing needs both to take into account market requirements for the existing product and also to ensure the maximum use of facilities in spite of seasonal and other variations in demand. Finally, the demand for tourism services depends on the characteristics of the heterogeneous individuals who participate. The supply of services is fragmented with many agencies being responsible for different aspects. This has led to the public agency involvement outlined above".

In 1975, 1976 and 1981, Burkart and Medlik investigated marketing in tourism in their two books entitled "The Management of Tourism" (1975) [124], and "Tourism: Past, Present and Future" (1976, 1st edition) [125]; (1981, 2nd edition) [126]. They point out that marketing in tourism takes place on two levels. The first is at the tourist organisation level whether national, local or regional, which will be engaged in a marketing campaign to persuade the potential tourist to visit the country or region for which it is responsible. The official tourist organisation will not sell the tourist product but create knowledge of its country and create identifiable images of its tourist attractions. The second level is that of individuals who market their own components of the total tourist product such as airlines, tour operators and hotel groups which concentrate on developing the markets for their particular components of the composite tourist product. In market research and market information, the authors refer to the general body of the theory as well as in advertising and sales promotion. In fact, the authors did not concentrate on the tourism feature and its implications in the

marketing activity as their books are on tourism generally, and not tourism marketing-oriented.

In 1976 Lundberg [127] investigated travel research and marketing in his book "The Tourist Business". He emphasises the role of research in marketing a destination area whether by a firm or the government. He points out that advertising and competitive pricing play an important role in marketing a destination area. The author stresses the role of tourist surveys in obtaining data about the tourist customers and their attitudes towards the destination country.

Finally, in 1976 Wahab [128] looks at tourism marketing in a similar way to Jeffries. He views marketing in tourism as a specialisation in the field of marketing which requires attention to and knowledge of the various peculiarities of the tourist product. His book is one of the very rare text books in tourism marketing. It is also the only whole text book devoted to a discussion of the subject as a whole. It aims to offer to tourism specialists a wide range of marketing knowledge and tools in an integrated manner. The author investigated the marketing approach in tourism, marketing information system as well as the tourism marketing mix. Then the author examined planning and strategy in tourism marketing and the role of marketing in national tourism organisations. Wahab points out that there are three approaches to tourism marketing, product-oriented, visitor-oriented and destination-oriented approach.

The product-oriented approach is that of endeavouring to convince potential visitors that the assets and resources of a destination are those which the tourists desired - this is the past approach. In recent years, new concepts such as visitor motivation and visitor satisfaction, began to creep into the marketer's thinking of what the potential tourist customer wants and needs - this is the present customer-oriented approach. The third one is the future destination-oriented approach where analysis of positive and negative

impacts of tourism on destinations will enable marketers to design the optimal tourism marketing programme.

Despite its critical and necessary importance in the area of tourism marketing where the literature needs such studies, the book lacks empirical studies in most of its parts.

In summary, it is clear that, so far, most of the limited research on tourism has concentrated on its economic aspects. Very little has dealt with marketing's role in the development of tourism as a comprehensive philosophy or as a set of integrated business activities. Except for Wahab's book we can conclude that most of the tourism literature ignores the role of marketing in the development of tourism, and the little which is concerned with marketing in tourism tends to be elementary and superficial.

In the next part an attempt will be made to explore the marketing concept in tourism.

Definition of marketing in tourism

As we noted earlier, marketing thought has passed through a series of stages during its development. The basic pattern has been from a seller's market and production orientation through a buyer's market and sales orientation to a buyer's market and marketing orientation. The three phases have been characterised by growth in output on the one hand and by growth of market on the other.

For tourism the third phase referred to above was only just being reached in the early 1970's. The transition from production orientation to consumer orientation was beginning to be apparent. Burkart [129] gives an example, "the introduction of the Boeing 747 aircraft and the creation of the very large hotels has made it clear that in these fields at least overproduction of both airline and

hotel capacity is a real possibility, and again the very rapid growth of the inclusive tour in Europe has prompted some rethinking among tour operators". In the field of tourism, marketing is assuming a new significance.

In so far as the marketing concept in tourism is concerned, the literature in that respect is very poor. Very little has been written about marketing in tourism and very little written about the implementation of the marketing concept in tourism.

There exist several formal definitions of marketing. The British Institute of Marketing has formulated the following [130]:

"Marketing is the management function which organises and directs all those business activities involved in assessing and converting customer purchasing power into effective demand for a specific product or service and in moving the product or service to the final customer or user so as to achieve the profit target or other objectives set by the company".

Two points in this definition are significant: the marketing function is seen as co-ordinating all aspects of business, not merely a departmental one; the role of marketing is seen to include the assessment of consumer demand in the first place, and not merely satisfying demand as it appears.

Krippendorf [131], the Swiss Professor of Tourism, defines marketing in tourism in very nearly the same terms:

"Marketing in tourism is to be understood as the systematic and co-ordinated execution of business policy by tourist undertakings whether private or state owned at local, regional, national or international level to achieve the optimal satisfaction of the needs of identifiable consumer groups and in doing so to achieve an appropriate return".

So Krippendorf, in his definition mentioned above, stated that the objectives of marketing in tourism should be "to achieve the optimal satisfaction of the needs of identifiable consumer" through "systematic and coordinated execution of business policy" to achieve "an appropriate return".

In short, this definition falls in line with the previous definitions of marketing in regarding the consumer satisfaction as the ultimate aim which steers the adaptive policy of tourist enterprises and the state.

In Wahab's view [132], this definition, however, is subject to the following comments:

1. That tourist marketing is not a mere systematic and co-ordinated adaptation of the policy. It is, in fact, setting up the policies according to consumer exigencies. In other words, the starting point in a marketing policy is to inform oneself about the consumer needs, desires, tastes and expectations in order to lay down the tourist supply development plan and adopt a policy that is always tourist-oriented.
2. That the whole tourist marketing message from a National Tourist Organisation's viewpoint is to identify primary, secondary, and opportunity markets for the tourist destination's product, build up a communication system with these markets and to maintain and increase the destination's market share. Therefore, the interaction between the product and the market in order for the first to comply with the market's conditions and exigencies is paramount. The groups of consumers cannot be identified therefore, except through marketing activities.
3. That marketing should be viewed as orienting the management of tourism within the state policy or the management of the tourist enterprise.

In this context, Wahab introduces another definition of marketing in tourism.

"The management process through which the National Tourist Organisations and/or tourist enterprises identify their selected tourists, actual and potential, communicate with them to ascertain and influence their wishes, needs, motivations, likes and dislikes, on local, regional, national and international levels, and to formulate and adapt their tourist products accordingly in view of achieving optimal tourist satisfaction thereby fulfilling their objectives".

We will adopt this definition in the present study for these reasons:

1. The definition recognises marketing as a management philosophy.
2. It emphasises the role of marketing research.
3. It includes all levels of management of tourist organisations.
4. It recognises the broader meaning of the marketing concept where the focus shifted from consumer-orientation to a balance between the consumer satisfaction and the firm's profit; to an integrative point of view.

The above definitions show that theoretically the marketing concept has been accepted as a successful business philosophy by the very rare writers of tourism marketing. Practically, one of the top executives in the tourism industry, William Morton [133], Vice President of Marketing for I.T.T., stated at an international conference arranged by Sheraton in 1971 that "For Sheraton, our goal is to operate to please and serve our guests' needs, profitably. Marketing in this concept is practically a blueprint on how to operate successfully".

It is clear that the goal of one of the biggest institutions in the tourism industry is to "please and serve their guests' needs". This is an acceptance of the marketing concept in practice in the tourism industry.

Having discussed the definitions of marketing in tourism, the study turns now to analyse the tourist markets in order to determine the nature and scope of tourism in Egypt.

The Tourist Markets

International market

Overall trends:

According to estimates by the WTO Secretariat General, total world tourist arrivals rose to almost 1,650 million in 1980. That total was 580 million in 1965. These figures include domestic tourist arrivals, i.e. travel by residents of the various countries within their own country, as well as international tourist arrivals. They, therefore, cover all tourist movements, whatever the motive, at the domestic and international levels. It includes travel undertaken for holiday purposes which accounts for almost 70 per cent of overall international tourist travel. These movements in the various regions of the world in 1980 are broken down in table 2.1.

Table 2.1: Regional Shares of International and Domestic Arrivals 1980

Region	Overall tourist arrivals (domestic and international) in millions	Percentage share of the total	Percentage share of international and domestic by region		
			International %	Domestic %	Total %
Africa	10.5	0.6	15	85	100
Americas	175.0	20.6	30	70	100
East Asia & the Pacific	60.0	3.6	25	75	100
Europe	1387.0	84.2	20	80	100
Middle East	7.6	0.5	55	45	100
South Asia	7.5	0.6	40	60	100
Total	1647.6	100.0	17	83	100

- Source: 1. Trends in Tourism: World Experience & England's Prospects: Research by Medlik, S., for English Tourist Board, October 1982, p.14.
2. WTO, International Tourism in Figures 1970-1980, WTO, 1981 Edition, p.1.

As the figures indicate, Europe, with 84 per cent of total arrivals, has the largest share of the world tourism market. The results for the Americas have been largely influenced by those of Canada, the United States, and Mexico, which together accounted for over 70 per cent of overall tourist movements in the Americas region.

The large share of the Americas and European regions in total tourist movements recorded worldwide should not obscure the development of both domestic and international tourist flows in the other regions. Although their share in the total is relatively small, there has been an overall steady increase in both domestic and international tourist movements. At the international level there has been a marked resurgence of intraregional travel, chiefly in the regions of East Asia and the Pacific, and South Asia. There is also a potentially large market for domestic tourism in these two regions as well as in Africa. Broadly speaking, the expansion of tourism in these regions is still hindered by numerous factors [134], including the lack of purchasing power of broad layers of the population of the countries in these regions, the absence of tourism and other infrastructure, transport difficulties and restrictive measures for travel, etc. Once such difficulties are overcome, the present trends will most probably be reversed given the high percentage of developing regions in the world.

As table 2.1 shows, domestic tourism predominates heavily over international tourism in most regions of the world; only in the Middle East does the volume approach the volume of international tourism because it is widely influenced by an increase of tourist movements from Arab countries. In Africa, domestic arrivals represent less than half of the total.

Moreover, as noted by Medlik [135], domestic tourism is growing faster than international tourism, and this is likely to be the case in all the regions. Whilst the available leisure time continues to increase, a higher rate of growth is expected to continue in most

countries in domestic tourism than in international tourism in the 1980s as a result of increasing holding propensities in many parts of the world because first-time holidays tend to be domestic, and because of an increase in additional holidays in more developed tourist markets; this tendency is likely to be reinforced in most countries during the early 1980s by the impact of the recession on personal disposable incomes.

International tourist arrivals and receipts during 1970-1980

Total international tourist arrivals in the world in 1980 (excluding excursionists) are estimated at 286.0 million, an increase of 5 to 6 per cent in relation to 1979 [136].

As in table 2.2, the data shows that international tourist movements increased again in 1980. Although it did not attain the growth rates recorded for 1977 and 1978, international tourism appears to have settled into a new rhythm of growth after easing off in 1973 and 1979. Compared with earlier decades when international tourist arrivals grew on average by some 10 per cent a year (11 per cent between 1950-60, 9 per cent between 1960-70), the average annual growth between 1970-80 was in the region of 6 per cent. However, international tourism demonstrated a remarkable resilience to adverse influences in the 1970s.

Most of the growth of the 1970s occurred in holiday tourism, which is estimated to approach 70 per cent of all international tourist movements.

Medlik [137] argues that "Whilst, according to most sources, the longer-term rate of growth is levelling off, most existing forecasts indicate that international tourism will grow between 4 and over 7 per cent annually in the 1980s, which would result in a broad range of more than 400 and less than 600 million arrivals by 1990".

As table 2.2 shows, total international tourism receipts in 1980 are estimated at 92,500 million United States dollars, i.e. 17.1 per cent more than in 1979. These figures do not include receipts from the payment of international tourism transport which account for between 20 and 25 per cent of total tourism receipts, i.e. between 19,000 and 23,000 million United States dollars. The average annual rate of increase of international tourism receipts between 1974 and 1980 was 18.1 per cent.

Table 2.2: International Tourism Arrivals and Receipts during 1970-1980.

Year	International tourist arrivals (in millions)	Annual Growth rate	International tourist receipts (thousands of millions of US dollars)
1970	158.7	3.0	18.2
71	169.4	6.7	21.4
72	184.3	1.0	26.0
73	191.3	3.8	31.4
74	196.7	2.8	34.1
75	206.9	5.2	38.6
76	227.0	4.1 (1)	43.7
77	243.6	7.3	52.4
78	259.4	6.5	65.0
79	270.0	4.0	79.0
1980 (E)	286.0	5.5	92.5

Average annual increase of international tourist arrivals.

1970 - 1979	6.1%
1974 - 1979	6.5%
1979 - 1980	5.5%

(E): Estimates

(1): Percentage calculated on the basis of a total of 215.5 million. The figure of 227 million is due to a change of series in the case of France.

Source: 1. Economic Review of World Tourism, WTO, 1980.
2. International Tourism Quarterly, No.1, 1981.

In relative terms, the increase in international tourism receipts in 1980 was far greater than in world exports, which was estimated at between 2 and 3 per cent for the year 1980 as against 17 per cent for tourism receipts. The latter accounted for 5.5 per cent of the global value of exports in 1980 as compared to almost 5 per cent in 1979 [138].

The distribution of total international tourism receipts in the various regions of the world during the period 1978-1980 is given below in table 2.3.

Table 2.3: International Tourism Receipts by Region (excluding International fares receipts) in million United States dollars.

Region	1978	1979 (RE)	1980 (PE)	Percentage variation		
				1978	1979	1980
Africa	1.5	1.8	2.0	+20.0	+20.0	+11.0
Americas	13.5	16.0	18.5	+17.4	+18.5	+15.6
East Asia & the Pacific	4.0	5.0	6.0	+29.0	+25.0	+20.0
Europe	44.0	54.0	64.0	+27.0	+22.7	+18.5
Middle East	1.45	1.4	2.5	+20.8	- 3.4	+ 7.1
South Asia	0.8	0.8	0.5	+24.3	0.0	-37.5
Total	65.2	79.0	92.5	+24.0	+21.1	+17.1

Source: WTO, International Tourism in Figures 1970-1980, 1981 Ed.
p.6.

RE: Revised estimates; PE: Preliminary estimates.

As in the case of tourist arrivals, receipts for Europe and the Americas together accounted for over 90 per cent of the world total. In the Americas region, Canada, the United States and Mexico together accounted for more than 70 per cent of the total tourist receipts.

During the period 1978-1980 tourism receipts increased at a slower pace in relative terms in the regions of Africa, the Americas,

East Asia and the Pacific, and Europe. The Middle East and South Asia experienced a reversal of the trend in variations for receipts in 1980, following a standstill in 1979 in South Asia and a decline in the Middle East the same year. At the world level tourism receipts also progressed at a slower pace in 1980, while the increase in absolute figures between these three years remained steady.

Generators of international tourism

As table 2.4 shows, twelve main countries - nine in Europe, the USA, Canada and Japan - now [1980] generate some two-thirds of all international tourist arrivals. The first five - West Germany, USA, France, Canada and the UK - contribute almost half of the total, compared with over half in the 1960s. The first two West Germany and the USA account for almost a third - a similar proportion as in the 1960s but West Germany has since taken over as the world's leading generator.

Table 2.4: Main Tourist Generating Countries, 1976.

Country	1976	Country	1976
W. Germany	1	Belgium/Luxemburg	7
France	2	Italy	8
USA	3	Japan	9
Canada	4	Switzerland	10
UK	5	Sweden	11
Netherlands	6	Austria	12

Source: Table 2.4, UN Center on Transnational Corporations, Transnational Corporations in International Tourism, to be published in 1981, reference CI/STC/18.
 In: Ann Zammit, "Transnationals in Developing Country Tourism", International Tourism Quarterly, Special Report No.39, E.I.U., No.1, 1981, p.39.

The twelve main countries generate some three-quarters of international tourism expenditure, the first five about a half, and the top two over a third of the total.

By 1990 the total share of international tourism of the main generating countries is not expected to change dramatically but Japan may become the third most important generator after West Germany and USA, and Canada, France and the UK may decline most in importance, with generation more dispersed.

All the main generating countries are expected to continue significant growth rates in tourism abroad in the 1980s - only Canada, France and the UK less than 5 per cent annually; the main new major generator is seen to be Brazil.

The share of intraregional tourism

The share of intraregional tourism, i.e. travel between countries of the same region, developed as in table 2.5.

Table 2.5: Share of Intraregional Tourism in the Various Regions of the World. (in percentages)

Region	1967	1976	1979(E)
Africa	16.0	12.0	30.0
Americas	93.7	85.0	70.0
East Asia & the Pacific	45.0	58.0	62.3
Europe	84.7	86.5	71.4
Middle East	68.0	67.5	77.5
South Asia	20.0	16.0	22.5

Source: WIO, International
op. cit., p.4.

E: Estimates.

It will be noted that international tourism in Europe and the Americas is largely dominated by travel between countries of these regions. The share of this market in the total is 70 per cent for these two regions. It will also be noted that such movements are on the decline in relation to the two other base years under review, notwithstanding a slight increase in such movements in the European region in 1976. The results for the Americas are largely dominated by travel between Canada, the USA and Mexico. On the other hand, in the regions of Africa, East Asia and the Pacific, and South Asia there was a marked resurgence of intraregional tourism during the three years in question. The results for 1979 in the Middle East were widely influenced by an increase of tourist movements from Arab countries.

In summary, during the 1970s, the international tourist market demonstrated a remarkable resilience to adverse influences and by 1980 many forecasts of its total growth were reached or even exceeded. The growth is expected to continue in the 1980s. Less than 20 per cent of world tourist flows are estimated to be international and more than 80 per cent are domestic. Domestic tourism predominates in most world regions and is growing faster than international tourism. Europe is by far the leading destination of international tourism and is expected by some to consolidate this position in the 1980s with some three-quarters of all international arrivals and well over two-thirds of their expenditure. Europe is also the main source of origin of international tourism. Nine out of the twelve main generating countries, which account for some two-thirds of all international arrivals and some three-quarters of all international receipts in the world, are in Europe. All of them are expected to show significant but varying rates of growth in the 1980s. Japan may become the third most important generator after West Germany and the USA, and Brazil the main new generator. Among the existing main generating countries traffic from Canada, France and the UK is expected to grow least.

Over 80 per cent of international tourist flows are by people travelling within their own regions. Europe and the Americas dominate intra-regional flows whilst they also generate the largest numbers of inter-regional arrivals in the world.

Having discussed the international tourist market extensively, the study turns now to examine the Middle East market in general in order to explore the nature and scope of tourism in Egypt in the particular.

The Middle East market

In December 1970, the International Union of Official Travel Organisations in collaboration with the International Bank for Reconstruction and Development, completed a study concerning "the prospects for tourism development in the Middle East region" [139]. The study area embraced the following countries: * Egypt (United Arab Republic), Lebanon, Jordan, Syria, Iraq, Kuwait, Libya. The study illustrated the growth in arrivals and their nationalities to the study area during the period [1962-1969], as shown in tables 2.6 and 2.7.

Prior to the events of 1967, about half the recorded arrivals in the region were of nationals of the study area, and other Arabs, and about a third of European and US nationals, with the balance (others) consisting of a substantial amount of other regional traffic from Iran, Pakistan, India, Afghanistan and Turkey, much of it being pilgrims en route to and from Mecca, together with arrivals from other areas, especially Canada, Australia and New Zealand, Japan and South America. Since 1967 the importance of regional traffic has increased, and in 1969 it represented over two-thirds of all arrivals, partly as a result of the decline of arrivals from Europe and the US. The statistics of arrivals in table 2.6 give a good indicator of the rapid growth in tourism experienced by the study area prior to the events of 1967.

* The study area does not include all countries in the Middle East region.

Table 2.6: Growth in arrivals to the Study area (ooo,s) Middle East)

Country	Total Arrivals 1962	Total Arrivals 1966	Total Arrivals 1969	Growth 62-66 % p.a.	Growth 62-69 % p.a.
Egypt (UAR)	290	580	350	18	4
Lebanon (1)	330	700	780	20	13
Jordan	210	620	340	31	7
Syria (2)	310	660	470	21	6
Iraq	70	400	430	55	30
Kuwait	90	190	180	20	10
Libya	50	70	110	9	12
Total Arrivals	1,350	3,220	2,660	24	10

(1) Excluding arrivals of Syrian Nationals.

(2) Excluding arrivals of Lebanese Nationals.

Source: IUOTO: Study of the Prospects for Tourism Development in the Middle East Region: IUOTO, Geneva, 1972, p.41.

Table 2.7: Nationality of Arrivals in the Study Area (The Middle East Region) (% share of all arrivals)

Nationality	1961	1964	1966	1969
Europeans	22	22	20	13
USA	9	9	8	4
Arabs	49	52	58	67
Others	19	17	14	16
Total	100	100	100	100

Source: IUOTO, Study of op. cit., p.42.

The study predicted the future pattern of growth of the Middle East tourist market by the year of 1980, as in table 2.8.

Table 2.8: Reasonably Attainable Targets of Tourist Arrivals in the Middle East (Study Area)* in (ooo,s).

Nationality	1962	1966	1969	1972	1975	1980	Growth p.a. 1969-1980
Europe	302	641	343	641	1,279	2,060	15.7%
USA	127	255	107	255	406	654	12.5%
Arabs	656	1,853	1,774	2,164	3,091	4,651	10.0%
Iran, Pakistan, India, Turkey	100	100	320	412	505	657	6.8%
Others	159	256	100	256	406	654	12.5%
Total	1,344	3,204	2,644	3,629	5,687	8,676	10.9%

Source: Ibid., p.107.

*Based for comparative purposes on a restoration of the Pre-1967 situation in 1971.

Although the study predicted that the arrivals in the Middle East (Study Area) will reach 8.6 million by 1980 (Table 2.8), table 2.1 presented earlier shows that total domestic and international tourist arrivals in the Middle East are estimated at slightly in excess of 7 million. The share of domestic tourist arrivals in the overall total of arrivals is estimated at 65 per cent. Total international tourist arrivals in this region reached 3 million in 1980, i.e. a decrease of almost 17 per cent in relation to 1979, chiefly attributable to the Iraq-Iran conflict and the situation of unrest in Lebanon which has also had an adverse effect on tourist flows to other countries in the region. International tourist receipts for the region are estimated at 1,500 million United States dollars (Table 2.3), which represents a slight increase of 1 per cent in relation to the previous year. These figures do not include Saudi Arabia which,

according to certain estimates, recorded more than one million arrivals of pilgrims, which generated between 800 and 900 United States dollars in tourism receipts in 1980.

Table 2.9: International Tourist Arrivals in the Middle East in Millions

Years	1970	1974	1975	1976	1977	1978	1979	1980
Middle East	2.9	4.3	3.4	3.6	3.5	3.8	3.6	3.0

Source: 1. Economic Review of World Tourism, WTO, 1978 and 1980.
 2. IUOTO, for 1970.
 3. International Tourism Quarterly, No.1, 1981, p.1.

Table 2.9 shows that the trends in international tourism for this region in the course of 1970 to 1980 were influenced by political and social instability which had repercussions on the levels of tourist arrivals and receipts in 1980 (Table 2.3). During the period 1970-1974 arrivals and receipts increased at a relatively steady pace, in spite of a decline in arrivals in 1973. Arrivals between 1970-1974 increased from 2.9 million to 4.3 million, but the results for 1974 were not matched in the following years. From 1974 onwards an increase was noted in intraregional movements and business travel from other regions (Table 2.5). The share of this region in overall international tourist movements declined from 1.8 per cent for arrivals in 1970 to 1 per cent in 1980, whereas tourism receipts stabilised at about 1.7 per cent for those two years. During the period 1970-1980, the average annual rate of variation of international tourist arrivals in the region stood at about 2.5 per cent and that of tourist receipts reached 18 per cent.

International tourism in the region is marked above all by a high proportion of intraregional tourist movements, i.e. travel between countries of the same region, as well as travellers by air in transit to Europe and the Far East. Such factors tend to produce a

shorter length of stay and a higher daily level of expenditure than in the majority of the other regions.

International tourism in the Middle East region included more than 50 per cent of arrivals from countries of the same region; arrivals from Europe accounted for between 30 and 35 per cent of the total arrivals, while the share of arrivals from North America was in the region of 10 per cent. The U.S. and Europe represent the two most important tourist markets (Tables 2.7 and 2.8). The remainder was accounted for by tourist movements from Asian countries, for the most part pilgrims en route to Mecca, and by arrivals from other areas, chiefly Australia, New Zealand, Japan and South America.

At the economic level [140], arrivals from the United States and Europe constituted the two main tourist markets, with a strong concentration of such arrivals in Egypt, Libya and Yemen. In these three countries arrivals from the two regions accounted for about 40 per cent of total international tourist movements. In Egypt arrivals by air accounted for almost 80 per cent of the total, whereas in Syria and Jordan arrivals by road accounted for 90 and 70 per cent respectively of total arrivals. Tourist movements in these two countries from other Arab countries represented 75 and 60 per cent respectively of the total international tourist movements.

Having discussed the Middle East tourist market, the study turns now to examine the nature and scope of tourism in Egypt in order to determine its market share and its customers.

The Nature and Scope of Tourism in Egypt

Egyptian tourist market

Tourism besides being the most important promotional means which could lead to the realisation of the international understanding and the strengthening of peace among peoples, it is also playing an important role in the national economy contributing to an increase in its national income, and an effective source of hard currency.

The continuous progress in tourist arrivals and the receipts from tourism have been parallel to a rapid growth in investments in the tourist industry. Both the developed and developing countries have carried out intense tourist activities to consolidate or improve their position in the international tourist market.

Egypt has a favourable geographical position as it has always been the meeting ground of East and West, the gateway from the West to the Middle East, Africa and Asia [figure 2.1]. From the beginning, it has inherited the oldest civilisation in the world and the longest recorded history.

The magnificent monuments of this country inherited from Pharaonic, Greco-Roman, Coptic and Islamic times, are still plentifully visible in perfect condition. It is, therefore, not surprising that Egypt was the first country in the world to witness the tourist phenomenon. Many people have been attracted by the charm and glory of its monuments since the time of the ancient Greeks.

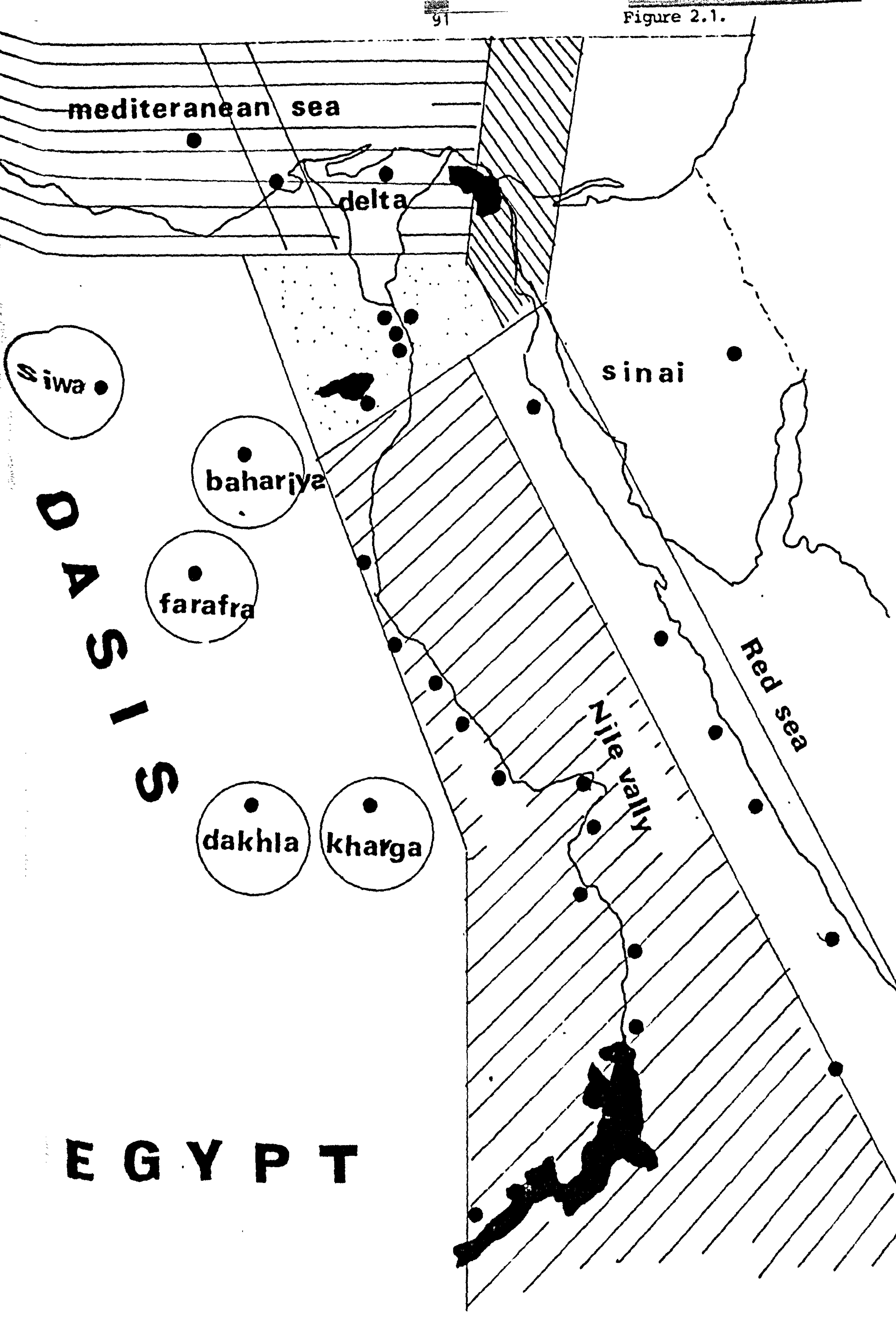
God has blessed Egypt with stunning rich natural tourist attractions, such as: [14]

- Mild climate all year round
- Long seashores on the Mediterranean and the Red Sea

BEST COPY

AVAILABLE

TEXT IN ORIGINAL IS
CLOSE TO THE EDGE OF
THE PAGE



EGYPT

EGYPT

Siwa

bahariya

farafra

dakhla

kharga

sinai

delta

Nile vally

Red sea

mediteranean sea

- The great River Nile and its green valleys
- Vast expanse of unspoiled desert
- Mineral sulphuric water

Cultural and sightseeing tourism has been prevalent for many decades and the tourist structure of the country was established on that basis. However, with the growing trends in tourism and the diversification of its phenomenon, the authorities managed to put the potential resources of the country to good account in the interest of both Egypt and her visitors.

To help bring this about, the Ministry of Tourism has made efforts to develop Egypt's resources in other fields of interest, such as religion, health, youth, sports, recreation and conventions, and has attempted to appeal to specific age and interest groups. Its aim is to attract tourists from all over the world and satisfy all needs. Unfortunately, no attempt has been made to analyse the tourist wants and needs, likes and dislikes in order to discover their basic reasons for coming to Egypt, and to try the best way to satisfy these needs. Hopefully, this study will try to do so.

Economically, tourism in Egypt has been considered as a sound element which could play an active role in the process of economic and social development and contribute extensively in the adjustment of its balance of payments. In 1982, the Financial Times [142] accounted that tourism is one of the four reliable workhorses of Egypt's hard currency earnings. (Workers' remittances \$3bn 1980-81, Oil, \$2.75bn 1980-81, Suez Canal \$900m 1980-81, Tourism \$700m 1980-81), despite the fact that tourism badly hit by political uncertainty created by the assassination of Sadat. However, it has been revealed that the share which Egypt receives from tourism does not match the great cultural and natural attractions it offers. Egypt has great possibilities for attracting many other different categories of tourists from different markets such as recreational, sport and health tourism.

Tourist fields in Egypt

Various fields of interest could be classified into two main forms of tourism [143]:

1. Traditional tourism, which covers cultural and religious tourism. Cultural tourism mainly consists of visiting the great historic monuments left by the oldest civilizations among which it is worth mentioning the Pharaonic, Coptic and Islamic monuments. Religious tourism is equally important in Egypt, the cradle of civilizations and monotheism since Akhnaton 5000 years ago. Religious places are found in Cairo, Alexandria, the Red Sea, Upper Egypt and Sinai. Special attention has been paid to this type of tourism and the necessary facilities have been provided to attract tourists wishing to visit religious sites of their respective creed.

With the restoration of Sinai, programmes of religious tourism have been amended so as to include the numerous religious places and relics in the Peninsula, such as the road used by the Sacred family of Jesus Christ, the mountains of El-Tor and St. Katerine Monastery. All these regions will be provided with inns, rest houses and adjoining camps to accommodate as many visitors as possible.

2. Active tourism, which includes the new tourist trends are as follows:

(a) Sports, leisure and recreation tourism, which attracts large numbers of foreign visitors. They come to Egypt throughout the year to enjoy practicing various kinds of sports such as fishing, shooting, rowing, swimming, tennis and golf tournaments and equestrian events, etc.

(b) Health tourism, is another form of tourism. The country's warm weather, its sunshine throughout the year, its natural beauty, its warm sands and its sulphuric water make the Egyptian climate one of

the most ideal health resorts in the world. This is besides the reasonable cost of treatment as Egypt could be considered among the leading countries in this type of tourism.

(c) Youth tourism is regarded as a means of linking people of different countries since travel has become a basic and essential interest of young people. It has become an important activity. The present tourist plan predicts a more intense movement of youth tourism [144]. Suitable programmes and prices are designed for young people and an adequate number of youth hostels, camps, entertainment and recreation centres are being established throughout Egypt to attract as many young men and women as possible from the four corners of the world.

(d) Car tourism: Egypt is intensifying its efforts to provide all facilities for encouraging car tourism which accounts for approximately 70% of the gross movement of tourism in the world. In this respect, Egypt is especially privileged with its flat and smooth land, and also with the principal international waterway of the Suez Canal. The good weather conditions make the present facilities along Egypt's coasts on the Red Sea and the Mediterranean, the Nile banks and across the desert and the Oases an ideal route. Steps have been taken to increase ferry boat activities in the Red and Mediterranean Seas. So far, six ferry boats link the Arab region and Asia with Egypt from the East and South and Central Europe from the North.

(e) Yacht tourism, is a growing tourist movement in Europe and particularly in the Mediterranean countries. The Tourist Authority has carried out intense activities for its development in Egypt. Several formalities were required to obtain necessary permits, however, these formalities have been reduced and a number of marinas are being established on the Red and the Mediterranean Seas.

(f) Desert and Aqua Safari tourism: Hunting animals and shooting wild birds and ducks has been traditional in Egypt since the oldest civilization in the world. Carvings on the walls of Pharaonic temples reflect the history of this field of interest among ancient Egyptians. Most recently, however, Egypt is developing this field of interest, particularly in the Western Desert, Sinai and the Red Sea, where hunting deer and wild rabbits can be enjoyed, along with shooting ducks in some parts of Egypt. Aqua Safari is equally an important activity in the Red Sea where visitors can enjoy its rare variety of fish and coral reefs.

(g) Adventure tourism, for those who seek and enjoy the new in everything, no matter how adventurous the situation in which they could find themselves. These adventure-seeking tourists will find themselves attracted to the Red Sea coast with its rare variety of fish and coral reefs, and to the green islands amidst the desert, which are rarely found elsewhere in the world.

(h) Congress tourism: This kind of tourism has recently become popular and many countries, in particular Arab and African countries, have begun to concentrate on holding local and international conferences. The participating delegations in these conferences are provided with entertainment and tourist itineraries and thus they have the opportunity of visiting the country's tourist attractions. These conferences are considered a good form of publicity for the countries in which they take place, because the media are always present on such occasions. This particular type of tourism has developed in Egypt as a result of the facilities provided for holding conferences at all Arab, African and international levels.

Efforts of developing the Egyptian tourist market

To achieve the above aims, the Tourist Authority (Ministry of Tourism) has started to carry out many efforts which can be classified

as follows [145]:

1. Expansion of tourist promotion through official agreements, the encouragement of cultural events, sports festivals, and holiday tourist weeks abroad as well as taking advantage of the public relations opportunities provided by International events and celebrations.
2. Raising standards and qualifications of workers in the tourist industry through specialised colleges and institutes, as well as through training courses in tourism and hotel management.
3. Advancing people's awareness of the values of tourism through establishing the 'Association of Tourist Friends'.
4. Raising the standard of tourist services including those related to visas, customs, health and currency regulations, etc.
5. Providing improved security services for tourists through the activities of the Tourist Police whose assigned task is to aid and protect tourists throughout the country.
6. Furthermore, particular acts of legislation have already been promulgated, entrusting to the Ministry of Tourism the supervision and exploitation of tourist areas, as well as for the encouragement of Arab Foreign investments in tourist projects.

The above discussion presents the attractions of the Egyptian tourist market (the Egyptian tourist product) and the efforts which have been made to develop these attractions, but who are the consumers of these attractions? This will be the subject of the following analysis.

The tourist customer in Egypt

Before the period 1975-1980, where a boom is witnessed in the country's tourist arrivals, the political unrest in the Middle East - particularly during the wars of 1956, 1967 and 1973 - had affected the position of tourism in Egypt. Until the 1967 war, there had been a growing trend of tourist arrivals in Egypt. That war affected

and disrupted this trend. In 1969 a period of recovery started; however, this trend was interrupted again by the 1973 war. After this war, a boom can be witnessed in the country's tourist arrivals, as table 2.10 indicates.

Table 2.10: Tourist Arrivals to Egypt, Tourist Nights & Tourist Receipts. (Tourist receipts in millions of Egyptian Pounds) [1975-1980]

Year	Tourist Arrivals	Indices	Tourist Nights	Indices	Tourist Receipts	Indices
1975	793,061	100.0	5,854,581	100.0	86.5	100.0
1976	983,980	124.1	6,796,080	116.1	155.8	180.1
1977	1,003,926	126.6	6,338,920	108.3	450.5	520.8
1978	1,051,848	132.6	7,126,665	121.9	409.9	473.9
1979	1,064,079	134.2	7,104,381	121.2	364.8	421.7
1980	1,253,000	153.3	8,000,000	130.2	700 million* dollars	

- Source: 1. For 1975-1979: Constituted from: Egyptian Ministry of Tourism: Tourist Statistics Information 1975-1979, Cairo, Egypt.
2. For 1980: WTO, "Egyptian Tourism in the 1980's", World Travel-Tourisme Mondial, No.159, 1981, p.21.

* Tourist receipts in 1980 in millions of U.S. dollars recorded an increase of 250 million dollars over the previous year.

N.B. This is the available statistics until now (March 1983).

The total number of tourists in 1980 recorded a figure of 1,253,000 compared to 793,061 in 1975. This is an increase of 53.3 per cent over a six-year period.

Tourist nights increased by 30.2 per cent during the same period. The figure rose to 8 million nights as compared to 5.9 million nights in 1980 and 1975 respectively.

The total amount of tourist receipts in 1979 recorded a figure of 364.8 million Egyptian pounds compared to 86.5 million pounds in

1975. This is an increase of 421.7 per cent over a five-year period. Tourist receipts in 1980 recorded a figure of 700 million United States dollars. This is an increase of 250 million US dollars over the previous year.

In 1980, occupancy rate reached 77 per cent although hotel capacity had increased by 25 thousand new rooms over the previous year. The hotel capacity registered an increase of 35 per cent during 1975-1979, or 8,980,000 nights to 12,126,000 nights.

These figures indicate that tourism development in Egypt is making progress. It is predicted that this growing trend will increase in the near future, particularly after the Egyptian-Israeli peace agreement. In my view, however, the unrest situation between Israel and the other Arab countries, besides the other factors, will affect the tourist arrivals in the Middle East region in general.

The nationality of the tourist customer in Egypt

Table 2.11 shows Egypt's tourist arrivals according to the main groups of countries of origin: Arab, O.E.C.D., which include European and American, Socialist and Developing countries. It is perhaps useful to mention that the Arab countries group includes all Arab countries; O.E.C.D. includes the United States, Western European countries, Canada, Japan, and Australia; Socialist countries include all the Eastern European countries; and Developing countries include some countries from Asia, Africa, and Latin America. This means that the tourist customer in Egypt comes from all over the world. In other words, Egypt has not reached the point of being dominated by one nationality as has Mexico, for example. In 1972 tourists from the United States accounted for 89.0 per cent of all tourist arrivals in Mexico [146].

Table 2.11: Origins of tourism visits to Egypt in main Groups of Countries
[1975 - 1979]

Main Groups	1975		1976		1977		1978		1979		% of Total	
	No.	Indices	No.	Indices	No.	Indices	No.	Indices	No.	Indices	1975	1979
Arab G.	437,513	100	534,531	122.2	474,946	108.6	455,418	104.1	396,872	90.7	55.1	37.0
OECD G.	278,318	100	362,178	130.1	433,913	155.9	502,649	180.6	574,944	206.6	35.1	54.0
Socialist G.	34,697	100	35,440	102.1	30,731	88.6	25,315	73.0	31,390	90.5	4.4	3.3
Developing G.	42,533	100	51,831	121.9	64,336	151.3	68,466	161.0	60,873	143.2	5.4	5.7
Total	793,061								1064,079		100	100

Source: Constituted from: Egyptian Ministry of Tourism: Tourist op. cit.

The figures show that Arab countries, European and Americans constitute the most important tourist markets for Egypt (91%). While the Arab countries group represent 55.1 per cent in 1975 against 37.0 per cent in 1979, the reverse is so of European and American (OECD) case, (35.1 per cent in 1975 against 54.0 per cent in 1979. The arrival of Arab tourists has sharply decreased over the same period. This can be attributed to the disagreement of the leaders of the Arab countries with the Egyptian-Israeli peace settlement. But in 1981, the number of tourists from Arab countries rose to reach 42 per cent of the total. The number of tourists from Europe and America has sharply increased since 1975, and their share of the total has risen from 30.4% and 7.9% respectively in 1975 to about 35% and 13% in 1981" [147].

Main nationalities exporting tourists to Egypt 1975-1979

The main countries exporting tourists to Egypt are: The United States, Saudi Arabia, Sudan, West Germany, France, Great Britain, Italy and Jordan. With peace in the region, the pattern of the tourist movement may change, so that Western tourists represent an increasing percentage as indicated by the figures of 1975 and 1979 arrivals. Table 2.12 indicates that tourist arrivals in Egypt from Europe and America represented 41.2 per cent in 1975 and 64.7 per cent in 1979, of the total number of the main nationalities who visited Egypt. Europe represented 29.1 per cent in 1975 and 45.3 per cent in 1979. It is the most important tourist market for Egypt.

Despite the fact that Egypt has all the important features of a good tourist destination, the country has not yet entered into the modern mass tourist market. Its market share is very modest. The next part will be devoted to an evaluation of this.

Table 2.12: Generators of Egyptian Tourism: 1975-1979.

Country	1975		Country	1979	
	No.	%		No.	%
Libya	101,805	20.8	U.S.A.	139,867	19.4
Sudan	61,420	12.5	Saudia Arabia	126,179	17.4
Saudia Arabia	60,095	12.2	Sudan	105,931	14.6
U.S.A.	58,821	12.1	F.R. Germany	79,016	11.8
France	43,463	8.9	France	77,988	11.0
F.R. Germany	37,185	7.6	U.K.	67,069	9.3
Syria	32,987	6.7	Italy	54,190	7.5
Jordan	32,307	6.6	Jordan	24,305	3.3
U.K.	32,546	6.5	Benelux	23,131	3.1
Italy	30,204	6.1	Scandinavia	19,699	2.6
Total	389,833	100.0	Total	717,375	100.0

Source: Egyptian Ministry of Tourism: Tourist Statistics op.cit.

Egypt's market share

It is stated by the Authority of Tourism in Egypt [148] that the share of Egypt in the international tourist market was 0.45 per cent of the total tourist arrivals, and 0.59 per cent of the total tourist receipts in 1980.

However, with respect to the Middle East market in 1980, Egypt's share represents 41.7 per cent of the total tourist arrivals, but with regard to the Mediterranean countries, Egypt's share was 2.2 per cent of the total tourist arrivals in this market in 1980, and 4.6 per cent of the total tourist receipts in the same year.

However, compared with many other countries, Egypt's overall performance still leaves considerable room for improvement.

Table 2.13 contains data on tourist arrivals, length of stay, and tourism receipts in Egypt, as compared with other tourist countries.

Table 2.13: Tourist arrivals, Length of Stay, and Tourism Receipts in Egypt and other Countries in 1980.

(Tourist arrivals in (ooo)], Length of stay in days], [Tourism receipts in millions of U.S. dollars].

Country 1980	Egypt	Israel	Tunisia	Morocco	Greece	Italy
Tourist Arrivals	1,253,100	1,267,000	1,677,800	1,517,200	5,271,100	38,027,000
Length of stay (average)	6.4	3.3	7.6	-	12.7	-
Tourism Receipts	561,0	866	604,6	296,7	1,733,5	6,968,0

Source: Ministry of Tourism: The General Outline of the Five Years Development Plan 1982-1986, Cairo, Egypt, April 1982,
(In Arabic).

Table 2.13 shows that tourist arrivals, the average length of stay, and tourism receipts are lower than some other tourist competitor countries such as Tunisia, Greece, Israel and Italy. The tables reveal that the stake Egypt has in international tourism compared with other countries, is very small which offers the opportunity to develop that sector which is essential for the country's economic and social development in the long term.

In the following section we shall shed some light on the future potential of tourism in Egypt.

The scope of tourism in Egypt

Planning officials at the Egyptian Ministry of Tourism are expecting a doubling of tourist arrivals from 1,253,000 in 1980 to nearly two million in 1987. Also, they believe that Egypt's mild climate and good coastlines should allow it to attract a more varied market, as for other Mediterranean countries. Therefore, as we

Table 2.14: Future potential of tourist arrivals to Egypt 1981/82 - 1986/87 (000s)

Year	Total	Arab	European
1981/1982	1,400	490	910
1982/1983	1,500	525	975
1983/1984	1,600	560	1,040
1984/1985	1,700	595	1,105
1985/1986	1,800	630	1,170
1986/1987	1,900	665	1,235

Source: Constituted from: Ministry of Tourism: The General Outline, op. cit., (in Arabic).

discussed earlier, and according to officials in the Ministry of Tourism, there are a number of ways in which the composite attraction of Egypt should be expanded in order to maximise revenue. In brief, these are: traditional cultural tourism, the development of the Red Sea and Mediterranean coasts, health tourism, sports and recreation tourism, youth tourism, car tourism, desert and Aqua Safari tourism, adventure tourism, and congress tourism.

Despite the fact that the Authority of Tourism in Egypt has started to carry out efforts to develop these kinds of tourism - as we mentioned earlier - there are many problems obstructing the development of tourism in Egypt [149]. These can be summarised as follows:

1. Infrastructural difficulties: the foremost in the case of the Red Sea coast infrastructural, at present the villages and small towns of Hurghada, Safaga and Berenice are simply not ready to receive large numbers of tourists. Apart from the obvious lack of hotels, there is a more serious problem of lack of water and power. On the other hand, many contracts have been awarded to upgrade power facilities, a new tourist village has opened north of Hurghada, and the Sheraton has been extended. But other factors militating against rapid expansion and heavy investment is the possibility that an influx of divers will destroy the delicate ecology of the coral reefs, and the danger that oil finds in the Gulf of Suez will lead to pollution.
2. Environment problems: pollution and other environmental issues are also threatening the potential of the Mediterranean beaches west of Alexandria. The general disturbing degree of pollution of Mediterranean waters is exacerbated around Alexandria by the practice of piping untreated industrial and domestic waste straight into the Mediterranean. A further threat is now posed by Egypt's plans to build its first nuclear power station at Sidi Krir, only 30 Km away from the city. In any case, to move tourists in great numbers along Egypt's Mediterranean coastline would involve considerable investment in roads and other infrastructure, even if building of hotels was left to private interests.
3. Financial considerations: it is the cost of opening new areas that is preventing exploitation of Lake Nasser's potential for recreational tourism. In the Sinai, cost and political uncertainty are equal obstacles to tourist expansion, although hotels are planned for El-Arish, but there is considerable opposition to move to expand facilities handed over by the Israelies at St. Catherine's monastery.
4. The role of the Ministry of Tourism: central planning of the tourism sector has never been strictly possible, because the requirement of the Ministry of Tourism to liaise with other ministries. Nowadays tourism development is in many more peoples' hands. The very function

of the Ministry of Tourism is changing; it is becoming rather like one of the Supreme Sector Councils established in the industrial sector in 1976, a collector of statistics and reviewer of the general broad outlines of the development. However, as we discussed earlier, particular acts of legislation have already been promulgated, entrusting to the Ministry of Tourism the supervision and exploitation of tourist areas, as well as for the encouragement of Arab Foreign investment in tourist projects.

In short, at the moment tourism is Egypt's third most important revenue earner and therefore an important prop to the country's flagging economy. However, tourism in Egypt is and will continue to be affected by the political atmosphere of the Middle East region, and severe fluctuations in tourist arrivals and revenues should be expected. The aim of the Ministry of Tourism is to expand the composite attraction of Egypt. But the problems are many; foremost of all is the lack of infrastructure but also important are environmental, financial and organisational problems. Moreover, the liberal investment laws have accelerated private sector activity and to an extent control over the development of the tourism sector is slipping from governmental agencies. Thus, problems of over-capacity in already heavily concentrated areas (Cairo, Alexandria, and an upsurge in prices are likely to occur. Furthermore, the penetration of a Western tourism market calls for the importation of excessive amounts of food, hotel furniture and furnishing, increasing the import content for this sector while inhibiting the development of local industries, and particularly those in the agricultural sector.

Summary

Throughout this section, the nature of marketing in tourism has been explored.

To begin with, the nature and scope of tourism was extensively discussed in relation to its definitions, characteristics, forms and scope. The literature revealed that there is a very bright future ahead for the tourism industry. However, there are clouds on the horizon, but in my view many of the obstacles to the growth of tourism could be solved by applying marketing techniques in this sector. Therefore, an exploration on the nature of marketing in tourism has been made. The discussion showed that marketing of tourism has been particularly neglected, and most of the literature in the field tends to be elementary and superficial. Marketing of tourism was seen only in the narrow and arrested sense of tourism promotion. Next, we analysed the international and the Middle East tourist markets in general in order to examine the Egyptian tourist market in relation to its attractions, efforts to develop these attractions, the customer of these attractions, Egypt's market share, and the scope of this market.

The analysis illustrated that there is a growing trend in the tourist arrivals and revenues, but Egypt's market share is still very modest. Arabs and Europeans were and still constitute the most important markets for Egypt's tourist product. The Authority of Tourism in Egypt aims to double the number of tourist arrivals by the year 1987. Therefore, the Ministry of Tourism decided to expand the composite attraction of Egypt. But the problems are many; foremost of all is the lack of infrastructure but also important are environmental, financial and organisational problems. Hopefully, the present study may contribute to solving some of these problems.

Last, but not least, if tourism is to prosper it must be realised that some industries are compatible with it and others are not. This is a planning problem. Therefore, in the next chapter, planning and strategy for marketing tourism will be highlighted.

REFERENCES

1. Rewoldt, Stewart H. et al., Introduction to Marketing Management, Homewood, Ill., Richard D. Irwin, 1973, p.3.
2. Baker, Michael J., Marketing: An Introductory Text, The Macmillan Press Ltd., 3rd ed., London, 1979, p.376.
3. Kelley, Eugene J., "Ethics and Science in Marketing", in G. Schwartz (ed.), Science in Marketing, John Wiley & Sons Inc., New York, 1965, pp.467-78.
4. Baker, Michael J., Marketing: Theory and Practice, (ed.), The Macmillan Press Ltd., London, 1976, p.3.
5. Levitt, T., Innovation in Marketing, McGraw Hill Book Company, New York, 1962, p.15.
6. See for example: Sachs, William S., and Benson, G., "Is it time to discard the Marketing Concept"?, Business Horizons, August, 1978, p.68: and Levitt, T., "Marketing Myopia", Harvard Business Review, July/August 1960, p.55.
7. See for example: Barksdale, Hiram C. and Darden, B., "Marketers' Attitudes toward the Marketing Concept", Journal of Marketing, vol. 35, October 1971, p.29: King, Robert L., "The Marketing Concept", in Science in Marketing, (ed) George Schwartz (New York: John Wiley & Sons Inc., 1965), p.85; and Levy, Sidney, J. and Zaltman G., Marketing: Society and Conflict, Englewood Cliffs, N.J., Prentice-Hall Inc., 1975, p.12.
8. Kotler, Philip, Marketing Management, Analysis, Planning and Control, (Prentice Hall International Inc., 1976), 3rd ed., p.15; see also, Bartles, R., "The Identity Crisis in Marketing", Journal of Marketing, vol. 38, October, 1974, pp.73-74; and Arndt, J., "The Proper Scope and Content of Marketing", Management Decision, 16, 6, 1978, p.308.
9. Bell, Martin, L. and Emory, C. William, "The Faltering Marketing Concept", Journal of Marketing, vol. 35, October, 1971, p.41.
10. Baker, Michael J., "The Marketing of Services", Scottish Bankers Magazine, August 1977, pp.11-12.

11. See: Hise, R.T., "Have Manufacturing firms adopted the Marketing Concept"? Journal of Marketing, vol. 29, July 1965, pp. 9-12.
12. McNamara, C.P., "The Present Status of the Marketing Concept", Journal of Marketing, vol. 36, January 1972, pp. 50-57.
13. See for example: Baker, Michael J., Marketing: New Industrial Products, The Macmillan Press Ltd., London, 1975, pp.17-18; Gisser, P., "New Products Area Gamble but the Risk can be Reduced", Industrial Marketing, vol. 58, No.5, May 1973, pp.28-32; and Rothwell, R., "Marketing - a Success Factor in Industrial Innovation", Management Decision, vol. 14, No.1, 1976, pp.43-53.
14. Kotler, Philip and Levy, Sidney J., "Broadening the Concept of Marketing", Journal of Marketing, vol. 33, January 1969, p.15.
15. Luck, David, "Broadening the Concept of Marketing - Too Far", Journal of Marketing, vol. 33, July 1969, p.54.
16. Ferber, R., "The Expanding Role of Marketing in the 1970's", Journal of Marketing, vol. 34, January 1970, pp.29-30.
17. Lavidge, Robert J., "The Growing Responsibilities of Marketing", Journal of Marketing, vol. 34, January 1970, p.27.
18. Nichols, William J., "Conceptual Conflicts in Marketing", Journal of Economics and Business, vol. 26, Winter 1974, p.142.
19. Kotler, Philip and Zaltman, Gerald, "Social Marketing: An Approach to Planned Social Change", Journal of Marketing, vol. 35, July 1971, p.5.
20. Kotler, Philip, "A Generic Concept of Marketing", Journal of Marketing, vol.36, April 1972, p.49.
21. Stigler, George J., Trends in Employment in the Service Industries, Princeton, N.J., Princeton, University Press, 1956, p.48.
22. Converse, Paul D., et al., Elements of Marketing, 6th ed., Englewood Cliffs, N.J., Prentice Hall Inc., 1958, Ch. 23.
23. Ferber, R., "Service Expenditures at Mid-Century", in Irwin Friend and Robert Jones, eds, Proceedings of the Conference on Consumption and Saving, vol. 1, Philadelphia: University of Pennsylvania, 1960, pp. 438-439.

24. Stanton, William J., Fundamentals of Marketing, 4th ed., New York, McGraw-Hill, 1975, p.568.
25. Kotler, Philip, Principles of Marketing, Prentice Hall Inc., Englewood Cliffs, N.J., 1980, p.624.
26. Judd, Robert C., "The Case for Redefining Services", Journal of Marketing, vol. 28, January 1964, p.58.
27. Committee on Definitions, American Marketing Association, "Marketing Definition", Chicago: American Marketing Association, 1960, p.21.
28. Stanton, William J., op. cit., p.568.
29. Judd, Robert C., op. cit., p.58.
30. See for example: Rathmell, John M., "Marketing of Services: What is Meant by Services?", Journal of Marketing, vol. 30, October 1966, pp. 32-36;" and George, William R. and Barksdale, Hiram C., "Marketing Activities in the Service Industries", Journal of Marketing, October 1974, p.65.
31. Judd, Robert C., op. cit., p.59.
32. Kotler, Philip, Principles of Marketing, op. cit., p.623.
33. McMahon, C.W. And Worswick, G.D.N., "The Growth of Services in the Economy", District Bank Review, December 1960, p.3.
34. Stanton, William J., op. cit., p.568.
35. Regan, William J., "The Service Revolution", Journal of Marketing, July 1963, pp.60-62.
36. Stanton, William J., op. cit., p.568.
37. Grönroos, Christian, "A Service-Oriented Approach to Marketing of Services", European Journal of Marketing, vol. 12, No.8, 1978, p.588.
38. Blois, K.J., "The Marketing of Services: An Approach", European Journal of Marketing, vol. 8, No.2, 1974, p.138.
39. Grönroos, Christian, op. cit., p.588.
40. George, W.R. and Barksdale, H.C., op. cit., p.65.
41. Kotler, Philip, Principles of Marketing, op. cit., p.627.
42. Stanton, William J., op. cit., p.575.
43. Baker, Michael, J., "Services - Salvation or Servitude?", The Quarterly Review of Marketing, London, Institute of Marketing, vol. 6, No.3, Spring April 1981, p.10.

44. Carroll, Daniel T., "Ten Commandments for Bank Marketing", Bankers Magazine, Autumn 1970, pp.74-80.
45. Lovelock, Christopher H., and Young, Robert F., "Look to Consumers to Increase Productivity", Harvard Business Review, May-June 1979, p.189.
46. Shostack, L.G., "Breaking Free from Product Marketing", Journal of Marketing, April 1977, pp.73-80.
47. Wilson, A., The Marketing of Professional Services, New York, McGraw Hill, 1972, pp. 6-9.
48. Stanton, William J., op. cit., pp.572-74.
49. Kotler, Philip, Marketing Management, Englewood Cliffs, N.J., Prentice Hall, 2nd ed., 1972, pp. 870-2.
50. Branton, Noel, "The Marketing of Services", Marketing World, vol. I, No.2, October 1969, p.19.
51. Eiglier, P. and Langeard, E., "A New Approach to Service Marketing", Marketing Consumer Services; New Insights, 1977, pp. 31-58.
52. Bateson, J., "Why We Need Services Marketing", Conceptual and Theoretical Developments in Marketing, Ferrell et al. ed., Chicago, Ill., American Marketing Association, 1977, pp.131-46.
53. Berry, L.L., "Services Marketing is Different", Business, May-June, 1980, pp. 24-29.
54. Lovelock, Christopher, H., "Why Marketing Management Needs to be Different for Services", Harvard University, 1980, pp. 509.
55. Thomas, Dan R.E., "Strategy is different in Services Business", Harvard Business Review, July-August, 1978, pp. 158-65.
56. Enis, B.M. and Roering, K.J., "Services Marketing: Different Products, Similar Strategy", University of Missouri, Columbia, 1980, pp.1-4.
57. Wilson, A., op. cit., pp. 6-9.
58. Kotler, Philip, Principles of Marketing, op. cit., pp.624-26.
59. Stanton, William J., op. cit., pp. 572-74.
60. Ibid., p.578.

61. Regan, William J., op. cit., pp.57-62.
62. Levitt, T., "Product-Line Approach to Service", Harvard Business Review, September-October, 1972, pp. 41-52.
63. Kotler, Philip, Principles of Marketing, op. cit., p.625.
64. Ibid., p.625.
65. Sasser, W. Earl, "Match Supply and Demand in Service Industries", Harvard Business Review, November-December 1976, pp.133-40.
66. Plois, K.J., op. cit., pp. 139-40.
67. Ibid., p.140.
68. Booms, B.H. and Bitner, M.J., "Marketing Strategies and Organisation Structures for Service Firms", Washington State University, School of Business and Economics, Seattle Center for Hotel and Restaurant Administration, 1980, pp.47-51.
69. Grönroos, Christian, op. cit., pp.592-93.
70. Lovelock, Christopher H., op. cit., p.6.
71. Dearden, J., "Cost Accounting Comes to Service Industries", Harvard Business Review, September-October 1978, pp.132-40.
72. Thomas, Dan R.E., op. cit., p.163.
73. Enis, B.M. and Roering, K.J., op. cit., p.1.
74. Enis, B.M., Marketing Principles, 3rd ed., Santa Monica, CA; Goodyear Publishing Co., 1980a.
75. Sasser, W.E., op. cit., pp.133-40.
76. Bateson, J., op. cit., pp.131-36.
77. Enis, B.M. and Roering, K.J., op. cit., p.1.
78. Levitt, T., "Marketing success through differentiation of anything", Harvard Business Review, January-February 1980, p.84.
79. Carey, E.R., "Key Options in Market Selection and Product Planning", Harvard Business Review, September-October 1975, p.119.
80. Levitt, T., "Product Line", op. cit., p.1.
81. Enis, B.M. and Roering, K.J., op. cit., p.1.
82. Baker, Michael J., "Services - Salvation", op. cit., pp.14-15.
83. Wahab, Salah-Eldin, "An Introduction to Tourism Theory", Travel Research Journal, No.1, IUOTO, Geneva, 1971, pp.17-30.

84. Burkart, A.J. and Medlik, S., Tourism, Past, Present, and Future, 2nd ed., Heinemann, London, 1981, Appendix D, pp. 319-21.
85. Lickorish, L.J., "Tourism", in Maunder, W.F., Reviews of United Kingdom Statistical Sources, vol. IV, ed., Royal Statistical Society and Social Science Research Council, Heinemann, London, 1975, p.7.
86. Countryside Recreation Research Advisory Group: Countryside Recreation Glossary, The Countryside Commission, 1970, p.8.
87. Archer, B.H., "The Impact of Domestic Tourism", Bangor Occasional Papers in Economics, No.2, University of Wales Press, 1973, pp. 106-9.
88. Patmore, J.A., Land and Leisure, Penguin, London, 1972, p.128.
89. Department of Industry: Business Monitor, M6 (Quarterly).
90. British Tourist Boards: British Home Tourism Survey, 1976, The English Tourist Board, 1977.
91. IUOTO, Recommendations on International Travel and Tourism, United Nations, Rome, 1963.
92. Central Agency for Public Mobilisation and Statistics (CAPMS); Monthly Bulletin of Tourist Statistics, Egypt, Cairo, 1970, Introduction.
93. Leiper, "The Framework of Tourism, Toward a Definition of Tourism, Tourist, and the Tourist Industry", Annals of Tourism Research, vol. 6, No.4, October/December, 1979, pp. 390-407.
94. Wahab, Salah Eldin, op. cit., p.26.
95. Burkart and Medlik, op. cit., p.42.
96. English Tourist Board, Annual Report, ETB, 1971, p.18.
97. English Tourist Board, op. cit., p.18.
98. Robinson, H., A Geography of Tourism, Macdonald & Evans Ltd., 1979, Introduction p.xxxi.
99. See: Wahab, S., Tourism Management, Tourism International Press, 1975, pp.10-11; McIntosh R. and Gupta, S., Tourism: Principles, Practices, Philosophies, 3rd ed., Grid Publishing Inc., Ohio, U.S., 1980, pp.70-71.
100. McIntosh and Gupta, op. cit., pp.3-4.

101. For a list of factors contributing to the growth of tourism, See: Peters, M., International Tourism, Hutchinson and Co., London, 1969, pp.114-115; Young, G., Tourism, Blessing or Blight?, Baltimore, Penguin Books Ltd., 1973, pp. 30-48; Maison, P., "International Tourism in Four European Countries", in Bürkart and Medlik (ed). The Management of Tourism, Heinemann, London, 1975, pp.183-84; Robinson, H., op. cit., pp. 75-76; Wahab S., "An Introduction" op.cit., pp.26-28; McIntosh and Gupta, op. cit., p.9.
102. WTO, "Travel is Now a Necessity", World Travel Tourisme Mondial, No.128, 1976, p.29; See Also: Middleton, V.T.C., "Changing Pattern of British Holidays", International Tourism Quarterly, No.3, 1977, pp.45-58.
103. Finch, Sue, "Tourism: The Social Needs and How to Assess and Meet Them", Leisure and Urban Society: Edited by Smith, M.A. for the Leisure Students Association 1977, British Tourist Authority, September 1977, p.14.
104. WTO, "World Tourism Growth in 1978", World Travel Tourisme Mondial, No.145, 1978, p.33.
105. WTO, "Travel is" op. cit., p.29.
106. Jordanian Ministry of Tourism and Antiquities, Quarterly Magazine, Jordan, 1976.
107. WTO, "Travel is" op. cit., p.29.
108. WTO, "What Would Tourism be Without Paid Holidays?", World Travel Tourisme, Mondial, No.145, 1978, pp.30-31.
109. WTO, "World Tourism" op. cit., p.33.
110. Bartos, Rena, "Women and Travel", Journal of Travel Research, vol.xx, No.4, Spring 1982, (Itma), University of Colorado, p.3-9.
111. WTO, "The golden age of tourism", World Travel Tourisme Mondial, No.147, March-April 1979, pp. 27-29.
112. Ornstien, E. and Numm, A., The Marketing of Leisure, Associated Business Press, London, 1980, pp.115-16, see also: Emery, F., "Alternative futures in Tourism", International Journal of Tourism Management, March 1981, pp.49-67.

113. Lansing, J.B. and Blood, D.M., The Changing Travel Market, Ann Arbor, Mich., Braun-Brumfield, Inc., 1960, p.11.
114. Seekings, J., "International Tourism Prospects", Seventh Annual Conference Proceedings, TRA, Boca Raton, Florida, June 20-23, 1976, pp.53-54.
115. Hern, G.L., "Recent News, the Media, Motivation and International Travel Marketing", Fifth Annual Conference Proceedings, TRA, Colonial Williamsburg, Virginia, Sept. 8-11, 1974, pp. 8-11.
116. Turner L. and Ash, J., The Golden Hordes: International Tourism and the Pleasure Periphery, Constable, London, 1975.
117. Burkart and Medlik, Tourism, Past,, op. cit., p.70.
118. Goffe, Peter, "Development Potential of International Tourism", The Cornell Hotel and Restaurant Administration (H.R.A), School of Hotel Administration, Cornell University, Ithaca, November 1975, p.24.
119. Spoor, A.D., Travel Trade Practice, MacMillan & Co., London, 1965.
120. Peters, M., International Tourism, Hutchinson & Co., London, 1969.
121. Jeffries, D., "Defining the Tourist Product and its Significance in Tourism Marketing", The Tourist Review, January/March, 1971, pp.2-5.
122. _____, "The Role of Marketing in Official Tourism Organisation", International Association of Scientific Experts in Tourism (IASET), Austria, September 1973.
123. The Tourism and Recreation Research Unit, University of Edinburgh, Tourism: A Guide to Sources of Information, Capital Planning Information Ltd., London and Edinburgh, 1981, pp. 42-43.
124. Burkart, A.J. and Medlik, S., The Management of Tourism, Heinemann, London, 1975.
125. _____, Tourism, Past, Present and Future, 1st ed., Heinemann, London, 1976.

126. _____, Tourism, Past, op. cit., 1981.
127. Lundberg, D.E., The Tourist Business, 3rd ed., CBI Publishing Co., Massachusetts, U.S.A., 1976.
128. Wahab, S. et al., Tourism Marketing, Tourism International Press, London, 1976.
129. Burkart, A.J. and Medlik, S., Tourism, Past, 2nd ed. 1981, op. cit., p.194.
130. Institute of Marketing, The Quarterly Review of Marketing, London, British Institute of Marketing, vol. 6, No.3, Spring April 1981.
131. Krippendorf, Marketing et Tourisme, Bern, Lang et Cie., 1971, p.46, in Burkart and Medlik, Tourism, Past, Present and Future, 2nd ed., 1981, op. cit., pp. 194-95.
132. Wahab, S. et al., op. cit., p.24.
133. Quoted in Caffman, Marketing for Full House, Cornell University, U.S.A., 1970, p.5.
134. WTO, International Tourism in Figures 1970-1980, WTO, Madrid, 1981, Ed., p.2.
135. Medlik, S., Trends in Tourism: World Experience & England's Prospects, English Tourist Board, October 1982, p.14.
136. WTO, "World Tourism figures for 1980, World Travel Tourisme Mondial, 156/157, 1980, pp. 37-38; See also, WTO, Continued growth of international tourism during 1979, World Travel Tourisme Mondial, 152, 1980, pp.5-6; WTO, World Tourism Growth in 1978, World Travel Tourisme Mondial, 145, 1978, pp. 33-35; WTO, Changing Markets in World Tourism, World Travel Tourisme Mondial, 116, 1974, p.42; WTO, Forecasting World Tourist Traffic, World Travel Tourisme Mondial, 127, 1975, pp. 36-37.
137. Medlik, S., Trends, op. cit., p.12.
138. WTO, "International Tourism", op. cit., p.6.
139. IUOTO, Study of the Prospects for Tourism, Development in the Middle East Region, IUOTO, Geneva, 1972.
140. WTO, International Tourism, op. cit., p.24.

141. WTO, "Tourism Development in Egypt", World Travel Tourisme Mondial, No.140, 1978, p.17.
142. Hughes, Margaret, "Egypt: Tourism Picking up After Bleak Winter", Financial Times, Monday, June 7, 1982.
143. Egyptian Hotel Association, Egyptian Hotel Guide, 1981-82, E.H.A. 3rd Ed., Cairo, Egypt, 1982, pp.4-5.
144. Ministry of Tourism, The General Outline of the Five Years Development Plan 1982-1986, Ministry of Tourism, Cairo, Egypt, April 1982, (in Arabic).
145. WTO, "Tourism in Egypt", World Travel Tourisme Mondial, No.155, 1980. p.31.
146. Jud, D.G., "Tourism and Economic Growth in Mexico since 1950", Inter-American Economic Affairs, Summer 1974.
147. Ministry of Tourism, Tourism Research Bulletin, various issues, Cairo, Egypt.
148. Ministry of Tourism: The General Outline, op. cit.
149. International Tourism Quarterly, "Egypt: National Report No.59", International Tourism Quarterly, No.1, E.I.U., 1980, pp.38-51.

CHAPTER THREE

PLANNING FOR MARKETING TOURISM

CHAPTER THREE

PLANNING FOR MARKETING TOURISM

Introduction

In the previous chapter, the aim was to examine the nature of marketing in tourism. To achieve this aim, first, we discussed the nature and scope of marketing in general, and the nature and scope of the marketing of services in particular. Next, before we moved on to examine the nature of marketing in tourism; the nature and scope of tourism were discussed. Finally, we investigated the international tourist market and the Middle East tourist market in order to examine the tourist market in Egypt, its market share and its customers.

(In this and the following chapters, our objective is to establish a marketing strategy for tourism.) To do so, the nature of planning will be discussed in terms of its definitions, advantages and limitations and the term corporate planning will be emphasised. Next, the steps of marketing planning will be investigated. Because of the critical importance of the role of marketing research in the whole planning process, it will be explored before we move on to establish a marketing strategy for tourism, where three basic questions have to be answered. The first question is: Where are we now? To answer this question, the tourist market will be analysed in general where the demand on tourism and its supply will be highlighted. To deepen the analysis on the demand side, (the tourist behaviour will be extensively discussed in terms of the tourist motivation, image and attitude, life style, demographics and customs and habits, all of which affect the tourist decision to choose the tourist destination. Due to the fact that tourist customers are likely to differ in one or more of the above respects, market segmentation will be extensively discussed.)

The second question is: Where do we want to be? To answer this question, we will shed some light on the objectives of tourism marketing and the objectives of the Tourism Development Plan in Egypt will be touched.

The third question is: How do we get from where we are to where we want to be? This will be the subject of the next chapter where the elements of the marketing mix will be discussed.

The Nature of Planning

Introduction

Planning, organising, and controlling are vital elements in the job of a manager. Yet, while classical theory offers much substantive and operational information on organising, it offers much less on planning and control. In contrast, modern management theory does provide a great deal of information pertinent to planning and control. Decision theory, systems theory, and a number of modern planning techniques offer much of value to the practicing manager.

Modern businesses operate in a highly dynamic environment in which change is a constant factor. As a result it has become more and more necessary for companies to determine their objectives carefully, and then systematically to construct plans for attaining them. This has become a continuous process throughout every organisation.

Definition of planning

The literature in the discipline of management abounds with definitions of plans and planning. A cross section of such definitions follows.

Baker [1] indicates that "... planning is pervasive human activity by which we seek to exercise some degree of control over the future. As a process it will vary enormously depending upon a number of variables, foremost among which will be the complexity of the activity and the degree of uncertainty concerning the future situation in which the activity will take place. Fundamentally, however, all planning seeks to arrive at a present decision concerning future action - the more complex the activity and the more uncertain the future, the greater the need for formal, systematic planning procedures".

"Planning is the anticipation of decisions that must or may be made to achieve organisational objectives as problems, operational needs, and opportunities arise in the future environment of the firm". [2]

"Planning is the selection and relating of facts and the making and using of assumptions regarding the future in the visualisation and formulation of proposed activities believed necessary to achieve desired results". [3]

"Planning is deciding in advance what to do, how to do it, and who is to do it". [4]

"Planning consists of all mental and physical activities which take place prior to the occurrence of an event. A plan is a pre-determined course of action, and planning is the ongoing set of activities designed to bring about and implement the plan". [5]

"Managerial planning is the planning activity of managers in an organisational context, its purpose is to contribute to goals for which managers are accountable". [6]

"Planning is the second managerial function performed for a particular activity. Its successful accomplishment requires analysis of data from the past, decision in the present, and an evaluation of the future". [7]

"The plan of action is, at one and the same time, the result envisaged, the line of action to be followed, the stages to go through, and the methods to use". [8]

"Planning is a process that involves making and evaluating each of a set of interrelated decisions before action is required, in a situation in which it is believed that unless action is taken a

desired future state is not likely to occur, and that, if appropriate action is taken, the likelihood of a favourable outcome can be increased". [9]

"A plan is a predetermined course of action A plan must have three characteristics. First, it must involve the future. Second, it involves action. Third, there is an element of personal or organisational causation". [10]

Some definitions of planning include setting of objectives in the planning process [11]. However, in the view of Harrison [12], objectives which determine what management expects to accomplish, are seen as necessarily preceding the development of plans, which set forth how, when, and where the objectives will be attained. He argues that "It seems altogether logical to assume that the determination of end (objectives) antedates the formulation of means (plans) within the interrelated process of management".

Greenwood [13] supported this view when he indicated that "Without planned objectives, no effective organisation can be constructed; and without predetermined performance standards derived from the managerial objectives, no control can be exercised".

While the foregoing definitions suffice to explain planning in a general sort of way, it may be useful to differentiate here between planning and forecasting, since the two terms are often used synonymously.

Steiner [14] makes a useful distinction when he stated that "Planning is not forecasting. A forecast is a prediction, projection of estimate of some future event or condition. Forecasts are essential in planning but they are not planning nor plans..... The forecast is a basic premise upon which planning proceeds, but it is not the whole of planning nor is a forecast a plan".

Baker [15] supports this view when he argues that "... this research frequently provides the data base for the firm's forecasts on which plans and strategies are based".

Similarly, Thompson [16] pointed out that "Forecasting is the attempt to identify the most probable course of events or a range of probabilities. Planning is deciding what to do about such probable events".

In other words, Drucker [17] said that "forecasting is attempting to foresee a range of probable events in the future; planning is finding those particular events that will change the probabilities in favour of the organisation".

Basically, then, forecasting is an integral part of the larger process of planning.

Having examined the meaning of planning, plan, and forecasting, perhaps it is useful to investigate the advantages and limitations of managerial planning before moving on to discuss the term corporate planning.

Advantages and limitations of managerial planning

Organisations of all types need to plan. Lack of planning indicates a basic deficiency in the management of a given organisation. Such an organisation is not really managed at all, at least by its nominal managers. Instead, it is controlled by unforeseen events, unanticipated developments, and unobserved circumstances, all of which cause the organisation to react with limited success and possible failure in moving from crisis to crisis. Planning is difficult and time-consuming. It is always easier to work today for tomorrow, next week, or the end of the month than for all the tomorrows in the next two, five, or ten years. But the advantages of planning are not to be denied, and such advantages make clear why all organisations need to plan.

Steiner [18] and Harrison [19] give a comprehensive discussion on the advantages of managerial planning, which can be summarised as follows:

1. Planning permits the reduction of uncertainty through the anticipation of future events within probable limits.
2. Planning facilitates the anticipation and acceptance of inevitable change.
3. Planning provides a framework within which managerial objectives can be pursued through the functions of the manager.
4. Planning opens up multidirectional channels of communication.
5. Planning provides a framework for a decision-making process and leads to the reduction of suboptimal choices.
6. Planning permits the advance identification of opportunities for and threats to the organisation.
7. Planning provides a basis for the control of operations in that the standards for control are derived from the objectives contained in the plans.
8. Planning provides a basis for the evaluation of managerial performance through the hierarchy of objectives contained in the plans.
9. Planning leads to a more efficient utilization of scarce resources by focusing attention and efforts on purposeful activities.

Despite the fact that planning has many and compelling advantages, it is not without its shortcomings. The advantages of planning clearly outweigh the disadvantages, but a complete and objective discussion of planning should note its less compelling aspects.

Terry [20] and Steiner [21] give an expanded discussion of the more commonly alleged limitations of planning which can be summarised as follows:

1. Planning is limited by the validity of the assumptions and the accuracy of the information on which the plans are founded. Environmental events cannot always be controlled, and forecasting is an inexact science; both these factors may lead to the failure of plans.
2. Planning creates certain psychological barriers within the organisation. Planning tends to accelerate change, thus arousing unrest and resistance among units and groups likely to be affected by the change.
3. Planning often stifles initiative among managers by discouraging innovation and creative actions not provided for in the plans.
4. Planning delays managerial actions necessary to meet emergency situations and to handle current crisis that could not have been foreseen.
5. Planning is difficult and expensive, and diverts managerial energy and imagination that could be used more effectively to achieve current goals.
6. Planning often tends to be overdone; elaborate and complex plans may require so much revision and up-dating that they are of limited practical value.
7. Planning is not a primary measure of managerial performance, which tends to be evaluated on the basis of short-term results.
8. Planning is of limited value to many managerial positions because the increasing mobility in general seldom permits the planner to obtain credit for the attainment of the planned objective.

Doubtless, some limitations should be ascribed to planning, but it is true that planning facilitates the attainment of managerial objectives and the fulfilment of organisational purposes.

Despite that the term 'corporate planning' began to emerge as a discrete management discipline in the United States in the 1950's, all over the world the number of organisations not using it is enormous. So, it may be appropriate to shed some light on the term 'corporate planning'.

Corporate planning

Corporate planning is a term denoting a line of approach or a style of management, an attitude of mind, which uses a systematic and integrated approach to all aspects of a firm's activities. The idea is to treat the organisation as a corporate whole, rather than a collection of departments, and on a long-term basis, rather than a short-term one. The organisation is studied within its environment, past, present, and future, and with a precise definition of objectives.

A well-known writer on the subject, John Argenti [22], defines corporate planning as "Corporate planning is a systematic approach to clarifying corporate objectives, making strategic decisions, and checking progress towards the objectives. Corporate objectives are the objectives for the organisation as a whole, not for parts of it; strategic decisions are decisions which affect, or intended to affect, the organisation as a whole over a period of time". He has also defined corporate plan, and corporate planner as follows.

"A corporate plan is a set of instructions to the managers of an organisation describing what role each constituent part is expected to play in the achievement of the organisation's corporate objectives".

"A corporate planner helps the chief executive (or the top executive body) to clarify corporate objectives, make strategic decisions and check results. Corporate planners do not give instructions to managers".

Corporate planning is defined by Drucker [23] as "... a continuous process of making entrepreneurial decisions systematically and with the best possible knowledge of their futurity, organising systematically the effort needed to carry out these decisions and measuring the results against expectations through organised systematic feedback".

In a recent study of United Kingdom companies [24] the reasons stated for their introduction of corporate planning were: effective diversification; rational allocation of resources; improved coordination and anticipation of technological change; and increased profitability and the rate of growth.

A corporate plan though is more than just an interlinking of functional plans, it can be considered as a systems approach to achieve the aims of the firm over a period of time. Ansoff [25] states this clearly when he argued that "A very important feature of the overall business decision process becomes accentuated in the strategic problem. This is the fact that a large majority of decisions must be made within the framework of a limited total resource. Regardless of how large or small the firm, strategic decisions deal with a choice of resource commitments among alternatives; emphasis on current business will preclude diversification, over-emphasis on diversification will lead to neglect of present products. The object is to produce a resource allocation pattern which will offer the best potential for meeting the firm's objectives".

Marketing contribution is vital at the corporate level. Kotler [26] points out that "At the corporate level, marketing contributes perspectives and estimates to help the management decide on the corporation's mission, opportunities, growth strategy, and product portfolio. The policies set by corporate management then provide the context for strategy formulation in each of the business divisions by the divisional managers. Finally, the managers of each

product and/or market within each division develop their marketing strategy within the context of the policies and constraints developed at the higher divisional and corporate levels".

In return, top management's contributions to the marketing planning process are so vital. Bell [27], clearly declared this when he stated that "the people who are responsible for the actual development of the marketing plan cannot proceed until top management's responsibilities have been met". He identifies four basic prerequisites: defining the company's mission; stating its objectives; providing an adequate organisation and; articulating policies.

Kotler [28] calls the role of top management "strategic management process" and he defines it as "the managerial process of developing and maintaining a viable relationship between the organisation and its environment through the development of corporate purpose, objectives and goals, growth strategies, and business portfolio plans for the company-wide operations. The result is a strategic plan".

In summary, planning is the central activity in marketing management. As we observed in the previous chapter, planning is one of the essential elements of the marketing concept. We also noted that the principal method by which a marketing-oriented company directs its efforts to satisfy customer wants, involves a systematic hierarchy of planning activities. Marketing planning is an integral part in corporate planning. At the corporate level, top management is responsible for the strategic planning. Divisional management develops long-range plans to carry out the organisations's mission. And functional management designs tactical short-range plans to execute the division's long-range programme. Planning, then, is critical to the management of a marketing-oriented organisation, whether it is large or small, on a national, regional or local level, or whether the organisation is in a free market economy or in a

centrally planned one. The process of planning is fundamentally the same everywhere, whether one is seeking to market the potential physical output of an industrial plant or the potential tourism output of a country. In the following, a very brief discussion on the steps to be followed in developing a marketing strategy will be provided.

120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140

Steps of Marketing Planning

Despite the fact that many useful books and articles have been written on the subject [29], there are no hard and fast rules regarding the exact steps to follow in developing a marketing strategy, or the sequence in which the steps should be taken. Before reviewing the literature which outlines the steps by which a marketing strategy can be developed, perhaps it is convenient to define first the terms 'strategy' and 'marketing strategy'.

Strategy: Military theorists, the first users of this word 'strategy' view it as the art of using military power to reach objectives set by governmental policy makers [30]. In business circles, strategy is regarded as a guide for action. As one cannot in most cases specify exhaustively the set of all strategies, some authors view strategy as a plan designed to ensure that the basic objectives of the firm are achieved [31], while others view it as encompassing the determination of the goals and objectives of the enterprise. [32]

Marketing strategy: Kotler [33] defines the strategic marketing process as "a managerial process of analysing market opportunities and choosing marketing positions, programmes, and controls that create and support viable businesses that serve the company's purpose and objectives". He identifies the steps in the strategic marketing process as market opportunity analysis; target market selection; competitive positioning strategy; marketing systems development; marketing plan development; and plan implementation and control.

Similarly, Bell [34] has developed a general approach to the marketing planning. His approach includes: analysing the marketing situation (situation analysis); assessing opportunities and problems; identifying market targets; determining the scale of efforts; considering alternative approaches and choosing a grand strategy; developing the marketing mix; finalising the plan; obtaining

approval; designing marketing tactics; communicate and implement; and monitor and revise.

Finally, Baker and McTavish [35], and McCarthy [36] indicated that marketing strategy consists of two distinct and yet interrelated elements:

1. A target market - a fairly homogeneous group of customers to whom a company wishes to appeal.
2. A marketing mix - the controllable variables which the company combines to satisfy this target group.

In the tourist field, the problems of marketing planning are complex. Jeffries [37] has argued that "marketing the tourism resources of a country, region or locality is unusually complex. There are, to begin with, immense problems of data collection, given that the tourism 'product' (in reality a complex of services) is so intangible. Besides, even where the marketing opportunities and the 'products' needed to exploit them are clearly identified, there are difficulties of communication and control. Many resources suitable for tourism development are controlled by different bodies, public and private, over whom the official tourism organisation will, rightly, have relatively little authority. Indeed, frequently the development of resources is not justified by tourism alone and many other uses, or potential uses, must be taken into account. This is particularly applicable to infrastructure".

While this later view illustrated the problems which can face a marketing planner of tourism products, Middleton [38], however, summarises the thought process of planning for marketing tourism as follows:

1. Market appreciation: What is known about present customers (tourists) and what trends have emerged in the business over the last 3 - 5 years?

2. Objectives: In relation to the appreciation (without which objectives are unlikely to be realistic) what is the business setting out to achieve through marketing activity over a given time period, for example, the next 12 months?
3. Tasks: What has to be done in terms of marketing activity in order to achieve agreed objectives?
4. Budgets: What will it cost to carry out the necessary tasks?
5. Evaluation: How will the business monitor progress in achieving objectives and decide how cost effective its marketing activities have been?

With regard to market appreciation Middleton argues that this requires a situation report, which is rather like a still photograph taken at one point of time. He illustrates this can be done when he stated that "Using the appropriate acronym SWOT (Strengths, weaknesses, opportunities, threats) the small business (in the tourist field) may find it a profitable exercise to consider as a result of its market appreciation:

1. What it does well, which group of customers it satisfies more than others.
2. What problems exist in the product it offers, aspects of the business which need attention.
3. What opportunities among customers exist (growth trends perceived).
4. What the competition is doing."

In this context, Kotler [39] points out "Marketing planning begins with the analysis of marketing opportunities. The job of spotting and evaluating marketing opportunities breaks down into a logical sequence of questions:

1. What are the main environmental trends, opportunities, and threats facing the industry and the firm? (Environmental analysis).

2. What are the major operating characteristics of each basic type of market? (Market analysis).
3. How do buyers buy in this market? (Buyer behaviour analysis).
4. What are the major segments making up this market? (Market segmentation analysis).
5. What is the current and future size of this market? (Demand measurement and forecasting)."

In summary:

From the above discussion, we can conclude in very simple words that planning is the identification of objectives, and the determination of methods whereby these objectives can be achieved. To establish a marketing strategy for tourism, this requires to answer three basic questions:

1. Where are we now?
2. Where do we want to be?
3. How do we get from where we are to where we want to be?

Answering the first two questions will be the subject of this chapter, while the next chapter will be devoted to answering the third question. But because of the vital role of marketing research in providing the data to be the base in answering those three basic questions, marketing research will be examined first.

The Nature and Scope of Marketing Research

Introduction

Change is a dominant factor in modern business life. Markets are dynamic, changes take place in products, prices, and in consumers' wants and tastes. Consequently, many decisions have to be made to meet that continuous change and to make the appropriate action which is required to solve many marketing problems.

In his attempt to find the best solution to any marketing problem, the marketing planner or the marketing decision maker is in need of as much information as possible to highlight the problem which he tackles and to direct his attention towards alternative courses of action, and to show him the degree of certainty or uncertainty of every alternative solution.

This information is provided by marketing research which, in fact, is not the 'magic stick' which will eliminate the conditions of uncertainty under which marketing decisions are made. It may reduce the risk and show possible expected results of a decision. On the other hand, marketing research data, interpretation and reports are just tools for management and not substitutes for the marketing decisions. It is an aid to making better decisions by providing additional information relative to specific marketing problems.

Definition of marketing research

There have been several attempts to define marketing research, and confusion is caused by the term 'market research' being rather freely used to describe the full range of activities properly covered by the term 'marketing research'. This more precise terminology was seen by the American Marketing Association [40] (AMA) to involve: "The systematic gathering, recording, and analysing of data about problems relating to the marketing of goods and services".

In 1962, the British Institute of Management [41] defined marketing research as "The objective gathering, recording and analysing of all facts about problems relating to the transfer and sales of goods and services from producer to consumer". This definition closely resembles the AMA definition on which it is based.

Clearly, Chisnall [42] identifies the role of marketing research when he points out that "Marketing is generally interpreted today as including all those business activities concerned with the development, production, distribution of products to identifiable markets, where they will provide satisfaction to those who buy them. Marketing research is, therefore, far ranging in its inquiries; it covers product development, identifying the market, and suitable methods of selling, distribution, promotion, and sales-service facilities". He adds: "In fact, every aspect of business activity from the 'idea stage' to 'eventual consumer satisfaction'".

Finally, Baker [43] draws a clear distinction between 'market research' and 'marketing research' when he states that "Market research is concerned with measurement and analysis of markets, whereas marketing research is concerned with all those factors which impinge upon the marketing of goods and services, and so includes the study of advertising effectiveness, distributive channels, competitive products and marketing policies, and the whole field of consumer behaviour".

Although the latter view draws a clear distinct difference between the scope of the activities covered by 'market research' and 'marketing research', in the tourist field, however, the term 'market research' is now largely used as a synonym for marketing research. Most writers on the subject use the term 'market research' in the widest connotation to include analysis of the supply and analysis of the demand. This later includes a study of all market conditions and forces, consumer research and at last an analysis of sales results or an evaluation of marketing activities compared with competitive marketing activities. Market

research in such a case, would be the prelude of setting up a marketing strategy to reach the planned goals and objectives. In the following, an attempt will be made to highlight the scope of marketing research.

The scope of marketing research

The developmental stages of marketing research occurred in the United States, where marketing, as a distinct function of management, also originated. Lazer [44] identified five stages in this developmental process:

1. Pre 1905: Application of research to marketing problems.
2. 1905-1919: Organised approaches to market information.
3. 1919-1930: Structuring the market research discipline.
4. 1930-1945: Solidification and refinement of marketing research.
5. 1945-1973: Restructuring and the modern era of marketing research.

In the United States - according to a survey conducted by the American Marketing Association in 1973, Twedt [45] declared that: "it was found that 52 per cent of the companies producing consumer and industrial goods with annual sales of less than \$50,000,000 don't have marketing research departments, while 48 per cent only have such research departments. On the other hand, 54 per cent of the large industrial firms with annual sales over \$50,000,000 have marketing research departments, while 46 per cent do not have such departments".

However, Horne et al.[46] stated that "from the relatively crude and elementary methodologies practised by the pioneer social and commercial investigators, marketing research has approached the level of a profession. It has responded to two important pressures: external and internal. The former relates to the changing and more complex needs of marketers for reliable data, the latter refers to

the consistent improvements which have characterised the practice of marketing research".

Today, sophisticated methods of collecting, processing, and evaluating data have transformed the whole process of survey investigation. "Management science, operations research, systems engineering, econometrics and computer science contributions have resulted in more scientific marketing research approaches, more timely, applicable information and improved market decision making". [47] The scope of marketing research, then, is virtually limitless. Baker [48] argues that "Essentially, marketing research seeks to provide answers to five basic questions: Who? What? When? Where? and How? The associated question Why? extends inquiry into the area of socio-psychology and is sometimes distinguished as a separate field known as a motivation research". In practice, he said, "marketing research is usually concentrated on a limited number of recurrent problems, often on a continuous basis. He classifies the types of research as follows.

Market research:

"The size and nature of the market in terms of the age, sex, income, occupation and social status of consumers; the geographical location of potential consumers; the market shares of major competitors, i.e. brand share analysis; the structure, composition and organisation of distributive channels serving the market; and the nature of economic and other environmental trends affecting the structure of the market".

In tourism, a firm or a country gets enough information about every tourist; his name and address, sex, nationality, price paid for the tour, duration of the trip, meals offered, hotel class. Also, the study should include the structure of the tourist market, its size and segments, and the firm's or the country's market share compared with the competitors' market share. The analysis should

also concentrate on international markets which export tourists, and the firm's or country's long and short term opportunities in these markets.

Sales research:

"Determination of territorial variation in sales yield; the establishment and revision of sales territories; sales call planning; measurement of the effectiveness of salesmen; evaluation of sales methods and incentives; cost-benefit analysis of physical distribution systems; and retail audits".

In tourism, the information about the tourists, i.e. age, sex, income, etc., provide the basic elements for comprehensive analysis for the company or the country sales by territory, group of tourists, individual tourist, and sales agent. These analysis lead a firm or a country to recognise the profitability in every tour or segment and helps it to identify the most efficient and profitable category of tours or market segments, so that it can concentrate its promotional activities on those particular tours or segments.

Product research:

"Analysis of competitive strengths and weaknesses of existing products, i.e. one's own and one's competitors; investigation of new uses for existing products; product concept testing; packaging research; and variety reduction".

In tourism, Burkart [49] defines the tourist product as "Every service provided to a tourist starting from the time of departure from his home country, until his arrival back. This includes transportation, accommodation, meals, excursions and other services offered to a tourist during his tour". He stresses the importance of marketing research in developing the tourist product when he states that "The tourist product is identified in broad terms, usually as a result of extensive market research. In the case of a

new tourist product, market research findings will be a principal source; in the case of an existing product, there will be past experience available as well".

Advertising research:

"Copy research; media research; and measurement of advertising effectiveness".

Business economics:

"Input-output analysis; short- and long-range forecasting, i.e. based on trends analysis; and price and profit analysis".

Export marketing research:

"Any or all the above, where relevant".

Motivation research:

"Although research in most of the above areas is concerned with the recording of fact, qualitative research into the nature of attitudes and opinions is also appropriate in a number of instances, e.g. product concept testing".

In tourism, this can be achieved by consumer surveys which are a part of customer research, which deals with studies in the tourist behaviour, whether the ultimate user of a tourist product or a retailer. Tourist surveys can help a tourist country to identify its customer and his characteristics of age, sex, nationality, language and economic status. It can also identify the tourist motivation - purpose of trip, factors influencing travel, and his behavioural patterns. Through consumer surveys, the tourist country can get detailed analysis for the tourist wants and needs of meals, type of accommodation, transportation, entertainments, the period he prefers to stay on a tour, excursions required, the problems the tourist meets during his tour, and his image about the tourist country.

This information can help the tourist country to develop its strategy on a practical basis and to achieve its objectives through the satisfaction of its customers' wants and needs.

Wahab et al. [50] classified the types of research into broadly three types, asking three types of questions:

<u>Quantitative</u>	<u>Qualitative</u>	<u>Motivational</u>
How many tourists will come ?	What satisfaction elements?	Why?
Where will they come from?	What dissatisfaction elements?	Why?
How much will they spend?	What needs in pre-sales, sales, after-sales services?	Why?
What transport?	What illusions?	Why?
How many in groups, how many as individuals	What gap between illusion and reality?	Why?
In what months?	What is the ranking of factors influencing the buying decision?	Why?
Broken down by stages in the life cycle.		
Broken down by segments.		

The above discussion represents an outline of the possible scope of research activities, therefore, it will be the subject of extensive discussion in the rest of this chapter and the following chapter.

Steps in Marketing Research Process

The steps of any research, in fact, depend on the type of problem of that research. However, the following is a guideline to the most usual steps in research.

1. Identification of the problem.
2. Designing the research project.
3. Sampling design.
4. Preparation of field work.

5. Collection of data.
6. Analysis of data.
7. Writing a report, including the results and recommendations.

Marketing research techniques

Marketing research is not a stagnant process. Its evolution is continuous as a quest of rational explanation of structures, attitudes and motivations. Among the great variety of methods used, some seem to be widely resorted to because of their advantages and easiness, namely:

- (a) Desk research: use of data already existing or being collected.
- (b) Field research: collection of information and creation of specific input through sample surveys, motivation research, and use of models.

Desk research: includes the collection and analysis of all available data, statistics and published information on tourist trends and markets. Certain statistical information published by international organisations like the UN, WTO, OECD, IATA, is very useful in helping national tourist organisations to identify their markets and thus to determine prima facie their objectives. Other data and statistics may be obtained from trade associations, national tourist organisations, carriers, hotel companies, recreation societies, etc. Information concerning tourist production, tourist consumption, tourist traffic, price indices, influential tour organisers, etc. is to be derived from tourist periodicals, both national and international, and from reports published by universities, international organisations and tourist exports.

Secondary analysis - of data derived from surveys already conducted or other sources of data - is a very useful tool in undertaking a desk research in tourism. Secondary analysis was

introduced as a new instrument of market research in tourism. Sommer and Stegeman [51] stated that "Secondary analysis as a research instrument is by no means unknown to market research in the tourist industry. In fact, market research in this field began with 'desk research' of data provided by the official statistics on tourism". They illustrated the advantages of secondary analysis when they pointed out that "The most important advantage secondary analyses offer to practical market research is their profitability. No matter whether secondary analyses are being conducted in preparation or for the complementation of special surveys or even instead of new surveys - the cost advantage is obvious. Using secondary analysis any new special survey (a survey on holiday resorts) can start off with a stock of information on basic links between criteria of sociological stratification and demand in the tourist industry. This makes it possible to exclude from the research plan all information that is already available and to focus the wording of draft questionnaires on information data still needed. Secondary analysis may even lead to the detection of methodical errors in previous surveys, e.g. wording of questions - and can this contribute to the preparation of further primary surveys. This may quite frequently be the case, since it is often impossible to obtain interesting information through direct questioning. Naturally, the necessity of breaking up and translating the actual research target into test questions implies the danger of an unfortunate wording of the test question and this in turn may produce answers which are unsatisfactory with regard to the research target. If used properly, secondary analysis will yield all the results needed for decisions on tourism or focused advertising at a considerable saving of time and money. Separate national studies are time consuming, fraught with methodological difficulties, and expensive. Secondary analysis on the other hand, enables one to use existing comparative data without conducting new individual national studies. To any one aware of the internationalisation of modern tourism, the importance of this comparative aspect will be readily apparent".

In their opinion, there is one limitation to using secondary analysis for tourist market research: existing surveys are usually domicile interviews and have not been conducted at holiday resorts. In addition, there are no surveys on supply in the tourist industry. These restrictions, however, they comment, do not reduce the possibilities of secondary analysis. Secondary analysis, to be effective, Sommer and Stegeman identified two preconditions. First, there must be enough data, which one can fruitfully analyse further. Second, these data must be accessible to potential researchers. They suggested that data banks can meet both preconditions.

Field research: means the research work carried out in tourist-generating markets itself. It includes many methods among which the most common sample surveys, motivation research and the use of models.

Generally speaking, as compared to consumer and production goods industries, market research (meaning thereby above all field research) has been scarce in tourism. These last years, an increasing activity could be observed in this field. Yet, initiative has been primarily individual and deprived of coordination. The reasons may stem from the diversity of potential tourist market research carriers (national, regional and local tourist organisations, travel agencies, hotels, transport institutions and the like). Moreover, the rich variety of potential carriers likely to sponsor market research predominately belong to private economy which make it really difficult to obtain an overall view of tourist market research undertaken up until now.

Furthermore, in 1978 Sarbin, President at Travel and Tourism Consultants International [52], argued that "The importance of effective research in the marketing of tourism has been sadly neglected and misunderstood. The value of research has been minimised by too many in the industry and I feel certain that no

other industry has allocated such a small percentage of revenues to research". He identifies the inadequacies of research in tourism when he stated that "True, there have been studies conducted, but a review of those studies reveals that the large majority of them are only of limited use as marketing and management tools. Most research into tourism that has been available - in the U.S. at least - has generally been conducted by magazines and other publications or by individual companies in the travel industry. In both cases there are built-in drawbacks".

Sarbin determines the reasons for the ineffective research in tourism when he pointed out that "The primary thrust of research sponsored by publications is naturally to promote the use of publication as an advertising medium, and the marketing applications will tend to be somewhat limited beyond this purpose. Research conducted by individual companies or entities has tended to focus on immediate problems and to be concerned with current customers, such as a carrier's passengers or a country's visitors, rather than on the broader market. Also, the methodologies employed in studies conducted by a publication, by a travel supplier, or any other single organisation, have usually been restricted because of budgetary considerations, necessitating the use, for example, of self-administrated questionnaires, limited samples, and the like. These, in turn, have severely restricted the amount value and use of the data obtained". He continued to argue that "Most research available in the travel and tourism field has also centered on one-time studies, or studies that have been repeated, at least, only after an interval of several years. Such studies provide no means of tracking the travel market on a continued basis, determining trends that affect the sale of the travel product".

Sarbin provides an example which shows what travel research should aim for. First, sound research into the consumer market must study the market on a broad scale, covering both present

travellers and potential travellers in the market. The data should be analysed in terms of the marketing implications for the tourism industry and for segments of that industry and the individual travel suppliers. The research should employ high level methodology, optimally including in-person interviews and samples large enough to be projectable to the entire population being studied and to important sub-groups of that population. Research must be on-going, tracking the market and alerting a country, a carrier, a hotel to indications of change, discriminating carefully between temporary fads and actual trends. And research should explore the relationship between consumers and travel on all levels, including the effects of a wide range of demographic, psychological and behavioural characteristics, as well as the underlying values, attitudes and motivations of individual consumer segments as they relate to all aspects of the travel industry.

Similarly, Handley and Heape of British European Airways [53], referred to the inadequacies which they discovered in travel market research data. They argued that "Compared ... to other product fields, data on holiday purchasing patterns was very incomplete. In the fast-moving consumer goods field, research has produced data on purchasing frequency, penetration on purchasing amongst the population and brand-switching within the product field. In the holiday market this data gap has been filled by implication, unsubstantiated theories or plain guesswork".

They explained the reasons for the ineffective research in the travel industry in Great Britain when they stated that "The travel industry in Great Britain is made up of many different interests, a large number of which are small, uncoordinated and unaware of how to conduct and use market research. The small size of many companies has meant only small research budgets and a very limited staff of research specialists. There has been a tendency for much of the research on the holiday market to be demographic in character,

rather than behavioural or motivational - not because the need for the latter does not exist - but because other data requirements have had priority. In addition, the structure of the industry has also meant that research has been largely concentrated on the competitive position of individual operators within the holiday market, rather than on the mechanics of the total market itself. One of the major difficulties in researching the holiday market, particularly the abroad market, is the problem of locating the sample. For abroad holidays, the annual purchase is restricted to 10% of the GB population. Technical and cost problems associated with minority sampling have been a further restraint. Also, the relative infrequency of holiday taking has tended to restrict holiday market research to a considering single purchase, or purchases within a 12 month period".

Supporting the above views, in 1972 a sample survey was conducted by Industrial Facts and Forecasting Company, London, among three groups - tour operators, travel agents and 'other interested parties' such as hotel groups, airlines, shipping lines and National Tourist Organisations [54]. The study was based on 63 telephone interviews in Britain, 53 in Germany, 27 in Italy and 17 in France. The objectives of the study were to assess to what extent market research is actually used in the tourist industry, what it is used for, and what it will be used for in the next two to three years. The main findings of the study can be classified into two main groups as follows:

- A. The extent to which market research is currently used:-
1. Existence of market research departments and offices.
 2. Types of projects carried out.
 3. How the field research is done.
 4. What research is used for.

B. The future:-

1. Market research budget.
2. Changes in the market research department.
3. Use of market research in the future.

In the following, we will shed some light on these findings which show the status of marketing research in the tourist industry.

A. Current use of market research:

1. Market research offices and departments

a. Tour operators: In Great Britain one out of every four tour operators has a market research officer and/or a market research department. In Germany, eight of the twenty-seven tour operators interviewed claimed to have a market research officer and/or department.

b. Travel agents: Not one of the travel agencies interviewed in Britain have a market research officer and/or a market research department, and only one of the thirteen interviewed in Germany claimed to have a market research officer. In Italy, however, the pattern is rather different, and ten of the nineteen travel agents interviewed claimed to have a market research officer.

c. Other groups: (airlines, hotels, shipping lines, national tourist organisations, etc.) The number with a market research officer or department is relatively small in Britain (five out of fifteen), Germany (four out of thirteen). Five out of eight interviewed in Italy claim to have a market research officer. Two of the four tourist offices and carriers interviewed in France have a market research officer or department.

2. Types of research undertaken

The types of research were: operations research using own figures; desk research; field research with own customers; field research with potential customers; research into new capital ventures; and other market research. Perhaps the most surprising figure is the relatively larger number in Britain (10 out of 38 tour operators, 9 out of 10 travel agents) - and Germany - (15 out of 27 tour operators, 10 out of 13 travel agents, 4 out of 13 other groups) who do no market research whatsoever - not even analysing their own internal figures. A higher proportion of those interviewed in Italy than those interviewed in Britain and Germany claim to do field research. Italian organisations in the tourist trade seem to be more active in analysing their own as well as outside figures than their counterparts in Britain and Germany. Looking at Britain and Germany only, it would seem as if more tourist research - both field and desk research - is done in Britain than in Germany.

3. How the field research is done

a. Personal, telephone or postal: As many of the projects were among existing customers where good lists are available, it is found that postal questionnaires were the most frequently used method of obtaining the information, followed by personal and telephone interviews. In Britain, there is already a relatively high use of telephone interviews, whereas only one used telephone interviewing in Germany. In Italy, most of the work was done by personal interview. In most cases, however, the maximum number of interviews done was 200. This was specially true for travel agent. In France, nearly all the work was done through postal/self completion questionnaires.

b. Use of outside companies: Use of market research specialists rather than the company's own internal resources is still very low in all four countries - especially among tour

operators where less than one in five have used outside specialist. The majority of those doing field research, use their own staff. This could, to some extent, be due to the cost of using an outside research company and to some extent to the fact that a large proportion of the field work was done by postal and telephone interviewing - types of research that can easily be handled by a company's own staff as they do not require many interviewers. Another contributing factor to the low use of outside research companies could be summarised in the phrase used by one respondent, "They do not understand travel problems; they seem to think it just like selling a can of soup".

c. Whom interviewed: Tour operators and the group consisting of airlines, hotels, tourist offices, etc. were asked whether they interviewed the travelling public or travel agents. Many did both, and the majority did interview the travelling public. A large number also interviewed that very important link between the buyer and the seller, the travel agent.

4. What field research is used for

In Britain, the main uses of market research were: for assessing market characteristics which include characteristics of customers, the size of different markets and reasons for travelling to specific destinations; forecasting demand for different holidays; planning future activities; promotional activities; and retiming of charter and scheduled flights.

In Germany, the main uses of market research were: to assist in developing advertising and promotional activities; to develop/change pricing policy; developing new projects (including hotel location studies); and assessing customer requirements regarding type of holiday, length of holiday, and destination.

In Italy, the main uses of market research were: to improve services based on opinions of clients; developing new projects/opening new offices; to assist in developing advertising and promotional activities; to design itineraries in accordance with client preference; and finding out how to sell 'mass tourism'.

In France, the main uses of market research were: developing new services and holidays for clients; improving the services offered to clients; to assist in deciding on advertising level and media choice; and annual follow-up of major study done three years ago.

B. The future:

1. Research budget

Respondents were asked whether they have an annual budget or one based on a pre-project basis. 14 out of 63 respondents interviewed in Britain (7 tour operators and 7 'others') claim to have an annual budget. When asked to specify the size of the budget, 8 refused on the basis that it is information they would prefer not to disclose to a market research company. Of the remaining 6, 3 have a budget of between £25,000 and £100,000 each. The numbers with a budget for market research in other countries were: 16 out of 53 in Germany, 6 out of 27 in Italy, and 4 out of 17 in France.

2. Changes in market research arrangement

Only 7 of the 63 interviewed in Britain, and 10 of the 52 interviewed in Germany, claim that they are planning changes in their use (or non-use) of market research. The changes anticipated were: expanding from one man to a larger department; closer integration with marketing division; get more experts to help with surveys; starting a market research department; evaluate doing own market research rather than using an agency; using group's own consultancy

to do market research; and do closer analysis of specific areas (e.g. student travel to Africa) rather than general research.

In Italy, only one claimed to be planning a change - extending the scope of the department to be able to do better research into promoting and developing mass travel.

In France, four claimed to be planning changes - two said that they will change as the company grows; one did not want to go into detail about the change and one said they will make more use of the marketing department of their parent company.

3. Use of market research in future

Two questions were asked: "What are the main areas concerning your market research where you feel there is a lack of information?"; and "How do you think market research can help you in the next two to three years?" To summarise the situation, there was a fairly large degree of ignorance of the kind of information that could improve their knowledge of the market. Many of the operators and carriers and tourist organisations need some help in determining what information they need, how this could help them in planning and how they could get the information.

Despite the findings of this study which show the lower status of marketing research in the tourist industry, in recent years, national sample surveys covering holiday habits pertaining to nation are undertaken continuously [55]. Every year, English travel movement is analysed by a so-called Passenger Survey under the sponsorship of the Board of Trade. This inquiry covers some 250,000 interviews made in air and seaports with travellers from and to England.

Criteria range from sociological factors to resorts preferred, means of transport, travel expenses. The International Passenger

Survey is undertaken continuously by the Department of Industry. It measures international movements to and from the United Kingdom. In the Federal Republic of Germany, a repeated home inquiry dealt with vacation travels by the West German population. Questionnaires are put with 200,000 households, which corresponds to a microcensus of 1%. Apart from sociological stratification criteria, the survey refers to resort areas, migration intra and extra muros, period and means of transport among others. Additional examples of tourist, sample surveys on a national level could be found in studies such as those launched on Frenchmen's holiday habits by the national institute for economic studies called INSEE, and yearly by the German scientific research institute for tourism at the University of Munich. Similar national tourist sample surveys are increasing in many other countries.

In summary, from the above discussion, we can say that no doubt that marketing research in tourism is growing and still needs further development. However, we can conclude that confusion has been caused by the term 'market research' being rather loosely used to describe the full range of activities covered by 'marketing research'. Generally, although the importance of marketing research, effective research in tourism has been neglected. This may be due to the small size of most companies working in the field, poor coordination among them and the budgetary considerations. Also, many companies still do not appreciate the importance of marketing research in the marketing planning process, and the others which did, understood it in a limited scope. If tourism is to flourish and grow, it must understand the society it moves and entertains as never before, and it must watch and track the changes as they occur. And it can do this only through marketing research.

Having examined the tool (marketing research) which provides the data base for the whole process of marketing planning, the study steps forward to establish a marketing strategy for tourism.

Establishing a Marketing Strategy for Tourism

Introduction

As we concluded earlier, to establish a marketing strategy for tourism, requires the answers to three basic questions: first, where are we now?; second, where do we want to go?; and third, how do we get from where we are to where we want to go?

To answer the first question: Where are we now? First, we will analyse the tourist market in general where the demand on tourism and its supply will be examined. Second, the way in which tourists behave in this market will be investigated. Third, the major segments making up this market will be the subject of an extensive discussion. To this end, opportunities and threats in the tourist market can be identified, and a target market can be determined. This leads us to answer the second question; where do we want to go?, where the objectives of marketing tourism will be discussed. The next chapter will be devoted to answering the third question.

General Analysis of the Tourist Market

An understanding of markets is the starting point for all marketing planning and action. Therefore, we will consider the general concept of a market first before turning to examine its nature.

The concept of a market

The term 'market' has acquired many usages over the years. Kotler [56] illustrates its evolution by providing three definitions as follows.

1. One of the earliest usages is that a market is a physical place where buyers and sellers gather to exchange goods and services.
2. To an economist, a market describes all the buyers and sellers involved in actual or potential transactions over some good and service. The economist is interested in describing and evaluating the structure, conduct, and performance of the market. Market structure describes the number and size distribution of buyers and sellers, the degree of product differentiation, and entry barriers. Market conduct describes how firms set their policies on product development, pricing, selling, and advertising. Market performance describes the level of efficiency and innovation of a firm's operation and the major results achieved in sales and profits.
3. To a marketer, a market is the set of all individuals and organisations who are actual and potential buyers of a product or service. Thus, the marketer limits market to mean the buyer side of the economist's definition of a market; the seller side is called the industry or competition. The marketer wants to know several things about the market, such as its size, purchasing power, needs and preferences.

These concepts of a market will be the subject of further discussion by examining the nature of a tourist market.

Nature of a tourist market

The tourism market is a market where fundamental laws of market economy play a dominant role. The reason for this resides in the fact that tourism involves movement of people in pursuit of the tourist 'product'. Still, after the emergence of huge tour operators, people cannot be 'pushed' to go to a certain destination but rather induced, convinced or tempted to choose that particular destination. In such a case, each will have his own reasons to visit this or that country, or region, among which price might be one.

Thus, the individualistic character of tourist, whether travelling individually or in groups, dictates a policy that should be 'market-oriented' and not 'product-oriented'. This necessitates a careful study and detailed information collection about the actual and potential markets. As the market forces are multifold and their impact varies in time and space, a profound market analysis is imperative not only to individualise the opportunities available (as goals to be reached), but also to be acquainted with the market forces, their characteristics, intensity and conditioning power. Wahab [57] has discussed these market forces which can be presented as follows.

1. Legal factors: The legal provisions governing the tourist market are of great importance as they determine the possibilities of using those markets. As an example, if in a certain country rigid limitations are imposed by law on people travelling abroad for economic reasons, it is only logical that such a country does not constitute a good tourist-generating market and therefore it might be a waste to spend any money or promotion there. Holiday structure patterns of independent and organised travel, and working conditions also have a great influence on the tourist market.
2. Political factors: Political conditions play a significant role in tourism. As no sizeable tourism movement could be expected to a region or country where political tensions or military clashes exist, tourist-generating country could also be affected by bad political conditions. Moreover, political relations between tourist-generating countries and tourist-receiving countries have an impact upon the tourist movement from the former to the latter. This is not to suggest that tourist traffic will come down to zero when diplomatic relations are cut off between two countries, but it certainly would be greatly hampered or reduced. For example, as

we observed in the previous chapter, the arrival of tourists from Arab countries to Egypt has been greatly reduced when diplomatic relations between Egypt and Arab countries were cut off due to the Israeli-Egyptian Peace Agreement.

3. Technological factors: Good accessibility to the destination area and diversity of transport means exert an influence on the expansion of tourist traffic from one point to another. Automation, mass information media and computers have an affect on information handling and dissemination. The length of holidays and leisure facilities also contribute to the orientation of the particular market towards tourism as a leading form of leisure-time spending.

4. Cultural factors: Among the most effective tourist-shaping forces, education, custom and knowledge about other parts of the world figure most highly. Thus, it is safe to say that travel is more prevalent in cultured societies and among the most educated people in such societies. Moreover, the significant features in population composition, geographical distribution and family characteristics should be taken into consideration in any market study, as they reflect the future shape of consumer markets.

5. Economic factors: Market analysis cannot be complete without investigation into the economic factors prevailing in the market. These factors include income levels and distribution of income, individual consumption, family budgets and spending habits, saving and financing holidays, rate of development or expansion of travelling abroad, inflation, oil prices, etc.

The above factors show the environmental framework of market analysis whereby opportunities and threats of that market can be identified. However, the planner should be alert and sensitive to the winds of change in the tourist market so that his planning

for the future can be more effective. Consumers are a fickle group, and the consumers of tourism are perhaps even more fickle than most. In a very real sense, destinations come and destinations go. What is popular with the travelling public today may be an anathema to the travelling public tomorrow. We live in a period of enormous and rapid change where the continuous analysis of the tourist market is very crucial. To meet the challenge of appealing to and satisfying the international traveller, Sarbin [58] stresses on the analysis of the tourist market as constituted from customers. He argues that "... we must, of course, have the product to offer him, the infrastructure, the transportation, the hotels, the attractions. But it is not enough to develop a product with a broad appeal. We must do a better job of understanding the consumer - his likes, dislikes, attitudes, values, fears and expectations. We must not only know what the tourist wants and will respond to, but what he does not want and will not respond to". To study the consumer, Sarbin declared that "... we must be constantly aware, however, that the market for travel is not homogeneous. There are many different consumer segments and each consumer segment may present its own special problems as well as its attitudes and needs ... Consumer segments can be analysed in a number of different ways".

Similarly, Marris [59] illustrates the way to analyse the consumers by providing many headings - Where they come from?; How they found out about you?; What attracts them to you, to the locality?; What they do or buy?; the proportion on holiday, business, social trips; their sex, age, social groups, party size; Spending pattern; Duration of Stay; Frequency of visit; Mode of travel".

To identify the steps of studying the consumer, Wahab et al.[60] pointed out that "The study of the needs and motivations of actual and potential tourists in every market involves a preliminary study

first and then a qualitative and quantitative study of the market.

1. Preliminary study: If a given country is prepared for receiving tourists of one type of tourism - cultural, recreational or congress - it should not limit itself to studying the market for that type of tourism only. Generally speaking, tourism is a product that corresponds to a need, and this need for travel may be met by different kinds of tourist supply. Therefore, it might be advisable to conduct a preliminary survey of the market in order to sense its vocation and potentiality, to know how many people in that market travel abroad and for what reasons. Then a market segmentation should be made in order to determine the behaviour groups within that market is so far as income, social class, age, sex, and geographical localities are concerned.

2. Then, a qualitative and quantitative study should be carried out in order to fully identify this particular market segment.

They added another two dimensions to market analysis: competition analysis and distribution channels analysis.

Competition analysis: The study of competitive forces acting on the market is very important. A detailed study of the points of tourist attraction in other countries which have a certain appeal to the customers is essential, as well as the publicity media employed by those countries, their volume of tourist traffic, prices of package tours and, more generally, accommodation rates, transport means, etc., in high and low seasons, their marketing strategy, etc.

Distribution channels analysis: A detailed study of distribution channels in the market is necessary. This involves a study of classical and non-classical channels (wholesalers, travel agencies, carriers, trade unions, universities, etc.) dealing with each of the competing countries. The questions,

Why are these agencies interested in selling those countries?; What are their incentives?; How do they address themselves to the market?, etc., are very important to consider. A historical research to determine the trends of past developments is also necessary because in the light of these past trends it is possible to foresee what the patterns for the future will be. Considering that tourism distribution channels are not only wholesalers, carriers and travel agencies (which account for some 70% of international tourist traffic in general), it is also necessary to study the tourist activities of social tourism organisations like factories, companies, universities, unions, clubs, as well as professional tourism organisations (automobile and touring clubs) in the market. Once these surveys have been conducted, they argue that it is necessary to analyse the volume of turnover and proportion of each of the total outgoing tourist traffic and even domestic tourism in the market under consideration. In their view, these data serve to build traffic charts for the market which would show the distribution channels analysis of the market in order to afford a decision on the circuit or circuits best suited for marketing the country's tourist product.

From an economic view, Marković and Unković [61] stressed the demand and the supply of tourism when researching the tourist market. They pointed out that "The experience that has been gained so far indicates that the destination research on the part of demand must be conducted in three main directions as follows.

Firstly, it is necessary to research objective factors on which the formation of the demand itself is depending, regardless of its subjective propensities, which are based on needs, wishes, habits, etc. What is involved is thus the research of conditions in an environment in which there has been registered or in which we may expect the tourist demand as potential magnitude. These objective factors are the national income and the consumer expenditure, the spare time, the coefficient of urbanisation, the degree

of motorisation, etc.

The second stream of research has to do with subjective factors in the demand generation, which may become manifest only if there exist favourable objective factors and only to the extent to which the latter work. These subjective factors comprise the propensity listed above, which derives from the feeling that one needs some tourist recreation. It may be connected also to other tourist needs which stem from wishes, habits or other motives such as imitation, fashion and the like. All these subjective factors, together bear on the motives of tourist movements, which are very important for the reconnaissance of the market. These researches are aimed at the identification of the market potential.

The third stream of research should highlight the tourist demand under the aspect of its physical properties and the tourist behaviour, thereby, quantitative and qualitative features of demand, which stem particularly from its following structures: physical structure (age, sex, health); national structure; organisational structure (in terms of the way in which the travel is organised; individual travels, groups, beneficiaries of tourist agencies services, etc.); structure in terms of the category of accommodation; socio-economic structure (in terms of the magnitude and structure of the tourist expenditure); seasonal distribution; physical distribution. In their opinion, "the first two streams of research have to do with the identification of the potential demand in the first place, while the third stream of research has to do with the effective demand, i.e. of demand of tourists who have already made up their minds with regard to the place and the way in which they are going to satisfy their tourist needs. It is for this matter that a large part of the research may be conducted in the tourist regions and in various facilities of the tourist supply. By the above researches, the main market segments will be identified, on which the marketing strategy should be based".

However, they added, "alongside of these investigations, the research has to be channelled also on the part of the tourist supply. To research all the main groups of factors which constitute the complex tourist supply. These are groups of attractive, transportational and receptive factors. A special emphasis must be placed on the competitive position of supply. The most indicator in this context is the relationship of the quantity and quality of tourist services and goods in supply to their prices".

As an example, Marković and Unković[62] referred to a study conducted by the Economist Intelligence Unit in 1972 for the Yugoslavia Marketing Research Institute, to examine Yugoslavia's position in connection with the size and nature of the tourist demand of the countries such as: West Germany, Austria, Italy, Great Britain and France, to meet the tourist demand of these countries. The study was based on interviews with key representatives of many organisations in various countries such as tour operators, travel agents, carriers, International hotel and tourist facility supplying organisations, and national organisations in the field of tourism. The study examined generally the following elements of demand in these countries:

1. The trend of the tourist traffic (the number of tourists from the countries listed above who travelled abroad during the past 5 to 10 years and the number of 'nights spent', their total number as well as their interest in various countries).
2. The trend of the overall tourist expenditure and its attitude towards various countries.
3. The most important socio-economic characteristics of tourists from the countries listed above who travel abroad (age, annual income, education, profession, etc.).

4. The main motives and the purpose of travelling abroad.
5. Seasonal variations.
6. The relationship of individual travels abroad to travel in groups.
7. The relative share of various modes of travel with regard to various countries.
8. The requirements of tourists from various countries in terms of: quality of accommodation and food, entertainment and recreational facilities, conditions of travel, prices of tourist services, etc.

Another part of the study dealt specifically with the tourist demand towards Yugoslavia as a tourist destination. Attention was paid to the most important elements of the tourist demand as follows.

1. The attitude of tourists from various countries towards travelling to Yugoslavia if compared to travels into other well-known countries such as: Italy, Spain and Austria or travels into other Balkan countries.
2. Outstanding socio-economic characteristics of foreign tourists from various countries who visit Yugoslavia, if compared to those who visit other countries.
3. Motives and purpose of travel of foreign tourists from various countries to Yugoslavia.
4. The degree to which the tourist supply of Yugoslavia can meet the requirements of tourists from various countries (accommodation and food, prices of services, tourist attractions, entertainment and recreation, etc).
5. The relationship of foreign tourists visiting Yugoslavia who travel individually to those travelling in groups.
6. Typical segments of tourists from various countries visiting Yugoslavia.

7. Plans and intentions of large tour operators and travel agents in terms of the development of the corresponding number of travel programmes, inclusive of Yugoslavia for the next 2 to 3 years.
8. An assessment of the efficiency of the promotional policy of Yugoslavia in the market of various countries, if compared to other tourist countries, etc.

The nature of the tourist demand in various countries and its attitude towards Yugoslavia will provide the groundwork on which short-term forecasts and medium-term projections may be prepared in terms of the expected tourist traffic and the tourist expenditure of tourists from various countries in Yugoslavia.

Another example, in 1974, a market research was undertaken by the Irish Tourist Board [63] in order to provide a factual platform on which marketing and development of Lisdoonvarna could be based. The study examined the market by looking specifically at the following issues:

1. The seasonality of demand and its effect on the utilisation of registered accommodation.
2. The extent to which private homes accommodation is used rather than registered accommodation; whether these forms of accommodation are diverting business away from formal accommodation, or merely providing a stop-gap in periods of excessive demand.
3. What type of visitor is attracted - where they come from, their socio-economic status, age group, party type, etc.
4. Equally important, what are their primary motivations for holidaying in Lisdoonvarna.

5. The images, and opinions relating to the resort in order to indicate positive aspects of Lisdoonvarna that might be exploited, to pinpoint its weaknesses and to identify those segments of the population that offered the greatest potential.

To forecast the demand and market share in tourism, traditional and modern techniques have been applied. In the Ski industry, for instance, one of the earliest studies was a Master's Thesis completed at the University of Utah by Jenesen in 1964 [64]. Jenesen based his forecasts on 4,000 questionnaires of which there were 466 useful responses. His method was to convert the originally Michigan skier survey characteristics to skier days based upon Utah population demographics. The Jenesen thesis does illustrate three major problems facing those researchers who today seek to forecast or model the ski industry:

1. Survey data, while very costly, are also quite unreliable for forecasting purposes. There simply is not a reliable cross-sectional and time series data base available for such forecasts. [This does not imply that survey data are not valuable for descriptive purposes].
2. Characteristics found and measured among the population in one geographic area are not immediately projectable to those in another area. The resident skier in the Midwest may be considerably different from the resident skier in the mountain states.
3. Supply characteristics and development policies in one region (even the proportion of public-to-private land suitable for ski area development) influences demand for skiing in other regions.

A far more extensive study was published by Herrington in 1967 [65]. The Herrington study focused upon both ski area capacity

and skier demand. Beyond the data presented by Herrington, perhaps his most significant contribution to the forecasting literature was as a consequence of his break with past tradition evidenced by his incorporation of regression techniques to attempt to explain the growth in skier visits. X

Recently, more sophisticated techniques are applied in forecasting the future demand in the ski industry, such as multiple regression techniques [66].

To summarise, the above discussion showed that, in tourism, the market has been viewed from both marketer and economist views. While the marketer limits the tourist market to mean the buyer side (tourists or demand), the economist expands the market to include buyers and sellers (demand and supply^{*}). The marketer studies the sellers as competition or the industry. We examined the tourist market in general. (However, to formulate a marketing strategy on a reliable base, perhaps it is fairly logical to deepen the analysis into the tourist behaviour: his motivation to travel abroad, his attitudes and images towards particular tourist destinations, life style, habits, decision timing, etc., all of which influence the decision-making process of the tourist customer. And due to the fact that markets consist of customers, and customers are likely to differ in one or more of the above respects, it may be useful to expand the discussion into the area of the tourist market segmentation.) These issues will be the subject of an extensive analysis. RD

* Tourism supply will be discussed in detail in the next chapter.

Analysis of the Tourist Customer Behaviour

Introduction

Most of the research work so far undertaken in the area of tourism, has been concerned with the number of tourists that travelled to individual countries, their choice of transportation and accommodation, their length of stay and time of travel, as well as their social profile measured in terms of the traditional characteristics like sex, age, profession, income, place of residence, etc. Past experience, present and future plans have been analysed and much basic and indispensable information has thus been collected.

Somewhere in the decision-making process, however, people will, each year, have to make a choice between a variety of offers that probably surpass the range of choices presented to the consumer in any other field. How does the tourist orientate himself and what factors determine his choice? This will be the subject of the following discussion.

Tourist motivation

Why do people engage in tourism? A study of tourist psychology and motivation reveals that individuals normally travel for more than one reason, and for many, perhaps the majority, tourism is the outcome of a combination of motivations. On the other hand, it should be recognised that some are urged to take a holiday for one particular reason alone. Those who can afford the time and money frequently go to the winter sports for the specific purpose of skiing, skating and tobogganing. Many Britons are attracted to the Mediterranean lands by the attraction of nothing other than abundant sunshine, blue skies and warm seas. Numerous Americans visit Europe just to look at the 'old homeland' and at such historic centres as London, York, Bruges, Amsterdam, Heidelberg, Rome and Venice.

McIntosh and Gupta [67] argue that basic travel motivators may be grouped into four categories:

1. Physical motivators, which are related to physical relaxation and rest, sporting activities, and specific medical treatment; all are connected with the individual bodily health.
2. Cultural motivators, which are connected with the individual's desire to travel in order to learn about other countries and their people and their cultural heritage expressed in art, music, literature, folklore, etc.
3. Interpersonal motivators, which are related to a desire to visit relatives or friends, or to escape from one's family, workmates or neighbours, or to meet new people and forge new friendships, or simply to escape from the routine of everyday life.
4. Status and prestige motivators, which are identified with needs of personal esteem and personal development; these are related to travel for business or professional interest, for the purposes of education or the pursuit of hobbies.

A further sub-division to each of these four groups is given by Robinson [68], Doswell [69], Dichter [70], and Burnet [71]. However, a combination of their elaboration to the motivators of people to engage in tourism, can be presented in eight main reasons as follows.

1. For relaxation and refreshment of body and mind, which is becoming even more necessary in modern life with its speed, stress and strain.
2. For health purposes, to secure fresh air and sunshine and often winter warmth, and sometimes to take, and bathe in, medicated waters or undergo special treatment of a medical kind.

3. For active participation in a wide variety of sporting activities such as walking, mountaineering, skiing, sailing, fishing, shooting, surfing, pony-trekking, etc.
4. For sheer pleasure, fun and excitement; the individual's need for pure pleasure is very strong indeed and travel and holiday-making form a simple way of satisfying this demand.
5. For interest in 'foreign parts' especially in places having important historical or cultural associations or places holding special festivals in art, drama, music, etc.
6. For interpersonal reasons: to visit one's relatives, to meet new people and to seek new friendships, or even to escape for a while from one's usual associates.
7. For spiritual purposes, as for example, the making of pilgrimages to sacred religious sites or holy places.
8. For professional or business reasons, e.g. attending conventions related to the professions, industry or commerce, or to some organisation to which the individual belongs.

In examining tourist motivations, Burkart and Medlik [72] distinguish between two broad categories of travellers:

The first group comprises those who have to visit a particular place and includes businessmen and some elements of those who may be described as common interest travellers such as those visiting friends and relatives. This category, the decision to travel, where to go and when to go is, to a greater or lesser extent, outside their control. They are less influenced by price or distance and particularly demand for business travel is relatively price-inelastic, that is, not susceptible to price inducements.

The second group - holiday tourists - have a freedom of choice. In their opinion, the tourists in this group decide for themselves whether they should apply a part of their income and a part of their

leisure-time to participate in tourism, where to go and, to a greater or lesser extent, when to go. Their demand for travel is highly price elastic, that is susceptible to price inducements. Burkart and Medlik declared that "the reasons for travel away from home by businessmen and by others in the first group are self-evident. Each may, indeed, be marginally influenced by those considerations which affect the second group, the pleasure travellers. This may be reflected in the frequency of visits or in the considerations of alternatives were they to exist as, for example, in the choice of venues for conferences. But no particular problem is faced in identifying the motivations". In tourism conceived as pleasure or holiday travel, they pointed out that "... the reasons are varied and not always clearly evident or easily identifiable. It may be said that the prime motivation to engage in tourism is to be elsewhere and to escape, however, temporarily, the routine, constraints, and stresses of everyday life".

Two main and distinct motivations may be postulated as dominant in the pleasure travel, which have been described by Gray [73] as wanderlust and sunlust.

Wanderlust describes the desire to exchange the known for the unknown, to leave things familiar and to go and see different places, people, and cultures or relics of the past in places famous for their historical monuments and associations, or for their current fashions and contributions to society.

Sunlust generates a type of travel which depends on the existence elsewhere of better amenities for a specific purpose than are available in the domicile; it is prominent with particular activities such as sports and literally with the search for the sun.

He argues that "the significance of the two types of travel relates to the degree to which they are likely to be international rather than domestic and to the type of facilities required at the destination. In a large country both types of desire may be satisfied but, on the whole, wanderlust is more likely to be international, even in a large country such as the United States. Sunlust is more likely to be satisfied in the country of residence, except where that country is small. Wanderlust calls for facilities geared to transient visitors and for means of movement at the destination; sunlust requires facilities for a longer stay and for recreation".

Within the air business - as a means to the accessibility of the tourist destination - a multi-country psychological study on flight motivation and behaviour was commissioned by Swissair [74]. The survey was carried out in Denmark, France, Germany, Sweden and the U.K. embracing 360 interviews conducted by psychologically trained interviewers, using a semi-structured questionnaire in the local languages, each interview of the length of about 2-3 hours. Some of the central results of this study reveal that the main satisfactions that people can receive from the flight are:

1. There is the agreeable symbolism of an elevated existence in the sense of something decidedly beyond daily life and, naturally, also in the literary sense of 'being elevated'.
2. There is the agreeable sensation of escaping daily life also in the sense of being for sometime in nobody's land and taking a holiday from the Ego.
3. There is the agreeable emotional quality of feeling stimulated, enjoying new impressions and discoveries, a pleasant emotional crescendo.
4. There are the indispensable criteria of a good flight: comfort and service, not only in the usual hotellerie sense but also as the adequate response to passengers' needs of a warm, soft, human, protecting and tranquilizing environment.

5. There is the argument of speed, but not so much in the sense of perceived physical speed, activity and dynamism than interpreted in the sense of saving time.
6. There is the whole dimension of prestige, either seen by people as social prestige, i.e. elegance, internationality, exclusivity, etc., or as existential prestige, i.e. to be in fortune's hand and the feel of being in fortune's favour.
7. There are the aesthetic satisfactions of the outward appearance of the aircraft itself (the big silver bird) and of the beauty of landscapes, of heaven, of clouds, which depends, of course, on finding good weather.
8. The impressive sexual symbolism of the aircraft itself: masculine when seen outwards (as regards metal, technique, potency, speed, etc. controlled by a man: the captain), feminine when seen inwards (as regards its bearing little people in the belly like a kangaroo, confined in a woman: the hostess).

On the other hand, the analysis of people's reactions and attitudes towards flying clearly shows a considerable psychic tension and fear, which can be illustrated as follows.

1. To be frightened by thinking of the attitude of the flying aircraft.
2. To be frightened by thinking of the real speed of the aircraft which is closely associated with the aggressiveness and danger of too much compressed power and energy.
3. To be frightened by unexpected movements and noises of the aircraft.
4. To get nervous by being imprisoned in the relatively small space of the aircraft interior, to suffer from claustrophobia.
5. To get oversensitized, irritable, nervous and aggressive or to get unnatural, cramped, and rigid - a psychic state which reminds the individual of the attitude of an animal's death reflex.

6. To get unsociable and lonely because no continuous and steady social group or communication system is given (indeed, what people really desire is a calm and maternal human presence, a kind of therapeutical treatment which cannot be called real social interaction).

The above study shows both the positive motivations and negative motivations towards the flight, which in our view, represent a cornerstone in the tourist behaviour, with which the marketer of the tourist destination should be concerned.

In a study conducted by the Irish Tourist Board [75], the motivators for holidays in Lisdoonvarna were: a 'restful' holiday (26% of all visitors), health reasons 11%, specialist interest 19%, lively atmosphere 26%, scenery 5%.

In 1970, the Hungarian Institute for Market Research of Budapest began a series of surveys, repeated every second year, to observe the Hungarian people's holiday taking habits [76]. The survey revealed that the factors motivating holidays were as follows.

Just over a third (37%) of Hungarians go on holiday in order to have a rest. This is true across all age groups except the youngest. Other reasons for taking holidays are entertainment (24%), to increase knowledge (16%), to become acquainted with different types of people (5%). Going on holiday is often combined with a visit to relatives. This type accounts for 7% of holidays. Another 7% go on holiday for medical treatment and 3% in order to take part in sports. People who take holidays for rest and relaxation have rather different requirements and demands from those taking holidays for other reasons. People choose the type of holiday which is most suitable for their own temperament.

A person's age has some bearing upon the type of holiday they are looking for, but other demographic characteristics appear to have very little influence upon the type of holiday being thought. The type of geographical environment in which one stays is one of the most important features of the whole holiday.

While the recognition of the tourist motivators is very important to the planner of marketing tourism, on the other hand, the recognition of residents attitudes toward tourists is crucial. Zehnder [77], Professor in the School of Travel Industry Management of Hawaii, has argued that "People in marketing know very well that of all the factors which determine pleasure and enjoyment in travel, there is none more important than the way travellers are treated by the local residents of tourist areas. Their attitudes toward tourists are extremely important; for most of us avoid places where we are not readily accepted. Simply said, marketing programmes fail where rudeness has replaced courtesy and where hostility has taken the place of hospitality. Nobody likes to be pushed around!" Attitudes and images of tourists toward tourist destinations will be the subject of an extensive discussion in the next section.

In summary, the discussion revealed no clear cut distinction among the types of tourist motivators. For example, within the two main types of pleasure travel - sunlust and wanderlust - variations exist, from a desire for quiet and seclusion to centres of activity, from complete relaxation to constant activity, from freedom and independence to organised activity. A journey to a resort in a foreign country motivated by sunlust contains an element of satisfaction of wanderlust; conversely, a tourist seeking to satisfy his wanderlust also expects some of the amenities of a resort holiday. Moreover, a tourist, his original motivators are an attendance to a conference, to visit friends or relatives, also expects some of the amenities of a holiday resort. As a result,

the travel market at any time is highly fragmented. Furthermore, people do not necessarily display constant motivations and the same people may buy different tourist products at different times.

In conclusion, it seems that whilst the long-term determinants of tourism can be identified with some certainty, and whilst they show a high degree of stability over a long period of time, motivations to tourism are less precise and tend to change more frequently. We can describe the 'Who, when, where, and how' of tourism, the economic and social characteristics of tourists and their behaviour; we are far less confident in assessing and predicting their gratification. The question of why is not clearly answered. Therefore, the importance of motivation research in the field of tourism cannot be denied. It is, as Smith [78] said, "used to guide strategy: product facility strategy; marketing strategy; communications strategy. It serves that purpose because motivation research exposes the dynamics of consumer behaviour. And in so doing it affords a platform for devising programmes responsive to the needs which impel consumers to behave as they do".

Images and attitudes of tourist

Apart from the marketing planner's need to study the tourist decision-making process in more detail in order to assess the relative importance of the various factors like price, climate, general types of vacations wanted, etc., it can probably be taken for granted that the ideas, expectations, experiences, and prejudices people have about individual countries and nations, types of holiday resorts, carriers, travel organisations, and types of accommodation, will play an important part in these considerations.

Hans [79] has distinguished between two major types of approach on the part of consumers in order to reach a decision, which regulate the sequence of choices:

1. Consumers may proceed by deciding first to which country or type of resort, or even to which particular place they want to go and then choose the means of getting there.
2. They may start with collecting information presented by some organisation and then make their choices among the various offers put forward by this particular organisation.

In his judgement, both groups will be influenced in their various choices by many images, which can be grouped as follows:

The image of countries and nations:

Hans indicated that "Some investigations have been concerned with the images of particular countries. This does not only concern the geographic features like mountains, rivers, lakes, seaside, forests, plains, etc., which are of a different attractiveness to people, as they offer particular opportunities to follow individual hobbies like mountaineering, fishing, swimming, etc., or the climate with the likelihood of good weather, various degrees of warmth, etc., or the offer of educational or cultural gratifications like historical places, churches, castles, town-halls, museums, medical houses and the like, or special occasions like music festivals, theatre performances, etc. It is also influenced by economic considerations like the rate of exchange, the relative cheapness or expensiveness of meals and accommodation and by the laws of the country, e.g. with regard to the sale of alcoholic beverages, the opening hours of restaurants, inns and bars, or - as in the case of Great Britain - left-hand traffic, etc. In some cases, e.g. Eastern European countries, some African, Asian, Middle and South American countries, political apprehensions may enter the picture". He added, "food and comfort expectations will vary from country to country and will make individual countries more or less desirable places to stay for holidays".

Closely connected with the country image, and almost inseparable from it, is the national image, i.e. the ideas, prejudices, etc., about the people living in the various countries. In Hans's opinion, "It not only contains dimensions that lead to individual degrees of sympathy or antipathy, but also rather general aspects like the assessment of the political relations between governments, the treatment of relevant subjects in newspapers and the resulting expectations of generally friendly, or reserved, attitudes of the population as a whole".

The importance of this image is very much dependent on the expectations to what extent the individual tourist may come into contact with the people living in the country where he intends to spend his holiday and the degree he is able to speak the language of the country visited or expects the inhabitants of that country to speak his own language, respectively some foreign language spoken by both partners. Even if contacts with the population in general are less expected, the general ideas about the behaviour of officials like customs officers, police, etc., and of personnel in hotels, restaurants, etc., may still be relevant in this context.

Similarly, when Lott [80] wanted to find out how many German holiday travellers will probably spend their holidays in a certain foreign country, he identified the factors influencing the last year's number of travellers. Lott distinguished two groups of factors, i.e. 'inside factors', factors lying in Germany, and 'outside factors', factors lying in the destination country. Our concern will be only with the outside factors which constitute the German tourist image towards the foreign tourist destinations. These factors as presented by Lott are: "political stability; freedom of movement; development of prices; exchange rates of currency; normal weather (climate); existence of desired landscapes (sea, beaches, mountains); quality of accommodation;

broad variety of accommodation; interesting sights; cuisine; traffic regulations; language difficulties; nationalism or animosity against foreigners; accessibility (distance from travelling country, island, mountains); special events (festivals, sports events, etc.); special cultural offers; advertising, public relations; good buying opportunities; satisfaction of former visitors; fashionable target; comparability with other holiday countries that become fashionable".

The image of holiday resorts:

The available literature indicates that little work has so far been done on the image of individual holiday resorts, e.g. bathing resorts like Brighton, Ostende, Biarritz, San Remo, Sylt, or historic capitals like Vienna, Rome, Paris, London, Copenhagen, etc. What do people know and think when they read names like these and what features essentially influence their choice? Naturally, a number of resorts have features in common more or less inherent in the definition of their general type and the kind of recreation, entertainment, or education, etc. they offer. And something, at least, is known about the relative attractiveness of the individual types of resorts. But what are the particular attractions of individual resorts? How do the competing places within each type differ in the eyes of potential visitors and which are the features that make them prefer one place rather than another? In this regard, Irish Tourist Board [81] conducted a small scale qualitative survey in order to obtain an indication of the type of image and impressions of Lisdoonvarna existing amongst various segments of the population at large, who had never visited the resort. The results of the study indicate that the overall image of the town, based mainly on knowledge of it as a Spa resort, is slightly Edwardian - an image of bygone days. To the uninitiated, therefore, it offers little in the way of holiday attractions although there is some feeling, as often vague as precise, that 'something' goes on in Lisdoonvarna in September - but, by implication, that

the rest of the holiday season there is non-existent. This sometimes vague perception of the resort leads on to feelings that it will be dull and quiet with nothing to do, with the possible exception of September. By the same token, it is seen to appeal more to older people, and has little to offer the family party or young people. Amongst people who have not been there, there is very little knowledge of the unique location of the town itself - its nearness to the Burren and its suitability as a touring centre for the region in general. Amongst middle-class respondents the image of Lisdoonvarna was more down-market and this was corroborated by the fact that this latter segment seemed on the whole more aware of Lisdoonvarna, and also was the farming community. At the time of doing the survey, therefore, the position seemed to be that the potential holidaymaker who did not know the town, did not have a strong image of what Lisdoonvarna could offer as a holiday resort.

Within the overall planning framework, the research results played a fundamental role, recognising the fact that it was essential to create an immediate increase in demand.

In the domain of tourism, the same as in any commercial field, it is not enough to offer a good product to the public; the product has to be perceived as such: the representation made of it, i.e. its image, must correspond to what is expected of it.

In 1967, in France, a survey was conducted among members and non-members of the Club Méditerranée to look more closely at their image, attitudes and opinions towards the Club [82]. Among non-members (only people who had heard of the Club were interviewed), the survey revealed that the Club is seen as a large organisation providing complete holidays at all-in prices with absolutely all details taken care of, ranging from the mundane matters of food and lodging to cultural distractions and relations with the other members. In all these respects the Club vacations have a favourable image. With regard to the nature of the vacation, particularly with

what is regarded as 'the communal living' imposed by the Club, most of the comments are fairly hostile and mention 'sleeping in dormitories', 'taking meals en masse', 'too much noise', 'too many different kinds of people', 'carrying children', 'sporting facilities swamped by the demand', 'you have to do what everyone else does', 'everything is over-organised', and so on.

A second obstacle to acceptance of the Club type of vacation lies in the idea of the free-and-easy atmosphere which prevails in the villages. (In some way this contradicts the idea of 'regimentation' set out earlier, but people are not always consistent in their attitudes, especially when dealing in stereotypes of behaviour). The style of living in the villages is imagined as a sort of return to nature (it must be confessed that in the past the Club has encouraged this image) where ordinary standards of morality no longer prevail. This 'paganism' which has some basis, in fact, is magnified in the minds of some people until it is seen as a kind of sexual free-for-all with sometimes dire results for unsuspecting female holidaymakers. However, the image of the Club member (the person who takes his vacation at a Club village) is generally seen in a favourable light by the non-members. He is young, go ahead, sporty, likes the open-air, wants to see something of the world and to meet people. Conversely, the person who refuses to go to the Club villages is seen as shy, withdrawn, cold, moody, stuck-up, pretentious or unsociable.

It is interesting to observe that the possibility or not of a holiday with the Club Méditerranée depends on the character of the person and not on what is offered by the Club, i.e. not: the Club is a poor kind of holiday, but rather: he is not suited to that type of holiday. On this point, the men interviewed were rather more categorical in their condemnation of the individual than the women, who more readily excused people who drew back from, say, the amorality in the Club villages. This tends to confirm the fact that

men have more difficulty in accepting group life than women, whose more passive role helps to adapt them better.

In purely promotional terms, several important lessons were learned and applied as a result of this survey. Some of them which are concerned with the tourist image are:

Firstly, all references to the sensitive areas were avoided. No attempt was made to capitalise on the 'happy family' aspect of Club life, nor on the possibility of making new friends there. Emphasis on the beautiful girls and handsome young men was reduced to a minimum.

Secondly, great importance was given to increasing awareness of the vast range of facilities offered - sports, cultural activities, excursions, special staff to look after children, etc.

Thirdly, emphasis was placed on the complete absence of compulsion to engage in any activity, in order to combat the image of 'over-organised' holidays.

In 1972, another investigation among French tourists [83] revealed that the concept of 'an organised touring group' was very unfavourable in the eyes of French tourists. This held an echo of mediocrity on both the cultural and the social levels. These tourists had a keen desire to travel, but the representations went against what they expected from the journey: a wonderful experience, an evasion to make up for their everyday lives unsatisfactory to them. So that this kind of a journey did not appeal as the sort that would be suitable for them, since the image they had of it did not correspond to their aspirations.

Yet, nevertheless, in-depth study of the needs of these same tourists had shown that this formula met perfectly some of their needs, among these the need for security, which actually acted as the main obstacle to the realisation of their dream.

The unadopted image thus formed a screen between a product, which in itself was good, and one part of its potential clientele. The conclusion to a finding of this kind was, naturally, that this product needed to be promoted, but that care should be taken not to present it as such. It was important to give it a different 'psychological wrapping' until the image confronted with the repeated experience would be modified.

The carrier image:

Another area for image research for the marketer of tourism is the carrier image. It may be distinguished - as it is in research for consumer goods - between images of carrier types as such (like aeroplanes, railways, ships, buses and private cars) and those of individual companies (like the various airlines). There is quite a difference in the image of the various carrier types with regard to cheapness, comfort, security, etc.

A study on airlines revealed that one company was regarded superior in technique, and experience, but not so good in service and friendliness of personnel, etc., while another company scored rather high with regard to comfort and attendance on the part of the personnel, but less well in the area of technical equipment and experience. Both companies gave their travellers a feeling of security, but it was two different types of security appealing to different types of persons [84].

This is where social characteristics alone do not suffice to characterise the type of people preferring particular companies to travel with. But this is certainly a point to be attended to in

advertising. Another problem, perhaps specially in this context, is the durability of carrier images. The question may be raised what effects - short-term and long-term accidents like plane crashes, etc., may have on the readiness, respectability, reluctance of consumers to choose trips that involve air travel, etc.* In my view, this would require a constant measurement of attitudes. If any effects are found, it is necessary to investigate whether they concern the entire carrier type in general or rather particular carrier companies involved.

Another example, in 1972, a study was conducted by the Research Services Company, U.K. in the travel field [85]. Specifically, one of its objectives was to investigate firstly, how attitudes change with experience, and secondly, how attitudes relate to airline choice. A single simple scale was used to differentiate between attitudes towards five airlines, Air France, Alitalia, BEA, Lufthansa and Iberia, on seven dimensions: comfort in flight; courteous, helpful personnel; good food and drinks; efficient airline reservation service; ground service; on time arrivals and departures; safety. The results of this survey enabled the Research Company to draw up a description of the way in which the attitudes and behaviour of air travellers develop with increasing experience. Some of this description can be presented as follows.

1. The study shows that the British passenger with limited experience rated BEA as much better than other airlines on all image factors. The only exception to this pattern is Air France which received similar ratings to BEA on in-flight image factors such as comfort, personnel, and food and drink. This suggests that BEA's favourable image to the totally inexperienced was reinforced by limited experience confined to BEA, except in the case of Air-France where the national stereotype may account for the different pattern.

*This is particularly discussed in the previous section "Tourist Motivation".

2. As a total travel experience increases, the image of other airlines improves relative to BEA's image on - in flight factors - the very experienced traveller who has made over 3 trips to a destination in the last five years, rates the alternative airline more highly than BEA on these group factors. However, the image of Air France does not improve further.
3. In contrast, travellers rating of BEA on 'organisational' factors - efficiency of reservations, ground service and safety - improves very markedly with increased experience compared with the rating given to other airlines.
4. Turning to the relationship between attitudes and behaviour, it was found that the experienced traveller discriminates most strongly between airlines and their reservation service, the convenience of schedules, comfort and personnel. At the other extreme, the dominating discriminator for the very experienced traveller is convenience of schedule followed by food and drink, comfort and personnel. Reservation service ceases to be of any significance.
5. The experienced traveller is quite strongly motivated by his favourable image of his national airline to choose it, unless convenience schedule is an overriding factor. As his experience broadens, often through events over which he has no control, his image of other airlines on the critical 'in-flight' factors will improve. He may then prefer the alternative carrier unless convenience of schedule prevents him. Finally, the very experienced traveller is little influenced by factors other than convenience, but where schedules are unimportant he will discriminate on very secondary objective factors, of which food and drink are the most important.

6. Within this general pattern, the discriminators on different routes and the image of different airlines, vary widely. This suggests that the role of advertising can be critical in determining the rate and extent to which attitudes modify with experience, but not in the general pattern of their evolution.

The concept of cruising covers a wide spectrum. At one end, one has what is tantamount to a touring holiday - that is to say - one's objective is to see as many places as possible, and one uses a ship as a mode of transport and as overnight accommodation. At the other extreme, one has what is tantamount to a Hollywood dream.

Needless to say that cruising by using a ship as a mode of transport, does compete with other forms of holiday on one hand, and with other modes of transportation on the other hand. Therefore, to measure the attitudes towards the cruising, Bermingham [86] argues that "it should be measured by assessing the cruisers' attitudes to different aspects of holidays, such as: the problems of foreign languages; the problems of foreign food; preference for staying in one place or moving about; proximity to the sea; amount of entertainment provided, opportunities to meet other people. And also in the sort of image they have in cruising, measured in such terms as: the amount of privacy on board, cramped/spacious accommodation; the amount of entertainment provided; lack of freedom regimentation; anticipated profile of other passengers; expense".

Accommodation image

Another area of image research, the marketer of tourism has to do, is the lodging industry, which constitutes a significant part in the tourist product. One of the industry leaders and tough competitors is Holiday Inns [87]. A market research study asked business and vacation travellers the question, "If all major motel chains were available to you on your next trip, which would most

likely be your first choice?" Howard Johnson's, Bert Western, Quality Inns, Days Inn, Travelodge, and Ramada all have a 1 to 7 per cent penetration in first-choice awareness. Forty-two business travellers and 38 pleasure travellers out of 100 said they would prefer Holiday Inns. This represents a tremendous marketing leadership position for Holiday Inns. However, Holiday Inns has acknowledged an image problem; standardised accommodation and service were an important advantage in the 1950's and 1960's. Today's life style requires a wider range of individual choice including accommodation which is unique and different. Holiday Inns recognised their problem and are reacting. They have reorganised their senior management team and are researching the feasibility of a one-number telephone reservation system. They are acquiring downtown properties like the Westbury in San Francisco to improve the company's visibility in major metropolitan areas. And, to meet the needs of a changing travel marketplace, Holiday Inns are building 'fun-domes' as part of a new construction. The idea is to create an indoor courtyard, swimming pool, games room, miniature golf, pool tables and indoor tennis - a mini-resort for overnight guests and local residents. The result has been an increase in business during weekends and off-season periods.

The image of travel agent:

In many cases, the choice of carrier, and in particular of carrier companies, is left to travel agents or already part of their original offer. It, therefore, becomes important to know what images travel agents have of carrier types and carrier companies, but also what image tourists have of the different types and companies of travel agents. Their choice of holiday resorts, carriers, etc. is, in practice, very often filtered right from the beginning by the travel agents they turn to for information and buy their particular offer. As it is in the judgement of Sittenfeld [88], this image will very much be determined by the variety and quality of the services they offer, the price ranges

and the nature and quality of quarters they provide. In many cases, it is also important to find out what type of people, tourists think will travel along with them in their holiday quarter. Especially with regard to companies organising holiday travel, the programme they provide - excursions, special events, etc., and the charm and quality of their local representatives are of considerable importance.

In summary, the above discussion shows to what extent it is necessary for the marketer of tourism who is set on promoting a product to know its image as seen by the population it is intended for, which is different from his own.

The tourist 'products', the images of which need to be known, are extremely varied. First, there are the localities where tourism is sought to be developed (country, region, town, seaside or winter sports resorts) as well as the heritage in culture, art and folklore of these touring spots. It is the leisure activities that are hoped to be developed (winter sports, nautical sports, excursions, visits to museums, etc.). It is also the types of journeys (sojourn or tour), the means of transport (train, plane, coach, hired car) and the type of accommodation offered (hotels, holiday 'villages', etc.). Finally, in certain cases, the tourists can have great confidence in the organisers of the journeys, who for them play the same role as the trademark for a product of wide consumption. In this case, it is necessary to the marketer of tourism to take into account this attitude of the public and to be aware of the image it has of the Travel Agency or the Holiday Club which is offering its services.

Very often, it is not enough to know what image the public has of a tourist product. There needs also to be known the image made of it by the intermediaries existing between the product and the end user. These intermediaries are on the one hand, the tourists

who have already experimented the product and who are true relays of information and on the other hand, the tour operators and salesmen who are going to appraise the product according to what they know about it and what they think their customers' needs are. If, for example, the Egyptian Tourist Authority wants to promote the Egyptian tourist product to Europe, it is necessary to know what image of Egypt is held by the public-at-large and particularly the persons who have already visited Egypt from Europe, but also the one held by tour operators and travel agents in Europe.

To this end, we can conclude that the systematic investigation of the image of a tourist product makes it possible to determine many points as follows:

1. The points of information to be developed (this concerns objective characteristics of the product, which are absent from the image, are insufficient or are inexact).
2. The favourable features that need to be stressed, and the unfavourable features that need to be toned down.
3. The vocabulary to be used in the information action.
4. The analysis of the image at the level of the persons who have experimented the product (tourists, tour operators, or travel agents) make it possible to measure their degree of satisfaction towards the product and to establish a forecast of the possible development of the product.

Life-style, demographic, decision-making process and customs and habits of the tourist customer:

Many studies of human behaviour support the view that people develop unique life-styles [89]. This idea has received special attention in marketing, where activities, interests and opinions of consumers are measured, and products and services are geared to satisfy the needs of unique life-style household groups. Life-

styles, being both determinants of behaviour and the output from behaviour appear to be useful for studying why people behave the way that they do. But it would seem that the planning of vacations, the travel to vacations, the participation in vacation activities and the relating of vacation experiences to other people comprise an important subspace in the life-styles of families [90].

Vacation activities, interests and opinions (AIO's) appear to occupy an inordinate amount of the time of most households. They are perceived as providing health, pleasure, romance, change, education, and status [91].

However, William R. Darden and Donna D. Darden [92] have conducted a study designed to (i) isolate some of the dimensions of vacation travel life-styles; (ii) scale these dimensions, so that measurement is possible; (iii) measure vacation activities, interests and opinions (AIO's), and select vacation behaviour of a sample of families randomly chosen from the Southeastern and Great Lakes regions of the United States; (iv) inspect these life styles for vacation travel types; and (v) determine if vacation travel life-styles relate to demographics or past vacation behaviours. But, in particular, the study concentrated on the development of useful measures of vacation activities, interests and opinions (AIO's). Considering the results of the study, they concluded that if the major dimensions of vacation life-styles can be isolated (and measured) a number of benefits to vacation planners would accrue. These benefits are:

1. With the use of cluster analysis, vacation travel life-style types can be isolated and identified.

2. The inspection of life-style profiles of each vacation type should suggest their nature and their vacation preferences. Thus the vacation needs of each type can be forecast.
3. By determining the percentage of families having each vacation life-style, vacation leisure time planners can evaluate the market worth particular vacation packages for each vacation type.
4. By comparing past vacation behaviours with reported vacation activities, interests and opinions, additional insights into vacation needs are possible.

Some travel-related life-style research findings suggest distinctly different patterns of living for vacationers agreeing that "A cabin by a quiet lake is a great place to spend the summer" versus vacationers agreeing that "I would like to take a trip around the world." The contrasting life-styles of these groups are summarised in Table 3.1.

Table 3.1: Life-Styles of Two Vacation Types

Cabin by quiet lake	Trip around the world
Outdoors oriented Traditional family ideology Devoted to cleanliness	Active and aggressive Interested in new experiences Interested in clothes Actively social Self-confident Print rather than TV oriented

Source: Summarised from William D. Wells, "Life Styles in Selecting Media for Travel Advertising", Proceedings: Third Annual Conference, Quebec City, The Travel Research Association Conference, Salt Lake City, Utah, pp.63-74.

Woodside and Pitts have conducted a study to test the accuracy of correctly classifying foreign and domestic travellers and non-travellers using consumer life-style, demographic and travel activity information. Second, the relative contribution of these independent variables in predicting travel behaviour was studied. A total of 386 husbands of the University of South Carolina Family Consumer Panel completed a survey questionnaire on their recent travel behaviour, participation in 56 life-style activities, and 14 demographic variables. A total of 321 of these respondents went on one or more automobile trips during the past 12 months, 42 respondents went on a vacation trip outside of the United States and 23 respondents reported no travel beyond 100 miles from home. The Family Consumer Panel was developed from a quota sample of South Carolina households to be representative of the state's population. The life-styles and demographic profiles for the three travel behaviour groups are shown in Table 3.2.

Table 3.2: Life-Styles and Travel Profiles of Three Travel Groups.

Non-travellers	Domestic travellers	Foreign travellers
Taking naps	Dining at restaurants	Visiting art galleries and museums
Clean-up projects around the house	Picnics	Classical concerts
Black	Wife working	Staying in hotels/motels
Low income	Middle income	White
Watching TV	Children living at home	High income
	Boating	No children living at home
		Boating/hunting

Source: Woodside, Arch G. and Robert E. Pitts, "Effects of Consumer Life-Styles, Demographics and Travel Activities on Foreign and Domestic Travel Behaviour", Journal of Travel Research, Vol. XIV, No.3, Winter 1976, pp13-15.

Non-travellers tend to participate in home-oriented life-style activities: taking naps, clean up projects around the house and watching television. Domestic travellers have life-styles which include dining in restaurants, picnics and boating activities. They tend to have children living at home, a wife with outside-the-home employment and medium income. Foreign travellers are distinguished as visitors to art galleries and museums. They attend classical concerts, give dinner parties, go boating and hunting and stay overnight in hotels and motels. They tend to have high incomes.

The results of this study do suggest some important implications for the travel industry. Different travel groups can be distinguished by life-style and demographic variables. Life-style information may be more important in predicting foreign and domestic travel behaviour than demographic variables. Thus, firms in travel-related industries should make use of life-style data as a market segmenting tool. Developing differentiated marketing programmes for different travel segments may be suggested from life-style research. Life-style research may offer particularly useful findings for developing travel products, e.g. package tours and theme parks.

Similarly, Darden and Perreault [93] tested the relationship between media exposure and consumer vacation behaviour. They concluded that the consumers' life-styles were "more influential in determining vacation behaviour, with media exposures at best serving in an interviewing capacity."

Consumer travel decisions sometimes are included in larger studies, such as the Sharp and Mott Article [94] on Detroit consumer purchase decisions about cars, housing, insurance, food budgets and vacation areas. They reported that 70% of the vacation decisions were made jointly by husbands and wives.

Along the same way, Walter and Tog [95] describe a study conducted on Lancaster County, Nebraska residents to determine general vacation patterns, the vacation decision process, and rural versus urban decision differences. The major findings of the study can be described as follows.

1. Vacation profile: For one half the people interviewed, the past year included one or two vacations away from home. The medium length of these trips was one week. Medium amounts spent were between \$200 and \$300. Vacations were taken with family members in three out of four cases; one-quarter of the travel groups were couples. Automobiles were used by 77% of the respondents, with airlines a distant second place at 13%. Two-thirds of vacations were in the summer months (two to six months before the respondents were interviewed in November), because of convenience and schedules of relatives and friends. Two out of 10 vacationers stayed in Nebraska, and 3 out of 10 went to a neighbouring state. The vacation cites were chosen, most often, to be with relatives and friends.

2. Decision timing: Regarding the decision areas of duration, destination, transportation, activities and accommodation, respondents were asked, "When prior to your most recent vacation did you consider each of the vacation planning items?" Slightly over one-half of these vacation decisions were considered within the month preceding the vacation. Longer range planning was noted for duration (39% of respondents) and destination (35%). These two decisions tended to be fixed, with fewer changes being made during the actual vacation period. Conversely, while a large majority of the decisions concerning activities and accommodations were also considered before departure, these two areas did display the largest amount of decision-making during the vacation itself.

3. Sources of information: For the same five decision items, respondents indicated the sources of information they considered influential for their most recent vacations. The interpersonal relationships were most important, with family, friends or relatives being mentioned 61% of the time, and personal knowledge ('myself') indicated between one-fifth and one-quarter of the time. Brochures, travel agents and the mass media were well down on the respondents' perceptions of information sources. The wives considered the family most influential in all decision categories, although friends or relatives were also prime sources of information regarding vacation activities. Husbands viewed themselves as being influential in transportation decisions but depended upon information from family members regarding destination, activities and accommodation. In this regard, it can be observed that these results lend support to Sharp and Mott's [96] findings that husbands and wives make vacation destination decisions together.

4. Urban vs. rural comparisons: People living outside the city of Lincoln tended to have shorter vacation times, 85% said they had less than two weeks compared with 56% in the city. Consequently, the conclusion could be made that the market for longer vacations is mostly city dwellers. A significant difference was also observed in future vacation plans. Slightly over half (51.5%) of the rural respondents were planning a vacation within the next year or so, compared to 70.1% of the respondents from Lincoln. This difference may be interpreted as another indication of the relative importance of the city-oriented vacation market.

To summarise, it is standard behaviour for local people to take travelling vacations away from home each year. Most of these trips were with family members and most were taken by automobile. The family member influence was repeated throughout the results.

The destinations were often selected because family and friends could be visited. Probably the main conclusion to be drawn from this study is that the vacation travel market is composed primarily of urban residents. The survey results showed that city dwellers take longer vacations and plan to travel more than do residents of rural areas. Sellers of vacation services should recognise these differences and also they should determine differences in media habits of rural and urban residents.

Supporting the above results, in a study on holiday customs in Hungary [97] conducted in 1977, the survey findings indicate that city dwellers, white collar workers and those with an above-average living standard, spend more than half of their leave as a holiday away from home. The degree of urbanisation, occupation and income have a greater effect on demand for a holiday than for example, on the demand for durables. The most frequent travellers are the young people, especially students. There is a very dynamic development of holiday taking by young people between the ages of 15 and 29. The type of location most popular with Hungarians for their holidays is somewhere beside water, either lakes, rivers or the sea. Nearly as popular are the mountains. In Hungary, as in most Western European countries, there is a marked seasonal peak in the timing of holidays. 70% are concentrated in the third quarter of the year. Holiday taking in the fourth quarter is increasing; 9% of the population go for so-called 'second holidays' over the Christmas period. This explains why 8% of holidays are taken in the winter months. The average number of days spent on holidays has in the last few years been 11-12 days. The summer holiday is usually longer than average. The method of transport used most widely by holidaymakers is the train (45%), while car and coach are used by one in four holidaymakers.

While this study represents the habits of Hungarians taking holidays, Middleton [98] identifies the options for the holiday purchaser when responses to actual or perceived financial pressures surrounding the holiday purchasing decision. He argues that "... assuming that it is not possible to afford the desired holiday pattern, consumers may take one or more of the following options in the struggle to keep holiday expenditure within affordable limits: reduce the number of holidays taken; reduce the number of days spent on holidays; change to less expensive destinations; select less expensive forms of accommodation; select less expensive modes of transportation; purchase the holiday components on some form of group discounted basis (including package tours); change to less expensive seasons; stay at home and take day trips."

In summary, in the above, an extensive investigation into the nature of the tourist behaviour was made, in terms of the influences on his decision-making process: his motivators; images and attitudes; life-styles; demographics; geographical locations; sources of information; habits and customs, etc.

One significant conclusion which is emerging is that the tourist customers are heterogeneous and widely scattered in their buying requirements or buying practices, and this is due to the fact that they can differ in one or more of the above variables. In other words, tourism is a product that corresponds to different needs, and these needs may be met by different kinds of tourist supply. As a result, any tourist country, whatever its attractions cannot satisfy all customers in the tourist market. Therefore, instead of competing everywhere, sometimes against superior odds, tourist country should identify those parts of the market that are the most attractive and that it could serve the most effectively. This calls for two steps. The first, is market segmentation, the act of subdividing a market into distinct and meaningful subsets of

customers who might merit separate marketing programming and effort. The second is target marketing, the act of evaluating, selecting and concentrating on those market segments that the tourist country can serve most effectively. Therefore, it is perhaps fairly logical to present an extensive discussion on market segmentation through examining the literature which outlines the subject in general, and in the field of tourism in particular.

Segmenting the Tourist Market

Introduction

Market segmentation represents an important recent advance in marketing thinking and strategy. In earlier years many business firms saw the key to profits to be in the development of a single brand that was mass produced, mass distributed and mass communicated. This would lead to the lowest costs and prices and create the largest potential market. The firm would not recognise variations and would try to get everyone in the market to want what it produced.

As competition intensified, prices dropped and sellers' earnings declined. Sellers did not have much control over price because of the similarity of their products. At this stage, some sellers began to recognise the potential value of product differentiation, that is, the introduction of differential features, quality, style or image in their brands as a basis for commanding a premium. This led to a proliferation of sizes, models, options and other characteristics. It is important to recognise, however, that the product variations were not based on an analysis of natural market segments. Market segmentation, the most recent idea for guiding marketing strategy, starts not with distinguishing product possibilities, but rather with distinguishing consumer groups and needs.

Definition of market segmentation

In what is meant by market segmentation, Mitchell and Marchant [99] stated that "The Oxford Concise Dictionary defines the noun segment as 'part cut off or separable, or marked off as though separable from the other parts of something (e.g. one ring of worm one division of limb or skull, one wedge of orange - pulp)'; the verb segment as 'to divide into many cells'. The segregate is

described (in one meaning) as 'to separate from the mass and collect together' and it is this meaning which comes closest to the sense in which researchers talk about segmenting a market."

Wendell Smith [100] first introduced the concept in its present form in 1956, distinguished between product differentiation and market segmentation when he argued that "product differentiation and market segmentation are both consistent with the framework of imperfect competition. In its simplest terms, product differentiation is concerned with the bending of demand to the will of supply. It is an attempt to shift or to change the slope of the demand curve for the market offering of an individual supplier. ... Segmentation is based upon developments on the demand side of the market and represents a rational and more precise adjustment of product and marketing effort to consumer or user requirements." He declared that "while successful product differentiation will result in giving the marketer a horizontal share of a broad and generalised market, equally successful application of the strategy of market segmentation tends to produce depth of market position in the segments that are effectively defined and penetrated. The differentiation seeks to secure a layer of the market cake, whereas one who employs market segmentation strives to secure one or more wedged pieces." Wendell Smith pointed out that "product differentiation is securing and a measure of control over the demand for a product by advertising or promoting differences between a product and the products of competing sellers. It is basically the result of sellers' desires to establish firm market position and/or to insulate their businesses against price competition. Differentiation tends to be characterised by heavy use of advertising and promotion and to result in prices that are somewhat above the equilibrium levels associated with perfectly competitive market conditions. It may be classified as a 'promotional strategy or approach to marketing.'

Market segmentation, on the other hand, consists of viewing a heterogeneous market (characterised by divergent demand) as a number of smaller homogeneous markets in response to differing product preferences among important market segments. It is attributable to the desires of consumers or users for more precise satisfaction of their varying wants. Like differentiation, segmentation often involves substantial use of advertising and promotion. This is to inform market segments of the availability of goods or services produced for or presented as meeting their needs with precision. Under these circumstances, prices tend to be somewhat closer to perfectly competitive equilibrium. Market segmentation is essentially a merchandising strategy, merchandising being used here in its technical sense as representing the adjustment of market offerings to consumers or users' requirements."

Perhaps Baker and McTavish [101] summarise the situation best when they argue that "Thus, the basic difference is between selling what you can make (differentiation) and making what you can sell (segmentation)."

Kotler [102] defines market segmentation as "Market segmentation is the sub-dividing of a market into distinct subsets of customers, where any subset may conceivably be selected as a target market to be reached with a distinct marketing mix." He argues that "The power of this concept is that in an age of intensive competition for the mass market, individual sellers may prosper through developing offers for specific market segments whose needs are imperfectly satisfied by the mass-market offerings."

The nature of market segmentation

Since Wendell Smith first introduced the concept in 1956, the concept of market segmentation has been very appealing to both teachers and practitioners of marketing management. However, as Frank [103] and others [104] have pointed out, the reported research

results have indicated that segmentation strategies may actually be more difficult to effectively research and implement than first envisioned.

A debate has developed between research practitioners as to whether markets can be segmented in a valid and reliable manner. However, a growing number of researchers feel that such studies characteristically fail to account for the important casual variables in purchasing behaviour. What is generally unstated in these criticisms is that market segmentation is not a uniform approach but represents several approaches dependent upon marketing objectives. A review of the literature suggests that the strategies have been adopted in segmenting a market are many and different [105].

Wilkie [106], for instance, identified three major research strategies for defining market segments. One way is to isolate a group exhibiting a given type of market behaviour (such as heavy users of the product or current brand users) and then to describe the individuals in that group using demographics, brand perceptions and/or psychographics. A second method is to isolate groups according to predetermined descriptor variables relevant to the studied product (such as high income households or people newly arrived in the area) and to then investigate if, and how, the market behaviour of this group differs from other groups. A third research strategy, called benefit segmentation, tries to determine what a consumer wants from a product. Consumers generally seek a variety of benefits from a product, but often they rate some benefits as more important than others. Haley [107] illustrates this by an example; some people buy toothpaste primarily for decay prevention, others want teeth brighteners, others rate a fresh-tasting mouth as most important, and still others look for the lowest-priced brand. Segments formed by those different benefit bundles are then cross-tabulated with market behaviour and descriptor

variables. In another writing, Haley [108] argues that "This strategy has been reasonably successful both in isolating different segments and in helping to develop effective marketing strategies based on these segments."

As Baker and McTavish referred that Engel et al. [109] have shown "... there are two ways to isolate segments within a market environment characterised by consumer dependent differences - (1) analysis of consumer characteristics (attribute differences) and (2) analysis of consumer response (behavioural differences). When one attempts to segment the market by the analysis of attribute differences, the usual procedure is to measure a number of consumer characteristics, such as personality, attitudes, age, income, social class, position in the family life-cycle and so on. Then determination is made of the extent to which variations in these characteristics relate to (and are thereby assumed to predict) variations in market behaviour (that is, brand use, shopping patterns, media selection and so on). A different approach is the analysis of behavioural differences. The investigator begins with observed variations in behaviour or stated preferences (the end point in the above approach) and works backwards to variations in consumer attributes within the segments which result."

Bell [110] discusses seven bases used to identify market segments. These bases are geographic, demographic, usage, psychographic, product attributes, life-style variables and psychological variables: By the same variables, but grouped in different categories, Kotler [111] identifies the variables used in segmenting consumer markets. However, these variables can be summarised as follows:

Geographic segmentation; in geographic segmentation, the market is divided into different locations - nations, states, counties, cities or neighbourhoods. The organisation recognises

that market potentials and costs vary with market location. It determines those geographical markets that it could serve best.

Demographic segmentation; in demographic segmentation, the market is sub-divided into different parts on the basis of demographic variables - age, sex, family size, income, occupation, education, family life cycle, religion, nationality. Kotler argues that demographic variables have long been the most popular basis for distinguishing significant groupings in the market place. One reason is that consumer wants or usage rates are often highly associated with demographic variables; another is that demographic variables are easier to measure than most other types of variables.

Psychographic segmentation; in psychographic segmentation, buyers are divided into different groups on the basis of life-style or personality differences. People within the same demographic group can exhibit very different psychographic profiles. As illustrated by Janan [112] throughout his book, life-style refers to the distinctive mode of orientation an individual or a group has toward consumption, work and play. Such terms as hippies, swingers, straights and jet-setters are all descriptive of different life-styles. Marketers are increasingly being drawn to life-style segmentation. Marketers have also used personality variables to segment the market. They try to endow them with brand personalities (brand image, brand concept) designed to appeal to corresponding consumer personalities (self-images, self-concepts). Westfall [113] found some evidence of personality differences between the owners of convertibles and non-convertibles, the former appearing to be more active, impulsive and sociable. Gattlieb [114] found compulsive people to be heavier users of aspirin. Tucker and Painter [115] found some statistically significant but weak personality correlations for nine products in their study.

Behaviouristic segmentation; in behaviouristic segmentation, buyers are divided into different groups on the basis of their knowledge, attitude, use or response to the actual product or its attributes. Many marketers believe that behaviouristic variables is the key starting point in identifying market segments. Behaviouristic variables can be described as follows.

1. Purchase occasion; buyers may be distinguished on the basis of the occasion that gives rise to their purchasing the product. For example, the flying public includes people travelling on business, vacation or family affairs. Those who are making long distance telephone calls may be conducting business or making personal calls.
2. Benefits sought; buyers are drawn to products through different buying motives as we illustrated above in the case of toothpaste. Media habits may even vary with each group. The company can choose the benefit it wants to emphasise, create a product that delivers it, and direct a message to the group seeking that benefit.

Choosing a benefit group to market to has some difficulties. First, it is usually difficult to estimate the size of different benefit groups in the total population. It depends on the ease with which persons can cite one benefit as dominating their interest in the product. Yankelovich [116] found that people could do this with watches: as 1962, "approximately 23 per cent of the buyers bought watches for lowest price, another 46 per cent bought for durability and general product quality, and 31 per cent bought watches as symbols of some important occasion." Second, the cited benefit might cover up something deeper; favouring the lowest-priced watch may be a form of 'sensitivity snobbery'. Finally, as Green et al. [117] indicated, some buyers are interested in a particular benefit bundle rather than in a single benefit; this means the marketers have to segment by benefit-bundle groups.

3. User status; many markets can be segmented into non-users, ex-users, potential users, first-time users and regular users of a product.
4. Usage rate; many markets can be segmented into light-medium- and heavy-user groups of the product (called volume segmentation). Heavy users may constitute only a small percentage of the numerical size of the market but a major percentage of the unit volume consumed. For example, in a study [118] it was found that 50 per cent of beer drinkers account for 88 per cent of beer consumption. It was also found that the heavy users of a product have certain common demographics, personal characteristics and media habits. One research company found that the 'frequent beer drinker' earns less than \$10,000 a year, is married (with two and a half children) and has simple manly tastes. He likes TV and he likes to watch sports [119]. Profiles like this are obviously helpful to the marketer in developing pricing, message and media strategies.
5. Loyalty status; it describes the amount of loyalty that users have to a particular object. The amount of loyalty can range from zero to absolute. Companies try to identify the characteristics of buyers hard-core loyalty so that they can target their market effort to similar people in the population. Frank [120] found some brand-loyal customers in the consumer-staples category but concluded that they "were not identifiable by socio-economic or personality characteristics, did not have different average demand levels from non-loyal customers, and did not differ in sensitivity to promotion." In this case, brand loyalty did not appear to be useful for market segmentation.
6. Stages of readiness; at any point of time, there is a distribution of people in various stages of readiness toward buying the product. Some members of the potential market are unaware of the product; some are aware; some are informed; some are interested;

some are desirous, and some intended to buy. The particular distribution of people over stages of readiness makes a big difference in designing the marketing programme.

The above discussion presented the factors related to buyers which can be used as a basis for market segmentation. However, another approach to market segmentation has been investigated by writers on the subject [121]. Markets can often be segmented into groups responsive to different marketing factors such as price and price deals, product quality and service. This information can help the organisation in allocating its marketing resources. The marketing variables are usually proxies for particular benefits sought by buyers. A company that specialises in a certain marketing factor will build up hard-core loyals seeking that factor or benefit. Thus, Avon, which sells cosmetics on a door-to-door basis, appeals to women who like personal attention.

One can conclude that there are many ways to segment a given market, but not all resulting segments are meaningful from a marketing point of view. Frank [122] gives the characteristics of a useful market segment. These are identifiability, variation in demand and variation in response to marketing variables. Similarly, Bell [123] and Kotler [124] are with the same view. They identify these characteristics as measurability, substantiality and accessibility.

Three broad strategies are opened to an organisation to choose among them as a target marketing [125].

1. An organisation might decide to go after the largest part of the market with one offer and marketing mix, trying to attract as many customers as possible (undifferentiated marketing).

2. It might decide to go after a narrow market segment and develop the ideal offer and marketing mix (concentrated marketing).
3. It might decide to go after several market segments, developing an effective offer and marketing mix for each (differentiated marketing).

Having discussed market segmentation in general, in the following we will examine the nature of market segmentation in the field of tourism in the particular.

The nature of market segmentation in the field of tourism

Internal and external pressures have dramatically changed the nature of travel and tourism industry in a short period of time. Among the major developments within the industry is a rapid growth in the number and variety of travel destinations, the ease of world-wide travel, and the increased marketing sophistication of practitioners. Important external forces include the general economic pressures of inflation and recession as well as the more specific problem of rising fuel prices.

Faced with these conditions, travel and tourism marketers have three options: (i) continue what they have done in the past, ignoring changes in the nature of the industry and the environment; (ii) retrench, hoping that the situation will somehow become less tumultuous; or (iii) develop new strategies and tactics to cope with an ever-changing situation. The first two alternatives are unattractive; one proposes ignoring reality and the other is based on wishful thinking. The third alternative, which appears to be the only reasonable one, necessitates the gathering of a considerable amount of market information if it is to be implemented successfully.

Market segmentation data are information forms of considerable value. Market segmentation is a marketing tool, based on the premise that markets are heterogeneous in terms of customer preferences. Markets of tourism have been subdivided, and the travel research literature includes several such studies. Markets have been subdivided by destination (Schewe, Scott and Frederick, 1978)[126], trip demographics (Graham and Wall, 1978)[127], media exposure (Darden and Perreault, 1975)[128], travel method (Hawes, 1978)[129], benefits received (Woodside, Moore and Etzel, 1980)[130], social influence (Burnett and Etzel, 1980)[131], and personal demographics (Woodside and Pitts, 1976)[132], (Gentry and Doering, 1979)[133].

In the following we will analyse the European studies first before turning to discuss those studies of the United States and Canada.

The first paper in ESOMAR Seminar on Travel and Tourism in 1967, was entitled "The Development and Use of a Model of the Decision-Making Process", by Douglas Johnson and John Peate [134]. They hypothesised that "within the (abroad) holiday market there are definable brands or product classes between which consumer choice can be affected through the implementing of logical definable product advantages."

Johnson and Peate described a hypothetical model which they believed would firstly define holiday types, then place these within the holiday market and measure the appeal of the various holiday types among different groups of people. The input to the model was to be a survey of upwards of 1,500 consumers weighting the sample in favour of past holiday-takers. The paper described how such a model could be used in determining promotional activities for selling holidays or publicising particular destinations.

The model was also to act as a baseline against which the effects of advertising and promotional campaigns could be measured over time. Furthermore, it could, they suggested, be used to generate new product concepts, and to identify in demographic terms minority audiences within the total holiday market. The paper touched on many of the issues fundamental to the understanding of the holiday market, issues which fifteen years later are still not fully resolved, especially the inter-relationship between factors:

Why do some people holiday abroad and others stay at home?
What is the nature of the holiday selection decision-making process?

Are the attitudes towards holidays and destinations which are expressed by consumers, reflected in their future behaviour?

And, perhaps most important, what are the primary considerations which lead to the choice of a holiday?

At the same Seminar, Schild [135] presented a paper on the segmentation of the Dutch abroad holiday population, using straightforward socio-economic and geographical criteria, together with past holiday behaviour, future intentions and media exposure. The value of this simple approach is that such information is readily available in most European countries and that is usually collected on a year to year basis. It also gives actionable results, as standard demographics continue to be the most important and easily applicable classificatory discriminators.

The last of the papers at the 1967 ESOMAR Seminar was one given by Howard Biggs and Martin Collins [136], which described a technique for evaluating the content of holiday brochures. They listed ten criteria in rank order, which a large-scale consumer research study had shown to be the most important in determining holiday choice.

Although in the paper they did not segment their respondents by life-style or life-cycle, holiday typology or even demographic characteristics, they did present a simple and significant finding which may help towards an understanding of the market. They ranked the reasons for choosing the last holiday according to their importance, as in Table 3.3.

Table 3.3: Reasons for choosing last holiday according to importance.

	Ranked important		Ranked choice of last holiday	
1	Good weather/sunshine		Night life	3
2	Good accommodation		Unspoiled	4
3	Good food and drink		Colourful	5
4	Friendly and hospitable people		Excursions	8
5	Beautiful scenery	9	Not organised	10
6	Good beach	7		
7	Plenty of things to do	1		
8	Good facilities for children			
9	Many places of historical and cultural interest	6		
10	Peace and quiet	2		

Having ranked the importance factors in Table 3.3, using the same list, their respondents were asked to rank the reasons for choosing their last holiday. The first four factors in the importance ranking do not feature at all in the reasons for choosing a specific holiday. The authors hypothesise that these top factors constitute part of the basic demand for any holiday and that the holiday-maker will first assure these basic demands and then rationalise his choice on more marginal factors. In my view, it may be useful to add the price factor 'value for money' and suitable transport arrangements to that basic list.

The next ESOMAR Seminar on Travel and Tourism was held in Bled, Yugoslavia in 1972. Two major papers concerned with segmentation techniques were presented. The first was by Paul Handley and Roger Heape of British European Airways [137]. The paper went on to describe how British Airways, in an attempt to separate fact from travel trade mythology, included a question on holiday taking over a 5-year period on the 1970 British National Tourism Survey. This enabled them to (i) measure the size of the market within each of several defined behavioural segments, in terms of penetration over a five-year period; (ii) establish purchasing frequency by type of holiday, and (iii) identify demand trends, brand-switching and loyalty.

In their study they used sequential segmentation techniques to look at new recruits to define holiday segments:

abroad package	-	by air
abroad package	-	by surface
abroad independent	-	by air
abroad independent	-	by surface + car
abroad independent	-	by surface - car
own country	-	by car
own country	-	no car

They also carried out duplication analysis by type of holiday over the five-year period, progressions from one holiday type to another and brand-switching from year to year.

Looking only at the abroad by air segment, they identified four main types of holidaymaker.

1. New recruits
2. Alternate year same type holidaymakers
3. Second year running same type holidaymakers
4. Habitues (three years running same type holiday).

Importantly, they discovered that there was a net trend to switch to package air travel from independent air travel. This process has accelerated over the last few years as more cheap air packages have become available, and scheduled flights have become relatively more expensive. Handley and Heape concluded their study with this statement: "... demographics go part of the way to explaining the behavioural patterns which we have observed. However, if the travel trade is to be really effective in stimulating growth in the holiday market, a deeper understanding of the dynamics of the market is required. The ability to explain holiday purchasing patterns in terms of motivational data would go a long way towards achieving this goal. Recollection of rationalised reasons for past holiday behaviour are unlikely to form a reliable guide to true motivation. The best time to investigate reasons for taking various holiday types is in the dynamic situation - at the time these decisions are made. This means looking at the period when holiday intentions are decided or changed - it implies some form of continuous research."

At the same Seminar, Gerry Levens of the Research Services Company in London [138] ~~presented a paper~~ describing the use of segmentation techniques to measure holidaymakers' discrimination between different holiday destinations. Levens' company had carried out a pilot study to test the technique. In his paper he compared eight holiday destinations and identified three major discriminating factors (his fieldwork, only in the United Kingdom, was conducted in 1971):

1. Popularity : + France, Spain, Italy, Portugal
- Yugoslavia, Greece, Turkey, Tunisia;
2. Cultural strangeness: + France, Spain, Italy, Portugal,
Yugoslavia, Greece
- Turkey, Tunisia
3. Economic development: + France, Italy
- Spain, Portugal, Yugoslavia,
Greece, Turkey, Tunisia.

Having classified the countries on image factors, informants were then asked a 'for me/not for me' personal preference of a country and the image ratings was not strong enough to discriminate on about a third of the sample. However, the 'cultural strangeness' factor appeared to be strongly distinctive for a significant proportion of the universe studied. We can conclude from Levens' study that the 'abroad' factor is a very important element in understanding the foreign holiday market.

At the main ESOMAR Congress held in Venice in 1976, Berrol [139] in a paper entitled "Segmentation of the Pleasure Travel Market to Europe - A Preliminary Investigation", described a feasibility study carried out in the United States designed to determine whether "statistical uncovering of significant groups of consumers sharing basic attitudes was possible in the foreign pleasure travel market." His study consisted of long, fully structured interviews with a sample of 300 Americans who had visited Europe in the previous three years, and matched sample of 200 non-visitors. The attitude battery was derived from group discussion, together with a review of the available research literature on the travel market. The Berrol study was quite specifically looking at 'Europe' as a destination for the United States travellers. The study revealed that the 'classic culture seeker' emerges as the largest segment among past travellers to Europe.

At the same Congress, Lang [140] presented a paper entitled "A Typology of Holiday Travellers: Segmentation and Simulation." He reported on a consumer panel which had run in Holland from 1974 to 1976 with the specific objective of monitoring holiday taking over a number of years. The research was conducted through postal surveys; the first wave collected behavioural data, the second wave administered a battery of 58 statements covering holiday needs. The 'need' statements are not given in the paper, but from the subsequently derived clusters they appear to have on the 'sun, sea, sand',

'nice, clean, tidy', 'travel by air variety'. In his cluster analysis, Lang described seven holiday taker typologies, ranging from 'ordinary nature lovers' to 'cultural adventure seekers'. He then plotted those clusters against the demographic and behavioural characteristics of his 580 respondents to describe the clusters in more marketable terms. The data has been used for input for a simulation model in which consumer behaviour, holiday needs and beliefs about different destinations are fused to give a multi-dimensional picture of the attributes and drawbacks of current and potential holiday destinations. It is an ambitious project; however, it arises our attention in the predictive ability of such segmentation studies. If one analysed the past holiday behaviour, the holiday needs and the attitudes to potential holiday destinations, could one predict future market share and create new destinations/holidays which would satisfy the requirements of substantial segments of the holiday market? These points were not answered by Lang, or his client, except to say, quite reasonably, that the research had been conducted for commercial use and that our questions were a little too pertinent!

The last paper presented at ESOMAR Congress held in Venice in 1976, was given by S. de la Beaumelle [141], entitled "A Contribution to Market Segmentation in Tourism Research." She asked: "how could segmentation be used in refining and improving promotional material?" In her experimental study she used a list of holiday motivations (such as heat, sun, entertainment, unspoiled countryside, etc.) in a four-point importance scale and cross analysed the results to segment the French market into three major and five minor holiday typology categories. The research vehicle, an omnibus study, allowed her to study the total population fairly economically and the differences between potential and non-potential abroad holidaymakers were a particularly interesting by-product of the study.

Table 3.4: Segmenting the Tourist Market According to the Holiday Motivations.

Motivations	Probable Foreign Holiday Makers 100%	All Others 100%
Sea and sun	22	30
Nature, calm	16	25
Tourism	24	20
Other Groups	38	25

The above table reinforces a point hinted at by de la Beaumelle that such segmentation research must not only be destination specific, but must also take into account national and geographical characteristics of the survey country. An essential first question is which basic holiday needs can only be satisfied by an abroad holiday? In France, it is quite possible to enjoy a sun, sea and sand holiday at home on the long Mediterranean and Atlantic coastlines. A similar segmentation in Holland or even Switzerland might produce rather different results. As de la Beaumelle says, the cultural motivations (monuments, museums, historic sites) may be ranked high on a priority list, but one can ask how much of that holiday in Spain will be spent visiting Romanesque churches, and how much will be spent enjoying the sun, sea and Sangria? It may be, she argues, that cultural motivations are more specially acceptable than the hedonistic ones, and therefore advertisements should combine both appeals. This suggests a whole new area for advertising research. She admitted that her motivational typologies correlate with age as the most strongly discriminating socio-economic factor. In my view, it may well be that age in turn is only an indicator of the more important life-cycle stage:

1. Bachelor stage - young, single, away from home.
2. Newly marrieds, no children.
3. Parents of young children, (at least one under 6).
4. Parents of older children.
5. Parents with teenage dependents.

6. Older working couples with no children at home.
7. Retired couples.
8. Solitary survivor, working.
9. Solitary survivor, retired.

Mitchell and Marchant [142] argue that categories 1, 2, 5 and 6 are those which were identified as having a particular interest in travel. In categories 2, 3 and 4, holidays must compete with the acquisition of consumer durables and in 3 and 4 with the general expense of having children. The 3/4 categories also tend to have demands for very specific holiday arrangements: beaches, family hotels, baby-sitting and baby food facilities, all at an economic price. They pointed out that "Life cycle will play a significant role in the choice of holiday for everyone with dependent children. Budget, and loyalty to a specific tour operator, will play a significant part for a major sector of the package tour market. Accessibility and local facilities will play a significant part for the majority of caravanners, etc. Only when we have considered all these objective factors, we can evaluate the role of life-style and psychological typology in determining the choice of holiday destinations." In their opinion, the choice of holiday can, like other purchases, be described in classic decision-making stages:

1. The decision in principle: holiday this year, length, budget;
2. The choice of product: at home/abroad; camping/motoring/self catering, etc;
3. The choice of product type: (a) package/independent; (b) country/resort/hotel;
4. The choice of supplier: tour operator/airline/travel agent/independent;
5. The decision of purchase.

They declared that "of these component parts only one and five are clearly sequential; the others can come in any order depending on the stimuli working in each particular case: advertising, friends/relations, brochures, etc."

Perhaps it is useful to look at the six segments derived from a study of potential U.S. visitors to Canada, carried out in 1974 for the Canadian Government Office of Tourism [143]. The segmentation was based on 45 vacation benefit statements. The study began by identifying over 100 benefits which travellers could consider in evaluation of vacation alternatives. These were reduced after the findings of a pilot study determined which phrases were redundant, vague or unimportant. The study was based on a sample of 4,810 households and is thus the largest of the studies available. The report gives thumbnail sketches of the six segments derived by cluster analysis:

1. The 'Non-Active Visitor', who seeks familiar surroundings where he has been before and can visit friends and relatives. He is not very inclined to participate in any activity (29%).
2. The 'Active City Visitor', who seeks familiar surroundings where he can visit friends and relatives. He is more inclined to participate in activities - especially city sightseeing, shopping, cultural and other entertainment (12%).
3. The 'Family Sightseer', who is looking for a new vacation place which would be a treat for the children and an enriching experience (6%).
4. The 'Outdoor Vacationer' who seeks clean air, rest and quiet beautiful scenery. Many are campers and availability of recreation facilities is important; children are also an important factor (19%).

5. The 'Resort Vacationer', who is most interested in water sports, (e.g. swimming) and good weather. He prefers a popular place with a big city atmosphere (8%).

6. The 'Foreign Travel Vacationer', who looks for vacations in a place he has never been before with a foreign atmosphere and beautiful scenery. Money is not a major concern but good accommodation and service are. He wants an exciting, enriching experience (26%).

We can conclude from all these groupings that there are underlying motivations which drive people to seek various forms of reassurance, stimulation, peace and quiet, etc. But we have not learned whether these motivations are constant, or how they change over time, depending on experience, life-cycle, economic circumstances, and so on.

In addition to Canadian Government interest in market segmentation as a useful marketing tool, studies have been made of the changes, refinements and developments in the methodology of market segmentation. While other studies [144] dealing with the market segmentation used demographics, life-style, media exposure patterns, destination, distance and mode of travel, etc., as correlates of market segments, the more recent focus is on purpose of trip.

Professors Kaynak and Yavas [145] conducted a study in 1980, extending the application of purpose-oriented segmentation to the Canadian city of Halifax. More specifically, by using the self-designated method, a group of 213 recent travellers to Halifax were divided into vacation/relaxation, business and visitors (who indicated that the primary purpose of their trip was to visit friends and relatives) categories based on the purpose of trip. Some of the findings of this study show that vacationers and visitors' segments

were composed of younger individuals. The respondents of these two segments also earned less money than the business people segment. Visitor segment on the other hand was composed primarily of females. The respondents view seaside location and good weather conditions as the most salient factors in choosing a vacation spot. Other factors which seem to be influential in affecting respondents' vacation-choice decision include low cost, fine restaurants, hotels, ease of access and sightseeing. The findings related to importance of information sources suggest that travellers perceive risk in selecting a vacation spot. In other words, they feel that wrong choice in this respect may involve money and time-losses. Professors Kaynak and Yavas concluded that "The results of the study point out that purpose-oriented segmentation can be used in tandem with other traditional segmentation correlates. In other words, once segments are identified along purpose-related dimensions, they can be profiled according to demographic characteristics, trip demographics criteria and information sources used in selecting a vacation spot, attitudinal orientations and satisfaction-dissatisfaction with the offerings of the destinations visited. Such information may then be used by the interested parties in a locale to target their strategies more precisely."

In summary, from the above extensive discussion on market segmentation, we can conclude that there is a danger in thinking that there is a specific technique called market segmentation. In fact, there are a range of techniques which differ in terms of their underlying assumptions and methodologies. Not only are there a variety of approaches but also they produce different views of the market and generate different strategies. The correct choice of approach is critical, and the wrong one can lead to serious policy errors. Therefore, there are five strategic issues which should be considered in applying market segmentation techniques in the field of tourism:

1. Generic importance; what is the target holidaymaker seeking in the particular vacation.
2. Holiday typology - i.e. the types of holiday that they are seeking.
3. Awareness barriers; what knowledge consumers have or lack about a specific destination/package.
4. Image barriers; what, if any, negative images about the destination/package must be overcome.
5. Image opportunities; what assets the destination/package has versus competition that could be exploited to attract prospects.

Market segmentation offers sellers of the tourist product at least three benefits:

First, they are in a better position to spot and compare market opportunities. They can examine the needs of each segment in the light of the current competitive offerings and determine the extent of current satisfaction. Segments with relatively low levels of satisfaction from current offerings may represent excellent market opportunities.

Second, sellers can make finer adjustments of their tourist product and marketing appeals. Instead of one marketing programme aimed to draw in all potential buyers, sellers can create separate marketing programmes aimed to meet the needs of different buyers.

Third, sellers can develop marketing programmes and budgets based on a clearer idea of the response characteristics of specific market segments. They can allocate funds to the different segments in line with their likely levels of purchase response.

To this end, opportunities and targets of market can be identified, and the question of "Where are we now?" can be answered.

This leads us to answer the question "Where do we want to be?" where the objectives of marketing tourism will be discussed as follows.

The Objectives of Marketing Tourism

No organisation or human activity under any organised form, whether it is state activity, public sector or private enterprise venture can exist without well-defined objectives. Marketing, therefore, as a management policy, has to be guided by well formulated objectives. But setting up these objectives is not an easy task as they differ from one field to another, as well as change according to the type of economy in which the enterprise is placed. Thus, objectives in a free market economy differ from objectives under a centrally planned economy. Likewise, within the same type of economy, marketing objectives will differ depending on the stage of tourist development of the country, its tourist products, its tourist organisation and management and on whether we are concerned with macro or micro marketing. However, tourism development policies should fit in with the broad objectives of the national government and the National Development Plan. In this regard, Jona Bargur and Avner Arbel [146], members of Tel Aviv University in Israel argue that "the first step in planning objectives is the formulation of overall planning targets in general terms from the viewpoint of the national economy, as well as a definition of the limiting factors and constraints. The plan aims at maximising the contribution of the tourist industry to the attainment of these targets within the limitations imposed by constraints exogenous to the tourist industry. Considered within the framework of the overall economy, the planning targets of the tourist industry inevitably depend on and are dictated by the economic policy objectives and the order of priorities laid down for the economy under consideration. As an example, the primary objective of a long-term economic development policy may well be the improvement of the country's balance of

payments, in terms of raising the net foreign currency contribution. Another alternative or complementary goal could be increasing employment or raising income in preferred areas. Still another target could be the promotion of overall economic growth at a predetermined rate. In fact, there is a wide range of possible targets, all depending on the order of priorities and the kind of problems confronted by different economies."

It should be noted, moreover, that marketing objectives differ from marketing targets. Kelly [147] stated that "objectives are the expression of the philosophy in its broad lines adopted by the organisation or enterprise, while the targets are the quantitative estimations of the results expected to be achieved usually according to a time-phased schedule." Both have to be prepared and well formulated after a series of marketing research studies.

Wahab [148] declared that all objectives of tourism marketing should, as a matter of course, revolve around the market. He provides broad lines as follows.

- Profit maximisation in the long run.
- Balanced tourist growth reinforcement of the economic impact of tourism.
- Attract foreign investment and knowhow (for instance in the hotel industry).
- Security and balance in the social and economic development plan.
- Maintaining and enhancing the market share in the face of competition in tourism.
- Increase foreign exchange earnings (tourism, by helping, to cover the deficiency in foreign exchange, has been a vital factor in its economic growth).
- Obtain a multiplier effect in the economic activity of the host country.

- Reduce unemployment or underemployment, particularly in agriculture, by creating new jobs (as in Canary Islands).
- Maintain the country's cultural tradition, and minimise 'cultural shock.'
- Protect the ecology and control pollution.
- Decentralise tourism and direct it to 'poles of attraction' in lower income regions (for instance, moving tourist arrivals away from Rio de Janeiro to destinations such as Bahia or Rio Grande do Sul).
- Decide and maintain an acceptance rate of return on the investment in the tourist industry.
- Develop a high-class, elite brand image (Acapulco) or a mass market and image (Costa Brava).
- Control seasonal inflation due to the injection of tourist income.
- Limit the number of tourist arrivals to a certain percentage of total population so as to avoid swamping of the local population and culture.
- Prevent industry from encroaching on areas of particular tourist value (for instance, attractive coastlines).
- Control real estate speculation, and the aesthetic quality of tourist superstructure (so as not to kill the goose which lays the golden egg). Who wants to go to the Costa Cemento if there is anything better for the price?

Wahab added, the government may wish to develop tourism so as to derive other, more indirect benefits, as follows.

- Overcome the international ostracism of unpopular regime.
- Widen the mental horizons of its population.
- Develop entrepreneurial and management knowhow in the service industries, to the point where these later become a source of invisible exports.

- Develop new export industries related to tourism, such as furniture, jewellery, handicrafts, fashions, fabrics, foodstuffs or fresh flowers.

Objectives of Tourism Development Plan in Egypt

As a case to the above, the Ministry of Tourism in Egypt has prepared an ambitious five-year plan for the development of tourism, covering the period from 1982 to 1986, aiming at the attraction of the highest possible percentage of the international tourist movement that suits Egypt's available and not yet exploited fields of tourist attraction, so as to ensure a tourist revenue that would help Egypt's balance of payments.

The objectives, within the framework of an overall aim to raise the standard of living in Egypt, are as follows [149]:

1. To increase the total number of tourists to about 2,000,000 by the year 1986/87 (arrivals in 1980 totalled 1,253,000 rising to 1,376,000 in 1981 despite the serious drop in the last quarter of that year as a result of the tragic events in October).
2. To raise the number of tourist nights to 14,000,000 (they were 8,084,000 in 1980, and 9,806,000 in 1981).
3. To augment the income from tourism to \$1000,000,000; (the figures for 1980 and 1981 are in Egyptian Pounds - roughly 1.15 times the US Dollar - and amounted to 774,000,000 in 1980; the total for 1981 is not available).
4. To increase income generated by tourist expenditure as an effect of the tourist multiplier.
5. To bring up the accommodation capacity to 38,000 rooms (it was 13,537 in 1980, 19,529 in 1981).
6. To increase the various tourist fleets by 500 coaches, 400 micro-buses, 1,000 hire-limousines, 25 floating hotels, and to provide a total of 50,000 restaurant, coffee-shop and places of entertainment seats.

7. To create 29,000 additional jobs.

The means of achieving these objectives will be discussed in the next chapter.

From the above-stated objectives, we can conclude that objectives of tourism marketing should be consequent with the tourist country objectives. But, in order to be more specific, we have to distinguish between marketing objectives of a National Tourist Organisation (NTO) or other regional or local tourist organisations, and marketing objectives of a tourist business concern like a tour operator, a carrier, a hotel chain, a travel agency, or a hotel. Wahab [150] argued that "The first category, operating at an official level, national, regional or local, would have more prestige and image building objectives. Business objectives, nevertheless, are very much warranted, to create, for the country at large, the region or the locality concerned, a value in exchange that is greater than the intrinsic cost of goods and services contributing to shape the tourist product. These business objectives, however, should not be over-emphasised in the case of these official tourist organisations, as other socio-cultural and political considerations might have equal weight. On the other hand, in the case of tourist enterprises, only business objectives reign and therefore the profit-oriented approach is the only one that shapes their marketing activities."

On the contrary, he pointed out that "Target-setting has to be fully specific and measurable in quantitative terms. Thus, under a balanced growth of tourism objectives, for example, quantifiable targets have to include:

1. How much percentage increase in the market share.
2. How much percentage increase in marketing expenses.

3. How much percentage increase in distribution channels.
4. How much percentage increase in: unit sales (number of tourists or tourist nights); average expenditure per tourist per day; average length of stay per nationality;
5. What are the expected results to be achieved through various promotional and publicity means.
6. What are the developmental and innovative results expected in the tourist product, e.g. new circuits, new forms of tourism, new facilities, new transport means, etc.
7. What are the new vistas of marketing research and how can research contribute to the improvement of the product, better promotional results, an increase in the distribution channels or sales force, a betterment in the country's tourist situation vis-a-vis competition, etc.

These targets and the like, can be itemised following various marketing functions, such as advertising, publicity, public relations, sales promotion, etc. They have to be clearly defined and various strategies to achieve them have to be elaborated.

To this end, the tourist market has been explored with its quantifiable and non-quantifiable volumes and trends, the objectives of tourism marketing have been discussed, then, two basic questions have been answered: Where are we now?; Where do we want to be? These two basic questions are as prerequisites to establish a marketing strategy which will be the subject of the next chapter, where the elements of the marketing mix will be discussed and the third basic question: How do we get from where we are now to where we want to be?, can be answered.

REFERENCES

1. Baker, Michael J., Marketing: An Introductory Text, 3rd ed., The Macmillan Press Ltd., Hong Kong, 1981, p.401.
2. Michael, S.R. and Jones, H.R., Organisational Management: Concepts and Practice, Intext Educational Publishers, New York, 1973, p.353.
3. Terry, G.R., Principles of Management, 6th ed., Homewood, Ill., Richard D. Irwin, 1972, p.172.
4. Koontz, H. and O'Donnell, C., Principles of Management: An Analysis of Managerial Functions, 5th ed., McGraw-Hill, New York, 1972, p.113.
5. Sikula, A.F., Management Administration, Charles E. Merrill, Columbus, Ohio, 1973, p.59.
6. Albanese, R., Management: Toward Accountability for Performance, Homewood, Ill, Richard D. Irwin, 1975, p.166.
7. Hick, H.G., The Management of Organisations: A Systems and Human Resources Approach, 2nd ed., McGraw-Hill, New York, 1972, p.240.
8. Fayol, H., General and Industrial Management, Sir Isaac Pitman & Sons, London, 1949, p.43.
9. Ackoff, Russell, L., A Concept of Corporate Planning, Wiley-Interscience, New York, 1970, p.4.
10. Le Breton, P.P. and Henning, D.A., Planning Theory, Prentice-Hall, Englewood Cliffs, N.J., 1961, p.7.
11. See for example: Miner, J.B., The Management Process: Theory, Research and Practice, Macmillan, New York, 1973, p.113, and Webber, R.A., Management: Basic Elements of Managing Organisations, Homewood, Ill., Richard D. Irwin, 1975, p.268.
12. Harrison, E.F., Management and Organisations, Houghton Mifflin Company, Boston, 1978, p.92.
13. Greenwood, W.T. ed., Management and Organisational Behaviour Theories, Cincinnati, Ohio, South-Western, 1975, p.139.

14. Steiner, G.A., Top Management Planning, Macmillan, New York, 1969, p.17.
15. Baker, Michael J., Marketing: op. cit., p.403.
16. Thompson, S., "What Planning Involves", in Management: A Book of Readings, 3rd ed., ed. Koontz, H. and O'Donnell, C., McGraw-Hill, New York, 1972, p.109.
17. Drucker, Peter F., "Long Range Planning", Management Science, April 1959, pp. 238-39.
18. Steiner, G.A., Top Management Planning, op. cit., pp.64-67.
19. Harrison, E.F., The Managerial Decision-Making Process, Houghton Mifflin, Boston, 1975, pp. 304-5.
20. Terry, G.R., Principles of Management, op. cit., pp. 198-200.
21. Steiner, G.A., Top Management Planning, op. cit., pp. 81-83.
22. Argenti, John, Systematic Corporate Planning, Thomas Nelson and Sons Ltd., Hong Kong, 1982, pp. 16-17. ✓
23. Drucker, P.F., The Practice of Management, Heinemann, London, 1961, Chapter 5.
24. Appleby, R.C., Modern Business Administration, 3rd ed., Pitman, London, 1981, p.50.
25. Ansoff, H.I., Corporate Strategy, McGraw-Hill, New York, 1965, pp.18-19.
26. Kotler, Philip, Marketing Management: Analysis, Planning and Control, 4th ed., Prentice-Hall International Inc., London, 1980, p.64.
27. Bell, Martin L., Marketing: Concepts and Strategy, 3rd ed., Houghton Mifflin, Boston, 1979, pp. 43-46.
28. Kotler, Philip, Marketing Management, ... op. cit., pp. 64-80.
 For further discussion on "the Top Management Process (Strategic Management Process)", see for example:
 (1) Abell, Derek, F., "Strategic Windows", Journal of Marketing, July 1978, pp. 21-26; (2) Steiner G.A. and Miner, J.B., Management Policy and Strategy: Text Readings and Cases, Homewood, Ill., Richard D. Irwin, 1977, p.7;

- (3) Drucker, P.F. Management: Tasks, Responsibilities, Practices, Harper & Row, New York, 1973, chapter 7;
- (4) Granger, C.H., "The Hierarchy of Objectives", Harvard Business Review, May-June 1964, pp. 63-74;
- (5) Winer, L., "Are you Really Planning your Marketing", Journal of Marketing, Jan. 1965, pp. 1-8; and
- (6) Levitt, T., "Marketing Myopia", Harvard Business Review, July-August, 1960, pp.45-56.
29. A number of useful books and articles are devoted in whole or in part to the subject of marketing planning. See for example:
- (1) Hughes, G.D., Marketing Management: A Planning Approach, Addison-Wesley Publishing Co. 1978; (2) Adler, L., "A New Orientation for Plotting Marketing Strategy", Business Horizon, Winter 1964, pp. 37-50; (3) Buell, V., Marketing Management in Action, McGraw-Hill, New York, 1966; (4) Ferrell, R.W., Customer-Oriented Planning, American Management Association, New York, 1964;
- (5) Little, W.I., "The Integrated Management Approach to Marketing", Journal of Marketing, April 1967, pp. 32-36; and (6) Stern, M.E., Marketing Planning: A Systems Approach, McGraw-Hill, New York, 1966.
30. Hart, L., Strategy: The Indirect Approach, Farber, London, 1967, p.16.
31. See for example: (1) Pessemeir, E., Product Management: Strategies and Organisation, John Wiley & Sons, New York, 1977, p.458; and (2) Glueck, W., Business Policy: Strategy Formulation and Management Action, McGraw-Hill, New York, 1976, p.3.
32. See for example: (1) Ansoff, H., Corporate Strategy, op. cit., p.8-12; and (2) Grinyer, P., "The Anatomy of Business Strategies Planning Reconsidered", Journal of Management Studies, vol. 8, No.2, 1971, pp. 82-86.
33. Kotler, Philip, Marketing Management: 4th edition, op. cit., pp.80-81.

34. Bell, Martin L., Marketing: Concepts and Strategies,
op. cit., pp.46-53.
35. Baker, Michael J. and McTavish, R., Product Policy and Management, the Macmillan Press Ltd., London, 1979, p.28.
36. McCarthy, E., Basic Marketing: A Managerial Approach,
6th ed., Richard D. Irwin, Homewood, Ill., 1978, p.35.
37. Jeffries, D.T., "The Role of Marketing in Official Tourism
Organisations", International Association of Scientific
Exports in Tourism (IASSET), Sept. 1973, pp.100-101.
38. Middleton, V., "How to Prepare and Operate from a Marketing
Plan", in Wood, M., ed., Tourism Marketing: For the
Small Business, Text Readings, English Tourist Board,
London, 1980, pp. 19-20.
39. Kotler, Philip, Marketing Management:.....op. cit., p.95.
40. American Marketing Association, Report of the Definitions
Committee, (AMA), Chicago, 1961.
41. British Institute of Management, "Survey of Marketing Research
in Great Britain", Information Survey No.97, (BIM),
London, Jan. 1962.
42. Chisnall, Peter M., Marketing Research: Analysis and Measurement,
2nd ed., McGraw-Hill Book Company (UK) Ltd., Berkshire,
England, 1981, p.3.
43. Baker, Michael J., Marketing: An Introductory Text, op. cit.,
p.167.
44. Lazer, W., "Marketing Research: Past Accomplishment and
Potential Future Developments", Journal of Market Research
Society, vol.16, No.3, 1974.
45. Twedt, Dik W., Survey of Marketing Research, American Marketing
Association, Chicago, USA, 1973, p.15.
46. Horne, et al., "Where do we go from here?", Journal of Market
Research Society, vol. 16, No.3, 1974.
47. Lazer, W., "Marketing Research", op. cit.
48. Baker, Michael J., Marketing: An Introductory Text, op. cit.,
pp. 168-169.

49. Burkart and Medlik, Tourism: Past, Present and Future, 2nd ed., Heinemann, London, 1981, p.202.
50. Wahab, et al., Tourism Marketing, Tourism International Press, London, 1976, p.85.
51. Sommer, K.G. and Stegeman, H., "Secondary Analysis: An Instrument of Market Research in Tourism", ESOMAR: Market Research Seminar on Travel and Tourism, Rigi Kaltbad, 23, 26 Nov. 1967, Session 1-2, pp.1-14.
52. Sarbin, H.B., "Consumer Research and the Travel Agent - Key Elements in the Marketing Equation", International Conference on Tourism and Air Transport, WTO & IATA, Mexico, 17-21, April 1978, pp.182-190.
53. Handley, P. and Heape, R., "Holiday Purchasing Patterns in the United Kingdom - A Sequential Segmentation", ESOMAR: Seminar on Research and Travel and Tourism, Bled., Yugoslavia, 16-19 Feb. 1972, pp. 49-73.
54. Aucamp, Johan, "The Use of Market Research in Tourism and Travel", ESOMAR: Seminar on Research and Travel and Tourism, Bled, Yugoslavia, 16-19 Feb. 1972, pp.13-27.
55. Rich, P. and J. Krippendorf, "Tourist Market Research from the Viewpoint of an (Official) National Tourist Organisation", ESOMAR: Seminar on Travel and Tourism, Rigi Kaltbad, Nov. 23-26, 1967, Session 1-1, pp.1-9.
56. Kotler, Philip, Marketing Management:op.cit., pp. 129-130.
- ✓57. Wahab, S., Tourism Management, Tourism International Press, London, 1975, pp.107-108.
58. Sarbin, H.B., "Consumer Research", op. cit. p.183.
59. Marris, T., "How to Research your Market", in Wood, M., ed. Tourism Marketing for the Small Business, op.cit.p.12.
60. Wahab et al., Tourism Marketing, op.cit.,p.43.
61. Marković, S. and Unković, S., "Theoretical Aspects of the Destination Research in Tourism and their Application in the Given Case of the Marketing Research in Yugoslavia", ESOMAR: Seminar on Travel and Tourism, Bled, Yugoslavia, Feb. 1972, pp.133-143.

62. Ibid., pp. 139-143.
63. Connolly, M. "The Role of Marketing Research in the Formulation of Development and Marketing Strategies for a Spa Resort in Ireland", ESOMAR, Seminar on Travel and Tourism, Stresa, Italy, 19-22 October 1977, pp.215-230.
64. Jenesen, K.C., Predicting Skier Visits Using Population Demographics, Unpublished Master's Thesis, University of Utah, Salt Lake City, Utah, 1964.
65. Herrington, R.B., Skiing Trends and Opportunities in the Western States, U.S.D.A.F.S. Research Report INT-34, 1967.
66. See for example: (1) Echelberger and Shafer, "Snow + (X) = Use of Ski Slopes", Journal of Marketing Research, VII, August 1970, pp.388-392; (2) Elsner, G., "A Regression Method for Estimating the Level of Use and Market Area of Proposed Large Ski Resort", The Journal of Leisure Research, III, Fall 1971, pp.160-167; (3) Elsner, G. and Johnson, W., "Variability in Use Among Ski Areas: A Statistical Study of California Market Region", The Journal of Leisure Research, IV, Winter 1972, pp.43-49.
67. McIntosh, R. and Gupta, S., Tourism: Principles, Practices, Philosophies, 3rd ed., Grid Publishing INC., Columbus, Ohio, US, 1980, p.65.
68. Robinson, H., A Geography of Tourism, Macdonald & Evans Ltd., Estover, Plymouth, UK, 1979, p.30.
69. Doswell, R., Case Studies in Tourism, Barrie & Jenkins, London, 1978, pp.24-25.
70. Duchter, E., "What Motivates People to Travel?", Proceedings, A Decade of Achievement, Tenth Annual Conference, The Travel Research Association, University of Utah, October 1979, pp.85-89.
71. Burnet, E.M., "Tomorrow's Traveller and How to Attract Him", IUOTO, The Changing World of Travel Marketing, Vth International Research Seminar, Nassau (Bahamas), June 1971, pp.26-34.

72. Burkart and Medlik, *Tourism: Past, Present and Future*, op.cit., pp.57-58.
73. Gray, H.P., International Travel - International Trade, D.C. Heath & Company, Lexington, Mass., 1971.
74. Schuch, F., "The Motivations and Fears of Flight", ESOMAR: Market Research Seminar on Travel and Tourism, Riji Kaltbad, 23-26 Nov./1967, Session III-4, pp.1-4.
75. Connolly, M., "The Role of Marketing Research", op.cit., p.223.
76. Vilmos, Katy, "The Holiday Customs in Hungary", ESOMAR: Seminar on Travel and Tourism, Stresa, Italy, 19-22 Oct. 1977, pp.25-29.
77. Zehnder, L.E., "Tourism and Social Problems; Implications for Research and Marketing", Proceedings: Seventh Annual Conference, The Travel Research Association, Boca Raton, Felorida, June 20-23, 1976, pp.211-12.
78. Smith, Joseph G., "The Traveller Today and Tomorrow: Motivation Research", IUOTO, Vth International Travel Research Seminar, Nassau (Bahamas) June 1971, p.9.
79. Sittenfeld, H., "Reflections on the Possibilities of Image Research in the Area of Tourism", ESOMAR; Market Research Seminar on Travel and Tourism, Rigi Haltbad, 23-26 Nov. 1967, Session V-3, pp.135.
80. Lott, G., "The German Tourism: Development, Tendencies and Outlook", ESOMAR: Market Research Seminar on Travel and Tourism, Rigi Kaltbad, 23-26, Nov.1967, Session III-2, pp.1-7.
81. Connolly, M., "The Role of Marketing Research....." op.cit. pp.215-30.
82. Cole, C.N., *The Club Méditerranée: An investigation into the French Market for all Inclusive Vacations in Holiday Villages*", ESOMAR: Market Research Seminar on Travel and Tourism, Rigi Kaltbad, 23-26 Nov. 1967, Session IV-2, pp.1-10.

83. Deburge, Marie-France, "How can the Market Research help the Tourism and Travel Industry?", ESOMAR: Seminar on Research and the Travel and Tourism Market, Bled, Yugoslavia, 16-19 Feb. 1972, pp. 1-10.
84. Sittenfeld, H., "Reflections on the Possibilities of Image Research in the Area of Tourism", op.cit. p.5.
85. Braham, D., "The Images of Airlines Related to Travel Experience", ESOMAR: Seminar on Research and the Travel and Tourism Market, Bled, Yugoslavia, 16-19 Feb. 1972, pp.177-189.
86. Bermingham, J., "Cruising - A Discussion of techniques used to Define the Market and Improve the Product", ESOMAR: Seminar on Research and the Travel and Tourism Market, Bled Yugoslavia, Feb. 1972, pp.191-203; See also - Erminero, C., "Survey on 7 Rail Services", ESOMAR: Seminar on Research and the Travel and Tourism Market, Bled, Yugoslavia, Feb. 1972, pp.205-24.
87. Bainbridge, P., "Marketing Research: Key to Successful Change Within the Lodging Industry", Seventh Annual Conference Proceedings, TRA, Boca, Raton, Felorida, June 1976, pp.227-230.
88. Sittenfeld, H., "Reflections on the Possibilities of Image Research in the Area of Tourism", op.cit.p.6.
89. See for example: (1) Bishop, D., "Stability of the Factor Structure of Leisure Behaviour: Analysis of Four Communities", Journal of Leisure Research, No.2, 1970, pp.160-170; (2) Feldman, Saul D. and Gerald, W.T., Life Styles: Diversity in American Society, Little, Brown and Co., Boston, 1975.
90. Neulinger, J. and Miranda Breit, "Attitude dimensions of Leisure: A Replication Study", Journal of Leisure Research, No.3, 1971, pp.108-115; and Ronald, J.D., "Market Segmentation for Outdoor Recreation", Journal of Leisure Research, No.2, 1971, pp.5-16.

91. Ibid.
92. Darden, William R. and Donna D. Darden, "A Study of Vacation Life Styles", Proceedings: Seventh Annual Conference, TRA, Boca Raton, Felorida, 2-23 June 1976, pp.231-236.
93. Darden, William R. and Perreault, William D., "A Multi-variate Analysis of Media Exposure and Vacation Behaviour with Life Style Covariates", Journal of Consumer Research, No.2, Sept. 1975, p.100.
94. Sharp, H. and Mott, P., "Consumer Decisions in the Metropolitan Family", Journal of Marketing, No.21, October 1956, p.153.
95. ✓ Walter, C.K. and Tog, H., "A Local Study: Consumer Vacation Travel Decisions", Journal of Travel Research, Vol. VX, No.4, Spring 1977, pp.30-34; See Also, Hodgson, P., "The Use of a Panel in Monitoring Holiday Planning Decisions", ESOMAR: Seminar on Travel and Tourism, Stresa, Italy, 19-22 Oct. 1977, pp.167-180.
96. Charp, H. and Mott, "P., Consumer Decisions" op.cit. p.153.
97. Vilmos, K., "The Holiday Customs in Hungary", op.cit., pp.25-38.
98. Middleton, Victor T.C., "Changing Patterns of British Holidays", International Tourism Quarterly, E.I.U. 1977, Special Article No.25, pp.45-58.
99. Mitchell, D. and Merchant, L., "Is Attitude Segmentation in the Holiday Market a Reliable Predictor of Future Behaviour?", ESOMAR: Seminar on Travel and Tourism, Stresa, Italy, 19-22 Oct. 1977, p.168.
100. Smith, Wendell R., "Product Differentiation and Market Segmentation as Alternative Marketing Strategies", Journal of Marketing, vol. 21, July 1956, pp.3-8.
101. Baker, Michael J. and R. McTavish, Product Policy and Management, The Macmillan Press Ltd., London and Basingstoke, 1979, p.35.
102. Kotler, Philip, Marketing Management.....4th ed. op.cit. p.195.

103. Frank, Ronald E., "Market Segmentation Research: Findings and Applications", in Bass, Frank M., King, Charles W. and Pessemier, Edgar A. (eds), Applications of Sciences in Marketing Management, John Wiley & Sons Inc., New York, 1963, pp.39-68.
104. Frank, Ronald E., Massy, William F., and Wind, Y., Market Segmentation, Prentice-Hall Inc., Englewood Cliffs, N.J., 1972, part IV.
105. For a useful and sophisticated quantitative methods see: Assael, H. and Roscoe, A.M., "Approaches to Market Segmentation Analysis", Journal of Marketing, Oct. 1976, pp.67-76; Dhalla, N.K., and Mahatoo, W.H., "Expanding the Scope of Segmentation Research", Journal of Marketing, April 1976, pp.34-41; Percy, L., "How Market Segmentation Guides Advertising Strategy", Journal of Advertising Research, Oct. 1976, pp.11-26.
106. Wilkie, William L., "Market Segmentation Research: A Conceptual Analysis", Paper No.323 (Lafayette, India, Krannert, Graduate School of Industrial Administration) 1971.
107. Haley, Russell I., "Benefit Segmentation: A Decision-Oriented Research Tool", Journal of Marketing, vol. 32, July 1968, pp.30-35.
108. Haley, Russell I., "Beyond Benefit Segmentation", Journal of Advertising Research, Vol. II, August 1971, pp.3-8.
109. Engel, James F., Fiorillo, Henry F. and Cayley, Murray A.(eds.) Market Segmentation, New York: Holt, Rinehart & Winston, 1972, pp.10-12, in Baker, Michael J. and R. McTavish, Product Policy and Management, op.cit. p.37.
110. Bell, Martin L., Marketing: Concepts and Strategies, op.cit., pp.126, 134.
111. Kotler, Philip, Marketing Management4th ed., op.cit. pp.198-205.
112. Hanan, M., Life-Styled Marketing, American Management Association, New York, 1972.

113. Westfall, R., "Psychological Factors in Predicting Product Choice", Journal of Marketing, April 1962, pp.34-40.
114. Gottlieb, M.J., "Segmentation by Personality Types", in Stockman, L. (ed.) Advancing Marketing Efficiency, American Marketing Association, Chicago, 1959, p.154.
115. Tucker, W.T. and Painter, John J., "Personality and Product Use", Journal of Applied Psychology, Oct. 1961, pp.325-29.
116. Yankelovich, D., "New Criteria for Market Segmentation", Harvard Business Review, March-April 1964, pp.83-90.
117. Green, Paul E., Wind, Y. and Jain, A., "Benefit Bundle Analysis", Journal of Advertising Research, April 1972, pp.31-36.
118. Twedt, Dik W., "How Important to Marketing Strategy is the Heavy User?", Journal of Marketing, January 1964, pp.71-72.
119. Garfinkle, N., "A Marketing Approach to Media Selection", Journal of Advertising Research, Dec. 1963, pp.7-14.
120. Frank, Ronald E., "Is brand loyalty a useful basis for market segmentation?", Journal of Advertising Research, June 1967, pp.27-33.
121. This Approach is investigated in: Clayeamp, Henry J. and Massy, William F., "A Theory of Market Segmentation", Journal of Marketing Research, Nov. 1968, pp.388-94; Frank, R., Masys, W. and Wind, Y., Market Segmentation, op.cit. part IV.
122. Frank, Ronald E., "Market Segmentation Research: Findings and Applications", op.cit., p.43.
123. Bell, Martin, L., Marketing: Concepts and Strategies, op.cit., pp.124-25.
124. Kotler, Philip, Marketing Management 4th ed., op.cit., pp.205-6.
125. Ibid., pp.206-207.
126. Schewe, C.D., Scott, D.R. and Frederick, D.G., "A Multi-Brand/Multi-Attitude Model of Tourism State Choices", Journal of Travel Research, Summer 1978, pp.23-29.

127. Graham, J. and Wall, G., "American Visitors to Canada: A Study in Market Segmentation", Journal of Travel Research, Winter 1978, pp.21-24.
128. Darden, W. and W. Perrault, Jr., "A Multi-variate Analysis of Media Exposure and Vacation Behaviour with Life Style Covariates", op.cit. pp.93-103.
129. Hawes, D., "Empirically Profiling Four Recreational Vehicle Market Segments", Journal of Travel Research, Spring 1978, pp.13-20.
130. Woodside, A., E. Moore and M. Etzel, "Vacation Travel Behaviour and Perceived Benefits of Home State Residents", Business and Economic Review, University of South Carolina, April 1980, pp.28-35.
131. Burnett, J. and M. Etzel, "Developing Marketing Strategy in the Tourism and Travel Industry Using Market Segmentation", in J. Sumney and R. Taylor, (eds) Evolving Marketing Thought for 1980, Proceedings of the Southern Marketing Association, Nov. 1980, pp.441-44.
132. Woodside, A. and R. Pitts, "Effects of Consumer Life Styles, Demographic", op.cit., pp.13-15.
133. Gentry, J. and M. Doering, "Six Role Orientation and Leisure", Journal of Leisure Research, Second Quarter, 1979, pp.102-111.
134. Johnson, Douglas J. and John L. Peate, "The Development and Use of a Model of the Decision-Making Process", ESOMAR: Market Research Seminar on Travel and Tourism, Rigi Kaltbad, 23-26 Nov. 1967, Session II-3, pp.1-18.
135. Schild, G.C., "A Market Segmentation on Holidays Abroad", ESOMAR: Market Research Seminar on Travel and Tourism, Rigi Kaltbad, 23-26 Nov. 1967, pp.1-11.
136. Biggs, H. and M. Collins, "A Technique for Evaluating the Content of Holiday Brochures", ESOMAR: Market Research Seminar on Travel and Tourism, Rigi Kaltbad, 23-26 Nov. 1967, pp.19-25.

137. Handley, P. and R. Heape, "Holiday Purchasing Patterns in the United Kingdom - A Sequential Segmentation", ESOMAR: Seminar on Research & Travel and Tourism, Bled, Yugoslavia, 16-19 Feb. 1972, pp.49-73.
138. Levens, G.E., "A Market Segmentation Analysis of Holiday Destinations", ESOMAR: Seminar on Research & Travel and Tourism, Bled, Yugoslavia, 16-19 Feb. 1972, Session I, pp.29-47.
139. Berrol, E., "Segmentation of the Pleasure Travel Market to Europe: A Preliminary Investigation", ESOMAR Congress on Travel and Tourism, Venice, Italy, 1976, pp.10-22.
140. Lang, H.A., "A Typology of Holiday Travellers: Segmentation and Simulation", ESOMAR Congress on Travel and Tourism, Venice, Italy, 1976, pp.23-40.
141. S.de la Beaumelle, "A Contribution to Market Segmentation in Tourism Research", ESOMAR Congress on Travel and Tourism, Venice, Italy, 1976, pp.70-85.
142. Mitchell, D. and L. Marchant, "Is Attitude Segmentation ...", op.cit., p.131; See Also: Anderson, B. and Langmeyer, L. "The Under-50 and Over-50 Travellers: A Profile of Similarities and Differences", Journal of Travel Research, vol. XX, No.4, Spring 1982, pp.20-24.
143. Rusk, Myrson, "Innovations in Travel Research for Canada - The U.S. Vacation Trip Market Segmentation Study and Its Applications to the 1974 Programmes of the Canadian Government Office of Tourism", Proceedings: Fifth Annual Conference, The Travel Research Association, Salt Lake City, Sept. 1974, pp.80-83. See Also: Bryant, B.E. and A.J. Morrison, "Travel Market Segmentation and the Implementation of Market Strategies", Journal of Travel Research, Winter 1980, pp.2-8; Thomson, C.M. and D.G. Pearce, "Market Segmentation of New Zealand Package Tours", Journal of Travel Research, Fall 1980, pp. 3-6; and

- Dandurand, L., "Incorporating Casino Game Preference Market Segment Data into Marketing Plans", Journal of Travel Research, Spring 1982, pp.15-19.
144. See for example: Hotel Research & Development: Cornell University, "Consumer Habits in the Hospitality Industry", Summary of a Marketing Research Report: The Cornell H.R.A. Quarterly, August 1975, pp.8-13; Willenborg, J.F. and Woodside, A.G., "Segmentation of Vacation Attraction Market: Some Recursive Models", Proceedings: Seventh Annual Conference, TRA, Boca Raton, Florida, June 1976, pp.247-50; Crask, M.R., "Segmenting the Vacation Market: Identifying the Vacation Preferences, Demographics, and Magazine Readership of Each Group", Journal of Travel Research, Fall 1981, pp.29-34; and Woodside, A.G. and M.J. Etzel, "Segmenting Vacation Market: The Case of the Distant and Near-Home Travellers", Journal of Travel Research, Spring 1982, pp.10-14.
145. Kaynak, E. and U. Yavas, "Segmenting the Tourism Market by Purpose of Trip", International Journal of Tourism Management, June 1981, pp.105-112.
146. Bargur, J. and A. Arbel, "A Comprehensive Approach to the Planning of the Tourism Industry", Journal of Travel Research, Vol. XIV, No.2, Fall 1975, pp.10-15.
147. Kelly, Eugene, Marketing: Strategy and Functions, Prentice-Hall Inc., Englewood Cliffs, N.J., 1965, p.48.
148. Wahab S. et al., Tourism Marketing, op.cit., pp.25-26, and pp.129-130.
149. Ministry of Tourism, The General Outline of the Five Years Development Plan 1982-1986, Ministry of Tourism, Cairo, Egypt, April 1982 (in Arabic).
150. Wahab, S. et al., Tourism Marketing, op.cit. p.26.

CHAPTER FOUR

MARKETING MIX IN TOURISM

CHAPTER FOURMARKETING MIX IN TOURISMIntroduction

In the previous chapter, the objective was to establish a marketing strategy for tourism. To do so, the nature of planning was discussed in terms of its definition, advantages and limitations, and the term corporate planning was emphasised. Next, the steps of marketing planning were stressed and the critical role of marketing research in tourism was explored before moving on to establish a marketing strategy for tourism, where three basic questions had to be answered. The first question was: "Where are we now?" To answer this question, we analysed the tourist market in general where the demand on tourism and its supply were highlighted. To deepen the analysis on the demand side, the tourist behaviour with relation to the tourist motivations, image and attitude, life style, demographics and customs and habits, all of which affect the tourist decision to choose the tourist destination, were all discussed. Due to the fact that tourist customers are likely to differ in one or more of the above respects, market segmentation was also extensively discussed.

The second question was: "Where do we want to be?" To answer this question, the objectives of tourism marketing in general were discussed, and the objectives of the Tourism Development Plan in Egypt were touched upon.

The answering of the third question: "How do we get from where we are to where we want to be?" was left, to be the task of the present chapter in which the nature and scope of the marketing mix and its elements, i.e. product, price, distribution and promotion, will be discussed in terms of their application and

contribution to tourism. As such, the sequence of presentation corresponds to the following format:

The first section is concerned with discussion of the nature and scope of the marketing mix; its definition, composition, development, and application and its problems.

The second section analyses product decisions. In this respect, the nature of the tourist product, and its characteristics will be discussed before moving on to examine the product development policies with relation to: the product life cycle, the problem of seasonality; co-ordination and integration of the tourism suppliers; and the role of the government.

The third section outlines the issue of pricing the tourist product. In doing this, a definition of price will be presented first, then, the significance of prices will be extensively discussed. An investigation will be made to review the literature which outlines the pricing decisions in tourism, taking into account the role of government as well as the tour operator. In this regard, methods of pricing, and discount patterns will be explored.

The fourth section encompasses the concept of the distribution strategy, exploring; the importance of the tourism distribution system; its function, structure, and productivity; the distribution policies and its determinants; the relation between National Tourist Organisations and the travel trade.

The fifth section is devoted to explore; the role of NTOs in promotion, the steps of promotion strategy; the need for a co-ordinated and integrated promotion policy.

Section One: The Nature and Scope of the Marketing Mix

Introduction

Every marketing strategy must have a marketing mix, as well as a target market. The target market is a well-defined set of customers whose needs the organisation plans to satisfy. The marketing mix is a term generally used to denote a particular combination of marketing variables which are controllable by an organisation and which are used to appeal to a particular market segment. The marketing mix process is an intermediary part of the strategic planning process. Once market analysis identifies target market segments and indicates or forecasts the potential for these segments, the marketing mix process provides a logical basis for designing an offering for those segments selected. That is, all elements of a marketing strategy must be set simultaneously.

In this section, the definition of the marketing mix, its composition, development, and application and its problems will be discussed.

Definition of the Marketing Mix

The idea can be traced to James Culliton [1], who, in a 1948 publication, described the marketing administrator as "A 'decider', an 'artist' - a 'mixer of ingredients' who sometimes follows a recipe prepared by others, sometimes prepares his own recipe as he goes along, sometimes adapts a recipe to the ingredients no one else has yet tried." This description of a marketing administrator as a 'mixer of ingredients' appealed to Professor Borden who soon began to use the term 'marketing mix'. Borden [2] wrote: "I liked his idea of calling a marketing executive a 'mixer of ingredients', one who is constantly engaged in fashioning creatively a mix of marketing procedures and policies in his efforts to produce a profitable enterprise."

In developing market offerings, William Lazer et al. [3] argue that "Marketing executives focus upon two types of variables which affect marketing success - those controlled by the firm and those outside the firm's influence. The meaningful organisation of the controllable variables which directly influence customer and consumer transactions is generally called the firm's marketing mix."

Similarly, Lipson and Reynolds [4] define the concept of the marketing mix as "a means of organising in a meaningful manner all of those variables controllable by the enterprise system that directly influence transactions in the marketplace."

Finally, Kotler's [5] definition as "Marketing mix is the particular blend of controllable marketing variables that the firm uses to achieve its objective in the target market."

From the above definitions, one can observe that, while the classical economists based explanations of transactions solely on the price which results from the forces of demand and supply, the marketing scholars based explanations of transactions on a combination of marketing variables and their important inter-relationships.

The Composition of the Marketing Mix

There are a large number of possible ways to satisfy the needs of target customers. A product can have many different characteristics, colours, and appearances. The package can be of various sizes, colours or materials; the brand names and trade-marks can be changed; services and returned goods can be adjusted; various advertising media (newspapers, magazines, radio, television, billboards) may be used; a company's sales force and perhaps other sales specialists can be employed. Different prices can be charged; cash discounts and markups can be changed; a higher calibre of sales-person may be hired or a different type of

distributor may be used; intensity of sales effort may be varied from one locality to another; credit policies may be adjusted; and so on.

Each of these approaches can have many shades of differences, making the number of possible marketing mixes extremely large. With so many variables available, the question becomes: Is there any way of simplifying the selection of marketing mixes? And the answer is 'Yes'. Despite the list of the marketing mix can be long or short, depending on how far one wishes to go in his classification and sub-classification of the marketing procedures and policies with which marketing managers deal in the process of development of marketing programmes, however, a review of the literature on the subject reveals that these lists can be classified into three major categories as follows.

Firstly, the twelve-way classification which has been originally used by Professor Neil Borden [6]. He outlines a list of twelve elements which covers the principal areas of marketing activities which call for management decisions as revealed by case histories. His list reads as follows:

1. Product Planning - policies and procedures relating to product lines to be offered (e.g. qualities, design, etc.), markets to sell (whom, where and in what quantity), and new product policy (research and development).
2. Pricing - policies and procedures relating to price level to adopt, specific prices to adopt (odd, even, etc.), price policy (e.g. one price or varying price, price maintenance, use of list prices, etc.), and margins to adopt for a company; for the trade.

3. Branding - policies and procedures relating to selection of trademarks, brand policy - individualised or family brand, and sale under private label or unbranded.
4. Channels of Distribution - policies and procedures relating to channels to be used between plant and consumer, degree of selectivity among wholesalers and retailers, and efforts to gain co-operation of the trade.
5. Personal Selling - policies and procedures relating to the responsibility to be placed on personal selling and the methods to be employed in manufacturer's organisation; and wholesale and retail segments of the trade.
6. Advertising - policies and procedures relating to the emphasis to be placed on advertising; copy platform to adopt both product and corporate images desired; and mix of advertising to the trade, through the trade, and to the consumers.
7. Promotion - policies and procedures relating to the stress to place on special selling plans or devices desired at, or through the trade; and form of these devices for consumer and trade promotions.
8. Packaging - policies and procedures relating to formulation of package and label.
9. Display - policies and procedures relating to the extent of influence to be put on display to help effective sale, and methods to adopt to secure display.
10. Servicing - policies and procedures relating to providing service needed.
11. Physical Handling - policies and procedures relating to warehousing, transportation, and inventories.
12. Fact Finding and Analysis - policies and procedures relating to securing, analysis, and use of facts in marketing operations.

Borden further suggests a framework of forces which govern the mixing of marketing elements, stating that both this list and that

of elements, taken together, provide a visual presentation of the concept of the marketing mix. These market forces arising from the behaviour of individuals and groups, may readily be listed under four headings, namely, the behaviour of consumers, the trade, competitors, and government.

Secondly, the four-way classification. McCarthy [7], Lipson and Darling [8], and Kotler [9] among others, use this classification. McCarthy [10], for instance, has been the most explicit in stating the various variables from which to blend a marketing mix. He popularised the mix concept around 'the four Ps': product, place, price, and promotion. Perhaps a major contribution of this classification is the broadening of each component into a more explicit statement of the specific dimensions which make up the marketing mix. That is a 'product' may consist of features, accessories, installation, product lines and so forth. Also, place may include such factors as channels, market exposure, kinds of middlemen and the like. Price, too, may consist of the dimensions of flexibility, level, introductory pricing, discounts; while the promotion element may include promotion blend, kinds of sales-people, and kinds of advertising, and so forth.

Thirdly, the two or three way classifications, which have been used by some authors without stating exactly what variables are available to marketers under each of the classification categories. Albert Frey [11] uses two dimensions: the offering (product, package, etc.), and tools (advertising, personal selling, etc.), while Eugene Kelley and William Lazer [12] use a three-fold classification under the product service mix, the communications mix, and the distribution mix.

The Composition of the Marketing Mix in Tourism

In the marketing of services, however, Stanton [13] argues that "Because we are dealing with intangibles, the task of determining the marketing mix ingredients for a total marketing programme in a service industry is perhaps more difficult and therefore, requires more skill and sophistication than is true in product marketing firms".

Accordingly, Booms and Bitner [14], as was indicated earlier in chapter two, suggest changes in the marketing mix as follows:

First, the marketing mix must be modified in order to be more useful to service marketers. The services marketing mix does have certain elements in common with goods marketing. Services marketers are, for example, concerned with the elements of the marketing mix as most often summarised by McCarthy's label of the "4 P's - product, price, place and promotion". In their opinion, each of these elements must be modified, however, to provide maximum usefulness to the services marketer.

Second, the service marketing mix should be expanded to include three new P's:

Participants: all human actors who play a part in service delivery and thus influence the buyer's perceptions: namely, the firm's personnel and other customers in the service environment.

Physical Evidence: the environment in which the service is assembled and where the firm and the customer interact; and any tangible commodities which facilitate performance or communication of the service.

Process of Service Assembly: the actual procedures, mechanism, and flow of activities by which the service is delivered.

They argue that these new elements are essential to the definition and promotion of the service in the customer's eyes, both prior to and during the service experience. They can be used by the firm to influence buyers' responses and, therefore, rightfully belong in the marketing mix.

In the field of tourism, the applications of the concept of the marketing mix was considered by the World Tourism Organisation (WTO) [15] in a study on testing the effectiveness of promotion. The WTO defined the marketing mix as: all the country's variables that can be used for influencing the behaviour of potential travellers. There are four main factors to be considered in the marketing mix: product; distribution; price; promotion and communication. A good mix must rest on a proper analysis of all the elements and a proper balance between them. This approach is identical to McCarthy's label of the "4 P's". Therefore, we will follow this framework in the present study. Another approach has been considered by the International Union of Official Travel Organisations (IUOTO) [16], now the WTO, in a study on guidelines for the preparation of marketing plans. The IUOTO's approach ^{is} in proposing that the main marketing mix consists of product mix, distribution mix, communication mix, and services mix. It seems to follow the somewhat shorter framework devised by Lazer and Kelley [17]. The IUOTO's definition of the product mix is "the range of attractions, and associated amenities, which are to be sold in the markets". [18] Price is also included as part of the product mix. The communications mix, according to the IUOTO refers to the processes by which the tourist product of a country is brought to the attention of - (a) potential consumers, (b) organisations who directly or indirectly can influence the attitude of those potential customers towards the country, and (c) the intermediaries in the

markets, including the transport concerns, who collectively provide the distribution mix by which the consumer buys his travel and physically gets to his destination. The instruments of the communications mix include advertising, publicity, consumer and trade presentations, etc. The 'services mix' is composed of the various services provided which are designed to assist the visitor in having a more enjoyable holiday and in the main consist of information offices, complaints investigation, guides and surveillance of the standards of the total tourist product. The 'service mix' according to the IUOTO is analogous to the 'after sales service' provided by commercial and industrial companies. The components of the mix may be seen as co-operating with or replacing each other - as complements or substitutes. An example of this would be a policy of price reduction of tourist facilities and services which could be substituted by increasing available facilities and services for the same price or by strengthening promotional activities in view of facing competition and increasing sales output. A policy to combine both reduction of prices and extra facilities or extra advertising campaigns, may or may not be efficient.

Although the specification of the marketing mix outlined above relates to the operations of national tourist boards in general, it is suggested that it must be refined to take into account the operational setting if it is to be applied to the marketing activities of a particular tourist board, since tourist boards vary as to the extent of their statutory powers and functions. For example, in pricing strategy the Irish Tourist Board has only an advisory role with regard to the actual pricing of the product [19]. Although the Board does issue a list of maximum prices which can be changed by hoteliers, these prices are in fact determined by the Hoteliers themselves.

With regard to the most important variable - the product, its quality, design range and value - the Irish Tourist Board has some power to enforce its recommendations through the provision of grants-in-aid, etc. Furthermore, as the Irish Tourist Board is not engaged in 'direct selling' as such, personal selling and point of purchase activities are confined to specialist consumer promotions (presentations to angling clubs for example) and provision of travel advisory services in its offices abroad. Consumer servicing is carried out jointly by the Irish Tourist Board and the Regional Tourism organisations. As a consequence, the Irish Tourist Board's marketing mix may be defined as:

- advertising
- print and distribution
- publicity and public relations
- consumer promotions
- trade promotions
- marketing administration
- consumer servicing, and merchandising; and
- marketing planning and research.

The Marketing Mix Development Process

The creation of the marketing mix should follow a forward-backward approach by first identifying the results from exchange transactions desired by target customers. Once these desired results are identified, a logical process must be used in creating a marketing mix. Specifically, the marketing executive must first know: (i) the specific target markets he wants to appeal to; (ii) the response function of the target markets to different levels of expenditures for each of the relevant marketing mix variables; and (iii) the response function of the firm's target markets to different levels of expenditures for all the marketing mix variables taken together. This information is difficult, if not impossible, to

obtain. Moreover, it changes from market to market and in the same market over time. Yet, regardless of such variations, it is possible to list some generally useful guidelines in developing a marketing mix as follows [20]:

1. Separation of the marketing mix into the four component mixes: the product mix; pricing mix; distribution mix; and communication mix.
2. Formulation of each of the component mixes by assessing the various possible dimensions in order to determine the breadth and depth of each component mix.
3. Integration of the four component mixes into the marketing mix.
4. Implementation in the market.

William Lazer et al. [21] add the important dimension of monitoring and controlling the firm's offering. They argue that "It is not enough for marketing executives to formulate market offerings. They must be implemented and revised as changing conditions dictate. The (final) step in the marketing mix development process emphasises that marketing executives should continually monitor market offerings and make the necessary changes in them over time."

The identified two kinds of forces which can greatly influence the success of the firm's marketing mix: internal and external. The internal dimensions focus on the adjustment of the firm's corporate resources to customer needs and wants. The base of this internal dimension represents the human, financial, and physical resources of the firm. The marketing mix is supported by these forces, and acts as the link between the internal aspects of the firm and its markets. The external dimensions can be viewed as

consisting of two levels. The uppermost level represents the broad cultural, political, technological, legal, and socioeconomic setting. It establishes a backdrop against which the determinants of customer purchase behaviour operate. Management skill in meeting and adjusting to these forces is a significant determinant of the firm's profitability and growth. The next level represents the competitive business structure, the available business agencies and channels, and the government. These institutions more specifically and directly establish the business climate in which consumption occurs by a society in motion.

The Application of the Marketing Mix Concept

Perhaps the most important step in the marketing mix process is the integration of the sub-mixes into the marketing mix, since it is performed to create a synergistic effect for an organisation's offering. This view is based upon an assessment of the following factors:

First, the assumption which says that the impact of an integrated whole is assumed to be greater than the summed impact of separately implemented component mixes. This assumption is based on the notion that the customer views an offering as a bundle of satisfactions rather than separate components [22].

Second, the inherent interrelatedness existing among and between the various variables makes such integration more important, i.e. this interrelatedness requires that 'trade-offs' be made in order to create the best overall impact and effectiveness of a marketing offering [23].

Third, interdependence of all four "P's" and equality between them requires that, when a marketing mix is selected, all decisions about the "P's" should be made at the same time [24].

Finally, because no single of the mix components is more important than the others, they must all be co-ordinated through simultaneous adjustment to formulate an effective marketing plan [25].

In fact, the implementation of an integrated whole of the component mixes is fundamental to the systems approach to marketing which requires an examination of the impact of any single decision on the entire system under study, rather than an attempt to solve problems in isolation [26]. However, it might be useful to point out that not all enterprise systems have recognised the importance of integrating the components into the marketing mix under the systems approach. Seymour Banks [27] has estimated that two-thirds of the major marketing and advertising enterprise systems make no use of the systems concept in marketing. Amongst those companies that use the systems concept - as Banks pointed out - four groups were identified:

1. Companies that use the concept in its broadest basis;
2. Companies that use the concept as being synonymous with marketing information systems;
3. Those that regard it as being the development of models of specific segments of marketing activity; and
4. Those enterprise systems that make heterogeneous applications of the systems concept. The author speculates that only those companies that utilise the systems concept in its broadest sense are in reality formally integrating their marketing mix variables.

Problems in Applying the Mix Concept

Perhaps the major reason why so many companies have not formally utilised the systems approach to create the marketing mix is that the integration approach is currently seen as possessing a number of problems. As Lipson and Reynolds [28] have argued, two major

obstacles to integration can be stated. First, since business firms typically have many goals more than just profit maximisation, and the ranking of these goals may be different from one firm to the next, marketers, in attempting to create a marketing mix, not only have to consider multiple objectives, but also which ones are considered most important.

A second obstacle to integration is found in the inability to measure accurately variables interaction and predict market response. The authors argue that marketing scholars have not been able to measure completely the effects an advertising campaign - for instance - will have upon the needs of the sales force. Thus, while it is generally recognised that the impact of one altered variable is subject to the total impact of all variables, the degree of the impact upon target markets cannot be determined accurately.

Lazer et al. [29] provide additional limitations to the application of the marketing mix concept, which can be summarised as follows:

1. Lack of requisite information necessary for effective implementation:

Not only are initial pieces of data on the firm's own resources and objectives difficult to obtain, but available data is often not in the required use form. On the cost side, data generally are reported by natural expense categories such as salaries, taxes, supplies, and advertising, whereas the costs relevant for strategic decision-making are the functional expenses associated with the various marketing activities. On the demand side, the principal problems are due to a lack of sales data by relevant consumer classifications and uncertainty about the size and stability of the firm's revenue possibilities. Informational problems such as these severely limit the ease with which marketing decisions can be made on a routine basis.

2. The determination of relevant needs:

The heart of the marketing mix rests on knowledge of the firm's target market and its unsatisfied needs and wants. However, little agreement exists as to what these needs and wants are. As the authors stated, behavioural research findings indicate that potential customers are subjected to various stimuli and based on them as well as certain internalised factors, they may or may not take a course of action. No one simple explanation exists of how individuals behave. Thus, in developing the firm's marketing mix, marketing executives still must rely in many cases on estimates and guesses in addition to marketing research to help develop market offerings.

3. Spatial, temporal, and product interaction:

The marketing period of any given product stretches out far beyond the occurrence of the financial outlays. The exact impact of this 'carry-over effect' is hard if not impossible to determine. In the opinion of the authors, it presents a problem in the optimal timing of the marketing mix throughout the planning horizon. Furthermore, the firm typically sells a number of different products, in many territories and to various target markets. Thus, the question of spatial and product interaction plagues many firms. Marketing mix strategies cannot be developed for each separate market without considering their effect on the sales of the rest of the business. Unless the marketing executive grapples with this problem, he can never hope to approach optimal results.

Although these limitations are very real, marketing managers using the concept of the marketing mix can achieve a high degree of integration and develop a coordinated marketing thrust that should lead to a substantial improvement in market performance. The marketing mix as an organisational framework contributes to an understanding of the complex and interrelated nature of the firm's

marketing activities. It furnishes a conceptual plan upon which management can approach marketing problems and opportunities. It is the logical basis for developing marketing strategies that meet the needs of specific target markets.

In summary, the marketing mix provides a basis for a logical, coherent and orderly analysis of the activities which bear upon the marketing operations of a firm. It is a system concept aimed at integrated effort for achieving the firm's objectives. The concept focuses attention on broader issues than those contained in any one marketing activity. Furthermore, it stresses adaptive change and adjustment by emphasising the dynamic impact of the market environment.

The marketing mix concept has added to the understanding of the marketing process in several areas. One of its major contributions is that it has helped change the concentration of the marketing scholars and practitioners from a predominant concentration on the marketing variables themselves to a concentration on the results of such operations.

The marketing mix concept also allows for heterogeneity in the market. By recognising that separate market offerings are needed to appeal to different target markets, the marketing executive places a new emphasis on the realities of competition not found in the classical writings on the subject.

Now more than ever, marketing executives are under pressure to produce the best total mix of ingredients to meet the demands of both the marketplace and the firm. An understanding of the forces that constrain and influence marketing effort, as well as an awareness of the impact the interaction of various marketing mix ingredients may have, is a necessity in such an environment.

The study steps forward to explore the application of each element of the marketing mix to the field of tourism, discussing the contribution which this application can make to improve performance of the tourist organisations.

Section Two: Product Policy

Introduction

The overriding importance of the product in determining a seller's success is a fundamental premise of marketing. It applies to a service as well as a good and to a public agency as well as a profit-making enterprise. The ways in which intangible products are developed or improved and the success criteria vary, both within the service sector and when services are contrasted with goods, yet the need for product policies and product strategies loses none of its significance in the case of services.

In this section, the nature of the tourist product, and its characteristics will be discussed before moving on to examine the product development policies with relation to: the product life cycle; the problem of seasonality; coordination and integration of the tourism suppliers; and the role of the government.

The Nature of the Tourist Product

The concept of the product is central to marketing strategy, and this applies equally to the marketing of tourism. Economic theory defines the product as something which possesses utility and has a scarcity value. On the assumption that there is a connection between the demand for a product and its utility (the subjective benefit which the consumer obtains from its consumption or possession), classical economic theory went on to derive a deterministic model of consumer behaviour [30]. Lancaster [31] considers that this classical theory is deficient in the sense that it does not "offer a satisfactory account of why some goods are more closely related in consumption than others or why some goods are not purchased at all. In the case of new commodities the theory is particularly helpless". Lancaster postulates a new approach which

he suggests will overcome these difficulties. The essence of his approach can be outlined by describing the underlying assumptions with regard to the definition of the product:

- (a) The good, per se, does not give utility to the consumer; it possesses characteristics, and these characteristics give rise to utility.
- (b) In general, a good will possess more than characteristic; and many characteristics will be shared by more than good, and
- (c) The goods in combination may possess characteristics different from those pertaining to goods separately.

This approach was used by Lowe [32] in defining the tourist product. Beginning with Lancaster's proposition that goods are not wanted for themselves but for the satisfaction they generate. Lowe emphasises the derived nature of the demand for the tourist product. To achieve a desired bundle of characteristics customers have to use goods in various combinations and the problem is analogous to the firm's production problem. The latter notion stresses the consumer view of what businesses offer for sale. Marketing students emphasise this view. The Levitt [33] view is succinct: "People do not buy products; they buy the expectation of benefits. It is the benefits that are the product". Kotler [34], accepting the Levitt view expands: "The customer is looking for particular utilities. Existing products are only a current way of packaging those utilities. The company must be aware of all the ways in which the customer can gain the sought satisfaction. These define his competition". Using a somewhat similar approach, the Medlik/Middleton article in 1973 [35] stated that the tourist product is to be considered as an amalgam of three main components: the attractions of the destination, the facilities at the destination, and the accessibility of it. The article developed an overall view that "as far as the tourist is concerned, the product covers the complete experience from the time he leaves

home to the time he returns to it. In other words, the product is not an airline seat or a hotel bed, or relaxing on a sunny beach, ... but rather an amalgam of many components, or a package". This package is most clearly seen in the case of the inclusive tour, in which the tour operator or other organiser brings all the elements of a holiday together, and offers them for sale at one inclusive price. However, "all tourists buy packages whether or not they use the travel agent". The Medlik/Middleton [37] article continued to argue that "airline seats or hotel beds may be products in the eyes of their producers, but they are merely elements or components of a total tourist product which is a composite product", and further "it is fundamental to our view of the tourist product that the suppliers of what we may call tourist facilities (hotels, restaurants, entertainment, and in this connection, transport operators) are supplying only components of the total package".

They postulate three main components of the tourist product amalgam:

1. Attractions of the destination, including its image in the tourists' minds;
2. Facilities at the destination - accommodation, catering, entertainment and recreation.
3. Accessibility of the destination.

It may be helpful to shed some light on these elements as follows:

1. The attractions are those elements in the tourist product which determine the choice of the tourist to visit one destination rather than another. They may be site attractions, related to the natural or built environment, or attractions related to events.

Site attractions are those where the place itself is the major inducement for the visit. In this category, for example, would be natural attractions such as the Alps, or built attractions such as Disneyland or the Pyramids at Giza. Event attractions are those where the event staged is a larger factor in the tourist's choice than the site, for example, the Oberammergau Passion Play, the Olympic Games, or a Congress of Exhibition. Sometimes the site and the event determine together the tourist's choice, as is the case, for example, with the Salzburg or Edinburgh Festivals.

2. The facilities are those elements in the tourist product which do not normally themselves provide the motivation for tourist flows but the absence of which may deter the tourist from travelling to enjoy the attractions. Absence of accommodation facilities would be an obvious deterrent to tourism. The provision or absence of caravan parks would have an obvious influence on tourism to a destination. Facilities may form part of the attractions of a destination, but are rarely the sole reason for tourism to it; they may complement the attractions - a well-appointed hotel may enhance the attractiveness of a resort.

3. Accessibility relates to the mode of transport to the destination chosen by the tourist. It is determined by the proximity of a destination to the tourist's place of residence and is best interpreted in terms of the time and the cost to reach the destination, i.e. as economic distance, rather than in terms of physical distance. For example, the link between aircraft technology and the development of tourism across the Atlantic has been a major factor in accessibility changes of tourist destinations in relation to generating centres of population.

Each destination has a particular product or products to offer, which is made up of attractions, facilities and access-

ibility. The French Riviera offers an environment of Mediterranean sea and sun. Blackpool offers an environment of breezy beaches and entertainment. Egypt offers both historical and pleasure tourism attractions.* In each of these destinations, the tourist selects an activity, or activities to pursue, and the services which he uses during his stay. In this sense, selecting the destination product is analogous to selecting consumer durables in a shop, to which the buyer goes to make his purchases. If the buyer has the articles delivered to his home, the delivery forms part of purchase, for which he pays directly or indirectly. In an analogous way transport to a tourist destination is an integral part of the tourist product.

Writing subsequently, and accepting the broad statement noted above, Wahab, Crampon and Rothfield [38] considered the Medlik/Middleton definition to be an over-generalisation and themselves laid particular emphasis on the role of consumer motivations in determining the product, stating that "tourism products are closely related to motivations for travel". Schmoll [39] highlighted a distinction between "primary tourism resources" based on destination attractions and "subordinate tourism services" which "together constitute the product of tourism".

One classification remains to be made after these definitions: the tourist's complete experience covers more than "from the time he leaves home to the time he returns to it". While the tourist's perception of his purchase may include that only, marketers know that the "pre-experience" phase which consists basically of what Schmoll called "information gathering and deliberation" is very important, and promotional effort aims mainly to affect this.

*For a detailed description of Egypt's tourist product: See chapter two, section two.

For example, the cost of promotional effort is an expense item on tourism profit and loss account, which is another reason why the pre-experience phase is important. On the other hand, there is also a 'post-experience' phase: using terminology on recreation experience, this phase can be called 'recollection'. [40] This phase gains importance due to several aspects: for example, the prestige element in talking to one's friend about the experience, is one aspect; the influence of former visitors' advice on their friends is another.

If such 'intangible' components can be included into the 'complete experience' and therefore into the price paid by the tourist for the package, the tourist product can be comprised of: (i) information gathering and deliberation (pre-experience); (ii) attractions; (iii) facilities; (iv) accessibility; and (v) recollection (post-experience). The pre-experience and post-experience components of the tourist product broadly form what is called 'tourist image'. They include all major determinants of image, as far as deliberate action of marketers in tourism is concerned.*

To recapitulate: the tourist product consists of two groups of components:

- (a) Image (pre-experience and post-experience).
- (b) Experience (attractions, facilities, accessibility).

Perhaps it is important to state that there is a certain pattern of interaction within and between these components. Pre-experience phase largely determines the choice of experience; the compatibility of pre-experience and experience provides feedback from former visitors to future visitors [and also to themselves for repeat visits (post-experience phase)].

* For a detailed discussion on tourist image: see chapter three.

Finally, WTO [41] provided an approach to the tourists' product similar somewhat to Medlik/Middleton approach, but using different terminology. According to WTO, to define a destination product, this requires a thorough examination of the country's possibilities in three areas:

1. Resources: tourist and natural, cultural and artistic, historical or technological, which will attract the tourist and encourage him to travel (attractions).
2. Plant: alone, this is rarely the purpose of travel, although, without it, travel would not be possible: accommodation, catering, etc. (facilities).
3. Ready access and information: the mode of the tourist will choose for reaching the country. This means both economic accessibility and actual distance. Customs facilities and amenities for inland travel. Information and publicity system (accessibility).

However, this definition does not include the group of image component as we stated above. Other writers give more details on the components of the tourist product, but they can be grouped in the same categories [42].

In summary: From the above comprehensive discussion, we can define the tourist product - from the standpoint of the consumer - "as an amalgam of two groups of components: (i) destination image (pre-experience and post-experience) and (ii) experience of the destination (attractions, facilities, accessibility), which tourist perceives as a whole experience".

This view of the tourist product appears satisfactory for three reasons. First, because of its compatibility with the definition of tourism adopted earlier in chapter two, and it is

comprehensive enough to cover all sectors of leisure tourism in which choice between destinations is a relevant consideration, and it may be extended to cover the wide range of tourism activity in which it is not the attractions which determine the choice of location but other aspects such as business connections, family connections or a special event such as a conference. Secondly, the definition stresses the interdependence between different suppliers of tourism services which is a vital consideration in marketing activity. Thirdly, it is a definition which emphasises consumers' perceptions of experiences, which is very much in line with accepted definitions (noted above) of consumer products generally whether physical goods or services.

Despite the fact that tourism as a service has general characteristics common with other services, which was discussed earlier in chapter two, however, it may be useful to discuss the characteristics of the tourist product which influence the marketing activities in one hand, and to be the base for drawing the product policies and development strategies in the other.

Characteristics of the Tourist Product

Several authors have drawn attention recently to particular characteristics of tourist suppliers' product [43], whether or not the product is an amalgam (as previously discussed). Middleton [44], among others, provide the following five characteristics which have a special relevance in marketing, and they can be summarised as follows:

1. Perishability: typically in the short-run, tourism capacity or the supply of services is available on a daily or hourly basis in specific quantities at specific locations. Beds, seats, restaurant covers or spaces in a park are firmly fixed in time and space and any that are unsold when available are lost; they cannot

be stored and made available for future consumption; they are even more perishable than yesterday's newspaper. It would be logical to expect that marketing management should respond by concentrating efforts in short-run measures aimed at arranging or manipulating demand to consume the available capacity in an orderly pattern. A 1,000 room hotel may have an annual capacity of around 750,000 bed nights but those responsible for its marketing must develop marketing programmes which focus on the proportion of beds which are occupied on each successive night.

2. Seasonality: Complicating the perishability aspect of tourism supply, much of tourism demand, especially in non-business markets, fluctuates by months of the year. Smoothing the peaks and troughs in demand is a constant preoccupation for most marketers. Marketing programmes varied by season are the natural response.

3. Intangibility: typically tourist services are perceived by the tourist as an expectation of a future benefit. Purchases frequently have to be made weeks or months before the consumption takes place. Rendering future benefits tangible in terms which consumers understand and respond to has a particular meaning for suppliers of tourist services and requires a response in advertising and brochure production aimed at creating images and perceptions.

4. Complementarity: a term used by Krippendorf [45] to denote the interdependence of suppliers in tourism, an interdependence which is more apparent in the long-run, reflecting the composite nature of the tourist product in its overall sense. Over time the profitability of transport operators is influenced by the capacity and quality of the accommodation sector and the survival of both is ultimately affected by the quality of the attractions

and environment of visited destinations. Lareau [46] stresses that "environmental conditions are very important. This is a feature which is hardly ever found in other economic sectors. Environmental conditions imply the conformity of the country or tourist area with the requirements of order, cleanliness, considerations for the tourist, etc". In the short-run, however, the various suppliers tend to take each other's interests for granted in developing their specific marketing programmes and consideration of marketing practice indicates that short-run preoccupations predominate.

5. High cost fixity/price flexibility: a phenomenon analysed by Kotas [47] as characteristic of the operating cost structure of hotels and restaurants in which the variable cost of supplying additional services at the margin are typically a small proportion of total costs, the bulk of which are fixed and must be paid for whether additional sales are achieved or not. In the short-run, such a cost structure conveys considerable price discretion to the operator, who can at least contribute to fixed costs at any price above the variable costs of each additional sale. This element of short-run price discretion places a tactical weapon in the hands of marketing management which is extremely powerful in tourism markets, which in many instances are highly price elastic [48]. It may be possible, for example, for a hotelier to vary the price of identical accommodation from say £7.50 to £25 per night. In the former instance he is unlikely to make any profit; although provided he covers the fixed costs per unit he has reduced the amount which would be lost if no sale were made. Such a wide range of price discretion is applicable to much of transport operations, and to many tourist attractions. It is surprising that the systematic use of such a powerful tool has only been developed for general application in very recent years.

In summary, this list of characteristics is not comprehensive and it is not suggested that such characteristics are unique to tourism. It is the combined influence of all these product features which is significant in determining the nature of the marketing response. Deliberate emphasis is placed on the short-run, typically, a period of one to two years in which the product, the regular price, and the distribution system are relatively fixed by previous decision and little scope for manoeuvre exists.

On the context of the above discussion on the nature of the tourist product, the study steps forward to review the literature which outlines the usage of the marketing principles related to 'product strategy' by individual and governmental tourism organisations.

Product Development Policies

In discussing the components of the tourist product earlier, the focus of the variables was on the destination. Since all tourists arrive somewhere to do something, the destination concerned is the most important basis of the product 'package' which the consumer buys. In this regard, the IUOTO's handbook [49] defines the product mix of a destination as "This is the range of attractions, and associated amenities, which are to be sold in the markets". It continued "The decision on the main components of this unit is usually part of objectives and strategy and can be arrived at by a variety of process, depending on the natural tourist attractions of the destination country". Wahab et al. [50] provide examples on the product mix. For a destination country the product mix may include beach resorts, mountain resorts, champion-standard golf courses, Grand Prix car-races, world-famous museums, outstanding architecture, and so on. If a carrier, then the line may offer jumbo jets or ordinary jets; standard day flights or night flights; pre-booked prices or walk-on, no booking-type)

services; first class and economy flights; each of these being a different 'product' on a different price. If a tourist product producer, for instance, a museum, then it may offer special exhibitions; fee-paying lectures; books, reproductions, souvenirs, postcards; private viewings for the discriminating member of an art-lovers' club or association. In every case, the institution offers a mix of products at differing prices.

The adjustment of the product to meet the consumer requirements or the reverse depends on the destination attractions. On one hand, a destination country may have many natural assets from which a variety of attractions can be developed, so that the decision has to be taken as to what particular attractions to present, to what markets, at what phase of tourism development, and the extent to which the product can be varied to meet changing market conditions. At the other extreme, a country may have but one main attraction, so it is a question of identifying the markets likely to be interested in that product. So, the extent to which deciding the 'product mix' is an important function of the programming and budgeting process depends on the country's basic tourism assets and its overall objectives and strategy.

From the marketing definitions discussed earlier in chapter two, it can be deduced that the process of assessing consumer demands and the process of product formulation are opposite sides of the same coin. In the marketing of mass-produced consumer goods it is, of course, common practice to manufacture products especially tailored to match consumer requirements; indeed, success in modern marketing is very much geared to the process of product innovation, which is, therefore, a matter for continuous heavy investment in research into both product development and consumer requirements, tastes and preferences.

In tourism, it is not easy to adjust the product or the packages available since this is a function of environmental attractions, facilities and accessibility, and since it has implications for the permanent resident population of the destination. However, if the process is more difficult, it is nonetheless still valid. As Kotler [51] stated succinctly "Marketing's short-run task may be to adjust the consumer's wants to existing goods, but its long-run task is to adjust the goods to the consumer's wants." Because the tourist product contains intangible elements and perceptions (image), as well as physical features, and is perceived as an experience, it is sometimes a relatively straightforward matter to engineer changes. Medlik and Middleton [52] stated that "Any particular destination may embody not one but several products; similarly any particular product may be provided by more than one destination. This flexibility in terms of alternative product possibilities gives tourist destinations considerable scope for altering their particular amalgams over a short period of time, notwithstanding the fact that long-term changes in tourist products are likely to involve substantial investment in facilities."

Bermuda provides an example of the extent to which product changes can be effected, without altering the physical facilities. Bermuda originally was a supplier of market garden produce to New York. When tariff barriers curtailed its market garden trade, Bermuda developed facilities and created an identity or image as a winter resort. The advent of the long-range aircraft made the more certain sun of the Caribbean as easily and as cheaply reached as Bermuda and dealt a heavy blow to Bermuda as a winter resort. The island then refashioned the image of its product to become a summer resort. What has primarily been changed, has been the image or identity of the island in the mind of the tourist rather than its basic physical plant, to match the skilfully identified new markets [53].

Development of the product will normally be possible. The construction of new accommodation, the construction of new amenities, the development of event attractions, and the conservation of natural attractions all form part of the development of the tourist product. The most comprehensive example of product development has been the transformation of the east coast of Spain as the premier European resort area. The formulation or reformulation of the tourist product in these cases was a deliberate policy decision by the official tourist authorities concerned. These policies should be based on an analysis of the tourist products or 'packages' and the consumer requirements.

In the long-run, however, the product must then be formulated and given a unique identity to match that segment of the market for which it is intended. In the case of tourism, much of the physical character of the destination, its attractions and nature will be given and could only be changed slowly and perhaps expensively. To take a familiar example, [54] the snowfields of the Swiss Alps are given; the special nature of their attraction has been based on the special identity given them by those responsible for stimulating tourism to Switzerland.

In this long-run development, an analysis of the product or packages is required. For example, it is possible to define accurately the capacity of each product. In an Alpine village, the capacity of the skiing 'package' can be easily calculated, for a village has only so many hotel beds, so much ski-lift capacity, so many car parking spaces. In the short-run, the separate elements of the package may be frequently out of balance, but in the long-run, they must achieve broad harmony unless tourism flows are to be diverted elsewhere. Admittedly, the calculation of the capacity of natural resources to absorb tourism - how many skiers can a hectare of snow slopes accommodate, for example - is a less easy matter to define, but since this must be related to

measurable facilities, it is surely appropriate to begin by assessing what is readily measurable [55].

It may be further argued that the analysis of the tourist products based on destinations is an essential prerequisite to planning and development measures in relation to tourism. If, for example, it is considered that too many tourists to a particular destination country are bringing in caravans as part of their particular package, it is a relatively simple matter to impose controls on the amount of space available for caravan parking, or on the minimum standards of facilities to be provided for caravan sites. Thus, given an appreciation of the total impact of tourism packages, a destination country would be in a position to regulate by marketing and by planning procedures the total demand for tourist products and the volume of demand for each of the different 'packages' with which it is concerned. In other words, by quantifying the supply of facilities in relation to the demand for tourist products, destinations would be able to form judgements on total capacity and, perhaps even more importantly, be able to balance the various aspects (or packages) of demand in the interests of those who live at the destination country.

The New Product Development Process

The conventional steps of exploration, screening, business analysis, development, testing, and commercialisation apply to services as well as goods. They may be implicit, fragmentary, and imprecise, or they may be explicit, thorough and scientific [56]. Tourism is not different from other services or goods. Rathmell gives an example [57], if an airline wishes to expand its product line by adding a new scheduled service between two points currently not served. Through exploration it identifies a number of possibilities and then screens out most of them on the basis of

competition, lack of physical facilities, or regulatory constraints. Through a business analysis, number of flights, schedules, flow of traffic, number of departures and arrivals will be determined and narrow further the potential new products. Because the new product is an intangible, the development phase is bypassed, and a market test is conducted for a limited time period before the commitment to offer scheduled service between the two points is made. It should be noted that the behavioural sciences are relatively more important in the development of a new service product, whereas the physical sciences are relatively more important in the development of new means of delivering a service (the aircraft).

Within the new product development process, concept development is a stage where the marketing concept can be employed and where consumers can influence the design of a resort area. The output from the concept development stage is a product design.

The government of a country bordering on the Caribbean Sea had procured 20 square miles of beach property fronting on the Caribbean Sea [58]. The country's tourism agency was asked to develop this property into a major resort area in multiple phases. The resort development problem was divided into related components. The first component dealt with the design of hotels, and the second was related to infrastructure support facilities and land use planning. The problem of designing multiple hotels is referred to as the product line design problem. The objectives of the resort, according to tourism agency executives were: (i) that it be more attractive to target market consumers than competing resorts, and (ii) that it meet tourism agency profit goals. Discussion of these objectives raised some questions. What should the hotels look like to make them attractive to target market customers?

How many hotels should there be in phase one of the development? What hotels should be considered as competing hotels? These questions represent some steps of the new product development and are answered by a market research.

With regard to the design stage of a new hotel, Bjorklund and King [59] argue that "While much research has been conducted in marketing that deals with designing or positioning a new product, there is a dearth of published applications related to resorts. Nevertheless, a void in this research area does not imply that hoteliers do not have a need for this type of research. On the contrary, relative to new consumer convenience goods, for example, the financial risk of new resort area can be much greater. Resort area developers experience proportionately greater initial fixed costs and, by the nature of their product, are unable to conduct test markets. Furthermore, resort developers are asked to forecast demand and profit to justify large construction loans with little more than a product idea."

The Product Life Cycle and Product Policy

The concept of product life cycle is well understood among marketers operating in consumer/industrial goods. It is not always appreciated that the theory applies also to the kind of product or service which is offered by organisations in the service sector. Over the years, Levitt's [60] view that products undergo a life-cycle from birth through to maturity and death has become widely accepted. In tourism, the product has a life-cycle which may be short (Montparnasse) or long (Mme. Tussaud's). The product is launched, grows to maturity, levels off, and then gradually declines. If spotted in time, the decline may be averted by refurbishing and reintroduction of the product under another guise, or with a fresh injection of publicity (as in the case of Bermuda).

Examples of tourism products which have taken a new lease of life: closed British branch railway lines have been re-opened and run at a profit by clubs of amateurs; canal barges were withdrawn from their original function of moving goods and have been reintroduced as floating hotels [61].

The Transatlantic airline industry has gone through the stages of the life-cycle. As Klug and Brumwell [62] illustrated, the 'early phase' was from the end of World War II to 1958. During this time the airlines industry was in an embryonic stage and competed essentially with sea travel, on the basis of speed and convenience rather than price.

Growth phase: With the advent of jets and the introduction of the economy air fare in April 1958, the cost of Transatlantic air travel was reduced to only \$71 more than the cost of the sea voyage. As a result, air travel became a sharp competitor with sea travel. The 'growth phase' for Transatlantic was the period 1958-1970.

Mature phase: The shakeout in the airline industry, begun in the early 70's and is still continuing. In the late 60's charter operators obtained an increasing share of the North Atlantic traffic as the concept of air travel progressively lost its uniqueness and increasingly became a price sensitive commodity in the eyes of the consumer. The flight has increasingly less appeal to the airline traveller, who was instead more interested in what he would do when he arrived at his destination.

These results support the contention that pleasure air travel is progressing along a life-cycle towards a commodity, differentiated primarily by price.

For a hotel, based on Levitt's theories, Doswell and Gamble [63] suggest a cycle of marketing activities as follows:

At the introduction stage, the hotel is new, there is little or no competition (if there is no gap in the market the hotel need not be built) and the marketing task is to persuade people to try it. Prices are set as high as possible, compatible with this aim, but it is unlikely that the hotel is making any profit in view of the heavy pre-opening costs that have been incurred.

At the growth stage, as sales take off, the nature of the problem changes. Higher sales mean more profit and while this can be fully exploited by an innovator in a market, it will also attract competitors who want a slice of the pie. Thus, the aim is to create a distinctive image for the hotel so as to get potential customers to prefer it to the competitive offerings. In this stage, profits reach a peak.

As the number of competitors grows, so the hotel enters what is usually the longest stage of its life cycle, maturity. Some competitors will discover more efficient ways of operating, some will simply cut prices to get a foot in the door and the increasing number of suppliers begins to overtake the level of demand. The hotel has not only to defend its position and try to retain its existing markets but also to face the possibility of a price war with its rivals.

Finally, inevitable changes in the environment - new technology, changes in fashion - render the whole idea of the hotel less and less attractive. This shrinks until only the diehard repeat users are left. Eventually, the hotel has to close.

In some cases, it is possible to avoid the progression from maturity to decline by taking a broader view of what is being marketed. Thus the hotel could promote new products or improved products as:

More frequent usage; peak season users can be persuaded to visit at off-peak times or at shorter intervals.

Varied use; conference sale provides a good example. The hotel can join the education business with offers of syndicate rooms for small group training, or sell bedroom and other accommodation to say, a language school.

New users; the marketing approach can be re-examined so as to change the appeal and attract new segments. This approach is likely to require substantial changes in the overall marketing mix, probably requiring a major change in physical facilities, and for this reason, planning at the design stage is important. If the feasibility study can identify the prospective life of the product, then it can be equipped with facilities that will wear out as the change is required (planned obsolescence), or will be flexible enough to allow for change at minimum cost. This is by no means easy since a hotel often contains several products, accommodation, restaurants, bars, function space, et.c, each of which may have a different life span. At the same time, any change in one of these elements of the hotel must be done so as to preserve the sense of completeness and harmony of the product.

When managing the product mix according to the product life cycle concept, Wahab et al. [64] stated that the marketer of the tourist product has two strategic objectives to bear in mind:

1. Market orientation; in other words, giving the customer what he wants, in a world of changing tastes.
2. Maximising: (a) the rate of return on the original investment (capital cost); and (b) the rate of profitability on current outgoings (running costs).

In their opinion, progress against both objectives can be measured by suitable financial controls. These controls include as a minimum: number of purchasers of each product; comparative rate of growth of each product's sales, and comparison between products; estimated share of total market held by each product; capital costs, and running costs. They concluded that by maintaining figures on a yearly or, if necessary, quarterly basis, it is possible to spot variations in product performance in good time so that: (i) corrective action can be taken in time, either through an extra investment in rejuvenation of the product or through its withdrawal (depending on the findings of market research about consumer trends); (ii) new product can be launched at the right point in the existing product's life cycle (i.e. before it starts losing customers or profitability); and (iii) better cost control can maintain existing performances.

The Problem of Seasonality and the Product Policy

The major holiday for the vast majority of the population is still in the summer months because school and college holidays continue to take place in July and August. In many towns and some entire countries tourism has been characterised by a single main season with the hotels and other facilities idle for the rest of the year, and the staff having to find other employment, or even remaining unemployed for the rest of the year. The growth of peak-season tourism has necessitated vast investments in accommodation, transport and other facilities, which are utilised only for a fraction of the time, and great increases in the demand for staff

to serve the tourists, with all the problems of overcrowding and lower standards of services in the peak-months.

BarOn [65] argued that "In some branches of the economy it is possible to cope with seasonal changes in demand by working overtime or extra shifts in specific industrial or commercial enterprises. One of the characteristics of tourism, however, is that a plane seat can be used only once on a specific flight and that tourist hotels cannot use their rooms on a two-shift basis. It is, therefore, necessary to provide sufficient hotel rooms and other facilities for peak demand. A shortage of supply entails the inability to provide accommodation for many potential tourists, who may then be diverted to other locations unless they can be persuaded to go to a different area of the country or to come at a more convenient time". To overcome these problems he suggests that "... it may be possible to provide marginal resources for the peak time alone, e.g. the renting of additional rooms in private homes by the hotels or the chartering of additional planes without wasting basic investments over the rest of the year. It may also be possible to use the buildings for non-tourist purposes off season, as student hostels for example. In some cases, it may be possible also to introduce seasonality into the supply side of the equation, such as by opening new hotels just before the start of the season". BarOn concluded that all these have a small effect on alleviating seasonality and, in his opinion, it would be better to consider methods to change the demand side of the equation and to spread the seasonality of tourism. This may be done in several ways, amongst which the principal methods are:

1. Extending the single season.
2. Introducing a second (and possibly a third) season in the spring, autumn or winter.
3. Filling in the between-season period.

4. Building up the shoulder seasons.
5. Providing off-season activities, such as conferences or festivals.

In an attempt to reduce the seasonality of tourism, the Scottish Tourist Board [66] continued its support of festivals and events designed to sustain the development of off-season traffic and the spread of demand through Scotland. The range of off-season festivals grew to include the Borders Fair, Burns Festival, Galloway Spring Festival and National Student Drama Festival. An imaginative new development in this field is the Edinburgh Winter Festival which was launched in January 1977. The Festival is designed to attract traffic to the capital at the time when there is a considerable spare capacity in accommodation and other facilities in the city.

Also, in many countries, the providers of tourist products and services whose demand is seasonal are attempting to broaden their line in order to reduce peaks and valleys in their demand (ski slope operators, for example).

Finally, as Wahab [67] stated "Many countries have devoted much attention to develop anti-seasonal policies. The staggering of holidays, vacation splitting, the expansion of skiing facilities in European countries, the off-seasonal promotional fares, low priced inclusive tours to sunny areas (like Southern Spanish Coasts), and the extension of weekends have significantly reduced the seasonality factor in many cases." However, he argued that "this improvement is often invisible because market expansion usually involves reaching into lower income markets which tend to be more seasonal." It may be argued that the seasonal problem would get steadily worse because the expansion of tourism has been largely an expansion of the main season, stimulated by charter

flights and low priced package tours or inclusive tours which have brought international tourism within the reach of millions of people who would not have considered it feasible for them 20 or more years ago. In contrast, it may be said that the very low priced inclusive tours will encourage a second or third holiday for the people who have high incomes, and this can contribute to solving the problem of seasonality. In our view, it is a corporate strategy of marketing which takes into account not just the product policies but also, distribution, pricing, and promotion policies, simultaneously, to solve the problem of seasonality.

Coordination and Integration of Tourism Suppliers and the Product Policy

Tourism has often been regarded as a complex and multifaceted phenomenon; it consists of a number of disparate enterprises, for after all there is no inherent similarity in operating a hotel and running an airline, and yet both are needed to serve the needs of tourists. Thus, tourism today presents an unparalleled challenge to the marketers, both in the developing economies as well as in the highly industrialised countries. There is thus a vital need for closer integration of the different sectors feeding the tourist industry. The development of the tourist product involves the building of tourist infrastructure within the country, including such constituents as hotels, airlines, shipping companies, transport agencies, railways, tour operators, entertainment and shopping facilities, etc., and then marketing of the product thus put together.

Burkart and Medlik [68] indicated that "The composite nature of many of the tourist products offered makes the satisfying of the customer complex at the retail level; the tourist wants an airline seat and a hotel bed, and without the one, may have no demand for the other. The supply of one is dependent on the supply of the

other." In our view, this last point is of great significance. The wholehearted adoption of the marketing concept implies that airlines are not merely in the airline business, that hotels are not merely in the accommodation business, that the product is not the seat or the bed; both airline and hotel are truly in the business of tourism, and the true product is the holiday or the business trip.

To cope with the above problems, some service firms have effectively expanded their product line by working jointly with companies selling related services [69]. Automobile rental firms have working arrangements with airlines, railroads, and hotels, so that when a customer flies or goes by train to his destination, a car will be ready for his use at that point and he will have a hotel room reserved.

Travel agencies combine many transportation and recreation services in one package. Both Sealink and Townsend offer packages which include use of own car, sea transportation and the rental of caravan/or camping equipment [70]. The tour operator is indeed a manufacturer of the tourist product, but he is also a marketing man. The tour operating industry recognised in its early days, even before the practice of time-chartering had become common, that demand for a foreign holiday was extremely price-elastic, and that the customers would flock to the tour operators with the lowest prices (less than modern aircraft originally enabled the price to be kept low and only with jet aircraft did time-chartering become the usual practice for the larger operators).

Granted this price-elasticity of demand, the next step was to create a kind of package that could be marketed as a mass market product. The solution to this problem can be inferred from an inspection of tour operators' brochures. The product has been

standardised into a package consisting in essence of an attractive hotel in a sunny climate, possibly on a beach but if not certainly with a swimming pool, the whole being visibly enjoyed by people with whom the potential customer can easily identify himself or herself. The effect of this standardisation is to suggest that the purchaser of an inclusive tour is largely indiffferent to the country in which his attractive hotel is located.

This standardisation has an important consequence for marketing. If a tour operator serves any large number of destinations, and if he were to attempt to market each individually, the level of marketing intensity for each destination would not approach the threshold level. But by standardising his product he can market his name, his brand name, to a level well above the threshold. The instrument by which this is achieved is the tour operator's brochure - in effect his catalogue - which lists and illustrates his products, and invariably contains a booking form. Very large quantities of the brochure can be produced and the primary task of his promotion by advertising is to sell the brochure to the public, and it is expected that the brochure itself will sell the holiday product.

In this brochure distribution, the retail travel agent has a central part to play by providing local access to the stock of brochures and subsequently by converting the customer's interest into a booking.

In brief, the tour operator thus emerges as the only true manufacturer of the tourist product. This product is the inclusive tour, packaged, standardised, quality controlled, mass produced and mass marketed successfully in the tourist generating countries and is, therefore, susceptible to the same marketing techniques that are applied to the marketing of consumer goods. The inclusive tour is one of the best solutions to the problem of separation in supplying the tourist product.

The terms 'horizontal integration' and 'vertical integration' are used freely in tourism parlance with different connotations. In one sense, Jain [71] stated that "horizontal integration means the entire suprastructure of the tourist industry within a country whereby units within the same entity adopt varying degrees of joint responsibility in developing a unified service or product. Horizontal integration is possible even at the international level where the same entity aspects joint responsibility in developing a unified service or a product. A prime example of this on the international scene would be IATA through which flows the system of uniform fare structure for all member carriers." This type of integration is used to broaden the base of services or to attain more power in the face of competition within the same sector of the tourist industry.

With regard to the 'vertical integration', Wahab [72] described it as "... a consolidation of efforts between different parts of the tourist industry, namely carriers, tour operators, hotels, travel agents through merger, other financial arrangements, joint plans, etc. This integration might fall in all operations or only some. The normal reason behind such an integration is to 'close the circle' by offering a comprehensive package which would certainly increase sales, reduce costs, and thus enhance profits." He distinguished two types of vertical integration. One is forward integration which means a move from tourism production towards sales outlets, (e.g. tour operators or airlines buying or creating their retail outlets). The second is backward integration which is exactly the opposite, namely a move from sales outlets to tourism production (e.g. airlines or tour operators who build or buy hotels as TWA which bought Hilton International PAN AM which created Intercontinental Hotels, Corp.).

This is not to suggest that there are necessarily automatic advantages in the integration of such suppliers, but it does raise

the question whether airlines are really in the business of selling identical seats in the air (a transport experience) and whether hotels are really in the business of offering multiples of identical beds in multiples of identical rooms (an accommodation experience). Are not both types of suppliers rather serving to facilitate what is seen by the consumer to be part of an overall tourist experience? If the latter is true, it is our opinion that the interests of all suppliers of facilities would be more effectively served if they:

1. Identified their respective roles in the tourist experience (i.e. the product amalgam), and
2. Organised their respective marketing efforts accordingly, although not necessarily by pooling their funds and identities.

However, for the vital need of the coordination amongst the various tourist suppliers, and for solving many other problems, the intervention of the governments in the product development process is so important.

The Role of the Government in the Development Process of the Tourist Product

In the development of the tourist product the angle of vision is gradually shifting from a blinkered 'project-orientation' to a wider 'market-orientation'. Pioneers in the field are eschewing the traditional piece-meal, haphazard approach, with its over-concentration on creating individual physical facilities largely for their own sake. Instead, programmes and projects are conceived and developed in terms of the market or markets they are intended to serve, and to provide a full range of interlocking facilities and services to satisfy the varying needs of the tourist from the beginning to the end of the tour. The gathering trend in the main tourist generating markets towards offering pre-planned a 'tourism product' in terms of

a pre-paid package or inclusive tour, requires that the supply of the facilities and services should be planned and implemented cohesively as 'tourism programmes' in the all-inclusive sense.

The 'superstructure' of tourism facilities designed to meet these pre-planned packages or inclusive tours, is widening, and has in turn to be supported by a widening range of 'infrastructure'. This includes airports and ports, roads, rail and ferry services, water and power supply, sewage systems, telecommunications; beach, park, wildlife area maintenance; and the preservation of historical, cultural, and other tourism aspects. The 'infrastructure' usually provided by the government, while the superstructure facilities are left to the private companies.

Unregulated tourism can cause many problems; unbalanced social change and economic development; social tensions and environmental pollution; distortion of life styles and cultural decay; indeed the destruction of the very entity on which tourism is built. The consequences of failure to see 'tourism' in the round are everywhere apparent. They all stem from the inability to see the full scope of the phenomenon and the inter-dependence of its parts. As Boyed [73] stated: "Today many luxury hotels still spring up to satisfy the eyes of their owners or their architects rather than the purse strings of their clientele; empty or full they cannot pay their way. Resorts are developed without regard to access to airports or to establish tourist attractions. Uncontrolled linear development of the coast-line wastes valuable land and increases infrastructure costs. Or governments give every incentive to private entrepreneurs to invest in facilities for a greatly expanded flow of tourists while restrictive civil aviation policies prevent their realisation. Along the northern shores of the Mediterranean basin many former 'tourist paradises' are turning into 'tourist slums' through uncontrolled, congested development, lack of maintenance and

environmental control, with a mounting problem of pollution of the sea and beaches. Rigid adherence to the traditional vacation periods continues to plague the tourism and travel industry with seasons of feast and famine. Aircraft and airport development seem to be conducted in separate compartments. Resorts are created for tourists thirsting for sun and sand, leaving them without water except from the sea."

In our view, these problems are the price of not so much failure to plan as failure to conceive. The hotels were planned, but for the owners, not for the market. Aircraft were planned, but not for the market or the operations that could fill them. The superstructure was planned but not the infrastructure. Each concentrated in his own business and failed to see the whole. This was both a failure of concept and a failure of management.

Therefore, the intervention of the government in the development of the tourist product is so vital. This intervention has been regarded by many authors [74], and the reasons for this intervention are usually threefold: (as the case of Egypt and most other countries).

1. To provide infrastructure and other support which normally falls to the public sector.
2. To encourage and regulate the development of tourism in accordance with the economic and social objectives of the National Plan.
3. To provide the framework of coordination of the whole tourism sector which cannot be undertaken by the industry itself due to fragmentation and lack of regulatory authority. But essentially tourism is a business, and business needs management. So does government.

Formulation of a National Tourism Policy

The development of the tourist product can take place not only on national level, but also on the supranational level. The consensus at the UN conference in Dubrovnik [75] emphasised that "... development planning needed complementary conservation planning, that national planning at the sub-national scale, as well as regional cooperation at the supranational Mediterranean nations about their shared resource (particularly coastal and mountainous area assets) is now under discussion, effective policies have yet to be agreed and implemented".

On the national level, any country, whether it already has an active tourist industry or is thinking of developing a tourist sector, has many problems to face and resolve.

Robinson [76] suggests a number of issues which should be examined when formulating a national tourism policy. Firstly, the government has to decide upon the rate of growth of the tourism sector, whether indeed it wishes to encourage mass tourism or develop it more slowly and selectively. Such a decision may, of course, be taken for it by circumstances that already exist; for instance, a country with an incipient industry cannot cope with a vast influx of tourists since it does not possess the tourist plant capable of dealing with large numbers. Secondly, it must make a decision as to the importance which tourism is to have in the national economy and how its development and growth is to fit in with the plans for national and regional development; for instance, it is envisaged that it will be a major or only a supporting minor industry and is it the intention to focus it in the developed areas of the country (where there is already considerable infrastructure) or to develop it in economically retarded areas with a view to correcting regional economic imbalance? Thirdly, it must decide

what are to be the respective roles of the public and the private sector in the development of the tourist product; the public sector will almost certainly have to provide the necessary costly infrastructure before the private sector can begin to operate. Fourthly, it has to determine the roles to be played by domestic and foreign capital. It may be that foreign investment is essential if the country's financial resources are strictly limited, although dependence upon the outside investment will greatly reduce the benefits which will accrue since the payment of interest rates will constitute a serious leakage. Fifthly, a decision must be made as to whether the tourist industry should be treated in the same way as other industries or whether the peculiar character of the industry warrants it being given special administrative and financial arrangements.

The O.E.C.D. Seminar at Estoril [77] focused its attention on all these basic issues: 'Much of the discussion ... (said the Report) turned on the fact that tourism is by its nature somewhat different from other sectors of the economy, since it is an industry based on the movement of people rather than of goods. For this reason, it is particularly susceptible to subjective considerations quite apart from the play of economic forces. Politics and social pressures, psychological attitudes, changes of fashion, may all influence the course of tourism development markedly and unpredictably. It is essential therefore that the tourism industry should be as flexible as possible to be able to adapt to changing conditions and requirements. As a corollary, the government's management of the tourism industry (NTO, Ministry, Board, etc.) should also be as flexible as possible, with the relevant administrative structure and credit institutions geared to operate accordingly.'

The discussion at the Seminar also drew attention to the fact that tourism involves several considerations which are essentially non-economic: "Tourism often has significant cultural implications (for example, the restoration of ancient monuments); aesthetic (the preservation of beauties of landscape and the safeguarding of the nation's heritage); social (the provision of recreational facilities for the health and welfare of the people); and political (the improvement of the international understanding) [78].

In conclusion, it may be said that any government in formulating its tourism policy must: (i) be perfectly clear as to the objectives of tourism development; (ii) be guided, primarily, by economic considerations, that is, the benefits which tourism development will bring to the national economy; and (iii) make a very careful study of the potential market. But it is also fundamental to assess the country's attractions as a prerequisite to the development of the tourist product.

The Assessment of National Tourist Attractions

"Without a full study of the attractions a country possesses and (their evaluation in terms of) ... potential future types of tourists" writes Peters [79], "countries cannot begin to plan for the future expansion of their tourist trade". It is, then, of fundamental importance that a very careful assessment be made of all the attractions - physical, historical, cultural - that a country possesses. Following this inventory, says Peters, "legislation for the preservation, protection and development of outstanding natural attractions is essential to prevent piece-meal development which may ruin the international competitiveness of the country".

In this regard, the governments of the tourist-receiving areas are obliged to maintain an acceptable level of quality of the product consumed by the tourist. Consequently, they will have to create adequate supervisory and inspection channels for controlling the quality of the tourist product supplied. At the same time, because of the favourable effects of tourism, the administration must ensure the perfect and balanced development of tourist attractions and their implications. On the other hand, the tourism authorities may find themselves responsible for a series of administrative and other duties involving inspection and penalisation to ensure the constant protection of the rights of the tourist as a consumer.

Peters [80] lays down a number of principles on which the assessment of national tourist attractions should be based. These principles can be summarised as follows:

Firstly, it is highly desirable that the attractions should be developed progressively throughout the entire country so that tourism is spread as widely as possible; in this way the benefits which accrue from the industry are also widely spread and most parts of the country benefit. In many countries, Yugoslavia and Jordan, for example, tourism was highly concentrated in particular and fairly localised areas, to the economic and social detriment of the country as a whole.

Secondly, areas and attractions which are singled out for special development should appeal to "the widest possible cross-section of tourists over the longest possible season". By adhering to this principle, over-dependence upon a particular type of tourist, specific national group or particular season of the year will be avoided.

Thirdly, priority should be given to those attractions which can be most easily and most successfully developed. Such development should be equated with both the potential volume of visitor traffic and the probable expenditures by tourists. For example, it would be wise and more economic to develop those attractions which can be based upon the existing infrastructural services or those planned for other socio-economic developments; in this way, distinct and often large, economies in development costs can be made.

Fourthly, since it is impossible to develop all the potential attractions at the same time, it is important that similar or competing attractions should not be embarked upon until the volume of visitors can justify them; too many alternative or competing attractions may well jeopardise the success of others if the numbers and spending power of the tourists are not large enough to sustain them. Clearly, great care must be taken over priorities.

Fifthly, in planning tourism development it would be sensible to take into consideration "the future probable travel and recreational needs of the local population ... to ensure that tourism projects are backed by local custom and hence stand a better chance of being viable economic propositions".

Finally, it may be emphasised that the tourist is usually seeking something new; he desires new experiences, different environments, new thrills, different faces. Any country possessing attractions which are unique or out of the ordinary should attempt to capitalise on these for they are likely to have great drawing power. The great success of Tunisia as a European tourist attraction lies not a little in the fact that it offers an entirely different world, strange, fascinating and exotic. It is also emphasised that the essential basic services -

infrastructure and superstructure - should be taken into account in the assessment process of national tourist attractions.

In summary, the tourist product is an amalgam of tangible and intangible elements centered on a specific activity at a specific destination. It comprises and combines the actual and perceived attractions of a destination, the facilities, and the destination's accessibility, from which the tourist buys a combination of activities and arrangements. To the tourist a product is perceived as an experience. Suppliers of the tourist facilities provide only parts of the tourist product, and the coordination among them is so important.

Product formulation in tourism, as in any products or services, is concerned with the consideration of demand and supply. In terms of the demand for products, product formulation involves analysing and assessing consumer requirements (existing and potential) and identifying homogeneous groups of potential purchasers for specific tourist products. In terms of supply, product formulation in tourism involves analysing and assessing the product elements, and identifying product amalgams from the range of possibilities available at any destination in relation to demand.

In view of the complex problems arising from tourist development and the need for safeguarding tourists' interests, it has been generally recognised that the tourist authorities should strengthen their supervision over the tourist suppliers through legislation and administrative regulations. The purpose of such action on the part of the tourist authorities should be to ensure an adequate standard of services provided, so that tourists do not feel they are 'exploited', and to take care of the various private interests involved in supplying the tourist product as well as the

interests of the national community at large.

This is not to imply that the supplying of the tourist product should be dominated by the State to the extent that private initiative is discouraged. On the contrary, to achieve the above objectives, which are very delicate indeed, the fullest co-operation is required between the tourist authorities and the private sector to build up a viable national tourist industry whose efficient functioning would help to enhance the tourist image of the country abroad.

Section Three: Pricing Policy

Introduction

Closely linked with the question of product policy is that of pricing policy. Pricing policy is concerned with price-related decisions which are designed to encourage the kind of product acceptance desired by the organisation's target markets and to meet its economic, social, and environmental objectives.

Pricing strategy could be defined as the planning and directing of the whole pricing activity, while the pricing policy is the general outline which guides pricing decisions. Pricing strategy should be consistent with pricing objectives and pricing policies.

The environment has its impact on pricing decisions. Indeed, there are many internal and external environmental factors which influence pricing decisions in tourism. The internal factors include distribution, promotion, products and market strategies as well as the tourist country's desired public image. The external factors could be legislation, governmental intervention, economic influences and competition. In Egypt, for example, the selling price of many products as well as the percentage of profit in other products are decided by the government.

In this section, the main objective is to examine whether or not marketing principles related to pricing decisions have been used in tourism. In an attempt to achieve this objective, a definition of price should be presented first; then, the significance of price will be discussed. An investigation will be made to review the literature which outlines the pricing decisions in tourism taking into account the role of government as well as tour operator. In this regard, methods of pricing, and discount patterns will be explored.

Definition of Price

Professor Baker [81] asserts that marketing is essentially a process of exchange of values between individuals and/or organisations which is concluded to the mutual benefit and satisfaction of the parties.

Explaining this view, Kotler [82] states that a good or a service are exchange for another good or service, or for money. Essentially, 'things-of-value' are being exchanged. He adds that, in order that the definition of marketing be made contemporaneously relevant, it should be free to cover various things for value that a person has - e.g. goods, services, money, his attention, devotion, energy, time and so on.

Similarly, Delozier and Woodside [83] define a 'price' in a broad sense when they regard it as "the amount of money or anything else of perceived value given in exchange for something valued by the purchaser".

Consistent with this view, MacStravic [84] defines a price as "the value which is given by the customer in exchange for the organisation's product". Its basic notion in a market transaction, he adds, is that which the customer exchanges in return for what he receives.

Finally, Zaltman and Kotler [85] view a 'price' in almost a similar fashion. They define a 'price' as a cost accepted by the buyer in a transaction. In their terms: "price represents the costs that the buyer must accept in order to obtain the product". Price includes, as they illustrate, money costs, opportunity costs, energy costs, and physical costs.

Based upon the above discussion, a price can be seen either from a monetary or non-monetary point of view. However, for the purpose of our study, the price will be defined from a monetary point of view only as follows:

"A price is the amount of money given in exchange for the amalgam of tourism services experienced by the tourist".

The price in tourism could be paid either in fragments, i.e. airline, accommodation, entertainment, etc., in cases where the tourist decides to travel independently, or as a whole when the tourist buys an inclusive tour in which the 'all-in-price'

Having defined the concept of price in tourism, an attempt is made in the following pages to stress the significance of price.

Significance of Price

Price is the instrument through which the organisation seeks to attain its profit objectives. Pricing objectives are the goals which the pricing system tries to achieve. They derive basically from the company's overall objectives. They guide the marketing decision-maker in planning the firm's pricing policy and in formulating its pricing strategy, as well as in determining its actual prices.

Profit, or return on investment, might have special attraction as a major pricing objective in many companies. That is due to the necessity of making profit for the survival and growth of a business firm. Nevertheless, there are other areas for pricing goals which could be more vital to a firm such as meeting or matching competition, increasing or maintaining the company's market share,

achieving quick cash flow and product line promotion objectives.

Selecting the right price for a given service will mean that the ultimate profit might be attained. In contrast, the wrong pricing decision may lead to a marketing failure. At the same time, the price must be such that the user of the service derives the right satisfaction therefrom. The trouble with price is the fact that it is quantitative and unequivocal; once chosen it does not lend itself to easy manipulation as is the case with promotional effort or personal selling. If a firm increases the number of salesmen, it is unlikely to cause any repercussions in the marketplace. On the other hand, a change in price, up or down, is there to be seen by everybody and it is unlikely that the reaction to such a change will be a passive one.

The importance of pricing in our present life is confirmed by many academic writers, amongst them Macrus [86], who reported that "The need for correct pricing decisions is becoming even more important as competition is becoming more intense and as public and governmental concern more profound. Because of the increasing of technological progress, the time lag between invention and commercial innovation has shortened the average life of new products and provided for quicker competitive initiative responses. Technological progress has widened the alternative uses of buyers' money and time and has led to a greater density of substitute products and services. The demand for pure and product-attached services has exceeded the supply of these services, resulting in rapidly increasing prices and increased public concern. Foreign competition has shown that there is demand for lower-priced products, particularly as buyers' priorities shift to leisurely and recreational activities. A major impact of these environmental pressures has been to make product and service pricing more delicate, more complex, more important".

Not only have academic marketing reporters confirmed the importance of price decisions, but it has also been confirmed by the press, such as the Business Week magazine [87] which reported that "More and more, today's pricing environment demands better, faster, and more frequent pricing decisions than ever before. It is also forcing companies to take a new look at pricing and its role in an increasingly complex marketing climate".

This vital importance of price and pricing decisions is stressed by Stanton [88] when he argues that "Price of a product not only affects a company's revenue but also it influences to a great extent, the market demand for that product".

Accordingly, a tourist country's market share and its competitive position are influenced by its price. This explains why price is vital to a tourist business firm as well as the tourist country as a whole. In recent years, the tourist business firms are faced with higher labour costs, competition in the international market and increasing price competition in the markets. On the other hand, a tourist country's decisions in pricing may damage its public image if they were not consistent with its desired image in the market.

To the economy of a free market, price is considered a major factor influencing wages, costs, profit and interest. Indeed, high interest rates attract capital, high wages attract labour, high profits encourage new investments ... and so on. Consequently, the price of a product influences the price of the production factors: capital, land, labour and entrepreneur. Accordingly, price is a major factor which influences the allocation of these resources, and hence, it affects the whole economic system.

In fact, buyers and sellers might have different views of the meaning of the term price. To an ultimate consumer the price he pays to acquire a product or a service means a sacrifice from his purchasing power. The same amount of money a consumer pays for a product is not obtainable for other products or services. Even consumers with more purchasing power still may choose between alternative ways of spending, to get the greatest satisfaction. The purchasing power of an individual depends on his income, wealth and credit. Consumers allocate their purchasing power to obtain the most desired products and services.

Prices paid by resellers or middlemen, who buy products to re-sell them again, are sacrifices too, as the price paid reduces their purchasing power as well. It could therefore be concluded that the amounts of products and services which buyers can afford to buy at one time with their available purchasing power, depends on price.

A seller, whether he is a producer or a middleman, realises that the revenue and profit he expects to get, is determined mainly by the price which he sets for his product. A successful marketer can use price as a factor which influences customers psychologically, to increase his sales and profit. The quality of a product can be indicated by higher price, while bargains which attract more customers, could be indicated by lower prices.

The change of quality or quantity of the contents of a product can mean a change in price. If a marketer decreases the contents quantity of a product while quality is the same, that means price has been increased. On the other hand, if the quality of a product is decreased while the quantity is maintained, price as well may have been increased and vice versa. These changes in quality and quantity to raise the price indirectly, are widely used in Egypt, especially in the case of food products.

To summarise, price can almost assess anything of value; products, services, ideas ... etc. This is due to the fact that price in our present time is the medium used in exchange to measure any value. On the other hand, many words or phrases could state or mean 'price' in different exchanges or transactions, such as salaries, rents, fares ... etc. Schwartz [89] suggested that "Price is around us. You pay rent for your apartment, tuition for your education, and a fee to your physician or dentist. The airline, railway, taxi and bus companies all charge you a fare; the local utilities call price a rate; and the local bank charges you interest for the money it loans". He added "The price of an executive is a salary, the price of a salesman may be a commission and the price of a worker is a wage".

Having analysed the significance of price, the study steps forward to explore the extent to which the well-known marketing principles of price have been used in tourism.

Pricing Decisions in Tourism

Despite the obvious importance of pricing in tourism which is noticeable every day in most of the newspapers which allocate complete pages about tours and their prices, the literature lacks a great extent, any reliable writings about that subject and about marketing in tourism in general. This may be due to the fact that tourism in its modern fashion is a recent phenomenon not as old as any other physical or non-physical product.

Pricing policy derives very much from the satisfactions - tangible or intangible - offered by the tourist product sold. Evidently, the greater the satisfaction afforded without lowering the price, the higher the profit.

Generally, it is easy to go down from a high-price policy to a low-price policy, and very difficult to climb the other way. However, going from high to low generally involves a deterioration of image and a decline in quality standards, which are typical of many hotels that have switched from individual trade to group inclusive tours [90].

Attention is now directed to techniques of setting a specific price. Conventional marketing identifies two broad classes of pricing methods: cost-oriented and market-oriented, the latter containing both demand and competitive components. The former makes wide use of formulas and standards to account for variable and fixed costs, whereas the latter makes use of the market or competitive price, price lining, psychological pricing, and promotional pricing techniques. The two approaches are not mutually exclusive; ultimately, cost-oriented prices must take into account market conditions, and, ultimately, prices set according to the market must accommodate the necessity of covering costs.

Rathmell [91] indicates that "Prices of some services are set using goods-sector methods whereas others appear to be set through techniques unique to services. On the other hand, some of the pricing methods found in the goods sector, particularly those which attempt to take into account demand conditions find only limited application in the service sector".

In tourism, however, both of the two broad classes of pricing methods - cost-oriented and market-oriented - are used and should be used. The market-oriented method of pricing should find its application in tourism due to the fact that tourist demand is characterised by elasticity. Tourist demand elasticity means the degree of demand responsiveness to changes in price structures or changes in various economic conditions of the market.

This departing point is that tourism demand originates where the economic conditions are such as to have people with enough disposable income and reasonable length of paid holidays. As tourist spending represents a claim on the individual's and the family's budget, which competes against other items such as new cars, household appliances or even buying a second home in the mountains, it is indeed understood why tourism demand shows elasticity vis-a-vis income on the one hand and cost on the other hand.

Consequently, this demand elasticity is of particular importance for tourist decision-makers in the destination countries as they should know the correlation factor between a price increase and a demand slow-down and vice versa.

It is well to mention that tourist demand is highly elastic with a relatively new or not yet fashionable tourist destination. This elasticity is gradually reduced with the tourist destination becoming established and fashionable, attracting traditionalists who would normally stick to the same places. But this elasticity might reappear if prices increase to an extent that the destination would be priced out of the market; exception is made perhaps to some outstanding tourist venues originally designed for the few elite, such as the French Riviera or cosmopolitan centres where business is usually combined with recreation, such as London and Paris.

Cheap countries, however, are not necessarily the most attractive despite the fact that the total selling price is one of the most influences on the number of tourists who choose a specific destination. In other words, prices are not the only overriding factor. If the country lacks enough facilities or is poorly known to the travelling public or lies beyond a reasonable distance circle

from tourist-generating countries, its cheap prices will not be so much of an advantage. In the last case, travel expenses would level off that price advantage because of the high cost of air travel.

Price sensitivity is a factor that relates to the behaviour of the tourist. Wahab [92] stated that "It is not always true that the more well-to-do the tourist the more he spends. Sometimes wealthy people like to live modestly and behave like tourists with limited financial capacity. Others, far from being wealthy, might like to behave like rich people on their holidays or to live at much higher standards than they can afford for some special reason".

Needless to say, the expansion of inclusive tours tends to reduce tourists' sensitivity to prices. Destinations are picked up from the tour-operators' catalogues and the choice is reduced to destination attractions among the wide variations of destinations that are offered almost all within the same price range.

The above explanation might represent the price reaction to market forces, i.e. tourist demand, competition, tourist behaviour ... etc. It could be concluded that market-oriented method of pricing can take place in the pricing policies of the tourist destinations.

In practice, however, pricing is a complex matter. Individual suppliers of tourism services, airlines, hotel groups, local transportation firms, entertainments, attraction administrators, ... etc., not only tend to determine their prices independently of each other, but also do so with an eye on the reactions of their immediate competitors. In other words, many parties share in the price decision-making in tourism. Thus, the

final price may or may not be strictly related to the costs of providing the services concerned. Moreover, while costs are reasonably predictable in the short run (because the fleet has been bought, the hotels have been built, the labour force engaged), revenue estimates are at best educated guesses. Demand can and does change overnight. It is, therefore, of the greatest importance that the tourist supplier, airline, hotel or whatever, should correctly gauge the sensitivity of its potential customers to changes in price, that is, should form a valid estimate of the price elasticities facing him.

In practice, therefore, a product may be priced at less than optimal level, and because of the uncertainty of the revenue estimates, will as often as not be priced too highly. Perhaps it is useful to define the short run as that period in which the price and product cannot be changed (because the brochure is already printed and so on), and the long run as a period after the point at which it becomes possible to vary the price and the product. In the short run, when prices cannot be altered, the importance of non-price marketing activity becomes very important.

Burkart and Medlik [93] argue that "The costs of manufacturing the tourist product will be reflected in the final price and also the costs of marketing. It becomes very important to divide the total market into segments according to various characteristics including price elasticity in order that the marketing effort be cost-effective".

They add: "The choice of appropriate marketing policies will itself influence costs and prices. For example, the decision has to be made whether to seek small volume and high-yield revenue and high profit margins, or alternatively to seek large volume, low-yield revenue, and small profit margins - a very familiar choice

for enterprises concerned with tourism. Moreover, the official tourist organisation will normally incur only marketing costs. The way in which marketing strategy will influence costs, and therefore prices, may be seen also to arise from the skill with which market segments are identified; for example, a particular sort of market may be identified as suitable for some kind of affinity group travel. Hence, the sales force costs both of the official organisation and of the firms supplying tourist services will be relatively low because only a few organisers of clubs and other affinity groups need to be approached. By contrast, a product whose appeal is very widely distributed and is thus sold through travel agents will incur relatively higher distribution costs".

From the above discussion, it is clear that the cost-oriented method of pricing took its place in pricing policies of tourism. However, the market forces are not neglected. Therefore, it could be concluded that the approaches - i.e. cost-oriented and market-oriented - are not mutually exclusive; ultimately, cost-oriented prices must take into account market conditions, and, ultimately, prices determined according to the market must accommodate the necessity of covering costs.

However, the researcher does not agree with the phrase stated above by Burkart and Medlik when they stated about the appropriate marketing policies that "The decision has to be made whether to seek small volume and high-yield revenue, and high profit margins, or alternatively, to seek large volume, low-yield revenue, and small profit margins".

In fact, a country or a firm can get high revenue and high profit if its tourist product is priced at lower price as a result of the large numbers of customers who will be attracted to the tour.

Individually, the firm or the country may get low revenue and low profit margin from every customer, but in the long run, it will get high revenue and accordingly high profit resulting from the large number of customers sharing the tour.

This policy is quite noticeable in the tourist business where tourist firms mostly try to offer lower prices to attract the potential tourists, considering the tourist customer's sensitivity to price. Consequently, we find every day many advertisements for tour prices which include, price-offs, new lower prices, off-season prices, bargain prices ... and so on, to attract the tourist customer. Price competition as well is quite clear in the tourist market where companies compete in lower prices to get more customers [94].

Some other tourist companies formulate their policy to seek small numbers of tourists but they set higher prices for their tourist product. A good example of this is tours to far destinations such as China, India and the Far East. Similarly, tours on luxurious ships are priced at high prices such as cruises on the Vessel, Queen Elizabeth II, and other luxurious ships. This marketing policy is nearly similar to the marketing policy of the specialities in the physical products area.

In general, two questions must be asked about pricing policy. First, in what circumstances is it advantageous to reduce prices? The general answer to this question is that if a given proportionate reduction in price induces a more than proportionate increase in traffic, so that despite a lower price, the new total revenue is higher than before the price reduction, then it is clearly advantageous to reduce the price. Secondly, and conversely, it is advantageous to increase prices when by so doing the new total revenue is higher than it was before the price increase.

Occasionally, it may be noted, it will be desirable to restrain demand for a particular tourist product; this may be achieved only if an increase in price in fact brings about a reduction in traffic, that is, fewer people but the same revenue. However, these changes in revenue also affect the physical volume of business and hence costs; only when both revenue and costs resulting from a change are assessed can the effect of price changes on profits be seen.

In practice, however, in tourism as in other fields there is a reluctance to vary prices frequently. This reluctance stems from several causes. Burkart [95] gives some causes. First, there is the difficulty of ascertaining in advance the precise effect of price changes on the total revenue. Secondly, it is administratively complex to change prices frequently; new tariffs, for example, have to be printed and notified to travel agents. Thirdly, there is a fear that an increase in prices, in particular, may give rise to adverse reaction in the retail trade, which will become apprehensive about potential demand at the new higher price level, and the loss of trade confidence may aggravate the effects of the actual change itself. Because of this unwillingness to vary prices, promotion may be viewed as an alternative method of influencing demand. However, because of seasonality in tourism, variation in pricing is inevitable.

The Seasonal Variation and Pricing Policy

Great efforts are made to market perishable goods, such as fruit, vegetables or fashion goods, with a very wide range of prices over the seasons and with rapid adjustment of prices to marginal supply and demand. Empty plane seats and hotel rooms are highly perishable commodities. Tourist traffic is linked with holidays which have for a long time been concentrated in the summer season. Economic theory and operations research have

tackled the problems of pricing industrial products and services, taking into account the theory of marginal prices.

In regard to tourism, use has been made of price and other incentives to attract off-season tourism and disincentives to persuade some of the high-season tourist to come at more appropriate times. Amongst the measures of pricing taken are:

1. Price differentials for fares and package tours between the different seasons;
2. Differential hotel rates, possibly in the form of extra nights for the same cost to ensure an economic minimum for each guest.

Hotel operators accepted the concept of 'sale' to eliminate the problem of excess inventory. The charter flight is by its very nature a 'sale' commodity, and forward-thinking hotel men will recognise the considerable opportunity provided by charter flights to attract patrons to their locations. Morton [96] argues that "Co-ordinating hotel room 'sales' with the programmes offered by charter operators should yield impressive results. Ideally, charter flight operations benefit everyone involved - the client, the tour operator, the airline, and the hotel owner".

A hotel is a high fixed-cost investment, that is to say, whether empty or full there are substantial overheads to be covered. As a result, hotels tend to use complex pricing structures in order to maximise the revenue contribution to these fixed costs. Basic price (the 'rack rate') is fixed and published so as to support the image, but in practice few guests may actually pay this full rate. The price strategy refers to the commissions and discounts which are offered to attract buyers in different market segments. Doswell and Gamble [97] give an

example; if the hotel pays a commission to travel agents of say, 10 per cent, the hotel is receiving in effect only 90 per cent of the full rate for each guest who books through an agent. [This can be called commercial discount]. Similarly, they add, credit policy is another way of manipulating the price and enhancing the product. When the hotel allows the guest to defer payment, it is providing an extra service, for which it incurs costs, either directly in the form of credit card commission or indirectly in the form of the interest which it has lost on the revenue.

In the off-season, in recent years, tourists who visit Belgium have received from the National Tourist Office such enticements as brochures, certificates, coupons, cash bonuses, and automatic registration for a \$1,000 sweepstake contest. Such offers simply provide extra incentive to sell in a period of excess inventory.

The guarantee to refund consumers against sudden and unforeseen increases in prices is another incentive. Thomas Cook, the leading travel agency in the U.K. which also provides its own inclusive tours, has entered the arena with an extensive advertising campaign which guarantees consumers their money back in the event of the cancellation of any tours purchased through its organisation.

Other incentives have been used in off-season such as off-season discounts which are commonly used in tourism where in winter a considerable discount is offered on many winter tours and in other seasons when the demand for tours is low, to enhance the sales during these slack periods. In the summer season where the tourist traffic has been concentrated for a long time, the tourist supply (tourist plant and facilities) is rigid or limited, an increase in prices is inevitable.

The differential prices have been applied in air travel. The Traffic Conferences of the International Air Transport Association (IATA) is qualified to set up international air fares and related matters. Air fares are always uniform for all carriers on a particular route. But fare structures vary from one region to another, depending on various factors, among which base rate, frequency and traffic volume figure most.

Besides the normal individual air fare for first and economy classes, some special promotional air fares have been introduced in recent years. These promotional fares have resulted in greater tourist air traffic. The main fares among these are the excursion fare, group fare, inclusive tour fare and advanced payment excursion fare (APEX) [98]:

- the excursion fare is sold directly to the travelling public but conditioned by a minimum and maximum stay which varies from one destination area to another.
- the group fare is available to ascertain minimum number of persons usually belonging to the same organisation, club, association, etc., for a specified minimum period of time.
- the inclusive tour fare is not available for direct purchase by the public, but built into the price of inclusive tours which usually include the cost of transfers, hotel accommodation, meals, and sometimes excursions. This fare is only available through travel agents or tour operators.
- the advanced payment excursion (APEX) is readily available to the public on condition that the booking and the payment is made several months in advance (usually two or three).

All of these fares mostly include the quantity discount, which is known in tourism as group discount.

Tourism prices are varied not only because tourism is characterised by seasonality, differentiated air fares, variation of hotel prices, introduction of charter flights, different prices of inclusive tours in different seasons or according to competition among tour operators and travel agents, but also because of inflation and rate of exchange.

It has been found that tourist services are subject to a faster increase in prices than normal services. Richard Kotas [99] of the University of Surrey, in his research on 'Price Trends in British Hotels' has indicated that from 1962 to 1971, room prices in British Hotels went up from 100 in 1962 (base year) to 175.84 while the index of retail prices in the same period reached 174.0 to compare favourably with prices of services which reached 168.6. Thus, hotel room prices have out-priced the cost of living.

Inflation in tourism may be exacerbated by demand exceeding supply. Tourist demand activates related sectors essential and supplementary (hotels, transportation, wholesale trade, etc.) which respond by selling their products and services at market price. If demand increases and supply, having reached its maximum capacity, remains short of meeting demand, prices increase.

With higher prices, tourist enterprises obtain additional income. If such income is spent on over-investments in new supply components, prices tend to stand still or to drop.

An increase in taxes and duties on enterprises usually calls for an increase in tourist services' prices, as tourist enterprises certainly want to maintain their profit margin to ensure a reasonable

return on investment. Such enterprises are usually sure of their customers either because they enjoy a monopolistic situation, or due to the lack of real competition.

With regard to the rate of exchange, the first task that a tourist should undertake upon arrival at his tourist destination is to change his money into local currency. This is usually done according to the official rate of exchange which is officially determined by each country. Sometimes, this ratio is determined by free market price in relation to the purchasing power of each currency and the confidence in the State, or in relation to the gold value (for countries based on the gold standard).

In seasons of economic difficulties, the value of a country's currency may substantially drop because it fails to acquire confidence. Black market transactions and illegal rate of exchange might then spring into being.

It could be said that the easiest way of comparing the cost of tourism in two different countries would be by using the official rate of exchange. This means that if a room in a first class hotel in the U.K. costs about £20 sterling, the tourist may think that an equivalent hotel room in France would cost him the same in French currency. This is not always the case, because that depends upon the standard of living in each of the two countries. There is, therefore, a discrepancy between the official rate of exchange and the actual rate of equivalence of the value of tourist products. This is due to the imperfection of international economy as there is no international currency that could be used as a standard.

To summarise, prices of the tourist products can be varied in different economic seasons in one country due to the changes in the official rate of exchange from time to time, and the different

rates of inflation in different seasons. This means that prices of identical tourism products vary from country to country.

The extent to which prices will be allowed to be self-determined in the various tourist activities, which sometimes show conflicting interests, will be discussed in the following pages by exploring the role of the government in pricing policy.

The Role of the Government in Pricing Policy

It has been mentioned that the experience in successful tourist countries shows that government policies of arbitrary pricing have had negative effects that are often serious [100]. Supporting this view, Wismeyer [101], a sales representative for Hyatt International in Sydney, Australia, stated that "Air fares to Australia from tourism-generating countries of North America and Europe are among the world's highest because of the greatest distance. A new government policy to recoup 80% of aviation charges has recently increased airport terminal charges by an average of 604%. International airlines landing in the country are taking the Australian government to court over these increases. The accommodation industry is on a shaky foundation and can also be said to have tariffs that are among the world's highest. The same is true for other components of the tourist industry ...". As a result, tourism in the country is looking dim, because it might be priced out of the market, or due to the arbitrary pricing policies of the government, and the other suppliers of the tourist product who lack the coordination and supervision of the government.

Therefore, Burkart and Medlik [102] stated that "For a large part of the tourism field, the freedom of the supplier of the tourist product to vary his prices at will is circumscribed by voluntary or statutory regulation. As a part of their general supervisory function, official tourist organisations in many countries

control or supervise the prices to be charged for accommodation, often linking this to a system of classification, and in Britain an Order made under the Development of Tourism Act, 1969 requires compulsory notification of accommodation prices. Taxi fares and other public transport fares are regulated in most countries, with the needs of the tourist in mind; in all forms of international transport fares are fixed; the International Air Transport Association's fixing of international air fares is the most familiar example".

This is applicable to scheduled air traffic, but charter flights are free from any restrictions. IATA, therefore, had to intervene to protect the interests of its members, by enacting rules applicable to non-scheduled traffic under the form of charters operated by its member companies which already created their own subsidiary charter companies secretly at first and openly later.

But the scheduled airlines, restricted by IATA regulations, are bound to refrain from competition on the charter market, otherwise the whole scheduled air transport system would be threatened. Consequently, it is only normal that they are worried about the continuous growth of the market for charter inclusive tours. They have tried every conceivable way to limit the charter companies' activities. Perhaps the most significant of which was to call upon governments for restrictions on charter traffic. They were fairly successful in some areas, while governments interested in expanding the tourist industry in other areas did not respond, as charter operations offered them unprecedented tourist traffic. Some other countries' attitudes were very liberal towards charter operations. Like Scandinavia, which is an attractive playground for independent charter operators.

Despite that the above explanations support the intervention of governments in determining the prices of the tourist product, Wahab, [103] however, contradicted this view when he stated that prices should not be included in this control function of the government. In his opinion, market mechanism, when reasonably sufficient, should be able to set up prices of tourist services at an acceptable level within the country's standard of living and in relation to other countries' comparable tourist services. He added, "In some developing countries, it is believed to be necessary that the State controls the prices because if prices are left in the hands of tour operators and hoteliers, the country might be 'priced out of the market'". Wahab argued that "This is a false argument as tourism is a highly competitive 'product' where, if prices are below average, the ought-to-happen increase in the tourist movement to that particular country should result in an increase in prices and vice-versa. Only certain regulatory measures could be practised by the government in the case of abuse or exploitation on the part of foreign tour operators. In brief, the law of supply and demand is the best safety-valve in so far as tourist prices are concerned, provided that the service standards remain highly satisfactory".

However, in Egypt, as in many other countries, hotels are allowed to fix their own prices in consultation with the tourist authorities (Ministry of Tourism). Once this has been settled, prices for the full year in advance are published in official guide books. The taxi fares and other public transport fares are regulated by the government. The problem, in fact, is the extent to which the prices of other services (such as entertainment) or products (such as the handicrafts) should be self-regulating. Even if it is possible in theory for the government to exercise some kind of price control on such activities, it may be impossible to observe that in practice, in developing countries, bargaining over prices is a prevailing phenomenon in the tourist market.

For example, in the tourist market in India, Boyed [104] points out that "the majority of the stores for tourists are either government stores ... or small stores carrying special goods, where quality is normally mediocre and bargaining on price is quite common. In the small stores, the first price quoted to tourists is often two to three times higher than that quoted to Indians, but bargaining sometimes brings the final selling price below the price paid by the Indian customer".

This is also the case in the tourist bazaars in Egypt, where the seller usually quotes double or treble the price he is prepared to accept, and through bargaining with customers, whether Egyptians or foreign tourists, the selling price may be half or one third of the price quoted.

The prices in these cases are left to the free competition, and market forces will then take care of adjusting the level of prices.

With reference to the final price of a tour, many of the tourist firms' executives in Egypt told one researcher [105]: "We do not have enough freedom in our pricing decisions as we sell only the tourist product. We get the costs of accommodation and meals from different hotels where there is no competition in price as all the first class hotels are in the public sector which do not compete in price. Then, we add to the hotel cost, transportation and excursion costs and add on the top of that a percentage of profit". The firms' managers reported that competition between tourist firms - which are mostly private sector - was very high. Consequently, the tourist firm tried to get the minimum profit to survive in this severe competition.

However, it is clear that the tourist firms in Egypt set their prices according to the cost-oriented method rather than market-oriented. Indeed, most of the firms reported that they were making satisfactory profits from their business despite the fact that they did not consider demand in their pricing decisions. This tendency may be a result of the fact that businessmen in Egypt know more about product costs than about consumer demand.

The study steps forward to discuss the powerful position of the tour operator in determining the prices of the tourist product.

The Role of the Tour Operator in Pricing

Tour operators are interpreters of demand. All developing countries are convinced that they benefit from package tourism to a sufficient extent. Tour operators select destinations where they could get a comfortable profit. The principal feature of the inclusive tour in this context is that the tourist may buy for a single price a holiday much cheaper than would be attainable by the holidaymaker if he bought the components of his holiday separately and directly or from a retail travel agent. The low price of the package holiday or inclusive tour is made possible by reason of the lower unit costs obtainable both for the air travel and for the hotel stay, when the tour operator enters into long-term contracts for aircraft seats and hotel beds. This is achieved by time-chartering aircraft and making parallel contracts with hotels. The principal in this is the tour operator. It is the tour operator who buys aircraft seats and hotel beds and from them and certain other facilities such as couriers or entertainment, he makes up his package.

Burkart [106] stated that "Tour operation depends for its success on the achieving of very high load factors for the aircraft and very high occupancy rates for the hotel. In this way, unit

costs can be kept sufficiently low to enable the tour operator to offer his package at a price which is often less than the cheapest available fare alone".

It is submitted that the tour operator has a powerful negotiating position because of his ability to influence where tourists spend their holidays. Tour operating, then, is a business geared to mass marketing. If the local hotels increase their tariff owing to unprecedented demand, the tour operators could switch the destination from one area to another. The destination to a large extent is irrelevant. The tour operator designs a programme offering certain standard components and markets it principally on the reputation of his brand name and the assurance of quality.

To some extent, however, hoteliers benefit from the low prices put by the tour operators, because a high rate of occupancy is secured. On the other hand, a low level of manpower remuneration is achieved which causes serious problems to the economy of the country as a whole. This results from the fact that the hoteliers, in order to achieve the low prices asked by the tour operators, might reduce the quality of the services they provide or even pay lower wages and salaries to the people they employ. Either of these actions creates serious problems to the country's efforts to develop the tourist industry and its economy as a whole.

Another problem derived from the pressure the tour operators exercise on the hotelier to reduce their prices, is that on many occasions the hoteliers reduce their prices (illegally) to a level that they may find themselves unable to operate at a profit. As a result many hotels are leased to foreign investors or even a tour operator [107].

Another serious problem of the country's tourist industry is that of 'over-booking', particularly in main tourist concentration

areas. This problem is based on the ability and right of the tour operators to make a cancellation as late as two weeks before the group arrives at the destination. On the other hand, the hoteliers, by expecting a certain number of cancellations sell more beds than they actually have, so that they can cover their losses from these cancellations, particularly during a period where they have to make as much profit as possible.

In brief, it becomes clear, therefore, that tour operators have the power not only to achieve low prices for hotel beds but also to direct the tourist flows. In other words, they can create and direct the demand for international tourism. Therefore, the role of National Tourism Organisations becomes more vital, which should be to co-operate with the tour operators in such a way that both parties' objectives are met.

As Erbes [108] says "tour operators are not philanthropists; they are commercial organisations and this implies that they won't operate on a route where profits made are not comparatively suitable to them". However, since the bulk of tourism to destination country take package holidays, the NTO of that country has to provide the tour operators with incentives to make a package of the country's tourist product, if it is to increase the number of tourists visiting that country, particularly as far as promotion is concerned.

In summary, the holiday tourist is extremely sensitive to both the absolute level of price and to changes in prices. He is also susceptible to persuasion as to his choice of destination by the marketing campaigns of both official organisations and the individual suppliers of components in the tourist product. This sensitivity of the holiday tourist to considerations of price and promotion is what makes the holiday tourist market so attractive to those organisations concerned with the promotion of tourism.

Pricing is a complex matter. Many parties share in the price decision-making in tourism, such as hotel owners, airline companies, transportation firms, museums, and attraction administrators and tourist firms. Every group of those who share in offering the tourist product set their prices individually. The tour organiser which is mostly a tourist firm, sets the final price of a tour considering the different costs of services offered to a tourist, costs of marketing that tour, and the percentage of profit aimed to be achieved. However, prices in tourism should take into account the market conditions. Price competition is evident in tourism. It could be concluded that the two approaches, i.e. cost-oriented and market-oriented are not mutually exclusive; ultimately, cost-oriented prices must take into account market conditions, and, ultimately, prices determined according to the market must accommodate the necessary of covering costs.

The supplier of a tourist product may not have enough freedom to change his prices. In some countries, for example, governments through the official tourist organisations control hotel prices, taxis and public transportation fares. Similarly, international transport fares are controlled and regulated by international authorities in many countries, putting the tourist customer into consideration.

Pricing strategies vary according to the practical considerations and constraints, such as:

1. The policy aim of selling 'up market' to an elite or 'down market' to the masses.
2. The policy aim of not promoting sales to certain markets which could afford to buy for political reasons, e.g. the islands of the Caribbean which try not to attract too many US tourists because of latent anti-Americanism in the population.

3. The policy aim of filling empty capacity in the off-season, so covering overheads, even if at sub-optimal rates.
4. The policy aim of introducing new products in the market at low prices, so as to gain acceptance.
5. The policy aim of competing on price with other countries or organisations.

Because of the powerful position of tour operators in creating and directing the demand for international tourism through the cheapest prices of inclusive tours, NTO's have to co-operate with them in such a way that both parties' objectives are met.

Finally, pricing policy should be considered as an element of the marketing mix, i.e. price changes are one of the weapons in the marketing manager's armoury. Higher prices may have to be supported with greater publicity effort; or higher prices may be compensated for by a bigger discount to the channels of distribution, so that these will sell harder, and net income will remain the same.

Section Four: Distribution Policy in Tourism

Introduction

The third major element in the marketing mix is variously characterised as place or location, channel, distribution, and structure. Two of these terms are particularly relevant to services. Location refers to the distribution of people and facilities prepared to perform services; channel refers to a network designed to deliver services to the ultimate consumer or industrial user. To facilitate integration with conventional thought, location and distribution, and channel and delivery are used interchangeably.

The distribution of service facilities and the length and breadth of delivery or channel networks reflect the differentiating characteristics of services. It is often stated that services are marketed through short channels. This may be true relative to the marketing of goods but length and complexity vary from service to service.

Conventional marketing teaches that the marketing channel contributes time and place utility to the tangible or intangible product - the appropriate availability of the product at the right time and place. For services, the relative importance of time and place utility is greater than in the case of goods. The inability to store or ship intangibles and the need to have service facilities in being to meet intermittent or random demand overtime, suggest that the price paid reflects a substantial portion of time and place utility in the total value of the service product. Parenthetically, in the recreation-tourism-hotel and motel-transportation complex of services, time and place utility appear to be the essence of the product itself. That is, any attempt to distinguish between the performance utility, and the time and place

utility of these services is futile and meaningless.

Currently, there is a lack of written information regarding the tourism distribution system and its operation. A manager who wishes to learn more about the distribution system cannot turn to one source or one book. Instead he or she must search out and struggle for bits of information from many diverse sources. No coherent overview of the tourism distribution system has been written. "It has been pointed out that there still is a significant information gap in respect of the travel trade, its structure, functions, and operations in most markets... In other words, the importance of distribution research has not been fully recognised as an essential complement to the other research topics" [109].

Hopefully, this section of the present study will fill this gap by an extensive discussion to: the importance of the tourism distribution system; its function, structure, and productivity; the distribution policies and its determinants; the relation between National Tourist Organisations and the travel trade.

The Role and Importance of the Tourism Distribution System

A realistic view of distribution in general and of distribution in the field of tourism in particular may be gained only if the interests and goals of the participants from producer to consumer are recognised:

1. The interests of seller and buyer are not identical. Each seeks different benefits; potential travellers choose a destination and the enjoyment, satisfaction and pleasure expected. The seller expects to realise revenue and profit, economical utilisation of his plant and equipment, return on invested capital and so forth.

He adjusts the services he offers and their price in such a way that they attract the numbers and type of customer best suited to achieving his aims.

2. National Tourist Organisations and other official organisations involved in tourism pursue goals that are complementary to - but again not identical with - those sought by the tourist service enterprises. Briefly these may be aimed at:

- creating or expanding business and employment opportunities in the destination area,
- increasing foreign exchange revenue from tourism, thus contributing to improvements in the balance of payments,
- increasing tax and other government revenues,
- improving the utilisation factor of existing tourism facilities,
- directing investments towards tourism facilities likely to produce an overall benefit for the national economy.

3. The interests of the distribution sector of the tourist industry, i.e. the 'travel trade' - travel agents, tour operators and other travel intermediaries - are not identical to those of the travellers, the tourism service enterprises or the official tourism organisations. Travel intermediaries seek to attract customers by offering a range of services, destinations, travel arrangements, price levels, etc. It is therefore of secondary importance to them, all other factors being equal:

- which destination they sell,
- which services their customers use,
- whether their selling practices conform to - or are in contradiction with the aims of the National Tourist Organisation.

4. It is stated that an awareness of this absence of identity of interests, motivations, and objectives as between tourists, suppliers of tourism services, the travel trade and official tourism organisations is essential to all considerations and plans about the creation and marketing of travel and tourism. Overlooking this essential fact is probably the basic cause for many misunderstandings, disputes and less than successful marketing and promotion schemes in tourism.

5. In most other industries, the supplier has full or at least decisive control over his product, its pricing, its quality, the manner in which it is distributed and promoted. In tourism, however, the position of the distribution sector is much stronger. Rawat [110] argued that "Trade intermediaries (travel agents, tour operators, charter brokers, reservations systems and other travel distribution specialists) have a far greater power to influence and to direct demand than their counterparts in other industries. Since they do, in fact, control demand, they also have increased bargaining power in their relations with suppliers of tourist services and are in a position to influence their pricing, their product policies and their promotional activities".

It is reported that most enterprises providing tourist services do not sell directly to their customers. Prospective clients live more or less far away and often in another country. In addition, they are sometimes dispersed throughout very large geographical areas. This makes 'an integrated' distribution and sales operation, as practised by oil companies for instance, practically impossible. Consequently, tourist service enterprises have to rely on sales intermediaries. This does not mean that tourist service enterprises do not need to concern themselves with distribution and sales. On the contrary, their success and profitability depend to a large extent on their ability to find

access to the appropriate distribution channels, to provide the necessary services and assistance to the sales and distribution intermediaries and to support their efforts through promotion and advertising.

The study of the World Tourism Organisation (WTO) on 'Distribution Channels' [111] reported that the role and importance of distribution intermediaries is directly linked to the benefits they provide for the producers of tourism services and to the functions they perform on their behalf:

1. It is in the producer's interest to be able to concentrate on furnishing the services he specialises in, to control and improve their quality and to use his marketing expertise first and foremost to make sure that the service he offers corresponds to the needs and expectations of his customers.
2. Intermediaries can, through specialisations, achieve better results in the field of distribution and selling than the producer himself: they have direct contact with the markets and potential customers, which would be difficult and more costly for the producer.
3. Intermediaries assemble the heterogeneous services of different producers into a 'package' of services that is meaningful and attractive to the customer.
4. Intermediaries not only create a complete package of tourist services, although this is their most important function. From the point of view of the tourist, they also serve as sources of information about destinations, types of services, their advantages and disadvantages, thus confronting the potential tourist with a range of choices and alternatives.

The primary distribution functions are thus information, combination and travel arrangement services.

1. Information: Travel is a product that does not readily lend itself to the selling and merchandising techniques that have proven themselves to be highly effective and efficient for standardised, mass-produced consumer products. The prospective traveller needs a considerable amount of information before he is ready to make a decision. He expects to receive this information, complete, readily understandable and covering a wide range of travel alternatives, from the travel trade. The high degree of 'information dependence' of the travel customer is the consequence of three factors:

(i) Travel, especially to far away destinations, involves a considerable outlay of money. It is therefore unlikely that the customer will make a decision before he has compared alternatives and made an assessment of the satisfactions likely to be derived from visiting one destination rather than another.

(ii) The prospective traveller is nowadays faced with a wide range of choices, all of which are presented to him in an attractive, interesting way and he is able to choose among them only if he is provided with a sufficient amount of information.

(iii) Unlike routine purchases of small items and even major purchases of durables (home equipment, automobiles, etc.), travel decisions are considered as 'high risk' decisions: an unsatisfactory washing machine can be returned or repaired, a holiday spoiled by bad service, illness or other untoward events is irretrievably 'lost'.

It follows that the quality and quantity of information supplied by the travel intermediary - and the reputation for reliability and

the objectivity he has created for himself - are essential to his long-term success. It also follows that a travel intermediary will be more willing to promote and sell a given destination or service, if his own information needs are given due consideration in the promotion and sales material provided.

2. Combination: The traveller requires a wide range of different services (transportation, accommodation, sightseeing, entertainment, purchases of souvenirs, etc.). In his mind, all these services together constitute the 'product' he is interested in obtaining, but they are usually provided by different enterprises. The task of the travel intermediary therefore is to combine these heterogeneous product elements into an entity. The 'package tour' organised by a tour operator is, of course, the first example of a combined offer of different services that comes to mind. A package tour is, however, only one example of the combination function of the travel trade. Others are (IT) inclusive tour arrangements (air transportation plus hotel accommodation plus, sometimes, other ground services), or arrangements for travel and accommodation made by a travel agent or an individual basis.

3. Travel Arrangements: This function includes bookings and reservations, issuing travel documents, (tickets, service vouchers, etc.) as well as obtaining visa, travel insurance, foreign currency and travellers cheques. Essentially, the travel trade offers a convenience to the tourist: he does not have to occupy his time with the often complicated technical tasks of obtaining the various reservations and documents.

As mentioned earlier, the travel trade is not primarily interested in selling a specific destination or service, the main distribution functions being performed for a more or less wide

assortment of destinations. The responsibility for creating an interest in a destination that can lead to a trip is therefore that of the destination organisation and not that of the travel trade. Only by assuming this responsibility can the travel trade be brought to the position of assisting in the promotion and sale of the destination.

The Structure of the Tourism Distribution System

Significant changes have occurred in the merchandise distribution system of the industrialised countries, especially during the last three decades. Self-service stores and supermarkets have almost entirely replaced conventional 'over the counter' stores, discounters and 'cash and carry' outlets have achieved significant market shares through a low-price/no service policy, large mail order houses have grown up, formerly independent retail stores have been absorbed into 'chain-stores' and co-operatives and shopping centres located at the periphery of large cities have drawn trade away from the old established 'down town' or 'high street' stores.

Three trends in particular have had a significant influence on developments in the field of merchandise distribution:

1. Larger size of the average retailing unit: floor space, sales volume and sales per employee have consistently increased.
2. New forms and methods of retail merchandising: self-service, discount stores, shopping centres, rack jobbers, mail order selling have to a large extent replaced conventional forms of retailing.
3. Integration: concurrently, retail chains and cooperatives have replaced the small, independently operated retail stores.

In view of these developments, it is logical to ask whether similar changes have occurred in the tourism distribution sector. More specifically, the following questions should be explored:

1. Traditionally, travel agencies used to be the main distribution channel for travel services, especially of international travel. Which changes have taken place in the travel agency business? Have travel agencies lost market shares to other distribution intermediaries? Has the number of travel agencies increased or decreased? Is there a significant trend towards concentration in the travel agency business?
2. Has the emergence of large tour operators or 'travel wholesalers' been due to significant changes in the distribution system and the sales techniques used in the travel business?
3. What is the real importance of new sales methods (sales by correspondence or 'mail order', travel sales counters in supermarkets and department stores, travel services offered by banks, etc.)?

It is extremely difficult to find clear-cut answers to these questions and to arrive at conclusions which apply without qualification to all the major travel generating markets. On the one hand, statistical data are incomplete and not always readily comparable over time from one country to another. In addition, the market structures and the relative importance of the various distribution channels are different from market to market. In the context of these constraints, an extensive discussion will be made to explore the above questions.

Travel Agencies (Retail Agencies)

Travel agency is an independent distribution intermediary. Travel agencies occupy a leading place in the tourism industry as they provide the link with the customer. Their importance, however, is by no means identical in various countries. While in some of the developing countries they play a secondary role because of the limited scope of their activities, they are an important economic instrument in developed countries and in particular the main generators of tourism in countries like the U.S.A, the U.K., France and Germany.

In the U.K. for example, a look at recent surveys confirms that foreign holidays are certainly a major business, with over £500 million in holiday tour sales effected by the 4,600 Association of British Travel Agents (ABTA) travel agency offices in 1973 [112]. Travel agents booked over 68% of all the holidays taken abroad by Britons, 84% of all the holidays abroad by air, and 90% of all the package holidays (tours) abroad [113]. Travel agents are responsible for booking a greater percentage of airline seats, cruise reservations, and hotel accommodation than any other single intermediary group. There are well over 35,000 travel agents in the world today; 18,712 of them are in the United States. These numbers are growing daily [114].

To make effective strategic marketing decisions, both travel suppliers and intermediaries need a clearer picture of the future of the travel agent industry. The study of Bitner and Booms [115] in 1982 in the United States predicted that:

- Travel agents would retain their role as the primary distribution intermediaries for airline and other travel services in the future.

- But, the nature of the industry would be different in that it would be more competitive, more concentrated and the role of the individual agent would change.

Travel agents will not soon be replaced as the primary travel distribution channel for several reasons. First, the industry is not stagnant. In fact, it is growing substantially [see Table 4.1]. Since 1970 the number of agencies in the U.S. has risen from 6,700 to 18,712 in 1981. Sales volume during the same period has increased from \$5 billion to over \$30 billion.

Table 4.1: U.S. Travel Agencies 1970-1981

Year	Number of Agencies	Total Sales Volume (\$ billion)
1970	6,700	5.0
1972	8,000	7.7
1974	10,260	11.0
1976	12,240	14.9
1978	14,804	19.4
1979	16,112	26.7
1980	17,339	31.8
1981	18,712	-

Source: Louis Harris and Associates, Inc., "The Character and Volume of the U.S. Travel Agency Market", prepared for Travel Weekly, 1979.

Second, travel agents will not be easily replaced because many travel suppliers are highly dependent on them for a large percentage of bookings. Table 4.2 shows estimates of supplier dependence on travel agents. Airlines, cruise companies, and tour packagers are highly dependent on travel agents, while others, such

as hotels, are just beginning to develop their relationships with travel agents. This dependence is growing, not diminishing.

Table 4.2: Estimated Supplier Dependence on Travel Agents.

Supplier	Estimated percentage of total volume booked by Travel Agents
Air	
domestic	50 - 65%
international	75 - 90%
Hotel	
domestic	20 - 30%
international	70%
Cruises	90 - 95%
Rail	Less than 10%
Bus	Less than 10%
Car rentals	20 - 30%
Tour packages	
domestic	66%
international	95%

Source: Bitner, Mary J. and Bernard H. Booms, "Trends in Travel and Tourism Marketing: The Changing Structure of Distribution Channels", Journal of Travel Research, vol.XX, No.4, Spring 1982, pp. 39-44.

Third, under current commission rates (5 - 20 per cent), it would be too expensive for suppliers to replace travel agents. With 75 - 90% of international air bookings passing through the hands of travel agents, it is unlikely that the airlines would be very anxious to take over the distribution function.

Finally, in the research conducted into the travel agency business by Louis Harris and Associates [116] for Travel Weekly, agents report that a majority of travellers do not have a specific

destination in mind when they first contact the agency, but have only a general idea of desired destinations or no particular idea in mind at all. More than half the agents report that it is not unusual for clients with a specific destination in mind to choose a different destination in the course of consulting with the agency. Moreover, agents report that almost three in four of their clients seek the agent's advice in guidance for choosing tour packages and hotels, and the majority of the travellers look to the agent for guidance in the choice of carriers and car rental companies.

While these are the reports from the travel agents, the data collected in the Travel Pulse's research [117] among consumers absolutely confirms these reports.

In the opinion of Wahab [118], "the travel agent profession is essentially based on confidence; the confidence of travellers who usually pay in advance and on promise for a 'service' which they have not seen; and the confidence of suppliers (carriers and hoteliers) who provide their services on credit and who accept reservations without guarantee of occupancy". "This factor, he added, adds to the 'complexity' of their activities and the wide variety of services they render to their clients, making their profession constitute one of the most delicate and important sectors of the tourist industry".

The complexity of travel agencies' activities stems from the varieties of tasks they are seen to perform and the various relationships that they usually establish. From the above discussion it can be pointed out that a travel agency is an independent distribution intermediary which:

1. sells tourist services (transportation, accommodation, etc.) to the public in the name and for the account of the enterprise which provides these services.
2. is linked to its 'principal'; the service-producing enterprise (hotel-transporter, etc.) by a contract which specifies the services to be provided by the travel agency, the legal and commercial obligations of both parties and the methods of remuneration.
3. is obliged to apply the conditions and prices specified by the principal.
4. is remunerated by a commission, usually a percentage of the selling price, which ranges from 5 per cent to 20 per cent, depending on the type of service and the sales volume.
5. receives payment from the customer for the services sold on behalf of the service producing enterprise and is obliged to hand over all such payments received (after deduction of the commission earned) to the principal.

The travel agent - even though he is sometimes, especially in the United States, described as a 'travel retailer' - is a true agent in the sense that he does not carry an inventory and makes travel arrangements (reservations, bookings, issuing tickets and vouchers) only on request from a customer. Because the retailer, the travel agent, does not carry a stock of the intangible tourist product, he thus lacks the powerful incentive of a full stock to promote any particular product. There is thus a very low brand loyalty at the retail level. The lack of a retail stock which in the case of consumer goods protects the manufacturer from the immediate and direct effects of minor fluctuations in demand. If retail stocks rise or fall temporarily, the consumer goods producer does not feel the effect at once. In marketing tourism the supplier feels at once a diminution of demand, and hence the volatility of demand is faced immediately by him.

The absence of brand loyalty at the retail level means that the tourist supplier's advertising has to work harder - the final consumer will rarely be faced by a retailer anxious to sell him a particular brand. However, the travel agent may be willing and possibly anxious to maintain a supply of brochures and other sales help from specific destinations. He does this, however, only to help him sell transportation to and accommodation at that destination. If sales to the destination are neither likely nor commissionable, the agent will have little or no desire for destination literature and sales help, regardless of that destination's beauty or attractiveness.

From the above analysis, it can be concluded that the travel agent is, in a sense, a mirror of the travelling consumer's desires, wants and attitudes, and he plays a key role in influencing what the traveller does. Therefore, the successful marketer of travel should study that aspect of the market as a key part of the study of the consumers themselves.

From the above, although the travel agent will not be replaced as the primary travel distribution channel, the industry will look different in the future. In the past, travel agents operated in a very predictable environment. Air fares were fixed by agreement among the airlines. Commission rates paid to travel agents were also predetermined and fixed, and travel agents enjoyed the exclusive right to sell airline tickets. All of this is changing [119]. In 1983, air fares were totally deregulated, allowing airlines to set prices in response to competition without government regulation. Commission negotiation between airlines and travel agents is already legal. One already apparent result of these changes is more competition in the industry. As Poling in 1981 stated [120]: "Travel agents can now negotiate directly with the airlines for special seat fares". Presumably this could allow

agents with more negotiating power to obtain better prices from the airlines and thus compete more effectively with other agents. Also, as Goodwin [121] pointed out: "Direct rebating by travel agents, especially to corporate accounts, could also become a new competitive tool; in the past this was illegal". Not only will there be new ways to compete but there will probably be new competitors. The most likely new competitors are banks and automated ticketing organisations such as Ticketron. However, it is unlikely that automated ticketing devices could take a large share of the market immediately unless airline fares and routes are considerably simplified.

As the International Tourism Quarterly indicated in 1980 [122]: "In 1979, 69% of all travel agencies were single locations in the United States and travel agent industry concentration in terms of sales was much lower than for most service industries". However, the new levels of competition in the industry will result in some increased concentration with larger agencies controlling a greater percentage of sales. A certain level of operation will be necessary to afford the sophisticated systems and automated equipment required to keep up to date with complex and changing information. Larger agencies will also be able to exert more influence in negotiating fares and commissions with airlines. Survey data also indicate that larger agencies have higher profit margins and are thus in a better position to absorb the costs of discounting and rebating [123]. For all these reasons, it is probable that some consolidation will occur.

Given the likelihood of new types of competitors entering the system, the role of the successful travel agent in the future will shift away from processing and ticket writing towards that of a true travel expert and counsellor. As Ferris, Chairman and CEO of United Airlines [124] said in 1980 regarding travel agents:

"To really succeed in the agency business in the future, you've got to give up the idea that the business 10 years from now will be the same as it was 10 years ago. Competition will intensify, efficiency will be rewarded, outlets other than agents will exist to issue tickets ... Travel agents who are just distributors of travel documents may be made obsolete by advancing technology and by other channels of distribution".

It can also be said that travel agents currently have three roles: (1) Counsellor decision-maker, in which role he actually helps people to decide when, where and how to travel; (2) salesperson, in which he reaches out and promotes travel that might not otherwise occur; and (3) clerk, in which he simply processes requests for specific airtickets or room accommodation without substantial interaction with the traveller. New entrants such as Ticketron will be able to handle the clerking function and in time may do so for a large share of that market segment that simply requires ticket processing. However, it is unlikely that Ticketron or any other mechanised system can fulfil that counsellor role, and most assuredly not the salesperson role. The successful travel agent of the future will thus be one who can take advantage of these first two roles and who does not depend on simple ticket processing to make a living. To be successful counsellors and salespersons, travel agents will need to be sophisticated in:

1. Use of marketing techniques, including analysis of current and potential customer segments and to communicate with them.
2. Product line analysis - knowing exactly where and how profits are made within the firm's product line.
3. Use of sophisticated information systems and automated equipment.

4. Knowledge of travel destination and requirements for their market segments.
5. Knowledge of suppliers and how to interact and negotiate successfully with them.

The economics of the travel agency are - as is the case in most service enterprises - influenced by two basic factors:

(i) Personal costs (salaries and related expenses) represent up to two thirds of total expenditures: An IATA/UFTA study in 1974 gave a figure of 55.8% for the average of 827 agencies in 24 countries. In the USA, personnel costs reached 61.5% - and a similar figure (64.6%) was indicated in a survey by the German Travel Agencies Association.

(ii) Opportunities for productivity increases are limited, as the intensity of demand for travel agency services is highly variable over time and only larger agencies and agency chains can economically use labour-saving devices and systems such as electronic data processing.

Tour Operators: (Wholesalers)

In the perspective of the last 30 years, it is the emergence of large tour operating companies in the UK, offering for sale on a nationwide basis mass produced overseas holiday packages, which is a relatively new phenomenon largely responsible for developing and shaping the current retail distribution system. Around 50 per cent of the present retail system owes its existence to the emergence of a mass, national market for inclusive tour products supplied by tour operating principals. The mass market developed in the 1950s, although the period of greatest growth occurred in the decade 1963-1973 [125].

At present most tourist receiving countries are dependent on foreign tour operators for their tourist supply and the arrangements for getting them to their destination. And, although tour operators are not direct investors in the host economy, they exercise considerable influence over the tourist sector and even the country's socio-economic development in general. Ann Zammit [126] points out that "Relations with tour operators depend very much on the type of tourism being developed. Some tour operators are small specialised firms, serving a public which is more interested in foreign travel than a sedentary resort holiday but which has little knowledge of alternative tourist destinations. Other, large tour operators are concerned with mass tourism to places which have usually begun to establish a reputation as attractive tourist resorts. Each of these two types of tour operators has different links with the host country. The small operators dealing with 'travellers' or those seeking out more distant, exotic locations tend to establish links with local, host country tour operators, relying on the latter's knowledge of the local environment. They do not engage in long term contracts with local hotels or with air charter companies. On the other hand, large tour operators dealing in mass tourism are much more likely to pass over the local operators and tend to establish 'arms length' contracts with hotels in the recipient country - often of two to five years' duration or on long term 15 to 25 year leases'.

Tour operators are a central element in modern tourism, putting together the various elements of a travel package - from transport and ground arrangements to accommodation - but this 'wholesaling' activity is largely concentrated in the tourist generating countries. There is greater familiarity with the tastes and needs of potential travellers, economies of scale can be realised because of organising for relatively large numbers

and connections can more easily be made with airlines and hotel chains. Moreover, the activities of tour operators in organising travel etc. are almost wholly oriented to the national market. Only a few foreign tour operators are based in developing countries such as Mexico, Egypt, Venezuela and Korea.

Tour operators play a much greater role in marketing foreign travel in the UK, Japan and the Scandinavian countries, compared with France, the USA and West Germany. Also the type of frequency of linkages with the other two main providers of services for the tourist industry - airlines and hotel chains - varies considerably from country to country. Only a couple of cases where there was close integration between all three sectors of the business appeared in the UN study [127]. The US tour operators are generally independent of major airlines and have almost no hotel chain connections. In Canada, Japan and the UK, there are four operators who own airlines. Tour operators in the UK, Scandinavia and West Germany often have hotel interests in the Southern European mass tourist resort locations, especially Spain.

Developing tourist receiving countries are dependent on overseas tour operators in ways that cannot be changed. They are particularly dependent on large tour operators dealing in mass tourism. Developing countries need them for several reasons. Tour operators being in the travel business are equipped with first hand knowledge of the market situation. Secondly, they have resources at their disposal to promote a destination. One should bear in mind that National Tourist Organisations in most developing countries are short of funds to promote the country. If promotion of the country is done alone without the help of tour operators, the image projected of a country would not be effective to reach people, which in turn means that money is wasted. Finally, tour operators organise package tours aimed at cutting the cost of travel

and making holidays easier to be undertaken (especially in the case of long-haul travel) for the public.

The contribution of tour operators in introducing and stimulating travel to new destinations, especially in developing countries, is well recognised. It is no exaggeration to say that without them, new destinations would never be considered by potential long-haul travellers.

As Ann Zammitt [128] indicates: "The power of transnational tour operators to direct considerable flows of tourists to particular locations, to affect hotel capacity and also seasonality to some extent, puts such business operations in a powerful bargaining position with host country providers of tourism services, particularly hotels. Operators are able to depress hotel rates to levels which hardly provide operating profits and some apply the ultimate pressure of 'all or nothing' exclusive deals with host country hotels. The involvement of large international tour operators in the provision of tourism packages also reduces the net foreign exchange benefits to the recipient country. Pre-payment of charges, use of customer vouchers, and inter-company settlement of debts abroad rather than in the tourist receiving country facilitates the evasion of exchange controls and reduces the amount of foreign exchange accruing to the tourist receiving country. Where they are vertically integrated with hotel and air travel companies, pricing, and inter-company transfers obey the usual rules of transnational book-keeping in being determined in accordance with worldwide corporate requirements rather than profitability on a separate national basis".

From the above discussion, it can be understood that the main distinction between travel agents and tour operators lies not - as is sometimes thought - in the method of selling and distribution

used but rather in their method of purchasing services:

The travel agent, as described above, purchases tourist services from the principals he represents in response to specific requests from his customers. There are some large retail chains in travel in the UK, such as Thomas Cook, Lunn Poly, Hogg Robinson and W.H. Smith. Their shares of the market do not give them the power of influence which undoubtedly exists in the retailing of groceries. "Supermarket chains have established a strong influence and arguably a considerable degree of control over the product and pricing policies of the manufacturers of packaged foods whose products they purchase and sell". [129] In grocery outlets, of course, the retailers participate in the business risks and engage in the marketing process in a highly influential way. There are no obvious alternative methods of obtaining supermarket goods other than those already being developed by the major chains. By contrast, in travel, the retailers play little or no part in the product or pricing policies of the major producers. By virtue of the principal/agent relationship the travel market still enjoys what is in effect a condition of resale price maintenance which has long since disappeared in other consumer markets. The prices are those which appear in the brochure excepting only the special offers which are put out by operators to stimulate last minute sales. Once again there is nothing to prevent the retailer from sharing his commission with the customer in order to generate more sales, but by agreement it very seldom happens and is not a subject for sales promotion campaigns of the sort mounted continuously in other forms of retailing. The retailers' role is thus not so much to distribute products but essentially to provide access for customers to the producers' stock of products, via communication with a computer system which is paid for and controlled by the principal. "It has long been argued that the principal role of the travel retailer is to 'take orders' and to act in effect as a

'filling station' for products supplied and marketed by principals".[130] The travel agent may sell a tour or a 'package' of complementary services, but he does so only on an individual, 'custom-made' basis.

The tour operator, on the other hand, endeavours to anticipate and predict demand and to 'produce' standardised travel combination 'package tours' for subsequent sale at a pre-established price and on pre-established schedules for departure and return. He contracts with hotels, airlines (charter or scheduled, as the case may be) in anticipation of demand. He therefore carries the risk - otherwise borne by the hotel or air carrier - of filling the beds and seats he contracted for. The tour operator thus becomes a 'wholesaler' or even a 'manufacturer' of a tourist product; he holds an inventory of beds and seats which he must sell to recover his cost. The travel agent, in contrast, does not make a reservation unless and until a prospective tourist requests it.

A package tour - the 'product' offered by the tour operator - is a combination of transport, accommodation and ancillary services, sold at a stated price as a single service or package. The cost of transportation, the hotel charges, the cost of ancillary services, the tour operator's expenses for overheads, promotion, etc., and his profit cannot be separately distinguished by the customer.

The activities and hence the economics of a tour operator enterprise differ in many ways from those of a travel agent: the tour operator is involved in 'production'. He must put together a combination of services of different kinds and sell them at a competitive price. This requires intensive market research to determine what destinations, price ranges and types of tours are in demand. The tour operator must also negotiate and contract

with the suppliers of services (airlines, hotels, local transporters, etc.). Often substantial advance payments are required to secure reservations, especially in destinations for which demand is strong.

Once the tour operator has decided to include a specific destination, hotel, carrier, etc. for one or more of his tours and has contracted for the anticipated needed rooms and seats, he has a financial investment in the tour ... In this respect, he differs greatly from the general travel agent.

In the U.K. tour operating companies grow out of, or are closely linked with, charter airlines or - in the case of Thomson - out of a large publishing group. The competition between tour operators was intensive - to the point that two major firms (Horizon and Clarkson) collapsed in 1974. U.K. tour operators rely on extensive distribution, cooperating in principle with all member firms of ABTA (Association of British Travel Agents). Virtually all U.K. tour operators sell exclusively through conventional travel agents, although a few of them own small chains of 'retail outlets'. [131]

In all major markets, the size of the package tour business has grown, both in absolute terms (number of bookings per year) and in terms of market share: this is shown in the following data from the Federal Republic of Germany.

Table 4.3: Development of Package Tour Sales - Germany (FR)
1971/72 to 1974/75

Travel Season	Number of Bookings (millions)	Market Share	
		(in % of all holidays)	(in % of holidays abroad)
1971/72	3.15	13.6	74.0
1972/73	3.25	14.4	82.0
1973/74	3.41	14.5	80.2
1974/75	4.00	15.9	80.0

Source: WTO, Distribution Channels, WTO, Madrid, April 1976, p.21.

The significant differences in tour operators' share of total travel market vs share of the international travel market leads to two conclusions:

- It will be very difficult for the individual tour operator - and for tour operators in a market as a whole, further to increase their share of international travel. Increases in their international business will therefore have to come from market growth - or through drawing business away from their competitors.
- For tourist receiving countries - especially long-distance destinations - tour operators are the main marketing partner. This fact will have to be borne in mind in all distribution policy decisions by tourist services enterprises as well as National Tourist Organisations.

Organisation for Direct Distribution

Tourist service enterprises are faced with a dilemma: they cannot expect to attract a sufficient volume of business which will permit economic use of their existing capacity unless they actively

engage in selling their services. In this respect, Middleton in 1980 [132] identified the marketing advantages which may influence tour operators - as producers of inclusive tours (IT) - to experiment with direct selling:

1. Control over the distribution system: If the producer controls every stage of the selling effort, he can ensure that prospective customers receive his brochure on request with no fears of poor display, or out of stock problems. With an efficient telephone system, there are less dangers that queuing for service at busy times may frustrate potential customers.
2. Customer contact and repeat purchase: The producer has a real prospect over time of building up and maintaining on computer files, lists of regular travellers who are identified by name and previous purchasing characteristics. To these identified customers they can be beamed advertising and sales messages. Contact with customers is in the hands of the producer's own staff at all times and the prospect of quality control in all aspects of the product is enhanced. The prospect of efficient and relatively cheap market research, of creating clubs and other ways of securing customer contact are facilitated by direct selling approaches.
3. Cost reduction: Controlling rapidly rising brochure costs by more efficient distribution methods; reducing the cost of sales forces to create and maintain contact and carry out merchandising schemes in retail outlets; reducing the number of expensive computer links and saving expense on educational and similar retail trade incentive schemes, are all possible through direct sell.
4. Influence of competition: If direct selling approaches anything like 25 per cent of inclusive tour (IT) sales in the next two or three years, there is reason to suppose that the existing retail

outlets will be forced to improve the efficiency of their current operations and to reduce their costs. In loosening their effective monopoly over the bulk of holiday sales, the principals stand to strengthen their influence over the retail system.

Although the above argument represents an advantage of direct selling to tour operators as well as tourist service enterprises, it is, however, for most of them, not economical to assume full control and responsibility over their sales to the final customers because:

- Selling directly to the final customer requires sales offices in carefully chosen locations, trained sales staff and sales managers.
- The cost of sales offices, salaries and other selling expenses will have to be borne even if the sales volume is not sufficient to cover them.
- It would be necessary to cover a more or less important number of markets, often located far away. This creates additional problems of planning, coordination, communication and control.
- Different market conditions, customer habits and competitors will have to be taken into account, thus further limiting the possibilities of applying a uniform sales and distribution policy.
- Tourist services are complementary in nature and most customers require various services at the same time and hence prefer to deal with sales outlets that can meet several related needs rather than just one requirement.

The above represents the obstacles and constraints that exclude or at least limit the scope for direct distribution in tourism. The fact remains, however, that complete reliance on distribution intermediaries seriously weakens the market strength of tourism

service enterprises and, by extension, of National Tourism Organisations. It is therefore necessary to explore how and under which conditions direct distribution organisations and methods can be used to complement, if not to replace, indirect distribution. It should be noted that 'direct distribution' in this context does not necessarily mean selling to end-users (which, for the reasons given above, is seldom feasible) but also any attempt to extend distribution activities 'downstream', i.e. closer to the end-users. Three approaches have been used to achieve this: [134]

1. Sales Representatives:

In recent years, tourist service enterprises have begun to use sales representatives in order to ensure a better coverage of important markets. Their task is not to sell to individual travellers but to provide information and various services to sales intermediaries, especially travel agents:

- Market information: Providing regular information on market situation, customer demand, prices, competitive activity, etc. in order to enable the enterprise to adapt its service offer, pricing policies, promotion and sales support activities to changing conditions and requirements.

- Promotion Control: Supervision of advertising and public relations activities in target markets, organisation of familiarisation visits for travel agents, journalists and travel writers and tour operators.

- Sales service and assistance: Maintaining regular contact with travel agencies, distributing promotional material, price schedules and timetables and assisting in obtaining reservations and information from the firm's headquarters.

2. Sales Offices, Service Points:

Scheduled international airlines, car rental services, several international hotel chains and some of the major shipping lines maintain their own networks of sales and ticketing or reservations offices in important cities in addition to selling their services through travel agents.

3. Reservation Service Networks:

Burkart and Medlik [134] argue that "The reservations procedure in some tourist industries, notably hotels, airlines, and some forms of entertainment, is analogous to the physical distribution network in the case of consumer goods industries. It is the means whereby the final consumer via the retailer draws upon the supplier's stock. Additionally, as is the case with consumer goods, it is a most important source of management information".

The significance of a reservations system lies in the opportunity it gives management to manage demand for individual units of production, e.g. at particular hotels or on particular flights. The day-to-day management of demand is the proper function of a reservations procedure. If several units of production, aircraft, or hotels, are involved, the purpose of a reservations manager will be to distribute the demand for the seat or bed across the whole production in the most profitable way; it may be advantageous, for example, to have two aircraft flying with each carrying half the traffic than to operate the one with all the traffic and the other empty. Virtually all large tour operators use computers for the control of their 'inventory' of charter aeroplane seats and hotel rooms. In some cases, regional service offices have been set up to facilitate and accelerate travel agents' reservation requests. In the Federal Republic of Germany, an integrated reservation system (START) became operational in 1978. START combines the computer systems of the major tour operators,

Lufthansa and the German Federal Railways. Terminals with visual display of information are being installed in travel agents' offices. In this way, travel agents can confirm reservations on the spot. The system is expanded by adding print-out equipment, so that the travel documents (tickets and vouchers) can be issued automatically.

New Types of Distribution Intermediaries

The conventional travel distribution intermediaries - travel agents and tour operators - clearly hold the largest share of travel sales overall. There is no evidence at the moment that this situation will change to a significant degree in the years to come. This does not mean, however, that no attempts are being made and will continue to be made to create new forms of distribution in the industry that operate in part or entirely outside the established channels.

When considering these new forms of distribution, it must be borne in mind, however, that their chances of success depend on the ability:

- to provide services or facilities to the travelling public and/or price advantages which the conventional distribution intermediaries cannot match,
- to take advantage of an already existing customer goodwill and to transfer this to the travel sector,
- to utilise an already existing sales organisation, adding travel services to the goods or services already being sold to the public,
- to appeal to special interests or motivations by offering travel opportunities for already defined population groups.

By way of illustration, four new approaches to travel distribution are described as follows: [135]

- (a) Newspaper Travel: In the Federal Republic of Germany, several regional newspapers are offering special travel arrangements to their readers.
- (b) Health Travel: Travel programmes for health and fitness fans are being distributed exclusively through a chain of some stores for natural foods and organic health products.
- (c) Selling Travel Door-to-Door: It is reported that a large Federal German organisation selling books and magazine subscriptions to private households through teams of salesmen is actively considering adding a selection of package tours to its range. It is said that the organisation is negotiating with several tour operators to obtain exclusive rights for certain programmes and destinations.
- (d) Insurance Companies as Travel Distributors: So far, insurance companies have not yet become active in the sale of travel services (other than travel insurance). It is conceivable, however, that sooner or later large insurance companies with sales organisations covering urban or rural areas will offer travel services, especially package tours, in competition with conventional distribution intermediaries. It would seem that rural areas, in particular, with low travel agency densities would offer sales potential.
- (e) Shop Committees: In France, the Comités d'Entreprise - sponsored by the Trade Unions - have become active as travel distributors and reportedly sold over 100,000 trips within France and abroad in 1975. In the Federal Republic of Germany, labour organisations have become involved in travel in a more conventional form: they are financed by the Bank fuer Gemeinwirtschaft (owned by DGB, the German Trade Unions Federation) a tour operator company, (GUT-Reisen).

In general, it can be concluded, however, that the new types of distribution intermediaries - while offering competition to the established travel trade and filling travel needs for certain population groups, e.g. in rural areas - have not attained the level of market power that was originally expected when they began to appear in the late 1960's.

Distribution Policy Options

The term distribution policy is used to describe the goals and objectives as well as measures and activities decided upon by a tourist service enterprise or an official tourism organisation in order to ensure that the service or destination is sold effectively and efficiently to potential customers.

For several reasons, tourist service producing enterprises - and also official tourist organisations - are attaching growing importance to the formulation and execution of distribution policies:

- Utilisation of Plant and Equipment: The long-term profitability and hence the continued existence of all enterprises - in tourism as in other service industries - depends to a significant extent on a sufficiently high level of utilisation of their capacity.

- The limitations of Advertising and Promotion Effectiveness: To rely exclusively on advertising and other promotion or 'communications' measures to ensure sales would be unrealistic and dangerous: even if potential customers are attracted to a tourist service by effective advertising, their eventual decision whether to utilise it, to travel by a certain airline, to visit a given destination or to stay at a particular hotel, will still be determined by the distribution intermediary and his selling ability.

- More Intense Competition: Competition between services, destinations and different methods of travel is already strong in tourism and will certainly further intensify in the future, as accommodation, transport and other capacities increase while the growth of demand will most likely slow down. The ability to compete in this situation depends on choosing the right distribution policy almost as much as on the ability to provide service which in quality and price corresponds to demand.

- The ability to adapt to changing circumstances and market situations: Certain distribution methods imply long-term commitments for the enterprise and this may create difficulties at some point. For example, a hotel using travel agents specialising in the sale of individual bookings may find it is losing sales if market demand for group travel or convention and conference travel is increasing.

- Buying habits of customers: The relative importance of the various distribution intermediaries varies considerably from one market to another and also, within each market, by type of service, price range, destination and customer category.

- The importance of sales and distribution intermediaries: In tourism, intermediaries have a far more decisive and controlling role than in most other service industries. Banks and insurance companies can rely on their own sales effort to attract customers, but tourist service enterprises usually cannot. It follows that a rational and intelligent distribution policy must include measures designed to support, motivate and guide the intermediaries chosen.

- The cost of distribution - mainly in the form of commissions paid to intermediaries and in the expenses involved in supplying them with sales support material (brochures, leaflets, guide books, schedules, tariffs, rate tables, etc.) is far from negligible.

It usually amounts to at least 10% of sales revenue and may rise as high as 25%.

For all these reasons and many others, most of the enterprises providing basic tourist services - and also official tourist organisations - choose a distribution policy which:

- relies on travel trade intermediaries to assure sales to the ultimate customers, users of their services and products,
- concentrates on providing these intermediaries with a regular flow of information, sales aids and promotion assistance,
- motivates these intermediaries to sell their services or designations by offering attractive compensation (commissions, extra bonuses for sales above a certain level, special seasonal discounts and incentive rates), by organising familiarisation visits, offering special arrangements and free tickets to staff members, etc.

In most cases, no single distribution channel will be exclusively suitable for the sale of a given tourist service. Most tourist service enterprises use several channels in combination to ensure that their potential market is adequately covered and that the different groups of customers (individual travellers, buyers of package tours, convention and conference travel, etc.) are provided with the sales services and information they require.

An enterprise opting for direct distribution will have to provide from its own resources the sales staff, organisation, control, sales support material, etc. required for an adequate coverage of prospective buyers. This does not mean, however, that

an enterprise which uses intermediaries has no need for a sales organisation and sales support. The intermediaries will actively and consistently sell its services only if they are given the support information and incentive to do so. Furthermore, the tourist enterprise cannot rely on travel trade to promote either its services or the destination - it will therefore be necessary to combine service/destination advertising targeted or prospective customers with sales support measures directed towards the travel trade.

Sales support has to be closely related to functions which neither advertising nor public relations can be expected to fulfil as completely or as effectively: (i) It is the channel of communications between the 'producer' of a tourist service - a hotel, airline, etc. - and the 'seller' of the service; (ii) It helps the seller to do his job more effectively. Once advertising has created demand (in the form of enquiries made by potential tourists), travel agents and other intermediaries need not only the type of information requested but also material such as brochures, booklets, guides, maps and illustrations in order to be able to transform demand into definite bookings. Most of this material is destined for distribution to potential tourists by sales intermediaries either directly or through the mail.

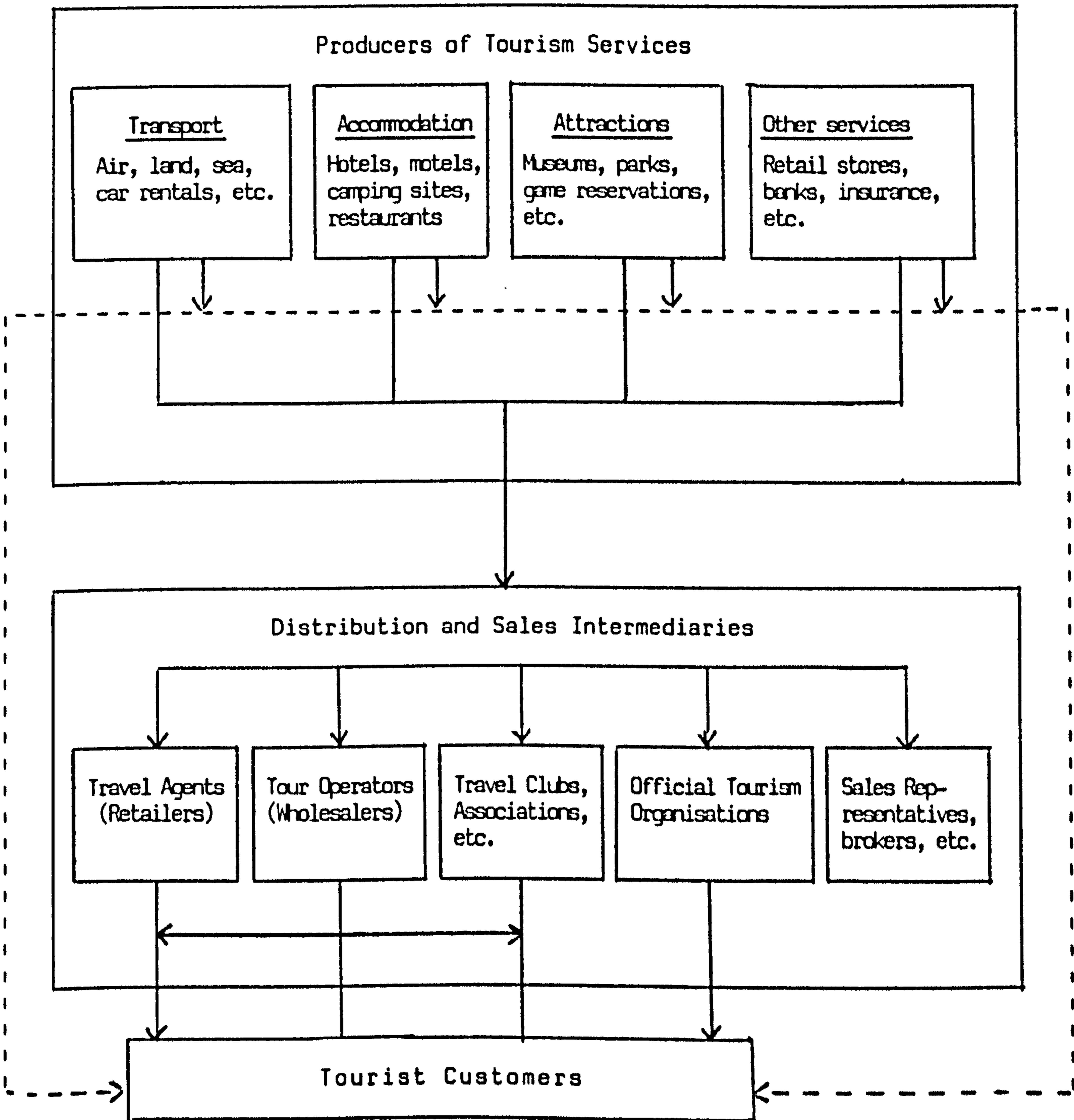
A 'distribution system' is composed of the different types of intermediaries whose task is to make a product or service available to its end-users or consumers. A 'distribution channel' can be described as a given combination of intermediaries who cooperate in the sale of a product. It follows that a distribution system can be - and in most instances is - composed of more than one distribution channel, each of which operates parallel to and in competition with other channels.

In tourism, three distribution channel types can be distinguished:

1. The Supplier-Customer Channel: This arrangement corresponds to 'direct distribution' - without intermediaries. Its limitations in tourism - and especially international tourism - have already been discussed above.
2. The Supplier-Agent-Customer Channel: The agent represents the supplier and receives a commission for sales effected. He acts on behalf of many - often directly competing - suppliers, since commission rates are standardised, and he will concentrate his selling effort on those suppliers, who offer services which sell readily because of strong demand. The travel agent is, however, never the representative of a destination.
3. The Supplier-Tour Operator-Agent-Customer Channel: While the travel agent makes travel arrangements in response to demand, the tour operator (or 'travel wholesaler') tries to anticipate demand and makes arrangements with the suppliers (block bookings or charters) to produce travel 'packages' to be sold through travel agents (retailers) or directly to customers.

Figure 4.1 shows the main types of distribution intermediaries and their relationships with the suppliers of tourist services on the one hand and with tourists on the other.

A more concrete view of the tourism distribution system is obtained if the main relationships between supply, demand and distribution intermediaries are brought into focus. These relationships are essentially of two types:

Figure 4.1: The Distribution System in Tourism.

Source: Distribution and Sales of Tourist Services, WTO, CIEST Correspondence Course, Sec. I, p.13.

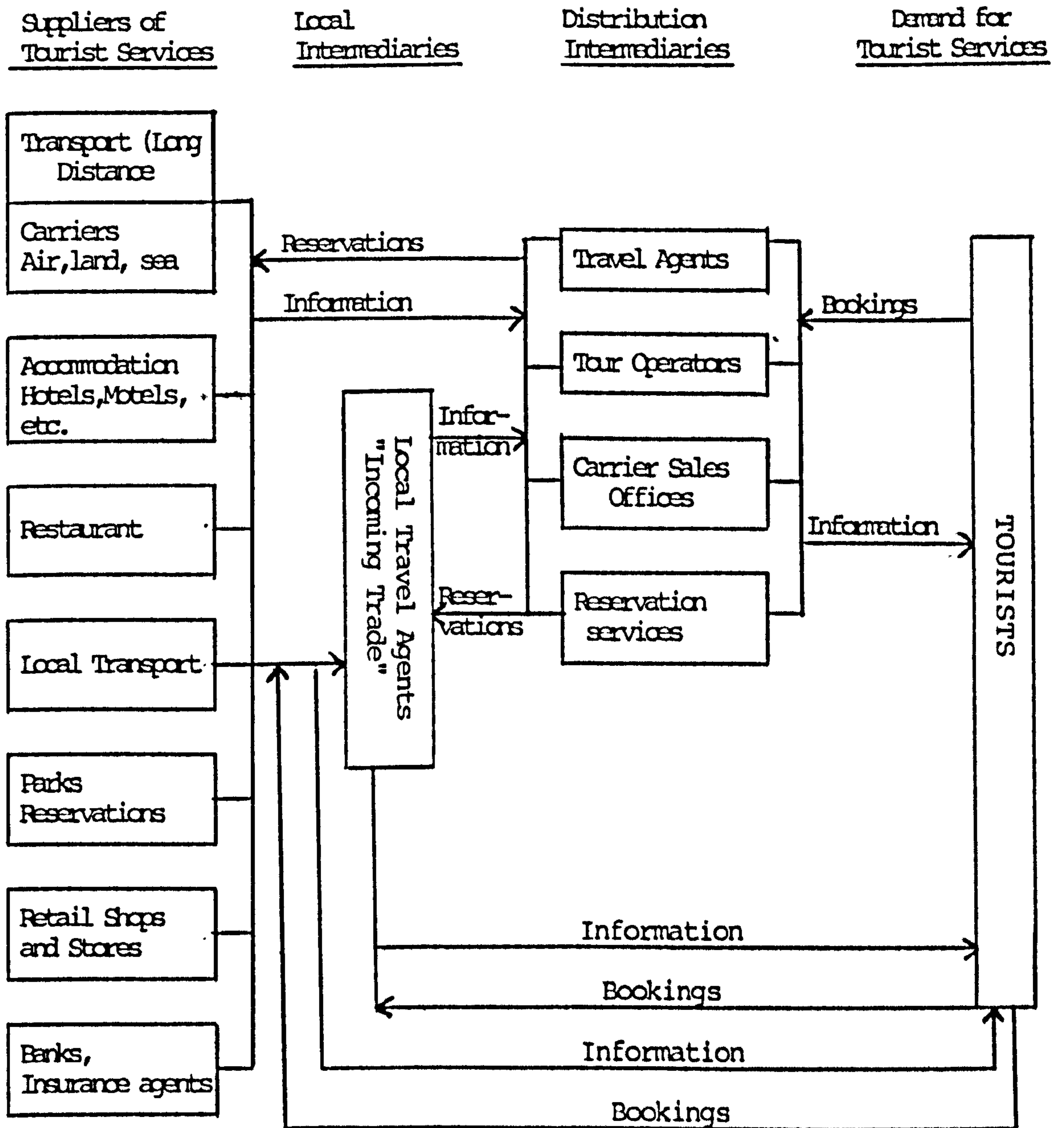
1. Information flows: Tourist service enterprises communicate (through advertising, brochures, schedules and rates or tariff tables) with travel trade intermediaries and their prospective customers. Likewise, travel trade intermediaries at the destination (incoming services agencies) and in the travel markets communicate with the travelling public.
2. Reservations and bookings: In the opposite direction flow requests for reservations and bookings for transportation, accommodation and other services.

These flows are shown in Figure 4.2 overleaf.

It may be objected that the information activities (advertising, public relations, and sales support) undertaken by official tourism organisations are not shown in the following chart. The reason for this apparent omission lies in the fact that these organisations do not - with rare exceptions - participate directly and fully themselves in the distribution functions: while they provide information to the travel trade and to the prospective travellers, they are not themselves involved in the actual process of selling travel services.

This does not mean, however, that their role in tourism distribution is negligible or secondary. In fact, one of the unique characteristics of tourism marketing is precisely the fact that official bodies are involved in travel distribution to an extent not found in any other industry. The role and activities of NTO's in the distribution activities will be explored later on in this section.

Figure 4.2: Distribution Activities in Tourism.



Source: Study of Present and Potential Distribution Channels, IUOTO, 1973, p.15.

Factors Determining Distribution Policy

When deciding a distribution policy, the leading factors to be borne in mind by the seller of the tourist product on its elements are:

1. Location of points of sale (availability of product).
2. Cost of distribution.
3. Effectiveness in generating sales.
 - Market Coverage
 - Motivation
4. Image.

In the following, some light will be shed on these factors.

1. Location of points of sale: As Burkart and Medlik have pointed out [136], tourism is a price-sensitive product, and the two main ingredients in the packaged tourist product cost are the cost of accommodation and meals at destination (affected by the rate of exchange between country of origin and country of destination), and the cost of charter air travel (affected by fuel and labour costs).

Deciding where to put sales outlets will, for an NTO, normally be a factor of the amount of traffic which is expected from the generating country concerned. But for NTO's, carriers, or channel of distribution, there is not merely the problem of choosing countries, but also that of choosing cities, or even locations in cities. Carriers tend to become concentrated in one locality. Piccadilly in London or the Gran Via in Madrid; tour operators are to be found along the Rue de la Paix in Paris.

2. Cost of distribution: Channels of distribution are generally used and may include travel agents or retailers, tour operators or wholesalers, or individual outlets (such as supermarkets, banks, etc.), In general, the distribution channel is remunerated by means of a percentage commission on sales, each link in the chain receiving such a commission. Consequently, the more links there are, the bigger the total percentage charge which the sales price bears. But each link performs the service of accumulating purchase orders for the next link, and the whole chain enables the producer to bring his thousands of products (for instance, hotel beds or air tickets) closer to the individual purchaser. In other words, there is a trade-off between market coverage (in volume of outlets and sales) and cost (in percentage on sales price). Alternatively, it is possible to suppress the channels of distribution by eliminating all intermediaries and selling directly to the consumer. 'Selling directly' means reaching the consumer by advertising, direct mailing with returnable coupons, and/or a force of salesmen to visit the consumer and explain the product. Consequently, direct selling also involves costs.

Since the channels of distribution get a percentage discount on sales price, the cost of their services is a 'variable cost' for the producer. If they do not sell, they cost nothing. Direct selling, on the other hand, involves him in the 'fixed cost' of maintaining a sales force, doing direct mailing, renting office space, etc.

3. Effectiveness in generating sales: In distribution, as in all other aspects of the marketing mix, effectiveness must be evaluated against cost. Effectiveness is, in its turn, dependent on market coverage and motivation.

Marketing coverage combines three basic elements: [137]

- Number of points of sale per thousand decision-takers.
- Cost of time - distance between decision-taker and decision point.
- Sales timetable (opening hours).

Motivation depends on satisfying the differing wants and needs of different people in the distribution chain; tourism producer, retailer, wholesaler, and client. Poorly motivated sales staff in their turn means ignorance, indifference, or poor treatment of the customers. Badly treated customers vote with their feet: they take their business elsewhere.

4. Image: It might be possible to sell 15 days in Acapulco through pharmacies. But would one wish to buy the place of one's dreams just where one goes to cure sickness, in an atmosphere of chemicals and starched white overalls? In this case, would the distribution image be right for the tourist product? Distribution policy affects a product's image to the extent that the method of distribution and point of sale must be designed to coincide with, or surpass, the levels of the product offered and the market at which it is aimed.

The study steps forward to discuss the role of the official tourism organisations in the distribution policy.

The Role of the National Tourism Organisation in the Distribution Policy

It is sometimes proposed that NTOs should become directly involved in the sale of their destinations by substituting themselves entirely or for certain market segments or regions in place of conventional travel trade. It is argued that direct selling by NTOs would reduce selling expenses and hence lower the cost of travel

by cutting out the commission due to middlemen, that it would be possible to attract a type of visitor better suited to the country's tourist facilities and that the NTO would not have to contend with promotion approaches detrimental to the image the country desires to project.

It is suggested, however, that NTOs should consider such a policy only in exceptional situations, because: [138]

- An NTO actively engaged in direct selling - as a tour operator - would not only establish itself as a direct competitor of the conventional travel trade, but also lose - or at least weaken - its position as a neutral arbiter or moderator between the travel trade on the one hand and the tourist service enterprises in its country on the other.
- Furthermore, NTOs as governmental agencies are seldom equipped - especially as regards personnel - to engage successfully in commercial operations.
- The initial and ongoing expenses of setting up an NTO operated sales organisation are considerable and would - assuming the enterprise succeeds in the highly competitive market climate - in all likelihood more than cancel out the savings on commissions and other payments to travel trade intermediaries.

This does not mean, however, that many NTOs could not play a more active role in the distribution sector. This could be accomplished in three ways:

A. NTOs could develop, in cooperation with hotels, airlines and other service enterprises in their country, complete travel packages and offer these for sale, ready made as it were, to tour operators

and/or travel agents. Certain regional tourist organisations (for example in Switzerland) have already adopted this policy successfully.

B. NTOs can cooperate with tour operators at the programme planning stage, by suggesting new itineraries and localities where tourist facilities are available but underused. The French Secretariat of State for Tourism has prepared several programmes for tourism in the Massif Central and other regions that were in the past largely bypassed by international tourism.

C. More intensified cooperation between the NTO and the national airline is a further avenue towards a more active distribution policy. Joint NTO/Airline offices in the major market centres would not only result in savings through commonly used facilities and staff - they would also enable the NTO to become more directly involved with the travel trade.

Summary

The discussion in this section revealed that:

- The interests, aims and operating practices of NTOs and the travel trade cannot always be in harmony and that conflict is at times inevitable. However, considerable scope exists for an intensive and more effective cooperation between NTOs and the travel trade.

- 'Conventional' travel trade intermediaries - travel agents and tour operators - have a dominant position in the distribution and sale of international travel. New distribution channels (e.g. banks, insurance companies, community associations) have reached a significant market position in certain countries, but it is considered unlikely that they will make further inroads on the

clientele now served by the conventional intermediaries. They will, however, probably attract new market segments such as special interest groups or potential travellers in areas not sufficiently covered by the travel trade, such as rural areas.

- It can be assumed that the process of concentration in the tour operator field - especially in West European countries is virtually completed. The mergers and take-overs of the late 1960's and early 1970's have produced groups that cannot be expanded further within the limits set by national and international antitrust and antimonopoly legislation.

- Developing tourist receiving countries are dependent on overseas tour operators in ways that cannot be changed in the near future. Large tour operators have the power to direct considerable flows of tourists to particular locations, especially long-haul destinations, by organising package tours aimed at cutting the cost of travel and making holidays easier to be undertaken for the public.

- In the travel agency sector, the situation is different: The pressure of rising costs and the need for higher productivity will favour the creation of travel agency 'chains' through mergers and acquisitions as well as the formation of travel agency co-operatives and other forms of association and cooperation between independent travel agents. In other words, although the travel agent will not be replaced as the primary distribution channel, the industry will look different in the future.

- The introduction of operational and technical changes in travel trade operations - especially the introduction of automated reservation systems for travel agents - is still at an early stage.

- Distribution policy in tourism may be depicted as follows:
The considerations which affect a choice of distribution policy are:
- comparative cost of the channels;
- comparative efficiency of the channels;
- proximity of channels to markets, and market coverage;
- image of the channels in the minds of the purchasing public;
- power of the channel in relation to the destination country and the tourism supply (for instance, the power of leading tour operators in relation to hotels and airlines (package tours)).

Section Five: Promotion Policy in Tourism

Introduction

For the layman, more often than not, promotion is marketing. Marketing literature places major stress on promotion. There have been many statements regarding the role or objectives of promotion. However, treatment of promotion within the totality of marketing has not been balanced. Consumer goods have received more consideration than industrial goods. Within consumer goods, the promotion of non-durables has been stressed over durables. In terms of media, impersonal means of promotion have received much greater recognition than personal approaches. Among the various impersonal media, focus has been on mass selling through newspapers, magazines, and television at the expense of various forms of sales promotion, direct mail, and publicity. And, with reluctance, it must be noted once more that the service sector has been included in discussions of promotion only implicitly, for the most part.

It is difficult or meaningless to promote an intangible product as a tangible product. An intangible does not lend itself to visual presentation. In addition, either the visualisation of a service being performed or a word description, whether written or spoken, offers only limited opportunity to inform, persuade, or remind the service customer or prospect. As a result, the intangibility of services leads to the adoption of what many believe to be a superior form of promotion; the sale of an idea. As mentioned elsewhere, the tourist is sacrificing a tangible benefit (money) in return for an intangible benefit (expectation) before the event; after the event he has received an experience. In other words, the tourist spends money to buy a dream, and the dream later becomes converted into reality.

Some services promote ideas indirectly through stress on surrogates. For example, facilitating goods rather than the service itself are emphasised. Both air and surface passenger transportation services and hotels often stress amenities. The environment of a service is a second surrogate. Various recreational travel industries use this promotional theme with stress on status symbols.

For the most part, however, the intangibility of a service requires that it be promoted on the basis of a very simple idea - an idea which receives universal approbation - consumer, user, client benefits. The benefit idea is the major unifying theme of equipment leasing and car rentals; and freight transport promotion stresses speed and specialised service.

In this section, an attempt will be made to explore the role of NTOs in promotion. The steps of promotion strategy will be the subject of an extensive discussion. The need for a coordinated and integrated promotion policy will be touched.

The Role of a National Tourist Organisation (NTO) in Promotion

An NTO is the official body of a country which is responsible for the development and marketing of tourism. It may be completely governmental and part of the civil service, in the form of a Ministry of Tourism as the case of Egypt, or it may be a section of some other ministry. It could be a semi-governmental or statutory body and outside the civil service proper of a country, as in the case of a tourist development corporation or board, an authority, or, as it is frequently called, a national tourist organisation. The developmental and marketing functions are sometimes divided between two separate bodies. In such cases the tendency is to designate the body charged with the marketing function as the NTO.

A national tourist office abroad is an extension of a country's NTO in a particular market. This definition excludes the case of an NTO being represented in a particular market by a local specialised agency conducting marketing campaigns on its behalf. Such an arrangement cannot be described as a national tourist office. A national tourist office abroad is, by definition, concerned with international as opposed to domestic tourism.

Most official tourist organisations encounter difficulties whenever they come to get approval from the government for the budgets they rightly feel are needed to continue their efforts in the promotional field from year to year. Public funds are always limited and the competing claims of other government departments are often more urgent.

Admittedly, there is general agreement that tourist promotion is necessary and even desirable, but considerable argument tends to arise over such questions as how much to spend, what to achieve and where to achieve it. These arguments do not always lead to clarification and agreement, mainly because so far there does not yet exist a reliable and generally applicable method to prove a direct casual relationship between tourist promotion spending and tourist revenue.

As Schmoll [139] argues: "the uncertainty over the relationship between promotion 'input' and sales 'output' is by no means unique to the tourist industry - but it is perhaps more readily apparent".

In the more traditional manufacturing industries the control of the individual producer over the final product put on sale is usually quite well assured throughout the distribution system, and therefore the control of the effectiveness of sales and promotion

or advertising activities is a manageable, although at times difficult task.

In the tourist industry, on the other hand, the end product, the satisfaction of people's desire to travel and to see new places, depends - as we discussed earlier - not on the efficiency of one producer but rather on the performance of numerous enterprises of different kinds, with not always identical aims, operating in different places and at different times.

It follows that any promotional effort no matter how well planned and executed may fail if one or more of those involved in producing tourist satisfaction fall down on their parts of the job. And it also follows that it is virtually impossible to measure exactly the contribution of each individual member of the industry to overall result as expressed in national tourist revenue.

In general, the suppliers of the various services required by the traveller in visiting a destination are interested in promotion of their own services rather than visits to the destination. As a result, most of the advertising undertaken by those businesses is not more than indirectly related to destination area development. There is, however, an exception - the large airline.

Wahab et al. [140] argue that "An airline connecting a travel destination with a major market by a long haul will frequently undertake considerable promotion of that destination". In fact, they comment, "major airlines often invest more in the promotion of a destination than do the government tourism offices." In their opinion, this carrier approach is logical. "If an airline provides all or a major part of the service between a market and the destination, those visiting this destination will probably buy seats on this airline. Knowing this the airline can turn its attention

to the basic considerations leading to destination decision - climate, scenery, recreation and so forth - rather than the quality of its own service.

Other suppliers of services required by the travellers are less likely to be strong promoters of a destination. The large chain hotels tend to invest their promotional budget into enhancing the image of their properties. Some may feature destinations in which they have hotels; more usually they will suggest that since the traveller is going to a certain destination he should stay in their hotel. For the small and independent properties this is typical, sometimes relying on billboard or highway advertising to get the message to the traveller after he has arrived at the destination area. Tour and sightseeing companies as well as paid attraction may make limited efforts to encourage potential travellers to visit specific destinations, but the bulk of their promotion is addressed to the visitor after he has arrived. Restaurants, bars and nightclubs as well as tourist shops concentrate their promotion primarily upon the visitors who have arrived at the destination, thus doing little to increase the number of arrivals.

As has previously been discussed, the travel agents normally not dedicated to any specific destination, will book a passage to and accommodation in the destination desired by the potential traveller. These agents do advertise in the local press of the area in which they are located, often suggesting the availability and price of trips to certain destinations. This is done, not to promote the destination, but to encourage those interested in such destinations to come to their office for assistance. The destinations advertised by these agents are, obviously, the ones that the agent thinks will sell. If the travel agents believe

that the market they serve is interested in travel to Egypt or Jamaica, they will feature Egypt and Jamaica in their advertisements rather than Hawaii or Japan. Likewise, posters produced by the NTOs of Egypt and Jamaica will be displayed in the travel agent's windows and on his walls.

The problem faced by the destination is that of getting the customer of the travel agent to go to this agent with an inquiry about that destination. To accomplish this, it is necessary for the destination tourism organisation to create the interest that will lead to this inquiry. This can be done by advertising and promotion undertaken by the destination tourism organisation and not by the travel agent. Once significant numbers of potential travellers begin inquiring about a specific destination, the travel agent will become likely to include it in his own advertisements. It is suggested that at this time, it would be well if the agent had a personal knowledge of the destination and its various facilities, to be better able to discuss these with the potential traveller. Here the familiarisation tour becomes important. Often airlines will invite travel agents from these market areas to fly to a destination at little or no cost to the agent; obviously to encourage the agent to book seats on this airline when sending travellers to this destination. Likewise, major hotels in the destination will probably provide such travel agents with rooms at little or no cost for similar reasons. With the knowledge and impressions obtained on these familiarisation tours, the agent will be better able to answer the questions of his client and sell the destination. But the responsibility of creating the interest that leads to the inquiry in the office of the travel agent must rest with the destination, specifically the destination tourism organisation.

Much the same can be said of the tour organiser. Here the problem is to get the tour organiser to include a visit to the destination among the tours that he offers. The tour operator is not in the business of developing travel destinations but is, instead, in the business of developing tours to destinations that will sell. In other words, he is packaging tours for which a market exists. Once again, the destination tourism organisation has the responsibility of creating the interest in the destination that will lead the tour operator to create a package tour that will include that destination.

However, as stated by World Tourism Organisation [141], for obvious reasons of profitability and productivity, a major share of mass tourism is often entrusted to tour operators. Being familiar and in touch with their clients, they describe the country to which they wish to send tourists. And since they can bring large numbers of tourists to a country, they sometimes negotiate direct with the government of that country. Some countries, particularly developing countries, have even decided to subcontract to tour operators all communications concerning their tourism.

In general, the responsibility of creating the interest in a destination that can lead to a trip is that of a destination tourism organisation and not the travel trade. Only by assuming this responsibility can the travel trade be brought to the position of assisting in promotion and sale of the destination.

It might well be asked whether an NTO cannot carry out such a campaign just as successfully from its home base. In fact, as it is reported in the International Tourism Quarterly [142], the implementation of a comprehensive marketing campaign directed from the home base is sometimes possible, although never easy. However,

it is invariably more expensive and less effective. It is more expensive firstly, because of the inevitable dependence on outside professional assistance for a whole range of marketing services and, secondly, because of the higher distribution costs involved. It is less effective, firstly, because follow-up action is not always feasible for sheer logistical reasons, or because efficient feedback cannot be conveniently secured in order to monitor effectively a campaign. Further, by attempting to organise and direct a campaign from its home base, the NIO fails to gain as much knowledge of the markets it is trying to cultivate and it can through representation in the actual markets. Under the circumstances, it is obvious that NIOs which maintain their own offices in the various markets have a competitive advantage over those which try to run their campaign from the home base.

Summary

The task of promoting a travel destination cannot be shifted from the destination area organisation to either the suppliers of the travel services or the travel trade. The responsibility for this market development must rest with the destination itself through its offices located in the market of the tourist generating countries. Enlightened travel service suppliers should recognise the importance of the destination area promotion to their own desire to profit from the resulting visits and co-operate in this effort. This cooperation is frequently in the form of pooling funds or making financial contributions to the destination area programme. But the travel trade has no such common interest and can, therefore, not be expected to assist in creating interest in visits to a specific destination. Only when sufficient interest to the destination exists to provide the trade with profit opportunities can the trade be expected to promote a destination. The responsibility for successfully marketing a destination must be assumed by the destination tourism organisation. However, because of the critical role

of large tour operators in directing the demand from one country to another, most developing countries have decided to subcontract to them all promotion activities concerning their tourism.

But how a NTO run a promotion strategy, will be the subject of the following discussion.

The Steps of Promotion Strategy

Promotion is only one of several marketing forces that lead to the ultimate goal of selling the many faceted product 'tourism'. Tourism, just like any other product, needs the right 'marketing mix' to sell. It does not make sense, therefore, to praise promotion exclusively if things go right - or to condemn it if tourists don't come in their numbers as expected.

Success in tourist marketing depends finally on the right blend of marketing forces and activities - from the touristic installations (hotels, etc.) and attractions, to transportation facilities, personal services, prices and costs, the selling effort of travel agents and other intermediaries all the way to promotion through advertising, public relations and other promotion activities.

It is evident that promotion, important as it is, is only one of the factors in the marketing mix or marketing programme of a government tourist office.

The available literature - either presented at international conferences [143], or prepared by the International Tourism Organisation [144] - provides the base for determining a promotion strategy which can be illustrated in the following steps:

1. Promotion objectives

How should promotional goals be defined? They should be defined in terms that are meaningful in the context of promotion. As the function of promotion in the marketing mix is communication, goals must show what is to be communicated to whom and how - and what the intended effects are.

The general aims of the NTO are the starting point for marketing and the basic factor in defining promotion strategy. As a rule these aims, set by the development plan, are not sufficient to allow a promotion plan to be defined; they must first be stated in commercial terms. There is a hierarchy of aims, which must be defined in the light of the specific status of supply and the opportunities in the tourism market. Defining the annual promotion strategy, therefore, requires prior consideration of the development objectives and their conversion into commercial aims; the priority targets to be tackled.

It takes research, judgement and applied commonsense to come to a statement of promotional goals; but the process is fairly straightforward:

Frame of Reference:

Product: What are the facilities in accommodation and transport, the natural and cultural attractions which the destination has to offer, what are price levels and service quality in comparison with competition? What factors are known to be detrimental to tourism?)

Market(s): Who are the right people to be reached by promotional efforts, how old, how rich, how well educated are they, where do they live and what do they do to earn a living?)

Motives and attitudes: Why do people travel in general, and to certain countries and regions in particular, what do they expect to do and see there, what well-founded or imagined apprehensions, fears and prejudices do they have, how do they gather information on vacation places and how do they arrive at their decision?

The purpose of segmenting the market is to find practical ways of reaching communications targets at minimum cost for a desired result. For example, if the potential market for a country's product is virtually the whole population (as might be the case with two contiguous economically-developed countries), little may be gained from a detailed segmentation of the market. Conversely, if the potential market is only a very small proportion of the population but with certain well-defined characteristics, it would be wasteful to adopt a communications mix which is aimed at the whole population.

The question of means of identifying the various market segments to which a country's product is likely to appeal, i.e. the potential market for the product has been extensively discussed in the previous chapter. It is therefore assumed now that potential users or purchasers have been described and identified in sufficient detail to enable the next steps to be made and that adequate information is also available on the characteristics and importance of the various intermediaries in each market.

A controversial question faced by many NTOs and other organisations in the travel industry is "should we concentrate our promotional activities on the travel trade or on the public?" or "how should we choose how much to spend on each?" The travel trade (i.e. travel agents, tour wholesalers and carriers) is

usually a potential target for communications about a country's tourism product from two main aspects; as part of the distribution network through the country's product is supplied to ultimate consumers, and as a communications channel for passing information about the country's product to potential consumers. These two aspects are quite distinct.

In the first case, if a country wishes to change the distribution mix for its product, for example by persuading a larger number of wholesalers to include packages to itself in their brochures, the wholesalers are the ultimate target of the communications. The amount of effort that should be devoted to this activity should be reasonably easy to determine provided clear objectives have been set and sufficient information is available to determine the best way of putting relevant messages over.

In the second case, it is a question of assessing the cost effectiveness in a particular market of the travel trade as a communications channel for transmitting messages to potential consumers, compared with alternative channels, such as the news media, direct mailing and face to face contacts.

Some guidance on the likely exposure of the public to information through this channel may be derived from examining the importance of the travel trade as a distributor of the product. For example, in a market where relatively few pre-bookings of holiday arrangements through intermediaries are made, and where there is no reason to believe that this situation is likely to change over the planning period (perhaps because this market is an adjacent country and most visitors travel using their own transport, booking direct with hotels etc.), the travel trade would clearly be a low priority communications target. In a

market where a high proportion of visitors pre-book, the trade is clearly of much greater potential importance as a target.

As a general rule, where retailers are significant in the distribution mix, they can be a useful channel for transmitting detailed information about a product once the purchaser's interest has been aroused, but are rarely likely to be a very cost-effective channel for arousing initial interest.

The major wholesalers and carriers in most markets devote considerable sums to consumer advertising and other forms of direct promotion to potential consumers. They are often, therefore, from a particular country's point of view, an important possible communications channel for information aimed at consumers. This is particularly relevant to developing countries. However, like retailers they are usually selling the products of a number of countries and, except where they have long-term financial commitments to particular countries (e.g. through long-term room allocation commitments or direct investment in hotels), are likely to be relatively indifferent between selling similar priced travel arrangements to different countries. This tends to place some limits on their effectiveness as a communications channel for any particular country.

The overall long-term communications objective behind all communications activities is obviously to induce sales of the tourism product. Comparison of tourist arrivals and revenue with targets will be one measure of the effectiveness of communications activities. However, to draw up a programme of communications activities it is necessary to redefine the overall objective in terms less general which are appropriate to the particular market and which give a better guide to the specific activities to undertake. The communications objectives

should be set out as clear statements of the message which one wishes to transmit to the selected market segments.

2. Assessing the 'State of Awareness' of each Segment

The definition of the aims has indicated what to sell and to whom. Measuring the gap between the communications aims which have been set for each segment of the market and the present 'state of awareness' of the segments is an essential preliminary to deciding on appropriate messages to be transmitted, the channel to be used for transmitting them and resulting costs. The objective is to establish a measure of the amount of effort required, information relevant to the form of message to adopt and a base against which to measure results.

As costs of measuring the gap inevitably rise with accuracy and complexity of the measure used, this process usually needs to be undertaken in several stages. Initially a relatively low cost analysis based mainly on examining past activities in the market and assessing the extent to which the various segments have been 'exposed' to past communications activities may provide a sufficient guide for establishing the most appropriate communications activities to undertake. This process generally called the positioning of the product; the status of product in the consumer's mind.

3. Defining form of message appropriate to each segment

This stage is concerned with how to sell the product. What message should be transmitted to the target customer in order to create a desire to purchase? To answer this question is to define a promotion concept. This concept is the content of the message to be transmitted. It is not possible to lay down the precise content and format of messages appropriate for each segment. But as the types of messages affect the selection

of communications channels, an outline is essential.

Each description should contain the following types of information:

- the features of the country's tourist product which are likely to be of interest, taking account of previous steps.
- the number of different features that should be emphasised and hence the likely length and complexity of messages.
- whether message is to elicit immediate purchasing response or is concerned with longer-term image promotion.

For example, the Tunisian tourism product as previous surveys have shown, is well adapted to the needs of the senior citizen customer in France. A detailed analysis of this target clientele shows that the great majority of such customers know nothing at all about Tunisia, in particular the climate or way of life there. Moreover, it is known that the senior citizen needs to feel secure in two respects, and wishes to be informed on all the financial and health aspects of the trip.

Promotion should therefore seek to bring about a change in this attitude and the concept (message) to be utilised in communication with the target will consist in demonstrating the proximity of Tunisia, while laying stress on the aspects that enhance the security of the trip. Furthermore, the image of Tunisia has to be more specific; the concept to be defined is that of the exotic combined with security.

All the activities aimed at this target will be centred around this concept. This approach to the concept (message) is essential because it is what will make the various types of action - advertising, public relations, etc. - consistent.

The promotion strategy should be an integrated whole in order to communicate a consistent message to the outside world even though a range of promotion activities are used.

4. Deciding the Activities to undertake

Once the promotion aims and the related concepts have been defined, the next step is to define the activities which will be carried out in order to achieve these aims. For each target audience there is a wide range of possible communications channels that can be used and a large number of ways of transmitting appropriate messages through these channels. The particular mix of activities and the intensity of these activities which will be appropriate to any particular product and any particular market depends on a very wide range of factors, such as the state of development of the market, the general level of awareness of the product among potential consumers, and market conditions such as competitors' activities, and the distribution network for the product.

Before discussing the various activities and its roles in tourism promotion, it may be useful to distinguish conceptually and practically between sales aids and promotional aids, between promotional aids and facilitation tools, and between general and specialised promotional aids.

Sales aids and Promotional aids

As indicated by Yacoumis [145] the term 'sales aids' is often loosely used to describe both consumer oriented and trade oriented printed and audiovisual tools used by NTOs. Strictly speaking, sales aids in destination marketing are entirely trade oriented while promotional aids are essentially consumer oriented. Thus, a sales aid in destination marketing may be defined as a tangible element or instrument of sales promotion, e.g. a travel

trade manual, a tour planning guide, a confidential tariff, a trade film or slide projector, etc., which supports either the NTO salesman in presenting his propositions to the travel wholesaler and retailer, or assists the latter in presenting their propositions to the final consumer tourists. On the other hand, a promotional aid is meant to show consumers the destination's merits, i.e. product benefits, or some other communications objective of the NTO that will ultimately help create demand for the destination product.

Both sales and promotional aids ultimately aim to assist the selling process; the former are used in the selling interview itself, while the latter are more peripheral to the selling process and aim to inform and stimulate a potential buyer, giving him a positive attitude towards the destination concerned. Thus, they rarely do more than try to achieve general communications objectives, such as creation of awareness of a destination product and comprehension of its product benefits in terms of consumer satisfaction, creation of goodwill, liking and preference for it, etc.

Different inputs are needed for the design and production of the two types of communications tools. In order to design an effective sales aid, it is necessary to understand exactly what happens when an NTO salesman meets a tour operator or travel agent, and what happens when the latter meet a potential buyer tourist. On the other hand, in order to design an effective promotional aid, it is necessary to know exactly the communications objectives of the NTO vis-a-vis a specific market segment or target audience.

Promotional and Facilitation Tools

In terms of their communications objectives and the time and place of distribution, Yacoumis [146] has distinguished between promotional aids, and so-called facilitation aids. The latter category comprises all publications designed to meet the requirements of tourists in terms of practical or technical information, advice and guidance at the destination.

On the basis of this distinction, he argues that it is clear that promotional aids are needed by tourists during the travel decision process and before the completion of a sale. As such, they are mostly distributed to target groups of potential tourists in their home countries through the NTO's field offices and representatives. On the other hand, facilitation tools are required once the travel decision process has been completed, the purchase made and the tourist has arrived at his destination. These aids are, therefore, mainly used by the NTO head office and its local tourist information centres. They include publications such as city or town street maps, guide maps to attractions, timetables, route maps and a list of fares of local public transport, calendars or diaries of events, accommodation guides, shopping aids, sight-seeing guides, etc.

As far as planning, design and production are concerned, the distinction between promotional and facilitation tools has a two-fold practical significance. First, in terms of their target audiences, facilitation tools are mostly undifferentiated, while promotional tools are differentiated in varying degrees. For example, whereas accommodation guides or city street maps are produced for the whole, unsegmented market, a promotional aid on the beach resorts of a country should be directed at the sun-sea-sand segment of the market. Secondly, and perhaps more importantly, promotional aids are considerably more expensive

to produce and distribute than facilitation tools, which are usually more modest publications in terms of design, quality of paper, printing and use of colour, and distributed largely at home and over the counter. Effective promotional tools depend heavily on creative design and copy, high quality paper and high standard full colour printing, all of which add considerably to production costs. They are also mostly distributed abroad, usually by post, thus incurring further heavy distribution costs.

General and Specialised Promotional Tools

Yacoumis [147] stated that as a rule, general promotional aids cover an entire, geographically defined, destination which may be either a whole country, or part of one, and usually present a composite tourist product. Promotional tools of the general type are characterised by a brief coverage in words and pictures of a destination, presenting all the component elements. They are normally intended to serve as an initial introduction for potential tourists to the destination concerned. They contain practical information and advice on matters of general interest, e.g. immigration, health and customs formalities, currency regulations, climatic conditions, etc., and are directed at the total unsegmented market rather than at specific segments.

On the other hand, a specialised promotional tool concentrates exclusively and usually in greater depth on a single product, a component part of the total composite destination product, and is directed at carefully identified market segments of the whole market. Specialised promotional aids are normally based on special attractions and activities, for instance, fauna and flora, arts and crafts, history and archaeology, festivals, etc. The specialisation of promotional aids, therefore, reflects the need for market segmentation and involves the production of particular promotional aids on specific products which match the special

interests and requirements of identifiable market segment.

In practice, the distinction between general and specialised promotional aids is not always clear cut. Combinations of the two types are frequent, indeed sometimes necessary, for a variety of reasons dictated either by the particular circumstances of a destination and its marketing approach, or by budgetary constraints. However, apart from its conceptual importance, this distinction has a definite practical usefulness in that it provides one with an insight into the product and market mix policy systematically pursued by an NTO at any one time. Thus, a variety of specialised promotional tools will indicate that the NTO is pursuing a conscious policy of diversified product mix based on appropriate segmentation of the market.

Having distinguished between sales and promotional aids, promotional and facilitation tools, and between general and specialised promotional tools, as a prerequisite for the discussion of promotional activities, the study steps forward to explore these activities.

As we stressed earlier an NTO cannot carry out such a campaign just as successfully from its home base. And, under the circumstances, the NTO which maintain their own offices in the various markets have a competitive advantage over those which try to run their campaign from the home base. Therefore, the functions and methods of operation of an NTO abroad can best be shown by describing in broad outline the main features of a typical campaign. Such a campaign, as reported in the *International Tourism Quarterly* [148], can be clearly distinguished into a trade-oriented part and consumer oriented one.

The Trade-oriented Promotional Activities

In terms of promotion and trade relations, it is reported that the most important activities, which are normally directed at the trade, are the following, which will be briefly discussed.

Educational or familiarisation tours: In order to inform the travel trade about and familiarise it with the tourist product(s) of its country, a national tourist office will organise educational tours for selected wholesalers and retailers, who can then sell the country as a tourist destination more easily. During these tours, the foreign travel wholesalers and retailers inspect the country's tourist facilities, visit its tourist attractions and, generally, have contacts with the local travel trade which acts as their partner in channelling tourist traffic to the country. Such tours may be conducted in small groups, especially for retailers, or individually, especially for wholesalers.

Tourist workshops: These are normally organised and staged in the market itself and are intended to bring together all the main components of the tourist industry of both the generating and receiving country, i.e. hotels, travel trade, airlines and other providers of tourist services. The main objectives of such workshops are, firstly, to promote the tourist product mix of the receiving country to the travel trade and other principals of the generating country and, secondly, to provide a suitable opportunity for the travel principals of the receiving and generating countries to establish working relationships.

Sales Seminars: Like educational tours and tourist workshops, sales seminars are organised by the National tourist office in order to familiarise the travel trade with the tourist product and the latest development in the tourist industry of its country, and to motivate it to increase sales of tours and to encourage travel there.

Sales Calls: Within the framework of the national tourist office's activities aimed at servicing the travel trade, sales calls are made by its staff on travel agents and other retail outlets. The aim of these calls is to assist the travel retailers in selling the country in question by providing them with information, advice and promotional material.

Direct Mailings: In order to keep the travel trade well stocked with promotional material on the country, the national tourist office carries out regular direct mailing shots of tourist literature. The travel trade is, thus, itself in a better position to service more adequately enquiries from its clients and actually promote and sell the country.

Newsletter: As part of the regular supply of information within the framework of its promotional efforts, the national tourist office normally establishes a permanent channel of communication with the travel trade through the regular issue and distribution of a newsletter or bulletin. Through such a newsletter or bulletin the national tourist office informs the travel trade about all relevant developments concerning the tourist product and the tourist industry of its country. At the same time, it also attempts to promote sales of its product.

Sales Incentives: In order to increase sales, the national tourist office may provide incentives or bonuses, usually in the form of free holidays or material gifts. These incentives may or may not be linked with so-called retail agents' competitions. Incentives and bonuses are invariably offered in conjunction with the main tourism principals of the country, i.e. hotel and airline companies.

Promotional Evenings: These may be organised exclusively for members of the travel trade and are basically goodwill exercises. They are usually staged in hotels or similar establishments and combine food, drink and entertainment, often imported from the country concerned.

While the national tourist office undertakes all or some of the above promotional and trade relations activities in order to introduce the tourist product of its country into the appropriate distribution channels and to educate and familiarise the travel trade about it, as well as to motivate it to increase its sales, it also undertakes a whole range of promotional activities, which are directed at the potential consumers, similarly with a view to informing them about the product and persuading them to buy it.

Consumer-Oriented Promotional Activities

Some of the most important consumer-oriented promotional activities in which the national tourist office is normally engaged, can be summarised as follows.

Servicing of Enquiries from the Public: These enquiries can be either in writing, by telephone, or made in person. Tourist literature and other promotional material is used for servicing of enquiries from the public but not all enquiries originate from potential or prospective holidaymakers. A small proportion of enquiries received by a national tourist office originates from returning tourists and concerns the widest possible range of subjects, including complaints and praise or likes and dislikes. Thus, the NTO abroad has to carry out a kind of 'customer relations' or 'after-sales service' function.

Sales Incentives: National tourist offices abroad offer various kinds of incentives to consumers. These range from free holidays given as prizes to petrol coupons, and special discounts or concessions for children or family groups.

Participation in Tourism Fairs and Exhibitions: This is done with suitably decorated stands, which present the tourist attractions of the country. Here, the tourist office aims at contacting large numbers of potential tourists in order to inform them about the tourist attractions of its country and persuade them to travel there. In doing so, the tourist office distributes relatively large quantities of tourist literature to interested people.

Window Display Campaigns: These specially designed display units are exhibited in travel agencies and other retail outlets. Their aim is to give promotional exposure to the product, conveniently enough, at its point of sale.

Other Consumer Promotional Events: Various kinds of promotional events may be organised and staged by a national tourist office abroad, the aims of which are to convert potential into real consumer demand, create goodwill towards the product and improve its image. Such events are, often, as much public relations exercises as they are sales promotional activities. Some of the most common events of this kind are the following: promotional evenings, exhibitions of arts and handicrafts and 'national' weeks which are held in department stores and hotels.

Promotional and other material used by NTOs

The type, quality and quantity of material used by a NTO abroad are determined by the nature of the tourist product. The composite tourist product, as represented by a destination, is

essentially intangible and can neither be stored nor transported. As a result, it must be promoted and sold at a distance on the basis of descriptions and representations of it contained in tourist literature. The availability of quantitatively and qualitatively adequate tourist literature is a pre-condition of any destination marketing campaign. The general prevalence of full colour printing and sophisticated design, together with the relatively large quantities required, have rendered tourist literature a costly marketing tool.

It is suggested that tourist literature must be adequate in terms of range and coverage. In other words, it must be sufficiently diversified to meet the particular requirements of individual market segments and in sufficiently large volume to cover the whole market.

The range of tourist literature can be distinguished into sales aids and promotional aids, promotional aids and facilitation aids, and general aids and specialised aids, as previously discussed.

The Role of Advertising in Tourism Promotion

The primary role of advertising is to create in the potential customer a desire to purchase the tourist product. The means of achieving this goal - the form of advertising - should be adapted to the composite nature of tourist product. The message will differ according to whether the product is now or already established; the choice between launching and support advertising therefore depends not only on the product but also on the target.

In this respect, as in the case of promotion, advertising campaigns may be trade or consumer oriented. In the former case, the NTO aims to inform and influence the travel trade by conducting an advertising campaign through the trade media. Consumer advertising campaigns are normally more extensive than trade ones. National tourist offices abroad often elect to adopt a coupon reply system in their consumer advertising campaigns, whereby interested people are invited to return the coupons for further information on the country and holidaying possibilities there. It is expected that in a fairly extensive and successful advertising campaign, to receive several thousand coupons, all of which, of course, have to be answered and supplied with tourist literature and all relevant information on tourist travel possibilities to the country. As advertising campaigns tend to have a seasonal character, the workload of a tourist office during campaign times can be quite heavy in terms of servicing of enquiries. This often leads national tourist offices to farm out the task of servicing coupon returns to specialised mailing firms. It is also often the case that, once national tourist offices have been physically and financially over-stretched by overwhelming numbers of coupon returns, they abandon the system in future campaigns.

Advertising is undoubtedly the most expensive function in a national tourist office's campaign. Media space and time and the prevailing use of colour, in addition to technical costs, are notoriously expensive. It is noticed that in practice, few national tourist offices have sufficient funds to carry out even the minimum of what may be termed a campaign. Traditionally, consumer advertising campaigns by national tourist offices abroad have been confined to the press media although an increased use of commercial television and radio is currently noticeable.

The Role of Public Relations in Tourism Promotion

It is safely claimed that the most important marketing function of a national tourist office abroad is public relations. Two main reasons are given for this claim. Firstly, the image of the composite and most intangible product/destination represented by a national tourist office is subject to the influences of economic, political and other factors, which often undo the effect of expensive promotional and advertising campaigns and jeopardise what has been accomplished after years of marketing effort. Examples are hotels catching fire, aircraft crashing, unrest in the area, etc. Public relation activities form an on-going campaign, which, in addition to supporting the other marketing functions, aims to counteract such adverse influences and create goodwill for the country/destination and maintain or improve a favourable image. Secondly, national tourist offices inevitably have to fall back on public relations, as there never seem to be enough funds, even for the richest of them, for advertising and promotion. Public relations activities are, therefore, seen as holding a distinct promise of greater publicity returns for comparatively smaller financial investment.

As in the case of promotion and advertising, public relations activities are directed at both the trade and the consumers and are often combined with promotional activities. Nevertheless, the target group, be it the trade or the consumers, tend to be approached indirectly, i.e. through the media. To a large extent, it is convinced that a national tourist office's public relations work is essentially media relations and an NTO is therefore very dependent on the press and other communications media. It is through them that most of the information on the country is channelled to the trade and the public at large, and in this way a great deal of the publicity about the country as a tourist destination is obtained.

Therefore, one of the main concerns of an NTO is to establish an effective channel of communication with the mass media by the regular issue of press releases, the periodical publication of a bulletin and the staging of press conferences and meetings, whereby the press and other media are furnished with editorial, photographic and other material on the country.

It is argued that a central feature in any tourist office's public relations campaign is the organisation of educational and familiarisation tours for the press and other media, very much in the same way as it is done with the travel trade. As a result of such so-called press tours, the country receives considerable publicity in the form of articles, features, reports, etc. In view of the fact that relations with the press and other media really means relations with the travel writers, radio and TV producers, a great many personal contacts are necessary. The cultivation of such people is a delicate and long term task.

Having discussed the various activities of promotion that a NTO abroad has to carry out, the question now is, whether the NTOs abroad possess the skilled staff who can do the job successfully or need the professional services of local agencies who specialise in tourism promotion; therefore, the study now turns to discuss this matter before moving on to complete the discussion on the steps of promotion strategy.

The Role of Local Specialised Agencies

It is reported that normally, the marketing campaigns of national tourist offices abroad are helped by local agencies which specialise in promotion, trade and public relations and advertising. In the case of advertising, the dependence of an NTO on a specialised agency is unavoidable for obvious technical

reasons. As far as promotion, trade and public relations are concerned, the need for the professional services of specialised agencies is now almost generally recognised. This need stems from the fact that national tourist offices abroad do not always possess all the necessary local market know-how, or have easy access to the press or other media. It is recognised that NTOs are generally staffed and managed by officials of the home National Tourist Organisation; they are often transferred from one office to another and cannot always be expected to have expert knowledge of and extensive contacts in the foreign markets to which they are posted.

Like most professional services, public relations in travel and tourism are expensive. Therefore, national tourist offices often cannot afford to retain the services of an agency on a permanent basis, but have to engage them for specific tasks, as and when it is absolutely necessary. There is another approach adopted by a few tourist offices; instead of engaging a public relations agency, they employ a professional, locally recruited PR officer as one of their staff. The reason for this is not only the need to economise - often the salary plus other related costs are not much less than a fee of an agency. A PR professional on the staff of an NTO abroad means more effective management co-ordination and continuity of work. On the other hand, working with an agency allows an NTO a certain degree of flexibility in choosing among several competing agencies and the possibility of tapping a wider sphere of expertise and talent that an agency may possess.

In the rest of this section, the remaining two steps of promotion strategy will be discussed.

5. The Overall Promotion Budget

The proportion of a promotion budget is difficult and there are no methods by which an optimum budget can be defined.

Most tourism offices abroad - following in this respect the World Tourism Organisation (WTO) directives and the practice of many industrial enterprises - appear to fix the amount of their promotional budget as a percentage of tourism revenue. However, this approach should take account of forecast earnings rather than the earnings of the past year. Indeed, it is desirable to define the tourism promotional budget in terms of future possibilities, rather than of available resources. A procedure which is based more on the past than on the future, leaves no room for adjustment. The budget depends on the type of promotion that has been chosen (support promotion or launching promotion) and on the number of new targets that are to be tackled. It therefore seems logical to determine the desired promotion appropriations by market and product and to reach a total figure on that basis. This amount, plus local expenditure, will be the level of the desired budget.

In practice, each person responsible for a market, i.e. depending on the particular case, each representative prepares a promotion budget request after specifying the action proposed to achieve the objectives that have been set, and estimating the expenditure required for the proposed action.

All the budgets prepared by the representatives will be submitted to the NTO head office which, before giving its agreement, will make sure that they are entirely consistent with the aims of promotion.

6. Monitoring and Evaluation System

Monitoring in the broad meaning of the term, operates at all levels of the methodology, i.e. definition of the promotion aims, elaboration of the promotional concept, selection of campaigns, determination of budgets and budgetary control. The actual results must be observed and compared with the desired results, i.e. with the aims, the discrepancy must be determined and explained, and the necessary corrective measures taken.

Proposing the decisions and monitoring the campaigns presupposes that all relevant information is available in good time. Such data may originate externally (market surveys, for example) or internally (level of execution of the contracts in the decision process). To that end, a permanent market monitor, a tourism data bank, should be devised for use at all decision levels.

To ensure effective processing and analysis of the information, it seems essential for all data to be centralised within a single unit in the NTO head office. The main purpose of this data unit should be to collect, analyse and supply to the national tourist administration (NTA) the information which the latter needs in order to prepare its promotion strategies and control their implementation. The unit will manage the data bank which may include the following seven functions:

1. In-country surveys of current customers.
2. Data on the tourism infrastructure.
3. Data on the generating countries and analysis of brand image.
4. Survey of competition.
5. Follow-up of marketing activities.

6. Budgetary follow-up of campaigns.
7. Operational follow-up of campaigns.

To sum up: Promotion strategy is the end product of operations at a number of levels. These operations need not be rigidly sequential; some operations may be undertaken simultaneously or be combined. However, they can be illustrated as follows:

1. The general aims of NTO are the starting point for marketing and the basic factor in defining promotion strategy. As a rule these aims, set by the development plan, are not sufficient to allow a promotion plan to be defined; they must first be stated in commercial terms.
2. The general aims are converted into commercial ones in the light of the trend of tourism demand, the status of the product (product positioning), and past results. Awareness of tourism trends, and the recognition of discrepancies between aims and actual results, is essential in order to avoid disparities between aims and the action programme. This can only be achieved through systematic data control, both before the event (supply and demand) and afterwards (control and evaluation).
3. Once the promotion aims have been defined, the next step is to choose the terms for conveying the promotion, to define an overall promotion concept which is the message to be communicated, which determine the activities to be undertaken by the national tourist offices abroad. The two promotion tasks undertaken by the NTOs abroad - customer promotion and trade promotion are complementary. At the same time, the techniques and methods required for each are substantially different and require experience and expertise that is not always found in the right combination among the staff of NTO

field offices. Therefore, the use of services of the professional agencies in promotion is unavoidable.

4. The following step is to select the means by which the concept is to be expressed (selecting campaigns, defining and allocating the promotion budget). This, in fact, is how the message is to be communicated.

5. At the same time, the strategy should be adaptable, not rigidly set, because the surrounding conditions change rapidly. A system of checking the effectiveness of operations, after the event, as a means of regulation, is also an important component of promotion methodology. To date, this regulating function has rarely been used in tourism.

In the following chapter, the steps of the field research will be drawn and explained.

REFERENCES

1. Culliton, James W., The Management of Marketing Costs, Division of Research, Graduate School of Business Administration, Harvard University, Boston, Mass., 1948, p.6.
2. Borden, Neil H., "The Concept of the Marketing Mix", in Enis & Cox, Marketing Classics (eds), 3rd ed., Allyn & Bacon, Inc., Boston, 1977, pp.254-264.
3. Lazer, W., T. Staudt and J.D. Culley, "The Concept of the Marketing Mix", in Britt, Stewart (ed.) Marketing Manager's Handbook, The Dartnell Corporation, U.S., 1973, pp. 77-89.
4. Lipson, Harry A. and Fred D. Reynolds, "The Concept of the Marketing Mix: Its Development, Uses and Applications", MSU Business Topics, Winter 1977, pp.73-80.
5. Kotler, Philip, Principles of Marketing, Prentice-Hall Inc., Englewood Cliffs, N.J., 1980, p.88.
6. Borden, Neil H., "The Concept of the Marketing Mix", op.cit., pp.254-264.
7. McCarthy, E. Jerome, Basic Marketing: A Managerial Approach, 6th ed., Richard D. Irwin, Homewood, Illinois, 1978, pp. 38-45.
8. Lipson, Harry A. and John R. Darling, Introduction to Marketing: An Administration Approach, John Wiley & Sons, 1971.
9. Kotler, Philip, Principles of Marketing, op. cit., pp.88-90.
10. McCarthy, E. Jerome, Basic Marketing, op. cit., pp.38-45.
11. Frey, Albert W., Advertising, 3rd ed., The Ronald Press Co., New York, 1961, p.30.

12. Kelly, Eugene J. and William Lazer (eds.) Managerial Marketing: Perspectives and Viewpoints, 3rd ed., Richard D. Irwin, Inc., Homewood, Ill., 1967, p.415.
13. Stanton, William J., Fundamentals of Marketing, 3rd ed., McGraw-Hill Book Co., New York, 1971, p.575.
14. Booms, Bernard H. and Mary J. Bitner, "Marketing Strategies and Organisation Structures for Service Firms", Washington State University, School of Business and Economics, Seattle Center for Hotel & Restaurant Administration, 1980, Minneo, 47-51.
15. WTO, Testing the Effectiveness of Promotion, Study submitted to the Second General Assembly, 1977, p.7.
16. IUOTO, Guidelines for the Preparation of Promotional Plans, Study submitted to the XXIII General Assembly, 1971, WTO: World Tourism Organisation.
17. Kelly, Eugene J. and William Lazer (eds.) Managerial Marketing ... op. cit., p.415.
18. IUOTO, Guidelines for the Preparation of Promotional Plans, op.cit.
19. Heneghan, Philip, Resource Allocation in Tourism Marketing, Tourism International Press, London, 1976, p.4.
20. Lipson and Reynolds, "The Concept of the Marketing Mix", op.cit., p.76.
21. Lazer, W. et al., "The Concept of the Marketing Mix, op. cit., pp.83-84.
22. Lipson and Reynolds, "The Concept of the Marketing Mix", op. cit., p.76.
23. Ibid., p.76.
24. McCarthy, E. Jerome, Basic Marketing ... op. cit., p.43.
25. Kotler, Philip, Marketing for Non-Profit Organisations, Prentice-Hall Inc., Englewood Cliffs, N.J., 1975, p.164.

26. For a more detailed discussion of different systems approaches used in the study of marketing, see: Richard, J. Lewis and Leo, G. Erickson, "Marketing Functions and Marketing Systems: A Synthesis, Journal of Marketing, vol. 33, July 1969, pp.10-14.
27. Banks, Seymour, "A Non-Systematic Look at Systems: A Triumph of Optimism over Experience", in King, Robert L. (ed.) Marketing and New Science of Planning, Denver: American Marketing Association, 1968, p.25.
28. Lipson and Reynolds, "The Concept of Marketing Mix", op. cit. p.76.
29. Lazer, W. et al., "The Concept of the Marketing Mix", op.cit. pp.84-88.
30. Baumol, W., Economic Theory and Operations Analysis, Prentice-Hall, 1965.
31. Lancaster, K., "A Nes Approach to Consumer Theory", Journal of Political Economy, 1966.
32. Lowe, J., "Demand Marketing and Time", European Journal of Marketing, Summer 1973,
33. Levitt, T., European Business, April 1969.
34. Kotler, P., Marketing Management, 3rd ed., Prentice-Hall, 1976.
35. Medlik, S. and V.T.C. Middleton, "The Tourist Product and its Marketing Implications", Special Article No.9, International Tourism Quarterly, No.3, EIU, 1973, pp.28-35.
36. Jeffries, D., "Defining the Tourist Product - and its Significance in Tourism Marketing", The Tourist Review, vol. XVII, No.1, Jan/Mar. 1971.
37. Medlik, S. and V.T.C. Middleton, "The Tourist Product ... op. cit., p.29.
38. Wahab, S., L.J. Crampon and L.M. Rothfield, Tourism Marketing, Tourism International Press, London, 1976.

39. Schmoll, G.A., Tourism Promotion, Tourism International Press, 1977.
40. Raylor, Gordon D., "How to match Plant with Demand: A Matrix for Marketing", International Journal of Tourism Management, March 1980, pp.56-60.
41. WTO, Testing the Effectiveness of Promotion, World Tourism Organisation, May-June 1977, p.7.
42. Gaffe, P., "Development Potential of International Tourism", The Cornell H.R.A. Quarterly, Nov. 1975, pp.24-31.
43. See, for example: Kotas, R., Market-Orientation in the Hotel and Catering Industry, Surrey University Press, 1975, Schmoll, G.A., Tourism Promotion, op. cit.
44. Middleton, Victor T.C., "Tourism Marketing and Product Implications", International Tourism Quarterly, No.3, 1979, pp.36-46.
45. Krippendorf, J., Marketing in Fremdenverkehr, Herbert Lang, Bern, 1971.
46. Lareau, J., Marketing of Tourist Products, IUOTO Seminar, Ghana 1973.
47. Kotas, R., Market Orientation in the Hotel and Catering Industry, op. cit.
48. See, for example: Wheatcroft, S.F., Price Elasticity Revised, Travel Research Association, New York, 1978.
49. IUOTO, Guidelines for the Preparation of Promotion Plans, op.cit., p.12.
50. Wahab, S. et al., Tourism Marketing, op.cit., p.89.
51. Kotler, Philip, Marketing Management: Analysis, Planning, Control, 2nd ed., Englewood Cliffs, N.J., 1967.
52. Medlik, S. and V.T.C. Middleton, "The Tourist Product ... op. cit., p.31.
53. Lewis, Robert C. and Thomas J. Beggs, "The Interface Between National Tourism and the Hotel Industry in Promoting a Destination Area in Off-Season: The Bermuda Case", Journal of Travel Research, vol.XX, No.4, Spring 1982, pp.35-38.

54. Burkart and Medlik, Tourism: Past, Present and Future, 2nd ed., Heinemann, London, 1981, p.204.
55. Medlik, S. and V.T.C. Middleton, *Op. cit.*, p.33.
56. For a detailed description of these steps of new product development, and the whole subject of product policy and management: see for example:
Baker, Michael J. and McTavish, Product Policy and Management, The Macmillan Press, London, 1979.
57. Rathmell, John, M., Marketing in the Service Sector, Winthrop Publishers Inc., Cambridge, Massachusetts, 1974, p.63; see also:
Handley, P. and F. Macey, "Poundsaver: The Application of Research Techniques to New Product Development", ESOMAR: Seminar on Travel & Tourism, Storesa, Italy, 1977.
58. Bjorklund, Richard A. and B. King, "A Consumer-Based Approach Assist in the Design of Hotels", Journal of Travel Research, vol. XX, No.4, Spring 1982, pp.45-51.
59. *Ibid.*, p.45.
60. Levitt, T., "Exploit the Product Life Cycle", Harvard Business Review, Nov-Dec., 1975.
61. I.T.Q., "Scrap-Iron Tourism", International Tourism Quarterly, No.3, EIU, 1972, pp.47-52.
62. Klug, John R. and Robin A. Brumwell, "Air Travel as a Commodity", in Rathmell, J. (ed.) Marketing in the Service Sector, *op.cit.*, pp.70-71; see also:
Majaro, S., "Transport Needs Marketing", Journal of European Marketing, vol. 7, No.3, 1974, pp.32-38.
63. Doswell, R. and Paul R. Gamble, Marketing & Planning Hotels & Tourism Projects, Hutchinson & Co. Ltd., London, 1979, p.74.
64. Wahab S. et al., Tourism Marketing, *op.cit.*, p.90.
65. BarOn, R. Raymond, "Seasonality in Tourism", International Tourism Quarterly, Special Article No.6, E.I.U., 1973, pp.51-57.

66. The Scottish Tourist Board, Marketing Scotland, Eighth Report, 1st April 1976-31st March 1977.
67. Wahab, S., Tourism Management, Tourism International Press, 1975, p.95.
68. Burkart and Medlik, Tourism: Past, Present and Future, op.cit., p.214.
69. Parker, Donald D., The Marketing of Consumer Services, University of Washington, Business Study Series, No.1, Seattle, Wash., 1960, p.117.
70. I.T.Q., "Package Tours: Where are they now?", International Tourism Quarterly, Special Article No.19, E.I.U., 1975, pp.11-34.
71. Jain, C.B., "Coordination and Integration of Tourism Related Sectors", International Conference on Tourism and Air Transport, WTO & IATA, Mexico, 17-21 April 1978, pp.156-162.
72. Wahab. S., Tourism Management, op. cit., p.116.
73. Boyed, John G., "Tourism Projects - A Crisis of Identity", Travel Research Journal, No.2, WTO, 1972, pp.35-44.
74. See for example: McIntosh, R. and S. Gupta, Tourism: Principle, Practices, Philosophies, 3rd ed., Gird Publishing Inc., U.S., 1980, pp.183-188; Jeffries, D.T., "The Role of Marketing in Official Tourist Organisations", International Association of Scientific Experts in Tourism [IASET], Sept. 1973, pp.99-109; Fletcher, T.R.G., "Formulating and Implementing National Policy", World Travel Tourism Mondial, No.129, WTO, 1976, pp.37-44; I.T.Q., "Tourism in Developing Countries", International Tourism Quarterly, Special Article No.24, I.T.Q. No.2, E.T.U. 1977, pp.35-47; Wahab, S., "Elements of State Action in Tourism", Travel Research Journal, IUOTO, 1974, pp.3-9; Jenkins, C.L., "Tourism in Developing Countries: A Critique", International Journal of Tourism Management, March 1980, pp.22-29; and Calussy, Dan A., "New Marketing Strategies", International

- Conference on Tourism & Air Transport, WTO & IATA, Mexico, 17-21 April 1978, pp. 191-204.
75. United Nations Economic Commission for Europe, Planning and Development of the Tourist Industry in the ECE Region, Geneva, ECE, 1976, p.8.
76. Robinson, H., A Geography of Tourism, MacDonald & Evans, 1979, pp.144-45.
77. Tourism Development and Economic Growth, Estoril Seminar, O.E.C.D., Paris, 1976, p.13.
78. Ibid.
79. Peters, M., International Tourism, Hutchinson, 1969, p.150.
80. Ibid, p.151.
81. Baker, Michael J. (ed.) Marketing : Theory and Practice, The Macmillan Press Ltd., London, 1976, p.4.
82. Kotler, Philip, "New Direction of Marketing", Paper presented at the Annual Conference of AMA, Boston, Mass., Sept. 1st, 1970, p.3.
83. DeLozier, M. Wand and Arch Woodside, Marketing Management: Strategies and Cases, Charles E. Merrill Publishing Company, London, 1978, p.733.
84. MacStravic, Robin E., Marketing Health Care, Aspen System Corporation, Germantown, Maryland, 1977, p.171.
85. Kotler, Philip and Gerald Zaltman, "Social Marketing: An Approach to Planned Social Change", Journal of Marketing, vol. 35, July 1971, p.9.
86. Macrus, Burton et al., Modern Marketing, Random House, New York, U.S.A., 1975, p.392.
87. Business Week, April 6th 1974, p.43.
88. Stanton, William J., Fundamentals of Marketing, Fifth Edition, McGraw-Hill, Tokyo, 1978.
89. Schwartz, David J., Marketing Today, Harcourt Brace Jovanovitch, New York, 1973, p.468.

90. WTO, "The African Tourism Product", World Travel Tourism Mondial, No.137, WTO, 1977, p.21.
91. Rathmell, John M., Marketing in the Service Sector, op.cit., p.77.
92. Wahab, S., Tourism Management, op. cit., pp.93-94.
93. Burkart and Medlik, Tourism: Past, Present and Future, op.cit., p.198.
94. Morton, William, "Marketing Excess Inventory: Let's Hold a Sale!", The Cornell H.R.A. Quarterly, vol. 17, No.3, November 1976, pp.4-7.
95. Burkart, A.J., "Some Managerial Influences on a Firm Pricing Policy", Journal of Industrial Economics, Vol. VXII, No.3, Oxford, Blackwell, 1969.
96. Morton, William, "Marketing Excess Inventory: Let's Hold a Sale!", op.cit.
97. Doswell, R. and P. Gamble, Marketing & Planning Hotels & Tourism Projects, op. cit., pp.20-21.
98. Wahab, S., Tourism Management, op. cit., p.154.
99. Kotas, Richard, Price Trends in British Hotels, Department of Hotel & Catering Management, University of Surrey, 1971.
100. Davis, H., "Investing in Tourism", Finance and Development, No.1, 1967, p.5.
101. Wismeyer, Michael J.H., "Australia's Travel Industry", The Cornell H.R.A. Quarterly, November 1975, pp.16-23.
102. Burkart and Medlik, Tourism: Past, Present and Future, op.cit., p.199.
103. Wahab, S., "Elements of State Action on Tourism", Travel Research Journal, I.U.O.T.O., 1974, pp.3-9.
104. Boyd, Harper W. et al., Marketing Management: Cases from the Emerging Countries, Addison Wesley Publishing Company, Reading, U.S.A., 1966, p.152.

105. Hassan, Ezzat F.A., Marketing in Developing Countries: The Egyptian Practices in the Tourist Business, Unpublished Ph.D Thesis, Department of Business Administration and Accountancy, The University of Wales Institute of Science and Technology, Cardiff, July 1982, Chapter 9.
106. Burkart, A.J., "The Role of the Large Tour Operator in the Development and Promotion of Tourism", in Burkart and Medlik (eds.), The Management of Tourism, Heinemann, London, 1975, pp. 120-127.
107. I.T.Q., "The Pricing of Package Tours in the U.K", International Tourism Quarterly, No.4, 1974, pp.10-13.
108. Erbes, R., International Tourism and the Economy of Developing Countries, Paris, June 1973.
109. IUOTO, The Structure of Research Units of National Tourist Organisations, IUOTO Study IIB4, 1974/75, p.37.
110. Rawat, R., "Tourism Marketing - A Developing Country's Viewpoint", Proceedings of the International Conference on Tourism and Air Transport, Manila, 1975, p.158.
111. WTO, Distribution Channels, World Tourism Organisation, Madrid, April 1976, pp.3-5.
112. Cox, R., "Travel Agents Face a Shake-out", Retail and Distribution Management, (U.K.), September/October 1974, pp.32-35.
113. British National Travel Survey 1970, London: British Tourist Authority, 1971.
114. Travel Weekly, 1981.
115. Bitner, Mary J. and Bernard H. Booms, "Trends and Tourism Marketing: The Changing Structure of Distribution Channels", Journal of Travel Research, vol. XX, No.4, Spring 1982, pp.39-44.

116. Louis Harris and Associates, Inc., "The Character and Volume of the U.S. Travel Agency Market", Travel Weekly, 1979. See also; Alan Fredericks, Associate Publisher, Travel Weekly, "Marketing Through Travel Agents", Proceedings of the Seventh Annual Conference, Boca-Raton, Felorida, June 20-23, 1976, pp. 27-30, and Sarbin, Harshel B., "Consumer Research and The Travel Agent - Key Elements in the Marketing Equation", Proceedings of the International Conference on Tourism and Air Transport, WIO & IATA, Mexico, 17-21, April 1978.
117. Travel Pulse, 1978-80, p.2-7.
118. Wahab, S., Tourism Management, op. cit., p.159.
119. Bitner and Booms, "Trends in Travel and Tourism Marketing ... op. cit., p.42.
120. Poling, Bill, "Board Decision Marks Entry of New Era", Travel Weekly, October 1981, p.4.
121. Goodwin, Nadine, "Agents Report Increase in Discounting Caused by Corporate Pressure", Travel Weekly, October 1981, p.1.
122. ITQ, "National Report No.58, United States of America Part II, International Tourism Quarterly, No. 2, 1980, p.16-32.
123. Touche Ross & Company, Joint Travel Agency/Airline Economic Value Study, prepared for Travel Agent Commission Study Task Force, Air Traffic Conference in America, and Pan America World Airways, New York, 1978, pp.17-18.
124. Ferris, Richard J., Chairman and Chief Executive Officer, United Airlines, before the 50th World Travel Conference of ASTA Manila, Philippines October 1980.
125. Burkart, A.J., "The Regulation of Non-Scheduled Air Services in the UK", Journal of Industrial Economics, vol. XXIII, September 1974.

126. Zammit, Ann, "Transnationals in Developing Country Tourism", Special Report No.39, International Tourism Quarterly, No.1, 1981, pp.37-56.
127. U.N. Center on Transnational Corporations, Transnational Corporations in International Tourism, reference CT/STC/18, 1981.
128. Zammit, Ann, "Transnationals in Developing Countries", op.cit., p.51.
129. See, for example, AGB research data, Sunday Times, March 2, 1980.
130. See, for example, articles by Birkart, A.J., Travel News, November 1975.
131. Burkart and Medlik, Tourism: Past, Present and Future, op. cit., Chapter 18, pp.183-190.
132. Middleton, Victor T.C., "A Marketing Argument for Direct Sell in the Holiday Market", Special Article No.36, International Tourism Quarterly, No.2, 1980, pp.44-55.
133. WTO, Distribution Channels, op. cit., pp.24-26.
134. Burkart and Medlik, Tourism: Past, Present and Future, op. cit., pp.206-208.
135. WTO, Distribution Channels, op. cit., pp.26-27.
136. Burkart and Medlik, Tourism: Past, Present and Future, op. cit., p.
137. Wahab et al., Tourism Marketing, op.cit., pp.101-102.
138. WTO, Distribution Channels, op. cit., pp.49-50.
139. Schmoll, G.A., "Towards More Effective Tourist Promotion", Travel Research Journal, No.2, IUOTO, Geneva, 1971, pp.313.
140. Wahab et al., Tourism Marketing, op. cit., p.228.
141. WTO, Testing the Effectiveness of Promotion, WTO, Madrid, 1977, p.22.

142. ITQ, "The Role and Functions of a National Tourist Office Abroad", Special Article No.21, International Tourism Quarterly, No.3, E.I.U., 1976, pp.39-58.
143. "Tourism Marketing and Promotion", Paper presented at African Regional Conference on Tourism and Economic Development, jointly organised by UN's Economic Commission for Africa and WTO, at the Invitation of the Gambian Government, Banjul 16-19 Oct. 1978, pp.239-261; see also: Middleton, V., "The Research Needs of National Tourist Organisations - Research into the Tourism Markets for Britain for the Purposes of Promotion", ESOMAR: Seminar on Research & the Travel and Tourism, Bled, Yugoslavia, 16-19 Feb., 1972, pp. 91-103.
144. WTO, Testing the Effectiveness of Promotion, op. cit., IUOTO, Tourist Publicity: Policy, Strategy, Implementation and Measurement, IUOTO, Geneva 1964; Lickorish, L.J., Tourist Promotion and Publicity Media, The International Travel Research Institute, Geneva 1955; IUOTO, The Relations Between National Tourist Offices and Travel Agencies, IUOTO, Geneva 1965; IUOTO, Guidelines for the Preparation of Promotional Plans, op. cit.
145. Yacoumis, John, "Printed Communication Tools in Destination Marketing", Special Article No.35, International Tourism Quarterly No.1, E.I.U. 1980, pp.52-65.
146. Yacoumis, John, "Printed Communications Tools in Destination Marketing", op. cit., pp.53-54.
147. Ibid., pp.54-55.
148. I.T.Q., "The Role and Functions of a National Tourist Office Abroad", op. cit., pp.43-47.