

**ANALYSING HOTEL REPOSITIONING
THROUGH
PROPERTY RENOVATION IN THE HOSPITALITY INDUSTRY**

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Abstract

This study addresses the renovation and repositioning activities of the hotel industry. Specifically, the primary focus of this study is to explore to what extent hoteliers deal with renovation as a repositioning tool, to explore the perception and practice of hoteliers, architects and interior designers about repositioning and renovation and to identify and analyse some aspects of the renovation process in hotels.

The study is exploratory and descriptive based on a quantitative and qualitative approach. This methodology is used to elicit and represent existing practices as well as hoteliers' perceptions regarding concepts of renovation and repositioning and the relationship between them. The research had a two-phase design which progressed from a survey (phase one) to exploratory interviews and multiple case study (phase two). In other words the research moved from the general to the specific.

The primary research took place in Egypt. For the first phase, three different questionnaires were designed. The first questionnaire was for the hotel General Managers, the second one was for the hotel Marketing Managers, and the third was for the Architects, Building Contractors, and Interior Designers which make up the external parties involved in the renovation process. The findings of the survey identified three avenues that have to be considered for the second phase. First, six successful renovation projects in large hotels were selected as multiple case studies. These case studies illustrate that there are different reasons that make renovation essential for hotels. Secondly, nine semi-structured interviews were conducted with the owners of 3* hotels since they were seen to be the main barrier to renovation in most three star hotels according to the quantitative survey's findings. The third avenue involved conducting ten semi-structured interviews with hotel inspectors of the Egyptian Hotel Sector as their influence was a main reason to renovate in most three and four star hotels.

The study finds that renovation is used in the hotels operating in Egypt as a reactive; rather than a proactive; marketing tool. The research findings suggest that international hotels are utilising renovation as a repositioning tool more than national and local hotels. In addition, the findings reveal that there is a wide gap between the public and private hotel sectors in Egypt.

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To the memory of my sister

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CHAPTER ONE AN OVERVIEW OF THE STUDY

1.1 Introduction

There is little doubt that the changing market environment is forcing marketing experts to reconsider how they approach their tasks. For example, consumer tastes, wants, and needs change from time to time, as do new competitive patterns. Therefore, the attractiveness and power of yesteryear's offering begins to fade. These environmental changes include social, cultural, economical, political- legal, and technological changes. Such critical changes are already beginning to reshape the marketing concept.

Marketing activity is a dynamic process that demands an understanding of shifting cycles and patterns and the ability to respond instantly to those changes or trends. This responding or adaptation of a business or a product to our changing environment is called repositioning (Crostjens and Doyle 1989) which is an inevitable process that reflects the interaction between marketing strategies and those uncontrollable variables mentioned above. It enables the product to match well with the new trends in its marketplace.

There are many reasons that explain the role played by repositioning in the success of hotels. Lewis and Chambers (1995) suggest that several situations call for repositioning. One reason may be that the hotel is occupying an unsuccessful position in the first place. Another is that the hotel has tried and failed to fully achieve a desired position. Also, the hotel might find that too many and/or powerful competitors have moved into the same position making it overcrowded. Another reason could be in perceiving a new niche opportunity of which to take advantage in the market. Repositioning might also be used to appeal to a new segment, to hold on to an old one, or to increase the size of a segment. Another reason to use repositioning is when new ownership desires to achieve a new position or wishes to merge the position of a newly acquired property with that of other properties already owned. Finally, repositioning could be called for in developing a partially or totally new concept, or

upgrading a property that has become distressed.

Product in the hotel business are relatively more static than those in restaurant businesses (Powers 1997). Finding money to renovate a property is viewed as an easier and more profitable task than finding funds to build a new hotel (Jurgens 1992, Macdonald 1995, Ruttes et al. 2001). The lack of prime and spacious sites, time saving, and continuing appreciation for historic architecture are some other factors that support renovation over new construction (Ruttes et al. 2001). The required levels of investment in hotel renovation programmes are very high. For example, Baum and Wolchuck (1992) stated that ITT Sheraton corporation spent \$ 47 million to transform the Sheraton Manhattan city square in New York from a hotel whose main clientele was leisure and tour groups to a hotel now attracting corporate business travellers. It is for these reasons that renovation is seen as an essential ongoing and inevitable process for the success of hotel operations.

A survey conducted by the American Hotel & Motel Association revealed that 97% of its members are more likely to renovate their properties than to build new hotels (Paneri and Wolff 1994). Also, Lynn and Seldon (1993) note Forbes Magazine research that found the ratio of new construction to property renovation in the hotel industry moved from 60: 40 in the 1980s to 40 : 60 in the 1990s with a further shift to 20 : 80 predicted by the end of that decade. It is also worthy noting that, according to the 1996 American Hotel & Motel Association Membership Survey, 64.4 percent of member properties had been renovated over the past 12 months, while 58.8 percent planned to renovate over the next 12 months (Chipkin 1997). In a study conducted by Dube et al (2000) about the top 10 attributes driving the hotel purchase decision, respondents ranked physical aspects and room design of the hotel as the third and fourth determinants of their purchase decision. This was above service attributes and only slightly lower than the hotel's location and brand name, which were the first and the second respectively. Therefore, renovation is a costly, ongoing and inevitably essential need for hotels to stay active and alive in the market. In other words, at any one time almost every hotel has been renovated, is under renovation, or is waiting for renovation.

Hotel renovation can be seen as those activities associated with the development

and/or modification of the hotel's tangible assets used to produce services in order to extend the useful life of the property in order to stay competitive, improve the operational efficiency of the property, and/or to build up a better image for the property within its marketplace.

Property renovation is considered as one of, if not the most essential tool for product innovation in the hotel business. In other words, renovation, if it is well planned and implemented, can achieve product innovation, which leads to profitability, guest satisfaction, and probably market leadership.

Previous research on renovation in the hotel industry is very limited. Examples include a study by Pannell Kerr Forster Associates (1993) which concluded that hotel design factors can be summarized in three areas: 1) market factors including customer, competition, and technology, 2) statutory requirements affecting the design and construction of buildings and 3) specific legislation relating to hotels. Conner (1991) focused on how renovation could bring the original design beauty and glamour back to the hotel, while making the hotel operationally efficient. Knapp (1991) provides a case study of the renovation of the Sheraton Palace in San Francisco. West and Purvis (1993) explain hotel design effectiveness through a comprehensive design model.

Previous research on positioning in the hospitality industry is also very limited. For instance, Alford (1998) through a review of literature, takes a macro-approach and looks at the positioning of resort destinations. Walmsley and Young (1998) analyzed how travelers positioned international and local destinations. Manzanec (1995) used neural networks as a tool to study the positioning of luxury hotels by European travel agents. Dev et al (1995) explained how researchers can use multi-dimensional scaling to build perceptual maps. Kim (1996) used perceptual maps to illustrate how customers perceive food and beverage at competing hotels. Kim also developed 'ideal points' to show how a hotel can change its attributes to gain a better position against its competitors. Shaw (1992) demonstrated how one of the marketing mix elements, price, could be used as a positioning tool. Shoemaker (1993) illustrated how to determine the hotel's present position and then decide the new position to occupy through using multidimensional scaling, property fitting and discriminate analysis.

Upchurch and Seo (1996) explored civic responsibility and market positioning in lodging properties through measuring the physical compliance with the Americans with Disabilities Act (ADA).

While all of the above mentioned studies highlighted some important dimensions of hotel design/renovation and positioning, none of them concentrated on hotel renovation as a process for positioning in the hospitality industry. Therefore, it is the intention of this research study to focus on the process of property renovation in the hospitality industry and its role as a strategic marketing tool for hotel repositioning.

1.2 Importance of the Study

This study will be undertaken in the hope that it will help people academically and practically in the field of the hospitality industry to understand and appreciate the vital role and the importance of repositioning, renovation, and the relationship existing between them to their businesses.

1.2.1 Practical Importance

Firstly, the present study is intended to review the extent of repositioning through renovation by examination of (a) secondary literature, and (b) primary research.

Secondly, in pursuing (a) it is the aim to establish a model of the existing relationship between hotel repositioning and property renovation, identifying for hotel management:

- 1- the available repositioning strategies and tools in the hotel industry;
- 2- the relationship between repositioning and renovation;
- 3- the relationship between innovation and renovation; and
- 4- barriers to renovation.

Thirdly, in pursuing (b) it is intended to evaluate the knowledge and experience of hotel managers and hotel designers about repositioning and renovation and also to

evaluate the effectiveness of hotel market product repositioning strategies through property renovation programmes in Egypt.

1.2.2 Academic Importance

To the best of the researcher's knowledge, the literature on hotel marketing in general has generally neglected the concepts of both repositioning and renovation. Thus, very little literature exists on these hotel marketing concepts. This might be because of the fact that hotel marketing in general is considered a relatively recent phenomenon. It is hoped that this study would contribute towards a better understanding of these marketing concepts and cover partly that gap in the literature. As such, it should make a useful addition to the body of marketing knowledge for hotel operations management in the hospitality industry.

Secondly, in Egypt, the researcher's home country, marketing literature in general is very limited, while the literature on marketing of hotel operations is almost non-existent. Therefore, it is also hoped that this study might benefit all those concerned with the hotel sector in this country.

Finally, the findings of this research could serve as the basis for further research in the future.

1.3 Research Aim

This research addresses a number of issues not covered in previous research, some of which have been identified as limitations of previous studies on hotel design and renovation (West and Purvis; 1993). Other aspects emerging from the different stages of primary research were also explored and used to inform this research.

In summary, this study aims to discover the perception and practice of hoteliers regarding renovation and repositioning, the forces of and barriers to renovation, the external parties involved in the process and their roles, as well as other factors such as time and budget. Accordingly, the main objectives of this research are:

First, to explore the perception and practice of hoteliers, architects and interior designers about repositioning and renovation.

Second, to explore to what extent hoteliers deal with renovation as a repositioning tool.

Third, to identify and analyze some aspects of the renovation process in hotels.

1.4 Research Methodology

This study will be conducted through the use of both secondary and primary research.

1.4.1 Secondary Research

The desk research will provide background information on repositioning, renovation, and some hotel marketing aspects and concepts related to the topic of the research.

All this secondary data will be generated through an intensive analysis of the available secondary sources which may include, dictionaries, encyclopedias, directories, market reports and surveys, text books, published and unpublished research studies, annual reports, journal articles, newspaper articles, computerised databases [on-line databases - CD ROM databases], internet, research reports, conference papers, as well as internal records of the firms being investigated. Background information regarding the hotels under study will also be obtained from secondary sources.

1.4.2 Primary Research

Primary data or original data will be obtained through field studies in order to identify in-depth knowledge regarding the topic of the research and the degree of its application by Egyptian hotels.

It can be noted now that the objectives of the research require that rich, qualitative information and measured quantitative data be collected. Thus, a methodology that combines quantitative and qualitative approaches was deemed appropriate: qualitative data are used to illustrate and clarify quantitatively derived findings; similarly, quantitative methods are used partially to validate qualitative analyses. Each approach

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has unique informational strengths and weaknesses and in using this complementary methodology the researcher aims to counterbalance the merits and demerits of each method. Similarly, a combination of both questionnaire and personal interview survey techniques is judged to provide the most comprehensive means of capturing exploratory, descriptive and explanatory data pertinent to the stated research objectives. In combining methodological approaches in this way, higher levels of validity, reliability and generalisability were achieved than by employing any single mode in isolation.

The research started with a survey conducted: a) to provide a method of identifying suitable elements or units for further in-depth analysis and thus enhancing the validity, reliability and generalization of the findings and b) to generate exploratory and descriptive data in relation to the research questions of this study.

The analysis of the first survey identified two different directions, which were used to construct a second qualitative phase. The first direction is multiple renovation case studies of five star hotels, which illustrated different renovation projects. The second direction was interviews with owners of three star hotels which included: a) semi-structured interviews with hotel owners and b) semi-structured interviews with Egyptian Hotel Sector's inspectors.

Based on the above mentioned secondary and primary data, recommendations and conclusions arising from the study are provided.

1.5 Research Structure

This study as a whole is organised into 10 chapters, the first of which is the current chapter, presenting an overview of the study.

Chapter 1 attempts to give a background to the study, the reasons for undertaking research in this area and a justification of the importance of the topic. Following explanation of the various components of the study in this chapter, the expected academic and practical benefits are listed.

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Chapters 2 and 3 are devoted to reviewing the main key areas of the literature concerning the topic of the present research in an attempt to develop a conceptual framework pertinent to the topic of research. It should be mentioned that research on positioning and repositioning of organisations started in areas other than those of hospitality and tourism. For this reason, the majority of the literature on this subject relates to traditional and other services marketing. From the small number of studies on positioning and repositioning of hospitality organisations, a review of the most relevant is presented in Chapter 2. It is also worth mentioning that the literature on hotel property renovation (Chapter 3) depends on both practical and academic sources.

Chapter 2 explores the concept of repositioning in the marketing of hotel operations. The chapter starts with definitions of the terms 'marketing mix' and 'positioning'. This is followed by an illustration of the major dimensions and characteristics of the repositioning concept in the marketing of hotel operations. The discussion in this section covers the definition, importance, and tools of repositioning. This is followed by an investigation of the available repositioning strategies that can be applied to hotel operations in the hospitality industry. Moreover, this chapter details a model of the repositioning process which will provide the basis for discussion in subsequent chapters. Also, the possible effects and risks of repositioning will be examined.

Chapter 3 investigates the role played by property renovation in hotel marketing and how the objectives of a renovation programme can be achieved. This chapter starts with the discussion of 'hotel product service mix' and 'new product development' because as these concepts are very important for the purposes of this study. This is followed by a discussion of terminology, types, and significance of renovation. Moreover, the literature on renovation will extend into comparing new construction with property renovation in the hospitality industry. Then, the available literature on renovation in the hospitality industry is synthesised in order to develop an understanding of what might make up an approach to the renovation process in the hotel industry. Based upon conclusions drawn from this review of literature, detailed research objectives and hypotheses are developed.

Chapter 4 discusses the methodology used in this study. This chapter addresses the

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methodological choices made during the course of the research and relates them to the context of the study and the research aims and questions. The discussion between quantitative versus qualitative approaches provides the justification for the approaches adopted in the study. This investigation also covers the problem areas, objectives, questions, identification of the population, sample frame and size, and the development of the questionnaires, case studies and interview schedules.

Chapter 5 presents the findings of the data analysis for the quantitative phase of the empirical research. These findings will be interpreted in relation to the research questions of the study put forward in the previous chapter with regard to renovation and positioning. The findings will be discussed with respect to existing theory reviewed in preceding chapters of this thesis. By investigating this survey, it will be possible to reach an understanding about the extent to which renovation is used as a positioning marketing tool in the Egyptian hotel industry

Chapter 6 presents the findings of the second phase of empirical research regarding three star hotels. It is divided into three sections. The first two sections are dedicated to the analysis of the hotel owners' interviews and hotel inspectors' interviews while the third section is devoted to the synthesis of the two interview findings and general conclusion.

The aim of chapter 7 is to present the findings of data analysis for the second phase of the empirical research. It is devoted to presenting the findings of the multiple case study stage regarding five star hotels. Furthermore, these findings will be interpreted in relation to the research questions and objectives of the study and interpreted within the conceptual framework developed in previous chapters. The findings will be discussed with respect to existing theory reviewed in preceding chapters of this thesis and also to the findings of the first phase. By investigating this qualitative data, it will be possible to confirm, elaborate and explore further about the extent of the use of renovation as a positioning marketing tool in the Egyptian hotel industry.

Chapter 8 gives an overall conclusion to the study, with a focus on its contribution, and its limitations. The purpose of this chapter is to discuss the research findings, place the findings in context, and to suggest some directions for future research. Also,

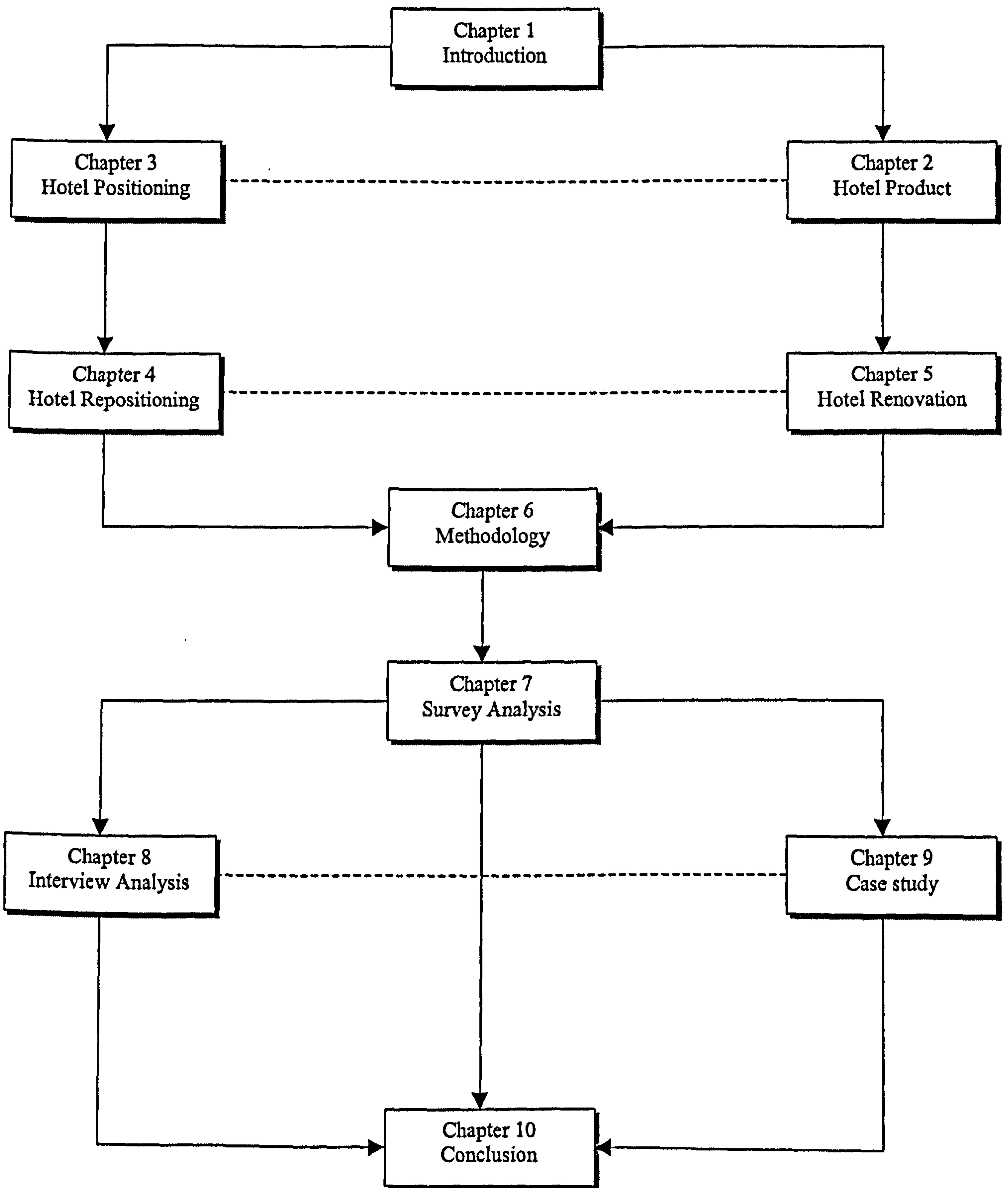
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it provides, where possible, recommendations and suggestions for further research to be undertaken in the future. This will conclude and summarise the research in the area of repositioning and renovation in the hotel industry.

1.6 Summary

This chapter provides an introduction to the study. It provides the background to the concepts of renovation and repositioning within the context of the hotel industry. This chapter also identifies the importance of the study and research methodology. It discusses the research aims along with the structure and organization of the thesis in order to provide a snapshot of how the research was developed and written.

Figure 1.1: Research Structure



CHAPTER TWO HOTEL REPOSITIONING

2.1 Introduction

There is little doubt that the changing market environment is forcing marketing experts to reconsider how they approach their tasks. These environmental changes include all social, cultural, economical, political-legal, and technological changes. Such critical changes are already beginning to reshape the marketing concept. For example, consumer tastes, wants, and needs change from time to time as do new competitive patterns and developing technology. Also, it reflects the fact that mature markets and aggressive competitors are seeking opportunities for profit and growth which have eroded existing positioning. Hence, the attractiveness and power of yesteryear's position begin to fade, prompting a constant appraisal and review of products.

Marketing activity is a dynamic process that demands an understanding of shifting cycles and the timing to react instantly to those changes or trends. This reaction or adaptation of a business or a product to our changing environment is an inevitable process that reflects the interaction between marketing strategies and those uncontrollable variables mentioned previously.

Kotler (1997) argues that, regardless of the initial success of the brand position in the market, the firm may be forced to reposition it later. Similarly, Trout and Rivkin (1995) state that today is a time for more repositioning than positioning. This is normal due to our changing marketing environment that influences any organization. Along the same lines, Barassington and Pettitt (1997) note that repositioning has a number of serious implications. It might involve redefining or enlarging segments or redesigning an entire marketing strategy. Such a fundamental revamp of a product is most likely to take place in the maturity stage of the product life cycle, when product quality begins to diminish. However, some empirical examples of innovative ideas appear in the literature on repositioning in the hospitality industry (e.g. Sampey 2000; Nozar 2001; Higley 2000, Frabotta 2001; Walsh 2000).

Previous research on positioning and/or repositioning in the hospitality industry is also very limited. For instance, Alford (1998), through a review of literature, takes a macro-approach and looks at the positioning of resort destinations. Walmsley and Young (1998) looked at how travelers position international and local destinations. Manazanec (1995) uses neural networks to study the positioning of luxury hotels by European travel agents. Dev et al (1995) illustrates how researchers can use multi-dimensional scaling to build perceptual maps. Kim (1996) uses perceptual maps to show how customers perceive food and beverage at competing hotels. Kim also develops ideal points to show how a hotel can change its attributes to gain a better position against its competitors. Shaw (1992) shows how one of the marketing mix elements, price, could be used as a positioning tool. Shoemaker (1992) demonstrates how to determine the hotel's present position and then decides a new position to occupy through using multidimensional scaling, property fitting and discriminate analysis. Upchrch and Seo (1996) explore civic responsibility and market positioning in lodging properties through measuring physical compliance with the Americans with Disabilities Act (ADA).

On the other hand, a thorough examination of the literature reveals that there are many beliefs or schools of thought with regard to the repositioning concept and its strategies, which are mainly based upon theoretical rather than empirical work. Therefore, it is the intention of this chapter to highlight the theory and practice of the process in the hotel industry.

The main concern of this research study is exploring hotel repositioning at property level, although repositioning, as well as positioning, can be experienced at different levels such as industry repositioning, organization repositioning, product line repositioning, and/or single product repositioning.

The basic objective of this chapter is the presentation and the comprehensive description of the concept of repositioning and identifying its importance and significance within the general marketing, services marketing and hospitality marketing literature. Additionally, an explanation of repositioning tools will be discussed, as well as a presentation of the strategies used for repositioning.

Furthermore, an overview of the repositioning process is discussed to build a fully descriptive picture of all aspects of repositioning.

As mentioned before, the term 'repositioning' was derived from the term 'positioning'. Prior to the examination of the issues concerned, however, it is important for the purposes of the study to discuss the concepts of 'marketing mix' and 'marketing mix' and 'positioning'. This review is an important foundation for a study to analyse hotel repositioning through property renovation in the hospitality industry because: (a) the term 'repositioning' was derived from the term 'positioning'; (b) hotel repositioning can be undertaken through modifying or developing the product or any other element of the marketing mix as previously mentioned. Therefore, it is important for the purposes of this study to discuss the concepts of 'marketing mix' and 'positioning' in this chapter prior to an exploration of 'repositioning'.

2.2 The Marketing Mix

Since product is an essential element of any marketing mix, some attention should be given to this concept in this section before discussing the hotel product and related concepts. The concept of the marketing mix is relatively recent, dating from the early sixties. Although this term was originally created by Borden (1977) about thirty years ago, the idea can be traced to Cuillton (1948) who called the marketing executive a 'mixer of ingredients' as his responsibility is to use a mix of marketing procedures and policies in an effort to achieve business profitability. Since then, other marketing experts have endorsed the idea and have expanded on the original concept.

As a concept, Kotler (1997, p.92) defines the marketing mix as being 'the particular blend of controllable marketing variables that the firm uses to achieve its objective in the target market.'

Identifying the elements that make up the marketing mix has caused considerable controversy and debate. Accordingly, many marketing mix models have been offered in the development process of marketing programmes. However, a review of the

available literature reveals that these marketing mix formulations can be classified into four major models.

First, the twelve variable model initially identified by Borden (1977) outlines a list of twelve elements that include the essential aspects of marketing activities that call for management decisions. This marketing mix model includes: product planning, pricing, branding, channels of distribution, personal selling, advertising, promotion, packaging, display, servicing, physical handling, and fact finding and analysis. Borden further suggests a framework of forces, which governs the mixing of those marketing elements, stating that both forces and elements, taken together, provide a visual presentation of the concept of the marketing mix. This market forces list, that is relevant to the mixing of marketing elements, includes: (1) consumer buying behaviour, (2) the trade's behaviour, (3) competitor's position and behaviour, and (4) governmental behaviour.

Second, the four variable model of McCarthy (1978) reduces the original model of Borden (1977) to four elements: (1) product, (2) price, (3) place, and (4) promotion. These four elements may be considered the most popular marketing mix currently in use and is known as the four P's or the traditional marketing mix. Each of these four variables has its sub-mix of ingredients or specific dimensions that make up the marketing mix. For example, the promotion variable includes the mixing of the dimensions or the ingredients of sales promotion, advertising, personal selling and public relations.

Third, the three variable model of Kelly and Lazer (1968, p.415) includes: (1) the product service mix, (2) the communications mix, and (3) the distribution mix.

Fourth is the model of Frey (1961) who uses two dimensions: (1) the offering (product, package, etc.), and (2) the tools (e.g. advertising, personal selling, sales promotion, etc.).

In the marketing of services, however, some writers argue that the marketing mix components need to be revised in order to adapt to the nature of service industries

because the original marketing mix was developed for physical products. Based on this, Booms and Bitner (1980) suggest the following changes in the marketing mix.

First, there are certain common elements for both goods and services marketing (the four P's model) but each of these elements should be modified, however, to provide maximum usefulness to the services marketer. Second, the services marketing mix should be expanded to include three new P's: participants, physical evidence, and process of service assembly. Participants are all human actors who have a role in service delivery and who affect the perception of buyer (the firm's personnel and other customers in the service environment). Physical evidence is the environment in which the service is assembled and where the firm and the customer interact; as well as any tangible commodities which facilitate performance or communication of the service. The process of service assembly is the actual procedures, mechanism, and flow of activities by which the service is delivered.

However, Cowell (1984) argues that this service marketing mix should be used with caution for two reasons. First, it is intuitively based rather than empirically based. Second, it may be argued that some aspects of these elements are already included in the traditional marketing mix.

Before discussing the marketing mix in the hospitality industry, it should be mentioned that the hospitality industry is generally considered as a service industry (Lewis and Chambers, 1996) because of the characteristics of its product. Although the components of this product service mix are goods, services, and environment, the mix itself is largely intangible.

Based on the original mix of Borden, Morton (1965) recommends the following hospitality marketing mix variables: (1) Product Planning, (2) Pricing, (3) Branding, (4) Channels of Distribution, (5) Personal Selling, (6) Advertising, (7) Promotion, (8) Packaging, (9) Display (e.g. brochures and posters), (10) Servicing, (11) Handling, and (12) Market Research.

Hertzson (1971) also provides a hotel marketing mix, which includes twelve variables: (1) Price, (2) Package, (3) Label or Name, (4) Quality of Physical

Condition, (5) Shape of Property as distinctive from surroundings, (6) Size and Number of Rooms, (7) Colour: in terms of internal and external decor, (8) Methods of Distribution, (9) Personal Selling and Direct Mail, (10) Advertising, (11) Sales Promotion, and (12) Publicity.

Another 8 P's hospitality marketing mix model was developed by Morrison (1989) who has added four new variables to the traditional four variable model of McCarthy. These new variables are: (1) People, (2) Packaging, (3) Programming, and (4) Partnership.

Wearne and Morrison (1996) suggest a six P's hospitality marketing mix model that includes: (1) People, (2) Product, (3) Place, (4) Price, (5) positioning, and (6) Promotion. This latter model is a quite strange one because it includes positioning within the mix although positioning is an output of using the other variables to satisfy the target markets.

In his attempt to develop a new marketing mix for the hospitality industry, Renaghan (1981) proposes a three variable model as follows:

The Product / Service Mix: The combination of products and services, whether free or for sale, aimed at satisfying the needs of the target market.

The Presentation Mix: All elements that can be used to tangibilize or to increase the tangibility of the product service mix. This presentation includes physical plant, location, atmospherics, price, customers, and employees.

The Communication Mix: All communications between the firm and the target market that increase the tangibility of the product service mix, that establish or monitor customer expectation, or that persuade customers to purchase.

Clearly, this Renaghan's model is quite similar to the one proposed by Kelly and Lazer, with the substitution of their second element of 'distribution' for that of 'presentation'.

Although distribution is included under the subvariable location of the presentation mix, Lewis and Chambers (1995) argue that it should be included as a separate

variable in this model because of the complexities of selling the hospitality product, especially in the case of hotel rooms, through '800' telephone numbers, wholesalers, tour brokers, travel agents and others. Therefore, they suggest adding the following fourth variable to Renaghan's model:

The distribution mix which is defined as all channels available between the firm and the target market that increase the probability of getting the customer to the product.

On the other hand, other hospitality marketing writers agree with the traditional 4 P's mix of McCarthy as a model, with no change, for hospitality marketing (e.g.: Buttle, 1995; Powers, 1997; Doswell and Gamble, 1979).

Based on Cowell's argument discussed earlier, two observations are worth making here with regard to the hospitality marketing mix models. First, no justification has been given for expanding the mix ingredients although all of the additional ingredients can be seen as aspects of the traditional 4 P's marketing mix elements. Second, most of these formulations are intuitively based rather than empirically based. Thus, more empirical research is required in determining the variables considered by hotel marketers (practitioners) in devising their marketing strategies and policies; before defining precisely the elements of the revised marketing mix.

In this research project, marketing mix will be understood as the traditional 4 P's model because of the limitations of the other formulations and also it is the most widely used model in the hospitality marketing literature.

2.3 The Concept of Positioning

A recent examination of the available literature seems to support the viewpoint that there is no single universally accepted definition of positioning. The following definitions can be offered:

- 1) Product positioning is the attempt by marketers to achieve the acceptance by target markets of their products as better fulfilling specific wants, or having specific characteristics superior to competing brands (Shapiro, 1981, p. 202).

- 2) Positioning is the placing of a product in the mind of consumers by emphasising certain distinctive features of the product that fulfil defined consumer needs. Repositioning is the changing of the placing of the products in the minds of consumers, intended to improve the product's performance and profitability. For example, the product may be packaged differently or new features of the product may be emphasized, in an attempt to encourage the market to buy it. (Manser, 1988, p.92)
- 3) Product positioning is deciding a segment of the market most appropriate for a product that is where sales can be achieved most effectively. Finding the gaps in the market, perhaps by supplying a better product for the traditional markets (Jefkins, 1987, p.239).
- 4) Positioning means creating an image for a product in the minds of consumers; brand positioning or product positioning refers to placing a brand or product in the market, so that it is recognisable to the public (Collin, 1989, p.145).
- 5) Positioning theory is an advertising style devoted to owning a part of the consumer's mind, so occupying a position of trust and loyalty for the brand concerned (Hart and Stapleton, 1987, p.158).
- 6) Product positioning is the process of developing and implementing specific marketing activities aimed at affecting customers perceptions of product positions. Product position is consumers relative perceptions of competing brands at a given point in time (Sarel, 1980, p.116).
- 7) Product or brand positioning refers to the place a product occupies in a given market (Wind 1982, p.74).
- 8) Positioning involves identifying, then occupying, an available position in the market, examining competitive presence within various market segments and then addressing the question 'which segment is more available, which is open?' (Berry 1982, p.45).

- 9) The term positioning has been used among academic authors to refer to (a) consumers perceptions of a brand relative to the competition and to (b) the activity of a researcher in describing consumers brand perceptions. Both of these uses miss what is probably the key connotation of the term for marketing practitioners, namely the marketer's exercise of choice regarding prospects and brand characteristics (Fennell 1982, p.102).
- 10) Positioning is the act of designing the company's product and marketing mix to fit a given place in the consumers mind (Kotler 1997, p.272; Lancaster and Massingham 1998, p.191).
- 11) Positioning is not what you do to the product, positioning is what you do to the mind of the prospect, that is you position the product in the mind of the prospect (Ries & Trout 1986, p.2).
- 12) Although the term positioning has been used in various ways, most writers would agree that a position involves a market's perception that a given product, brand, or company differs significantly from its competitors by offering a particular class of benefits to a particular class of buyer (Parker and Churchill 1986, p.3).
- 13) Positioning is the customer-driven process of establishing and maintaining a unique place in the market. Positioning determines how an organisation or its services are perceived by present and potential customers (Lamb& Carven 1990, p.14).
- 14) Positioning is the process of establishing and maintaining a distinctive place in the market for an organisation and/or its individual product offerings (Zineldin and Bredenlow, 2001).
- 15) Positioning is concerned with the identification, development and communication of a differentiated advantage which makes the organisation's products and services perceived as superior and distinctive to those of its

competitors in the mind of its target customers. Positioning is thus concerned with differentiation and using it to advantageously fit the organisation and its products or services to a market segment. This differentiation can be based on subjective criteria (e.g. communication), or on objective criteria (e.g. product or service) (Payne 1993, 95-96).

- 16) Product positioning is the decisions and activities that create and maintain a certain concept of the firm's product in customer's minds. Product position is customers' perceptions of a product's attributes relative to those of competitive brands (Pride Ferrell 1997, p.217, marketing: concepts and strategies, international edition, Houghton Mifflin Company, Boston).
- 17) Product positioning involves the process of influencing how consumers perceive a brand's characteristics relative to those of competitive offerings (Mowen, 1993).
- 18) Product positioning centres on the decisions and activities used to create and maintain a firm's product concept in the customer's minds. Such activities must reflect the positions occupied by competing companies and products within the market. Market positioning is arranging for a product to occupy a clear distinctive and desirable place relative to competing products in the minds of target customers (Dibb and Simkin, 1996).
- 19) Product Positioning refers to the place an offering occupies in consumers' minds on important attributes relative to competitive offerings (Berkwitz, et al., 1992).
- 20) Positioning is the process of designing an image and value so that consumers within the target segment understand what the company or brand stands for in relation to its competitors (Miswilson and Gilligan, 1997).
- 21) Positioning strategy is the choice of target market segments, which determines where the business competes and the choice of differential advantage, which dictates how it competes (Doyle, 1994,).

- 22) Positioning is the ideal placement of the firm in its total environment (Luck, 1989, p.60).
- 23) Positioning is the deliberate iterative, and proactive process of defining (or identifying), measuring, modifying, and monitoring consumers' perceptions of a market object.
- 24) Positioning is the iterative process of (a) identifying and naming dimensions, b) measuring locations on each dimension, c) alteration of physical attributes, d) alteration of intangible perceptions (Arnott, 1992, p.10).
- 25) As a concept, positioning is defined by Lovelock (1984, p. 110) as being the 'process of establishing and maintaining a distinctive place in the market for an organisation and/or its individual product offerings.'
- 26) Along the same dimension and according to Kotler (1997, p.301) positioning refers to the 'the act of designing the company's offer and image so that it occupies a distinct and valued place in the target customer's minds.'

Several conclusions can be derived from the above definitions. First, there is no single universally accepted definition for the term positioning. As Smith and Lush (1976) point out, there appears to be a considerable confusion to its exact meaning. Second, the range of definitions of 'positioning' can be classified into two main groups. The first comprises conceptual definitions which attempt to explain the essential nature of positioning as a concept. The second covers technical definitions which are used to designate these tools or activities that take part in this activity. Third, as mentioned by Wind (1982), positioning makes different sense to different people. According to Arnott (1992), this confusion may be attributed to: (a) the main source of this confusion is Ries and Trout's view (1986) of positioning 'as a new approach to communication' that has been used by many marketers; (b) a second source of confusion is suggested by Fennell (191982, p.102) who attributes much of it to the gap between academics' and practitioners' usage of the term and application of the

concept. Fourth, the various definitions of positioning have led to confusion and misperception of the concept as will be shown later. Fifth, while most of these definition may differ in the particular, there does appear to be a common thread which is that positioning is concerned with the way the product, brand, or organisation is perceived by a consumer, in a particular market(s) and relative to the its competitors. Sixth, these definitions revealed that there is another confusion between 'positioning' and 'differentiation'. This confusion will be clarified in the next section. Seventh, it should be recognised that there are different levels of positioning such as 'Product Positioning,' 'Brand Positioning,' 'Organisation Positioning' and so on. This has been pinpointed before by Payne (1996) who states that the principles of positioning apply at different levels such as: a) Industry Positioning: the positioning of an industry as a whole, b) Organisational Positioning: the positioning of the organisation as a whole, c) product sector Positioning: the positioning of a range or family of related products and services being offered by the organisation, and d) Individual Product or Service Positioning-the positioning of specific products. This study is primarily concerned with the positioning of the hotel's product/service mix (goods, services, and physical evidence). The term 'positioning' or 'product positioning' will be used to reflect this emphasis. Also, most of the emphasis in the marketing literature is derived from this perspective. Finally, the key points of most of these definitions are a product's image or perception, consumers, competition, and differentiation or competitive advantage.

2.4 The Concept of Repositioning

The term 'repositioning' appears in marketing textbooks as part of a more general discussion on positioning, new product development, or branding and is typically descriptive in its nature. At the same time, in the marketing literature, there are many definitions of repositioning while there is not one that is universally accepted . Some authors have given little consideration to the concept of repositioning, yet there is still no commonly accepted definition in the literature that explains what repositioning is or does or how it is implemented. However, it is worthwhile to mention that the attempts to define repositioning and relating its application to the hotel industry have not been solely undertaken by hospitality researchers. Some hoteliers have also approached the subject in an effort to integrate theory with practice.

An in-depth review of the literature identifies that there is almost general agreement on most of these definitions, on the fact that repositioning involves a change to the image of a product in the market through changing the perception of the customers. On the other hand, there seems to be some disagreement on ways of altering this perception. Therefore, the range of these definitions can be classed into four main groups (See some examples in Table 2.1). The first group defines repositioning in a simple but vague way as being the changing of the existing position without referring to its implementation (Merriam Webster Dictionary 1994; Lovelock 1996, p.167; Lewis et al 1995:356) The second group describes repositioning as an advertising strategy by which the company can change the image of its product and the perception of people about it (Hart and Stapleton 1987, p.178; Collin 1989, p.156; Jefkins 1987, p.257; Ries and Trout 1986). The third group attributes repositioning to product policy in two different ways. Firstly, Booz, Allen and Hamilton (1982) identify repositioning as one of the six categories of new products in terms of their newness to the company and to the marketplace, as being the process of targeting the existing products to new markets or market segments. This viewpoint is regarded as the most common one since much of the discussion about repositioning in companies, textbooks and in journal articles accepts repositioning in this restricted sense (see for example, Teare et al 1994, p.171; Buttle 1995, pp.205, 230; Morrison, 1989, p.187, Holloway& Robinson 1995, pp.67-77; Bruce and Biemans 1995, p.46; Tom Power, 1997, p.235; Boyd et al 1995, p.415). It should be mentioned that the concept is not discussed directly in most of these references but is briefly discussed under 'New Product Development' or 'Product Life Cycle'. This perspective of repositioning suggests that it is intended to direct the existing products to new market segments. Secondly, the different approach of Baker (1990. p.219) who states that repositioning is 'any effort or tactic designed to improve the performance of a product.' The fourth group views repositioning as a tool to move a mature or distressed business into a better position within the market (Tailor 1987; Bohan and Cahill 1992). In short, although a variety of descriptions of repositioning can be found, a precise definition of the term is lacking.

Table 2.1 Definitions and Descriptions of Repositioning

Author(s)	Definition or description
Webster's Dictionary 1994	'to change the position of or to revise the marketing strategy of (a product or a company) so as to increase sales'
Lovelock (1991, p.110)	Repositioning involves changing the existing position.
(Hart and Stapleton, 1987)	'putting a competitor's claims, concept, or image in perspective and then stating your own claim in form of compensation'
(Collin, 1989)	'changing or adjusting the consumers' idea of a product by a change in its advertising'
(Jefkins 1987).	'because an organisation has changed a new image and a new identity is required. This may also involve changing the name. Or a company may require repositioning in the market because it now appeals to new or different sections'

Table 2.1 (Continued)

Booz, Allen and Hamilton (1982)	They identify repositioning, as one of the six categories of new products in terms of their newness to the company and to the marketplace, as being the process of targeting the existing products to new markets or market segments.
Baker (1990. P.219)	'any effort or tactic designed to improve the performance of a product.'
Also Ries and Trout (1986)	They mention that repositioning is related to changing a company's image relative to its competitors, that is to change the company the perceived position in consumers minds by moving a new idea in and/or removing an old one out.

Bohan and Cahill (1992),	Repositioning is 'the process of identifying one of several means for making an underperforming hotel product more responsive to market dynamics, bringing the hotel to a competitive level in its market, and thus maximising financial returns to its owners.'
(Tailor 1987)	Repositioning involves companies undertaking a program to restructure their assets and making substantial investments of management time and money over long periods in order to move a mature business into a better position within the market.
(Lewis and Chambers, p.356).	'Repositioning, as the name implies, constitutes changing a position or image in the marketplace. The process is the same as initial positioning with the addition of one other element removing the old positioning image.'

A number of comments can be derived from the analysis of the above literature relating to the repositioning concept. First, it is apparent that there is still considerable ignorance concerning what the concept is or does, and how it is to be implemented. Second, it can be seen that repositioning is confused with some other concepts such as new product development, innovation, product modification, re-branding, etc. Third, all of the above mentioned perspectives focus on one aspect of repositioning (e.g. as an advertising tool, or a product policy tool) and ignore the other aspects. However, each is an important dimension, but only a dimension, of repositioning. On the other hand it reflects the importance of each dimension or tool in the repositioning process. Fourth, the definition of Booz, Allen and Hamilton may be considered the main source of confusion since many authors have used and still use the term in this restricted scope. Fifth, another source of confusion may be associated with the fact that there is no single universally accepted definition of the term 'Positioning' from which the term 'repositioning' is derived. Finally, another element of confusion may

be the gap between academics and practitioners relating to the usage of the terms and application of the concept.

It may now be clear that one of the most important tasks of this thesis is to find an explicit and operational definition for the term 'repositioning', which may remove any misunderstanding and confusion. To arrive at such a definition, two main sources have been relied upon which are firstly, the above-mentioned repositioning literature and secondly, the feedback of some hotel marketing executives.

A working definition of the repositioning concept is derived as being: *'the marketing management process of changing, partially or totally, the perception of the public about a firm through any modification or addition to one or more of its controllable Variables (marketing mix) to comply with its changing uncontrollable variables (e.g. customer, competition, technology, corporate, etc.) in order to retain, expand, or change its target market(s).'*

Several views or dimensions of this definition may be considered. First, it defines repositioning as a process that incorporates different levels of activities. Second, it is an inclusive definition since it has a broad scope that comprises most of the others mentioned previously. Third, it explains the close relationship between repositioning and the changing marketing environment. Fourth, in accordance with Wind (1990) and Doyle (1992), the public consists not only of customers but also of other different groups such as employees, government, corporate and suppliers. Fifth, repositioning can be achieved in a tangible way (e.g. product or price) or in a psychological way (e.g. promotion).

2.5 Why Repositioning?

Kotler (1997, p.293) argues that it is irrelevant how well a brand is originally positioned in the market as the firm may be prompted to reposition it at a later stage. This is normal due to our changing environment that forces companies to cope with these requirements to stay ahead in the market. Some marketing academics (Trout and Rivkin, 1995, pp.51-53; Kotler, 1997, p.103; Bohan & Cahill, 1993; Jain, 1990,

p.340; Palmer, 1998:45-46; Lewis et al, 1995, pp.356-357) raise different reasons, which make repositioning an essential need for the success of hotels and any other organisation. These different reasons include the following examples:

- To keep up with the competition or to avoid a competitive entry positioned next to the brand with an adverse impact on its market share;
- To appeal to a new segment, to hold on an old one, and or to increase the size of the current segment by satisfying current or potential customers by meeting their wants and needs;
- To comply with new trends and technology in the market (e.g. the green movement);
- To correct previous positioning mistakes (confused positioning, over-positioning, and under-positioning) when the company fails to signal its competitive advantages sufficiently and loses a clear positioning for its product;
- To maintain corporate image and standards in the case of affiliated hotels;
- Owners might want to change the hotel's affiliation to one better suited to the hotel's facilities and market orientation ; and
- To cope with the governmental requirements (e.g. The American People with Disability Act {ADA} in the US).

2.6 Types of Repositioning

Repositioning strategy is the conscious effort to change either or both market segments and differential advantage (Crostjens and Doyle 1989). Strategically, a successful repositioning strategy should maintain a match between the changing environment and the product's offer to the market. However, repositioning strategies are harder to implement than positioning strategies because beliefs and perceptions about brands become well established in the public's minds and are therefore harder to change. A review of the available literature illustrates that there are a wide variety of repositioning strategies. A brief review of those strategies is presented here in this section.

According to Boyd et al (1972), there are seven alternative strategies for repositioning among existing customers. These are (1) developing a new brand; (2) modifying the existing brand; (3) altering beliefs about the company's brand, called psychological repositioning (Kotler 1997); (4) altering beliefs about the competitor's brands; (5) altering the importance attached to the individual characteristics; (6) calling attention to neglected characteristics; and (7) shifting consumer preferences. Kotler (1997) notes that repositioning can be implemented through altering beliefs about the competitor's brands in order to clarify superior status of its product. It is also called competitive de-positioning.

In line with previous authors, Peter Doyle (1994) has suggested seven repositioning options for the business. These are: (1) introduce a new brand, (2) change an existing brand, (3) alter beliefs about the brand, (4) alter beliefs about competitive brands, (5) alter rates of attributes, (6) introduce new or neglected attributes and (7) find a new market segment. He termed the first two as 'real repositioning' strategies and the remainder as 'psychological repositioning' strategies.

Crosthens and Doyle (1989), argue that basically there are three types of repositioning strategies. First, zero repositioning occurs where the company maintains a continued focus on its initial target market segment and competitive advantage despite a changing environment. Second, gradual repositioning refers to the regular and small adjustments of the product and methods of presentation to maintain a continuous match between the requirements of the competitive scene and its own offer. Third, radical repositioning involves making a major and discontinuous shift into either or both new target markets and competitive advantages.

Jain (1997) suggests that there are three main types of repositioning strategies: (1) repositioning among existing customers by promoting alternative uses for the product; (2) repositioning among new users by presenting the product with a different twist to people who have not previously been inclined towards it; and (3) repositioning for new uses by searching for latent uses of the product.

In a similar way, Lancaster and Massingham (1999, pp. 192-193) identify four strategies as the most common repositioning strategies. These strategies are: (1)

repositioning with existing segments to revitalize a brand which is losing sales/market share and/or has approached the end of its product life cycle without seeking new customers, (2) repositioning to attract new customers which may often involve significant changes to one or more of the marketing mix elements, (3) innovative repositioning by creating a new position in a market for a brand by introducing new criteria for brand choice based on attributes in which the marketer is strong, and (4) competitor de-positioning by repositioning competitor brands in a less favorable light, rather than actually changing the position of one's own.

Kotler (1997, p 197) proposes three types of repositioning: real repositioning, psychological repositioning, and competitive de-positioning. Real repositioning incorporates redesigning the brand so that it offers more tangible and desirable characteristics for the customer. Psychological repositioning incorporates altering beliefs about the brand. Competitive de-positioning incorporates altering beliefs about competitor's brand.

Another perspective to look at product repositioning is suggested by Barassington and Pettitt (1997). According to them, there are three main areas for repositioning and product improvement: quality, design, and/or performance. There is no need to explain these repositioning areas in detail since they are similar to the previously mentioned types and they depend mainly on product development or modification as a tool for repositioning.

Finally, Jobber (1998, p197) states that repositioning involves changing the target markets, the differential advantage or both and suggests a useful framework for analysing repositioning options. Using product differentiation and target market as the key elements, four generic repositioning strategies are suggested: The first strategy, image repositioning, is to keep the product and target market the same but to change the image of the product. In markets where products act as a form of self-expression, the product may be acceptable in functional terms but fails because it lacks the required image. The second strategy, product repositioning, is to modify the product to make it more acceptable to its present target market. The third strategy, intangible repositioning, involves targeting different market segments with the same product. The fourth strategy, tangible repositioning, is to change both product and target

market. For example, a company may decide to move up or down-market by introducing a new range of products to meet the needs of new target customers.

The shortcomings of the presented perspectives of repositioning strategies need to be outlined since they seem to limit the boundaries of the concept of repositioning to some extent. Accordingly, two general shortcomings may be drawn from the above discussion on the types of repositioning strategies. First, there seems to be considerable disagreement on the meaning of the concept of repositioning due to various understandings of the concept by each author. This may be because marketers hold a negative attitude towards repositioning and understand poorly its conceptual meaning and framework which, in turn, ensure the belief that repositioning is a relatively recent component of overall marketing strategies and places emphasis on its vital role as a comparatively new consideration not fully exploited by the marketing field in general and hospitality marketing in particular. In other words, repositioning is a subject of a number of doubts and misconceptions that have led to the confusion of both marketing academics and practitioners. Second, all of these strategies concentrate mainly on the product and almost ignore the role of other variables of the marketing mix in the repositioning process.

Capitalising on Jobber's framework and bearing in mind that repositioning can be achieved through modifying the variables of the marketing mix a new broad framework of repositioning strategies can be developed. Utilising the target market(s) and the marketing mix variable as dimensions or key variables, two generic repositioning strategies are presented: (1) vertical repositioning and (2) horizontal repositioning. Each includes four repositioning sub-strategies.

The first strategy, vertical repositioning, refers to repositioning through the marketing mix variables of the same target market(s). It includes four sub-strategies: (a) vertical product repositioning, (b) vertical price repositioning, (c) vertical distribution repositioning, and (d) vertical communication repositioning. Similarly, the second strategy, horizontal repositioning, refers to repositioning through the marketing mix variables for new target market(s). It includes four sub-strategies: (a) horizontal product repositioning, (b) horizontal price repositioning, (c) horizontal distribution repositioning [i.e. conversion franchising], and (d) horizontal communication

repositioning. According to the modified variable of the marketing mix, repositioning can be viewed as being real or psychological. Hence, real (vertical or horizontal) repositioning refers to any modification in the product or the price while psychological (vertical or horizontal) repositioning refers to any modification in the promotion or channels of distribution.

To avoid confusion, the discussion of each marketing mix variable focuses on its modification as a primary tool for repositioning while any other associated changes, if necessary, of the other variables in the same process are seen as secondary changes. For example, a company can be repositioned in the marketplace through lowering its prices (main repositioning tool) but this should be associated with an adjustment in its communication or distribution policies (secondary changes).

2.7 Positioning Approaches Analysis

An overview of positioning approaches published since 1982 (Table 2.2) shows that the main components of positioning analysis are segmentation, differentiation, internal and external analysis. Segmentation and differentiation are mentioned in most of the positioning approaches. On the other hand, little attention is paid to internal and external analysis.

Segmentation and differentiation are the two main steps mentioned by all positioning researchers. They differ in the emphasis which they give to either segmentation or differentiation.

For some researchers, the starting point of positioning is the customer or segments of customers. They are the most important instance in the whole positioning process for whom marketing instruments are designed. The aim of segmentation is to identify groups of customers who have the same or very similar aspirations, expected benefits, perceptions and attitudes towards a product. Within each group the product can have a specific position.

Table 2.2 Positioning Analyses

Authors	Markets	Levels	Main Parts of Positioning Analysis			
			Segmentation	Differentiation	Internal Analysis	External Analysis
Aaker/Batra/Myers 1992	Consumer goods	Product	Yes	Yes	No	No
Aaker/Shansby 1982	Consumer goods	Product	Yes	Yes	No	No
Brooksbank 1993	Product		Yes	Yes	Yes	No
Day/Wensley 1988	General	General	Yes	Yes	Yes	No
Doyle/Saunders 1985	Industrial Goods	General	Yes	Yes	No	No
Heskett/Sasser/Hart 1990	Services	General	Yes	Yes	No	No
Holey/Saunders 1993	General	General	Yes	Yes	No	No
Lovelock 1991	Services	General	Yes	Yes	Yes	No
Mulbacher/Dreher/ Gabriel-Ritter 1994	Industrial engineering	SBUI	Yes	Yes	Yes	Yes
Turnbull/Valla 1986	Industrial Goods	General	Yes	Yes	Yes	No
Wind 1982	Consumer goods	Product	Yes	Yes	Yes	Yes

The position depends on a second market aspect which is the relative positions of the competitors. Therefore, the second important underlying concept of positioning is differentiation. In a differentiation strategy, 'a firm seeks to be unique in its industry along some dimensions that are widely valued by buyers' (Porter, 1985, p.14). The ultimate goal of differentiation is to obtain a long term competitive advantage. Some authors focus strongly on competitor analysis, their positioning development approaches start with the competitor (Aaker et al., 1992; Aaker and Shansby, 1982; Hooley and Saundres 1993). Highly competitor-centred approaches may have the

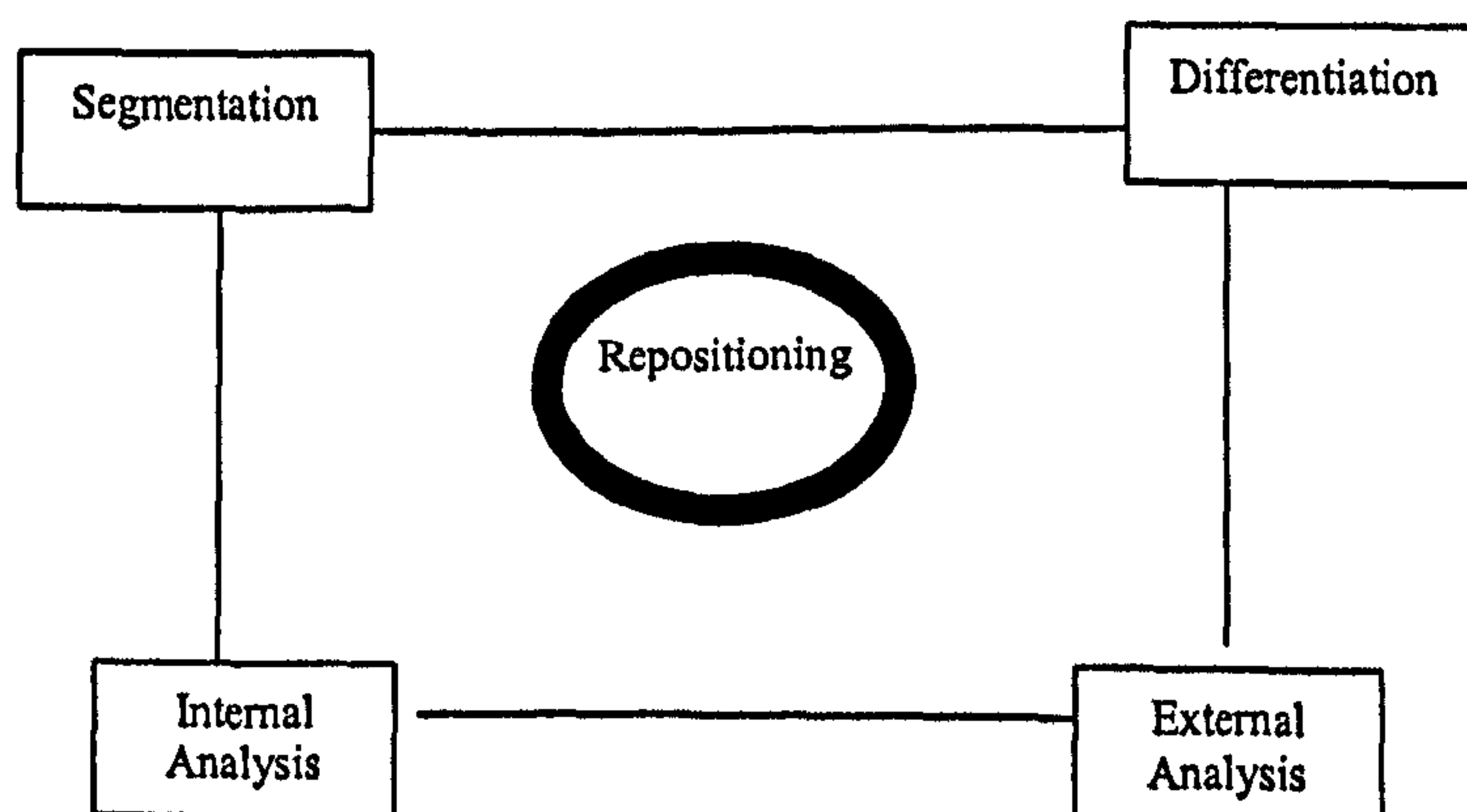
disadvantage of a too high 'preoccupation with costs and controllable activities that can be compared directly with corresponding activities of close rivals' (Day and Wensley, 1988; Lovelock, 1991; Porter, 1985).

Another important source of information having a decisive impact on the positioning process is internal analysis. Before a decision about about a position is made, a company needs to 'identify its resources (financial, human labor and know-how, and physical assets), any limitations or constraints, and the values and goals (profitability, growth, professional preferences, etc.) of its management. Using insights from this analysis, the organization should be able to select a limited number of target market segments which is willing and able to serve' (Lovelock, 1991, p.113).

Competitors and the company itself are the main influences of a position in consumers' mind. But these two are not the only forces driving the positioning process. External forces and stakeholders play an important role in implementing positions for products or companies. They can decide the rise and fall of product positions because they have the necessary resources for the establishment of a position. Surprisingly, only a few researchers mention the importance of stakeholders and even less insert internal analysis in their positioning approaches.

To sum up, the following figure (Figure 2.1) summarizes the four components of positioning analysis:

Figure 2.1: Repositioning Analysis



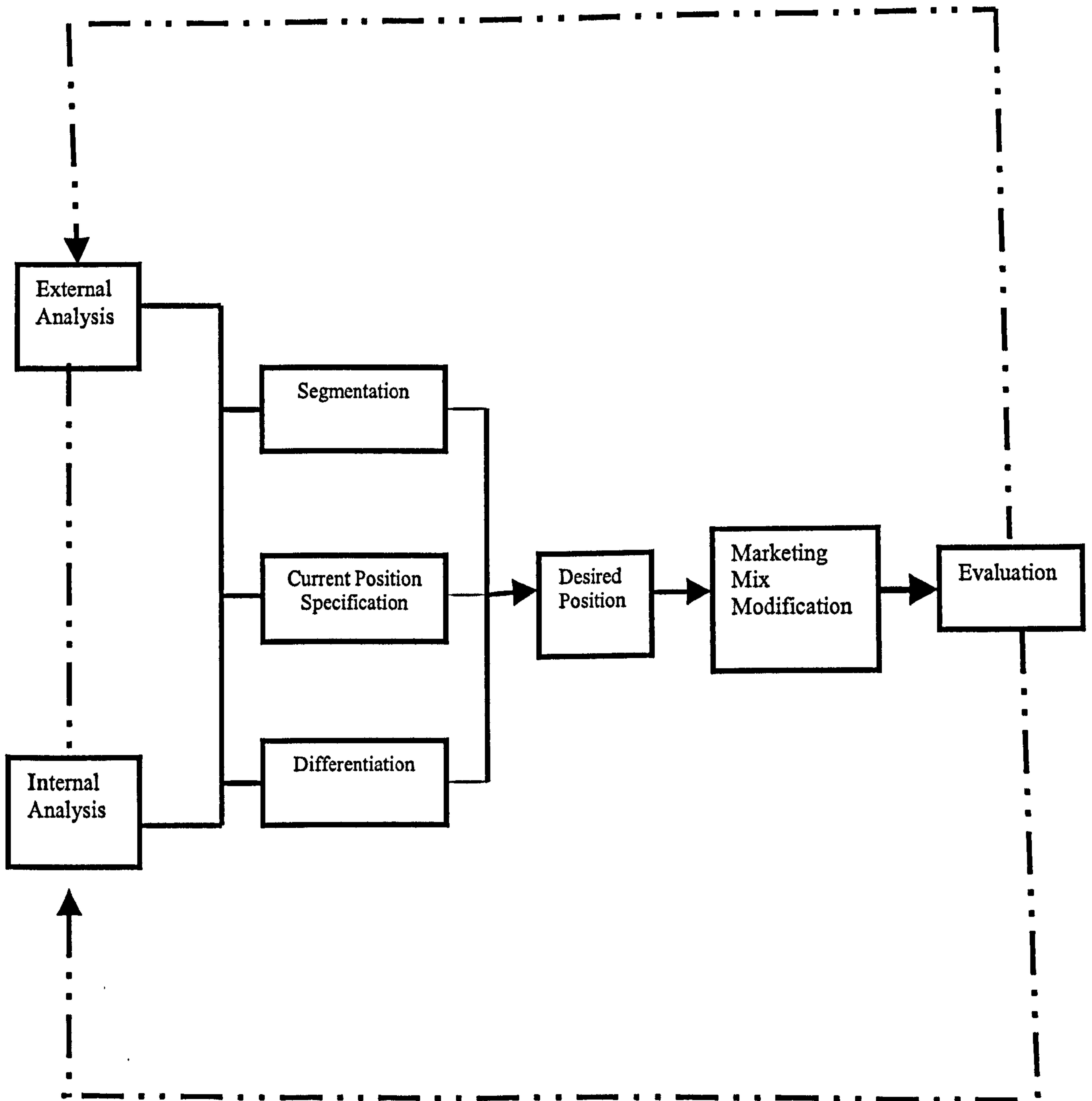
2.8 The Repositioning Process

According to Van de Ven (1992, p.170), 'a process is a sequence of events or activities that describes how things change over time, or that presents an underlying pattern of cognitive transitions by an entity in dealing with an issue.' In other words, the process perspective focuses on how a firm develops its position.

In this section, the elements derived from the literature analysis are synthesized and rearranged in an effort to design an optimal repositioning development process. This model, as presented in figure 2.2, has considered and expanded on most of the elements of both positioning and repositioning approaches suggested by different marketing scholars ((see for instance: Dillon et al. 1986; Doyle and Saundres 1985; Dreher et al. 1992; Hooley and Saundres 1993; Lovelock 1991; Ries and Trout 1986; Wind 1990; Winer and Moore 1989; Bohan and Cahill 1992; Hill and Fay 1992; Lewis et al. 1995; Boyd et al. 1995).

There are three aspects that basically distinguish this model from the other approaches. Firstly, it includes some other forces of repositioning (such as chain standards, technology and governmental requirements) as well as the customers. Secondly, it concentrates on the role played by each marketing mix variable or sub-variable in the repositioning process. Thirdly, it considers the repositioning process as a cycle since it is an ongoing process in hotels.

Figure 2.2.
The Repositioning Development Model



At this point, a brief overview of this model is highlighted. This model commences with both external and internal analyses. External analysis of different uncontrollable elements is undertaken in order to identify the threats and opportunities in the market. On the other hand, internal analysis of the hotel's resources (i.e. financial, performance, human resources and physical assets) taken place in order to identify its

strengths and weaknesses. Another essential output of external and internal analyses is the current position specification that should be implemented before taking any action towards the desired position (Hill and Fay 1992; Lewis et al. 1995; Boyd et al. 1995). In fact, there are many measurement methods to evaluate or specify this current position (Young 1993; Winer and Moore 1989; Dilon et al 1986) such as Multi-Dimension Scaling (MDS) which is a set of techniques providing a geometric representation of relationships between objects (e.g. brands, products) relying upon data on consumers' perceptions and preferences of such objects. Furthermore, perceptual mapping is recommended as a useful tool to understand how a product or service is perceived in relation to its competitors (e.g. Greene et al. 1988; Moutinho 1991; Shocker and Srinivasan 1997; Steenkamp et al 1994)).

Similarly, repositioning implies a segmentation commitment and the concentration should be in only a few segments of the market in order to avoid the creation of a diffuse image of the product. Some authors stress that the option for some market segments and for the competitive position to reach in each market segment must also be guided by analysis of the company (see Kotler, 1997; Lovelock, 1991; Cravens, 1987). Company analysis is important to assure the existence of the resources needed to change the marketing mix and also to evaluate how repositioning allows the company to reach its objectives. Analysis of competitors is essential to identify opportunities for differentiation and assure that the company's strategy will not be copied by competitors. Hooley et al. (1998) argue that a company can differentiate itself from its competitors through using different elements such as brand, product, price, promotion and/or distribution differentiation. Treacy and Wiersema (1993) identify three basic differentiation strategies which are:

1. Operational excellence. The company should operate its business better than its competitors.
2. Customer intimacy. The company should know its customers better than its competitors and should be able to respond quickly to their specific and changing needs.
3. Product leadership. The company should consistently create and offer better products that outperform competitor's products.

Having identified the current position, opportunities and threats in the market, and the strengths and weaknesses of the hotel; the repositioning statement or the desired position can be determined. This desired position could be achieved through modifying one or more variables or sub-variables of the marketing mix.

Finally the process should be evaluated to see how the actual repositioning looks when compared with the desired one (Lewis et al. 1995, pp.356-358; Boyd et al. 1995, pp. 207-218). This evaluation should be based subjectively in terms of customer feedback and objectively in terms of hotel performance and profitability.

In spite of the great importance attached to the analysis of perceptions of the market in any repositioning strategy , this research study emphasises the perception and practices of hoteliers with regards to the development of their repositioning strategies. The reason for choosing this approach is that most of the previous research studies on positioning focused on the importance of the analysis of the perceptions of the market (e.g. customers, competitors, suppliers) to these kinds of strategies and largely ignored both the role of management in the process behind positioning/repositioning and managers' understanding of the concept. Therefore, it is the intention of this research study to highlight the theory and practice of both the repositioning process and the perceptions of hoteliers in the hospitality industry because these are the most neglected and uncovered aspects of repositioning in spite of their importance.

2.9 Summary

The review in this section contained a comprehensive discussion of the concept of repositioning in the general marketing literature and in hospitality marketing in particular.

While this section has discussed some of the major aspects of the hotel repositioning, its definitions, significance, types and its decisions; there is a considerable lack of accurate information and of understanding about the issues involved. It is argued that these issues make a significant contribution to hospitality marketing, planning and strategies, but the nature and extent of this contribution is somewhat vague. Also, there is a clear need for empirical detailed studies on the repositioning concept within the hospitality context.

Finally the chapter has concluded with an analysis of the repositioning process. Building on the literature analysis, an inclusive model is designed to show the different phases involved within the repositioning process. As argued, it differs fundamentally from previous approaches in three respects. Firstly, it includes some other forces of repositioning (such as chain standards, technology and governmental requirements) as well as customers. Secondly, it concentrates on the role played by each marketing mix variable or sub-variable in the repositioning process. Thirdly, it considers the repositioning process as a cycle since it is an ongoing process in hotels.

Having clarified that, the literature now turns to explore and discuss another concept that is considered to be of great importance to the purpose of this study, which is renovation.

CHAPTER THREE HOTEL PROPERTY RENOVATION

3.1 Introduction

Repositioning can be achieved through modifying one or more elements of the traditional marketing mix, the '4Ps' that are product, price, place, and promotion. This research examines and concentrates on the role of product modification in the hotel industry as a tool for market repositioning. Additionally, according to Bohan and Cahill (1992), because of the supply/demand imbalance (many lodging industries are facing the challenge of supply that is in excess of demand in some market areas) many hotels are not meeting their financial obligations. As a result, the industry has to focus on maximising returns from existing products rather than on developing new facilities. Sullivan (1994) notes that hotel renovation is an ongoing process of continuous improvements and forward thinking. Owners realise that, while a renovation is an investment in time and money, it drives business to a hotel and contributes to a property's long term success.

In comparing hotel operations with foodservice operations, Powers (1989) notes that, it will be found that the hotels emphasise totally new product less than the foodservice does. Once the hotel building is built, the changes that are possible are limited. On the other hand, renovation often creates upgraded products as rooms are refurbished to meet emerging market needs.

For the most part, however, product in the hotel business is relatively more static than in the restaurant business. Therefore, property renovation is considered the main tool for product modification or improvement in the hotel industry to extend the useful life of the property to stay competitive, to reposition the property within its marketplace and or to improve the operational efficiency of the property.

Macdonald (1995) argues that renovation is certainly not a new concept to the hotel industry, nor will it fade away as a trend or fad like some of its marketing counterparts have. But the hotel industry is on the verge of completing a cycle than has brought renovating at least into the forefront of development. Over the past

number of years, finding money to renovate a property has probably been an easier and more profitable task than finding funds to build a new hotel.

Moreover, according to Michael (1994), a survey conducted by the American Hotel & Motel Association revealed that 97% of its members are more likely to renovate their properties than to build new hotels. Also, Lynn and Seldon (1993) refer to Forbes magazine research that found the ratio of new construction to property renovation in the hotel industry had moved from /60: 40/ in the 80s to /40: 60/ in the 90s with a further shift to /20: 80/ predicted by the end of this decade. According to the 1996 American Hotel & Motel Association Membership Survey, 64.4 percent of member properties had been renovated over the past 12 months, while 58.8 percent plan had to renovate over the following 12 months (Chipkin 1997). Levels of investment in hotel renovation programmes are very high. For example, Baum and Wolchuck (1992) stated that ITT Sheraton corporation spent \$ 47 million to transform the Sheraton Manhattan City Square in New York from a hotel whose main clientele was leisure and tour groups to a hotel attracting corporate business travellers.

Renovation, when well planed can elegantly rejuvenate a hotel project, offers the chance to reposition the property and might attract both more and loyal customers in the long run. It is the intention of this chapter to investigate the role played by property renovation in hotel marketing and to determine how the objectives of a renovation programme can be achieved. The presentation includes discussion of the definition, types, process, and importance of renovation. The literature on renovation extends into illustrating the relationship between hotel repositioning and property renovation in the hospitality industry. Prior to the examination of the issues concerned, however, it is important for the purposes of the study to discuss the concepts of 'hotel product/service mix' (section 3.2) and 'new product development' (section 3.3). This discussion is an important foundation for a study to analyse hotel repositioning through property renovation in the hospitality industry because: (a) property renovation is considered as one, probably the most important, of the main tools of product modification, improvement, or development in the hotel business and (b) product modification (renovation) is classified under the 'new product development' concept. It is for these reasons that it is worthwhile examining the hotel product service mix in the first two sections (3.2 and 3.3) of the literature.

3.2 The Hospitality Product / Service Mix

As mentioned before, the hospitality industry is generally considered a service industry for three main reasons. First, the most common five characteristics of services apply fully to the hospitality industry:

Intangibility - the hospitality offer is to a large extent abstract and intangible;

Heterogeneity - the hospitality offer is non-standard and highly variable;

Inseparability - the hospitality offer is typically produced and consumed at the same time, with customer participation in the process; and

Perishability - the hospitality offer has no shelf life; and

Lack of Ownership.

Second, although the components of the hospitality product offer are goods, services and environment, the offer mix itself is largely intangible. Third, the tangible component of the hospitality offer is not for sale, and is restricted only for the right of use (Lewis and Chambers, 1995).

Dibb et al (1994, p.194) define the term product as 'a complexity of tangible and intangible attributes, including functional, social, and psychological utilities or benefits. A product can be an idea, a service, a good or any combination of these three.' This definition reveals that the term product is frequently used in a broad sense to refer to either a manufactured good or product, or a service. More important, Levitt (1983) states that customers are really buying specific benefits and value from the total offering of which, the generic product is only a portion. This offering has been subdivided into five categories by Kotler (1997) as follows:

1. Pure Tangibles (e.g. soap and toothpaste)
2. Tangible goods with accompanying services (e.g. computers)
3. Hybrid (the offer consists of equal parts of goods and services – e.g. restaurants)
4. Major Services with accompanying minor goods or services (e.g. airline travel)
5. Pure Services (e.g. baby-sitting)

Based on this classification, one can identify hotel operations as being classified under the fourth category 'major services with accompanying minor goods or services'.

In practice, within the hospitality industry, the terms product, service or service product are all used interchangeably. In order to avoid some of these semantic problems in this research, the terms 'offer' or 'product / service mix' are used because they explicitly reflect the fact that hotel operations offer a simultaneous blend of tangible and intangible offerings.

A review of the available marketing literature reveals that there are seven different ways of identifying, conceptualizing, and analyzing the hospitality offer. For example, Doswell and Gamble (1979, pp. 19-20) identify the hotel offer as being a 'combination of physical products (e.g. food, beverage, and accommodation), services, (e.g. room service and baggage handling), and emotional satisfactions' (pp. 19-20). These emotional satisfactions may be classified in two ways. First, there is the image that is to say the way in which the hotel represents itself to its potential guests. Second, there is atmosphere. Atmosphere is to do with what people expect to take place in the hotel and what they think of these expectations.

Similarly, Lewis and Chambers (1995) suggest that there are three elements, sharing complexity and interrelationship, concerning the customer when purchasing and using the hospitality offer. These elements are tangible goods, intangible services, and environment.

1. Goods includes physical or tangible attributes that management does, or should control. Items in this category comprise beds, food, room size, furnishings, televisions, bathroom amenities, and so forth.
2. Environment refers to those tangible or intangible items the customer feels and what management is trying to market is that feeling. Décor, security, atmosphere, comfort, ambience, architecture are some attributes placed in this category. Further, these attributes fall more in the 'want' because they solve extended problems. For example, a hotel room satisfies a basic 'need' while a luxurious room satisfies a 'want'.
3. Services include most intangible items over which management has direct or almost direct control. Items in this category depend mainly on one or more of the following factors: (1) employee attitudes of friendliness, professionalism, and

responsiveness; (2) the system such as the handling of reservations; and / or the management decisions such as whether or not to offer a service like room service.

In the same context of identifying the hospitality product / service mix, however, Morrison (1989) has a different viewpoint. To him, the product service mix consists of each visible element in the organisation including: (1) staff behaviour, appearance, and uniforms; (2) building exteriors; (3) equipment; (4) furniture and fixtures; (5) signage (billboards and signs) and (6) communications with customers and other public (e.g. advertising, sales promotion, personal selling, merchandising, publicity, and public relations).

Medlik (1980) adopts a slightly different approach. He identifies five components of the hotel offer, all of which contribute to guest satisfaction and dissatisfaction. First, its location places the hotel geographically in or near a particular city, town or village; within a given area location denotes accessibility and convenience, attractiveness of surroundings, freedom from noise and other nuisances. Second, its facilities include bedrooms, restaurants, bars, function rooms, meeting rooms, and recreation facilities such as tennis courts and swimming pools. Third is its service and the availability and extent of particular hotel services provided through its facilities; and the style and quality of these facilities in terms of formality / informality, degree of personal attention, and speed and efficiency. Fourth, its image may be defined as the way in which the hotel is perceived by an individual or group; it is a by-product of its location, facilities and service, but is enhanced by such factors as its name, appearance, atmosphere and its associations by who stays there and who eats there, by what it says about itself and what other people say about it. Fifth, its price expresses the value given by the hotel through its location, facilities, service and image, and the satisfaction derived by its users from these elements of the hotel concept.

Kotler (1997) identifies three generic levels of the product offers: (1) the core product, (2) the tangible product, and (3) the augmented product. Drawing from the previous view of Kotler, Powers (1997) and Buttle (1995) suggest that the hospitality offering has three elements that make up the bundle purchase or the product service mix: the core product, the tangible product, and the augmented product. First, the fundamental benefit received by the customer is the core product. A hotel, for example, offers a

place to sleep as a core product. Second, the tangible product is the essential requirement for delivering the core benefit. A hotel, for example, could define its tangible product as being a certain sized room equipped to a specified standard and marketed under a given brand. Third, the augmented product is the essential requirements for marketing the firm by differentiating its product from those of its competitors. Every hotel offers the same core product but this is modified and enhanced in cost-effective ways to make it more attractive to its target markets. Competition takes place largely at the augmented level. Reservation services, baggage handling, room service, and childcare in hotels are important examples of the augmented products in the hospitality industry.

Buttle (1995) explains another way to look at a product offering through differentiating between a product mix, a product class, a product line, a product type, and an item. A product mix is the whole combination of products made available by a marketer. A product class is a group of products delivering the same core benefits - e.g. restaurants within a hotel chain. A product line is a major subdivision of the product class in which the products are closely related, for instance, by type of customers, price, or style – e.g. speciality restaurants. A product type is a subdivision of the product line closely related by form – e.g. seafood restaurants or steak houses. An item is a specific unit offered to a market. More attention should be given to the way the business unit offers its product / service mix to each individual customer. Regarding this point, Jain (1997) states that there are three choices: (1) standard product, (2) customised product, or (3) standard product with modifications. Standard product means designing the product to offer a similar experience to the customer despite different locations or managers. It has the advantages of yielding cost benefits and also of being more amenable to efficient national marketing. However, ignoring some changes in product design in certain markets because of the cost-savings emphasis might be a problem with the standard product. Customised product means designing the product to suit the specific needs of a particular target market. It has the advantages of more flexibility to meet the customer's specific requirements. Standard product with modifications is a combination of the standard product and the customised product. It has the advantages of realising the main benefits of both standard product (cost savings) and the customised product (flexibility).

Obviously, one can observe that the customised product and the standard product with modifications are more suitable for hospitality operations because of the hospitality product's important aspect of needing constant evaluation and re-valuation to cope with environmental changes.

3.3 Innovation / New Product Development

Product innovation is regarded as an essential activity for firms that desire to face competition on the basis of quality and suitability of purpose (John and Snelson, 1990). In simple terms, innovation refers to any good, service or idea that is perceived by someone as new (Kotler, 1997). Rothberg (1976) defines product innovation as, 'a change in, or addition to, the physical entities that comprise the firm's product line.' Capitalising on the proposed six categories of product innovation suggested by Heany (1983), Lovelock has adopted them for use in the service context. Lovelock (1996) presents six categories of new products. These are major innovations; start-up business; new product for currently served markets; product line extensions or additions; improvements to existing products; and style changes. All of these provide a variety of ways to examine what innovation actually means to the company or to the market. Each category of innovation has strategic implications in terms of associated risk to the organisation and the significance that innovation plays in the overall marketing plan of an organisation. Generally, the higher the level, the greater the risks and expenses entailed and the more difficult the management tasks (Lovelock, 1996). However, it is clear that all of these categories, except the first one, are common in the hotel industry and all of them require renovation to achieve their objectives. Accordingly, product innovation and property renovation are inseparable in the hotel industry. That is why hotel renovation can be seen as those activities associated with the development and/or modification of the hotel's tangible assets used to produce services in order to extend the useful life of the property to stay competitive, improve the operational efficiency of the property, and/or to build up a better image for the property within its marketplace.

Hassanien and Baum (2003) argue that property renovation is considered an essential, if not the most important, tool for product innovation in the hotel business. In other

words, renovation, if it is well planned and implemented, can achieve product innovation, which leads to enhanced profitability, guest satisfaction, and possibly market leadership.

Previous research on innovation and new product development in the hospitality industry is very limited. Bradford (1994) discussed innovation through acquisition, within the restaurant industry, which involves the purchase of small growing companies by large corporations as an alternative to developing new concepts internally. Jones (1996) developed a generic fifteen step process that companies use to manage new product development/ innovation in the hospitality industry. The author had earlier, in 1995, applied Scheuing and Johnson's model for new service development to flight catering. His research found that airlines lack many of the systematic procedures suggested by Scheuing and Johnson. Shoemaker (1996) monitored how customers develop a series of actions considered as significant, compulsory or appropriate for a service transaction. Variations from the script can be a source of dissatisfaction. Thus, when developing new service delivery systems, companies must assist customers in developing a new script. Miner (1996) created a customer based and detailed approach to developing new products in a restaurant. The six-stage process includes product ideas, initial evaluation, customer reaction, sensory testing, field-testing, and product introduction. While all of the above mentioned studies highlighted some important dimensions of new product development/innovation in the hospitality industry, none of them concentrated on hotel renovation as a process for innovation in the hospitality industry.

Crawford (1994, p.472) defines innovation as 'the act of creating a new product or process. This includes invention as well as the work required to bring an idea or concept into final form. An innovation may have various degrees of newness, from very little to highly discontinuous, but that must include at least some degree of newness to the market not just to the firm'. In this research, new product development and innovation are entwined, as it is difficult to separate one from the other (Baldwin and Johnson, 1996; Saleh and Wang, 1993; Curry and Clayton, 1992; Laage-Hellman, 1987; Cooper, 1983).

New product development has been clearly defined in the marketing literature. Marketing textbooks define what a new product is and presents new product development as a linear process with usually eight or nine steps of stages. It is traditionally discussed within the context of product life cycle and product strategies. Product development definitions in the popular marketing textbooks generally focus on the word new. A new product is 'A good, service or idea that is perceived by some potential customers as new,'(Kotler, McDougall, Armstrong, 1988, p.253). Kotler et al. define eight stages in the new product development as,' the development of original products, product improvements, product modifications, and new brands through the firm's own R&D efforts.' (p. 253). Another definition of a new product is a product being introduced to the market for the first time as a result of invention, innovation or improvement, (Keegan, Moriarty, Duncan, Paliwoda, 1995, p.418). These authors present a nine step development process which includes idea generation, screening, business analysis, concept testing, product and strategy development, marketing mix planning, test marketing and product launch.

Cooper (1993) has a more detailed approach when defining a new product and what newness actually means. New can be new to the company, or it can be new to the market or customer. Cooper (1993) actually presents six categories of new products. These are new to the world products (new products that create an entirely new market); new product lines (new products that allow a company to enter an established market for the first time); additions to existing product lines (new products that supplement a company's established product lines); improvements to existing products (new products that provide increased performance or greater perceived value and replaced existing products); repositioning products (existing products that are targeted to new markets or market segments) and reducing costs (new products that provide similar performance at lower cost). All of these provide a variety of ways to examine what new products actually mean to the company or to the market. Each category of new product has a strategic implication in terms of associated risk to the organisation and the significance new products play in the overall marketing plan of an organisation. There is a higher failure rate for truly innovative new products or for those in the 'new to the world' category, than for those products being continuously improved (Cooper,1993). However, it is clear that all of these categories, except the

first one, are common in the hotel industry and all of them require renovation to be undertaken.

For the purpose of this research, the focus is on renovation as a tool for new product development within the hotel industry. New product in this context will be those that are new product lines; additions to existing product lines; or improvements to existing products. Accordingly, hotel property renovation can be seen as those activities associated with the creation and development of (tangible) assets used to produce services.

Although there are many approaches to new product development (NPD) or new service development (NSD) in the literature, this research followed Booz *et al.*'s (1982) simple model of the new product development process (see Table 3.1).

Table 3.1: New Product Development Model

New product strategy	Identify the strategic business requirements that the new product should satisfy.
Idea generation	Search for product ideas to meet strategic objectives.
Screening and evaluation	A quick analysis of ideas made against criteria that reflect the objectives of the organization
Business analysis	A detailed analysis of the attractiveness of an idea in business terms
Development	Transition of the idea into an actual product for the market
Testing	the commercial experiments necessary to verify earlier business judgements.
Commercialisation	The when, where, to whom and how decisions of the Launch.
Source: Booz et al. (1982)	

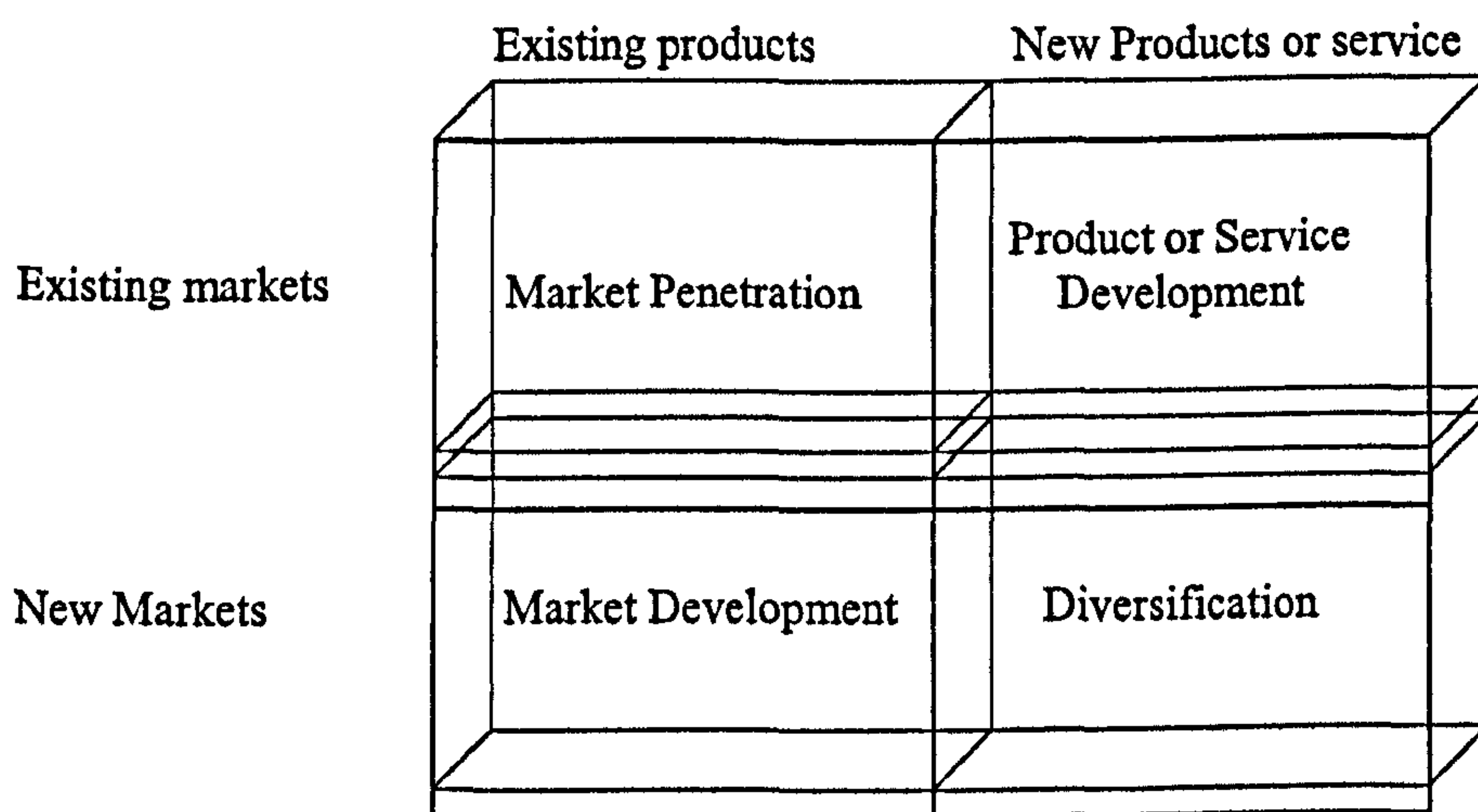
This research considers the model developed by Booz, Allen & Hamington (1982) to be appropriate for the following reasons. First, it provides a clearly simple structured model of new product development based on research over many years into US-based companies. Second, Lovelock (1996) argues that the basic steps in new service development are broadly similar to those in manufacturing, beginning with objective setting and then proceeding through idea generation, concept screening, concept development, generation/evaluation of the final service product and its associated marketing strategy, design of a system for continuous performance evaluation, and

product introduction. Third, renovation deals with the tangible, hard, or physical part of the hotel product/service mix.

3.3.1 Product / Market growth options

Another way to look at product development strategies in an organisation is product / market growth options. Management should review if there are any further opportunities for its growth by considering its product and market dimensions. Regarding these dimensions, Ansoff (1957) has proposed the product / market matrix (known as the Ansoff matrix) that is shown in Figure 3.1.

Figure 3.1: The Ansoff Matrix



Source: Kotler et al. 1997, p. 61

This matrix represents a framework for reviewing how to improve the performance of the existing offer or to develop new product and market opportunities through four options:

1. Market Penetration Strategy: Increasing the market share of the existing product in the existing market.
2. Market development strategy: Finding new markets for the existing products.
3. Product Development Strategy: Developing new products for the existing markets.

4. Diversification Strategy: Developing new products for the new markets.

In the hospitality industry, this matrix is accepted by marketing writers such as Kotler et al (1997) and Reid (1989). Palmer (1998) states that most growth that occurs practically is a combination of both product development and market development. For example, for a leisure hotel looking to attract new business customers, it may not be enough to simply promote existing facilities. In order to meet business people's needs, it might have to offer refurbished facilities to make them more acceptable to business customers and offer new services. However, this matrix ignores the overlapping and inter-relationship between some of its strategies. For example, a new product may be developed both to keep existing markets and attract new ones.

3.3.2 People involvement in NPD

As has already been stressed, people involvement is crucial in NSD. There are four groups of individuals that must be managed in an effective development project:

1. The development staff;
2. The customer-contact staff;
3. The customers; and
4. The competitors

The lack of skilled and experienced development staff is one of the key barriers to product development in service firms (Drew, 1995a; Johne and Harborne, 1985). It has been stressed that it is important to adequately reward development activities (Atuahene-Gima, 1996a; Scheuing and Johnson, 1989a). In addition, there should be no fear of failure. Many service companies adopt a project team approach and employ product champions. These have been found to be important in pushing the project through the development process (Dover, 1987). A greater commitment to teamworking and empowerment has been found to be associated with faster product development (Drew, 1995a). However, there is still a tendency for teams to be run on a committee basis (Edgett, 1993; Johne and Davies, 1993). Lovelock (1984) stresses the need to create a 'task-force' that is insulated from day-to-day functional pressures. It is important that neither marketing nor operations dominate new service

development, rather the approach should be truly cross-functional (Johne and Harborne, 1985; Johne and Pavlidis, 1996; Langeard *et al.*, 1986).

The second group of people who make a direct contribution to service development are the front-line staff. Schneider and Bowen (1984) identify four distinct benefits of encouraging employee involvement in new service development:

1. it helps identify customer requirements;
2. involvements increase the likelihood of positive implementation;
3. it helps stop process efficiency considerations overwhelming the needs of customers; and
4. it can lead to employees treating customers better.

Employees are, however, often reluctant to get involved in development activities as new products may increase their workload (Davison *et al.*, 1989; Easingwood, 1986; Scheuing and Johnson 1989a). Job design; teamworking; choice of staff; training, and reward systems are all important (Edvardsson and Olson, 1996). Related to this is the importance of internal marketing: the need to sell the idea to the internal customer, as they will be affected by the new service introduction (Langeard *et al.*, 1986; Lovelock, 1984). For example, Schneider and Bowen (1984) reported that National Car Rental used to conduct monthly focus groups among employees to uncover ideas for improving existing services as well as developing new dimensions to these services, and Kodak and American Airlines have established innovation systems to facilitate connections between employees (Robinson and Stern, 1997).

The third group of people who are important in NSD are the customers themselves. It is important to involve customers in the development process and help them articulate their needs. An axiom of new product development efforts is that to be a successful product it must satisfy customers' needs (Voss and Voss, 2000; Crawford and Di Benedetto, 2000). As a corollary to this axiom, most innovation/new product and service development models propose customer involvement and input as one key element of a model (for example, Hart and Baker 1994; Rothwell, 1994; Saren, 1994; Ennew and Binks, 1996; Martin and Home, 1995). In addition, the new product/service development literature provides evidence that customer interaction can increase product/service success (for example, Gruner and Homburg, 2000; von

Hippel, 1988; Martin and Horne, 1995). Similarly, the market orientation literature suggests that a customer oriented development process yields a superior innovation and greater new product/service success and argues for customer input throughout the development process (for example, Jaworski and Kohli, 1993; Lukas and Ferrell, 2000; Slater and Narver, 1994).

In general, the more involvement by customers the better, though on the whole customer involvement in service product development has been found to be relatively low (Martin and Horne, 1995). Edvardsson and Olson (1996) make a number of important observations with regard to the customer's role in development: the service process, involving multiple interactions with customers - those with other customers; with staff; with the physical environment, and also with technical systems - needs to be customer-friendly and adapted to human logic. The best people to judge this are the customers themselves. The role of the customer in service production must be made clear to the customer; and, if necessary, the customer may need to be trained. In this way, as argued by Schneider and Bowen (1984), customers can become 'partial employees'.

The final group of people who are important in NPD are the competitors. Owing to the ease of copying, in some service industries, competitors have been identified as a more important source of ideas for new services than customers (e.g. Easingwood, 1986; Scheuing and Johnson, 1989). For example, Teixeira and Ziskin (1993) found that approximately 80 percent of banks view their competitors as the main source of new product ideas. As a result, there is often a dangerous focus on 'me-too' products, with most development being reactive and defensive in nature.

3.3.3 NPD Tasks

There has been a number of comprehensive reviews of the NPD success literature (Barclay and Benson, 1990; Hart, 1993; Johne and Snelson, 1988; Montoya-Weiss and Calantone, 1994). According to these reviews, there are two main types of NSD tasks: a) project tasks; and b) programme tasks. The project task is concerned with getting a single new service product development right. The programme task is

concerned with getting a series of service product developments right, usually over a longer time span. However, this research deals with each task and its supporting activities in turn. As will be explained later in the methodology chapter, the primary research in this study will focus mainly on programme tasks of renovation in hotels with the exception of the multiple case study which will focus on specific renovation projects in selected hotels (project tasks).

3.3.4 Performance Measurement

Cordero (1990) argues that no single measure is adequate on its own to assess the NPD results. Managers should use a complex of measures to assess performance improvement aimed at through NPD. Empirical researchers have relied on measuring performance on a number of prescribed dimensions. For example, in a study of NPD success and failure, Cooper and Kleinschmidt (1987) specified the following three independent dimensions of performance: 1) financial performance (e.g. relative profits to sales; profitability level, and pay-back period); 2) window of opportunity (the degree to which the new product opens up new opportunities to the firm in terms of products and markets); and 3) market impact (e.g. domestic and foreign market share). Similarly, in an empirical study into the relative success of new financial services, Cooper *et al.* (1994) specified the following three independent performance dimensions: 1) financial; 2) relationship enhancement; and 3) market development. Along the same line, Griffin and Page (1993) identified five categories of performance measures: 1) Overall firm benefits; 2) Programme level benefits; 3) Product level benefits 4) Financial benefits; and 5) Customer acceptance benefits. In the hospitality industry; O'Connor (1998) argues that quantitative measures are used more than qualitative ones.

3.4 Toward a Renovation Concept

3.4.1 Related Concepts

Renovation is a key issue used throughout this study and the literature addressed here. At the same time, there is no generally accepted definition of renovation and different authors use different terms to define the same concept. In addition, this term, renovation, is replete with terminology that is often redundant and imprecise. As a result, in the literature of hotel marketing and design, there is often a semantic confusion over terminology in discussing renovation, refurbishment, rejuvenation, maintenance, redevelopment, restoration, upgrading, rehabilitation, renewing and redesign. While all of these terms refer to the process of maintaining, modifying or improving the tangible hotel product, there are important differences between them. In practice, in the hospitality industry, these terms are all used interchangeably.

It is remarkable that although numerous authors use the term 'renovation', few provide definitions for the term. Thus, the perception of renovation varies between authors. Writers use different terms, which often seem similar if not synonymous, to define the same concept. Accordingly renovation is replete with terminology that is often redundant and imprecise. In the literature of hotel marketing and design, there is often a semantic confusion over terminology in discussing renovation, refurbishment, rejuvenation, maintenance, redevelopment, restoration, upgrading, rehabilitation, renewing and redesign. While all of these terms refer to the process of maintaining, modifying or improving the tangible hotel product, there are few important differences between them. In practice, in the hospitality industry, these terms are all used interchangeably.

An examination of the literature reveals that there is often confusion over terminology with respect to these terms but the problem is not more than semantic.

However, to avoid some of the problems of semantics, it is worthwhile to identify these terms in this section in order to differentiate between them. In order to achieve this, some of the definitions will be examined and the most suitable concept will be developed to fulfill the purposes of this study.

It may be the easiest and the most efficient way to look at a dictionary in order to define a concept.

The Merriam-Webster's Collegiate Dictionary (1994) defines these concepts as follows:

Refurbish: to brighten or freshen up

Renovate: to refurbish or to rehabilitate

Rehabilitate: to restore to a former capacity

Renovate: to restore to a former better state (as by cleaning, repairing, or rebuilding) – b: to restore to life, vigour, or activity

Upgrade: an upward grade or slope or an increase, rise

Upgrade: to raise or improve the grade of: as a: to improve (livestock) by use of purebred sires b: to advance to a job requiring a higher level of skill esp. as part of a training program c: to raise the quality of d: to raise the classification and usu. the price of (a product) without improving the quality e: to extend the usefulness of (as a device)

restoration: an act of restoring or the condition of being restored: as a: a bringing back to a former position or condition: reinstatement

Redevelopment: the act or process of redeveloping; esp.: renovation of a blighted area

Renew 1: to make like new: restore to freshness, vigour, or perfection

Synonyms: renew, restore, refresh, renovate, rejuvenate mean to make like new. Renew implies a restoration of what had become faded or disintegrated so that it seems like new <efforts to renew the splendour of the old castle>. Restore implies a return to an original state after depletion or loss <restored a fine piece of furniture>. Refresh implies the supplying of something necessary to restore lost strength, animation, or power <a refreshing drink>. Renovate suggests a renewing by cleansing, repairing, or rebuilding <the apartment has been entirely renovated>.

restore 1: give back, return 2: to put or bring back into existence or use 3: to bring back to or put back into a former or original state: renew 4: to put again in possession of something syn see renew

rejuvenate: 1 a: to make young or youthful again: give new vigor to b: to restore to an original or new state 2 a: to stimulate (a stream) to renewed erosive activity esp. by uplift b: to develop youthful features of topography

Upgrade 1: an upward grade or slope 2: increase, rise

Upgrade: to raise or improve the grade of: as a: to improve (livestock) by use of purebred sires b: to advance to a job requiring a higher level of skill esp. as part of a training program c: to raise the quality of d: to raise the classification and usu. the price of (a product) without improving the quality e: to extend the usefulness of (as a device)

Redesign: to revise in appearance, function, or content* (Merriam-Webster, 1994)

Although the dictionary gives a general view about what these words mean, it can be noted that overlapping and interrelationships do exist between them, which increases the semantic confusion. Moreover, the dictionary itself considers most of these terms as synonyms to each other (renew, restore, refresh, renovate, rejuvenate, refurbish).

That means the dictionary itself is not clear enough on the differences between them and these definitions are not specific enough to achieve the purpose of this research.

Moss (1996, p. 288) identifies renovation and refurbishment as follows:

Refurbishment. Cleaning painting and related tasks performed for the purpose of restoring surfaces degraded by abrasive or corrosive agents in the atmosphere, or by scratches, nicks or gouges received during in-service handling. Refurbishment can be thought of as addressing 'cosmetic blemishes' rather than conditions that lead to degradation of functional capabilities or useful life.

Renovation is the restoration of some or all of an item's operating life after it has been expended by prior usage. Renovation is distinguished from corrective maintenance to the extent that the renovation task generally entails restoration of worn or abraded elements of the item " basic structure, in addition to corrective maintenance comprising replacement of worn, damaged or degraded removable parts.

Lewis and Brush (1998) state that unfortunately, renovation, refurbishment, and redevelopment are used or misused interchangeably in hospitality. They have tried to reduce this confusion and overlapping by defining them as follows:

Renovation means to renew or bring back to original form. This can be a tall order and is seldom appropriate, either in terms of properly targeting the hotel's markets or because of inherent operational shortcomings. Renovating cosmetically rather than functionally can work to a limited extent in historical facilities, as long as the upgrade is confined to the guest areas and an appropriate budget is developed to bring the hotel up to code. In short term, it may not be apparent, but danger may lurk either in higher operating costs, guest satisfaction or both.

Refurbishment means cleaning, or repainting new or refinished furniture, fixtures or carpeting; and often, repainting or pointing exteriors. This works best for relatively new structures that effectively serve their target markets and are likely to continue for the next half-decade.

Redevelopment, as a term, is often mistakenly used instead of renovation, refurbishment or rehabilitation. But it implies a different approach. For one, it almost always represents a major investment and implies major changes in the property. It is not a short term fix for a poorly performing (or recently acquired) property. Its justification is essentially the same as for a newly built facility.

However, Lewis and Brush's definitions are vague for the following reasons. First, to define the term 'renovation', they use the word 'renew' that is a synonymous to the same term and others as mentioned before. Second, the definition of 'renovation' is confused with 'conservation', which should not be the case. Although renovation does

conserve hotel buildings, conservation is considered one type of renovation not the common-sense definition. Third, the term 'redevelopment' has been defined earlier as 'the act or process of redeveloping; *esp.*: renovation of a blighted area'. That means it implies renovation, the definition of redevelopment is not clear what 'major changes' imply.

Another view is stated by Boykin (1991), who claims that hotel operators have four, which she calls four R's, options or design alternatives for rejuvenating their properties. These are: renovation, restoration, replacement, and reinstatement. She differentiates among them according to the following criteria:

Renovation: this is to complete or partial renewing or repair of a guest room or public space. It may involve structural changes that transform the room or area into a totally new look, or it may be limited to the modification of materials such as wall coverings, tile, carpet, fixtures or furniture.

A complete renovation may be divided into phases for capital-budget purposes and operational practicality, whereas a partial renovation could be completed on a short but strict schedule.

Restoration: This process is no less involved than renovation. Restoration of a guest room, public area or entire property is a process by which the spaces are reconstructed to their original character, condition or structure without marring the grandeur of the building's original architectural design. If the structure has been designated a historic landmark, restoration guidelines may impose certain constraints on what can be changed or added. A significant amount of research by the design team will be required to insure authentication of moldings, fabrics, furniture and window treatments.

Replacement: The replacement of materials and FF&E specifications is often used by hotel operators to increase the longevity of a room or area, particularly when capital dollars are not available for immediate renovation. When the replacement method is used in a guest room or public area, the practical- and, often, most needed change- involves soft goods. This includes the replacement of such items as bedspreads, draperies, carpet and upholstery. Though not limited to soft goods, any specified FF&E item should be replaced when necessary.

Used mainly as a temporary solution, the replacement method infuses new life into a worn and outdated design.

Reinstatement: Often, a classic and traditional design in the past proved successful both for operators and guests. As opposed to changing a successful concept, the operator and designer may choose to repeat- that is, reinstate- the worthy design.

In a guest room, for example, all casegoods may be reinstated, or just a few may qualify after serious evaluation.

According to Boykin (1991), 'renovation' is the biggest 'R' that implies the other three 'Rs'. In other words, they could be classified as types of renovation. Although this view does not consider the other terms; especially refurbishment and rehabilitation; it can be considered in determining the scope of the term 'renovation' for this research.

However, this thorough review of the literature brings out a number of general conclusions, which may be drawn from the above discussions. Firstly, although there

seems to be general disagreement on the meaning of these terms, there has been a tendency for opinions to converge on scope and definition (see for example: Anonymous, 1994; Lewis and Brush, 1998). Secondly, there may often be confusion over terminology with respect to most of the terms but the researcher views that as a semantic problem. One of the main reasons for this semantic confusion is that the dictionaries and the design and architecture literature themselves are not always clear on the difference between the above terms. For example, (Lawson (1995, pp.315-333), a leading hotel design and architecture scholar, uses maintenance, refurbishment, renovation, replacement, renewals as synonyms. Thirdly, it is difficult to distinguish between the above terms. Fourthly, although the problem is not more than semantic, we argue that the term 'renovation' is the most suitable and appropriate one for this study because: (a) it is the most common used term in the hotel literature (e.g. an examination of the ABI Inform database{1986-2000} reveals that renovation has been mentioned in 871 articles on hotels while; the others receive less than that; 54 articles for refurbishment, 117 articles for replacement), (b) the dictionary definition of the term renovation can be considered one of the most suitable definitions for this study, (c) from this study, findings refer to renovation as the most common term in practice in hotels, and (d) after consulting architecture and interior design academics, 'renovation' has been suggested to be the clearest and the most appropriate one of the previous terms that entails all of the soft and hard changes in the tangible product of hotels.

3.4.2 DEFINING RENOVATION

Semantic confusion has led to another ambiguity regarding the exact definition of the renovation concept. Examination of most authors' writing on this topic does not reveal a coherent set of characteristics as they seem to be very open even where definitions are provided. However some of these definitions are limited to just one type of renovation (e.g. Boykin, 1991) while the others are too vague to outline the scope of renovation (e.g. Lewis and Brush, 1998). Another limitation of these definitions is the confusion with other terms as mentioned before.

In determining the scope of the term renovation in this research and based upon these previous considerations, renovation is defined as being *'the process of retaining or improving the hotel image by modifying the tangible product, due to a variety of reasons, through any changes in the hotel layout (e.g. property structure-new extension) and/or any additions or replacement of materials and Furniture, Fixture & Equipment.'* (Hassanien and Baum, 2001)

Several aspects of this definition may be highlighted. First, it identifies renovation as a process that incorporates different levels of activities. Second, it has a broad scope that comprises most of the other terms (e.g. replacement, restoration, redesign, re-decor, reinstatement, etc.) mentioned previously. Third, it explains the close relationship between new product development and renovation in the hotel industry. Fourth, renovation is restricted to the tangible part of the hotel product/service mix. Fifth, there are many reasons, which will be discussed below, to renovate a hotel. Sixth, renovation should be classified as a marketing tool since it is concerned with hotel image. Also, the definition is not restricted to just one type of renovation but includes or subsumes all types. Finally, the definition does not limit renovation within the existing hotel building but encompass any changes in the hotel layout. For instance, if the hotel were going to build a totally new extension (or addition) separate from the current building, this would be considered as renovation within the terms of the definition.

3.4.3 THE SIGNIFICANCE OF RENOVATION

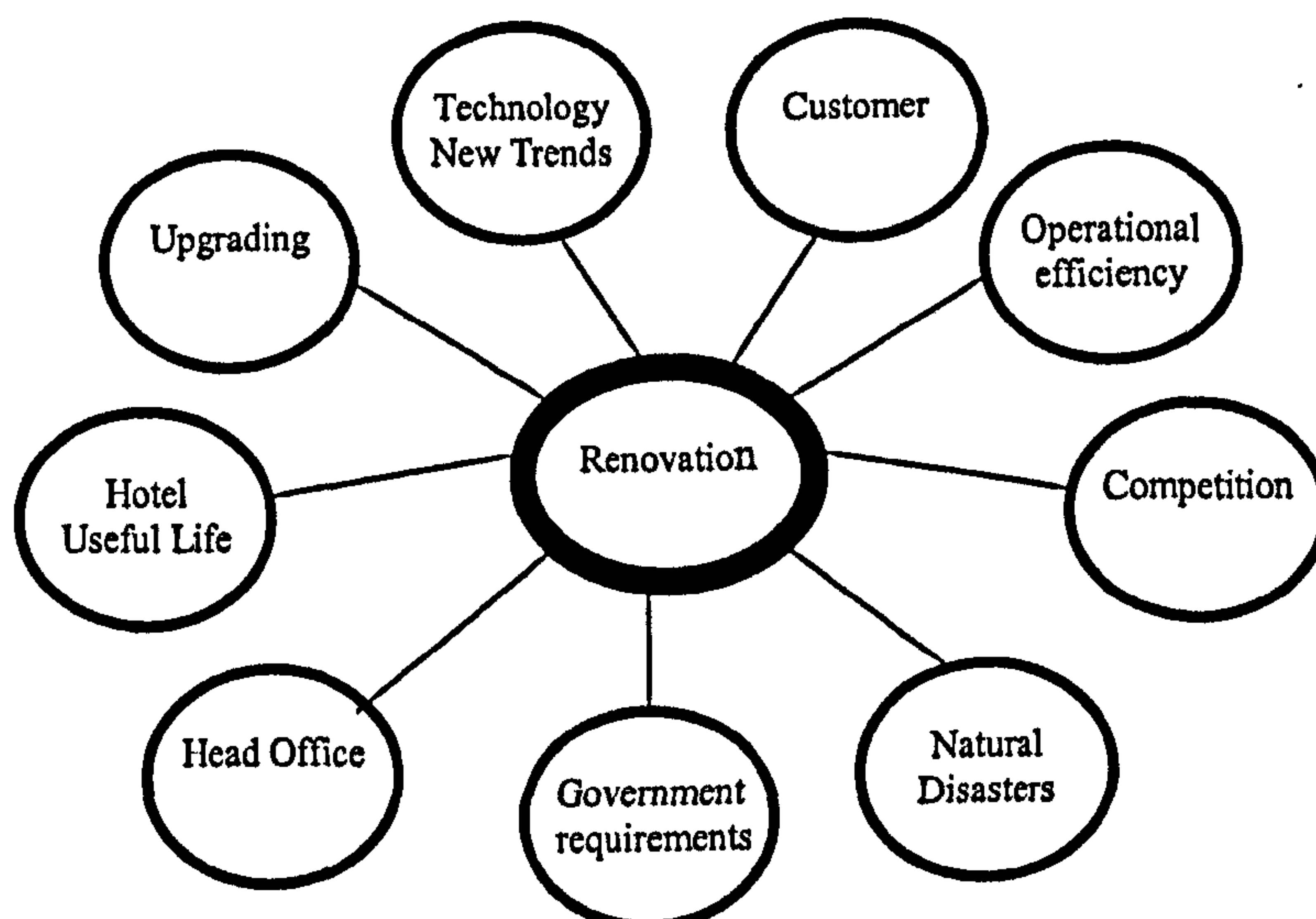
There are many different reasons that explain the role played by renovation in the success of hotels. These reasons might be classified as strategic, operational, or functional needs or objectives to be met by renovation.

Key authors (Baum and Wolchuk, 1992; Baum, 1993; Lynn & Seldon, 1993; Watkins, 1995; Bruns, 1996; Chipkin, 1997) list many different reasons (as shown in figure 3.2), which make renovation essential for hotel operations. These reasons include:

- a) to keep up with the competition,

- b) to maintain or increase your market share by satisfying the current or potential customers;
- c) to improve the operational efficiency of the hotel that will lead to an increase in both productivity and long term savings in operational expenses;
- d) to maintain corporate image and standards;
- e) to upgrade the hotel to a higher category (e.g. from 4 star to 5 star);
- f) to comply with new trends and technology in the market (e.g. the green movement);
- g) to cope with the governmental requirements (e.g. The American Disability Act in USA); and
- h) to recover from natural disasters such as hurricanes and earthquakes.

Figure 3.2: Renovation Reasons



3.4.4 TYPES OF RENOVATION

There are few attempts in the literature to classify different types of renovation. Most of these use time intervals (to determine the frequency of renovation periodically) and the amount of work involved with each type as the main dimensions of their classifications (Anonymous, 1994; Aeberhand, 1995). Renovation types are classed as minor, major, and master renovations. While there seems to be an agreement between them on the time dimension, there is some disagreement on the second dimension (the amount of work), which further complicates the situation. Stipanuk and Roffmann

(1996) take a different approach by using the spatial change and/or the additions or replacement of materials as criteria in classifying renovation and minor, major, and restoration. However, it is proposed here that time should be omitted from any definition or classification criteria because the frequency of renovation work depends on many other variables (such as changes in market conditions, hotel performance, legal and insurance standards, etc.) which do not always rely on time.

Thus, the Stipanuk and Roffmann's classification is utilised in this paper with a slight modification which is the addition of hotel image as a third dimension and the renaming of the third type of renovation as 'master, instead of 'restoration'. Accordingly, the following three types of renovation can be identified:

Minor renovation refers to replacement or renewal of some non-durable furnishings (e.g., carpeting) and finishes within a space without changing the space's use or physical layout in order to maintain the hotel image.

Major renovation refers to replacement or renewal of all furnishings, equipment and finishes within a space; in order to improve partially the hotel image, which may include extensive modifications to the physical layout of the space and/or upgrading the former used systems (mechanical or electrical).

Master renovation is more comprehensive than major renovation and involves the entire property in order to change partially or totally the hotel image, especially in the case of mature or tired hotels where the aim is to breathe new life into these hotels (i.e. new extension).

3.4.5 Renovation Versus New Construction

Although at first glance renovation might seem much simpler than new construction, in some ways the opposite is also true. Certainly construction entails more steps, more unknowns, more money and probably more time. But a renovation quite often must occur on the midst of an ongoing, active business. Finding money to finance a

renovation is only part of the game. A hotelier needs to consider how to schedule the work to avoid alienating paying customers, how to get it done within that schedule, how to make sure the work does not exceed the budget and more (Rowe, 1995).

Seldon (1993, 1993) argues that feasibility models for renovation typically are more accurate than those for new property developments because the renovator has generally better market information and historical income and operating data, which assists with estimates.

Along the same line, Lawson, (1995) points out that the costs of acquisition and renovation are normally less than new building and renovation works may attract grant aid in addition to tax credits. The cost of added blocks of rooms is often 25% less than an equivalent new hotel and can give higher returns.

3.4.6 THE RENOVATION PROCESS

Building on the literature analysis, an inclusive model is designed to show the different phases involved within the renovation process. This model consists of four fundamental interrelated phases, which are common to any type of renovation. It differs fundamentally from previous approaches in three respects: a) it considers the renovation process as a cycle since it is an ongoing process in hotels; b) it includes other forces or drivers of renovation in addition to the customer; c) it gives particular consideration to the marketing element in the process.

3.4.6.1 Driver Analyses

First, the project should be justified by determining its objectives to decide whether the renovation has economic viability (Paneri and Wolff, 1994). Thus, management needs to determine and analyze the main driver(s) or force(s) to identify objectives. Much of the literature concentrates mainly, if not only, on the customer as the prime driver for renovation (e.g. Turner, 1968; Doswell, 1970; and West and Hughes, 1991) and seems to ignore the other forces such as governmental requirements and chain

standards. Although the customer is a main driver, some other drivers exist and cannot be neglected.

3.4.6.2 Planning and Controlling

Planning is the process of defining goals and objectives for the project and determining the appropriate means for achieving them. Baltin and Cole (1995) state that carefully planned renovation enables the hotel to maintain or increase its market share while insufficient planning may not be significant enough to justify the renovation's costs. There are five main elements in the planning phase including aims and objective, team, budget, timing, and marketing. Above all of them, it is very important to control the process properly (Nehmer, 1991). However, different types of techniques (i.e. computerized and manual) are available nowadays and they should be used for the control of time cost, materials and performance on renovation projects (CIRIA, 1994).

This stage of the renovation process follows some logical interrelated steps:

3.4.6.2.1 Determine Objectives

Based on external and internal analyses, management can determine objectives (Boykin, 1991). Whatever renovation type is most appropriate for a property's needs, the course of action will require one or all of the following elements.

The first and most important stage of any project is the creation of clear-cut, written objectives. If the property is a franchise hotel managed by a professional management group, it is essential that the management company's objectives be coupled with the owner's objectives to ensure corporate level. In addition, these objectives will be subject to change if circumstances change. These objectives should be justified as well. For example, because of the increased number of travellers to the market, the

management has decided to expand at the rate of 25 rooms per year for the next 4 years, to a total of 100 new rooms.

3.4.6.2.2 Alternative Plans

Management must then look at alternative plans for achieving the objectives. For example, if the objective is to attract business travellers, one way might be to build a new wing onto the present structure. Another would be to allocate some of the existing rooms for business travellers. Costs, market segment, building design, and other circumstances should be considered at this stage.

Assessing the impact of the various alternatives on the enterprise is also important. For example, accommodating an increased number of guests in the new units might create a need for additional kitchen facilities or increased dining room space. There might be a need for additional parking facilities or even for a larger front office to check-in the additional guests.

3.4.6.2.3 Team

Once the renovation decision is taken, a team for the project must be selected. Most of the authors recommend that the assembling of the team should be an early priority in any renovation to create a plan that will enhance the marketability of the product (e.g. Fairhead, 1988; West and Hughes, 1991; Sullivan, 1994; Learner, 1996; Rowe, 1996). Along the same line, Paneri and Wolff (1994) take the view that the external parties (such as the interior designer, architect, and contractors) should be involved in the planning phase to provide their collective expertise in accomplishing budgets, schedules, phasing, and contingencies. The management should hire experts in accomplishing hotel renovation to minimize risks (Fox, 1991; Rowe, 1995).

3.4.6.2.4 Budget

Funding the renovation programme is considered one of the most important and critical elements in the renovation process (Bruns, 1996). Hence, an honest and realistic budget should not be overlooked. Paneri and Wolff (1994) advise hoteliers to be aware of additional costs that cannot be seen and may occur in the near future. To encourage broader renovation programmes, some hotel chains; such as Ramada and Days Inn help owners, in different ways, in undertaking renovation. According to an International Society of Hospitality Consultants (ISHC) (Berg and Skinner, 1995) survey, each limited service hotel should allocate about 4% of its gross revenue for renovation and about 7% for renovation in full service hotels to stay competitive.

3.4.6.2.5 Timing (Scheduling And Phasing)

Fox (1995) takes the view that it is important to plan around occupancy periods and to try to accomplish as much as possible during the slow times. Also, Sullivan (1994) states that recognising when to renovate is just as important as the renovation itself. Paneri and Wolff (1994) pose some questions that need to be answered in order to decide to stay open or close during renovation. Similarly, Seacord (1999) discuss the virtues and drawbacks of the same decision. It is the responsibility of the renovation team to compile a clear written brief for the project that includes the budget, schedules, and so on (West and Hughes, 1991). Another key to meeting schedules is getting all the proper material on site before work starts (Rowe, 1995)

3.4.6.3 Marketing

Whatever the renovation type, marketing has an important role to inform the public (e.g. customers, travel agents, meeting planners and corporate travel managers) about it. Experts suggest that renovation should be marketed ahead of time through publicity, promotion or special events (Koss-Feder, 1994 a; b).

3.4.6.4 Implementation

Baltin and Cole (1995) note that once management has agreed to the objectives and strategies behind the renovation, the physical work can progress. What a good designer does best is create the embodiment of the targeted plan for reaching the desired market. Another critical aspect of this phase is the communication between all parties involved in the project and the cooperation to enhance the flow of events (West and Hughes, 1991). That is why some hotels employ a project manager to act as a supervisor during renovation (Sullivan, 1994)

3.4.6.5 Evaluation

The project should be evaluated from time to time during the development process as well as after finishing the programme to see how the actual situation is when compared with the expected plans. This evaluation should be based on subjective criteria (e.g. feedback from all key user groups such as customers, staff, and corporate management) (West and Hughes, 1991) and/or on objective criteria (e.g. revenues and occupancy rate) (Sullivan 1994).

It might be noted that there are similarities between this renovation process model and the basic steps of new service development as identified by Lovelock (1996). Therefore, the researcher believes that the best way to grasp the phenomenon of renovation is to explore it through new product development/innovation. In addition, the process of renovation is multi-stepped. At a practical level, its implementation will vary due to many variables. In order to explore how the theory differs from practice, this research will discuss and analyze the experience and perception of Egyptian hoteliers toward renovation and its importance as a new product development tool.

3.5 Conclusion

This chapter has dealt with various aspects of renovation in the hotel industry. It includes discussion of the definition, types, process, and importance of renovation. Moreover, the literature on renovation is extended to illustrating the relationship between new product/innovation and property renovation in the hospitality industry.

It starts with clarifying and identifying the relationship between renovation and innovation/new product development. Then it discussed the semantic problems with regards to renovation definitions, related concepts and types.

Finally, the chapter concluded with an analysis of the renovation process. Building on the literature analysis, an inclusive model is designed to show the different phases involved within the renovation process. This model consists of four fundamental interrelated phases, which are common to any type of renovation. As argued, it differs fundamentally from previous approaches in three respects: a) it considers the renovation process as a cycle since it is an ongoing process in hotels; b) it includes other forces or drivers of renovation in addition to the customer; and c) it gives particular consideration to the marketing element in the process.

CHAPTER FOUR RESEARCH DESIGN AND METHODS

4.1 Introduction

This chapter integrates the concepts from the literature review as covered in the previous chapters and outlines the research question and propositions to be explored in this study. The nature and complexity of the research question directed the research design and the analytical methods used. This chapter at first presents the research objectives, question, propositions and the research design adopted in order to explore them. Secondly, a schematic diagram of the research design is presented, and thereafter qualitative and quantitative phases of the research are explored. Then, the research population and sample are identified. Next, the research instrument development process is detailed. Afterwards, efforts spent to increase the response rate are specified. And, lastly scales of measurement and statistical analysis are explored.

4.2 Research Objectives

As the previous chapter indicated, there have been only a few academic articles written and books published regarding renovation and positioning, but so far no studies have explored the actual relationship between them. Therefore, there is a dependence upon practitioner or professional literature on hotel renovation throughout this research since previous academic research on renovation in the hotel industry is very limited. For example, Pannell Kerr Forster Associates (1993) concluded that hotel design factors can be summarized into three areas: 1) market factors including customers, competition, and technology; 2) statutory requirements affecting the design and construction of buildings and 3) specific legislation relating to hotels. Conner (1991) focused on how renovation could bring the original design's beauty and glamour back to the hotel, while making the hotel operationally efficient. Knapp (1991) provides a case study of the renovation of the Sheraton Palace in San Francisco. West and Purvis (1993) explain hotel design effectiveness through a comprehensive design model.

While all of the above mentioned studies highlighted some important dimensions of hotel design and renovation, none of them concentrated on hotel renovation as a positioning tool in the hospitality industry. Therefore, it is the intention of this research to concentrate on the role of property renovation in the hospitality industry as a strategic marketing tool for positioning and/or re-positioning.

This study aims to discover the perception and practice of hoteliers regarding renovation and repositioning, the forces of and barriers to renovation, the external parties involved in the process and their roles, as well as some other factors such as time and budget. Accordingly, the main objectives of this research are:

First, to explore the perception and practice of hoteliers, architects and interior designers about repositioning and renovation. Second, to explore to what extent hoteliers deal with renovation as a repositioning tool. Third, to identify and analyze the renovation process in hotels.

4.3 Research Question

The foundations of the relationships that exist between a number of major marketing and management topics from the literature review have been analysed. Specifically, these are hotel product/service mix, positioning, repositioning and renovation. The literature relating to these concepts have raised a number of questions. This research programme proposes to look at the concepts and theory from an integrated exploratory approach. In exploring these constructs and the relationship among them, a number of questions have emerged. The main research question addressed by this research is:

To what extent do hoteliers deal with renovation as a repositioning tool for their product(s)?

In addition to the main question, other sub-questions will be explored including:

What is the relationship between hotel repositioning and property renovation?

How do hoteliers perceive hotel positioning and repositioning?

What are the different routes for positioning or repositioning in the hospitality industry?

What is the importance of renovation in the hospitality industry?

How do hoteliers perceive hotel renovation?

How do architects and interior designers perceive hotel renovation?

How do hoteliers manage their renovation programs?

What are the main obstacles for renovation in the hospitality industry?

Why do these obstacles exist?

Is there a link between a hotel's quality grading and its approach to renovation/repositioning?

These questions are investigated by researching seven assumptions (the first three are related to the hoteliers and the rest are related to the hotels):

- ❑ Hoteliers do not fully understand the concept of positioning or repositioning.
- ❑ Hoteliers do not fully understand the nature of the relationship between hotel repositioning and property renovation.
- ❑ The traditional repositioning routes are more common for hoteliers than renovation.
- ❑ Effective long-term repositioning can be achieved through major renovation.
- ❑ Large hotels are more likely to use renovation as repositioning tool than small hotels
- ❑ Renovation is the main tool for new, modified or improved products in the hotel industry.
- ❑ Renovation, from the small to the grand, is an inevitable process that leads to both guest satisfaction and profitability.

To answer the research questions and test the assumptions, the remainder of the chapter will focus on how this was undertaken.

4.4 Research Philosophy

Discussing philosophy of science briefly with a simple distinction between epistemology and methodology is useful in order to understand the relationship between data and theory and construction of a sound research design. Epistemology is the philosophy of knowledge or how one comes to know. Even though methodology is concerned with how one comes to know, it is much more practical. A thorough examination of the literature reveals that there are three main research philosophies; positivism, phenomenology and pragmatism. In the case of this research, as Hussey and Hussey (1997) argue, the terms positivistic, rather than quantitative, and phenomenological, rather than qualitative, are preferred for use for the paradigms because it is possible for a positivistic paradigm to produce qualitative data and vice versa.

The positivist view argues that reality is external and objective and knowledge is only of significance if it is based on observations of this external reality (Easterby-Smith, et al. 1991). In other words, positivism rejects metaphysics and holds that the goal of knowledge is simply to describe the phenomena that we experience. On the other hand, phenomenology refutes positivism and contends that reality is socially constructed and given meaning by people (Husserl 1946). As can be seen in Table-6.1, the key features of these two opposing viewpoints, the positivist and phenomenological standpoints contain a number of different features about the conduct of scientific research that are translated into practical applications in quantitative and qualitative methodologies, respectively.

In their recent writing, Tashakkori & Teddlie (1998) argue that the debate between positivists' and phenomenologists' has come to an end by the emergence of pragmatism or using different paradigms in the same study. Accordingly, they refer to the supporters of this school as 'Pragmatists' or 'Pacifists' since they have tried to make peace between the positivists and phenomenologists. The pragmatic paradigm refers to 'mixed methods' (other terms such as multi-method, mixing method, or mixed methodology, or methodological mixes, or methodological triangulation are also used to describe this paradigm) which contain elements of both the quantitative

and qualitative approaches (e.g., Brewer & Hunter, 1989; Patton, 1990). In other words, viewing qualitative and quantitative methodologies as mutually exclusive may no longer be valid as an increasing number of scholars (e.g. Baker 1991; Brannen 1992; Brewer and Hunter 1989; Bryman 1992; Creswell, 1994; Greene et al. 1989, Hirschman 1986; Mathison 1988; Miles and Huberman 1994; Morse 1994; Nancarrow, et al. 1996; Strauss and Corbin 1990) see these two methodologies as complementary to each other. In their respective arguments, these researchers indicate the benefits of combining qualitative and quantitative techniques within a research design for developing or extending theory and testing its applications. For instance, Easterby-Smith, et al. (1991) argue that even though the basic beliefs may be incompatible in

Table-6.1: Key Features of Positivist and Phenomenological Paradigms

	POSITIVISM	PHENOMENOLOGY
Basic beliefs	THE WORLD IS EXTERNAL AND OBJECTIVE Observer is independent Science is value-free	The world is socially constructed and subjective Observer is part of what is observed Science is driven by human interest
Researcher should	focus on facts look for causality and fundamental laws reduce phenomena to simplest elements formulate hypotheses and test them	focus on meanings try to understand what is happening look at totality of each situation develop ideas through induction from data
Preferred methods include	operational single concepts so that they can be measured TAKING LARGE SAMPLES	using multiple methods to establish different views of phenomena small samples investigated in depth or over time

Source: Easterby-Smith, et al. (1991).

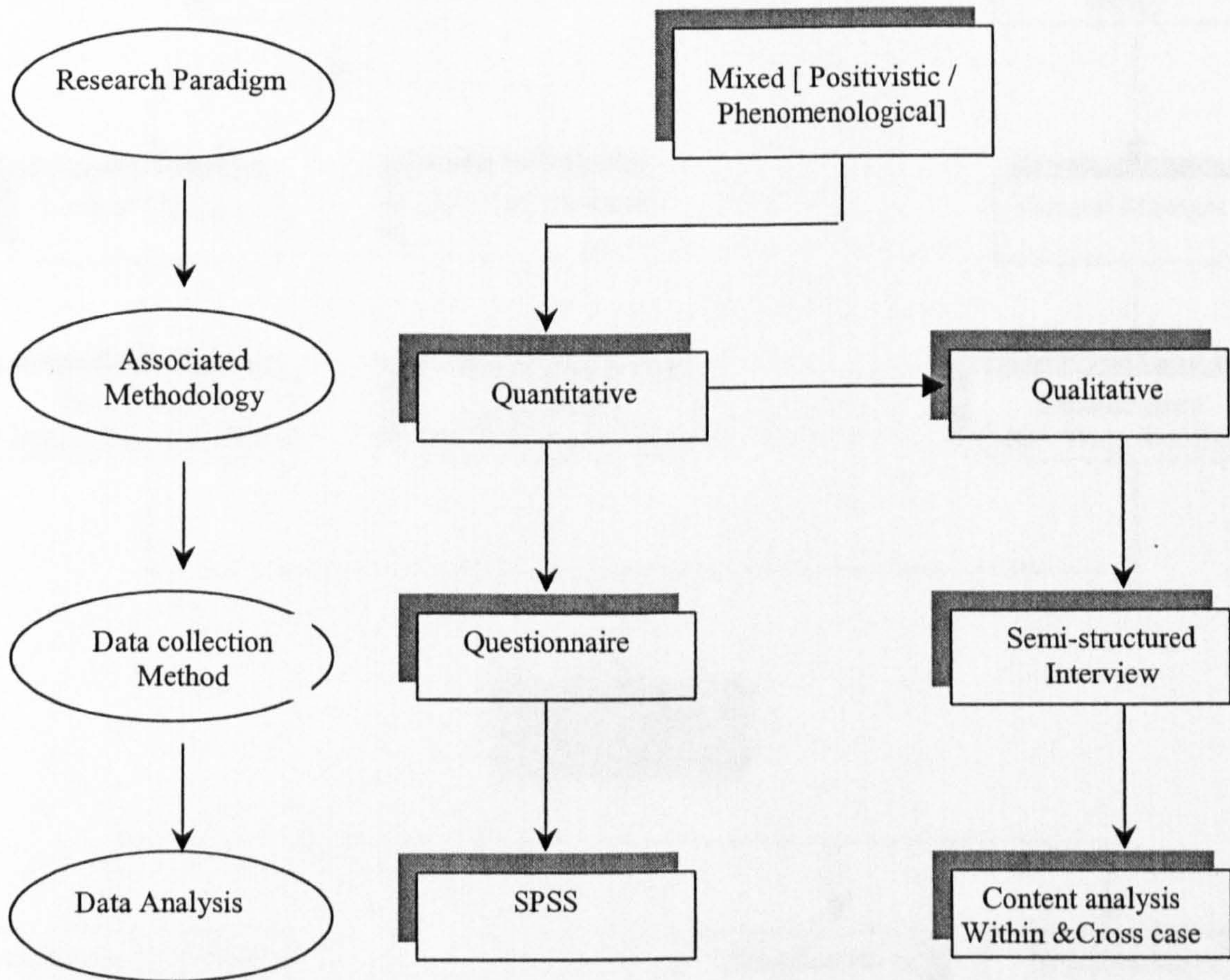
quantitative and qualitative methods, the differences are by no means clear cut when it comes down to the actual research methods used by researchers. Moreover, Olson (1996) argues that there are two problems behind the ongoing debate regarding quantitative versus qualitative research. First, the lack of coherent definitions and second, the focus of most discussions on methods instead of the basic assumptions of

these two stances. Along the same line, Robson (1993, p.303) argues that some authors view quantity and quality as a fundamental dichotomy in social research. However, this distinction should be regarded primarily as technical as there are qualitative and quantitative data and 'one has to deal with them in rather different ways'. Similarly, Brewer and Hunter (1989, p.11) recommend multi-method research which they state is '...the planned systematic synthesis of these research styles, purposefully aimed at improving social science knowledge.' Also, Bryman (1993, p. 153) states that the main barrier to the integration of quantitative and qualitative research is the view that they are based upon fundamentally incompatible epistemological positions.

4.5 Research Design

Pizam (1994, p.104) defines research design as '...a form of a carefully developed and controlled plan to carry out the research investigation'. An examination of the research methodology literature reveals that there are a number of techniques and methods available to tackle a particular research problem and there is no hard and fast rule to follow (Baker 1991; McDaniel and Gates 1995; Tull and Hawkins 1993). The research method should guide the decision about whether to employ quantitative or qualitative research and indeed which specific method of data collection should be used (Bryman, 1969). The chosen research design has to provide parameters about which methods would be most appropriate to achieve particular objectives. Considering the topic of research and the stated objectives, it can be seen that the thrust of the inquiry is exploratory, descriptive and explanatory. Accordingly, the objectives of the research require that rich, qualitative information and measured quantitative data be collected. Thus, a methodology which combines quantitative and qualitative approaches was deemed appropriate: qualitative data are used to illustrate and clarify quantitatively derived findings; similarly, quantitative methods are used partially to validate qualitative analyses. Each approach has unique informational strengths and weaknesses and in using this complementary methodology the researcher seeks to counterbalance the merits and demerits of each method. Figure 4.1 depicts a schematic diagram of the research design. In a sense, the research design can be called 'a marriage of quantitative and qualitative techniques'.

Figure 4.1: A Schematic Diagram of the Research Design

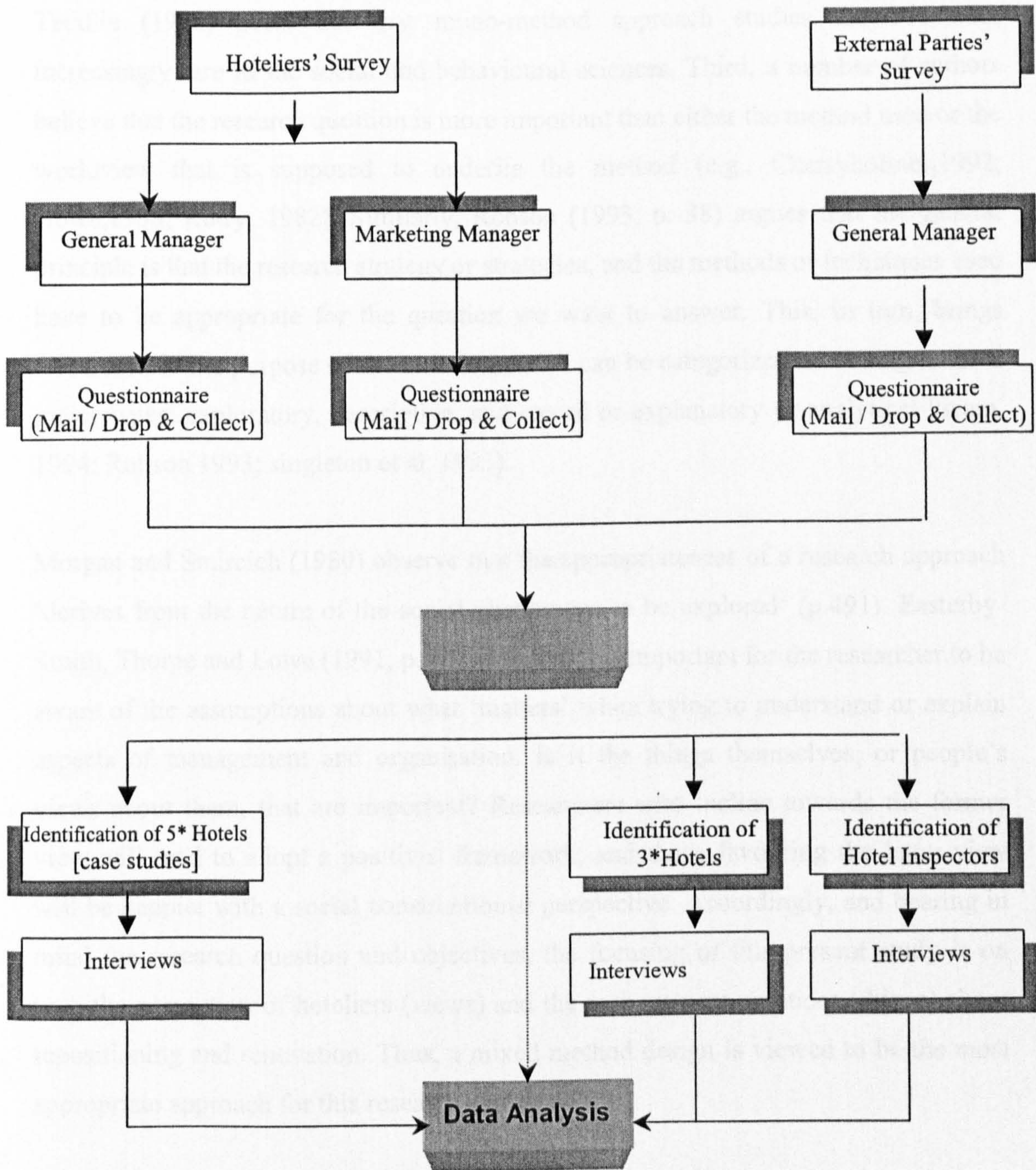


In this approach, quantitative and qualitative data and data collection methods are combined in order to maximise the amount of pertinent data (Jarratt 1996). Abrahamson (1983) points out that this approach prevents research becoming method-bound as almost every method has weaknesses. Thus, research designs and strategies can be balanced by deriving strengths from suitable and compatible methods. The next two sections explore qualitative and quantitative phases of the research.

4.6 Mixed-Method Design

Hussey and Hussey (1997) have suggested that social scientists are likely to exhibit greater confidence in their findings when these are derived from more than one method of investigation.

Figure 4.2: Framework of the Primary Research



In fact, there are many reasons for viewing the pragmatic approach or the mixed method design as the most appropriate one for this research study. First, a multi-method approach allows the researcher to attack the research problem with an arsenal of methods that have non-overlapping weaknesses in addition to their complementary strengths' (Creswell, 1994). Second, every method has its limitation and multiple methods are usually needed. In other words, Brewer and Hunter (1989, p.17) describe

mono-method designs as 'a diversity of imperfection'. Moreover, Tashakkori & Teddlie (1998) point out that mono-method approach studies are becoming increasingly rare in the social and behavioural sciences. Third, a number of authors believe that the research question is more important than either the method used or the worldview that is supposed to underlie the method (e.g., Cherryholmes,1992; Howe,1988; Rotry, 1982). Similarly, Robson (1993, p. 38) argues that the general principle is that the research strategy or strategies, and the methods or techniques used have to be appropriate for the question we want to answer. This, in turn, brings discussion to the purpose of the research which can be categorized according to three major types: exploratory, descriptive, and causal or explanatory or analytical Pizam, 1994; Robson 1993; singleton et al. 1993).

Morgan and Smircich (1980) observe that the appropriateness of a research approach 'derives from the nature of the social phenomena to be explored' (p.491). Easterby-Smith, Thorpe and Lowe (1991, p. 41) state that it is important for the researcher to be aware of the assumptions about what 'matters' when trying to understand or explain aspects of management and organisation. Is it the things themselves, or people's views about them, that are important? Researchers who incline towards the former view will tend to adopt a positivist framework, and those favouring the latter view will be happier with a social constructionist perspective. Accordingly, and bearing in mind the research question and objectives, the focusing of this present study is on both the perception of hoteliers (views) and the management practices (things) about repositioning and renovation. Thus, a mixed method design is viewed to be the most appropriate approach for this research study.

As Creswell (1994) noted, a mixed method design serves purposes beyond triangulation (i.e., defined as convergence of results). In an extensive literature review, Greene et al. (1989) defined five purposes for using mixed method design. They reviewed 57 mixed method studies from the 1980s and listed five purposes for these studies:

- Triangulation, or seeking convergence of results;
- Complementarily, or examining overlapping and different facets of a phenomena;
- Initiation, or discovering paradoxes, contradictions, fresh perspectives;

- Development, or using the methods sequentially, such that results from the first method inform the use of the second method; and
- Expansion, or mixed methods adding breadth and scope to the project.

Therefore, the researcher hopes to get some, if not all, of these advantages through using this mixed method design for this thesis.

It can be noted now that the objectives of the research require that rich, qualitative information and measured quantitative data be collected. Thus, a methodology which combines a quantitative and qualitative approaches was deemed appropriate: qualitative data are used to illustrate and clarify quantitatively derived findings; similarly, quantitative methods are used partially to validate qualitative analyses. Each approach has unique informational strengths and weaknesses and in using this complementary methodology the researcher seeks to counterbalance the merits and demerits of each method. Similarly, a combination of both questionnaire and personal interview survey techniques is judged to provide the most comprehensive means of capturing exploratory, descriptive and explanatory data pertinent to the stated research objectives. In combining methodological approaches in this way, higher levels of validity, reliability and generalisability were achieved than by employing any single mode in isolation.

The main pitfall of this design is derived from the lack of a worldview, paradigm or theory for mixed model studies. Therefore, this theory needs to be fully articulated (Creswell 1994). Several authors have made attempts to create taxonomies of mixed method designs, including Creswell (1995), Greene et al. (1989), Morse (1991), and Patton (1990). For example, Bryman (1988) has classified three ways in which researchers combine both quantitative and qualitative methods in their works.: a) qualitative work as a facilitator of the quantitative work; b) quantitative work as a facilitator of the qualitative work; and c) both approaches given equal emphasis. Creswell (1994) proposes three models of combining the methodologies. The first model is called the 'two-phase design' in which the researcher uses qualitative methods in one phase of the study and qualitative approaches in the other phase. The second model, 'dominant less dominant design' involves a dominant paradigm for the mainstream of the study and the alternative paradigm, as the less dominant

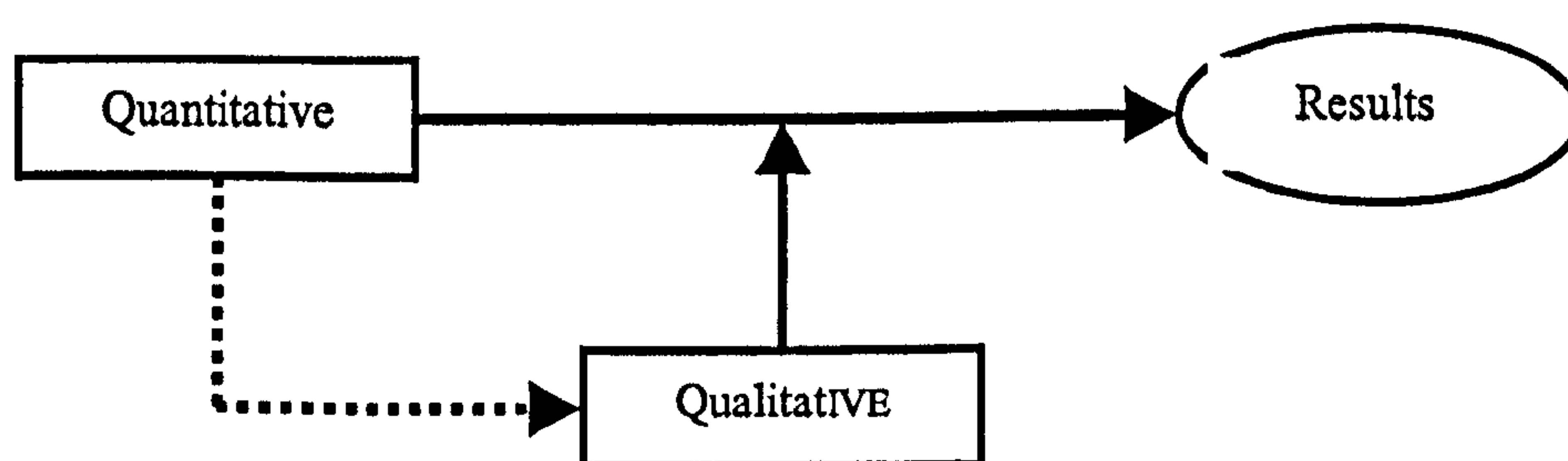
methodology, plays a supporting role. The third model, 'mixed methodology design' involves mixing aspects of qualitative and quantitative paradigm at all or some stages of the design. Similarly, Ulin et al. (1996) illustrate four scenarios for combining qualitative and quantitative methods: a) qualitative measures to develop quantitative tools, b) qualitative methods to explain quantitative results; c) quantitative methods to enlarge on qualitative study, and d) a quantitative and qualitative methods equal and parallel.

Capitalizing on the previous taxonomies, Tashakkori and Teddlie (1998) succeeded in developing a more detailed taxonomy for organizing these different types of mixed method designs:

- ❑ Equivalent status designs: sequential (QUAN/QUAL and QUAL/QUAN) and parallel/simultaneous (QUAN + QUAL and QUAL + QUAN),
- ❑ Dominant-less dominant designs: sequential (QUAN/qual and QUAL/quan) and parallel/simultaneous (QUAN + qual and QUAL + quan), and
- ❑ Designs with multilevel use of approaches.

Based on the above taxonomies, the most appropriate mixed method design for the purpose of the current research, as shown in figure 4.3, is: a) the second scenario of Ulin et al. (1996); b) the second approach of Bryman (1988); c) the first model of Creswell (1994): and/or d) the equal sequential QUAN/QUAL design of Tashakkori and Teddlie (1998).

Figure 4.3: Research Method scenario (an Equal/Sequential QUAN/QUAL design)



The reasons behind utilising this design or scenario include; the clarification of puzzling findings which the quantitative data cannot explain; the emergence of small but interesting sub-groups which require more detailed exploration ; the need to follow up an issue in a way where it is inappropriate to apply quantitative methods

(Brannen, 1992). A more detailed Framework of the Primary Research is provided in Figure 4.2.

In short, the survey (quantitative) study enabled identification of macro level phenomena, was confirmed, elaborated and explored further by conducting a second phase (qualitative). The survey was conducted to identify macro level phenomena which were investigated at a later stage by developing semi-structured interviews and case studies. This second phase of the research provided rich data on phenomena which occur at the micro level.

4.7 Phase One of Empirical Research

The method used in the phase one of this study was a survey, comprised of both qualitative and quantitative questions. This approach allowed the respondents to answer specific questions, as well as giving them the chance to express their views without limiting their responses.

Three different questionnaires were designed for the first phase of this research (Appendices 1,3 & 5). The first questionnaire was for hotel General Managers (Appendix 1), the second one was for hotel Marketing Managers (Appendix 3), and the third (Appendix 5), was for Architects, Building Contractors, and Interior Designers who make up the external parties involved in the renovation process.

The survey took place in Egypt for a duration of two months during the summer of 2001. Drop and collect, telephone, and self-administration (or face to face) were the data collection methods. Each data collection method has strengths and weaknesses and in using these complementary data collection methods, the researcher sought to counterbalance the merits and demerits of each method.

4.7.1 The Population

The target population of this research can be defined as: (a) all commercial hotels in Egypt, and (b) all external parties in Egypt (builders, interior designers and architecture companies) that handle renovation for hotels.

4.7.2 The Sample Frame

The sample frame was: (a) the Egyptian Hotel Guide, 1999-2000, 20th edition, published by the Egyptian Hotel Association); and (b) The Egyptian Interior Design and Architecture Company Guide.

4.7.3 Units of Analysis

The sampling unit is the basic unit containing the elements of the population to be sampled (Tull and Hawkins 1993). The key factor in selecting and making decisions about the proper unit of analysis is to decide what unit it is that researchers want to be able to say something about. As this research is interested in how hoteliers perceive and manage repositioning and renovation, hotels, interior design, architecture and construction companies were selected as the units of analysis or sampling elements.

The keys informants within each hotel were the general manager and the marketing manager. The general manger was the key informants within each interior design and/or architecture of company. There were specific reasons behind selecting these three key informants. First, given that renovation is an ongoing and inevitable process that requires huge levels of investment and the decision to renovate would be done at the highest level, the general manager, as the top executive, was selected. Second, since maintenance is an integral part of most renovation programmes, the maintenance manager was selected. Third, the interior design and/or architecture company's manger was selected because s/he is involved in most hotel renovation programmes in general and in major renovation ones in particular. Fourth, since positioning and repositioning are marketing concepts, the marketing manager was selected. Although the pilot study revealed that hotel chief engineers, maintenance managers or project managers are more likely to possess the required information for

the study, they were not selected as the unit of analysis on two grounds. First, some 3* and 4*hotels might not have this position as would be the case in 5* hotels. Second, in 3* hotels, general managers, not the chief engineers, might have the necessary knowledge and experience for completing the questionnaire.

Having selected the previous three executives as the key informants for this study, decisions about classification of hotels in which three of these executives work must be clarified. As the research sample is taken from the Egyptian Hotel Guide, the star [*] classification of hotels is utilised in this research. The Egyptian Hotel Association categorize hotels as 5*/ 4*/ 3*/2*/1*/ and 'under classification' hotels, according to the quality and variety of the rooms, F&B outlets, facilities and services offered by each hotel.

4.7.4 The Sampling Method

Sampling is the process of selecting units (e.g. people, organisations) from a population of interest so that by studying the sample a researcher may generalise results back to the population from which they were chosen. The sampling method is the way the sample units are to be selected (Tull and Hawkins 1993). There are two main methods of sampling, probability and non-probability. Probability samples are defined as samples of a specified population in which every element has a known, non-zero chance of selection (Sudman 1994). There are four different probability sampling methods; *simple random* in which units are selected randomly; *stratified random* in which the researcher accepts variability in the population and stratifies the population (e.g. geographical, demographic) into sub-groups called 'strata prior' to the sample selection and selects the units by simple random sampling means; *cluster* sampling in which the researcher randomly chooses sample units in groups or clusters rather than individually; and, *multi-stage* sampling in which the researcher selects by means of one of other probability sampling methods.

A non-probability sample is one in which chance selection procedures are not used. In other words, the researcher does not know a unit's chance of selection. There are also four different types of non-probability sampling methods; *convenience* in which

the only criterion for selecting the sampling units is the researcher's convenience; *judgement* in which the researcher attempts to draw a representative sample of the population using his/her judgement; *purposive* in which sample units are selected with specific objective(s) in mind; and, *quota* sampling in which sampling units are selected in a way that the demographic characteristics (e.g. male/female, small/large organisations) of the population are equally represented in the sample. In this research study, both non-probability and probability sampling methods are used.

First, the researcher used non-probability (judgemental) sampling methods with the objective of sampling the hotels in Egypt. Accordingly, the hotels of Greater Cairo were chosen as the sample for this research. Cairo is selected for the following reasons: a) in comparing Cairo with the other areas, Cairo is considered one of the most, if not the main, oldest and well-known tourist market in Egypt, b) Cairo represents the top area in terms of hotel unit numbers (about 24% of the hotels and 96% of the floating hotels), with a fair representation of each category, in Egypt and c) Cairo is a rich inclusive market that possesses most, if not all, types of hotels (i.e. cruise hotels, downtown hotels, urban hotels, transit hotels, limited service hotels, luxurious hotels, economical hotels, and so on).

It is worthy mentioning that based upon the pilot study, one five star hotel and two three star hotels were excluded because they have been in operation for less than three years which means lack of renovation experience. Therefore the researcher surveyed all Cairo hotels that were more than three years old (21 five star, 14 four star, and 56 three star). One four star hotel and twenty-three star hotels refused to participate in this survey because of their policy or the lack of time.

It needs to be noted that, after completing the questionnaire the researcher conducted about 10 to 20 minutes unstructured interviews with most of the self administered survey respondents to obtain more information regarding key answers.

4.7.5 Questionnaire Development

A questionnaire is a formalised set of questions for eliciting information (Tull and Hawkins 1993). Questionnaire design and development is part art and part science

with the balance tipped to the former (Bagozzi 1994). After reviewing research methodology literature, it became evident that the best way to learn how to design and develop questionnaires is by doing it and learning from the experience. Having accepted that experience plays an important role in developing good questionnaires, less experienced researchers are not left alone in the dark. There are guidelines for developing questionnaires provided by many scholars (Bagozzi 1994; Baker 1991; Dillman 1978; Tull and Hawkins 1993). According to these sources, designing and developing a questionnaire is a process and in this process there are many steps. In this research, Dillman (1978) and Tull and Hawkins (1993)', guidelines were adapted for the process of developing the questionnaire. Each step and the entire process was guided by the research questions and hypotheses. Tull and Hawkins (1993) argue that questionnaire construction involves seven major steps:

- Preliminary considerations
- Question content
- Question wording
- Response format
- Question sequence
- Physical characteristics of the questionnaire
- Pre-test

Although these seven decision areas will be discussed sequentially, they are interrelated since decisions made during the early stages influence the types of decisions to be made later. Also, decisions made at later stages compel the reconsideration of earlier choices.

4.7.5.1 Preliminary Decisions

In this first step, there are three sub-decisions to be made; required information to be collected, from whom the information is to be gathered, and techniques to be used in order to collect the required information.

It is important for researchers to specifically determine what information is needed in order to solve the research problem(s). This will help prevent researchers collecting incomplete and/or unnecessary data and spending time and limited financial resources. For this research, the researcher defined the information needs that were explained earlier in this chapter when presenting research objectives.

Knowing who the respondents are is also imperative for developing a good questionnaire as questions which are appropriate for hospitality academics very well might not be proper for hospitality managers. Understanding who the respondents are can influence many further decisions in the process of questionnaire development such as wording questions and techniques to be used. In this research, the target sample was shaped by involvement in renovation activities.

Finally, researchers have to decide on the method of administering the questionnaire before designing it since this decision may affect many further decisions such as question content and length,. As the method of questionnaire administration was explored earlier whilst presenting the quantitative stage of the research design, it will not be further commented on here.

4.7.5.2 Question Content

While deciding the content of each question, the utmost care was taken in order to make sure every question contributes to the information requirements. After assuring a question is necessary, the researcher carefully considered whether the question was sufficient to answer the information requirement for answering research questions. In cases where a single question was not able to cover the information requirement, a subsequent question(s) investigating the particular step was also asked. Once the researcher was satisfied that the questions were necessary and sufficient, the researcher considered whether respondents would be able and willing to answer questions. Respondents may be able to answer a question, but may however not be willing to answer it. This is called item non-response. The seriousness of item non-response depends on how critical the particular question is to the overall analysis. Another effect of an improper question is a refusal to complete the remainder of the questionnaire which may cause a failure to return the questionnaire. This is called 'non-response'. The third way of 'refusing' to answer a question is providing an incorrect answer. The researcher took all possible care while constructing the questionnaire to eliminate potential hostile questions such as highly personal details. The final issue involving question content are errors caused by factors beyond the

control of the researcher. Timing of the questionnaire administration is an example for this kind of issue. If a respondent receives the questionnaire after having completed an ineffective renovation programme, his or her response to a survey is more likely to be biased. As mentioned, these issues are beyond the researcher's control.

4.7.5.3 Question Wording

Writing questions for a particular questionnaire means doing them for a particular population, a particular response, and for placement next to other questions in the questionnaire. Words that are too difficult to understand for a population may be perfectly acceptable to others. A question which is fairly vague might satisfy the exploratory objectives of one study, but not satisfy the analytic ones. A question that makes little sense by itself may be quite clear when asked after one proceeding it in the questionnaire. The researcher followed Dillman's (1978) guidelines while wording questions in which he argued that researchers should;

- ❑ select words that are uniformly understood by the respondents
- ❑ avoid abbreviations or unconventional phrases
- ❑ eliminate words with vague meanings
- ❑ avoid questions that are too precise
- ❑ choose unbiased questions
- ❑ do not use objectionable questions
- ❑ avoid questions that are too demanding
- ❑ do not ask double questions
- ❑ avoid using double negative sentences
- ❑ do not assume too much knowledge
- ❑ word the questions correctly in technical terms

Furthermore, the researcher tried to keep the length of questions as short as possible since longer questions may cause respondents to lose track of the question. Where possible other options were included in order to reduce the danger of providing incomplete answers since most questions were developed from the exploratory research findings. Because questions dealing with the process were interdependent

and needed respondents to enter a number(s) by referring to a particular question, instructions were clearly given.

4.7.5.4 Response Format

There are two main response formats, open and closed-ended, that questions can assume. Open-ended questions give the respondents freedom to answer the questions in their own words whereas closed-ended questions require respondent to choose among given response alternatives or state their degree of agreement on the given alternatives. The decision as to which form of question to use depends on the objective of that particular question.

4.7.5.4.1 Open-ended questions

In this type, the question is structured, but the responses are unstructured. The respondents are expected to reply with the information they deem to be relevant in their own words (Luck and Rubin 1987). In this format, respondents are not influenced by a pre-stated set of response categories, and therefore opinions can be expressed quite divergently from what the researcher expected or what others have expressed. Open-ended questions can provide views that are often difficult to capture with more structured questions. It is argued that this format may encourage respondents to think deeply about the question and to give answers that are rich in detail (Webb 1992). Although these advantages of open-ended questions exist, there are several disadvantages such as respondents avoid answering open-ended questions which causes item non-response error; if respondents choose to answer the question, responses are difficult to code, tabulate, and analyse. In addition, Chisnall (1992) argues that open-ended questions must be strictly limited as they are inclined to cause respondents some anxiety that may result in rejection of the whole questionnaire, which causes non-response error. Because of these disadvantages, only a few open-ended questions were used in the questionnaire. Moreover, most of them were extensions of closed-ended questions.

4.7.5.4.2 Close-ended questions

There are several types of close-ended questions in which both questions and responses are structured. Although questions differ according to the format of responses, the main distinguishing feature among the close-ended subtypes lies in the responses (Luck and Rubin 1987). There are five major subtypes of close-ended questions; dichotomous, ranking, checklist, multiple choice, and scales.

4.7.5.4.2.1 Dichotomous questions

This type allows only two possible answer options such as YES—NO, BEFORE—AFTER, and FEMALE—MALE. These questions are easy to ask and usually easy to answer though they are suitable mainly for simple factual questions. Webb (1992) contends that dichotomous questions should be avoided as they may bias answers by forcing respondents to make a choice that they would not have made if they were given a broader range of alternatives. Thus, the researcher made limited use of this type of question while trying to elicit factual and demographic information.

4.7.5.4.2.2 Ranking questions

Ranking questions involve having the respondents rank comparatively the items listed. In this way several alternatives can be compared against each other at the same time. Although ranking questions are relatively easy to ask and tabulate, they do not indicate the degree of preference intervals between ranks. The researcher used this type of question two or three times in each questionnaire.

4.7.5.4.2.3 Checklist questions

A checklist is a form of question in which the respondent checks one or more of the response categories that are listed for answers. The researcher made use of this type of question when searching for renovation barriers, importance, and marketing mix

importance. Another option was also provided for both questions in order to reduce the risk of providing incomplete information.

4.7.5.4.2.4 Multiple choice questions

These questions list a number of answers and ask respondents to select the answer that best approximates their own (Luck and Rubin 1987). This type of question is most appropriate either for opinion or motives. Many questions in the questionnaire were of this type. In developing these questions, several important issues were carefully considered such as including all possible response options, providing other options where possible, and making response options mutually exclusive.

4.7.5.4.2.5 Scale format questions

In this type of questions, respondents are given a range of categories to express their opinions. There are four types of scaling techniques in general use: the Thurstone scale, the Guttman scale, the Semantic Differential scale, and the Likert scale. The Likert scale is simpler to construct and probably the most frequently used scale in marketing research. A Likert scale usually requires respondents to indicate the degree to which they agree or disagree with each statement provided by the researcher. The degree of agreement may be demonstrated on three, five or seven point scales. Bagozzi (1994) contends that at least five or seven point scales should be used when possible since these scales are more likely to provide satisfactory properties with regard to the underlying distribution of responses. In the questionnaire, many five-point Likert scale questions were used with the following sets of answer options; agree/disagree, always/never, important/not important, and effective/not effective.

4.7.5.5 Question Sequence

Regarding the organisation of items in a questionnaire, tentative guidelines provided by Bagozzi (1994), Tull and Hawkins (1993), and Webb (1992) were integrated while deciding the sequence of items in the questionnaire. Questions which are of similar

content were grouped together so as to reach the proper address in memory and to maintain the focus of the respondents. The General Manager's questionnaire contained five parts: 1) renovation reasons and significance, 2) renovation frequency and barriers, 3) renovation as a marketing innovation tool, 4) renovation team and requirements and 5) the perception of the hotel GM regarding innovation and renovation.

The Marketing Manager's questionnaire contained five parts: 1) the importance of the marketing mix, 2) hotel positioning and repositioning, 3) renovation as a marketing innovation tool, 4) new product development and 5) perceptions of hotel Marketing Managers regarding innovation and renovation.

The External Parties' questionnaire contained five parts: 1) renovation reasons and their significance, 2) renovation frequency and barriers, 3) renovation as a marketing innovation tool, 4) renovation team and requirements and 5) the perception of the external parties regarding renovation.

4.7.5.6 Physical Characteristics of the Questionnaire

It is argued that initial impressions of the respondents influence their co-operation and the appearance of the instrument frequently determines whether the questionnaire is read or discarded (Levine and Gordon 1958). Once the respondents take time to read the questionnaire, they have some psychological commitment to complete it. One of the first considerations is the colour of paper used in mail questionnaires. Although the effect of paper colour has been researched extensively, findings are mixed. Since most studies found no statistical difference in response rates among different colours of questionnaires (Greer and Lohtia 1994; Jobber and Sanderson 1983; Pressley and Tullar 1977), high quality white paper (chromomatt 115 gm) was used.

In order to help the respondents easily differentiate questions from answers, questions were printed boldface. Also, part headings were printed uppercase against a black background. Questions were arranged in a way so that pages would not look crowded, and were surrounded with white space. Each question was fitted in the

same page to avoid the respondents having to turn pages in the middle of a question. By taking Sudman and Bradburn's (1982) recommendation, the booklet format was used to make the questionnaire easier for the respondents to read and turn pages. Also, this format was believed to appear more professional and to prevent the questionnaire pages getting lost.

4.7.5.7 Pre-test

One of the critical steps in developing a questionnaire is to pre-test the questionnaire with a small, but representative, sample. Pre-testing may not only ensure that the questionnaire is proper for the survey in terms of its structure and language, but may also enable the researcher to examine whether the needed information from the population can be collected by the survey instrument. In other words, pre-testing the questionnaire may reveal a number of shortcomings of the survey instrument such as ambiguous questions, unclear instructions, and grammatical errors. To avoid such shortcomings, the researcher consulted several department members who have experience in developing questionnaires. As is the case with most academic issues, scholars are divided on the method of pre-testing. Some scholars argue that pre-testing should take the form of interview so that researchers can effectively identify the issues with the research instrument by observing the respondent's reactions, hesitations and other cues which would not be possible to obtain by alternative modes (Churchill 1995; Hunt, et al. 1982; Reynolds and Diamantopoulos 1996). Others claim that the method of pre-testing should take the form of the main survey (McDaniel and Gates 1995; Tull and Hawkins 1993). The latter group of scholars would argue that the researcher should mail the questionnaire to managers since the main survey format is a mail survey. However, the researcher agrees with the scholars arguing that the mode of pre-testing should take the form of interviews because in this mode it was possible to effectively identify the issues with the research instruments by observing the respondent's reactions, hesitations and other cues. The three questionnaires were pre-tested with a small, but representative, sample through consulting five academics who have good experience in developing questionnaires. Furthermore, the questionnaires were tested in 10 hotels and 4 architecture and interior design companies in Cairo.

4.7.6 Response Rate

As mentioned earlier, drop and collect, telephone, and self-administration (or face to face) were the data collection methods used in this stage. Satisfactory results were gained. This is the response rate of each category:

- 86% was the response rate of the 5* hotel general managers in Cairo.
- 93% was the response rate of the 4* hotel general managers in Cairo.
- 25% was the response rate of the 3* hotel general managers in Cairo.
- 91% was the response rate of the 5* hotel marketing managers in Cairo.
- 80% was the response rate of the 4* hotel marketing managers in Cairo.
- 25% was the response rate of the 3* hotel marketing managers in Cairo.
- 58% was the response rate of the external parties' companies general managers in Cairo (38 companies).

In summary, the response rate of the general managers in all hotel categories was 65% (54% of this total response rate was collected via the self-administered method, 23% via the drop and collect method and 13% via the telephone method).

The response rate of the marketing managers in all hotel categories was 61% (50% of this total response rate was collected via the self-administered method, 18% via the drop and collect method and 23% via the telephone method).

The response rate of the general managers in all external parties company categories was 58% (74% of this total response rate was collected via the self-administered method, and 26% via the telephone method).

4.7.7 Survey Data Analysis

The data were coded and analysed using the 'Statistical Package for the Social Sciences (SPSS version 10 for windows 98' computer programme, since SPSS is a comprehensive and flexible statistical analysis and data management system

(Carpenter et al 1984). In addition, SPSS can generate tabulated reports, charts and complex statistical analysis (Noursis, 1993).

It is worth noting that generally the more sophisticated the data analysis desired, the larger the sample size required (Luck and Rubin, 1987). In this regard, although a sufficient response rate was obtained for the survey, it was too low for sophisticated data analysis. This may be viewed as a weakness of the data analysis of the current research, but it should also be taken into account that the research had financial and time limitations. It is also important to note that the analyses are supported by the outcome of the general views of respondents and the insights gained from personal communication with the owners, general managers, marketing managers, external parties and experts from the Egyptian hotel industry

The results provide a summary of the distribution of the various variables. Descriptive statistics were used to describe the basic feature of the data in the study. For example, among the descriptive data analysis techniques the mean, the median, and the mode were most frequently applied in order to understand the central tendency of the data. The goodness-of-fit test was also applied to measure the significance of the results, particularly for the descriptive statistics.

On the other hand, explorative statistics were also used in order to show insight into the nature of the relationships between the various independent and dependent variables. For example, correlation and cross-tabulation analyses were the explorative statistical techniques which were used, where appropriate, to indicate relationships/dependence between variables. Among the correlation analyses particularly the 'Spearman's Rho correlation coefficients' were used. It is indicated in the marketing research literature that the Spearman's Rho correlation is a non-parametric statistical test which is intended to measure the degree and direction of the relationship between two variables where both variables are measured on ordinal scale. It is worth noting that there is controversy in the business research literature as to whether a Likert-type scale provides interval data or ordinal data. Some scholars (Baker 1991; Luck and Rubin, 1987) argue that a Likert-type scale provides ordinal data, while others (Parasuraman, 1991; Peterson, 1982; Smith, 1995; Tul and Hawkins, 1984; Weiers, 1988) feel confident that a Likert-type scale provides interval

data, though it is an ordinal scale in theory. Clark et al (1998) argue that if the data is normally distributed, then para-metric tests can be used, such as Pearson-product moment correlation. However, in this research, where the Spearman's Rho Correlation was applied, the data were either on an ordinal scale or skewed. In other words, the Spearman 's Rho Correlation was used when the data was considered to be on an ordinal scale, or when the data was not drawn from a normally distributed population.

4.8 Phase Two of Empirical Research (Qualitative Phase)

The conclusions drawn from the first phase survey data analysis enabled a more precise formulation of a second qualitative stage, namely multiple case studies and semi-structured interviews. As such, the survey enabled the researcher to identify three different routes to be considered for the second phase. The first route was to conduct semi-structured interviews with three star hotel owners since they were perceived to be the main barrier to renovation in their hotels. The second route was to conduct semi-structured interviews with the Egyptian Hotel Association's inspectors since they were the main force behind renovation in three star hotels. The final route was to conduct some hotel renovation case studies in five star hotels, which represent different policies and reasons for carrying out renovation in these large hotels.

Qualitative methodology is defined as 'an array of interpretative techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social work' (Van Maanen 1983, p. 213). From this definition it is clear that qualitative research is intensive, rather than extensive and is best suited to areas calling for a flexible approach.

Three main qualitative data collection methods are interviews, observations, and diary methods. The most fundamental of all is interviews (Easterby-Smith, et al. 1991). Although there is a range of interviewing techniques (e.g. group interviews), personal interviews were chosen as the exploratory data collection method of the second phase

for this study. Reasons for choosing personal interviews over other interviewing techniques were as follows;

One-to-one interaction with hoteliers and inspectors was believed to generate deeper understanding of the subject matter as they might be reluctant to reveal their perceptions and practices in front of other people. In addition, since hotel owners, inspectors and general managers have very tight schedules, it would be very difficult, if not impossible, for the researcher to set up a group interview.

Personal interviews may range from being highly unstructured to highly structured (Baker 1991; Churchill 1995; Easterby-Smith, et al. 1991; Tull and Hawkins 1993). Highly structured interviews are usually used when the subject matter is relatively uncomplicated (Peterson 1982). On the other hand, unstructured personal interviews are used in exploratory research where the researcher seeks to understand the subject matter deeply and to construct hypotheses (Baker 1991). Since this phase of the research was exploratory, the degree of the interview structure was limited to the extent that discussions would only be relevant to the research objectives. Thus, interviews were semi-structured which enabled the researcher to cover a specific list of topics, with the time allocated to each topic being left to the researcher's discretion. Interview schedules (Appendices 7; 9 & 11) were developed from the literature review and survey findings to manoeuvre interviews in order to generate relevant data and adopt a sequence of the issues to allow the interviews to run smoothly. Details of how these semi-structured interviews were carried out are discussed in the following sections.

4.8.1 The Hotel Owner's Interview Analysis

Inputs from three star hotel owners were obtained from personal interviews in nine hotels. Participants for the interviews were mainly chosen based on their hotel ages and their participation in the first stage (survey). The participants have characteristics of age, ranging from 40-65; education, from bachelor's to master degrees; experience, from 10-30 years, within hotel management; and are not representative of both genders since the majority were male (90%).

Data were gathered through face-to-face, semi-structured interviews. The researcher developed possible open-ended interview questions based on the literature review and the survey findings. Open-ended questions were selected to stimulate responses rather than restrict the range of responses. Two hotel owners were not included in the sample as they were selected for pre-testing the resulting interview guide. The researcher clarified the wording of the interview guide based on pilot findings. The questions used during these semi-structured interviews are presented in Appendix 7.

Only the general subject area was divulged in order for the participants to focus their comments during the actual interview. The Researcher assured the participants of confidentiality both in the initial telephone calls and at the beginning of the interviews. Based on the participants wishes, the researcher had no permission to record the interviews. Interviews occurred in the participants' hotels, the duration ranging from 45 to 60 minutes. The interviewer asked questions and probed for specificity and clarification. The data from each interview were summarized and the responses for each question examined across all interviewees. To identify major themes in the interviewees' responses, content analysis was conducted (Hussey and Hussey, 1997; Easterby-Smith, et al 1991). Further details of how these interviews were carried out and their results are presented in Chapter Eight.

4.8.2 The Hotel Inspector's Interview

Information from hotel inspectors were obtained from personal interviews of ten inspectors. Participants for the interviews were mainly chosen based on their hotel inspection experience. The participants have characteristics of age, ranging from 36-55; education, from bachelor's to master degrees; experience, from 15-30 years within hotel management and inspection; and are relatively representative of both genders since 55% were male and 45% were female.

Data were gathered through face-to-face, semi-structured interviews. The researcher developed possible open-ended interview questions based on the literature review and the survey findings. Open-ended questions were selected to stimulate responses rather than restrict the range of responses. Two inspectors were not included in the sample

as they were selected for pre-testing the resulting interview guide. The researcher clarified the wording of the interview guide based on pilot findings. The questions used during these semi-structured interviews are presented in Appendix 9.

Only the general subject area was divulged in order for the participants to focus their comments during the actual interview.

The Researcher assured the participants of confidentiality both in the initial telephone calls and at the beginning of the interviews. Based on the participants' wishes, the researcher had no permission to record the interviews. Interviews occurred in the participants' offices (Egyptian Hotel Inspection Sector) with the duration ranging from 45 to 60 minutes. The interviewer asked questions and probed for specificity and clarification. The data from each interview were summarized and the responses for each question examined across all interviewees. To identify major themes in the interviewees' responses, content analysis was conducted (Hussey and Hussey, 1997; Easterby-Smith, et al 1991). Further details of how these interviews were carried out and their results are presented in Chapter Eight.

4.8.3 Multiple Case Study

One of the main findings of the first phase survey was that five star hotels are using renovation as a marketing tool more than four and three star hotels. Therefore, a multiple case study was carried out in order to gain an understanding of the nature of renovation in the context of large or five star hotels in Egypt.

Researchers vary in their definition of case-study methodology. In Eisenhardt's (1989, p. 534) view, a case study 'focuses on understanding the dynamics present within single settings'. Bryman (1989, p. 30) comments that case study research is a 'detailed examination of one or a small number of cases'. For the purpose of the present study, the researcher follows the definition of Yin (1994, p. 13) of case study research: 'an empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not

clearly evident'. Yin (1994) also indicates his preference for case study if 'how' and 'why' questions are being posed and the researcher has no control over events.

A case study approach was chosen for the purpose of the exploration as suggested by Eisendhart (1989), since it can capture the reality in greater detail. Moreover, Yin (1989) reiterates, 'case study method allows the researcher to investigate a contemporary phenomenon within its real life context when the boundaries between phenomenon and context are not clearly evident, and in which multiple sources of evidence are used.' In addition, many researchers advocate studying renovation using a case study approach (e.g. Conner 1991; Knapp 1991; Ransley and Ingram 2001). In this study, multiple cases were used to 'strengthen the results by replicating pattern matching, thus increasing confidence in the robustness of the theory.' (Amaratunga et al., 2001). The case study closes the gap between theory and practice (Simon et al 1996). The findings in case studies are widely accepted in the industry due to the style of writing cases. It is more readable than the outcomes of a quantitative study. The use of case studies allows the researcher to gain first hand experience of the organization under study. Thus the researcher gains insight into contemporary issues faced by the organization.

Nonetheless, the case study is not without drawbacks. According to Spencer and Dale (1979), since case studies are confined to a single event or organization, it is difficult to obtain similar data from a statistically significant number of similar organizations. Therefore, researchers tend to generalize from the individual case. In order to overcome this drawback, the researcher has purposely selected multiple comparable cases so that organization can be more meaningful and cross case analysis can be done, thereby increasing the reliability of the results. Simon et al (1996) put it, '....if several cases in different organizations focus on similar theme, more reliable generalization can be made.' Details of how these case studies were carried out are presented in Chapter Nine.

Six five star hotels agreed to participate in this study. Each hotel was visited personally and the duration of the interviews was approximately one hour. General managers as well as marketing managers, chief engineers and owners were interviewed. The participants chosen to take part in the study were from a diverse

range of nationalities within the Egyptian hotel industry. All participants and hotels within the study were assured of confidentiality and thus their identities have been disguised.

Before data collection began, the interview format, which is presented in Appendix 11, was successfully pre-tested by interviewing two academics and two hotel managers. Further details of the case study methodology are presented in Chapter Nine.

4.8.3.1 Case Study Data Analysis

Yin (1994, p. 102) notes that the analysis of case studies is 'especially difficult because the strategies and techniques have not been well defined in the past'. However, he suggests various methods for data analysis, one of which is used in the present study. The following section describes the analytical approach, advocated by Yin (1984) and Eisenhardt, (1989), that was used to build an explanation of disturbance handling from this case study.

Following Eisenhardt (1989), both 'within' and 'cross' case analysis were conducted in this research. 'Within' case analysis involves analyzing data from each individual organization to explore the richness of the data acquired and to connect data with reality, In order to develop testable, relevant and valid theory within-case analysis requires the researcher to produce rich descriptive summaries of each organization in a uniform manner. This is the reason why protocol development exists, i.e. to assist the researcher in systematically structuring the case study based on the data obtained from fieldwork. This protocol development has helped the researcher to argue in terms of replication logic from a multiple case standpoint, thereby increasing the reliability of the study. In analyzing individual cases the researcher tries to map out renovation activities in that particular organization. The aim of this analysis is to become familiar with each case as a 'stand alone' entity. 'Within case' analysis is consistent with the techniques used in all qualitative studies in that the process of analysis begins with a rich/thick description of the data. The write-ups generated through 'within case' analysis may only provide descriptions of each case but,

according to Eisenhardt (1989, p. 540), 'they are central to the generation of insight as they allow the researcher to cope with large volumes of data'.

The second stage is 'Cross-cases' analysis, involving comparison of cases, in order to discern patterns that emerge as a result of differences and similarities among organizations. The researcher will also attempt to explain them in Chapter Nine. Details of the case study analysis and results are presented in Chapter Nine.

4.9 Methodological Limitations

Some of the limitations of this study are linked to the research approach used. These limitations to the study are mainly caused by time, access and financial constraints. However, further details will be provided in Chapter 10.

4.10 Conclusion

This chapter has attempted to clarify the methods used for the empirical part of the current research, covering the aspects of research, philosophy, data sources, data collection techniques and procedures and data analysis. Since the objectives of this research require both rich, qualitative information and measured quantitative data, the research design involved two successive phases. Thus, a methodology, which combines quantitative and qualitative approaches, was deemed appropriate: qualitative data are used to illustrate and clarify quantitatively derived findings; similarly, quantitative methods are used to validate qualitative analyses. Each approach has unique informational strengths and weaknesses and in using this complementary methodology the researcher seeks to counterbalance the merits and demerits of each method. In combining methodological approaches in this way, higher levels of validity, reliability and generalisability were achieved than by employing any single approach in isolation.

CHAPTER FIVE SURVEY DATA ANALYSIS

5.1 Introduction

The aim of this chapter is to present the findings of the data analysis for the quantitative phase of the empirical research. These findings will be interpreted in relation to the research questions of the study put forward in the previous chapter with regard to renovation and positioning. The findings will be discussed with respect to existing theory reviewed in preceding chapters of this thesis. By analysing the outcomes of this survey, it will be possible to reach an understanding about the extent to which renovation is used as a positioning marketing tool in the Egyptian hotel industry

The purpose of this survey was twofold. First, the survey provided a method of identifying suitable elements or units for further in-depth analysis and thus enhancing the validity, reliability and generalization of the findings. Second, the survey was designed to generate exploratory and descriptive data in relation to the research questions of this study. The conclusions drawn from survey data analysis enabled more precise formulation of a second qualitative stage, namely multiple case studies and semi-structured interviews. In other words, the research is moving from the general, via the survey, to the specific, via case studies and interviews.

Three different questionnaires were designed for the survey in this research. The first questionnaire was for the hotel General Managers, the second one was for the hotel Marketing Managers, and the third was for the Architects, the Building Contractors, and the Interior Designers which make up the external parties involved in the renovation process. In short, the survey aims at exploring and furnishing a comprehensive background description of the hotel population in order to make an objective identification and selection of elements or units for a further qualitative stage.

This chapter is divided into four sections. The first three sections are dedicated to the analysis of the three different questionnaires while the fourth section is devoted to the

synthesis of the three questionnaires' findings in order to identify the elements for the further qualitative second stage

5.2 Section One: The Hotel General Manger's Questionnaire Analysis

5.2.1 Introduction

This section aims at exploring the results of the general managers' questionnaire. It provides an investigation of the renovation policies of hotel operations in the study and the extent to which the implementation of these policies is aligned with the marketing practices in terms of positioning, repositioning, product innovation and/or new product development. The presentation of the findings will follow a similar outline to that in the questionnaire except that the demographic data regarding respondents and their hotels is introduced first. As such, the section is divided into six components or sub-sections which discuss the different issues of a) demographics, b) renovation importance and reasons, c) renovation barriers and forces, d) renovation process, and e) renovation and new product development respectively.

5.2.2 Demographics (General Manager profiles & hotel profiles)

This sub-section outlines the findings of the general manager's survey about demographic information of the hotel and hoteliers, covering both hotel profiles and general manger's profiles.

Table 5.1 presents the demographics of the hotel general managers. The gender distribution of the respondents was skewed heavily towards males (95.1%) females constituted 4.9 percent of the respondents. The majority of the respondents (91.8%) were over 35 years old, of whom (64%) were over 45 years old. This is not a surprise because the average age of those in general manager positions in Egypt is almost 45 years old in most industries. Of the total respondents, over 95 percent had at least 5 years of work experience in the field of hotels. As a result, all of the respondents had the required experience to complete the questionnaire. Based of the findings of the pilot study, the researcher excluded hotels that were two years old or less because of

the lack of renovation experience. Seventy seven percent of the respondents had been involved with three or more renovation projects at the time of the survey. In addition, 75.4% of the respondents were qualified to university degree level, while 18% were

Table 5.1: General Manager Demographics

Characteristics	Frequencies	Percentage
Gender		
Female	2	4.9
Male	59	95.1
Total	61	100
Age		
25-35 years	5	8.2
36-45	20	32.8
46-60	36	59
Total	61	100
Experience		
6-10	3	4.9
11-15	15	24.6
16-20	24	39.3
21-25	14	23
More than 25	5	8.2
Total	61	100
Academic Degree		
BA/BSc	46	75.4
MPhil/Master	11	18
College	4	6.6
Total	61	100
Academic Background		
Hospitality and Tourism	9	14.8
Business Administration	35	57.4
Applied Science	5	8.2
Humanities	12	19.7
Total	61	100
Renovation involvement		
Less than 2 programmes	14	23
2-5	15	24.6
6-10	22	36.1
Over10	10	10
Total	61	100

Table 5.2: Hotel Demographics

Characteristics	Frequencies	Percentage
Hotel Age		
2-5 years	2	3.3
6-10	6	9.8
11-15	8	13.1
16-20	15	24.6
21-25	23	37.7
More than 25	7	11.5
Total	61	100
Hotel Category		
Five stars	21	34.4
Four stars	13	21.3
Three stars	27	44.3
Total	61	100
Hotel Operation		
Hotel chain (company owned and operated)	19	31.1
Hotel chain (management contract)	20	32.8
Independently operated	22	36.1
Total	61	100
Hotel Management Type		
International chain hotel	24	39.3
Local chain hotel	15	24.6
Independent hotel	22	36.1
Total	61	100
Hotel Location		
Down Town	37	60.7
Pyramids	10	16.4
Heliopolis	14	23
Total	61	100
Hotel Owner/Operator/Manager Structure		
[Owner]/[Operator]/[Manager]	29	47.5
[Owner-Operator]/[Manager]	25	41
[Owner-Operator-Manager]	4	6.6
[Owner-Operator]/[Manager]	3	4.9
Total	61	100

qualified at postgraduate level and 6.6% were qualified at college level. Interestingly, 72.2% of the respondents had business administration degrees, of which only 20.4%

were tourism or hospitality. This is normal, due to the fact that the field of hospitality education is relatively new, almost 30 years old, when compared with the other business fields (i.e. accounting, economics, management, and marketing). However, experience and expertise of the respondents, in hotel management in general and renovation management in particular, will assist the researcher to tap this reservoir of knowledge to understand renovation policies in hotels.

Regarding the hotel profiles, Table 5.2 presents the demographics of the sample surveyed in this research. The table shows that 21 hotels (34.4%) were 5 star, 13 hotels (21.3%) were 4 star and 27 hotels (44.3%) were 3 star. With regards to the type of operation, 31.1% of the hotels were company owned and operated chain hotels, 32.8% were management contract chain hotels and 36.1 % were independently operated hotels. Interestingly, none of the 5 star hotels were independently operated whilst about half (46.1 %) of the 4 star hotels were independently operated and 84.6 % of the 3 star hotels were independently operated. It needs to be noted that none of the three star hotels was under management contract hotel chain operation; whilst 15.4 % of the four star hotels and 87.7 of the five star hotels were operated through management contracts. Also most of the five star hotels were affiliated to international chains but most of the four star hotels were affiliated to national chains. Moreover, none of the 5 star hotels were operated by the owners whilst 38.5 % of the 4star hotels and 88.5 % of the three star hotels were operated by the owners.

The respondents were asked about the number of years their hotels have been in operation. Seventy four percent of hotels have been in operation for more than 15 years, of which 67% of hotels have been in operation for more than 20 years. This growth, in the number of established hotels during the past 20 years, corresponds to the time when there was a shift in the governmental programme emphasising the development of the tourism and hospitality sector. Interestingly, 8% of hotels have been in operation for less than 10 years. As most of hotels have been in operation for a relatively long time, it is worth looking into their renovation practices.

5.2.2.1 The Impact of Demographics on Hotel Renovation

The hotel and hotelier demographics were investigated to identify whether they had any effect on the importance of renovation, marketing objectives, reasons, forces, barriers, and process in the surveyed hotels. ANOVA, T-test, and Chi-square were conducted to perform this investigation. Overall, Table 5.3 shows that 'hotel category', 'hotel management type' and 'hotel owner/operator/manager structure' were the three factors found to have major significance in their effect on the hotel renovation's variables. The researcher will explore in more detail renovation in hotels based on the 'hotel category' demographic factor for the following reasons. First, when compared with the other two demographic factors, it was found that 'hotel category' had more significance on renovation. Second, it is more common than the other two factors since it is the most well known method of classifying hotels nationally and internationally. Finally, it takes into consideration the other two factors in a clear way since the majority of the five star hotels were international and run by three different [owner/operator/ manager] identities while the majority of the three and four star were the opposite.

Table 5.3 The Impact of Hotel Demographics on Renovation Dimensions

<i>Demographic Factors & Renovation Dimensions</i>	<i>Reasons</i>	<i>Objectives</i>	<i>Barriers</i>	<i>Forces</i>	<i>Process</i>	<i>NPD</i>	<i>Frequencies</i>
<i>GM's Age</i>	*						
<i>GM's Experience</i>	*					*	*
<i>GM's Academic Degree</i>						*	*
<i>GM's Academic Background</i>		*	*			*	
<i>GM's Renovation involvement</i>	*	*					*
<i>Hotel Market Segments</i>							
<i>Hotel Age</i>		*					*
<i>Hotel Category</i>	*	*	*	*	*	*	*
<i>Hotel Operation</i>		*			*	*	
<i>Hotel Management Type</i>		*		*	*	*	*
<i>Hotel Location</i>							
<i>Hotel Owner/Operator/Manager Structure</i>		*	*		*	*	*

5.2.3 Renovation Importance and Reasons

Most of the respondents (75%) considered renovation as very important and important (46.4 % very important, 28.6 % important) for their hotels. It is worth mentioning that none of the respondents answered 'not important' at the other end of the scale. This finding suggests that renovation is not exclusive to hotels of a particular size, which confirms that 'at any one time almost every hotel has recently been renovated, is under renovation or is waiting for renovation' (Hassanien and Baum 2001). Moreover, most respondents agreed (62.3 % strongly agreed and 34.4% agreed) that hoteliers should give further recognition to the importance of renovation, which means that the Egyptian hotels can gain better value and benefits from renovation. Along the same line, all hoteliers stated that renovation has an essential marketing role. Although recognising the importance of renovation, it seems that hoteliers do not fully realize the value of renovation as a marketing tool and give more attention to the intangible part of the hotel product (service) since the results indicated that the rating for creating customer value in intangible products was significantly higher than in tangible products (94.8% and 80.7% respectively). This supports previous work by Hassanien and Baum (2001; 2002) and Hassanien and Losekoot (2002). There was also a positive significant correlation between the two statements ($r = .450$ at the 0.01 level).

With regard to the levels and targets of the importance of renovation as a marketing tool in their hotels, general managers from all the three hotel categories agreed that the first important reason of renovation is to retain existing customers and the second important reason is to attract new customers from the same segment(s). On the other hand, the least important reason was to attract new customers from new market segments. There was also a strong positive correlation between 'to attract new customers from the same segment' and 'to attract new customers from new segments' (Spearman's correlation is significant [$r = .519$] at the 0.01 level). To obtain more detailed information about the importance of renovation in general for each hotel category, the data was cross-tabulated with the three categories (5 star, 4 star and 3star) in Table 5.4. The results revealed that the five star category gives more attention to each marketing objective of renovation than the two other categories. The five star hotels give equal major importance to the first two objectives while they give

the least importance to the third objective. They are also the only group that gives major importance to attracting new market segments through renovation. On the other hand, there is a similarity between the four and three star categories in terms of the level of importance given to the marketing objectives of renovation. Therefore, as

Table 5.4: Importance of Renovation As A Marketing Tool

Groups & Objectives	Level of Importance					
	Major		Moderate		Minor	
	No*	%	No	%	No	%
Five star hotels & existing customers		61.9				
Five star hotels & new customers		61.9				
Five star hotels & new segments		47.6				
Four star hotels & existing customers		53.8				
Four star hotels & new customers				61.5		
Four star hotels & new segments						38.5
Three star hotels & existing customers		30.8				
Three star hotels & new customers				38.5		
Three star hotels & new segments						53.8

* Numbers demonstrate the highest percentage of each objective

the analysis reveals, the reasons for renovation are not driven by a desire to open new markets so much as to satisfy existing customers. To explore whether the three hotel categories differ in their renovation marketing objectives, a one-way ANOVA test was carried out. The result of the one-way ANOVA test indicates that hotel categories appear to differ in the following renovation marketing objectives (tables 5.5a,b, c in Appendix 13):

1. to attract new customers from the same market segments and
2. to attract new customers from new market segments.

From the above, it appears that the higher the hotel category, the more appreciation and recognition are allocated to the importance of the marketing objectives of renovation.

Respondents (85.7%) believe that finding money to renovate a property is viewed as an easier and more feasible and profitable task than finding funds to build new hotels. This supports findings from the literature by Seldon (1993), Lawson (1995), MacDonald (1995) and Ruttes et al. (2001).

Hoteliers also believe that the importance of renovation has increased because of growing competition (95% agree), lack of suitable new hotel locations (41.6% agree), growing use of technology (80% agree), environmental concerns (73.3% agree), and changing customer needs (80% agree). They (95%) agree that renovation is hard to copy by other competitors. These findings robustly strengthen the notions presented in chapter three with regard to the importance of renovation.

Although 73.3% of the hoteliers agree that renovation can be considered as a tool for hotel product modification or development, interestingly 40% were uncertain regarding renovation as a main tool for tangible new products and innovation. This might be attributed to their experiences of renovation practice as a product maintenance tool more than a product development tool. In other words, they use renovation mainly on a limited level to extend the useful life of their properties or to retain existing customers rather than on a wider level to innovate or to create new products. This is also evidenced by the lack of new products or facilities introduced to the market since these hotels have been in operation as will be shown in the next sections. Hoteliers also agreed that all types of renovation achieve both guest satisfaction (95.7% agree), and profitability (96.7% agree).

Respondents were asked to identify the main reasons for renovating their hotels. Information relating to the importance of renovation in hotels, in Table 5.6 indicates that ‘to extend the hotel’s useful life’ (51.9%) is the most important reason to renovate, followed by ‘to cope with competition’ (50.9%). At the other end of the scale, ‘to cope with the new trends and technology’ is the least important reason to renovate (10.7%).

Table 5.6: Reasons for Renovation

	1*	2	3	4	5*	Mean
Extend the useful life of the hotel	50%	35.2%	11.1%	3.7 %	-	1.69
Improve the current image	51.9%	27.8%	20.4%	-	-	1.69
Increase the hotel’s operational efficiency	45.5%	40.0%	10.9%	3.6%	-	1.73
Meet competition	18.5%	22.2%	29.6%	27.8 %	1.9 %	2.72
Satisfy customers	50.4%	29.1%	16.4%	1.8 %	1.8 %	1.75
New trends and technology	1.8%	10.7%	32.1%	50.0 %	5.4%	4.46

1* = Major Importance 5* = Minor Importance

To obtain more detailed information about the reasons for renovation for each hotel category, the data was cross tabulated with the three categories (5 star, 4 star and 3 star). There is an indication of category differences among hotels in the renovation reasons. The results reveal that 'to satisfy customers' and 'to meet competition' are the first and second most important objectives respectively for five star hotels. On the other hand, 'to extend the hotel's useful life' and 'to meet competition' are the first and second most important objectives for both three and four star hotels. Interestingly, 'to cope with new trends and technology' occupy the least important renovation objective in the three hotel categories. This reflects the essential role played by 'competition' irrespective of the hotel category, in hotel renovation in Egypt. It also reflects the fact that renovation in Egypt is market driven or both market and technology driven rather than technology driven. To explore whether the three hotel categories differ in terms of their renovation reasons, a one-way ANOVA test was conducted. The result of the one-way ANOVA test indicate that there is a significant difference (at 0.05 significance level) between the five star hotel category versus the three and four star categories in terms of (Tables 5.7.a,b,c,d,e,f in Appendix 13):

- 1) to extend the useful life of the hotel
- 2) to satisfy customers and
- 3) to cope with new trends and technology.

Among the reasons for renovation, there is a strong negative correlation ($r = -0.617$) between 'to extend the hotel's useful life' and 'to satisfy customers' while there was a medium positive correlation ($r = 0.456$) between 'to satisfy customers' and 'to cope with new trends and technology'. Moreover, in order to determine if there are any significant relationships between the marketing objectives and the reasons of renovation, a Spearman's Rho correlation was conducted. Significant positive and negative correlations are found between the variables (Table 5.8). The positive correlation between the variables indicates that when one variable increases the other one increases and vice versa, while the negative correlation between the variables indicates that when one variable increases the other one decreases and vice versa. It can be noted from the shown results (in Table 5.8) that the correlation between the reasons and objectives are stronger in attracting 'new market segments' than in attracting 'new customers from the same segment'.

Table 5.8: The relations between the reasons and objectives of renovation

	To attract customers from the same market segment	To attract customers from a new market segment
To extend the hotel's useful life	-.447	-.676
To satisfy customers	.556	.615
To cope with new trends and technology	.354	.404

- Spearman's Rho Correlations are significant at .01 level of probability

- Only significant correlations are shown

Nevertheless, the renovation's reasons were measured in more details since there are different types of renovation. Respondents were asked to rank the importance of each type of renovation for their hotels in achieving different objectives (Table 5.9).

Table 5.9: Reasons of Each Type of Renovation

Groups & Objectives	Rank of Importance								
	5* Hotels			4* Hotels			3* Hotels		
	Minor	Major	Master	Minor	Major	Master	Minor	Major	Master
Extend the useful life	4	6	5	1	2	2	1	1	1
Improve the current image	3	1	1	3	3	3	4	4	3
Increase the operational efficiency	2	3	4	4	5	5	3	3	4
Meet competition	1	2	2	2	1	1	2	2	2
Satisfy customers	5	4	3	5	4	4	5	5	5
New trends and technology	6	5	6	6	6	6	6	6	6
Upgrading to a higher category	7	7	7	7	7	7	7	7	7

* Numbers demonstrate the rank of each objective

Interestingly, 'to upgrade the hotel to a higher category' is the least important objective to be achieved by any type of renovation in all hotel categories. This is due to the difficulty and complexity of the specifications of the Egyptian Hotel Association (EHA) to upgrade hotels to higher categories. For example, as indicated by a three star hotel manager,

'Although we offer the service and product quality of four star hotels, our hotel will never be upgraded to that category because of the size of our entrance and reception' (Source: research interview).

EHA inspector stated that

'I think there is no hotel in Egypt looking forward to being upgraded because the class of each hotel was classified appropriately from the first day of its establishment' (Source: research interview).

However, this issue will be covered in more detail in the next chapter.

Most hoteliers (81.7%) anticipate an increase of the amount of hotel renovation in Egypt over the next five years. On the other hand, 41.7% of them anticipate an increase in the amount of new hotel construction while 36% of hoteliers were uncertain. This reflects coherence with the Forbes Magazine research's survey (Paneri, 1994) and the American Hotel and Motel Association survey (Seldon, 1993) discussed in the literature (Chapter Three). In addition, it supports the notion that lack of new hotel locations has increased the importance of renovation (Lawson, 1995).

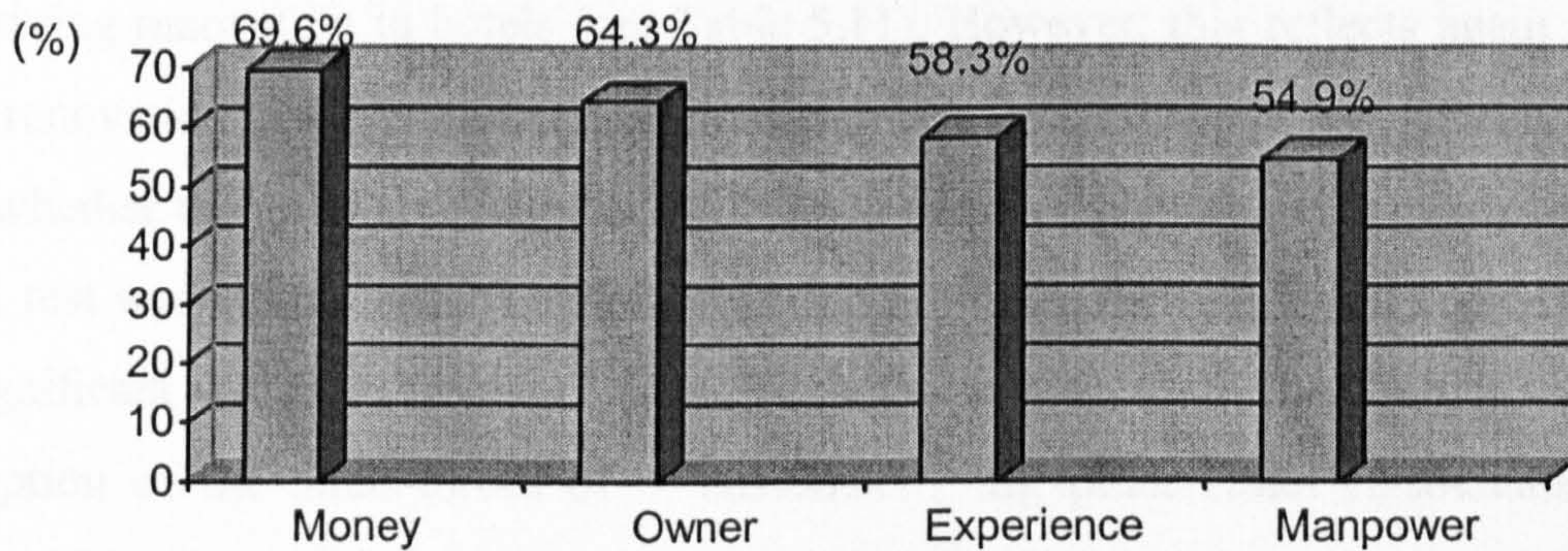
5.2.3.1 Conclusion

From the above discussion, it appears that renovation has received more attention and recognition on the part of the international operations than on the part of the national companies which own and operate their establishments. In other words, it appears that the five star hotels demonstrate a higher orientation towards renovation than the four and three star groups with regard to their integration of renovation goals into the overall objectives of their firms and which may be identified from a marketing perspective and not only a maintenance dimension.

5.2.4 Renovation Barriers and Forces

Given the importance of renovation as a marketing tool, the survey asked respondents from five star, four star, and three star hotels to indicate the main barriers to renovation. There was a common agreement between the three sets of respondents to the barriers of renovations in their hotels. For example, most of them (69.9%) rank lack of money or enough budget as the main barrier while they (64.3%) ranked problems with the owners in second place. The survey also shows that among the barriers to renovation in Egypt, general managers rank lack of appropriate in-house experience and lack of suitable manpower as the main deterrent to renovations in that order (see Figure 5.1). This reflects the fact that owners are involved in the management of renovation of their hotels regardless of the hotel category or the hotel operation type.

Figure 5.1: Obstacles to Renovation in the Egyptian Hotel Industry



Although this finding was unexpected for five and four star hotels, it was expected for the three star hotels because the majority of them are independent or local chain hotels which are run by the owner/operator. To explore whether the three hotel categories differ in their renovation obstacles or barriers, a one-way ANOVA test was carried out (Tables 5.10a,b,c,d in Appendix 13). There appears to be no significant variation between hotels in relation to their renovation obstacles

An interview with respondents from the three groups (5 star, 4 star, and 3 star hotel general managers) indicates that owners do not really value renovation as a marketing tool; they further added that the lack of money to renovate was also related to the owners.

One manager stated

‘the owners need to realize the need for a greater focus on renovation as a marketing tool. There is a need for greater articulation of renovation goals and objectives’ (Source: research interview).

A respondent also stated

‘renovation is used in the Egyptian hotels on the maintenance level in terms of extending the useful life of the property, more than repositioning the property, on the marketing level, within its marketplace’ (Source: research interview).

Respondents were asked to rank the main forces driving the renovation programmes in their hotels. Surprisingly, Egyptian Hotel Association’s inspection was found to be the main force to renovate in most hotels, competition came as the second force while technology and head office were the third and the fourth forces respectively. To obtain more detailed information, the data was cross-tabulated within the three hotel

categories. A cross tabulation analysis indicates category differences in the main forces driving renovation in hotels (see Table 5.11). However, this reflects again the fact that renovation in Egyptian hotels is market driven and not technology driven. To explore whether the three hotel categories differ in their renovation forces, a one-way ANOVA test was carried out (Tables 5.12.a,b,c,d in Appendix 13). There appears to be no significant variation between hotels in relation to their renovation forces, with the exception of the three forces of ‘customers’; ‘Egyptian Hotel Association’s inspection [EHA]’ and ‘Head office’. Three and four star hotels seem to recognise the

Table 5.11: Renovation Forces

	Five star		Four Star		Three star	
Rank	Force	Percentage	Force	Percentage	Force	Percentage
First	Head office	71.4%	EHA	53.8%	EHA	55.6%
Second	Customer	61.9%	Customer	46.1%	Competition	42.3%
Third	Competition	38.1%	Competition	38.5%	Customer	38.5%
Fourth	Technology	28.6%	Technology	30.8%	Technology	26.9%
Fifth	*EHA	4.8%				

EHA= the Egyptian Hotel Association inspection

influence of competition and EHA inspection more to renovate more than do the five star hotels. The five star category seems to get greater latitude to renovate by their head offices than the other two categories. The findings also confirm previous work by Jones (1995), which indicated that new product development, or innovation activities in international affiliated firms are carried out by parent companies.

However, customers and competition were expected to be of the main forces driving renovation in hotels as stated before in the literature. Therefore, more information is presented below regarding these two variables’ different dimensions covered by the survey.

Given the importance of customers’ opinions in the renovation process, the survey asked respondents to indicate what level of importance is given to the customer. The results reveal that 98.2% of respondents answered very high and high (69% very high, 28.6% high). It is worth mentioning that none of the respondents answered low or very low. This indicates that customers’ opinion is very important in the decision to

renovate. There is also a positive correlation between satisfying existing customers and the importance of customers' opinion (Spearman's correlation is significant at the 0.01 level). Also, a positive correlation exists between 'to attract new market segments' and 'we measure customer satisfaction on regular basis [$r = .348$]'.

Over half of the hotels were found to use some type of customer input in their renovation development process. On the other hand, 62.4% respondents declared that management does not discuss the renovation objectives with all staff prior to any implementation of the plan.

In relation to the competition, the majority of hoteliers agreed (65.4% strongly agree and 16.6% agree respectively) that their hotels understand the competitive situation in relation to renovation. Hoteliers (95%) also believe that growing competition has increased the importance of hotel renovation in the Egyptian hotel market. This also reflects the essential role played by competition, regardless of the hotel category, in encouraging hotels to renovate.

5.2.4.1 Conclusion

From the above presentation it can be deduced that the five star operations give more emphasis to the hotel renovation's marketing role than the four and three star operations. Nevertheless, it seems that not all the five star operations regard renovation as a formal structured and continuous activity where the overall attitude does not warrant the determination nor reflect the implementation and existence of a fully comprehensive renovation process. It can also be noted that a considerably larger percentage of respondents belonging to the international hotel chains have displayed a higher appreciation of hotel renovation than both the national chains and independent operations.

5.2.5 Renovation Process

The majority of hoteliers agreed that hotel renovation is an ongoing and inevitable process and should be implemented regularly. In addition, the majority (98.3%) of respondents encourage and seek renovation ideas from key customers and suppliers

On the other hand, a minority (32.3%) of respondents encourage and seek renovation ideas from suppliers.

Although the majority of hoteliers (88.3%) agree that there are clearly defined stages that make up the renovation process in their hotels, they do not use formal and detailed guidelines to carry out their renovations. The majority (68%) of all hotels do not have formal guidelines in place to guide renovation development from idea to

Table 5.13: Correlation Analysis

	There are clearly defined stages that make up the renovation process.	We use a formal renovation process- a standardized process to guide renovation development from idea to launch
To extend the hotel's useful life	-.381	-.397
To satisfy customers	.365	
To cope with new trends and technology	.494	
To attract new customers	.366	.615
To attract new market segments	.348	.584

- Spearman's Rho Correlations are significant at .01 level of probability

- Only significant correlations are shown

launch and instead they use informal ones. Table 5.13 indicates that there were positive and negative correlations between the two statements 'There are clearly defined stages that make up the renovation process' and 'We use a formal renovation process - a standardized process to guide renovation development from idea to launch' and some marketing objectives and reasons of renovation. It should be noted that positive correlation means when one variable increases, the other increases and vice versa while negative correlation means when one variable increases, the other decreases and vice versa.

Respondents were asked to indicate the frequency of each type of renovation in their hotels. The results indicate that on average the frequency of master renovation was 30 years while the average was 22 and 1-3 years for a major and minor renovations respectively. To obtain more detailed information about the frequency of renovation in each hotel category, the data was cross-tabulated with the three categories (5 star, 4

star and 3 star). The results revealed that the frequency of minor renovation is from 1-3 years in all the three categories. The frequency of major renovation is 15 years in the five star hotels while is 25-30 years in both three and four star hotels. However, the frequency of master renovation is (21-25) years in five star hotels, (25-30) in four star hotels and more than 30 years in three star hotels. This reflects that a) the importance of renovation means different things to different hoteliers, and b) the higher the hotel category, the higher the importance of renovation in terms of frequency. There are some similarities between these findings and the renovation continuum suggested before by Paneri (1994) and Werner (1995). This reflects a) the frequencies of major and master renovations are different within each hotel category and b) the higher the hotel category, the more the repetitions of both major and master renovations. Aligned with that, there is an indication of significant category differences in the major and master renovation frequencies between the five star hotels versus the other two categories at a 95% confidence level, after conducting a one-way ANOVA test (Table 5.15 a,b,c in Appendix 13).

Respondents were asked to indicate the level of importance of money, time, team and materials to the success of their renovation (see Table 5.14). All of the four variables were given major importance. Money is given as the first major important variable, followed by equal importance to time and team variables and finally materials. To explore whether the three hotel categories differ in their renovation variables, a one-way ANOVA test was carried out (Tables 5.16 a,b,c,d in Appendix 13). There appears to be no significant variation between hotels in relation to the importance given to each variable of the four variables.

Table 5.14: Importance of Renovation Variables

	1*	2	3	4	5*	Mean	Std. Deviation
Money	93.4%	6.6%				1.07	.25
Time	50.8%	47.5%	1.6%			1.51	.54
Team	42.6%	42.6%	14.8%			1.72	.71
Materials	45.9%	34.4%	19.7%			1.74	.77

1* = Major Importance 5* = Minor Importance

5.2.5.1 Renovation Team

5.2.5.1.1 Internal Parties

When it comes to the hotel staff members involved in renovation programmes, it is clear from Table 5.17 that the general manager is the major participant followed by the maintenance manager, the marketing manager, and finally the other department heads (e.g. the finance manager and the purchasing manager). Interestingly, most of the four and three star hotels do not consider the role of marketing managers in the process. This might be due to the lack of understanding of the importance of marketing in the renovation process or the absence of marketing departments in their hotels. One three star hotel manager was unapologetic about not using a marketing specialist in the design process stating that

‘ We do not ask the marketing department about the design...they do not understand that the building has to relate to the surroundings’.

Another four star hotel manager stated that

‘ the main role of the marketing department is no more than promoting the product of our renovation project’.

These statements reflect: a) a lack of appreciation to the marketing role, b) the lack of market research for renovation projects and c) that renovation plans depend on the preferences of the owner/operator. This finding also contradicts the conclusion which suggests that marketing and sales executives should be involved in the process as early as possible since renovation has an essential marketing dimension in its planning and implementation (Hassanien and Baum 2001).

In accordance with the above, respondents (87%) indicate that renovation activities are the direct responsibility of the general manager. This finding validates the selection of the general manager as the key informant within each hotel to complete

the questionnaire about renovation. It also supports what has been mentioned in the literature regarding the main hotel executive involved in the process. It needs to be noted that the survey showed that some five star hotels assigned renovation activities to the chief engineer, maintenance manager, or project manager but the general manager is still the main hotel staff executive in the process.

Table 5.17: Internal Parties of Renovation Team

<i>Internal Parties</i>	5* hotels	4* hotels	3* hotels
General Manager	100%	100%	100%
Maintenance manager	81%	30.8%	25.9%
Marketing Manager	76.2%	23.1%	22.2%
Others	75.1%	61.5%	40.7%

5.2.5.1.2 External Parties

The owner is the major external party involved in the renovation process followed by the interior designer, architects, and contractors (see Table 5.18).

Table 5.18: External Parties of Renovation Team

<i>External Parties</i>	5* hotels	4* hotels	3* hotels
Owner	100%	100%	100%
Interior designer	95.2%	53.8%	51.9%
Architect	71.4%	46.2%	37%
Building contractor	66.7%	23.1%	29.6%

However and based on the research interviews, the researcher has some observations in relation to the answers given by respondents:

1. Some three and four star hotels do not have marketing or maintenance managers;
2. The scale of renovations in most hotels is limited since architects and consultants are involved mainly in major and master renovations;
3. Renovation work in most three and four star hotels does not usually include any change in the layout which means renovating existing facilities not adding new ones and
4. The owners and general managers are the main key players in the process.

5.2.5.1.3 External Parties selection and involvement

'Cost' appears to be the factor that gained most significant recognition (93%) within the hoteliers' choice of external parties. Alongside cost, hoteliers also chose 'reputation' (77%) and 'experience' (76%) of the external parties.

According to the literature, any renovation project should begin with an objective study of the market and should involve external parties (Rowe 1995, Rose-Caro 1996).

With regard to the introduction of the external parties (interior designers, architects) to the renovation process, the majority (72%) of hoteliers agreed that 'external parties should be introduced to the renovation project at the earliest possible stage'. Surprisingly, 88.6% of them agreed that 'external parties need to improve their awareness of hotel's needs'. This finding reflects a very important issue that might affect greatly the relationship and the involvement of these parties with hoteliers in the process. On the other hand, 52.4% of respondents disagreed that 'external parties should be involved in the renovation's market research'. In other words, research undertaken with this sample of hotels, strongly suggests that the market analysis that is undertaken is performed by the internal marketing department, who later introduce their findings to the external parties. The external parties themselves displayed a ready acceptance of the view that potential customers should be considered, but it was generally felt that the external parties are aware of what is required. Major interior designers, architects, consultants do in some cases offer extensive market surveys to their clients, but little evidence was found of hotels making use of this service, either through ignorance of its existence or positive choice. On the other hand there is a strong correlation between 'External parties should be introduced to the renovation project at the earliest possible stage', and 'External parties should be involved in the renovation's market research'. Along the same line and interestingly, there is also some positive and negative correlations between these previous two factors and the renovation objectives and reasons (Table 5.19). As the results of this analysis indicate, the more the external parties are 'introduced to the project at the earliest stage' and 'involved in the renovation's market research' hotels are most likely 'to satisfy customers', 'to cope with new trends and technology', 'to attract new customers from

the same market segments', and 'to attract new customers from new market segments'. On the other hand and as indicated by the negative correlations in the same table, when hotels use renovation mainly 'to extend the hotel's useful life' or 'to increase the operational efficiency'. It is less likely the external parties are 'introduced to the project at the earliest stage' or 'involved in the renovation's market research'.

Table 5.19: Correlation Analysis

	External parties should be introduced to the renovation project at the earliest possible stage.	External parties should be involved in the renovation's market research.
To extend the hotel's useful life		-.569
To increase the operational efficiency		-.325
To satisfy customers	.491	.534
To cope with new trends and technology	.235	.430
To attract new customers	.442	.621
To attract new market segments	.459	.710

- Spearman's Rho Correlations are significant at .01 level of probability

- Only significant correlations are shown

In short, although the majority of participants specify the need for the external parties to be introduced at the earliest possible stage, there is, however, a tendency on the behalf of the hotels to cut costs by employing the lowest cost option available, for example, excluding external parties from the market analysis stages. This can result in external parties being introduced into an unknown environment and is likely to be a contributory factor to the unsuccessful work undertaken by external parties. This finding shows consistency and coherence with previous research done by West and Hughes (1992).

From a marketing perspective, late introduction of a designer to a project may mean an insufficient grasp of the target markets to be served, before embarking on creating an environment for them. Operationally, lack of knowledge may lead to insufficient consideration of the space and workflow needs of staff. It needs to be noted that in many cases hoteliers had unsuccessful experiences with external parties. This leads to

concern over the stage of the project at which these parties are introduced. The majority of the hotels that participated in the survey use written briefs. Specifying the hotels' requirements in writing increases the likelihood of those requirements being met. With a verbal brief, problems arise when persons become involved in the renovation process and the specific aims stated at the beginning are lost. The most common reason given for using the written brief was that of internal control purposes. Moreover, most respondents (88.6%) agree that 'Greater coordination, and communication are required between hoteliers and external parties for proper renovation'. There was also positive correlations between this previous statement and 'to satisfy your customers [$r = .360$]' and 'to attract new market segments [$r = .408$]'.

5.2.5.2 Renovation Budget

One criterion that helps determine an organisation's degree of renovation orientation is the method it adopts in the allocation of budgets (Bruns 1996, Rowe 1995). Generally, firms allocate such resources using one of four methods (a) percentage of total revenues, (b) all that could be spent, (c) all that is available after allocating the other demands and (d) the task method or what is needed to do the job. In order to investigate this issue in this hotel study, respondents were asked to indicate the method used by their hotels in setting renovation's share of total budget (see Table 5.20).

Table 5.20: Renovation Budget Methods

	Minor			Major			Master		
	5*	4*	3*	5*	4*	3*	5*	4*	3*
Percentage of total revenue	+85.7	84.6	81.5	9.5	15.4	3.7	4.8	7.7	7.4
All that could be spent	9.5	7.7	18.5	9.5	69.2	70.4	9.5	69.2	7.4
All that is available after the other demands						11.1			3.7
What is needed to do the job	4.8	7.7		81	15.4	14.8	85.7	23.1	18.5
Total	100	100	100	100	100	100	100	100	100

+ Numbers indicate the percentage of frequency

As can be seen from this table, the majority of the three hotel categories use 'the percentage of revenue' method to determine the budget of all types of renovation. On the other hand, the majority of the five star hotels use the task method or what is needed to do the job to determine master and major renovation budgets. Interestingly,

four and three star hotels use the 'all that could be spent' method to determine the master and major renovation budgets. Nevertheless, in order to investigate this issue from another dimension, respondents were asked to express their agreement /disagreement with a statement which stated that 'the hotel's annual capital expenditure allocated for renovation is not enough'.

To this statement, all five star hotel general managers agreed. On the other hand, respondents belonging to the three and four star groups expressed different opinions where 45% of the four star agreed and 55% disagreed and the majority of three star hotels (62%) disagreed. A cross tabulation between respondents expressed opinions and the method they employ in allocating the renovation budget reveals that:

1. All respondents who employ the task method agreed with the statement,
2. All respondents who allocate the renovation budget according to what is available after determining the other budgets disagreed with the statement,
3. Among those respondents who use the 'percentage of revenue' method, 64% agreed or strongly agreed and 35% expressed their disagreement. This, however, may indicate that to some, the use of percentage figures provides agreement guideline rather than adherence to policy.

However, this allocated revenue percentage to renovations show consistency with previous work by Watkins (1995) who concluded that 3% of gross revenues for renovation was not enough to keep any type of hotel competitive.

Similarly, hoteliers expressed different opinions regarding the statement 'our hotel has adequate financial resources to renovate'. To this statement, the majority of the respondents disagreed (42.6% disagree and 26.2% strongly disagree) while 21.3% were uncertain and 9.8% agreed. A one-way ANOVA analysis was conducted to find out if there were any differences between the three hotel categories. The results (Table 5.21, Appendix 13) show that there are significant differences between the five star hotels and both the four and three star hotels (mean differences were .73 and 1.11 respectively) while there was no significant difference between the three and four star categories.

Moreover, there was a common agreement among respondents regarding their prediction of budgets allocated for hotel renovation in Egypt. The majority expect this budget to increase over the next five years. In turn, this reflects the need of Egyptian hotels to spend more on renovation.

From the foregoing, it can be stated that three star and four-star hotels underestimate the importance of renovation by lowering budgets for this activity. On the other hand, the five star operations demonstrate a higher degree of acceptance to renovation as an essential activity for their firms, where more attention and appreciation is given to the renovation budget.

5.2.5.3 Time

Most hotels (93.8%) prefer to stay open during renovation and they try to accomplish as much as possible during the low occupancy period or by setting aside a reasonable number of rooms during the high occupancy period to speed up the process. This confirms what has been discussed before in the literature (Fox 1994). Interestingly, 53% of the five star respondents stated that time was one of the main barriers to accomplish their renovation because their levels of occupancy are very high the whole year round. This supports the notion that time is very important factor in any renovation process (Fox 1994; Sullivan 1996)

5.2.5.4 Marketing

Almost half of the sample of the Egyptian hoteliers are not keen to perform market research for their renovations, which might be due to its financial implications or the scale of their renovation programmes (minor). In the case of any market study, most of the work would be done by their own marketing research staff.

Interestingly, positive correlations existed between 'conducting market research' and 'to satisfy customers [$r = .500$]', 'to cope with new trends and technology [$r = .378$]', 'to attract new customers from the same market segments [$r = .615$]', 'to attract new

market segments [$r = .686$]', renovation has an essential marketing role [$r = .537$]', and 'we use formal renovation guidelines [$r = .558$]

The majority of respondents (86.7%) market or promote their renovation in order to inform the public about what is happening in their hotels. Interestingly, most three and four star hotels (74% and 57% respectively) market their renovation after the event while most of the five star hotels do so before, during and after the event. This also reflects the nature and scale of renovation work in three and four star hotels which tends to be minor renovation or very small major renovation which are usually used as maintenance tools rather than strategic marketing tools. This finding will be explored further in the second phase of the primary research.

5.2.5.5 Evaluation

It should be remembered that the ability to evaluate renovation can only be achieved successfully through having identified and defined the market and the operational objectives and targets in the first instance (West and Hughes 1992).

The majority of hotels (96.7%) evaluated their renovation projects by using tools such as ROI (73%), guest comment cards (63%), occupancy rate (61%), market share (57%) and guest complaints (12%). On the other hand, the other 3.3% of hoteliers justified not evaluating their renovation projects by stating that 'it is well planned from the beginning' and also 'it is very difficult to do it'. On the other hand, 68% of respondents did not agree that 'it is hard to evaluate the effectiveness of renovation in hotels. To the same statement, however, 21.7% were uncertain and 10% agreed. Most of those respondents who were uncertain or disagreed were three and four star hoteliers.

The evaluation measure used mainly by three star hotels (28%) was 'meeting government's standards'. This implies that renovation in hotels is carried out to avoid government penalties, i.e. downgrading, and not to achieve the other objectives, i.e. customer satisfaction, facing competition, etc.

This finding supports earlier studies by Booz, Allen and Hamilton (1982), Mahajan and Wind (1992) and Griffin and Page (1993) which indicate that the most frequently used NPD success measures are customer acceptance and financial performance, namely profitability. This means that the approach taken to assess the degree of success of renovation is in financial terms. This is not surprising considering many resources have been invested in the project and hotels expect financial reward in return. Although, profitability is important to all commercial hotels, it can be argued that they must not be too preoccupied with financial gains alone. They must also strive to achieve longer-term gains such as competitive advantage in design, innovation and new product development. In addition the majority of hotels use customer surveys to gauge the level of customer satisfaction. This customer survey, however, focuses on the service dimension more than the physical product dimension in most hotels (Source: research interviews)

Overall, the findings from the research into renovation practices in hotels illustrate that five star hotels use proper techniques to evaluate the success of renovation in a systematic and cumulative way more than both three and four star hotels. However, this issue will be covered in more detail in the next chapter.

5.2.5.6 Renovation and New Product Development (NPD)

An indication of the orientation of a firm towards the renovation concept is how well do its products satisfy its customers' needs (Cooper 1983, Powers 1998; Knapp 1997 ref.). Interestingly, hoteliers believe that there is a strong relationship between new product development/innovation and renovation since 73.9% answered very high and high (34.3% and 39.6% respectively).

Respondents were asked the question 'To what extent does the hotel revise its existing services/facilities to satisfy customer's changing needs and attitudes?' The majority of respondents claimed that such activities are carried out to a 'great' or 'very great' extent. However, when asked whether their hotels had developed any new products or facilities in the past 10 years, very few were able to identify examples of such product development or innovation. For instance, only nine (34%) three star hotels have introduced a new service to their customers in the last ten years.

It needs to be noted that, however, the majority of the three star hotels have been in operation for more than 20 years. Examples of new services introduced at these operations include a discotheque, coffee shop, health club, and laundry. Similarly, 48% of the four star hotels have introduced new services to their customers in the last ten years. One three star hotel manager justified this lack of new products or services by saying

‘we do not have enough finance to implement this new type of new product development’

Another three star owner/operator stated

‘our customers have not complained about our existing products’.

This attitude reflects three things: a) the hotel does not revise its services in accordance with customers’ needs; b) the hotel does not contemplate the revision of its services until they receive customer complaints; and c) there is a lack of appreciation of NPD.

On the other hand, among the 21 five star hotels, 18 (85.7%) of them have introduced at least one new service to their customers in the last 10 years. Examples of such services are: airport shuttle bus, business centre, health club, new food and beverage outlets, conference and convention facilities, internet café, on-line reservation system, new extension shopping mall and facilities for disabled people.

Moreover, the majority of hoteliers (68%) disagreed and strongly disagreed with the statement ‘our physical evidence (architecture, design and décor) differentiates our hotel from its main competitors’. Surprisingly, 15% of the five star hotels agreed with this statement. Accordingly, this finding also confirms previous works, which concluded that hoteliers do not fully use their physical or tangible products as a marketing tool for positioning or differentiation (Hassanien and Baum 2001, Hassanien and Baum 2003). This might be attributed to the fact that renovation is very costly compared with intangible products (Hassanien and Losekoot 2002). There were also significant positive correlations between the statement ‘our physical

evidence (architecture, design and décor) differentiates our hotel from its main competitors' and the two renovation's marketing objectives 'to attract new customers from the same market segments [$r = .477$]', and 'to attract new market segments [$r = .684$]'.

The top sources of new ideas for most hotels were customer feedback (87%), competition (85%), suppliers (59%), and staff (35%). Interestingly, about 35% of the five star hotels encourage staff to put forward innovative ideas. This supports the notion mentioned in the literature regarding innovation through human resources.

From the preceding discussion, it can be argued that product development decisions are exercised more from a marketing dimension in the case of five star operations than in the case of three and four star ones. This was evident in the extent that the five star operations revise their products and services, their integration of research into reaching decisions pertaining to what services should be introduced and accordingly their development and introduction of new services to suit their customers. This was also indicated in the allocated budgets for renovation. However, it needs to be noted that not all of the five star hotels exercise their decisions on a marketing level. This is due to the fact that, because of the lack of renovation, one five star hotel has been downgraded by the EHA to a four star category and another five star hotel received 2 warnings to renovate. Nevertheless, the majority are on their way to the utilisation of renovation as a strategic marketing tool.

Although 88.4 % hoteliers recognise that close relationships between renovation and NPD and also 71.6 % see a strong relationship between renovation and innovation, they do not fully realize the real value of renovation as a marketing tool and give more attention to the intangible part of the hotel product (service) since the results indicate that the rating for creating customer value in intangible products was significantly higher than in tangible products (94.8% and 80.7% respectively). An interview with a five star hotel general manager indicated that the main reason behind this is that renovation is a very highly costly process when compared with the intangible or service development (i.e. employee training). He also added

' hoteliers didn't have enough money to renovate in the 90s due to the economic recession which had been caused by many reasons such as the Gulf War, terrorism, Far-East financial crisis and so on. This might explain why they have concentrated on the intangible part of their hotel product/service mix' (Source: Research Interview, 2001).

Interestingly, there is also positive significant correlation between 'Our hotel achieves product innovation through renovation' and 'to satisfy customers [$r = .494$]', 'to attract new market segments [$r = .507$] while there is a significant negative correlation between the same statement and 'to extend the hotel's useful life [$r = -.428$]'.

5.2.6 Summary & Conclusion

This section presented the results of the General Managers' questionnaire. It provided an investigation of the renovation practices of the hotel operations under study and the extent to which such renovation is utilised to reposition the hotel through innovation. This was done through investigating the issues of a) renovation importance and reasons, b) renovation barrier and constraints, c) new product development, d) renovation process and e) hoteliers' perceptions.

Overall the results of the general manager's survey of this study can be summarized as follows:

- Many differences were found between the three hotel categories, with respect to this sample, which seems to reflect their situational differences;
- Some similarities were also identified, reflecting common ground within the industry;
- The five star operations give more emphasis to the hotel renovation's marketing role than the four and three star hotels;
- The five star hotels studied seem to employ renovation as a repositioning tool more widely than the four and three star hotels;
- The five star hotels employ more formal renovation plans and assign more importance to the use of formal sources of market research;
- The three and four star hotels place more reliance on informal renovation plans;
- Renovation receives more attention and recognition on the part of the five star hotels more than both the three and four star hotels;

- ❑ Product development decisions are exercised more from a marketing dimension in the case of five star operations than in the case of three and four star ones;
- ❑ The three categories emphasize the use of renovation as a reactive, rather than proactive marketing tool; and
- ❑ The three categories identify 'lack of enough budget', 'cost of renovation', 'owners' and 'time' as the main barriers to renovation in their hotels.

5.3 Section Two: The External Parties' Questionnaire Analysis

5.3.1 Introduction

This section aims at exploring the results of the external parties' questionnaire. It provides an investigation of the experience, practice and perception of those external parties in relation to the renovation programmes of the hotel operations under study. The presentation of the findings will follow a similar outline to that in the previous section. For the sake of consistency and coherence, the presentation also will follow the same form of analysis and statistical methods of the previous section. As such, the section is divided into six components or sub-sections which discuss the different issues of a) demographics, a) renovation importance and reasons, a) renovation barriers and forces, a) renovation process, and a) renovation and new product development respectively. The findings will also be compared with the previous survey's findings in an attempt to draw a comprehensive picture of hotel renovation activities and the relationship between the parties involved in the process.

5.3.2 Demographics (Company profiles)

This sub-section outlines the findings of the external parties' survey about demographics information of the company and its managers or directors, covering both company profiles and general manager's profiles.

Table 5.22 presents the demographics of the company general managers. The gender distribution of the respondents was skewed heavily towards males (86.9%) females constituted 13.1 percent of the respondents. The majority of the respondents (94.8%) were over 35 years old, of which 66% were 35-to-45 years old. Of the total respondents, 84.2 percent had at least 5 years of work experience in their fields. As a result, all of the respondents had the needed experience to complete the questionnaire. In addition, 71% of the respondents were qualified to university degree level, while 21% were qualified at postgraduate level and 8% were qualified to PhD level. However, the experience and expertise of the respondents, architecture, interior

design and construction qualify the respondents to support the research with valuable information on hotel renovation.

Table 5.22: External Party Demographics

Characteristics	Frequencies	Percentage
Gender		
Female	5	13.1
Male	33	86.9
Total	38	100
Age		
25-35 years	2	5.2
36-45	24	63.2
46-60	12	31.6
Total	38	100
Work Experience		
6-10	6	15.8
11-15	12	31.6
16-20	11	28.9
more than 20	9	23.7
Total	38	100
Academic Degree		
BA/BSc	27	71
Phil/Master	8	21
Ph.D.	3	8
Total	38	100
Full-time employees number		
Less than 2	3	7.9
2-10	9	23.7
11-20	14	36.8
Over 20	12	31.6
Total	38	100

Five star hotels were the main category for 36.8% of the companies, four star hotels were the main category for 36.8% of the companies, and three star hotels were the main category for 26.4% of the companies. This suggests that renovation is not exclusive of hotels of a particular size which supports what has been mentioned before in the literature by Hassanien and Baum (2002) who state that 'at any one time, any hotel has been renovated, is under renovation or is waiting for renovation'.

Table 5.23: External Party's company Demographics

Characteristics	Frequencies	Percentage
Company Age		
1-10 years	3	7.9
11-15	7	18.4
16-20	10	26.3
21-25	8	21.1
More than 25	10	26.3
Total	38	100
Company's hotel Category		
Five stars	14	36.8
Four stars	14	36.8
Three stars	10	26.3
Total	38	100
Company's Services		
Architecture	20	52.6
Construction	19	50.0
Interior Design	33	86.8
Consultancy	11	28.9
Company's Services Contracting out		
Architecture	1	2.6
Construction	11	28.9
Interior Design	2	5.3
Number of permanent employees		
Less than 2	4	10.5
2-10	11	28.9
11-20	11	28.9
Over 20	12	31.6
Total		100
Company's Hotel Renovation Experience		
1-5 years	4	10.6
6-10	9	23.6
11-15	18	47.5
15-20	5	13.1
More than 20	2	5.2
Total	38	100

Regarding the External Party's company profiles, Table 5.23 presents the demographics of the sample surveyed in this research. The table shows 92% of companies have been in operations for more than 15 years, of which 80% of companies have been in operations for more than 20 years. It also indicates that 20 companies offered architecture service for hotels, 19 companies offered construction service for hotels, 33 companies offered interior design service for hotels, 11 companies offered consultancy service for hotels. Interestingly, 58% of the companies offering construction services did not provide the work themselves but through contracting out to another parties. With regard to the hotel category of the companies' renovation work, five star hotels were the main category for 36.8% of the companies, four star hotels were the main category for 36.8% of the companies, and three star hotels were the main category for 26.4% of the companies. This suggests that renovation is not exclusive of hotels of a particular size or star category which supports what has been mentioned before in the literature by Hassanien and Baum (2002) who state that 'at any one time, any hotel has been renovated, is under renovation or is waiting for renovation'.

For simplicity reasons, the researcher will use large, medium and small companies instead of five star hotel external parties' companies, four star hotel external parties' companies, and three star hotel external parties' companies respectively.

The respondents were asked about the number of years their companies have been in operation. 92% of companies have been in operation for more than 15 years, of which 80% of companies have been in operation for more than 20 years. As most of companies have been in operation for a relatively long time, it is worth looking into their hotel renovation practices. In relation to the number of permanent employees in each company, a cross tabulation with the company's hotel category indicated that 85.7 % of five star hotel external parties had over 20 permanent employees; 64.3 % of four star hotel external parties had 11-20 permanent employees; 70 % of three star hotel external parties had 2-10 permanent employees. To explore whether the three companies categories differ significantly in the number of their permanent employees, a one-way ANOVA test was carried out. The result of the one-way ANOVA test

indicated that company categories appear to differ significantly in the number of their permanent employees (tables 5.24 in Appendix 14).

5.3.2.1 The Impact of Demographics on Hotel Renovation

The researcher will explore in more detail renovation in external parties' companies based on the 'Company's hotel category' demographic factor in order to keep consistency and coherence with the previous section of hotel general manager's survey analysis.

5.3.3 Renovation Importance and Reasons

Most of the respondents agreed that renovation achieves guest satisfaction (92%) and profitability (89%) for hotels. Moreover, most respondents agreed (73.7 % strongly agreed and 18.4% agreed) that hoteliers should give further recognition to the importance of renovation, which means that the Egyptian hotels can gain better value and benefits from renovation. Along the same line, the majority of respondents agreed that renovation is an ongoing and inevitable process (97.4%), it should be implemented regularly (92%) and it has an essential marketing role in hotels (84.3%). On the other hand, most of the external parties (65.9%) disagreed that most hotels use renovation to offer new facilities and services while (34.1%) agreed.

With regard to the most important objectives considered by external party's company in the execution of hotel renovation projects, respondents from all the three company categories agreed that the most important objective was the 'satisfaction of client (hotelier)' and the second important objective was 'achieving completion with budgeted costs' followed by 'meeting project quality requirements' and 'achieving completion of project on time' as the third and fourth objectives respectively. There was also a medium positive correlation between 'satisfaction of client (hotelier)' and 'achieving completion of project on time' (Spearman's correlation is significant [$r = .336$] at the 0.05 level). To obtain more detailed information about the most important objectives considered by each company category in the execution of hotel renovation projects, the data was cross-tabulated with the three categories (Large, medium and small) in Table 5.25. The results revealed that 'satisfaction of client (hotelier)' and 'achieving completion of project on time' were the first and least important objectives

for all company categories. In relation to the large companies, ‘meeting project quality requirements’ and ‘achieving completion with budgeted costs’ were the second and third most important reasons respectively. On the other hand, there is a similarity between the medium and small categories in terms of the second and third most important reasons which were ‘achieving completion with budgeted costs’ and ‘meeting project quality requirements’ respectively. These differences between large companies versus medium and small companies confirm the findings of the general manager’s questionnaire, which revealed that small and medium hotels do not have enough money to renovate.

Table 5.25: Renovation Objectives of External Parties

	1*	2	3	4	5*
Large company & client satisfaction	92.9%	7.1%			
Large company & Time	50%	35.7%			
Large company & Quality	78.6%	21.4%			
Large company & costs	64.3%	28.6%	7.1%		
Medium company & client satisfaction	85.7%	7.1%	7.1%		
Medium company & Time	42.9%	57.1%			
Medium company & Quality	64.3%	35.7%			
Medium company & costs	71.4%	28.5%			
Small company & client satisfaction	90%	10%			
Small company & Time	40%	60%			
Small company & Quality	60%	30%	10%		
Small company & costs	80%	20%			

1* = Major Importance 5* = Minor Importance

From the above table, it appears that the higher the hotel category, the more appreciation and recognition is allocated to the importance of the a) client satisfaction, b) time and c) Quality. On the other hand, it appears that the lower the hotel category, the more appreciation and recognition is allocated to the importance of the costs of renovation.

To explore whether the three company categories differ in their renovation objectives, a one-way ANOVA test was carried out. The result of the one-way ANOVA test indicate that there were no statistical significance differences among the three company categories with regard to the most important objectives considered by external party's company in the execution of hotel renovation projects.

Respondents (97.4%) believe that finding money to renovate a property is viewed as an easier and more feasible and profitable task than finding funds to build new hotels. They (79.4%) also agreed that finding time to renovate a property is viewed as an easier task than finding time to build new hotels. This supports what has been previously discussed in the literature by Seldon (1993), Lawson (1995), MacDonald (1995) and Ruttes et al. (2001)

External parties also believe that the importance of renovation has been increased because of growing competition (100% agree), growing use of technology (81.6% agree), environmental concerns (81.6% agree), and changing customer needs (84.2% agree). They (76.8%) agreed that renovation is hard to copy by other competitors. These findings support the notions presented in Chapter Three with regard to the importance of renovation. Unlike the general managers of hotels, external parties disagreed that the importance of renovation has been increased because of lack of suitable hotel locations (65.8% disagree). This might be due to the fact that many of the external parties are involved in many new hotel construction projects outside Cairo such as in Sinai and Hurghada.

Interestingly, although 89.5% of the external parties agreed that renovation can be considered as a tool for hotel product modification or development, 50% were uncertain regarding renovation as a main tool for tangible new products and innovation. This might be attributed to their experiences of renovation practice as a product maintenance tool more than a product development tool. In other words, they use renovation mainly on a limited level to extend the useful life of their properties or to retain existing customers rather than on a wider level to innovate or to create new products. This is also evidenced by a) the lack of new products or facilities introduced to the market and b) most respondents (76.3%) agreed that hoteliers use renovation

mainly to extend the useful life of their hotels. These findings strongly support the findings of the general managers' survey in the previous section.

External parties also agreed that all types of renovation achieve both guest satisfaction (95.7% agree), and profitability (96.7% agree). This closely reflects the work of Hassanien and Baum (2001; 2002) who concluded the same findings.

Respondents were asked to identify the main reasons for renovation in most hotels. Information relating to the reasons of renovation in hotels, in Table 5.26 indicates that 'competition' (78.9%) was the most important reason to renovate, followed by 'to satisfy customers' (71.1%). At the other end of the scale, 'to cope with the new trends and technology' was the least important reason to renovate (10.5%). This reflects the intensive competition level in the hotel market of Cairo. It shows also that Egyptian hotels are not utilising renovation to innovate or to create since 'to cope with the new trends and technology' was the least important reason to renovate.

Table 5.26: Reasons for Renovation

	1*	2	3	4	5*	Mean
To extend the useful life of the hotel	52.6%	28.9%	18.4%	-	-	1.66
To improve the current image	68.4%	26.3%	5.3%	-	-	1.37
To increase the operational efficiency	68.4%	23.7%	7.9%	-	-	1.39
To meet competition	78.9%	13.2%	7.9%	-	-	1.29
To satisfy customers	71.1%	21.1%	7.9%	-	-	1.37
To avoid any risk of damage or hazard	21.1%	34.2%	15.8%	5.3 %	23.7 %	2.76
To cope with the governmental standards	28.9%	23.7%	18.4%	13.2 %	15.8%	2.63
To cope with New trends and technology	23.7%	15.8%	26.3%	23.7 %	10.5 %	2.81

1* = Major Importance 5* = Minor Importance

To obtain more detailed information about the reasons for renovation for each hotel category, the data was cross-tabulated with the three categories (large, medium and small). There was an indication of category differences among companies in the renovation reasons. The results revealed that 'to meet competition'; 'to extend the hotel's useful life' and 'to increase the hotel's operational efficiency' were the first most important reasons for renovation in the five, three and four star hotels respectively. Interestingly, 'to cope with new trends and technology' occupied the least important renovation reason in the three and four star hotel categories while 'to

cope with the government standards' occupied the least important reason for renovation in five star hotels. This finding shows similarity with the finding of the general manager's survey in the previous section. It also reflects the fact that renovation in Egypt is market driven or both market and technology driven rather than technology driven. To explore whether the three company categories differ in terms of their renovation reasons, a one-way ANOVA test was conducted. The result of the one-way ANOVA test indicated that there is a significant difference (at 0.05 significance level) between the five star hotel category versus the three and four star categories in terms of (Tables 5.27 a,b,c,d,e,f,g,h in Appendix 14):

1. to avoid any risk of damage or hazard
2. to cope with the governmental standards and
3. to cope with new trends and technology.

Moreover, the result of the one-way ANOVA test indicates that there is a significant difference (at 0.05 significance level) between the five star hotel category versus the three star category on 'to extend the hotel's useful life' and 'to improve the current image' (Tables 5.27 a,b,c,d,e,f,g,h in Appendix 14) while there is a significant difference between the five star hotel category versus the four star category on 'to meet competition'.

Among the reasons for renovation, there was a strong positive correlation ($r = 0.844$) between 'to meet competition' and 'to satisfy customers'. Similarly, there was a strong positive correlation ($r = 0.951$) between 'to avoid any risk of damage or hazard' and 'to cope with the governmental standards while there were strong negative correlations between 'to cope with new trends and technology' and the other two reasons 'to avoid any risk of damage or hazard ($r = - 0.735$)' and 'to cope with the governmental standards ($r = - 0.732$)'. There were also medium positive correlations between 'to extend the hotel's useful life' and the other two reasons 'to avoid any risk of damage or hazard ($r = 0.432$)' and 'to cope with the governmental standards ($r = 0.469$)'. There were also medium negative correlations between 'to improve the current image' and the other two reasons 'to avoid any risk of damage or hazard ($r = - 0.499$)' and 'to cope with the governmental standards ($r = - 0.581$)'. Moreover, in order to determine if there are any significant relationships between the company's objectives and the reasons of renovation, a Spearman's Rho correlation

was conducted. Significant positive and negative correlations were found between the variables (Table 5.28). The positive correlation between the variables indicates that when one variable increases the other one increases and vice versa, while the negative correlation between the variables indicates that when one variable increases the other one decreases and vice versa.

Table 5.28: The relations between the reasons and objectives of renovation

	Achieving completion of project on time	Meeting project quality requirements
To extend the hotel's useful life	-.671**	
To improve the current image	.471**	.387**
To avoid any risk of damage or hazard	-.716**	-.459**
To cope with the governmental standards	-.793**	-.392*
To cope with new trends and technology	.681**	

** Spearman's Rho Correlations are significant at .01 level of probability

* Spearman's Rho Correlations are significant at .05 level of probability

- Only significant correlations are shown

5.2.3.1 Conclusion

From the above discussion, the findings support these of the general managers' survey in the previous section. In other words, it suggests that the five star hotels demonstrate a higher orientation towards renovation than the four and three star groups with regard to their integration of renovation goals into the overall objectives of their firms, which may be identified from a marketing perspective and not only a maintenance dimension.

5.3.4 Renovation Barriers and Forces

Given the importance of renovation, the survey asked respondents from large, medium and small companies to indicate the main barriers to renovation in most hotels. There was a common agreement between the three sets of respondents to the barriers of renovations in their client hotels. For example, most of them (76.3%) ranked lack of money or enough budgets as the main barrier while they (81.6%) ranked limits by the owners in second place. Most of respondents did not rank 'lack of

suitable manpower (84.2%) or 'lack of in-house experience (68.4%)' among the renovation barriers. This reflects the results that owners are involved in making the decision of renovation for their hotels regardless of the hotel category or the hotel operation type.

Also, as mentioned before, these two barriers are related because lack of sufficient budget is attributed to the fact that owners do not like to spend more money on renovation. Although this finding was unexpected for the five and four star hotels, it was expected for the three star hotels because the majority of them are independent or local chain hotels which are run by an owner/operator. To explore whether the three company categories differ in their renovation obstacles or barriers, a one-way ANOVA test was carried out (Tables 5.29 a,b,c,d in Appendix 14). There appears to be no significant variation between companies in relation to their renovation obstacles. This means that external parties almost face the same barriers for renovation with all hotel categories.

The survey also asked respondents to indicate the main obstacles that they face with hoteliers in renovating in hotels. The majority of them (68.4%) ranked 'lack of money' as the main barrier while they ranked 'lack of time (60.5%)' in second place followed by 'lack of clear requirements or plans (44.7%)'.

An architect stated:

'Budget is one of the biggest challenges we face in nine out of ten hotels'.

Another respondent also stated:

'Due to the lack of enough budget, prioritising where the budget pounds should go is the first step in the renovation equation'.

This result confirms what has been mentioned in the literature by Aeberhand (1995) that finding money and time to renovate are the most important factors in renovation. To explore whether the three company categories differ in their renovation obstacles that they face with hoteliers, a one-way ANOVA test was carried out (Tables 5.29 a,b,c,d in Appendix 14). There appears to be no significant variation between companies in relation to their renovation obstacles.

Respondents were asked to rank the main forces driving the renovation programmes in their client hotels. Respondents ranked 'customers' (60.5%) as the most important force followed by 'competition' (65.8%) and 'technology' (47.4%) in that order of importance. Customers and competition were expected to be of the main forces driving renovation in hotels as stated before in the literature and in the findings of the first survey.

5.2.4.1 Conclusion

From the above presentation it can be deduced that there are many similarities between the findings of the external parties and those of the hotel general managers in terms of the main forces and barriers to renovation.

5.3.5 Renovation Process

Respondents were asked to indicate the frequency of each type of renovation in their client hotels. The results indicated that on average the frequency of master renovation was more than 30 years while the average was 25 and 4-5 years for a major and minor renovations respectively. To obtain more detailed information about the frequency of renovation in each hotel category, the data was cross-tabulated with the three categories (large, medium and small companies). The results reveal that the frequency of minor renovation was from 1-3 years in five star hotel external parties (large companies) while it was 4-5 years in the other two categories. The frequency of major renovation was 21-25 years in the five star hotels while was 26-30 years in both three and four star hotels. However, the frequency of master renovation was (26-30) years in five star hotels, more than 30 years in both four three star hotels. This reflects that: a) the importance of renovation means different things to different hoteliers, and b) the higher the hotel category, the higher the importance of renovation in terms of it frequencies. There are some similarities between these findings and the renovation continuum suggested before by Paneri (1994) and Werner (1995). This reflects that: a) the frequencies of major and master renovations are different within each hotel

category and b) the higher the hotel category, the more the repetitions of both major and master renovations. Aligned with this, there was an indication of significant category differences in the major and master renovation frequencies between the five star hotels versus the other two categories at a 95% confidence level, after conducting a one-way ANOVA test (Table 5.30 in Appendix 14).

Respondents were asked to indicate the level of importance of money, time, team and materials to the success of their renovation (see Table 5.31). All of the four variables were given major importance. Money was the most important variable, followed by the team, and time variables and finally materials. To explore whether the three hotel categories differ in their renovation variables, a one-way ANOVA test was carried out (Tables 5.32 in Appendix 14). There appears to be no significant variation between companies of different sizes in relation to the importance given to each variable of the four variables with an exception of the 'materials' variable. Large sized companies view the importance of their renovation materials greater than small sized companies. This might be because large hotels sometimes import renovation materials for their hotels due to the lack of these materials in the Egyptian market.

Table 5.31: Importance of Renovation Variables

	1*	2	3	4	5*	Mean	Std. Deviation
Money	78.9%	18.4%	2.6			1.07	.25
Time	63.2%	15.8%	21%			1.51	.54
Team	76.3%	18.4%	5.3%			1.72	.71
Materials	55.3%	28.9%	15.8%			1.74	.77

1* = Major Importance 5* = Minor Importance

5.3.5.1 Renovation Team

5.3.5.1.1 Internal Parties

When it comes to the hotel staff members that have the most interaction with the external parties during renovation, it is clear from Table 5.33 that the general manager is the major participant followed by the maintenance manager and finally the other

managers (e.g. the assistant manager, marketing manager, and food and beverage manager). Interestingly, most of the three categories did not consider the role of marketing manager in the process. This might be due to the lack of understanding of the importance of marketing in the renovation process or the absence of marketing departments in the hotels. This finding also contradicts the notion which suggests that marketing and sales executives should be involved in the process as early as possible since renovation has an essential marketing dimension in its planning and implementation (Hassanien and Baum 2002).

In accordance with the above, respondents (85.7% in large companies and 100% in the other two categories) indicated that renovation activities were the direct responsibility of the general manager. This finding validates the selection of the general manager as the key informant within each hotel to complete the questionnaire about renovation. It also supports what has been mentioned in the literature regarding the main hotel executive involved in the process. It needs to be noted that the survey showed that some five star hotels assigned renovation activities to the chief engineer, maintenance manager, or project manager but the general manager is still the main hotel staff executive in the process. Also, the maintenance manager occupied second place in terms of the hotel executive that the external parties seem to have the most interaction with them. Therefore, it can be deduced that the maintenance manager is the hotel staff executive in charge of the technical aspects of the

Table 5.33: Internal Parties of Renovation Team

<i>Internal Parties</i>	Large	Medium	Small
General Manager	85.7%	100%	100%
Maintenance manager	78.6%	64.3%	50%
Assistant manager	21.4%	14.3%	30%
Marketing Manager	35.7%	7.1%	-
F & B manager	28.6%	21.4%	10%

relationship with external parties during renovation, while the general manager is the hotel staff executive in charge of the other aspects, mainly the financial dimension, of the relationship with external parties. It should also be noted that general managers are the main executive in both medium and small companies. This finding confirms

that a) some three and four star hotels do not have this 'maintenance manger' position or an equivalent one and b) the nature and scale of renovation projects are simple in both four and three star hotels which do not need to appoint somebody else in addition to the general manger.

According to the literature, any renovation project should begin with an objective study of the market and should involve the external parties (Rowe 1995, Rose-Caro 1996). With regard to the introduction of the external parties (interior designers, architects) to the renovation process, the majority (84.2%) of external parties agreed that 'external parties should be introduced to the renovation project at the earliest possible stage'. Similarly, they stated that they have always adequate levels of involvement in the planning stages and in the implementation stages (65.8% and 81.6% respectively). Not surprisingly, 42.1% of them agreed that 'external parties need to improve their awareness of hotel's needs' while 31.6% were uncertain and 26.3 % disagreed to the same statement. This finding, reflects a very important issue that might affect greatly the relationship and the involvement of these parties with hoteliers in the process. On the other hand, 44.7% of the respondents were uncertain and 34.2% disagreed that 'external parties should be involved in the renovation's market research'. In other words, research undertaken with this sample of companies, suggests that the market analysis that is undertaken is performed by the internal marketing department, who later introduce their findings to the external parties. The external parties themselves displayed a ready acceptance of the view that potential customers should be considered, but it was generally felt that the external parties are aware of what is required. Major interior designers, architects, consultants offer extensive market surveys to their clients, but little evidence was found of hotels making use of this service, either through ignorance of its existence or positive choice. On the other hand there was a strong correlation ($r = .718$ or Spearman's Rho Correlation is significant at .01 level of probability) between 'external parties need to improve their awareness of hotel's needs', and 'external parties should be involved in the renovation's market research'. Along the same line and interestingly, there were also positive correlations between these previous two factors and the renovation objective 'to cope with new trends and technology' objectives (Table 5.33). As the result of this analysis indicated, the more the external parties are 'involved in the

renovation's market research' and 'improving their awareness of hotel's needs'; hotels are most able 'to cope with new trends and technology'. On the other hand and as indicated by the negative correlations in the same table, when hotels use renovation mainly 'to avoid any risk of damage or hazard' or 'to cope with the legal or governmental standards'; it is less likely that external parties are 'involved in the renovation's market research' and 'improving their awareness of hotel's needs'.

Table 5.34: Correlation Analysis

	External parties need to improve their awareness of hotel's needs	External parties should be involved in the renovation's market research.
To cope with new trends and technology	.389	.535
to avoid any risk of damage or hazard	-.439	-.420
To cope with the legal or governmental standards	-.336	-.452

- Spearman's Rho Correlations are significant at .01 level of probability

- Only significant correlations are shown

In short, although the majority of participants specified the need for external parties to be introduced at the earliest possible stage, there is a tendency on the behalf of the hotels to cut costs by employing the lowest cost option available, for example excluding external parties from market analysis stages. This can result in external parties being introduced into an unknown environment and is likely to be a contributory factor to unsuccessful work undertaken by external parties. This finding shows consistency and coherence with previous research (West and Hughes, 1992).

From a marketing perspective, late introduction of a designer to a project may mean an insufficient grasp of the target markets to be served, before embarking on creating an environment for them. Operationally, lack of knowledge may lead to insufficient consideration of the space and workflow needs of staff. It needs to be noted that in many cases hoteliers had unsuccessful experiences with external parties. This leads to concern over the stage of the project at which these parties are introduced.

The majority of the hotels that participated in the survey use written briefs. Specifying the hotels' requirements in writing increases the likelihood of those requirements being met. With the verbal brief, problems arise when persons become involved in the renovation process and the specific aims stated at the beginning are lost. The most common reason given for using the written brief was that of internal control purposes. Moreover, most respondents (97.4%) agreed that 'Greater coordination, and communication are required between hoteliers and external parties for proper renovation'. There were also positive correlations between this previous statement and 'hoteliers should give further recognition to the importance of renovation [$r = .370$]'.

5.3.5.2 Renovation Budget

Respondents were asked to express their agreement /disagreement with a statement that 'the hotel's annual capital expenditure allocated for renovation is not enough'. All respondents of five star hotels agreed to this statement. On the other hand, respondents belonging to the three and four star groups expressed different opinion where 55% of the four star hotels disagreed and the majority of three star hotels (62%) disagreed.

Similarly, external parties expressed different opinions regarding the statement 'hotels allocate adequate financial resources to renovate'. To this statement, the majority of the respondents disagreed (60% disagree and 26.2% strongly disagree) while 23.7% were uncertain and 10.5% agreed. A one-way ANOVA analysis was conducted to find out if there were any differences between the three company categories, the results (Table 5.35 in Appendix 14) shows that there were only significant differences between the large sized companies and the small sized companies. In other words, five star hotel external parties believe their hotels allocate adequate financial resources to carry out renovation to a greater extent than three star hotel external parties view their three star hotels.

Moreover, there was a common agreement among respondents regarding their prediction to the current budgets allocated for hotel renovation in Egypt. The majority expected this budget to increase over the next five years. In turn, this reflects the need of Egyptian hotels to spend more on renovation.

From the foregoing, it can be seen that three star and nearly all four star hotels have underestimated the importance of renovation by lowering its budget for this activity. On the other hand, five star operations demonstrate a higher degree of acceptance of renovation as an essential activity for their firms, where more attention and appreciation is given to the renovation budget.

5.3.5.3 Time

Most of external parties stated that hoteliers prefer their properties to remain open during both minor and major renovation (100% and 76.3%) and they try to accomplish as much as possible during low occupancy periods or by setting aside a reasonable number of rooms during the high occupancy period to speed up the process. This confirms what has been discussed before in the literature (Fox 1994). On the other hand, the majority of respondents (63.2%) stated that hoteliers do not prefer to close their properties during master renovation although the work can not be done without closing (Seacord, 1997).

5.3.5.3.1 Commissioning and Hand-Over

Similar as any construction or design work, external parties stated that they make sure that the client (hotelier) is provided with all necessary information for using and maintaining the refurbished electrical, electronic and mechanical installations. They ensure that this material is provided well in advance of the handover of any part of the installations, and that arrangements for training and informing staff are agreed between the external party and the client representative beforehand.

Commissioning of refurbishment work and handing over to the client are likely to be more fragmented and spread through the project than would be the case with new work. The overall planning of 'partial completion' or 'phased handover' sequences should be done early in the project and a responsible person appointed.

There is a tendency for Egyptian hotels to keep 5% of the external party's fee for some time; just in case of finding out any defaults or any false work in order to guarantee that the external party will come back quickly to handle these matters. From the client's point of view, the building is not complete until all the information needed to use and maintain the building has been provided.

Interestingly, all of the external parties stated that they do hand over their renovation projects to their clients according to a check list which includes all the detailed specifications of the work. This check list is an essential item of any renovation contract which should be approved by the client before any work starts.

For example, an external party stated that

'our renovation work is carried out by means of a contract between ourselves and the client, these means include detailed design specifications and when we hand over the project to our client, our work should be exactly the same as these specifications' (Source: Research Interview, 2001).

Another one stated that

'to be in the safe side, everything in renovation work, from A to Z, should be clear and approved through the contract' (Source: Research Interview, 2001).

Overall, the findings from the research into renovation practices in hotels illustrate that external parties use the same technique to hand over the renovation projects to their clients. However, this issue will be covered in more detail in the next chapter.

5.3.5.4 Renovation and New Product Development (NPD)

An indication of the orientation of a firm towards the renovation concept is how well its products do to satisfy its customers' needs (Cooper 1983, Powers 1998; Knapp 1997 ref.). Although external parties believe that renovation has an essential marketing role in hotels (since 90.3% answered very high and high / 71.1% and 13.2% respectively), they were uncertain (50% and 57.9% respectively) regarding the two statements 'hotel renovation is the main tool for tangible new products and innovation' and 'property renovation is the main tool for tangible product modification and development'. This attitude reflects that external parties may not understand properly the hotel product and the importance of its physical dimension which, in turn, influences their perception of the importance of renovation to hotels. This also confirmed by the fact that 84% of the external parties' companies do not have any management training in marketing which may mean a lack of understanding of the principles of marketing.

Moreover, the majority of external parties (61.1%) disagreed and strongly disagreed with the statement 'hotels are distinguished from their competitors by their design, decor and architecture.'. they also disagreed (65.8%) that 'most hotels use renovation to offer new facilities and services Surprisingly, 15% of the five star companies agreed with the previous statement. This might be attributed to the fact that renovation is very costly compared with intangible products (Hassanien and Losekoot 2002).

This finding also confirms the findings of the previous section, which concluded that hoteliers do not fully use their physical or tangible products as a marketing tool for positioning or differentiation (Hassanien and Baum 2001, Hassanien and Baum 2003).

5.3.6 Summary & Conclusion

From the interpretation of the data reflecting responses of the external parties' companies in Egypt, the analysis shows that:

Assembling the team should be an early priority in any renovation. In addition to the owners, members should include the designers/architect, asset manager, management company representative, purchasing agent and general contractor. Many hoteliers fail to include the contractor which can be a mistake. If you have the general contractor on board early, often you are able to steer everyone toward value engineering, and you can foresee structural problems

This section presented the results of the external parties' questionnaire. It provided an investigation of the renovation practices of the hotel operations in Egypt. This was undertaken through investigating the issues of a) renovation importance and reasons, b) renovation barrier and constraints, c) new product development, d) renovation process and e) external parties' perceptions.

From the interpretation of the data reflecting responses of the external parties at the three different company categories in Egypt, the analysis shows that:

- Many differences were found between the five star hotel category and the four and three star hotel categories, with respect to this sample, which seems to reflect their situational differences;
- Some similarities were also identified, reflecting common ground within the industry;
- Most of the external parties' results confirm the findings of the general managers' survey in section 5.2.
- The five star hotels studied seem to demonstrate a higher orientation towards renovation than the four and three star hotels;
- 'Lack of money' and 'limits by owners' are perceived by external companies to be the main obstacles to renovation in all hotel categories.

5.4 Section Three: The Hotel Marketing Manger's Questionnaire Analysis

5.4.1 Introduction

This section aims at exploring the results of the marketing mangers' questionnaire. It provides an investigation of the marketing policies of the hotel operations under study and the extent to which the implementation of these policies is aligned with marketing practices in terms of positioning, repositioning, product innovation and/or new product development. The presentation of the findings will follow a similar outline to that in the questionnaire except that the demographic data regarding respondents and their hotels is introduced first. As such, the section is divided into five components or sub-sections which discuss the different issues of a) demographics, b) market research, c) market segmentation and target markets, d) new product development, and e) positioning and repositioning.

5.4.2 Demographics (Marketing Manager profiles & hotel profiles)

This sub-section outlines the findings of the marketing manager's survey with respect to demographic information of the hotel and hoteliers, covering both hotel profiles and general manger's profiles.

Table 5.36 presents the demographics of the hotel marketing managers. The gender distribution of the respondents was skewed; but not heavily, towards males (63%). Females constituted 37 percent of the respondents. The majority of the respondents (78%) were over 35 years old, of which (71%) were over 45 years old. This is not a surprise because the average age of those in marketing manager positions in Egypt is almost 45 years old in most industries. Of the total respondents, over 93 percent had at least 5 years of work experience in the field of hotel marketing. As a result, all of the respondents had the required experience to complete the questionnaire. Eighty two percent of the respondents had been involved with two or more new products or facility development projects at the time of the survey. In addition, 72% of the respondents were qualified to university degree level, while 8% were qualified at postgraduate level and 20% were qualified at college level. Interestingly, 61% of the

respondents had business administration degrees, of which only 13% of them had tourism or hospitality degrees. This is normal, due to the fact that the field of hospitality education is relatively new, almost 30 years old, when compared with

Table 5.36 Marketing Manager Demographics

Characteristics	Frequencies	Percentage
Gender		
Female	21	37
Male	38	63
Total	59	100
Age		
25-35 years	7	12
36-45	15	25
46-60	37	63
Total	59	100
Experience		
1-5	7	12
6-10	8	14
11-15	13	22
16-20	22	37
21-25	9	15
Total	59	100
Academic Degree		
BA/BSc	42	72
MPhil/Master	5	8
College	12	20
Total	59	100
Academic Background		
Hospitality and Tourism	5	8
Business Administration	31	53
Applied Science	9	15
Humanities	14	24
Total	59	100
New Product/facility involvement		
Less than 2 programmes	18	31
2-5	25	42
6-10	12	20
Over10	4	17
Total	59	100

the other business fields (i.e. accounting, economics, management, and marketing). However, the experience and expertise of the respondents, in hotel marketing in general and new product (or facility) development in particular, will assist the researcher to tap into this reservoir of knowledge to understand positioning and repositioning practices in hotels.

Table 5.37 Hotel Demographics

Characteristics	Frequencies	Percentage
Hotel Age		
2-5 years	2	3
6-10	5	8
11-15	7	12
16-20	15	25
21-25	23	39
More than 25	7	13
Total	59	100
Hotel Category		
Five stars	21	36
Four stars	13	22
Three stars	25	42
Total	59	100
Hotel Operation		
Hotel chain (company owned and operated)	17	29
Hotel chain (management contract)	20	34
Independently operated	22	37
Total	59	100
Hotel Management Type		
International chain hotel	24	41
Local chain hotel	13	22
Independent hotel	22	37
Total	59	100
Hotel Location		
Down Town	36	61
Pyramids	10	17
Heliopolis	13	22
Total	59	100

Regarding the hotel profiles, Table 5.37 presents the demographics of the sample surveyed in this research. The table shows that 21 hotels (36%) were 5 star, 13 hotels (22%) were 4 star and 25 hotels (42%) were 3 star. With regards to the type of operation, 29% of the hotels were company owned and operated chain hotels, 34% were management contract chain hotels and 37 % were independently operated hotels. Interestingly, none of the 5 star hotels were independently operated whilst about half (46.1 %) of the 4 star hotels were independently operated and 80 % of the 3 star hotels were independently operated. It needs to be noted that none of the three star hotels was under management contract hotel chain operation; whilst 15.4 % of the four star hotels and 87.7 of the five star hotels were operated through management contracts. Also most of the five star hotels were affiliated to international chains but most of the four star hotels were affiliated to national chains.

The respondents were asked about the number of years their hotels have been in operation. Seventy seven percent of hotels have been in operation for more than 15 years, of which 67% of hotels have been in operation for more than 20 years. This growth, in the number of established hotels during the past 20 years, corresponds to the time when there was a shift in the governmental programme emphasising the development of the tourism and hospitality sector. 11% of hotels have been in operation for less than 10 years. As most hotels have been in operation for a relatively long time, it is worth looking into their repositioning practices.

5.4.2.1 The Impact of Demographics on Hotel Repositioning

For the sake of structural consistency and coherence, this section will be analysed and presented the same way as the previous section (hotel general manager's survey). Therefore, the researcher will explore, in more detail, positioning and repositioning in hotels based on the 'hotel category' demographic factor.

5.4.3 Comprehension and Awareness of Positioning/Repositioning

In this subsection an attempt is made to examine respondent's comprehension of the meaning associated with 'repositioning' and their awareness of the issues embodied in the tenets of the repositioning concept. The question used towards the collection of

data pertaining to this issue entailed the expression of opinion with regard to a number of statements concerned with two dimensions: a) the general meaning of position and positioning and b) the difference between positioning and repositioning and c) the importance of different marketing tools to change the current hotel position. The statements were constructed on a Likert-type scale ranging from strongly agree to strongly disagree.

Most of the respondents (89.7%) agreed that the positioning of a hotel is its real source of competitive power and the key to product success. They (96.6%) agreed also that a successful hotel position could lead to profitability and customer satisfaction and 86.6% of the respondents agreed that a successful hotel position can lead to a more frequent use of a specific offering. Moreover, most respondents agreed (67.8 % strongly agreed and 32.2% agreed) that 'positioning is one of the most central ideas in marketing.' It is worth mentioning that none of the respondents answered 'disagree' on the other end of the scale. These agreements indicate that the value and appreciation of this concept is acknowledged by Egyptian hotel marketers. Although all of this is positive appreciation, it seems that hotel marketers are confused with regards to: a) the difference between positioning and some other concepts and b) the achievement of a successful position since the results indicated that 54.2% agreed that hotel positioning can be achieved mainly through promotion and advertising. Along the same line, they (61%) stated that 'positioning' and 'product differentiation' are different concepts because the former is objectively based (tangible) whilst positioning is subjectively based (intangible). This might be attributed to the confusion caused by some marketing scholars (e.g. Ries and Trout 1986 ; Kotler 1998) who used and still uses the term in this restricted scope. Also, forty four percent of hotel marketers agreed that the process of changing the current position is the same as the initial process of positioning whilst 31% of the respondents were uncertain . This supports previous work by Hassanien and Baum (2001; 2002) and Hassanien and Losekoot (2002). There was also a positively significant correlation between the two statements ($r = .450$ at the 0.01 level).

To obtain more detailed information about these statements in each hotel category, the data was cross-tabulated with the three categories (5 star, 4 star and 3 star). There was an indication of category differences amongst hotels regarding some statements as

shown in Table 38. The result of the one-way ANOVA test indicated that these differences are significant (at 0.05 significance level) between the five star hotel category versus the three and four star categories (Tables 5.39.a,b,c,d in Appendix 15).

Table 38: Comprehension and Awareness of Positioning/Repositioning

Statements	Respondents	Agree %	Uncertain %	Disagree %
Positioning can be achieved mainly by promotion and advertising.	5*	9.6	19.6	68.4
	4*	69.3	23.1	7.7
	3*	84	8	8
The process of changing the current position is the same as the initial process of positioning.	5*	14.3	28.6	57.1
	4*	53.9	30.8	14.7
	3*	64	32	
The term 'positioning' is not common in hoteliers' marketing strategies	5*	4.8	28.6	66.6
	4*	53.9	30.8	15.4
	3*	68	28	4
Positioning and repositioning are more academic concepts rather than practical concepts	5*	9.5	42.9	47
	4*	30.7	30.8	38.5
	3*	60	28	12

There seems to be poor comprehension of positioning and repositioning and overwhelming confusion with regard to repositioning on the part of all groups of respondents. The majority of four and three star hotel marketing managers expressed their agreement with all negative statements whilst the remainder generally expressed their disagreement, or, in very few cases, their uncertainty. This confusion, although still evident, was witnessed less in responses of respondents working in the five star group, who tended either to disagree or to express their uncertainty more often than their three and four star counterparts.

Table 5.40: Changing Current Position & Marketing Mix Elements

	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Mean
Increasing price	74.6%	10.2%	11.9%	3.4%		1.44
Reducing price	76.3%	10.2%	10.2%	3.4%		1.41
Communication	78%	13.6%	17%			1.32
Channels of distributions	44.1%	11.9%	16.9%	10.2%		2.37
Service	62.7%	11.9%	15.3%	10.2%		1.73
NPD	55.9%	11.9%	3.4%			1.95

Respondents were asked to describe their own feeling about the impact of each marketing mix element on changing the current positions of their hotels.

The findings (Table 5.40) indicate that 'Communication' (91.6%) was the most important marketing mix element to change current position, followed by 'Reducing price' (86.5%), 'Increasing price' (84.8%), 'Service' (74.6%), 'NPD' (67.8%), and finally 'Channels of distribution' (56%). To explore whether the three hotel categories differ in terms of their renovation reasons, a one-way ANOVA test was conducted. The result of the one-way ANOVA test indicated that there are no significant differences between the three hotel categories.

Although they claimed that there is a difference between the repositioning process and the initial process of positioning, only 12% of respondents tried to state the reasons behind this difference. For them, positioning is to maintain their current customers while repositioning is to attract new market segments. Similarly, sixty four percent of the respondents think that repositioning is concerned with targeting the existing products to new markets or market segments. As mentioned before in the literature review, this limited understanding of the concept might be attributed to the definition of Booz, Allen and Hamilton (1982). It may be considered the main source of such confusion since many authors have used and still use the term in this restricted sense.

From the above, it can be noticed that a considerably larger percentage of respondents belonging to the five star group displayed a higher appreciation and understanding for positioning and repositioning than their three and four star hotel counterparts, where most of them agree that: a) positioning can be achieved mainly by promotion and advertising; b) the process of changing the current position is the same as the initial process of positioning; c) the term 'positioning' is not common in hoteliers' marketing strategies; and d) positioning and repositioning are more academic concepts rather than practical concepts. In addition, from the opinions expressed in relation to the repositioning concept, one can discern that hotel marketers' knowledge of repositioning is limited where an overwhelming confusion between repositioning and other concepts is predominant and is evident in most of the provided responses. These findings confirm the fact that repositioning has been the subject of a number of doubts and misconceptions that have led to confusion among both academics and practitioners.

5.4.4 Marketing Research

A recurrent theme amongst authors considering how positioning should be developed in industrial (Stiff and Khera 1977), consumer (Aaker and Shansby 1982) and services (Lovelock 1992) markets is that positioning strategies should be underpinned by market research to understand customers' perceptions of competing brands.

Some authors stress that in order for some market segments and for the competitive position to be reached in each market, then must also be guided by an analysis of the company (e.g. Kotler, 1991; Lovelock, 1991; Carvens, 1987). The company analysis is important to assure the existence of the resources needed to change the marketing mix and also to evaluate how repositioning helps to allow the company to reach its objectives. The analysis of the competitors is essential to identify opportunities for differentiation and assure that the company's strategy will not be copied by the competitors.

Although all five star hotels use formal marketing strategies in their operations; the majority of three and four star hotels (68% and 70% respectively) do not use formal ones. Respondents were asked whether or not their hotels perform marketing research activities, how often if they do, and what functions are performed under the marketing research process.

Table 5.41: Use and Type of Marketing research

Market Research	5* Hotels	4* Hotels	3* Hotels
Yes	Yes	Yes	Yes
No			
Type of Research			
Customer survey	100%	100%	100%
Competition analysis	100%	84.6%	52%
Pricing research	95.2%	84.6%	60%
Estimating the total market potential	71%	69.2%	44%
Estimating market share	47%	69%	40%

The use of marketing research varied; as indicated in Table 5.41; among the three hotel categories. Most hotels carry out some research activities such as: a) customer survey (100%); b) competition analysis (93.2%); c) pricing research (77.9%); d) estimating the total market potential (59.3%); and e) estimating market share (55.9%). Most three and four-star hotels (84% and 69% respectively) conduct most of this

marketing research activity in an informal manner. This means that there is no formal marketing research; except for the customer survey which is an essential request for the Egyptian Tourist Board; undertaken by most of the three star hotel firms. According to three star hotel marketing managers, data collection is undertaken through the observation method. One manager mentioned:

'We go to other hotel operations to see how they are doing and then copy some of their good practices. We also talk to customers from time to time to find out how they like our products and services'(source: Research Interview).

Similarly, another three star hotel marketing manager stated:

'We watch our competitors through visiting them from time to time in order to keep head to head with them'(source: Research Interview).

Along the same lines, respondents were ambivalent about the importance of studying competitive products and activities. For the first statement, concerned with general competitive activities, the vast majority (96%) of respondents belonging to the three hotel categories considered it as either important or very important against only 4% respondents who considered it of moderate importance. 'Identifying competitor's advantages' and 'Identifying competitor's disadvantages' gathered less support than the first activity among the three hotel categories (76% and 60% respectively).

Interestingly, 'estimating the total market potential' was identified by the majority (95.2%) of the surveyed five star hotels and the minority of the three and four-star hotels (36% and 46% respectively). Similarly, 'estimating market share' was identified by the majority (85.7%) of the surveyed five star hotels and the minority of the three and four-star hotels (40% and 38.4% respectively).

Table 5.42: Sources Of Information

	1*	2	3	4	5*	Mean
Customers' contributions	27%	39%	18.6%	3.4 %	-	2.1
Awareness of competitors' activities	37.3%	42.2%	18.6%	1.7 %	-	1.85
Market research results	30.5%	27.1%	25.4%	15.3%	1.7%	2.31
Management contributions	42.4%	42.4%	10.2%	5.1 %	-	1.78

1* = Major Importance 5* = Minor Importance

The respondents were also asked to indicate which factors, on a list of information sources, are important for their marketing decision-making. The findings given in Table 5.42 shows that all of the four sources of information were given major importance. 'Management contributions' activities' was given the first major important variable, followed by 'Awareness of competitors'; 'Customers'; 'Contributions'; and finally 'Market research results'. To explore whether the three hotel categories differ in their renovation variables, a one-way ANOVA test was carried out (Tables 5.43 a,b,c,d in Appendix 15). The result of the one-way ANOVA test indicated that there is a significant difference (at 0.05 significance level) between the five star hotel category versus the three and four star categories with regards to the given importance to the following sources of information: a) awareness of competitors' activities; and b) market research results. This means that five star hotels assign and attach more importance to formal market research and customer awareness of competitors' activities than four and three star hotels do.

Overall, these results suggest that the five star hotels are substantially more involved than the four and three star hotels in the use of formal methods for the collection of customer and environmental information. Accordingly, it is expected that they are also better quipped to develop relevant and effective marketing strategies.

When respondents were asked about the primary sources upon which the research process is built, 56% of the respondents mentioned the hotel's own records of past guests. These records generally contain primary guest information and are contained within the data recorded (manually or electronically) on the guest's reservation and registration cards and his folio. Forty nine percent of the respondents stated that 'guest comment cards' are considered the second most important source upon which the research is built. Interestingly, when data was cross tabulated to obtain further information with regards to these issues, there were no significant differences among the three hotel categories. In addition, some other sources were mentioned mainly by the five-star hotel marketing managers such as national tourist statistics, qualitative research (e.g. customer focus group) and promotion tracking studies. These results suggest that the market research activities of the three and four star hotels are simple and superficial in comparison to the five star hotels' since they are mainly based on the available information in their hotel archives.

Moreover, the issue of market research was investigated from three other dimensions. Firstly, respondents were asked to express their agreement/disagreement as to the importance of the continuity of the marketing research process. The statement indicated that 'market research – once conducted – helps the firm achieve long range operational success.' To this statement 72% of the respondents of the five star hotels versus 31% and 49% of the three and four star hotel marketers have expressed their agreement. This, in turn, reflects that although a larger proportion of five star hotels believe that the marketing research process should be a continuous activity in order to accommodate various changes in market conditions, 28% believe in the adequacy of a pre-opening market research. Secondly, respondents were asked 'to what extent does your hotel revise its existing services and facilities to satisfy customers' changing needs and attitudes?', twenty eight percent of the five star hotels revise their offerings to, more or less, a greater extent; 52% hotels fairly do, while the remainder of 20% along with the majority of both three and four star hotels give little recognition to customers' changing needs and attitudes. Finally, there was a question addressed to the respondents to indicate the main barriers for conducting marketing research activities. The most common reasons in five star hotels were lack of necessary facilities, and cost. On the other hand, the main barriers in most three and four star hotels were 'not a company's policy' and 'cost'. Allied to the two main reasons, other reasons were indicated as lack of research talent, lack of necessary facilities, unnecessary, extremely difficult and expensive.

These results indicate that the marketing research activities of three and four star hotels are relatively limited when compared to five star hotels. Nevertheless, it seems that not all five star hotels regard marketing research as a formal, structured, and continuous activity where the overall attitude does not warrant the determination nor reflect the implementation and existence of a fully comprehensive marketing research process.

5.4.5 Market Segmentation

As discussed in the literature review, a very important dimension of any repositioning strategy is market segmentation. This is because the heterogeneity of the market, namely in terms of the importance assigned to the attributes of the product, may raise some difficulties in the selection of a competitive position. However, as is noted by Aaker and Shansby (1982), 'positioning usually implies a segmentation commitment' and concentration in only a few segments of the market in order to avoid the creation of a diffuse image of the product. In order to investigate this issue, respondents were asked four questions in order to investigate the hotels' adopted policies towards the implementation of the concept of market segmentation.

Firstly, respondents were asked to indicate whether in planning and executing their marketing activities they a) regard all customers as the same, hence using 'aggregated marketing' or what is otherwise known as the 'shotgun approach'; or b) divide their market into a number of segments and approach each segment differently; or c) cater for a particular type of customer. The results indicated that the majority of three star and more than half of the four-star hotels (84% & 53.8%) use aggregated marketing as a means of attracting the largest number of guests regardless of any segmentation criteria. On the other hand, 90.4% respondents at the five star properties indicated that they approach each segment differently; 10% of them cater mainly for a particular type of customers.

It is worthy mentioning that all hotels operating in Egypt are required by law to present a daily listing of all guests' names, nationality, gender, age, occupation and passport number to the local police. Similar listings are sent to the Ministry of Tourism in order to produce national statistics regarding the number of tourists visiting the country, their length of stay and their country of origin. These statistics, however, are produced collectively and do not classify the information as to the type and category of hotel. However, it seems that most three and four star hotels do not use this data for the purpose of market segmentation within their hotels. They use

aggregated marketing as a means of attracting the largest number of guests regardless of any segmentation criteria.

Secondly, respondents were asked to indicate whether they segment their markets and what types of segmentation they use. The results (as shown in Table 5.44) indicate that the use of market segmentation did not vary sharply among hotel categories since seventy three percent reported using this technique. As Table 5.44 indicates, the three star hotels are the principal non-users of segmentation. Surprisingly two five star hotels and five four-star hotels do not segment their markets.

Table 5.44: Use and Type of Segmentation

	5* Hotels	4* Hotels	3* Hotels
Market Segmentation			
Yes	90.4%	61.6%	64%
No	9.6%	38.4%	36%
Type of Segmentation			
Geographic	100%	100%	100%
Demographic	100%	100%	100%
Psychographics	71.4%	30.7%	-
Behavior	61.9%	15.3%	-
Benefit	61.9%	-	-

Thirdly, as Table 5.44 indicates, four types of segmentation were identified: demographic (100%); geographic (100%); psychographics (32%); behaviour (25.4%); benefit (22%). Unsurprisingly, demographic and geographic methods played a major part in the final segmenting strategies. However, as identified previously, these methods mainly serve the purpose of filling reports for the local authorities. Moreover, the result of the one-way ANOVA test indicate that there is a significant difference (at 0.05 significance level) between the five star hotel category versus the three and four star categories in using these types of segmentation: a) Psychographics; b) Benefit; and c) Behaviour.

In addition to the above, all respondents were asked to express their agreement/disagreement with the statement 'targeting marketing activities at one segment is the most successful strategy a hotel can employ'. To this statement 44% of the three star hotels have disagreed or strongly disagreed, 44% were uncertain and 12% agreed or strongly agreed.

From the above investigation, it appears that the majority of the five star hotel operations realize the value of segmenting their markets and of approaching the different segments accordingly. This attitude was not witnessed amongst the three and four star hotels, that do not implement adequately the concept of market segmentation and depend on aggregation as a means of attracting any type of guest irrespective of segmentation criteria.

5.4.6 New Product Development

Although the majority of respondents reported that their hotels have revised their existing services/facilities to a 'great' or 'very great' extent in order to satisfy customer's changing needs and attitudes, very few new product or facility examples were given by them. Interestingly, most of these examples were identified by five star hotels rather than three or four star hotels. This result is consistent with the finding of the hotel general manager's survey.

Along the same lines and consistent with the responses of the general managers, the majority of marketing managers (72%) disagreed and strongly disagreed with the statement 'our physical evidence (architecture, design and décor) differentiates our hotel from its main competitors'. Surprisingly, 15% of the five star hotels agreed with this statement. Accordingly, this finding also confirms previous works, which concluded that hoteliers do not fully use their physical or tangible products as a marketing tool for positioning or differentiation (Hassanien and Baum 2001, Hassanien and Baum 2003). This might be attributed to the fact that renovation is very costly compared with intangible products (Hassanien and Losekoot 2002).

The top sources of new ideas for most hotels were customer feedback (87%), competition (85%), suppliers (59%), and staff (7%) and head office (8%). Interestingly, none of the three or four star hotels mentioned their 'staff' as a source of new ideas whilst about 15% of the five star hotels encourage staff to put forward innovative ideas. Similarly, 43% of the three or four star hotels mentioned their 'head offices' as a source of new ideas whilst about 75% of the five star hotels receive new ideas from their head offices.

Respondents were asked to rank in order of importance the major factors which influence their hotels' decision to introduce a new service to their customers. As would be expected, competitive advantage and the risk of a financial and/or image loss were the top ranked factors in this area. As Table 5.45 suggests, most hotels adopt the competitor's products – the 'Me-too' type of product innovation – and only five hotels (three five star hotels; one four star hotel and one three star hotel) are trying to develop products that will lead the market. Therefore, most Egyptian hotels have the reactive strategy of 'Me-too' product development. The other five hotels who have a proactive new product development strategy are the market leaders of the three hotel categories in Cairo.

Table 5.45: Approach to New Product Development

Approach	5* Hotels	4* Hotels	3* Hotels
No new products	--	7.7%	12%
Me too (such as competition)	68.4%	77.6%	88%
Develop new products	31.6%	14.7%	--

According to Booz, Allen and Hamilton (1982), there are seven distinct stages through which new products evolve. Each stage calls for specific activities to be performed, starting with the idea generation stage to final commercialisation of the new product into the marketplace. Respondents were asked to shed light on the importance of various stages of the development process. In particular, the stages of formation of a cross-functional team, idea generation and idea screening seem to be more important than other stages of a NPD process. Of the seven main activities associated with new product development process, this study found that Egyptian hotels do not strictly observe the conceptual model proposed by Booz, Allen and Hamilton (1982) above. The results indicate that hotel management seems to pay more attention to the idea generation and screening stages of the development process of hotel services. The result is not surprising given the fact that hotels pay more attention to their service dimension development; which is basically ideas or concepts rather than a tangible entity. The more ideas a firm can generate, the greater the probability of pursuing a successful one. Given this need for a large number of ideas for service development, it seems important for service firms to undertake comprehensive idea screening efforts. Such activity can eliminate weak ideas and retain those with strong potential. In turn, the results about the test marketing being the least important stage concurs with previous studies that found that test marketing

was not important in a NPD process (for example, Kotler et al, 1999; Barczak, 1995; Mohammed and Easingwood, 1993). As with tangible product industries, it is likely that the time, cost and risk of imitation limit the use of test marketing (Crawford and Di Benedetto, 2000).

Moreover, these findings concur with Cooper and Kleinschmidt (1986) and Mahajan and Wind (1992) who found that most companies do not perform all of the activities during the NPD process. According to them, there is a strong relationship between frequency of use and the relative importance of an activity in the new product development process. A company will omit activities that they feel are less detrimental to the successful completion of the NPD. Much depends on the type of NPD that is undertaken. If the company is developing a relatively new product with little prior experience, the omission of any of the activities in the stages would be detrimental to its success in comparison with NPD involving product modifications for a known market. Accordingly, this disregard of some NPD activities in Egyptian hotels might be attributed to a couple of reasons: a) the nature of NPD in most of these hotels which is mainly product modifications and b) the involvement of the head office in case of chain hotels.

Respondents were also asked to rank some of the product/market development strategies in their hotels. Table 5.46 indicates the importance placed on each strategy.

Table 5.46: Importance Of Each Product/Market Development Strategy

Strategy	Very Important	Important	Moderate	Unimportant	Very Unimportant	Mean
Increasing sales of present products in existing markets	83.1%	16.9%	-	-	-	1.17
Developing new markets for existing products	45.8%	54.2%	-	-	-	1.54
Developing new products for existing markets	32.2%	15.3%	44.1%	6.8%	1.7%	2.31
Developing new products for new markets	3.4%	6.8%	39%	37.3%	3.51%	3.51

From this data, one can infer that the Egyptian hotels are more inclined to practice a market penetration strategy where existing products are used to increase market share.

This strategy, however, does not offer the hotel much opportunity for product innovation. A market development strategy, whereby existing products are used to open up new market segments is ranked second. This strategy too, provides few opportunities for new product development. The strategy related to product innovation is ranked third by most Egyptian hotel marketers. New products are, however, basically developed for existing markets. Strategies that provide greater opportunities for product development are attributed low importance. One factor that is preventing them from being active in NPD could be due to their lack of both expertise and financial resources. This finding is similar to the findings of the study conducted by Mahajan and Wind (1992) who they found market penetration objectives dominate all others. . To explore whether the three hotel categories differ in terms of the allocated importance to each product/market development strategy, a one-way ANOVA test was conducted. The result of the one-way ANOVA test indicated that there is a significant difference (at 0.05 significance level) between the five star hotel category versus the three and four star categories in relation to the following strategies (Tables 5.47 a,b,c,d in Appendix 15):

- 4) Developing new markets for existing products
- 5) Developing new products for existing markets
- 6) Developing new products for new markets

From the preceding discussion, it can be argued that product development decisions are exercised more from a marketing dimension in the case of five star operations than in the case of three and four star ones. This is evident in the extent that the five star operations revised their products and services, their integration of research into reaching decisions pertaining to what services should be introduced and, accordingly, their development and introduction of new services to suit their customers. This was also indicated in the product/market development strategy.

5.4.7 Marketing Mix Elements

As mentioned before in the literature review, there is no consensus in relation to the scope of repositioning. However, several authors (Moutinho 1995; Cravens 1987; Shostack, 1987; Urban and Star, 1991) argue that competitive position can be achieved though changes in all the variables of the marketing mix. This means that repositioning can be achieved through modifying or developing one or more of the

marketing mix elements. On the contrary, other authors Ries and Trout (1986) suggest that the process of positioning/repositioning should be circumscribed to only one variable of the marketing mix which is the promotion (Lovelock, 1991).

Towards investigating this issue, respondents were asked to examine a list of hotel marketing mix variables and to indicate their importance to their firms, using a five-point scale ranging from very unimportant to very important.

Respondents were asked to identify the importance of selected marketing mix actions to the position of their hotels. Information relating to the importance of each action in Table 5.48 indicates that 'modifying the promotion tools' (62.7%) was the most important action to improve the hotel position, followed by 'reducing the price (59.3%)'. At the other end of the scale, 'modifying the channels of distribution' and 'improving the physical product' were the least important actions in changing the hotel position. This finding confirms that traditional repositioning tools are more common to hoteliers than the physical product tools (renovation).

Table 5.48: Reasons for Renovation

	1*	2	3	4	5*	Mean
Modifying promotion tools	62.7%	25.4%	8.5%	3.4 %	-	1.53
Reducing price	59.3%	25.4%	10.2%	5.1%	-	1.61
Improving service	11.9%	81.4%	6.8%	-	-	1.95
Modifying channels of distribution	39%	30.5%	11.9%	11.9%	6.8 %	2.17
Increasing price	47.5%	33.9%	18.6%	-	-	1.71
Improving product	33.9%	16.9%	35.6%	8.5 %	5.1%	2.29

1* = Major Importance 5* = Minor Importance

To obtain more detailed information about the importance of each action in improving the position for each hotel category, the data was cross tabulated with the three categories (5 star, 4 star and 3 star). There was an indication of category differences among hotels in relation to the importance of each action. The results revealed that 'modifying the promotion tools' and 'improving the service' and 'improving the product' were the first, second, and third most important actions for five star hotels. On the other hand, 'reducing the price' and 'modifying the promotion tools' were the first and second most important objectives for both three and four star hotels.

Interestingly, ‘improving the physical product’ occupied the least important renovation objective in the three and four star hotel categories.

In addition, in order to investigate this issue from another dimension, respondents were asked to indicate the extent of importance they assign to each marketing mix element through ranking the importance of each element in order to maintain or increase their hotels’ market shares. Tables 5.49 illustrate the ranking of the marketing mix elements and the importance assigned to each by the five, four and three star hotel respondents respectively.

From respondents ranking of the importance of different marketing mix elements it may be noted that there is an agreement between respondents of the three hotel categories as to ‘price’ being the most important marketing mix element for a hotel to maintain its market share. Similarly, ‘price’ was considered as the most important element by the three and four star hotel categories in order to attract more customers from the same market segment. This might be attributed to two reasons a) intense hotel competition in Egypt in general and in Cairo in particular; and b) the similarity of the offered products within each hotel category (lack of Unique Selling Point).

Table 5.49: Reasons of Each Type of Renovation

Objectives & Elements	Rank of Importance								
	To maintain its market share			To attract more customers from the same segment			To attract new market segment		
	5*Hotels	4*Hotels	3*Hotels	5*Hotels	4*Hotels	3*Hotels	5*Hotels	4*Hotels	3*Hotels
Price	1	1	1	2	1	1	4	2	2
Service	2	2	3	1	2	2	2	3	3
Product	5	4	5	4	4	5	1	4	4
Distribution Channels	4	3	4	5	5	4	5	5	5
Communication	3	2	2	3	3	3	3	1	1

* Numbers demonstrate the rank of each objective

There is also an agreement as to the ranking of ‘service’ where it came in 1st, 2nd, or 3rd position in achieving the three objectives. Similar findings were reflected in the degree of importance assigned by the different respondents to the ‘communication’ element.

Finally, it is interesting to note that the physical ‘product’ element occupied the last or the second last position in achieving the three objectives; with the exception of the third objective ‘attraction of new market segments’ where it was ranked first by the five star hotel category; for the three hotel categories. These findings support the previous research findings (Hotel General Manager’s survey) which indicate that: a) the traditional repositioning routes are more common for hoteliers than product modification (renovation) and b) five star hotels are more likely to use renovation as repositioning tool than three and four star hotels.

From the above investigation, it appears that the five star hotel firms seek to utilize renovation as a repositioning tool in a manner, which reflects more emphasis on their part than on the part of the three and four star hotel categories. This was mainly reflected in the down-grading given by most of the three and four star hotel respondents to the product modification element. Nevertheless, it seems that five star hotels have limited understanding and appreciation of the importance of this element ‘product modification’ as a repositioning tool since it was regarded only as a tool to attract new market segments.

Finally, respondents were asked if their operations acquire unique features or attributes, which differentiate them from competition. Respondents listed their unique attributes as illustrated in Table 5.50.

Table 5.50: Unique Features Or Attributes

5* Hotels		4* Hotels		3* Hotels	
Unique attribute	%	Unique attribute	%	Unique attribute	%
Location	95.2	Service	92.3	Location	72
Service	90.4	Location	76.9	Service	88
Outdoor recreation	57.1	Price	76.9	Price	96
F&B outlets	30	Room size	61.5		
Room View	33.3				
Architectural style	19				
Design & Decor	23.8				

In most cases competitive advantage was based on price and service, particularly for the three and four-star hotels. Those (three and four star hotels) competing strongly on price tend to be in highly competitive markets, with little or no product differentiation and low entry barriers. Product differentiation was a source of competitive advantage for some of the five star hotels and also, there were attempts to find niche markets. Nevertheless, this product differentiation is mainly based on the service dimension rather than the tangible dimension.

The researcher, however, has some reservations with regard to respondents' indications.

First, hotel locations in Cairo are mainly clustered around three areas: close to the pyramids, to the airport or on the bank of River Nile. Nevertheless, most hotel marketing managers indicated that their location is unique. Second, rack rates in Egypt are determined by the Ministry of Tourism, which means that there is not a lot of freedom left for hotels to compete against one another on the price element unless they meant their group rates which might lead to a price war among hotels. Similar arguments could be developed for some other supposed unique attributes mentioned by respondents belonging to the three hotel categories (e.g. service, room size, room view). Unsurprisingly, only two five star hotels reported their architectural style as a unique attribute while four five star hotels identified their design and décor as a unique attribute. Interestingly, none of the three and four-star hotels identified their 'architectural style' or 'design and décor' as their unique attributes.

5.4.8 Summary & Conclusion

This section presented the results of the marketing managers' questionnaire. It provided an investigation of the marketing policies of the hotel operations under study and the extent to which the implementation of these policies is aligned with their positioning and repositioning practices. This was done through investigating the issues of a) market research, b) market segmentation and target markets, c) new product development, d) marketing mix elements and e) positioning and repositioning.

Overall the results of the marketing manager's survey of this study can be summarized as follows:

- Many differences were found between the three hotel categories, with respect to this sample, which seems to reflect their situational differences;
- Some similarities were also identified, reflecting common ground within the industry;
- The five star hotels studied seem to employ repositioning strategies more widely than the four and three star hotels;
- The five star hotels employ more formal marketing management systems and assign more importance to the use of formal sources of market research;
- The three and four star hotels place more reliance on informal sources of marketing information;
- The three categories emphasize the use of marketing mix variables which seems to fit their different market situations; and
- The five star hotels emphasize the use of renovation as a repositioning marketing tool more so than the other two hotel categories

5.5 General Conclusions and Summary

The purpose of phase one of empirical research was twofold. First, the survey provided a means by which suitable elements or units for further in-depth analysis in phase two of empirical work and thus enhancing the validity, reliability and generalization of the findings. Second, the survey was designed to generate exploratory and descriptive data in relation to the research questions of this study. The conclusions drawn from survey data analysis enabled a more precise formulation of a second qualitative stage, which will seek to confirm, elaborate, explore and illustrate the findings of the first phase survey.

The statistical tests indicate that several statistically significant differences between hotels for a number of variables under study. Analyses of questionnaire results suggest that significantly different groupings exist within the respondent hotels studied with respect to the emphasis placed on the objectives, reasons, barriers, forces and process of renovation activities.

Findings indicate that the more high the hotel category, the more usage of renovation as marketing tool within the hotels of this category. Thus, five star hotels are using renovation as a marketing tool more effectively than both four and three star hotels.

Although four star hotels exist in between five and three star hotels in terms of their renovation activities, the researcher will focus in the second stage on five and three star hotels for the following reasons a) the statistical analyses showed that the higher the hotel category, the most likely to use renovation as a marketing tool, b) with regard to renovation activities, both the five and three star hotels are the two extremists within the context of the research sample and c) in general, four star hotels are closer to three star hotels more than five star hotels in terms of their renovation behaviour.

In short, statistical analysis of the survey has therefore identified two different directions, which will be used to construct a second qualitative phase. The first direction is multiple renovation case studies of five star hotels that will show different renovation projects. The second direction is the three star hotel interviews that include a) semi-structured interviews with hotel owners and b) semi-structured interviews with Egyptian Hotel Sector Inspectors. Chapters 6 and 7 will present analyses of data arising from phase two of empirical research, which will seek to illuminate further the phenomena of renovation in hotels.

CHAPTER SIX QUALITATIVE DATA ANALYSIS

6.1 Introduction

The conclusions drawn from the first phase survey data analysis enabled a more precise formulation of a second qualitative stage, namely multiple case studies and semi-structured interviews. As such, the survey enabled the researcher to identify three different routes to be considered for the second phase. The first route was to conduct some hotel renovation case studies in five star hotels, which are representative of different policies and reasons for carrying out renovation in these large hotels. The second route was to conduct semi-structured interviews with Egyptian Hotel Association's inspectors since they were the main force behind renovation in three star hotels. The final route was to conduct some semi-structured interviews with the three star hotel owners since they were the main barrier to renovation in their hotels.

The aim of this chapter and the next one are therefore to present data and analysis for the second phase of the empirical research. These findings will be interpreted in relation to the research questions and objectives of the study and interpreted within the conceptual framework developed in previous chapters. The findings will be discussed with respect to existing theory reviewed in preceding chapters of this thesis and also to the findings of the first phase. By analysing this qualitative data, it will be possible to confirm, elaborate and explore more about the extent of using renovation as a positioning marketing tool in the Egyptian hotel industry.

This chapter is devoted to presenting the findings of the second phase of empirical research regarding three star hotels. It is divided into three sections. The first two sections are dedicated to the analysis of the hotel owner interviews and hotel inspectors' interviews while the third section is devoted to the synthesis of the two interview findings and general conclusions. A full discussion of the methodology adopted during each sub-phase is provided in the beginning of each section.

6.2 Section One: The Hotel Owner's Interview Analysis

6.2.1 Introduction

This sub-phase of the empirical research began with the researcher contacting the 15 oldest three star hotels from the sample of the first phase. The sample was believed to be quite representative of the three star hotel population (57 hotels during the survey time) of Cairo but nonetheless it was a convenience sample which may be defined as 'a form of non-probabilistic or purposive sample drawn on a purely opportunistic basis from a readily accessible sub-group of population (Baker 1998). The findings seem to indicate that three star hotel owners do not use renovation as a marketing tool due to external factors.

6.2.2 Methodology

This three star hotel sample (15 hotels) was chosen based upon their age because it was thought that hotels that have been in operation for a long time are most likely to experience different types of renovation on different scales, more so than the other hotels. The Egyptian Hotel Guide (2000) was used to locate owners' names, addresses, and contact numbers. Six hotels immediately refused to take part in the study, four of them for policy reasons and the other two hotels because of their tight schedules. The rest of the hotels agreed to take part in the interview process and had no problem receiving a letter about the research (Appendix 7). One week prior to the planned interview period, hotels were phoned to arrange actual interview appointments.

An interview schedule (Appendix 7) was derived from the literature presented in Chapter four and from the survey's findings of the first phase of the empirical research. As can be seen in Appendix 7, the first set of questions (1,2 and 3) were asked in order to discover hotel owners' reasons and opinions regarding hotel renovation as well as their perceptions on the renovation usage. The second set of questions (4,5,6 and 7) examined whether there was a renovation process and what the guidelines were in place. The last set of questions (8,9 and 10) were asked to investigate how hotels execute renovation programmes.

The interview schedule not only enabled the researcher to manoeuvre interviews to generate relevant data, but it also allowed the researcher to alter the sequence of the issues to run interviews smoothly. Overall, nine hotel owners representing their respective hotels were interviewed. For the sake of confidentiality and to honour their requests, no hotel will be mentioned by name.

Interviews took place between July and August 2001. At the introduction of the interview, owners were specifically informed that the research was concerned with using renovation as a marketing tool and interviewees were asked if they would mind being tape-recorded on cassettes. Due to the cultural resistance, most of them objected and only two interviews were recorded. Therefore, the researcher depended mainly on the notes taken during the interview. Each interview lasted from forty five minutes to ninety minutes, but on average took over 60 minutes. Interviews were transcribed (based on recordings and notes taken) by the researcher from which the empirical findings were derived.

6.2.3 Hotel Owner Interview Findings

As stated previously, this section illustrates the findings from each stage of the interview schedule rather than describing each hotel owner interview separately. The findings will be explored under two discursive sections; owners' reasons, opinions and problems (section 6.2.3) and execution issues (section 6.2.4).

6.2.3.1 Reasons for Renovation

Table 6.1 summarises hotel owners' reasons for utilising renovation. Respondents indicated that the biggest challenge in hotel business is how to differentiate yourself from your competitors. As can be seen in the table, consistent with the academic literature, managers considered that renovation enabled hotels to overcome this challenge due to its effectiveness and efficiency. Seven out of nine owners implied that renovation could build, refresh and add new dimensions to hotel brands. They

argued that when customers see a renovated hotel, customers believe that hotel must be satisfactory.

Three out of nine owners mentioned 'technology' as another reason for using renovation. This is characterised by the words of one owner:

'Technology development' forced our hotel to add to our facilities and services such as an Internet café, on line reservation system, new telephone and fax system and new kitchen equipment' (Research Interview, 2001)

Table 6.1: Hotel Owners' reasons for Utilising Renovation

To achieve customer satisfaction
To retain or improve the current image of the hotel brand
To meet competition
To cope with technology
To increase the operational efficiency of the hotel
To increase the useful life of hotels

Two managers were sceptical about hoteliers motivations for using renovations. One stated that when hotels are about to collapse they go for renovation. Another argued that the hotel's last option to stay alive (survive) is renovation after all the repair and maintenance attempts failed.

Interestingly, none of the interviewees mentioned 'to upgrade the hotel to a higher category' as a reason for renovation which reflects two things. Firstly, the level of renovation in these hotels is modest and just a maintenance tool to survive rather than a marketing tool to compete as indicated in the following statement:

' Three star hoteliers are hardly finding money to carry out the minimum required levels of renovation in their hotels to survive in the marketplace' (Research Interview, 2001).

Secondly, it is very difficult for a hotel to be upgraded to a higher category due to the criteria used in the hotel grading system in Egypt as indicated by one owner:

'Although we offer the service and product quality of four star hotels, our hotel will never be upgraded to that category because of the size of our entrance and reception' (Research Interview, 2001).

With regard to the above, it needs to be noted that the researcher has two reservations in relation to the answers given by the owners:

Firstly, none of the owners mentioned that the Egyptian Hotel Sector's (EHS) inspection is among the reasons for renovation as revealed by the findings of the survey of the first phase of the empirical research. This, in turn, attracted the attention of the researcher to ask most of the questions in an indirect and general way instead of being very specific due to the relative sensitivity of some questions. For example, this question was asked again as: *'The findings of the first phase of the empirical research revealed that the EHS 's inspection is generally the main reason for renovation in three star hotels. What do you think?'*

Secondly, it seems that the interviewees overestimated the reasons of renovation in their hotels by mentioning some reasons such as technology and ignoring others such as the EHS. This suggests that hotel owners to a fair extent recognise and understand the importance of hotel renovation although it is not evident by many practical examples such as new added facilities or services which means that their perception is different from their practice. This will be explained later in the section.

Regarding the question of the Egyptian Hotel Sector's inspection, as a main reason for renovation, eight out of nine owners agreed that this is important whilst one disagreed that this is among the main reasons for renovation in three star hotel category. In relation to the issue of using renovation as a marketing tool, owners argued that they do use renovation as a marketing tool but to a limited extent because they cannot afford the cost of large-scale renovation. They emphasised that renovation in their hotels is used mainly to extend the hotel's life and to add new facilities or to decorate the hotel. This may be due to a lack of money.

6.2.3.2 Opinions on Hotel Renovation

Although hotel owners argued that, when used well, renovation could be a very important tool for hotels in achieving both guest satisfaction and profitability, at the

same time they were very cautious. They emphasised that renovation alone does not guarantee success for hotels without high quality of service. One owner argued that:

'A well-renovated hotel without a good standard of service is 'like a gun without bullets' (Research Interview, 2001).

On the other hand, another owner downplayed the importance of renovation by claiming that:

'Renovation does not occupy the first priority for three star hotels because customers select this hotel category based on the price factor. Some customers are even angry that renovated hotels charge them more than the other hotels' (Research Interview, 2001).

Specifically, all respondents agreed that renovation is good at achieving both guest satisfaction and profitability. They were not united on marketing issues such as innovation, new product development and positioning. For example, one respondent claimed that first priority should be given to service because this is the real differentiation point. He argued further that once the hotel achieves this service target, renovation should be undertaken to confirm and elaborate this difference between the hotel and others.

According to another respondent, renovation makes guests feel that the hotel management cares about them which will increase their satisfaction and will lead to enhanced loyalty to the hotel.

On the other hand, there was some criticism about the poor level of use of renovation as a marketing tool in three star hotels as reflected in the following statements.

'The hoteliers need to realize the need for a greater focus on renovation as a marketing tool. There is a need for greater articulation of renovation goals and objectives' (Research Interview, 2001).

'Renovation is used in the Egyptian hotels on the maintenance level in terms of extending the useful life of the property, more than repositioning the property, on the marketing level, within its marketplace' (Research Interview, 2001).

In sum, many owners admitted that renovation could be effective when it is well planned and executed. Good quality of service was a must for a successful renovation

project. They also admitted the lack in using renovation as a marketing tool in their hotels.

6.2.3.3 Renovation Planning

The small number of comments from respondents relating to renovation planning reflects the reluctance of three star hotel owners to engage in formal renovation planning processes to any great extent. This perhaps highlights one of the most significant contrasts between large hotel organizations and small ones. In large hotels, strategy and tactics tend to be dealt with through formal planning procedures, whereas in small hotels there is a lack of confidence or hesitancy concerning such approaches.

None of the respondents did regular, formal renovation planning and indeed this may not be appropriate for this type of hotel businesses. What planning there is tends to be informal and generally not documented. The comments from the respondents show that even if they do not engage in formal planning, at least some of them think about the renovation requirements of their hotels. This is reflected in the following statements:

'Our renovation planning is very informal, we do not document it. My partner and I discuss and agree what we want to be doing and work on that really' (Research Interview, 2001).

'We plan very well, but our renovation planning process is informal and all owners are involved. So we plan our renovation to a certain level but in an informal way' (Research Interview, 2001).

6.2.3.4 Renovation Usage and Scale

All respondents felt that there was an increasing usage of renovation in three star hotels but three out of the nine felt that this increase was rather in the line with the growth of new hotel construction. Hotel age was argued to be the main reason for the increasing usage of renovation. Competition occurs when a hotel uses renovation. Inevitably other hotels start considering using renovation and this was given as another reason for doing it. Finally, the need to cope with environmental changes was mentioned as an additional reason for the increasing usage of renovation in the three star hotel category.

With regard to the scale of renovation in three star hotels, all respondents indicated that this scale is small . Owners justified that by mentioning some reasons such as:

- ❑ Three star hotels cannot afford large scale renovation,
- ❑ Three star hotels are limited with their space because most of them are sections of larger buildings and not independent buildings.
- ❑ The three star hotel customers are very price conscious, which means that hotels might lose them if they increase their rates due to renovation.

The responses lead to the conclusion that three star hotel owners have an acceptable understanding of the importance and value of renovation for their hotels. This was not evidenced positively by practical examples since they are carrying out small or minor renovation programmes.

6.2.3.5 The Egyptian Hotel Sector's inspection

As mentioned in Section 6.2.3.1, one of the main findings of the first phase (survey) and the second phase (hotel inspector's interviews) was that the Egyptian Hotel Sector's inspection was the main force behind renovation in three star hotels and the hotel owner was the main barrier to renovation in the same hotel category. Most of interviewees stated that 'three star hotels have not got enough funding for renovation or refurbishment' as the main reason to justify these barriers. In addition, they stated some other reasons such as:

- ❑ Three star hotels are facing a massive price war because of the growing number of large hotels;
- ❑ Three star hotels do not receive any assistance from the government or the other authorities (e.g. Ministry of Tourism, Egyptian Hotel Association);
- ❑ Instability of the Egyptian hotel market makes them very cautious in spending any money on renovation or other activities,
- ❑ They are paying too many taxes to the government,
- ❑ The Egyptian Hotel Association does not care about them. It cares only about collecting its loyalty fees, and finally,
- ❑ Although supply is greater than demand, the government still gives licences to any investors to build a three star hotel.

Since five of the interviewees also operate in resort areas such as Sinai and Hurghada, the researcher asked respondents about obstacles in the resort areas.

Interviews indicated that obstacles are seen to be very much the same throughout Egypt because the rules of the hotel business are more similar than different among the different areas of Egypt. According to one owner:

‘Wherever you go in Egypt, there is no difference because the rules of the game are the same’ (Research Interview, 2001).

It is the researcher’s assessment that what respondents tried to communicate was that they do recognise and appreciate the vital role played by renovation in the hotel business but they are restricted their ability to achieve that since they are facing many other external pressures and obstacles.

6.2.3.6 Renovation Process

As this thesis aims to explore how hoteliers carry out their renovation projects, owners were asked whether they use a formal and written process for renovation. Eight interviewees stated that there was a process for carrying out renovation but it was neither written nor off the top of their head. Thus, there seems to be an unwritten and informal process for renovation in Egyptian three star hotels. Participants in this process are presented in Table 6.2.4.1

Table 6.2: Hotel Owners’ reasons for Utilising Renovation

Participating Sides	Participants
Hotel	Owner, operator, General Manager, Maintenance Manager
Government	Egyptian Hotel Sector, Construction Licence Authority
External Parties	Interior designer, Building contractor, Architect
Supplier	Interior designer, Technicians

The number and identity of participants may vary from hotel to hotel and from renovation project to project. In some hotels or projects, a single role may be performed by two or more teams. In other cases, some of these participants might not

be required. For example, these hotels do not usually use or employ an independent interior designer but they consult him through the suppliers, for example, furniture, carpets or curtains.

It needs to be noted that none of the respondents mentioned the marketing manager as a participant in the process. Possible reasons for ignoring the role of the marketing manager may be that: a) lack of appreciation to the marketing role in renovation, b) the scale of their renovation is small which does not need marketing, and/or c) the hotel general manager is in charge of marketing activities in the hotel.

According to one of the respondents, there are two different types of renovation in three star hotels, proactive renovation and reactive renovation. Reactive renovation is the one that is required by the government authorities. It is compulsory and it is usually minor renovation. Proactive renovation is initiated by the hotel itself (owner, operator, manager). It is optional and it might include all three types of renovation. Thus, factors considered while carrying out renovation depend on its type.

In a reactive renovation, the hotel is under pressure to get the job done otherwise the hotel will face penalties such as category downgrading. Therefore, it is an indication of a poor management performance, which is the case in most three star hotels. In a proactive renovation, the hotel is free of such pressures and aims at achieving specific targets such as satisfying customers, meeting competition and/or improving image.

8.2.3.6.1 Renovation Research

Eight owners reported that their hotels did not do any specific research for renovation, even in the case of adding new facility or service. They claimed that they know the requirements of their customers through there was guest comment cards and customer complaint forms. One owner argued that, no need for this research, even in cases of building a new facility, because the idea has been well tested in the market by either direct competitors or higher hotel categories. Another interviewee commented that in general, the small scale and nature of three star hotel renovation does not require any

type of specific research. It might be deduced that owners of three star hotels depend on their intuition rather than research in carrying out their renovation programmes.

8.2.3.6.2 Renovation Marketing

As indicated in Chapter five, marketing is an essential activity for any hotel renovation programme. In order to discover what hotel owners think about the marketing of renovation, they were asked to give their opinions on the issue. Interviews indicated that the level of renovation marketing is very modest in three star hotels. This renovation marketing is usually undertaken after completing renovation work through informing travel agencies, corporate offices and taxi drivers. It is worth mentioning that taxi drivers are a very good channel of distribution for three star hotels in Egypt. This modest level of renovation marketing might be related to the small scale of renovation, lack of funding, or lack of appreciation of the importance of marketing.

8.2.3.6.3 Selection of External Parties

Most of the respondents mentioned that the Cairo market of external parties (interior designer, building contractor, and architect) is well identified in terms of specialization and financial fees. Therefore, they do not face any difficulty with this issue. One respondent argued that 'cost, is the most important factor' because three star hotels cannot afford to pay the fees of the external parties used by higher hotel categories.

They further reported that the main external party, involved in their renovation, is the interior designer, followed by the building contractor and then the architect. This also confirms that the scale of renovation is small and includes changing furniture, carpets, wallpaper and similar facilities.

Five out of nine interviewees stated that interior designers are usually involved in their renovation projects through the partner companies of the suppliers. For example, the furniture company sends its interior designer to suggest and recommend the

suitable furniture for the hotel. These findings are very similar to the previous findings of the survey.

8.2.3.6.4 Stay Open or Close

Surprisingly, none of the respondents stated that hotels are closed during renovation whereas in the literature, the issue of staying open or close was believed to be a very important factor in renovation. They stated that they want to retain their customers so as to make profit. They want also to inform their customers that they are under renovation. One respondent argued that:

‘Renovation does not cause a lot of noise to customers because sound-proofing materials are used during renovation’ (Research Interview, 2001).

Another one stated:

‘Usually three star hotels reduce their prices from 5-10% during renovation as a compensation for any disturbance caused to the customers’ (Research Interview, 2001).

6.2.3.7 Renovation and New Product Development (NPD)

An indication of the orientation of a firm towards the renovation concept is how well its products satisfy customer needs (Cooper 1983, Powers 1998; Knapp 1997 ref.). Interestingly, only three owners believed that there is a strong relationship between new product development/innovation and renovation. However, when asked whether their hotels had developed any new products or facilities in the past 10 years, very few were able to identify examples of such product development or innovation. For instance, only 3 three star hotels have introduced a new service or facility to their customers in the last ten years. It needs to be noted that the majority of the three star hotels interviewed have been in operation for more than 20 years. Examples of new services introduced at these operations include a discotheque, coffee shop, health club, and laundry. One three star hotel manager justified this lack of new products or

services by commenting:

'We do not have enough finance to implement this new type of new product development'.

Another three star respondent stated:

' Our customers have not complained about our existing products'.

This attitude reflects three things: a) hotels do not revise their services in accordance with customers' needs; b) hotels do not contemplate revision of their services until they receive customer complaints; and c) there is a lack of appreciation of NPD.

6.2.3.8 Summary

This section reported findings from interviews with nine hotel owners. Evidence from owner interviews reaffirm and further elaborate the findings of phase one of the empirical research. Findings indicate that there is an unwritten and informal process for renovation in three star hotels. In general, the scale and nature of renovations are limited in these hotels due to lack of sufficient money. This confirms the notion that 'money' is the most important variable in the hotel's renovation policy (Chapter 4). According to hotel owners, this lack of money is attributed to many other external factors or problems such as various taxes paid to the government, price wars with large hotels, and lack of government assistance. Owners believed that these problems are most likely to be the same problems faced by three star resort hotels throughout Egypt because the rules and ethics of hotel business are almost the same all over Egypt.

To conclude, the findings revealed that hotel owners have an acceptable recognition and appreciation of the importance of hotel renovation but the main barrier is a lack of enough money. Thus, results corroborate those presented in Chapter 5 where it was noted that the three star hotels are less likely to use renovation as a marketing tool in terms of new product development, innovation, or repositioning.

6.3 Section Two: The Hotel Inspector's Interview Analysis

6.3.1 Introduction

This sub-phase of the empirical research began with the researcher contacting the Egyptian Hotel Sector of the Ministry of Tourism in order to obtain permission to conduct interviews with 10 hotel inspectors. The General Director of the Egyptian Hotel Sector allowed the researcher to conduct interviews with 10 senior hotel inspectors. The sample was believed to be quite representative of the inspector population (30 inspectors during the survey time) in Cairo but nonetheless it was a convenience sample. The findings seem to indicate that there is a massive gap in the relationships between the Egyptian Hotel Sector and three star hotel category since they do not talk the same language or operate on the same wave length.

6.3.2 Methodology

This hotel inspector sample (10 inspectors) was chosen based upon their hotel inspection work experience for two reasons. Firstly, it was thought that the more experienced the inspector, the more knowledge and information the researcher can obtain from him/her regarding the phenomenon under study. Secondly, the researcher had no other options of selection because the Egyptian hotel inspectors work in all hotel categories; from one star to five star hotels; without being specialised in inspecting a specific hotel category. One month before the fieldwork, the researcher contacted the Egyptian Hotel Sector of the Ministry of Tourism in order to get permission to conduct interviews with 10 hotel inspectors. The inspectors agreed to take part in the interview process and had no problem receiving a letter about the research (Appendix 9). One week prior to the planned interview period, inspectors were phoned to arrange actual interview appointments.

An interview schedule (Appendix 9) was derived from the literature presented in Chapter 2 and 3, the survey's findings of the first phase of the empirical research and from the hotel owner interview findings of the second phase of the empirical research.

As can be seen in appendix 9, the first set of questions (1,2) were asked in order to discover the hotel inspectors' opinions regarding hotel renovation as well as the perception on the renovation usage. The second set of questions (3,4,5) examined their perceptions in relation to the current hotel specification and evaluation methods. The third set of questions (6-12) was asked to confirm and investigate further the findings of the first phase survey. The final question was asked to explore the impact of globalisation on three star hotels.

The interview schedule not only enabled the researcher to manoeuvre interviews to generate relevant data, but it also allowed the researcher to alter the sequence of the issues to run interviews smoothly. Overall, ten senior hotel inspectors were interviewed. For the sake of confidentiality, no inspector will be identified by name.

Interviews took place between July and August of 2001. At the introduction of the interview, inspectors were specifically informed that the research was concerned with using renovation as a marketing tool and interviewees were asked if they would mind being tape-recorded on cassettes. None of the respondents agreed to this. Therefore, the researcher depended mainly on notes taken during the interview. Each interview lasted from forty to sixty minutes. Interviews were transcribed by the researcher from which the empirical findings were derived.

Prior to the exploration of the hotel inspector interview findings, however, it is important to give a brief introduction on the Egyptian Hotel Inspection Sector.

6.3.3 Hotel Inspection Sector

The Hotel Inspection Sector is a governmental sector of the Ministry of Tourism in Egypt. The Hotel Inspection Sector is in charge of: a) grading hotels to allocate them the appropriate star category and b) inspecting and evaluating hotels on a regular basis in order to ensure that they maintain the minimum required standards of their specified categories.

It is worth noting that the Hotel Inspection Sector classifies, inspects and evaluates only the member hotels of the Egyptian Hotel Association. At the same time, any hotel must be a member of the Hotel Association in order to get its specific category Inspection. Therefore, this Inspection Sector is working only with classified hotels. However, this seems to be a contradiction of the whole grading system which is not fair for hotels. They could loose out in the long run due to not being graded since they are not members of the Egyptian Hotel Association.

At the time of interview, there were 30 inspectors for 689 hotels and 238 cruise hotels. They attempt to inspect each hotel at least one time per year.

A BSc is an essential academic degree to recruit inspectors and most of them, during the interview time, have BSc in commerce and business administration. The researcher is of the view that this level of education and specialization is acceptable since the field of hospitality education is relatively recent in Egypt (about 25 years old).

None of the junior inspectors (13) have had any practical hospitality experience while 5 out of the 17 senior inspectors have had practical experience but it is outdated (e.g. 20-25 years ago). But respondents noted that the sector is organising training sessions in hospitality inspection and evaluation regularly by inviting national and international hospitality academics and professional hospitality experts.

Interestingly, inspectors have no specialization in their inspection work tasks or duties. Therefore any inspector may inspect and evaluate all the hotel categories and all aspects of hotel operations (e.g. Food and Beverage, Rooms Division) within each hotel.

6.3.4 Hotel Inspector Interview Findings

For the sake of structural consistency and coherence, this section will be analysed and presented the same way as the previous section (hotel owner interview). Thus, this section illustrates the findings from each stage of the interview schedule rather than

describing each inspector interview separately. The findings will be explored under seven sections; importance of renovation (section 6.3.4.1), hotel specification and grading schemes (section 6.3.4.2), renovation usage in three star hotels (section 6.2.4.3), response to hoteliers' allegations (section 6.3.4.4), renovation barriers (section 6.3.4.5), and finally globalisation and three star hotels (section 6.3.4.6).

6.3.4.1 Importance of Renovation

Respondents stated that renovation is an essential activity and is of paramount importance in the hotel business nowadays. This was reflected in the following statements by some inspectors:

'No hotel can exist without renovation.'

'Renovation for hotels is almost the same as oxygen for humans.'

'Renovation is the fuel for hotels to keep them running properly on the right track. '

They justified this level of importance of renovation by referring to similar reasons, as those mentioned previously by hotel owners, such as competition, customer satisfaction, technology and so forth. In addition, they considered that 'meeting the specifications of the government' was the main reason for renovation in most three star hotels. As can be seen in the table, this result is consistent with the findings of both the hotel owners' interviews and the survey.

In addition, this result supports conclusions revealed previously in the literature by Baum and Wolchuk (1992); Baum, (1993); Lynn & Seldon, (1993); Watkins, (1995); Bruns, (1996); and Chipkin, (1997). These authors suggest that there are many different reasons to explain the role played by renovation in the success of hotels. These reasons might be classified as strategic, operational, or functional needs or objectives to be met by renovation.

Table 6.3 Hotel Inspectors' Reasons For Utilising Renovation

To meet specifications of the government
To achieve customer satisfaction
To retain or improve the current image of the hotel brand
To meet competition
To cope with technology

6.3.4.2 Views on Hotel Grading & Inspection

All hotel inspectors confirmed the fact that the hotel specifications represent the minimum required standards. A decrease in any of them is not permitted, whilst their increase should be the objective of all hotels. This is designed to maintain a certain level of the hotel product and performance.

Most of the inspectors noted that there are no problems for them with the international chain hotels (mainly 5 and some 4 star hotels) because the standards of these hotels are considered up to the international category. But the real problem exists with the national hotels (mainly 3 star and below) because management in these hotels do not have enough experience to run them up to the required standards.

An inspector commented:

' The government wants to raise the standards of our national hotels up to the international level in Western Europe and USA. This is not logical because these hotels need huge investment to do that, which might lead to the closure of the majority of them because they cannot afford to reach this level. It is not an easy decision because it has a lot of detrimental economical consequences'.

This statement means that inspectors appreciate the current challenge of three star hotels in terms of their classification and the way to improve it. However, they believe that this improvement should be done gradually in order to avoid serious economic consequences.

All of the inspectors stated that they are qualified to inspect and evaluate all of the hotel categories and all of the aspects of hotel operation (e.g. Food and Beverage, Rooms Division), within each hotel. They justified that by mentioning they follow a clear checklist during their inspections. In addition, they noted other operational

problems such as being short staff and the fact that it gets worse when some inspectors are not at work for reasons of illnesses, maternity leave, etc. Moreover, low payment was mentioned as another obstacle.

The majority of the hotel inspectors expressed their satisfaction with the current hotel grading and inspection schemes in Egypt. They indicated that all hotels in Egypt are classified from 1 to 5 stars, indicating the level of standards, facilities and services offered by the hotel. A five star hotel is of superior standard, whilst a one star hotel offers simple accommodation. Each hotel is thoroughly inspected before its star grading is allocated and is regularly inspected to ensure that the standards are maintained. Extensive research has been undertaken to determine the grading and inspection specifications concerning hotels in Egypt taking into consideration international specifications concerning this type of hospitality sector, giving particular attention to factors such as planning, architectural and instructional design, as well as the mechanical & electrical factors, hotel services, and entertainment activities which require places, preparations & equipment and which suit the nature of hotels. This hotel classification is based upon several factors such as: a) the location of the establishment; b) its size; c) its standard of furniture; d) its standard of equipment; and e) its standard of staff in terms of efficiency and sufficiency.

Although they claimed that they modify these specifications regularly to keep them up to date, the Tourism Specification Guide ((Bassiouny, 1998) revealed that the last date of amendment was in 1982 through the application of the rules of the resolution of the Ministry of Tourism No. '26' of the year 1982.

The inspectors raised interesting issues with regards to the grading and inspection methods in Egypt. Firstly, they stated that the new rules of classification (new evaluation specifications) should be applied to both existing and new hotels. It is taken into consideration that some existing hotels lack some specifications that can not be met. This is reflected in the following statement:

'Hotels in Egypt were built in different decades and they are initially evaluated through different schemes. When you try to re-evaluate an existing hotel to meet the new scheme, you face many problems'

Thus, it becomes necessary to list all these hotels and to exclude them due to their particular state when reviewing the hotel evaluation based on the new specifications. However, this issue caused some problems such as a) hoteliers accused the inspection authority of 'double standards' due to misunderstanding and misinterpretation of such flexibility and b) the result was great differences between hotels within the same category, c) some international tour operators and travel agents have disregarded the official hotel classification and have developed their own classification system. This is reflected in the following quotation from an international tour operator's website:

'We mainly work with 5* hotels & cruises but, since the official classification does not always correspond with reality or with our standard, we have done our own classifications' (source: Galaxia Tours Website)

Interestingly, two inspectors did not see the differences between hotels within the same category as a problem and they justified this by stating:

'It is an international problem in most countries (especially developing ones) because the World Tourism Organization has no specific criteria in classifying hotels on an international level'.

Secondly, they mentioned that each hotel is inspected twice a year. The hotel inspection is based on a checklist and an evaluation sheet. After filling in the inspection checklist, inspectors prepare an evaluation report and give a copy to the hotel. This report informs the hotel whether or not it is up to the grade. In case of any deficiencies, the hotel is given a six-month time limit to make the necessary modification. In the case of any hotel which is unable to make the necessary modifications in the previously mentioned period, the establishment is to be re-examined in order to find out the reasons for such delay, and is given an official warning and a second time limit chance, which is determined by the inspectors based upon each individual case. Officially, hotels should be given two written warnings before any action is taken, which could lead them to being downgraded. But in reality, hotels are given up to six warnings before any downgrading action. This tolerance and flexibility can be attributed to a) the various managerial and operational challenges in many three star hotels; and/or b) An appreciation of the impact of the last decade's economic recession on three star hotels.

6.3.4.3 Renovation Usage and Scale in 3* Hotels

Eight out of ten hotel inspectors indicated that there is an increasing usage of property renovation in all hotel categories in Cairo. The main reason given was because most of these hotels are quite old and they have not carried out renovation programmes on a regular basis in the past. However, the other two inspectors indicated that the usage level of hotel renovation in Cairo is the same as it was in the past because the Hotel Inspection Sector keeps inspecting hotels accurately and does not allow any hotel to go below the specified category standard. This divergence may be because a) there was an economical recession in Egypt during the 1990s which prevented a lot of hotels being renovated and b) the two inspectors were referring to the minimum required level of renovation which could be classified under 'repair and maintenance' rather than 'renovation'. This is reflected in the following statements:

' Three star hotels are renovating not because they want to do it, but because they have to renovate'

' Three star hotels do not do it (renovation) unless we (inspector) ask them to do it'

All respondents felt that there was an increasing usage of renovation in three star hotels but they were uncertain whether or not such increase was in the line with the growth of new hotel construction. Hotel Inspection, hotel age and competition were argued to be the main reasons for the increasing usage of renovation. This result lends support to the findings of the survey and the hotel owners' interviews.

With regard to the scale of renovation in three star hotels, all respondents indicated that this scale is very limited (minor renovation) as indicated in the following statements:

' Renovation in most three star hotels does not mean more than painting, and replacing broken equipment and furniture'

' Three star hotels do not know the difference between renovation and repair and maintenance'

In addition and as mentioned before, an indication of the orientation of a firm towards the renovation concept is how well do its products satisfy its customers' needs (Cooper 1983, Powers 1998; Knapp 1997). Unsurprisingly, hotel inspectors argued that there is no relationship between new product development/innovation and

renovation in three star hotels. This also was confirmed by the absence of new facilities or products developed by these hotels in the last ten years. For instance, one inspector stated:

‘What we are asking them to do is the minimum level of renovation (minor renovation) not adding new facilities or new rooms (major renovation) and we are still pleading with them’

These results closely reflect the work of Hassanien and Losekoot (2002); Hassanien and Baum (2002) and Hassanien and Baum (2003) who suggest that the scale of renovation in three star hotels is limited to minor renovation and renovation has been used mainly in Egyptian hotels as a reactive, rather than a proactive tool. They also lend support to previous findings of this research, both the survey and the hotel owners’ interviews, which indicated that a) renovation is experienced in three star hotels on the maintenance level rather than on the marketing level and b) there is no strong relationship between renovation and new product development in three star hotels.

The responses lead to the deduction that hotel inspectors in general are not satisfied with the renovation practices in most three star hotels and this was evidenced by their strong statements in relation to their renovation activities.

6.3.4.4 Inspectors’ Response to Hoteliers’ Allegations

One of the main findings of the hotel inspector’s interviews was the allegations raised by hotel owners against the Egyptian Hotel Inspection sector. Although some allegations are beyond the level of this research, this issue is investigated in more detail in the current section.

All inspectors disagreed with the allegations raised by hotel owners. In turn, they responded to such allegations with the following statements:

- The 3* hotel owners have neither the practical experience nor the academic hospitality background to run their hotels.
- The 3* hotel owners are involved in operating their hotels to a greater extent.

This may be the reason for a decline in their businesses.

These two issues were reflected in the following statements:

‘They have a very negative and narrow point of view with regard to the future because they are more concerned only with the present times’

'Although the rules state that they should recruit a qualified general manager (university degree + 2 foreign languages), the hotel owners do that but they actually are still running the whole show.'

'They have a very negative and narrow point of view with regard to the future because they are more concerned only with the present times'

'Being too money orientated rather than market or customer orientated . they want to gain profit without spending due to their narrow perspective they do not realise that if they spend on improvements now, they will gain more in the future.'

□ In the last 10 years, only one 5* hotel was downgraded to 4* hotel while eight 3* hotels were downgraded to 2* hotel.

□ The hotel inspection sector organises training seminars and sessions as much as they can but three star hotels always have poor participation. For example, an inspector commented:

'Two years ago, we developed a website for all three star hotels in Egypt to cope with the flow of Information Technology but unfortunately we had to use our power and authority to make sure that a high number participated and this was the only way to make sure this happens'

Another inspectors stated:

'We are trying to help and encourage them as much as we can through organising training sessions and marketing activities (e.g. The Annual Festival Of Shopping And Tourism Festival) in order to improve their hotel management skills and knowledge. However, our past experience showed us that there has been very low positive response (between 10 and 20 percent) with regard to participating in such events'

□ With regard to the level of competition the three star hotels face from large hotels, most hotel inspectors disagreed with this for the following reasons: a) they are totally different hotel categories with different types of customers; b) unhealthy competition exists between three star hotels themselves. This is reflected in the following statement:

'The entire three star market is negatively affected mainly due to their unhealthy competition and malpractices but not because of competition from large hotels.'

These allegations draw attention to some important points such as that a) there is a wide gap between the public and private hotel sectors in Egypt; b) it seems that every sector has inadequate appreciation in relation to the value and importance of each

other; and c) more segregation rather than integration exists between the two sectors; and e) there are ineffective relationships between the two sides.

6.3.4.5 Renovation Barriers

One of the main findings of the survey and the hotel owners' interview was 'lack of enough money to renovate in three star hotels'. This section will explore the perception of hotel inspectors regarding this issue. Although the majority of the hotel inspectors agreed that renovation programmes in three star hotels have been affected by the 'economic recession' of the last decade; they disagreed that these hotels 'do not have enough money to renovate' and they attributed such poor renovation practices to other reasons such as 'poor management' 'retaining the star grading' and, 'profit orientation rather than customer satisfaction orientation'. This is reflected in the following statements:

'Three star hoteliers do not care about their customer satisfaction, what they do care is just making profit through maintaining the same grade. That is why they pay some attention to renovation just to keep the star grading'

'Even when tourism in Egypt is in its peak, we still have the same problem with them in terms of their poor renovation practices'

'Three star hotels use 'lack of money' as an excuse to justify their poor management practices. If they do not make profit, they would not have been operating in the market for decades'

'Lack of money is not an excuse because it means failure in both management and marketing.'

However, these statements suggest that the hotel inspectors were slightly sceptical in their attitude towards this 'lack of money' issue. This might be attributed to the great problems they face with three star hotels or because of the tensions caused by these allegations raised by the three star hotel owners.

This result is contrary to previous research findings, both of the survey and the hotel owners' interviews that indicated that lack of enough money is regarded as the main barrier to renovation in most Egyptian hotels. Similarly, this result does not lend support to the findings of Hassanien and Losekoot (2002); Hassanien and Baum (2002); Hassanien and Baum (2003). However, it may be that there was some sort of exaggeration from the hotel inspectors in relation to this issue because a) as mentioned previously, there was an economic recession in the 1990s and b) the hotel

owner's interview analysis revealed that they appreciate and recognise the value of renovation.

On the other hand, all inspectors agreed that owners are the main barriers to renovation in three star hotels due to the reasons mentioned above such as lack of hotel experience, management skills and money orientation.

6.3.4.6 Globalisation & 3* Hotels

The issue of the impact of globalisation emerged during interviews. It was argued that for three star, and below, hotel grades, the impacts of GATS (General Agreement of Trade in Services) will be negative in both short and long term. Only big hotel companies with sophisticated communication infrastructure and large capital investment will survive the such competition. The majority of national and local hotels in Egypt will be at risk unless they change their management strategies.

The results revealed that three star hotels in Egypt face competition from international hotel chains integrated through GDSs and using marketing techniques such as promotional offers during the low seasons, corporate rates and discounts for international customers, service quality concepts, loyalty programmes, alliances with airlines and car rental companies. At the same time, a large number of three star, and below, hotels in Egypt face difficulties in improving quality standards and introducing technological innovations required by international and domestic demand, mainly due to the lack of capital and knowledge.

Most inspectors agreed that this management change should come through international hotel companies (strategic alliances) that will help these three star hotels to overcome their problems and will teach them hotel management skills and knowledge, as has been the case in the five star hotel category.

'The only solution for the three star hotels to improve their current poor performance is globalisation as they are not qualified to run their hotels on their own'

'Thanks to globalisation, our 5 star hotel category is competent and doing well due to such strategic alliances, we would like this to happen to the three star and below hotel categories as well'

Accordingly, the majority of the hotel inspectors agreed that strategic alliances are the only solution to the chronic problems of small hotels in Egypt. On the other hand, one inspector disagreed that the three star hotels are at risk for the following reason:

‘Three star hotels are not at risk because of their uniqueness. This hotel category has its own market and customers. So, let the market reshape itself by itself. This means that good hotels will remain operating while the bad ones will eventually decline’

6.3.4.7 Summary

This chapter provides findings from interviews with ten hotel inspectors. The hotel inspectors’ opinions regarding hotel renovation as well as the perception on the renovation usage in three star hotels were investigated. Then, perceptions in relation to the current hotel specification and grading methods in Egypt were explored. Renovation barriers, and the allegations raised by hotel owners as well as NPD in three star hotels were also discussed in order to confirm and elaborate more the findings of the first phase survey and hotel owners’ interviews. This section also dealt with the impact of globalisation on three star hotels.

6.3.5 General Conclusions

This chapter provides findings from interviews with nine hotel owners and ten hotel inspectors. The first half of this chapter was devoted to presenting the analysis of the hotel owners’ interviews whilst the second half was concerned with the analysis of the hotel inspectors’ interviews.

Findings indicate that there is an unwritten and informal process for renovation in three star hotels. In general, the scale and nature of renovations are limited in these hotels due to lack of finances. This confirms the notion that ‘money’ is the most important variable in the hotel’s renovation policy (chapter 3). According to hotel owners, this lack of money is attributed to many other external factors or problems such as taxes paid to the government, price war with large hotels, and lack of government assistance. Owners believed that these problems are most likely to be the

same problems of three star resort hotels in Egypt because the rules and ethics of hotel business are almost the same all over Egypt.

In order to investigate the renovation phenomenon in three star hotels from another dimension, the second section presented findings from interviews with the inspectors of the Egyptian Hotel Sector (EHS).

In general, the hotel inspectors are satisfied with the current hotel inspection and grading schemes in Egypt while they are not satisfied with the current renovation practices in three star hotels. Most inspectors did not accept 'Lack of money' as a reason for such poor renovation performance in three star hotels. Instead, they attributed such poor renovation activities to lack of hospitality experience and management skill.

Both the inspectors and owners raised some serious allegations against each other. These allegations uncovered some important issues such as a) there is a wide gap between the public and private hotel sectors in Egypt; b) it seems that each sector has inadequate appreciation of the value and importance of each other; and c) there appears to be more segregation rather than integration between the two sectors; and d) there are ineffective relationships between the two sides.

To conclude, evidence from both owner and inspector's interviews reaffirm and further elaborate the findings of phase one of empirical research. The findings revealed that hotel renovation practices in three star hotels are a) limited to just minor renovations; b) used as a reactive rather than proactive tools; and c) not linked to innovation/New Product Development. These, results corroborate those presented in Chapter 5 where it was noted that the three star hotels are less likely to use renovation as a marketing tool in terms of new product development, innovation, or repositioning and their scale of renovation is very limited.

CHAPTER SEVEN

DATA ANALYSIS FOR CASE STUDY

7.1 Introduction

One of the main findings of the first phase survey was that five star hotels use renovation as a marketing tool more than four and three star hotels. The previous chapter considered semi-structured interviews with the three star hotel owners and Egyptian Hotel Inspectors in order to explore more about the renovation phenomena in three star hotels and why they do not use renovation fully as a marketing tool. This chapter aims to gain an understanding of the nature of renovation in the context of large or five star hotels in Egypt. It seeks to explore why renovation activities are carried out. A case study approach was chosen for the purpose of the exploration as suggested by Eisendhart (1989), since it can capture the reality in greater detail. Moreover, Yin (1989, p.176) reiterates that the 'case study method allows the researcher to investigate a contemporary phenomenon within its real life context when the boundaries between phenomenon and context are not clearly evident, and in which multiple sources of evidence are used.' In addition, other researchers advocate studying renovation using a case study approach (e.g. Conner 1991; Knapp 1991; Ransley and Ingram 2001). In this study, multiple cases were used to 'strengthen the results by replicating pattern matching, thus increasing confidence in the robustness of the theory.' (Amaratunga et al 2001).

The aim of this chapter is, therefore, to present the findings of data analysis for the second phase of the empirical research. It is devoted to presenting the findings of the multiple case study stage regarding five star hotels. Furthermore, these findings will be interpreted in relation to the research questions and objectives of the study and interpreted within the conceptual framework developed in previous chapters. The findings will be discussed with respect to existing theory reviewed in preceding chapters of this thesis and also to the findings of the first phase. By investigating this qualitative data, it will be possible to confirm, elaborate and explore further about the extent of the use of renovation as a positioning marketing tool in the Egyptian hotel industry.

This chapter is divided into five sections. This first section is devoted to the introduction. A full discussion of the methodology adopted during this sub-phase is provided in the second section. The third and fourth sections are dedicated to the 'within-case data analysis' and the 'cross-case data analysis' respectively while the fifth section is devoted to the conclusions of the multiple-case study analyses.

7.2 Methodology

A qualitative approach based on multiple qualitative case studies (Yin, 1994) and critical incidents (Easterby-Smith *et al.*, 1991) was adopted as the most suitable approach for an exploratory study of this kind (Robson, 1993; Yin, 1994). The use of multiple cases helps to add confidence to the findings and increase reliability of the study (Miles and Huberman 1994). This is recommended because it reduces the likelihood that findings observed are due to the unique characteristics inherent in any one particular hotel firm. Semi structured interviews and archival analysis were chosen as appropriate data collection methods. A semi-structured interview questionnaire was developed and piloted with two experts in hospitality research at Strathclyde University and two hotel managers in Cairo.

A sample of nine hotels was selected from the five star hotel population and general managers as well as marketing managers and chief engineers were contacted by post to explain the purpose of the research and to request an appointment for an interview. Location, age, renovation type and recent renovation experience were the main criteria for the selection of hotels. Three hotels immediately refused to participate in the study, two of them for policy reasons and the other hotel because of tight schedules. Six hotel managers agreed to be interviewed. Most of them had more than ten years managerial and operational experience in the industry. Therefore, the multiple case design in this research consists of six hotels. This number of cases is congruent with Yin's (1984) suggestion that qualitative case study research should involve between approximately four to ten cases. This allows for both literal replication and for observation of different patterns of theoretical replication. Of the six hotels selected for the study one was city centre, three were urban hotels (Pyramids area) and two were in the Heliopolis area. Interestingly, all of the hotels were members of international hotel chains. The level of analysis is that of the hotel firm. Hotel general managers are the key participants for this phase of the study due to

their holistic understanding of the renovation activities of their firms. With the permission of the general managers, the researcher then collected archival data, and documents, as well as interviewing marketing managers and chief engineers or their assistants within the hotels. This will be explained further in the next sections. However, in interpreting the results it must be remembered that although the cases represent a significant portion of the five star hotel population in Cairo, they are not necessarily representative because, for example, of difficulties in gaining access to hotels which were experiencing renovation difficulties. Thus, if it is assumed that a link exists between good management practices and renovation success, it is possible that the cases are biased towards companies with successful renovation project experience.

The interview schedule took place over two months between July and August 2001. Each hotel was visited personally and the duration of the interview was approximately one hour. In order to ensure complete and accurate records, the interview was tape-recorded and hand-written notes were also taken. Each manager was asked for details of the most recent renovation undertaken in the hotel and then the interview focused on this specific renovation case. Several main issues were identified and the interviewees were asked for more details wherever necessary. After the interview schedule, all the notes and tapes were transcribed and patterns were identified and coded to analyse the interview findings (Miles and Huberman, 1994). However, the names of the hotels, the contents of the tapes or the notes taken, and the results remain completely anonymous and confidential, in accordance with the respondents' wishes. Table 7.1 gives details of the status, size, renovation scale of the six participating hotels, together with a designator letter (A to F) by which they will be identified in this research study.

Table 7.1: Case Study Details

Hotel	Age (Years)	Renovation Scale	Renovation Reason	Renovation status	Plan	Total Cost In USD (\$)
A	130	Master	Positioning	In progress	1999-2007	20 million
B	27	Master	Repositioning	Completed	1995-2002	335 million
C	18	Master	Re-branding	Completed	1994-1998	187 million
D	20	Master	Re-affiliation	In progress	1998- present	6 million
E	23	Master	Urgent	Completed	1998-2002	37 million
F	120	Major	Privatisation	In progress	1994- present	4 million

Table 7.2: Case Study key Informants

<i>Hotel</i>	General Manager	Chief Engineer	Marketing Manager	Owner	Other(s)
<i>A</i>	Yes	No	Yes	Yes	None
<i>B</i>	No	Yes	Yes	No	Assistant General Manager
<i>C</i>	Yes	Yes	No	No	None
<i>D</i>	Yes	No	No	No	Senior Engineer Public Relation Manager
<i>E</i>	Yes	Yes	No	No	Food & Beverage Manger Assistant marketing Manger
<i>F</i>	Yes	No	Yes	Yes	Rooms Division Manager, Project Manager

Each interviewee was asked whether there was any documentation relating to the case. One manager provided documents but they proved to be of little relevance to the analysis. In most cases, managers were reluctant to provide documents or reports because of concerns about confidentiality. It is interesting to note, however, that in most of the cases sampled, there was no documentation generated. Because of such lack of information, archive analysis proved to be ineffective as a method of data collection in this study.

For facilitation purposes, the researcher developed a case protocol as suggested by Eisenhart (1989). This protocol is consistent throughout the cases so inferences could be made 'within' and 'across' cases. The case study protocol, as Yin (1989) claims, contains the instrument but is more than an instrument: it 'contains also the procedures and general rules that should be followed in using the instrument ... The protocol is a major tactic in increasing the reliability of case study research and is intended to guide the investigator in carrying out the case study' (Yin, 1989). Yin finds the protocol essential if one is using a multiple case design, and suggests the following sections for the protocol: a) overview of the project; b) field procedures; c) case study questions; and d) guide for the case study report. Thus, the protocol of this

research aims to study the nature of renovation programmes within hotels and it includes interview questions, procedures and general rules.

According to Yin (1989), the quality of any case study methodology can be judged according to the following four tests: construct validity; internal validity (for explanatory or causal studies only, and not for descriptive or exploratory studies); external validity; and reliability. Yin gives a number of case study tactics for dealing with each of these tests and indicates the phase of research in which the tactics (should) occur which are listed in Table 7.3.

Table 7.3: Case Study Tactics For Four Design Tests

Tests	Case Study Tactic	Phase of research in which tactics occurs
Construct Validity	Use of multiple sources of evidence	Data collection
	Establish chain of evidence	Data collection
	Have key informant review reports	Writing up cases
Internal Validity	Do pattern matching	Data analysis
	Do explanation building	Data analysis
External Validity	Use replication logic in multiple case studies	Research design
Reliability	Use case study protocol	Data collection
	Develop case study database	Data collection

Source: Yin, 1989

The challenge in data analysis for a qualitative enquiry is, ‘to make sense of a massive amount of data, reduce the volume of information, identify significant patterns and construct a framework for communicating the essence of what the data reveals’ (Patton 1990, p. 87). Therefore, three concurrent steps were followed in the process of data analysis (Miles and Huberman 1994). The steps were 1) data reduction; 2) data display; and 3) data display and conclusion drawing/verification. Data were analysed in this manner, both within cases and across cases. Within –case data analysis involves a detailed case study write up for each case. The format used for such analysis in this study is case description. This write up is helpful since it allows the unique patterns of each case to emerge before generalizations across cases are made.

For cross-case data analysis, pairs of cases were selected and the similarities and differences of each pair were noted. This counteracted the tendencies to reach premature closure by looking at the data in divergent ways (Eisenhart, 1989). Consistent with Miles and Huberman (1994), within-case analysis is presented first. Cross-case analysis will then follow, giving the aggregated results.

7.3 Data Results: Within-case analysis

The purpose of within-case analysis is to understand ‘what is happening’ in the organization in the context of renovation. Kuo, Dun and Randhawa (1999) describe it as ‘becoming intimately familiar with each case individually and documenting it thoroughly’. In doing this, three major steps adopted from Patton (1990) were used in this study:

- Assemble and organize raw case data including interview transcript, documentation, archival records and other evidence from hotels.
- Edit data, summarize and organize case information topically for ready access.
- Build data displays for each individual case.

The following sections are within-case analysis, as a result of fieldwork done in Egypt in the summer of 2001. This section is intended to explore renovation programmes within each hotel. In doing so, the researcher segmented it into seven distinct components, namely renovation aims and reasons, barriers, customer, time, team, marketing, and evaluation.

7.3.1 Hotel A

7.3.1.1 Hotel Background

The hotel is situated at the end of the 'Pyramids Road' and within sight of the Pyramids. This is an elegant and historical property, located within short walking distance of the Pyramids of Giza.

The building itself is set back in private gardens and is divided into two wings; the Old Palace and the newer Garden Wing. The lobby area is elegantly decorated in traditional style, with gold coloured panelling and ethnic style seating. Hotel A has survived two world wars, fire, extension and several changes of management and ownership.

The most extensive renovations took place in the 1970's when the hotel was contracted to be managed by an international chain, a large and successful hotel company, who saw that the hotel needed to adapt to the requirements of the growing group tourist market. The company invested US \$ 7 million in a renovation programme, but were careful to retain as many original features as possible.

Currently, the hotel is managed by a well know luxury hotel chain. It has been updated a number of times, and one may stay in either the 'Old Palace' or the newer annex. The 'Old Palace' section is scheduled for further renovation in the dear future.

Beautiful arabesque furniture inlaid with mother of pearl, hand-crafted mosaic tiles, exquisitely carved brass-bound wood doors, original works of art and magnificent antiques all speak of a degree of care and attention to detail which simply would be unusual in most modern hotels.

Fortunately, the earthquake of 1993 did not cause major structural damage to the building, but it shattered and cracked exterior brick and marble as well as interior plaster and marble surfaces. Thus, the management decided to renovate the hotel. It

took about 2 years of negotiations with the hotel owners and then it was postponed for about five years due to the market recession in the 1990s.

7.3.1.2 Renovation Project Brief

The hotel had been renovated regularly. The most recent renovation project began in 1999 and is planned to be completed by 2007. In some areas, renovation was ongoing during the interview time. Much of the remaining renovation will be completed during the hotel's off-season. Scheduled for redesign are all guest rooms, the 150 bathrooms, the lobby, the meeting rooms, and most of the food and beverage facilities.

7.3.1.3 Renovation Aim

Hotel A is one of the most famous hotels in Egypt. This hotel is classified as a monument because it is over 100 years of age. Now it is under major renovation. The General Manager states:

'The aim of this renovation is to position our hotel in its market; not to reposition it; since it is the market leader in the Pyramids area.'

Therefore, renovation is a case of making a good product even better in the case of Hotel A.

Interestingly, Hotel A was late in doing such renovation as reflected in the following statement of the General Manager:

'We would have done this renovation 10 years ago. It has been delayed many times due to the unclear policy of the owners (government) regarding the privatisation of the hotel and also the lack of enough finance to perform it. That is why our previous renovations focused on some selected rooms and public areas.'

7.3.1.4 Renovation Reasons

Hotel A utilizes renovation as a repositioning tool to differentiate itself from its competitors in order to maintain its leading position in the Pyramid market as indicated in the following statement of the hotel marketing manager:

'This hotel has built up an excellent reputation for service and quality. But in the last few years, many hotel rooms came onto the Pyramid market. We felt the need to renovate to retain our market rank. Therefore, we are simply reasserting, reaffirming and confirming our leadership position in the market through our current renovation program.'

Along the same line, the General Manager stated that:

'We do a lot of due diligence in the market set to determine where the demand is coming from and how competitive properties are performing and what the strengths and weaknesses are in positioning. We want to capture what the competition is not and take from them what they are taking for granted by providing better product and services'.

This statement reflects that 'competition' was the main reason for renovation in Hotel A. in addition some other main reasons mentioned by the hotel general and marketing managers such as 'hotel age', 'coping with technology' and 'customer wants and needs'.

7.3.1.5 Renovation Barriers

The main barriers to renovation in Hotel A were:

- 1) Financial difficulties
- 2) Privatisation plans
- 3) Cost of renovation
- 4) Owners
- 5) Fear to lose customers
- 6) Time limitations
- 7) Priority of other businesses

7.3.1.6 Owners involvement

Hotel A is owned by the Egyptian Government, which was involved mainly in the financial aspects of this renovation project. It has also some civil engineers and architectural consultants who participated to some extent in the planning and evaluation of the renovation plans. It is worthy mentioning that this renovation project has been delayed in the past many times due to the hesitation in taking decisions with regards to the inclusion or the exclusion of Hotel A within the privatization policy of the Egyptian Government. Moreover, bureaucracy has also led to delays and difficulties in implementing renovation.

The owners of Hotel A were not involved to a great extent in this renovation programme because of the good experience and the strong relationship they have had with this international hotel management organization as reflected in the following statement by the hotel owner:

'We have had great confidence and trust in its management because it is an international experienced hotel chain that knows well how to perform operation better than us, it has been running our hotel successfully for more than 20 years. It managed many of its renovation before, it knows how to maintain the standards and image of its chain, it knows the requirements of its customers. That is why the hotel management is more qualified than us to plan and implement the hotel renovation without great involvement from our side'.

7.3.1.7 Head Office involvement

The head office took an active role in this renovation programme. This began with the choice of the consultants from the design stage. The design parameters came from the head office's consultants. The head office has built six new hotels in the last ten years.

The head office of Hotel A is involved formally in all of the renovation steps. The hotel management cannot take any decision without obtaining approval or permission from the head office. The head office strongly recommends which external parties to participate in the hotel renovation programme. It also monitors the progress of renovation work through sending their inspectors from time to time throughout the planning and implementation of the project.

7.3.1.8 Internal and External Parties Involvement

The key players in this case were the hotel general manger, the chief engineer and the housekeeping manager. The General Manager believes that the larger the committee, the slower it works. The other hotel department managers were involved in the 'room inspection' stage and not in the 'design stage'. According to the General Manager,

'We listened carefully to everybody when we had our mock-up rooms'.

The hotel hired a foreign interior designer to carry out this renovation programme. The General Manager justified the selection of this foreign and not Egyptian designer by stating that a) it was the selection of head office, b) head office have had previous experience with this interior designer and c) the unique qualifications and experience of this interior designer in the hotel industry. He further commented:

' It is nothing to do with nationality because it is irrelevant here. The world has become a global village and it is all with experience and qualifications.'

7.3.1.9 Time

Hotel A remained open while implementing its renovation project. One of the main reasons the property stayed open throughout renovation was that management wanted to keep all employees working and not lose them to the new competition.

It was essential for Hotel A to remain open throughout renovation for the following reasons as noted the hotel General Manager:

- a) Renovation needs large amounts of money and the hotel was suffering from the lack of finance;
- b) The hotel is still doing well whilst it is under renovation;
- c) Management wanted to keep all employees working and not lose them to new competition; and
- d) The hotel layout is very spread out and this enabled the hotel management to operate under renovation.

In addition, phased reconstruction of the hotel's two wings allowed much of the renovation to take place out of guests' view. When work began in the lobby, temporary walls were built to set off the construction areas, and temporary entry and exit areas allowed guests to come and go without ever catching sight of it. As construction moved, so did the traffic flow. The front desk moved three times during the renovation. This approach was expensive but essential to keep guests separate from the renovation process. Moreover, careful advance planning for every phase of the renovation helped to keep operations running smoothly.

7.3.1.10 Marketing

Interestingly, hotel A did not involve its customers directly in the renovation process through identifying their wants, needs and requirements before embarking on its plans. Instead, the hotel set its renovation plans based upon past customer experience and its head office experience. According to the General Manager:

'We have been doing business for the same people in the last 20 years. We have published several articles in life style and travel publications to tell people about our renovation programmes. Over the years, we have known the wants and needs off our customers. For instance, we increased the size of our rooms to suit the requirement of our business traveller. We did not test 'the increase of our room size' in our hotel because our hotel chain has already tested that idea in its other hotels and you do not need to test it in every hotel'.

Although this renovation was essential for Hotel A to position itself ahead of its competitors, the marketing manager argued that it is an additional element because the history of this hotel is its real Unique Selling Point (USP). This is reflected in his argument that:

'Modern amenities and the business, conventions, and recreation facilities allow the hotel to compete in its chosen markets, but its history is what puts it ahead of the competition. This is our real Unique Selling Point (USP) and nobody else has it, you can't build it. It was necessary to incorporate technology properly in our hotel without detracting from its historical design.'

7.3.1.11 Marketing Communications tools

According to the marketing manager:

'Our renovation marketing campaign started during the implementation stage and it continued until the completion of the project. The most effective communication tool was 'word of mouth'. Other tools such as internet, leaflet, newspaper advertising, magazine advertising were also used in our campaign.'

The marketing communications mix of Hotel A consists of four tools, which are used from a moderate to a very large extent. These tools are:

- 1) Word of mouth
- 2) Use of direct mail (tour operators and travel agents);
- 3) Pamphlets and leaflets;
- 4) Use of fairs and trade shows;
- 5) Internet advertising;
- 6) Opening party and reception;
- 7) Indoor advertising; and
- 8) Articles about the product in the business press.

7.3.1.12 New products

No new facilities have been added through this renovation. It was mainly updating the current product without modifying it because of the nature of this hotel. Moreover, the present market segments are very satisfied with the current facilities offered. The management did not try to attract any new target market but they tried to increase their market share through increasing the number of customers from the current market segments.

7.3.1.13 Evaluation

Quantitative methods of evaluation are used more in hotels than qualitative ones (O'Connor 1999). Certainly this was a point confirmed by the hotel General Manager who, in response to the question of what evaluation methods are used, replied, 'Our

evaluation criteria are based on two elements namely: a) the financial parameters of our performance (e.g. occupancy and ROI) and b) the positioning of the hotel.'

It needs some time to evaluate the success of any renovation project after completion. This time varies according to the scale of renovation and the level of change in the hotel product. This was noted by the hotel General Manager:

'No one will comment on how long it will take for the owners of the hotel to see a return on their investment. Subsequent to renovation, room rates rose only slightly less than 5 percent. But outrageous as it seems, \$20 million is a modest investment compared with approximately \$400 million spent on the new Four Season Hotel in Cairo. '

Similarly, the hotel marketing manger stated:

'Our renovation will lead to change and how this change will affect our guest, our staff and our operation you need at least five years to evaluate its success after completing it.'

7.3.1.14 Summary of Hotel A

The aim of the renovation project of Hotel A was to retain the current position of the hotel as a market leader in the Pyramid area. 'Facing competition' and 'updating the hotel with the new technology' were the main reasons for this renovation project. 'Owners' and 'cost of renovation' were the main two barriers faced by the management of Hotel A to carry out this renovation. The owning company was mainly involved in the financial aspect of this renovation project. The head office of the management company was involved to a greater extent in the planning and implementation stages of this project. The general manager and the chief engineer were the key players from the hotel staff in this renovation project. The hotel recruited a foreign interior designer for this renovation project. Customers were not involved directly in this renovation project. The marketing plan of this renovation targeted guests, travel agents and tour operators through different marketing communication tools. No new facilities have been added in Hotel A by this renovation. Hotel A uses both quantitative and qualitative methods to evaluate the effectiveness of its renovation.

7.3.2 Hotel B

7.3.2.1 Hotel Background

Hotel B was established in 1974. Hotel B has two hundred and seventy five rooms and suites with a panoramic view of the Nile that have been renovated with the greatest care. Built on the north tip of the Cairo island Rhoda and with only a short walk to the city centre, the hotel has long been a central landmark in metropolis. The original hotel had 275 rooms, and the new tower extension has 870 rooms. All rooms have a Nile view and private balcony.

7.3.2.2 Renovation Project Brief

Although Hotel B has recently renovated its old building (275 rooms), the focus of this case study will be on its new extension because the renovation of the old building was just a minor renovation, which was without any change in the design, room layout, or the Food and Beverage (F&B) outlets and other facilities. Hotel B added a new extension. This 40 story addition to the existing landmark hotel added 870 rooms, a health club, ballroom and conference facilities and a 100 ft diameter revolving restaurant on top, offering views of the Pyramids in the distance. The innovative curved Y shaped tower plan provides all guest rooms with spectacular views of Cairo and the Nile.

The complex runs under the same name of an international hotel company, and follows the standards of the international hospitality industry. With over 1000 rooms and suites, and fourteen restaurants, including the revolving restaurant on the 41st floor.

7.3.2.3 Renovation Aim

Hotel B was a 'middle-range' 5 star hotel during the last 10 years. The owners think that this renovation will enable the hotel to be a market leading five star hotel. This was reflected in the following statement by the Assistant General Manager:

'This extension will qualify the hotel to be the market leader in the City Centre hotel market of Cairo. The key is repositioning the property to be the product that fits the opportunity the market offers'.

The owner believes that demand is there in the market but they have a problem of limited supply in terms of their room variety, Food And Beverage outlets, meeting and conference rooms. He commented:

'Thanks to this new extension, the hotel will be able to overcome this challenge.'

7.3.2.4 Renovation Reasons

Due to the privatisation policy of the Egyptian government, Hotel B was sold to a foreign company on two conditions a) to renovate the old building and b) to add new extension to increase the number of rooms in Cairo. Therefore, one of the main reasons for this renovation or extension is to meet the items of the agreed contract with the Egyptian Government. In addition, Hotel B had enjoyed many years of excellent success as a hotel for leisure, business and small executive meetings. However, the hotel's badly needed renovation had been delayed for many years.

Consequently, corporate and association meeting planners, travel agents, tour operators and corporate business were being attracted away by competition from other downtown properties. When the current owners purchased the property in 1990, they decided to construct a new extension and add numerous other improvements. Additionally, the management decided to provide additional services for both business and leisure travellers. According to the assistant General Manager:

'The main goals of this renovation or new extension were to increase occupancy, to attain higher average daily rate, to face competition and to increase the average spending per-guest.'

7.3.2.5 Renovation Barriers

The main barriers to renovation in Hotel B were:

- 1) Cost of renovation
- 2) Privatisation
- 3) Fear to lose customers
- 4) Time limitations

7.3.2.6 Owners involvement

Hotel B was owned by the Egyptian Government, which sold the hotel in 1990 for about US \$ 70 million to a foreign company from the Gulf area. It is worth mentioning that the sale of Hotel B was due to the privatisation policy of the Egyptian Government. The sale was under two conditions: a) renovation of the current building and b) adding new extension. According to the hotel owner, 'we have managed this renovation project from A to Z. we have got both the experience and motivation to do that. We have used some inputs from the operator such as their maintenance experience and market research'. Therefore, the owners were fully in charge of all aspects of the renovation or new extension project. There was very little involvement from the management of the hotel. This might be attributed to the fact that the owners initially planned to manage the new extension under a different brand name in order to get 5 years exemption from tax payment which is the legal case of any new tourist project in Egypt. However, due to unknown reasons and circumstances, the owners changed their minds and decided to manage the new building as a new extension under the same brand name.

7.3.2.7 Head Office involvement

The Head Office took a limited role in the renovation programme. This may be attributed to the fact that the owners were not so sure of their affiliation of this new extension to another different management chain. In other words, the owners were not clear whether to manage this renovation or new extension as a new hotel under a

different brand name or to keep it under the current brand name of the hotel. The design parameters came from the owners' consultants.

7.3.2.8 Internal and External Parties Involvement

Interestingly, the internal parties of Hotel B had very limited role in this renovation or new extension project. This might be attributed to two reasons. First, the contract between the owners and the international hotel management company was about to be terminated. The initial plan of the owners was to take over the management of the hotel and to retain the same staff and managers as part of the new management team.

According to the hotel Owner:

'We did not intend to renew the contract when it comes to its end with this hotel management company which will be very soon, we acquired hotel management know-how, we are tempted to manage our hotel ourselves.'

However, due to some unknown reasons, the owners renewed their contract with the same international hotel chain and it has been agreed that Hotel B and its new extension will be run under the same name.

Most of the external parties were non-Egyptian. This may be attributed to the fact that these external parties were selected by the owners that are foreigners as well. The renovation was completed in December 2001, almost on time and under budget, thanks to the planning, organizational abilities, the design and engineering teams brought to the task.

According to the hotel owner:

'The external parties planned to create a distinctive visual identity that was comfortable and luxurious. Before the final design was chosen five sample rooms were created. Management solicited comments on the rooms from guests, meeting planners, and travel agents shared their feedback with the architects and designers.'

7.3.2.9 Time

Like with Hotel A, it was an essential need for Hotel B to remain open throughout renovation in order to make profit, maintain its customers and employees. In addition, the construction work of the new extension was in a different area behind the old building of the hotel which allowed much of the renovation to take place out of guests' view .

According to the chief engineer: 'we used noise reduction tools (e.g. sound proof ground and walls) which helped us to reduce the inconvenience to our guests.'

7.3.2.10 Marketing

Interestingly, Hotel B involved its current and potential customers directly through conducting intensive market research in order to identify their wants, needs and requirements before embarking on its plans. In addition, this market research included tour operators, travel agents and meeting and convention planners. According to the General Manager:

'We conducted intensive market research that helped us to understand and analyse the key elements associated with our market and its environment. It analysed the environment of our project, the characteristics of supply and demand, time schedules, controls and costs'.

The owners repositioned the hotel based on primary research that analysed supply and demand; indicating the need for more rooms and facilities. The promise inherent in the new positioning was a retreat where guests feel protected and nurtured.

7.3.2.11 Marketing Communications tools

Hotel B created an integrated campaign, including print and broadcast advertising, direct marketing, Internet marketing, public relations support, and collateral and sales support materials that focused more on the improvement of its product and the value and benefits of its offerings. This was reflected in the following two statements of the hotel Marketing Manager:

'Renovation marketing comes in many methods; you market the new product, you market your hotel and you market your company. You have got to give your customer confidence that s/he is buying a better product and he is buying it from the right company.'

'We promote our new extension by all sorts of wild and wonderful ways. We advertise in newspapers, magazines, Internet and we have a PR consultant to get things published. Other than that most of our renovation marketing is done by personal visits, telephone, e-mail and post mail shots to travel agents, tour operators, and other customers. We contact people and then invite them to have a tour in our new building to show them our unique product. Our marketing campaign started one year before the implementation of our renovation plan, which was sufficient time to position our new product in the market.'

The marketing communications mix of Hotel B consists of many tools, which are used from a moderate to a very large extent. These tools were:

- 1) Word of mouth
- 2) Use of newspaper advertising;
- 3) Use of magazine advertising
- 4) Use of direct mail (tour operators and travel agents)
- 5) Pamphlets and leaflets;
- 6) Use of fairs and trade shows;
- 7) Internet advertising;
- 8) Outdoor advertising;
- 9) Opening party and reception;
- 10) Indoor advertising; and
- 11) Articles about the product in the business press.

7.3.2.12 New products

As mentioned previously, Hotel B added a new extension. This 40 story addition to the existing landmark hotel adds 870 rooms, a health club, ballroom and meeting spaces and a 100 ft diameter revolving restaurant on top offering views of the Pyramids in the distance. The innovative curved Y shaped tower plan provides all guest rooms with spectacular views of Cairo and the Nile.

7.3.2.13 Evaluation

The hotel's new extension rooms and facilities were successfully launched in the down town market of Cairo. Hotel B currently enjoys about 45 percent corporate business, 45 percent group and the rest is leisure. Also, it is beginning to enjoy the benefits of its renovation. It was scheduled to be completed by June 2001 but due to delays it was completed in November 2001. According to the marketing manager:

'People see an appreciable difference in the product and 50 percent of our guests are repeat guests. They see a distinct difference between what was and what is, and they have not balked at paying an increase in the rate. The average room rate has increased by \$10 since the addition of our new extension and the renovation of our old building'.

Hotel B uses both quantitative and qualitative methods to evaluate the success of its renovation project.

7.3.2.14 Summary of Hotel B

The aim of the renovation project of Hotel B was to reposition the hotel as a market leader in the city centre hotel market of Cairo. 'Privatisation', and 'facing competition' were the main reasons of this renovation project. 'Bureaucracy' and 'cost of renovation' were the main two barriers faced by the management of Hotel B in comparing out this renovation. The owning company carried out the entire renovation project. The head office had a limited role in the planning and implementation stages of this project. The general manager and the chief engineer were the key players from the hotel staff in this renovation project. The hotel recruited foreign interior designers and architects for this renovation project. Customers were involved directly in this renovation project through primary intensive market research. The marketing plan of this renovation targeted guests, celebrities, meeting and conference planners, travel agents and tour operators through different marketing communication tools. A new extension has been added in Hotel B by this renovation. Hotel B uses both quantitative and qualitative methods to evaluate the effectiveness of its renovation.

7.3.3 Hotel C

7.3.3.1 Hotel Background

Hotel C is considered one of the most luxurious five-stars hotels in Cairo. Hotel C was established in 1984. It is 5 kilometres away from Cairo International Airport and 20 kilometres from the middle of Cairo City. The hotel is constructed on a very large area of land amounting to 75,500 square meters (equivalent to 17 acres) where the construction occupies 25% of the total area and the remaining area is greenery.

The hotel comprises 549 rooms including five rooms for the disabled and 56 rooms for non-smokers in addition to 34 suites and 5 suites for very important people. (VIP), with many facilities including a conference and ceremonies hall and annexed to it is a business centre in addition to the sports club, six tennis courts, 2 squash courts, children playground as well as a health club which provides Sauna, Jacuzzi, massage, gymnasium and two swimming pools, one of which is heated during the winter.

The hotel contains many restaurants and entertainment locations such as a Lebanese Restaurant, an Italian Restaurant, a Far-East Restaurant, a coffee shop, a Gourmet shop and a V.I.P. hall.

7.3.3.2 Renovation Project Brief

Hotel C was opened officially in 1984 under an international hotel chain name. It suffered a major fire in 1989. After the fire, the hotel was closed, except for the swimming pool and 24 chalets which were open to the public under the name 'El-Waha' which means 'The Oasis' in Arabic. Then, it closed totally for about 4 years from 1994-1998 for renovation. The owner planned and implemented its renovation programme from A to Z. It was contracted to another international hotel corporation to manage the hotel for one year, the last year of its renovation programme. Due to some unknown problems between the owner and this corporation, the hotel was re-

affiliated to the original Corporation. The cost of this renovation was about US \$ 187 million at that time.

What is unique about this renovation project was the speed with which it was conducted. According to the hotel General Manager:

'Since the hotel was closed and there were no guests to disturb, we were able to move quickly on the interiors as soon as the contractor finished an area. Communication between owners, contractors, interior designers and purchasing agents is imperative when working at such a rapid pace. The weekly meetings defined the ever-changing appearance of the hotel which had a big impact on the renovation progress.'

According to the hotel owner:

'We are happy because our renovation was completed as planned. More importantly we are pleased that our hotel has continued, and will continue, to provide our guests with the best in service, amenities, and attention during our growth period.'

7.3.3.3 Renovation Aim

The main aim of this renovation was to regain the previous position of the hotel as a market leader in the Heliopolis area.

7.3.3.4 Renovation Reasons

Although it was an urgent renovation, Hotel C considered competition as an important factor in its renovation. According to the hotel General Manager:

'There were just 3 five star hotels in Heliopolis area when our hotel opened in 1984. During its reopening in 1990, there were 7 operating and four under construction five star hotels in the area. We were aware of this hotel development in our area and designed our renovation to meet this massive competition'.

In addition, some other reasons were mentioned such as the 'fire', 'changing the image' and 'the changeable environment'.

It should be noted that the General Manger raised an interesting point regarding hotel supply and demand in Cairo as indicated in the following statement:

'We continue to be concerned about the number of hotels that have been built or are under construction and in the planning stages. Supply is the industry's problem. Fortunately, demand has remained robust, which has helped the absorption of these new rooms, but the current level of hotel construction in Cairo is not taking our hotel where we want to go. Fortunately, supply growth does not treat all companies equally. Through retaining our unique image, our hotel is very well positioned.'

7.3.3.5 Renovation Barriers

The main barriers to renovation in Hotel C were a) cost of renovation b) financial difficulty and c) time. The chief engineer stated:

' The cost of this urgent renovation forced the owning company to get loans from banks because we couldn't afford such massive cost. In addition, we were working on our renovation day and night in order to be back on the track as quickly as possible to gain our market position before losing it'.

7.3.3.6 Owners involvement

As mentioned previously, the owner planned and implemented the renovation programme of Hotel C from A to Z. It was contracted to another international hotel corporation to manage the hotel for one year that was the last year of its renovation program. Due to some unknown problems between the owner and this corporation, the hotel was re-affiliated to the previous Corporation. According to the hotel owner,

'We have managed the entire renovation project. We have got both the experience and motivation to do that. We have used some inputs from the operator such as their maintenance, experience and market research'.

7.3.3.7 Head Office Involvement

The Head Office took a very limited role in this renovation programme. This may be attributed to the fact that the owners terminated the contract with the management (International Hotel Chain) immediately after the fire. They were not sure whether to retain the affiliation of their hotel, after renovation, to the same managing company that ran the hotel before the fire or to affiliate to a different one. The design parameters came from the owners' consultants.

7.3.3.8 Internal and External Parties Involvement

Interestingly, there was very limited involvement from internal parties in the renovation of Hotel C. This was because the hotel terminated the contracts of most of their employees immediately after the fire with the exception of a few number from the housekeeping, engineering and food and beverage departments.

Most of the external parties were Egyptian. This may be attributed to the fact that the owners could not afford the cost of foreigner external parties due to the financial difficulty they had at this time. The selection of these external parties was based on competition among Egyptian architecture and interior design companies. The owners advertised the requirement and specifications of this renovation project in national newspapers. Then, companies submitted proposals for the renovation project of 'Hotel C'. The referee panel were mainly the consultants for the owners and some university professors.

7.3.3.9 Time

The decision to close the hotel, as difficult as it was to make, was impossible to avoid. It simply became clear that the owners had no other option except closing the hotel totally for about four years in order to undertake the renovation project.

7.3.3.10 Marketing

Hotel C had the largest number of meeting rooms in the Heliopolis area, with business driven primarily by meetings and conventions. However, the hotel's urgent renovation closed the hotel for six years. Consequently, corporate and association meeting planners and corporate transient business were lured away by competition from other airport properties. The owners decided to provide additional services to both business and leisure travellers. Consequently, upon completion of its renovation, the property needed to be repositioned as a new hotel with the same name as before to regain its previous position.

After conducting primary research with both meeting planners and transient business travellers, the hotel developed a new position for itself. Strategies were developed to support each primary revenue centre: rooms, food and beverage, catering/convention services, small meetings and large groups.

The General Manager stated:

'We are certainly achieving our market share in an overbuilt Cairo, where tourism has not been robust since the terrorism and where the recession, too, has affected its performance.'

In relation to the negative impact of the fire on the hotel's image, interestingly, the Marketing Manager of Hotel C stated:

'The fire that we had did not cause any big problem to our position when it was re-opened in 1998 due to three main reasons. Firstly, the hotel was the market leader and the best hotel in terms of its products and services. People were disparate for its reopening because there had not been any hotel up to its standard. Secondly most of our customers are foreigners from the western countries and thirdly it was a long time between the fire and the reopening and I think that the majority of the Egyptian people have forgotten it'.

In addition, he added further:

'We updated all travel agents and major tour operators about the progress of our renovation in the final year of the project. But we did not consult them regarding any aspect of our renovation. This was simply because we replicated almost the same architecture, design and decor of the hotel before the fire.'

Therefore, the marketing campaign of the hotel promised a special experience to each guest without defining what that unique experience might be. Strategies were developed targeting each segment in general and particularly the conference and meeting planners.

7.3.3.11 Marketing Communications tools

The marketing communications mix of Hotel C consists of many tools, which are used from a moderate to a very large extent. These tools were:

- 1) Word of mouth
- 2) Use of newspaper advertising;
- 3) Use of magazine advertising
- 4) Use of direct mail (tour operators and travel agents)
- 5) Pamphlets and leaflets;
- 6) Use of fairs and trade shows;
- 7) Internet advertising;
- 8) Outdoor advertising;
- 9) Opening party and reception;
- 10) Indoor advertising; and
- 11) Articles about the product in the business press.

7.3.3.12 New products

As mentioned previously, Hotel C did not add any major new facilities that are different from the previous facilities. However, there were minor changes to hotel

rooms and some other facilities (e.g. the royal and presidential suites, the expansion of the health club, two new squash courts, and new restaurant). According to the Marketing Manager:

'We did not need to add any new facility or to offer a new product because the main target of our renovation was to recapture our position as a market leader in the Heliopolis area and during our closure nobody else could occupy our position'

7.3.3.13 Evaluation

Hotel C uses mainly quantitative methods (e.g. profit, room rate, occupancy rate, renovation cost against budget) to evaluate the success of its renovation project.

According to the General Manager, the renovation has led to much publicity, higher occupancy, more meetings and increased Food and Beverage business.

7.3.3.14 Summary of Hotel C

The aim of the renovation project of Hotel C was to regain the previous position of the hotel as a market leader in the Heliopolis area. 'Facing competition', and 'Customer satisfaction' were the main reasons of this renovation project. 'Owners' and 'cost of renovation' were the main two barriers faced by the management of Hotel C in carrying out this renovation. The owning company planned and implemented all aspects of this renovation project. The head office took a very limited role in this project. The maintenance manager and the housekeeping manager were the key players from the hotel staff in this renovation project. The hotel recruited Egyptian interior designers architects, consultants and building contractors for this renovation project. Hotel C did not conduct any primary market research for this renovation. The marketing plan of this renovation targeted guests, travel agents and tour operators through different marketing communication tools. No new facilities have been added in Hotel C by this renovation. Hotel C uses both quantitative and qualitative methods to evaluate the effectiveness of its renovation.

7.3.4 Hotel D

7.3.4.1 Hotel Background

The hotel is located at the beginning of the highway between Cairo and Alexandria, approximately a 10 minute drive from the Great Pyramids and a 40 minute drive from downtown Cairo. The hotel has been refurbished and the lobby area has been brought up to a good 'deluxe' standard.

The hotel comprises 470 rooms and Duplex Suites which are equipped with amenity such as individually controlled air conditioning, TV with international movie and satellite channels, direct dial telephone, mini-bar, 24-hour Room Service and a large balcony with views of the hotel's landmark swimming pool or the gardens.

The hotel is a modern, low-rise structure, made up of a number of buildings built around a large swimming pool. The large lobby area consists of 2 parts which are simply furnished and decorated. Casual seating is available.

7.3.4.2 Renovation Project Brief

The renovation programme of Hotel D included the lobby, reception, rooms, health club, banquet rooms and its food and beverage outlets. This included merging a seafood restaurant with a Lebanese restaurant. The first phase of this four phase programme started in 1998 with renovation of the lobby, the reception and 100 rooms which allowed the hotel to shift its look to a marketable European style. The second stage, started in 1999, included renovating the health club, which was closed for four years and the transformation of the seafood restaurant and another 50 rooms. The third stage, started in 2001, included 6 food and beverage outlets and another 50 rooms. The final stage, started in 2002, included the remaining rooms, kitchen and stores.

The chief engineer stated:

‘Small changes in some cases resulted in big differences’. For example, in the lobby lounge they kept the space open but reorganized the seating layout to provide a clearly defined walkway to the restaurants.’

The former coffee shop was moved and redesigned as a terrace restaurant to free up space for a shopping arcade offering mostly designer goods. In the guestrooms, dated built-ins were replaced by free-standing furnishings.

7.3.4.3 Renovation Aim

Interestingly, over the past 15 years, Hotel D has changed its affiliation four times to different international chains. These affiliation changes were mainly because of problems between the owners and those international management companies in general and renovation issues in particular. Moreover, the last international hotel management company refused to run the hotel before undertaking renovation.

According to the GM:

‘The main aim behind our renovation project is to raise our standard up to the same level of our competitors. This will be done through transforming the hotel’s image from ordinary to elegant. Our goal is to create a great hotel and attain private sector’s five star rating.’

7.3.4.4 Renovation Reasons

The new management needed to update the property to stay competitive and be more profitable. But another big reason was to increase the hotel’s rating status from a ‘lower’ to an ‘upper’ five star class. Moreover, there were some other reasons including: a) to face competition and b) to upgrade the hotel with new technology.

7.3.4.5 Renovation Barriers

The main barriers to renovation in Hotel D were a) Owners; b) cost of renovation; c) Time limitations. According to the Marketing Manager

'The hotel owners needed talented management like ours to convince them of the importance of renovation and its potential impact on our hotel performance'

Interestingly, the current hotel management which is an international hotel management organisation, did not allow the use of its brand name before achieving the minimum required level of renovation.

Due to problems between the owners and the previous management companies, the renovation of hotel D had been delayed for several years which resulted in a tired hotel that needed a huge amount of money to carry out this delayed renovation.

7.3.4.6 Owners involvement

The owning company of Hotel D was in charge of the planning and the implementation of this renovation programme under the supervision of the new management company. This might be attributed to the fact that the managing company did not allow the owning company to use its brand name until the renovation had been completed. They gave the owners four years to carry out the essential stages of such renovation.

7.3.4.7 Head Office Involvement

As mentioned above, the management company recommended the renovation requirements for Hotel D in order to re-flag the hotel with its brand name. It supervised the progress of renovation work via their inspectors throughout the planning and implementation of the project. Interestingly, the management company was not involved in the selection of external parties to perform this hotel renovation programme.

7.3.4.8 Internal & External Parties Involvement

The key players in this case were the hotel general manger and the chief engineer. According to the General Manager:

'Although our company did not permit the utilization of its brand we were still involved in the supervision of the execution of our renovation in order to make sure that everything was done according to our company's guidelines and standard.'

Most of the external parties were Egyptian. This may be attributed to the lack of finance to recruit foreign architects and interior designers. The Public Relations manger stated:

'Our budget limited our capabilities in recruiting foreign external parties because we couldn't afford to pay their fees.'

7.3.4.9 Time

Although the managing company refused to run the hotel under its brand name before doing the necessary renovation, the owning company of Hotel D insisted on running the hotel under a national name. By doing this, the hotel remained open throughout renovation in order to make some profit to support its renovation project as required by the international hotel management company.

According to the Public Relations manger:

'Running the hotel under this national name by the owners has not affected the image of our hotel, because our brand name was not involved at any aspect of operations during this period. We disagreed with that policy but we could not convince them otherwise.'

7.3.4.10 Marketing

Interestingly, Hotel D did not involve its current or potential customers directly by conducting market research in order to identify their wants, needs and requirements before embarking on its plans. The renovation guidelines were set up by the head

office by following the standards of their other hotels operating in Egypt. According to the General Manager:

'There was no need to conduct any market research because we were just trying to meet the minimum required level of our standard through carrying out this renovation. In addition we have two other five star operations in Cairo which means we understand the requirements of Cairo market'

However, the researcher has some reservations about such a statement:

1. Although the managing company operates two other hotels in Cairo, they are not in the same location as Hotel D, which means a different market with different requirements.
2. There is major competition between international hotel managing companies in Egypt, which forced this managing company to accept running Hotel D with the minimum required level of renovation.

The marketing plan of this renovation programme started during and after implementation. All guests, tour operators, travel agents, meeting planners and business men were kept informed of the progress of the hotel renovation through different communication tools, as mentioned below.

7.3.4.11 Marketing Communications tools

According to the Public Relations manager, 'word of mouth' was the main communication tool used in this marketing renovation campaign as reflected in the following statement:

'We know a lot of people in the industry, so our renovation has been promoted by word of mouth. We did also some PR work and writing to people. If we don't do this we will rely on our regular customers and we will have limited chance in catching new customers.'

The marketing communications mix of Hotel D consisted of many tools, which are used from a moderate to a very large extent. In rank order of importance, these are:

- 1) Word of mouth

- 2) Use of direct mail (tour operators and travel agents)
- 3) Telephone calls
- 4) Opening party
- 5) Internet advertising;
- 6) Opening party and reception; and
- 7) Indoor advertising.

7.3.4.12 New Product

Regarding new product development within this renovation project, only one new restaurant was added as a new facility in Hotel D. However, the renovation was mainly updating the current product without modifying it in order to meet the standards of the managing company. The management company is trying to reposition the hotel in the five star hotel market in the Pyramids area. Management did not try to attract any new target market but they tried to increase their market share through increasing the number of customers from the current leisure and business market segments.

7.3.4.13 Evaluation

Although the renovation project of Hotel D was not completed at the time of the interview, the General Manager explained that they will evaluate the success of this renovation programme by relying mainly on quantitative tools such as occupancy rate, Return on Investment (ROI), and guest comment cards. On top of that, head office assessment was considered to be the most important evaluation tool.

7.3.4.14 Summary of Hotel D

The aim of the renovation project of Hotel D was to raise the standard of the hotel to the level of its competitors. 'Facing competition', and 'updating the hotel with the standards of the new management company' were the main reasons of this renovation

project. 'Owners' and 'cost of renovation' were the main two barriers faced by the management of Hotel D to carry out this renovation. The owning company was involved in the planning and implementation aspects of this renovation project under the supervision of the head office. The general manager and the chief engineer were the key players from the hotel staff in this renovation project. The hotel recruited Egyptian interior designers. The hotel remained open during its renovation. Customers were not involved directly in this renovation project. The marketing plan of this renovation targeted guests, travel agents and tour operators through different marketing communication tools. A new restaurant has been added in Hotel D through this renovation. Hotel D uses mainly quantitative methods to evaluate the effectiveness of its renovation.

7.3.5 Hotel E

7.3.5.1 Hotel Background

Hotel E was built in 1980. Hotel E is located 10 kilometres south west of Cairo and is only 32 km from Cairo International Airport. Hotel E is only 15 minutes from the centre of Cairo. The hotel offers the largest number of rooms in the Giza area. It has a variety of guest rooms (523), international restaurants, leisure and sport facilities and 24-hour room service. Most guest rooms have a view of Cairo or of the Pyramids. The 525 rooms and suites are furnished with Egyptian ornaments and artwork. 218 hotel bedrooms have a view of the three Pyramids, while many others overlook the hotel's swimming pool. Hotel E provides a 24-hour exchange bank and Concierge Desk, a Business Centre with multilingual secretarial assistance, a large shopping arcade, beauty saloon and swimming pool with a view of the Pyramids.

7.3.5.2 Renovation Project Brief

The renovation of Hotel E includes the rooms, reception, meeting rooms, swimming pool, kitchen and the addition of two new restaurants. The programme started in 1999, with the renovation of 80 rooms (the 4th and 5th floors) and the addition of new Nubian and Mexican restaurants. At the time of interview, the hotel was in its second stage of the renovation plan, which included, the reception, swimming pool and further 50 rooms.

7.3.5.3 Renovation Aim

Initially, Hotel E was under the flag of an international chain before it was destroyed due to a riot in 1986. It was closed of from 1986 to 1992. During this closed period, the owner undertook some renovations, which enabled the hotel to re-open again in 1993 under another international flag. Today the hotel is under major renovation in

order to reposition itself as a second market leader, after Hotel A, as reflected in the following statements by the hotel General Manager:

'We have had a real push to upgrade our property and believe it's a key to success in today's market.'

'Due to the recession of the 90s, we gave more attention to the service rather than to the physical product. The main aim of our renovation project is to reposition our hotel as the second market leader in the Pyramids area.'

7.3.5.4 Renovation Reasons

The 'new affiliation', the 'riot', 'competition', 'coping with the new technology' were the main renovation motivations mentioned by both the General Manager and the Food and Beverage manager of Hotel E.

7.3.5.5 Renovation Barriers

The main barriers to renovation in Hotel E were a) cost of renovation, b) time and c) fear to lose customers. As mentioned previously, the hotel had shifted its focus on the intangible dimension rather than on the tangible one of its product due to the economic recession of the 1990s. According to the General Manager:

'Our owning company understands the invaluable importance of renovation but the delay was due to some external factors beyond their control. These external factors affected the financial performance of our hotel and had delayed our renovation plan for a few years'.

7.3.5.6 Owners Involvement

The renovation work was allocated to a committee of members representing the owning and managing companies. The General Manager of the owning company chaired this committee. This committee facilitated the planning and implementation of the renovation process through effective communication and coordination between

committee members. In doing so, this committee managed to save time, money and effort.

7.3.5.7 Head Office involvement

The head office was involved in the renovation committee of Hotel E. This means that the head office participated in all stages of this renovation programme. According to the General Manager:

'We are renovating according to the guidelines dictated by a management agreement or annual inspections through our head office. The process of review and approval of selections and plans is done by our head office'.

7.3.5.8 Internal & External Parties Involvement

The key players in this case were the hotel general manger, the maintenance department and the food and beverage manager. They were mainly involved in the planning and implementation stages but not in the planning stage.

The designers of the new restaurant renovation were Egyptians, while the interior designers of the room renovation were from abroad. The hotel food and beverage manager justified that with the following statement:

'The restaurants always have the capacity to reflect the spirit of the Middle Eastern culture, while the rooms follow a standardized Western image. Furthermore, more than 50% of our restaurant customers are Egyptians, while they just represent less than 15% of our room occupancy.'

7.3.5.9 Time

Hotel E remained open during its renovation, but it closed off one floor at a time while undergoing renovation. Similar to all case study hotels, the hotel had to remain open to achieve profitability, maintain its customers and employees. According to the chief engineer:

'I don't think we had caused a lot of inconvenience to our guests because of our renovation. Thanks to the new sound proof and insulation means, any disturbance was reduced to a minimal level.'

Similarly the General Manager stated:

'When you undergo a major renovation like we did, you are going to inconvenience guests but if you make every effort to notify them ahead of time, and then deal with the inconveniences by showing extra sensitivity and service, then people are very understanding. Even during the most disruptive part of the renovation, guests ranked us within the top hotels of Cairo.'

7.3.5.10 Marketing

Hotel E conducted primary market research, which led to the addition of two new restaurants and the renovation of the other food and beverage outlets. The hotel used food and beverage guest comment cards as part of this market research. On the other hand the management did not conduct any primary market research for the renovation of the rooms. Instead they depended on the head office and the interior designer in this process. Management also solicited input from guests through room service guest comment cards. Interestingly, an analysis of a copy of the guest room comment card reveals that most of the questions were about the service dimension while the physical dimension was almost completely ignored.

7.3.5.11 Marketing Communications tools

According to the General Manager:

'We were trying to send a clear message to our customers through our renovation marketing plan. The message was our hotel product has been improved due to the recent renovation our hotel was undergoing. The message was sent in various ways such as Internet, newspapers, and magazines, PR. We found that (our past experience showed us that) 'word of mouth' is the most effective tool while newspaper advertising was the least effective.'

The marketing communications mix of Hotel E consisted of many tools, which are used from a moderate to a very large extent. In rank order of importance, these are:

- 1) Word of mouth
- 2) Use of newspaper advertising;
- 3) Use of magazine advertising
- 4) Use of direct mail (tour operators and travel agents)
- 5) Pamphlets and leaflets;
- 6) Internet advertising;
- 7) Outdoor advertising;
- 8) Opening party and reception; and
- 9) Indoor advertising.

7.3.5.12 New Product

Regarding new products offered as part of the new renovation plan, Hotel E added two new restaurants, royal club, new business rooms and a new meeting facility. The addition of such new facilities were mainly to maintain the position of the hotel in its market place as indicated by the following statement from the General Manager :

'We needed to add some new facilities in order to retain and confirm our rank as the second top of the five star hotels in the pyramid area in the short term. Moreover, this renovation enables us to face the future competition coming soon by our new giant competitors in the area.'

7.3.5.13 Evaluation

Quantitative and qualitative methods will be used by the management of Hotel E to evaluate their renovation success. Quantitative methods included; occupancy rate, ROI and guest survey. Qualitative methods included interviews and focus groups with guests, employees, meeting planners and travel agents.

7.3.5.14 Summary of Hotel E

The aim of the renovation project of Hotel E was to retain the current position of the hotel as a second market leader in the Pyramid area. 'Facing competition', 'satisfying customers' and 'meeting the standards of the managing company' were the main reasons of this renovation project. 'Time', 'fear to lose customers' and 'cost of renovation' were the main two barriers faced by the management of Hotel E to carry out this renovation. The renovation work was planned and implemented by a committee representing both the owning company and the managing company. The general manager, food and beverage manager and the chief engineer were the key players from the hotel staff in this renovation project. The hotel recruited a foreign interior designer for the renovation of rooms, while it recruited an Egyptian for the renovation of the restaurants. Hotel E conducted primary market research for its FOOD AND BEVERAGE renovation. Customers were not involved directly in the room renovation project. The marketing plan of this renovation targeted conference planners, travel agents and tour operators through different marketing communication tools. Three new facilities (restaurant, new business room and meeting room) have been added in Hotel E by this renovation. Hotel E uses both quantitative and qualitative methods to evaluate the effectiveness of its renovation.

7.3.6 Hotel F

7.3.6.1 Hotel Background

The hotel is situated on the banks of the Nile close to the commercial centre. This hotel should be considered a good superior first class hotel in need of renovation. This is a modern building. The lobby is of a medium size with some seating arrangements. It is decorated in marble stone and is bright. The bedrooms are of a good size with comfortable beds, clean and reasonably decorated. Bathrooms are large and bright. Some of the rooms face the Nile. The Hotel consists of 290 rooms and suites as well as a wide variety of restaurants and function rooms fit for any type of events.

The hotel is very old. Founded In 1841 and is one of the Classical hotels in Egypt. Hotel F has a long-standing reputation. Hotel F is owned by the government and was managed by the government till 1988. In 1989, when the property was managed by an international hotel management company, the physical structure no longer measured up to five star hotel standards. A major, US\$ 4 million redesign of the lobby, restaurants, bar and guestrooms commenced in late April 1994—and was planned to be completed by 2004. Due to the bureaucracy of the owners, which is normal with the majority of government authorities, they have gone through many years of getting ready and there has been a lot of trial and error in a really difficult economy.

7.3.6.2 Renovation Project Brief

The renovation project of Hotel F was a conclusive one. It started in 1994 with the lobby and reception area. After that the plan was to renovate two floors every year. The plan also included the renovation of the banquet and conference room, bar, disco and the kitchen. Interestingly, the hotel was still under renovation during the time of

the interview. Hotel C was managed by the government till 1987. Then it was contracted to an international hotel corporation in 1988. About 60% of the renovation plan is completed but the hotel is still under renovation.

7.3.6.3 Renovation Aim

According to the Marketing Manager of this hotel:

'Changing markets and trends also dictate the need to alter the size and/or type of facilities hotels offer.'

'The aim of our renovation is to keep up with our corporate image and standards'

She added another interesting statement, which reflects the massive importance of renovation for the Egyptian hotels.

'In a 5* downtown hotel market like Cairo, Conrad Hilton's statement location, location and location doesn't stand and should be changed to renovation, renovation and renovation'. The overall design goal of the renovation was to create a fresh new look distinctive from the competition and deserving of five star status.'

Therefore, the renovation of Hotel F aimed at placing the hotel property in line with internationally reputed 5 star hotels in Cairo.

The General Manager stated:

'We are going to position our hotel as a total business and leisure hotel to benchmark it not only with any international five star hotel but with top hotels in the world.'

The General Manger revealed plans about improvements in the hotel and stated that the management wanted to make the hotel a businessman's hotel with all the necessary facilities. Most of the hotel's key clientele come from the US, Europe, Asia and the Middle East.

The hotel is focusing its attention on improving all service levels to international standards and also introducing new technology under the refurbishment plan.

7.3.6.4 Renovation Reasons

The hotel is very old and its physical structure no longer measured up to five star hotel standards due to delayed renovation programmes and poor repair and maintenance while the hotel was managed by the government. The aims of the renovation are to meet the standards of the new international hotel management company, to face Competition, to upgrade the hotel to meet the grading scheme of tour operators and travel agents. According to the Marketing Manager:

‘Although our hotel is a five star hotel according to the grading system of the Egyptian government, it is not ranked as a five star hotel according to the classification of the private sector due to the difference between the quality of our physical product in comparison with the other five star hotels in Cairo.’

This statement confirms the previous finding of the hotel owners’ interviews (Chapter 6), that there is a gap between the public sector and the private sector with regards to the hotel classification system in Egypt.

7.3.6.5 Renovation Barriers

The main barriers to renovation in Hotel F were; a) cost of renovation; and b) owners and c) bureaucracy. The transformation of this hotel from a government hotel into an international chain hotel required major changes in terms of its physical products. This change required years to achieve. The repercussions of poor performance of the previous management had a negative effect on the needed renovation of the current management.

Being a governmental property, bureaucracy was one of the expected barriers, which is a common theme in the Middle East. This is a great challenge to an international

hotel company. The unclear privatization policy regarding this hotel was an added barrier to the renovation of this hotel.

7.3.6.6 Owners involvement

Similar to Hotel A, Hotel F is also owned by the Egyptian government, which contracted the management of this hotel to the current international hotel management company. This international company demanded an urgent renovation plan in order to take on board the responsibilities of managing the hotel. However, this urgent renovation had been delayed for several years due to:

1. The hesitation in taking a decision with regards to the inclusion or the exclusion of Hotel F within the privatization policy of the Egyptian Government.
2. Bureaucracy has led to delays and difficulties in implementing renovation.
3. The economic recession of the 1990s.
4. The poor image of the hotel as a governmental property which led to poor financial performance, resulting in insufficient investment to fund this renovation programme.

The owning company was in charge of the financial aspect of this renovation project. It also had some civil engineers and architect consultants who participated to some extent in the planning and evaluation of the renovation plans. According to the hotel owner:

'we have had successful experience with international hotel management companies in the past. This has encouraged us to delegate the renovation planning and execution to this international hotel management company. We understand that the renovation of our hotel had been delayed for several years, but we have finally taken positive steps towards achieving the required objectives. In addition, you can't correct the mistakes of several decades in just few years.'

7.3.6.7 Head Office Involvement

The head office of Hotel F was involved formally in all of the renovation steps. The hotel management could not take any decision without obtaining approval or permission from the head office. The head office strongly recommended which external parties should participate in the hotel renovation programme. It has a full time area project manager, an Egyptian architect, in charge of all their operations in Egypt. His office was based in Hotel F. He was the main link between the hotel management, the head office and the owning company.

According to the project manager:

'Communication between all of the stake holders, was the key to the successful completion of our renovation plan. Patience was the other key in order to cope with the bureaucracy of the government and its employees'

7.3.6.8 Internal & External Parties Involvement

The key players in this case were the hotel general manger and the project manager. Similar to Hotel D, all of the external parties of the renovation project of Hotel F were Egyptian due to financial constraints. A number of national companies had submitted proposals to project the renovation of Hotel F. Interestingly, the selection criteria for the accepted bid was based more on cost than experience and quality.

7.3.6.9 Time

Similarly to Hotel E, Hotel F remained open during its renovation, but it closed off one floor of the outlet at a time, which it was undergoing renovation. Similar to all the case studies, the hotel had to remain open to achieve profitability, maintain its customers and employees. According to the General Manger:

'Our renovation program did not require the closure of our hotel because: a) this was the desire of the owning company and b) the renovation programme was divided into many phases [about 10 phases] due to the lack of funds '

7.3.6.10 Marketing

The marketing plan of the renovation programme was limited when compared with the other renovation marketing plans of the other cases. This is may be attributed to the tight budget and the nature of the renovation project of Hotel F which did not include the addition of any new products. However, the marketing staff informed most of their travel agents, tour operators, conference organizers and meeting planners about the renovation of the hotel.

Hotel F did not involve its current or potential customers directly through conducting any market research in order to identify their wants, needs and requirements before embarking on its plans. The renovation guidelines were set up by the head office through following the standards of the international managing company. According to the General Manager:

'We know the requirements of our customers and we did not add any new facilities by this renovation. We were updating our current product to cope with the standard of our managing company.'

Along the same line, another example was given by the Project Manger:

'We upgraded the amenities to appeal to the business traveller, using our corporation's standard oversized desk and a smart lamp with a computer plug-in in each room'.

7.3.6.11 Marketing Communications tools

Hotel F used a limited marketing communications mix that consisted of different tools, which are used from a moderate to a very large extent. This was reflected in the following statement of the Marketing Manager:

'We did not promote our renovation directly to our customers because they may have been put off due to the negative perception people generally have regarding renovation and construction. On the other hand, we informed our travel agents, tour operators, business companies and the ministry of tourism by making phone calls and sending letters to explain to them our renovation. Most of it was from 'word of mouth'. We did not really do any further promotion with the exception of the internet and in-house advertising.'

Examples of the used communication tools included:

- 1) Word of mouth
- 2) Use of direct mail (tour operators and travel agents)
- 3) Internet advertising;
- 4) Opening party and reception; and
- 5) Indoors advertising.

7.3.6.12 New Product

Regarding new products offered as part of the new renovation plan, Hotel F did not add any new facility. The renovation was mainly to update the physical product with its new management standards and to upgrade itself to the five star level as understood within the private sector.

7.3.6.13 Evaluation

Quantitative methods are used by the management of Hotel F to evaluate their renovation success. These quantitative methods include; occupancy rate, ROI and guest surveys.

7.3.6.14 Summary of Hotel F

The aim of the renovation project of Hotel F was to keep the hotel up with its corporate image and standards. 'Facing competition', and 'upgrading the hotel as a five star hotel' were the main reasons of this renovation project. 'Owners' and 'cost of renovation' and 'bureaucracy' were the main barriers faced by the management of

Hotel F to carry out this renovation. The owning company was mainly involved in the financial aspect of this renovation project. The head office was involved to a great extent in the planning and implementation stages of this project. The general manager and the project manager were the key players from the hotel staff in this renovation project. The hotel recruited a foreign interior designer for this renovation project. Customers were not involved directly in this renovation project. The marketing plan of this renovation targeted travel agents and tour operators through different marketing communication tools. No new facilities have been added in Hotel F by this renovation. Hotel F uses mainly quantitative methods to evaluate the effectiveness of its renovation.

7.3.7 Within-Case Conclusion

The case studies reveal that renovation leads to better performance through achieving both profitability and guest satisfaction. They also indicate that there is a close relationship between renovation and repositioning. Although renovation in the hotel industry is very important, most Egyptian five star hotels still use it as a reactive rather than proactive marketing tool. The economic recession of the 1990s affected renovation plans of most cases. There is major competition among international hotel management companies in Egypt. Owners are involved to a great extent in the execution of renovation in most hotels. The cases revealed also that Egyptian five star hotels use renovation to achieve different aims and goals.

The case studies suggest that renovation was found to be most successful in organizations that have clearly stated renovation strategies, a good relationship between the managing and owning companies, sufficient funds, and greater customer involvement. However most of these findings and suggestions will be explained, confirmed and elaborated further in the next section.

7.4 Data Results: Cross-Case Analysis

The purpose of cross-case analysis is to look into differences and similarities among cases to help the researcher to understand the underlying patterns that emerge from the study. Eisenhart (1989) suggests that, 'searching for patterns across cases forces the researcher to go beyond initial impressions and look at the data in divergent ways.' He further advises that cross-cases are driven by the reality that people are poor processors of information. This technique of studying the data will assist the researcher to decrease the potential for errors and bias. Patterns in qualitative data can be represented as dimensions, categories, schemes and themes (Patton 1990). This is similar to Yin (1994), replication logic, or pattern matching or similar to that used in multiple-experiments. In this study, research questions were used as categories to look for within cases and across cases.

Consistent with Miles and Huberman (1994), a 'within' case analysis is presented first in the previous section, 'cross-case' analysis will follow in this section, giving the aggregated results. The cases are arranged in tabular form as proposed by Miles and Huberman (1994).

7.4.1 Renovation Project Scale

The scale of renovation programmes in these case studies varied, although all of them were major or master renovations. In all cases, guest rooms, food and beverage outlets, and meeting facilities were the primary focus of the renovation plan. This means that hoteliers gave more consideration and draw more attention to the front of the house than to the back of the house. None of the cases mentioned that employees' offices, lockers or dining area were part of their renovation programmes.

7.4.2 Renovation Aim

All cases studied were found to have different repositioning aims for utilising renovation. The various renovation aims were to retain its position as a market leader

in the pyramid area (Case A); to enhance the quality of hotel from a middle class five star hotel to an upper-class one (Case B); to regain its position as a market leader in the Heliopolis area (Case C); to cope with the standards of the new management company (Case D); to achieve the required quality of product/service of the new affiliation (Case E) and to change the hotel's image from a government hotel to an international chain hotel (Case F).

These results confirm the essential role of renovation as a strategic marketing tool for hotel repositioning (Hassanien and Baum, 2002). In addition, the results suggest that international hotels in Egypt use renovation as a marketing and repositioning tool. However, lack of new products offered by these renovation projects and the renovation delays in most cases suggest that renovation is used as a 'reactive' rather than a 'proactive' repositioning tool, which was one of the main finding of the survey and the hotel owners' and inspectors' interviews. These results closely reflect the work of Hassanien and Losekoot (2002), and Hassanien and Baum (2003) who uncovered that renovation was mainly used in Egyptian hotels as a reactive; rather than a proactive; marketing tool. Along the same line, the results suggest that all the cases, with the exception of Hotel B, did not achieve explicit innovation through their renovation projects. This might be attributed to tight budget, which was a significant barrier in all cases as will be explained below.

7.4.3 Renovation Reasons

Table 7.4: Renovation Reasons

Hotel	A	B	C	D	E	F
Reasons	1-Old hotel 2-Facing competition 3-Customer wants and needs 4-New technology.	1-privatisation 2-Facing competition 4-improve the hotel's status	1-Fire 2-Facing competition 4-changing the image	1-New management company 2-Facing competition 3-improve the hotel's status as a five star hotel 5-New technology	1-New affiliation 2-Riot 3-competition 3-improve the hotel's status as a second market leader	1-New brand 2-changing the previous image as a government hotel 3-competition 4-improve the hotel's status as a five star hotel 5-New technology

The main reasons for each renovation project in each case study are listed in Table 7.4.

It can be seen from the above table that all the hotels under study had different reasons for their renovation projects. 'Competition from other hotels' was found to be one of the main reasons in all cases studied. 'Re-affiliation' or 'To meet the standards of the new management' was the main reason in Cases D, E and F. 'Upgrading the hotel' was another main reason in Case B and particularly in Cases D and F. Renovation was urgent in Cases C and E because of the destruction caused by fire and the riot. Interestingly, 'customers wants and needs' was not mentioned explicitly as a reason in all cases which shows that renovation in large Egyptian hotels is not primarily market oriented. This result supports what has been previously noted in the literature by Baum and Wolchuk (1992); Baum, (1993); Lynn & Seldon, (1993); Watkins, (1995); Bruns, (1996); and Chipkin, (1997). These authors suggest that there are many different reasons that explain the role played by renovation in the success of hotels. In addition, it supports the findings of the survey (Chapter 5) and the hotel owners' and inspectors' interviews (Chapter 6). Similarly, it lends support to the findings of the survey and the hotel owners' and inspectors' interviews where 'competition' was argued to be one of the main reasons for the increasing usage of renovation in the Egyptian hotel industry. Interestingly, these reasons reveal that although renovation is used as a marketing tool in large Egyptian hotels, it is used only on a limited repositioning level because of the implicit existence of some aspects such as 'new market segments' and 'customers' wants and needs'.

7.4.4 Renovation Barriers

The main barriers to renovation in the studied hotel firms identified in this study are shown in Table 7.4. In all cases, there were significant barriers to renovation.

Overall, financial difficulties, and the cost of renovation were found to be the most important constraints to renovation in all cases. In most cases, limited budget was a

Table 7.5: Barriers to Renovation in hotels

Renovation Barrier	Hotel A	Hotel B	Hotel C	Hotel D	Hotel E	Hotel F
Financial difficulties	Yes	No	Yes	Yes	Yes	Yes
Cost of renovation	Yes	Yes	Yes	Yes	Yes	Yes
Owners	Yes	No	Yes	Yes	No	Yes
Fear of losing customers	Yes	Yes	No	Yes	Yes	Yes
Time limitations	Yes	Yes	Yes	Yes	Yes	Yes
Priority of other businesses	Yes	No	Yes	Yes	No	No
Bureaucracy	Yes	No	No	No	No	Yes
Head office	No	No	Yes	Yes	No	No
Privatisation	Yes	Yes	No	No	No	Yes

significant constraint to renovation in hotels. All managers indicated that they are trying to overcome such challenges through prioritising and phasing their renovation plans. This was reflected in the following statement by the general manager of hotel A:

'Since budgets for renovation are typically limited, hoteliers usually need to decide what changes are priorities and what they can live without. You start with things you must do and try to get to the things you can do and come up with a package that works with (the client's) overall objectives – occupancy, room rates and so on.'

The Owner was an important barrier to renovation in cases A, D, and F. This was expected since hotels A and F are owned by the Egyptian government. On the other hand, one hotel under study did not identify owners as a barrier for renovation. In the case of Hotel E, the General Manager stated:

'Our owners have experience as developers and operators. They shared their expertise and input and they gave us another set of eyes'.

It was noted that overcoming barriers to renovation in the six cases was not only the job of the hotel unit. This was because of the support of the headquarters which invariably helped unit general managers and when necessary sent expert teams to the hotel. As an example, in the cases of Hotel A, it was stated by the manager that the headquarters had previously piloted and implemented this renovation in units elsewhere and that these earlier trials had provided important guidance in the implementation of the renovation in this hotel. It was also evident that in the cases D,

E and F, the company head office had made available the necessary resources and had provided guidelines and support in developing their renovation strategies. This support clearly helped managers in overcoming barriers to renovation and in solving problems in a more efficient way.

A further interesting finding was that time limitation was found to be an important barrier to renovation in hotels. Consistent with the findings of the survey (Chapter 5) owners did emerge as a significant barrier to renovation in international hotels. This supports Hassanien and Baum's (2002) findings, which revealed that owners are one of the main barriers to renovation in Egyptian hotels regardless of the hotel category or the hotel operation type. It is also worth noting that in most of the cases investigated, all renovation programmes were altered and delayed because of resistance from hotel owners. Several managers stated that the owners in the hotel industry are now powerful enough to impede renovation. This can perhaps be explained in terms of the nature of the Egyptian hospitality industry, where there is major competition between hotel chains on a limited number of 5 star hotels.

However, the significance of the barriers and resistance to renovation varied according to the nature of the renovation; the extent to which it was master or major, and the hotel's financial situation. Moreover, some barriers (competition, financial difficulties, renovation cost, technology, owners) are consistent with the findings of the survey (Chapter 5) and the findings of the hotel owner and hotel inspector interviews (Chapter 6) while some other barriers (bureaucracy, priority to do other business, fear of losing customers, head office) are new and this may be because they are only related to large hotels.

7.4.5 Owners involvement

The involvement of owners in the renovation of the six cases, varied significantly. The renovation plans were created by the managing companies in Hotels A, D and F, while the implementation was the job of the owning companies. In cases B and C, owners planned and implemented the renovation projects without significant involvement of the managing companies. In Hotel E, both the owning company and the managing company collaborated together to carry out its renovation project.

This suggests that owners acquired hotel management know-how after several years of affiliation to international hotel chains, which could be a great challenge in the future to the international hotel management companies. This confirms that international investors are becoming more knowledgeable and tougher negotiators, which make it more difficult for international hotel companies. In addition, it confirms the notion mentioned in the literature of Knowles (1998) and Bell (1993) who argue that the current market conditions favour hotel owners. This might be attributed to the worldwide recession in the beginning of the 1990s that left much of the hotel industry in a poor condition.

7.4.6 Head Office involvement

The head office was involved in the planning and implementation stages of the renovation projects of Hotels A, E and F, while it was involved in the planning stage only in Hotel D. The head office however, had no input on either the planning or the implementation stages of Hotels B and C. The absence in involvement of the head office in the renovation of these two cases was an exception, for the following reasons:

The new extension of Hotel B was initially planned to be operated by the owning company as a new hotel under a different brand name.

Hotel C terminated its contract with the managing company immediately after the fire and the owning company executed its renovation plan from A to Z.

This result suggests that the hotel unit management in this study appeared to rely heavily on their head offices when conducting renovation programmes. This was probably a consequence of the fact that all of the hotels were managed by international hotel chains.

7.4.7 Internal and External Parties Involvement

General managers, project managers and chief engineers were the key players in the renovation projects in most of the cases. This confirms what has been mentioned in the literature review (Chapter 3) and also the findings of the survey (Chapter 5). Interestingly, marketing managers had little input in such renovation programmes. This might be attributed to the limited marketing research into the nature of most of these projects. This confirms also that renovation is used as a reactive tool and not a proactive one in the Egyptian hotel industry.

On the other hand, most of the external parties were Egyptian with the exception of three cases (A,B and E). This might be attributed to the fact that the selection of foreign external parties is decided by international managing companies or the owning companies that had previous experience in employing these parties. In general, the selection of external parties was the decision of either the managing company and/or the owning company while the hotel unit management had little input in this selection. This result also confirms previous findings that owners are involved to a greater extent in their hotel renovation projects.

7.4.8 Time

Whether the hotel should stay open or close during renovation emerged as an important issue in most cases. This was reflected in the fact that during the process of implementing renovation, only Hotel C was closed. Clearly, commercial factors (e.g. profit, fear of losing customers and employees) required each hotel to continue to operate. Moreover, it was the hotel manager's responsibility to ensure that the process of renovation would not have any significant effect on continued delivery of service. It was also interesting that five out of six cases reported that the renovation process often took more time than they had anticipated or planned. This supports the finding of the survey (Chapter 5) that most hotels prefer to remain open during renovation unless it is an urgent necessity to close.

7.4.9 Customer's involvement

Surprisingly, all of the case studies, with the exception of Hotels B and E, did not conduct any primary market research. This may be attributed to a number of reasons:

Firstly, most of these hotels were primarily trying to cope with the standards of their international managing companies. All of these international managing companies run other hotel operations in Egypt. Therefore, these managing companies viewed that there was no essential need to conduct primary market research as they have enough experience and knowledge of the Egyptian hotel market. Secondly, the lack of sufficient renovation funds in most cases limited the ability of these hotels to do such primary market research. Finally, the scale of hotel renovation in both hotel B and E was bigger than the scale of the other four hotels, which means that there appear to be a positive correlation between the renovation scale and market research.

Based on this research finding about customer involvement and actual activities performed by the customers during the renovation process, it is suggested that customers are involved indirectly and to a limited extent. Therefore, hoteliers could put more emphasis on developing services or products (through renovation) that match customers' needs. Thus, they could adopt a customer-oriented approach to renovation and obtain customer input in their renovation programmes in order to gain better results.

7.4.10 Marketing

This multiple case study shows that marketing is practised to some degree in these hotel renovation projects. Naturally, there is considerable variation in the sophistication of marketing practice between the studied hotels, ranging from limited marketing renovation plans, to quite sophisticated marketing strategies and tactics in some renovation projects.

Most of the cases had good customer orientation and were keen to satisfy their customers' wants and needs. There was some evidence of implicit customer focus.

However, market research, segmentation and target market were only apparent in a few cases.

Market research often proved difficult. Renovation scale, managing company's experience and limited renovation budget are the main reasons for this difficulty. Generally, those managing companies that had prior work experience in the Egyptian hotel market sector tended to have greater market awareness and understanding of buyer behaviour.

7.4.11 Marketing Communications tools

The main communication tools used to promote renovation in the hotel firms studied are shown in Table 7.6. In most cases, there was a strong tendency to regard advertising as being ineffective and a waste of money. However, 'word of mouth' communication was considered an appropriate and by far the best method of promoting their renovation projects and

Table 7.6: Communication tools & Renovation

Communication Tool	Hotel A	Hotel B	Hotel C	Hotel D	Hotel E	Hotel F
Word of mouth	Yes	Yes	Yes	Yes	Yes	Yes
Use of direct mail	Yes	No	Yes	Yes	Yes	Yes
Use of telephone calls	Yes	Yes	Yes	Yes	Yes	Yes
Pamphlets and leaflets;	Yes	Yes	Yes	No	Yes	No
Use of fairs and trade shows;	Yes	No	Yes	No	No	No
Internet advertising;	Yes	Yes	Yes	Yes	Yes	Yes
Opening party and reception;	Yes	Yes	Yes	Yes	Yes	Yes
Indoor advertising; and	Yes	Yes	Yes	Yes	Yes	Yes
Articles about the renovation in the business press.	Yes	No	Yes	No	No	Yes
Site-tour visit	Yes	Yes	No	No	No	No
Head office	No	No	Yes	Yes	No	No

maintaining current customers and/or gaining new customers.

Therefore, 'word of mouth' marketing communications were thought to be appropriate for renovation projects and far superior to other forms of communication. There tended to be strong negative feelings concerning advertising, especially in newspapers. As one would expect, a whole array of other relatively low cost forms of marketing communications are used, for example leaflets, mail shots, indoor advertising and internet advertising. This might be attributed to the limited renovation budgets in most cases. Hotel fairs and the Bourses were found to be effective channels for Cases B and E. Case B was the most sophisticated renovation project in terms of marketing communications with the use of mail shots, press releases/articles, face to face selling, in addition to articles about renovation in the business press.

7.4.12 New products

The new products introduced by these renovation projects in the studied hotel firms are shown in Table 7.7. It demonstrates that most of these hotels did not introduce any particular new products with the exception of two cases (B and E).

Table 7.7: New Products & Renovation

	Hotel A	Hotel B	Hotel C	Hotel D	Hotel E	Hotel F
New Products	No	Yes	No	No	Yes	No

This result is consistent with previous research findings of this research; both the survey and the hotel owners' interviews; which indicated that: a) renovation is experienced in hotels on the maintenance level rather than on the marketing level and b) there is no strong relationship between renovation and new product development in Egyptian hotels.

7.4.13 Evaluation

The different methods used to evaluate these renovation projects in the studied hotel firms are shown in Table 7.8.

Table 7.8: Evaluation methods & Renovation

Method	Hotel A	Hotel B	Hotel C	Hotel D	Hotel E	Hotel F
Quantitative	Yes	Yes	Yes	Yes	Yes	Yes
Qualitative	Yes	Yes	No	No	No	No

The case studies revealed that the most widespread renovation evaluation methods among the six hotels were: a) occupancy rate; b) profitability analysis (e.g. room rate and Return on Investment [ROI]) and c) customer satisfaction (e.g. complaints and guest comment cards) and d) renovation cost against budget. This clearly shows that profit and cost are the most important methods as would be expected. Thus, ensuring that the renovation adds to the hotel's overall profitability is the most important evaluation method. What is surprising is the lack of qualitative methods in most cases. Is this because quality-related issues are too difficult to measure? There could be other reasons. This could provide an interesting starting point for further research. This result confirms that quantitative evaluation methods are more used in the hotel industry than qualitative ones (O'Connor 1999).

7.4.14 Cross-Case Conclusion

Cross case analysis confirms the findings from within case analysis, thus allowing more general conclusions to be drawn from the data. A generalised view of the case study data suggests that although most of these international operations utilise renovation as a marketing repositioning tool more than other hotel categories in Egypt, the nature of these repositioning plans is more reactive than proactive in terms of market orientation and innovation. However, while most of these operations are trying to integrate their renovation programmes within their marketing plans, they do not give equal consideration to satisfying customers' needs and differentiating the

hotels from their competitors (product innovation). Hence, there is still room for improvement in many areas in order for these organizations to achieve a fully comprehensive and integrated renovation plan.

All managers agreed that renovation is essential if the hotel is to survive and prosper, but they claimed that it is often expensive and that the company cannot always afford it. In most cases where the unit general managers wanted to implement renovation they had to ask head office for permission for any expenditure and use of the company's resources. In all cases, it was clear that before implementation both the head offices and the unit managers would conduct some form of cost-benefit analysis to ensure that the company could afford the renovation and that it was worth investing company's resources on the project.

7.5 Case study Conclusion

From the case studies conducted there are no significant differences in the practice of renovation in the international hotels. It can be concluded that, the private-owned hotel cases are more defined and focused in planning and implementing renovation activities than the government-owned hotel cases. This may be attributed to the difficulty and bureaucracy the management of those government owned hotels face when they are dealing with the owners.

Without exception, all hotel cases want to improve on their use of renovation. The message that came across quite clearly was that these hotels are not satisfied with their current renovation practices but they do not know how to improve without incurring major costs and spending time setting up the required renovation strategies. Many of the cases also revealed the increasing involvement of owners in their renovation activities to the extent that in some cases, renovations were carried out mainly by the owners.

In all cases, managers faced significant barriers to renovation. Overall, financial difficulties, the cost of renovation and owners were found to be the most important constraints to renovation in hotels.

All the hotel cases were found to have a limited level of new products or facilities although they carried out major or master renovation programmes. This might be attributed to the fact that in most cases, the renovation programmes had been delayed

for several years due to the economic recession of the 1990s, which had led to poor financial performance.

CHAPTER EIGHT CONCLUSIONS AND RECOMMENDATIONS

8.1 Introduction

The research presented in this thesis represents an exploratory study of renovation practices in Egyptian hotels. The purpose of this chapter is to discuss the research findings, place the findings in context, and to suggest some directions for future research. This will conclude and summarise the research in the area of repositioning and renovation in the hotel industry.

This chapter is composed of four sections: key findings; research findings versus objectives; research implications; research limitations and suggestions for further research. The section on key findings discusses conclusions derived from the survey, interviews and case studies. Detailed discussion of the findings is found in Chapters Five, Six and Seven. These are conclusions that support recommendations and implications of the research within the hospitality industry in general and within the Egyptian hospitality industry in particular. These findings and conclusions will be discussed in the next section (8.2).

In the following section (8.3) research findings and objectives are compared. In addition, this section answers research questions posed at the beginning of the study. The next section (8.4) is devoted to identifying the number of implications suggested by this research study for both theory and practice. Then the research limitations (section 8.5) and suggestions of further research (section 8.6) will be discussed.

8.2 Summary of Key Findings

This section explicates key findings from the study, including the survey, interviews and case studies. Details of the survey, interviews and case studies are found in Chapters Five, Six and Seven respectively. The survey findings are reported first in section 8.2.1 because they identify the characteristics and nature of the Egyptian hotel industry in relation to renovation practices and market repositioning tools. Then, the interview and case study findings will be reported because they elaborate, confirm and explore further the findings of the survey.

8.2.1 Findings from the survey

The following are findings derived from the surveys (three questionnaire) conducted on hotel renovation and repositioning in Egypt. The details of them have been discussed in depth previously. This section highlights only key findings from each survey.

8.2.1.1 Findings From The General Manager's Survey

➤ The majority of the hotel general managers (69.6%) stated that owners are the main barriers to renovation in both limited and full-service hotels. The survey also shows that among other barriers to renovation in Egypt, general managers rank lack of money, lack of appropriate in-house experience and lack of suitable manpower to renovate in that order.

➤ Interviews with respondents from the three groups (five star, four star, and three star hotel general managers) indicates that owners did not really value renovation as a marketing tool. They further added that the lack of money to renovate is also the responsibility of the owners. One manager stated,

'The owners need to realise the need for a greater focus on renovation as a marketing tool. There is a need for greater articulation of renovation goals and objectives.'

Respondents also stated

'Renovation is used in the Egyptian hotels on the maintenance level in terms of extending the useful life of the property, more than repositioning the property, on the marketing level, within its marketplace'.

➤ Hotel general managers do not fully realise the value of renovation as a marketing repositioning tool and give more attention to the intangible part of the hotel product (service) since the results indicate that the rating for creating customer value in tangible products was significantly higher than in intangible products (94.8% and 80.7% respectively). Respondents were asked to indicate the frequency of each type of renovation in their hotels. The results explain that the frequency of master

renovation on average is every 30 years while it is every 10 and 1-3 years for major and minor renovations respectively.

- Respondents were asked to identify the main reasons for renovation in their hotels. Information relating to the importance of renovation in hotels, indicates that 'improve the current image of the hotel' (51.9%) was the most important reason to renovate, followed by 'satisfy the existing customer' (50.4%). At the other end of the scale, 'attract new customers' was the least important reason to renovate (10.7%) followed by 'to meet competition' (29.6%).
- Therefore, as the analysis revealed, the reasons for renovation are not driven by a desire to open new markets so much as to satisfy existing customers. Considering this, when designing renovation policy, the decision-makers in the hotel (general manager and owners) should identify and take into account all the barriers, which can potentially limit renovation. Nevertheless, there is no clear mechanism by which renovation policy in Egypt is used as an effective marketing tool that could achieve these goals.
- Respondents were also asked whether they use formal and detailed guidelines to carry out their renovations. The majority (68%) of all hotels do not have formal guidelines in place.
- Given the importance of customers' opinions to the renovation process, the survey asked respondents to indicate what level of importance is given to the customer's views about the property. The results revealed that 98.2% respondents answered very high and high (69.6% very high, 28.6% high). It is worth mentioning that none of the respondents answered low or very low. This indicates that customers' opinion is very important in relation to the decision to renovate. There is also a positive correlation between satisfying existing customers and the importance of customers' opinion (Spearman's correlation is significant at the 0.01 level). Over half of the hotels were found to use some type of customer input in their renovation development process. On the other hand, 62.4% respondents declared that management does not discuss renovation objectives with all staff prior to any implementation of the plan. Interestingly, hoteliers believe that there is a strong relationship between repositioning and renovation since 73.9% answered very high and high (34.3% and 39.6% respectively).

- Regarding the approach the hoteliers use to determine renovation budgets in their hotels, it was found that a large number (53%) of hotels use 3% of revenues for their minor renovation budgets while they have no specific criteria to determine the major and master renovation budgets since they have selected what is needed to do the job (64%).
- Interestingly, hoteliers believe that there is a strong relationship between new product development/innovation and renovation since 73.9% answered very high and high (34.3% and 39.6% respectively) to this question.
- Respondents were asked the question 'To what extent does the hotel revise its existing services/facilities to satisfy customer's changing needs and attitudes?' The majority of respondents claimed that such activities are carried out to a 'great' or 'very great' extent. However, when asked whether their hotels had developed any new products or facilities in the past 10 years, very few were able to identify examples of such product development or innovation.
- The research found that the renovation strategies are largely informal processes and are used mainly as re-active tools rather than proactive tools in the Egyptian hotel industry. As a result, Egyptian hotels may be missing out on opportunities in the marketplace.
- Findings indicated that the higher the hotel category, the more usage there is of renovation as marketing tool within the hotels of this category. Thus, five star hotels are using renovation as a marketing tool more effectively than both four and three star hotels.
- Although four star hotels exist in between five and three star hotels in terms of their renovation activities, the researcher focused in the second stage of the study on five and three star hotels for the following reasons a) the statistical analyses showed that the higher the hotel category, the most likely to use renovation as a marketing tool, b) with regard to renovation activities, both the five and three star hotels are the two extremes within the context of the research sample and c) in general, four star hotels are closer to three star hotels than five star hotels in terms of their renovation behaviour.

8.2.1.2 Findings From The Marketing Manager's Survey

- Hotel marketers do not fully realise the concept of positioning or repositioning.
- Hotel marketers of three and four-star hotels do not fully understand the relationship between hotel repositioning and property renovation.
- The traditional repositioning routes (e.g. price, promotion, channels of distributions) are more common for hotel marketers than renovation.
- The majority of hotel marketers view renovation as the main tool for new, modified or improved products in the hotel industry.
- Although they have limited experience of New Product Development (NPD), Egyptian hotels generally launch their new products without performing a market test indicating their high level of confidence in NPD. This might be because of the level of NPD in national hotels is very limited, if not absent. Therefore, this needs no test before launching while international hotels depend mainly on their corporate offices in testing its NPD.
- The findings also revealed that the Egyptian hotels are more inclined to practice a market penetration strategy where existing products are used to increase market share. This strategy, however, does not offer the hotel much opportunity for product innovation. A market development strategy, whereby existing products are used to open up new market segments is ranked second. This strategy too, provides few opportunities for new product development. The strategy related to product innovation is ranked third by most Egyptian hotel marketers. New products are, however, basically developed for existing markets. Strategies that provide greater opportunities for product development receive poor ranking, i.e. fourth and fifth. One factor that is preventing them from being active in NPD could be their lack of both expertise and financial resources.

8.2.1.3 Findings From The External Parties' Survey

- With regard to the most important objectives considered by an external party company in the execution of hotel renovation projects, respondents from all the three company categories agreed that the most important objective was the 'satisfaction of

client (hotelier)' and the second important objective was 'achieving completion within budgeted costs' followed by 'meeting project quality requirements' and 'achieving completion of project on time' as the third and fourth objectives respectively.

➤ Although external parties believe that renovation has an essential marketing role in hotels since 90.3% answered very high and high (71.1% and 13.2% respectively), they were uncertain (50% and 57.9% respectively) regarding the two statements 'hotel renovation is the main tool for tangible new products and innovation' and 'property renovation is the main tool for tangible product modification and development'. This attitude reflects that external parties do not understand properly the hotel product and the importance of its physical dimension that, in turn, influences their perception of the importance of renovation to hotels. This is also confirmed by the fact that 84% of the external parties' companies do not have any management training in marketing which means lack of understanding of the principles of marketing.

➤ Moreover, the majority of external parties (61.1%) disagreed and strongly disagreed with the statement 'hotels are distinguished from their competitors by their design, decor and architecture'. They also disagreed (65.8%) that 'most hotels use renovation to offer new facilities and services.

➤ External parties also believe that the importance of renovation has increased because of growing competition (100% agree), growing use of technology (81.6% agree), environmental concerns (81.6% agree), and changing customer needs (84.2% agree). They (76.8%) agreed that renovation is hard to copy by other competitors. Unlike the general managers of hotels, external parties disagreed that the importance of renovation has been increased because of lack of suitable hotel locations (65.8% disagree).

➤ Surprisingly, the training of the external parties did not include marketing and the majority were found to have a limited understanding of marketing concepts such as new product development and innovation. All the external parties referred most frequently to their design being for 'the client' however, meaning the hotelier rather than the hotel customer

➤ The fundamental lack of marketing training and experience means that architects are not necessarily able to ask hoteliers about their marketing objectives or target market, simply because they do not know that they need to ask.

8.2.2 Findings from interviews

The following are findings derived from the interviews conducted with both the owners of three star hotels and the Egyptian hotel inspectors on hotel renovation and repositioning in Egypt. The details have been previously discussed in depth. This section highlights only key findings from each interview.

8.2.2.1 Findings From Three Star Hotel Owners' Interviews

- Findings indicate that there is an unwritten and informal process of renovation in three star hotels. In general, the scale and nature of renovations are limited in these hotels due to a lack of money. This confirms the notion that 'money' is the most important variable in the hotel's renovation policy (chapter 3). According to hotel owners, this lack of money is attributed to many other external factors or problems such as various paid taxes to the government, price wars with large hotels, and lack of government assistance. Owners believed that these problems are most likely to be the same problems faced by three star resort hotels in Egypt because the rules and ethics of hotel business are almost the same all over Egypt.
- The findings revealed that hotel owners have an acceptable recognition and appreciation for the importance of hotel renovation but the main barrier was the lack of sufficient money. Thus, results corroborate those findings of the survey which indicate that the three star hotels are less likely to use renovation as a marketing tool in terms of new product development, innovation, or repositioning.
- Most of interviewees stated that 'three star hotels have not got enough funding for renovation or refurbishment' as the main reason to justify these barriers and force issues. In addition, they stated other reasons such as:
 - Three star hotels are facing a massive price war with large hotels,
 - Three star hotels are not receiving any assistance from the government or the other authorities (e.g. Ministry of Tourism, Egyptian Hotel Association),
 - Instability of the Egyptian hotel market makes them very cautious in spending any money on renovation or other activities,

- Three star hotels are perceived to be paying too much tax to the government,
- The Egyptian Hotel Association does not care about them. It cares only about collecting its loyalty fees; and finally
- Although the current supply is more than the current demand, the government still gives licences to any investor to build a three star hotel.

8.2.2.2 Findings from Hotel Inspectors' interviews

Ten interviews were conducted with the hotel inspectors who had totally different opinions from hoteliers that:

- The three star hotel owners have neither the practical experience nor the academic hospitality background to run their hotels.
- The main aim of three star hotel owners is to achieve profitability without spending any money to retain or improve their products.
- In the last 10 years, only one five star hotel was downgraded to a four star hotel while eight three star hotels were downgraded to 2* hotels.
- The Egyptian Hotel Association and the Ministry of Tourism organize training seminars and sessions for national hotels in an attempt to improve their hospitality service, in which few three star hoteliers participate.
- Globalisation and/or strategic alliances are the only solutions to the chronic problems of small hotels in Egypt

8.2.3 Findings from case studies

From the case studies, conducted there are no significant differences in practicing renovation in international hotels. The private-owned hotel cases appear to be more defined and focused in planning and implementing renovation activities than the government-owned hotel cases. This may be attributed to the difficulty and

bureaucracy the management of those government owned hotels face when they are dealing with owners.

Without exception, all hoteliers in the cases want to improve in their use of renovation. The message that came across clearly was that those hotels are not satisfied with their current renovation practices but they do not know how to improve them without incurring major costs and spending time setting up the required renovation strategies. The cases also revealed the increasing involvement of owners in their renovation activities to the extent that in some cases, renovations were carried out mainly by the owners.

In all cases, managers faced significant barriers to renovation. Overall, financial difficulties, the cost of renovation and problems with owners were found to be the most important constraints to renovation in hotels. All managers agreed that renovation is essential if the hotel is to survive and prosper, but they claimed that it is often expensive and that the company cannot always afford it. In most cases where the unit general managers wanted to implement renovation they had to ask head office for permission for any expenditure and use of the company's resources. Time limitations and the pressure of other priorities both emerged as important barriers to renovation. This was reflected in the fact that during the process of implementing renovation only hotel C was closed. Clearly, commercial factors required each hotel to continue to operate and it was the hotel manager's responsibility to ensure that the process of renovation would not have any significant effect on continued service delivery. It was also interesting that five out of six cases reported that the renovation process often took more time than they had anticipated or planned. However, those renovation barriers varied according to the nature of the renovation; the extent to which it was master or major, the nature of relationship between owners and management, and the hotel's financial situation. The unit management in this study appeared to rely heavily on their head offices or owners when conducting renovation programmes. This was probably a consequence of the fact that all of the hotels were managed by international chains and also the significant involvement of owners in renovation programmes.

All the hotel cases were found to have a limited level of new products or facilities although they carried out major or master renovation programmes. This might be attributed to the fact that in most cases, the renovation programmes had been delayed for several years due to the economic recession of the 1990s, which had led to poor financial performance.

8.3 Research Findings Versus Objectives

In this section, the research findings and objectives are compared. As indicated in Chapter One, the research specifically aimed to achieve three objectives. In this section, each objective is compared with the study findings without giving detailed explanations to avoid repetition.

The first objective of the study was to explore to what extent hoteliers deal with renovation as a repositioning marketing tool. This objective was achieved by the survey (Chapter 5) through investigating the following points:

- ❑ Why hotels use renovation,
- ❑ What is the relationship between renovation and innovation and new product development,
- ❑ What is the importance of each variable of the marketing mix,
- ❑ What is the importance of the tangible and intangible parts of the hotel product/service mix?

Thus these topics were incorporated in the three questionnaires of the hotel general managers, the hotel marketing managers and the external parties involved in the renovation process. The findings led to the conclusion that there were significant differences between the three hotel categories, which indicated that: the higher the hotel category, the most likely the hotel was to deal with renovation as a repositioning marketing tool. Moreover, these findings were elaborated and confirmed through the second phase of the empirical research.

In order to accomplish the second research objective, identifying and analysing the renovation process in hotels, the literature was thoroughly reviewed and related questions were included in the questionnaires (Chapter 5) such as why hotels carry

out renovation projects, who is involved in the process, how hotels choose external parties, how hotels execute renovation projects and how hotels evaluate the success of their renovation projects. These issues were incorporated in more detail in the multiple case studies (Chapter 6 & 7) of the second phase of empirical research. The findings led to the conclusion that there were different renovation policies hotels followed in carrying out their renovation projects.

The final objective of the study was to explore the perception of hoteliers and external parties about renovation, positioning and repositioning which was attained through the survey of the first phase of the empirical research. The findings showed that whilst hoteliers express a belief in the importance of hotel renovation, there is little evidence of strategic thought in the renovation process (Chapter 5, 6, 7). Instead, the focus appears to be on the 'softer' customer satisfaction aspects of hotel management due to the fact that renovations cost hotels huge amounts of money and hotel owners are not keen on such investment.

Having argued that all three objectives were fulfilled through the process of research, what needs to be established are the implications that the findings may have for theory and practice. This is presented next.

8.4 Research Implications

The findings have a number of implications for both theory and practice. In general, the research suggests that the hotel renovation in Egypt has become a more important phenomenon over the last ten to fifteen years than previously, due to the dynamism of the hotel environment which leads to the conclusion that at any one time, almost every hotel has been renovated recently, is under renovation or is waiting renovation. This environment increases the importance of the study.

The findings from this study provide useful guidelines for those involved in the hospitality industry in general and in the hotel industry in particular. While the findings should contribute to knowledge and understanding about repositioning and renovation in general, they also provide useful insights into renovation and

repositioning practices and the factors that influence renovation success in the context of hotel companies operating in Egypt.

Specifically, this study forms the basis for understanding the nature of renovation and repositioning for national and international hotel companies that are thinking about venturing into renovation and for foreign investors who are serious about setting up new hospitality operations in Egypt. The findings will help a company focus on the elements that are necessary for successful renovation projects.

This study also provides information for those companies that are searching for ways to improve their renovation performance record. The findings so far suggest that most of the factors that have strong influence on renovation success are all within the control of management. If these factors are managed properly, success in renovation projects will be enhanced.

This study implies that hotel companies must possess relevant resources such as finance, technology, manpower and skills for renovation to be successful. In addition, renovation must be well planned and executed. A hotel company must be aware of customers' needs and the changing patterns of buying behaviour, of competitors activities and subtle changes in the marketplace. This requires skilled personnel who are competent in management, marketing and maintenance and engineering. In order to ensure that employees have the necessary skills and competencies, hotel companies must invest in training. Hotel companies should develop a system that facilitates gathering, accumulation and usage of relevant market information. They may wish to explore the establishment of a marketing information system that will help develop effective market research to keep up with the market changes.

To summarize, it is believed that the purpose of this study is satisfactorily met. It has established the relationship between positioning, repositioning and renovation through quantitative and qualitative primary research covering different stakeholders of the hotel industry.

8.2.1 Theoretical Implications

The present study makes a contribution to the literature on services management and marketing in general and offers some useful outcomes and guidelines to scholars and educators in the field of hospitality in particular. This conclusion is made because this study has dealt with relatively neglected areas in research, namely repositioning and renovation, as opposed to some other areas (e.g. segmentation, channel of distribution, promotion), which have provided the major focus of most services marketing studies in general and hospitality marketing in particular. Thus, very little has been written on these two hotel concepts. This might be because of the fact that hotel marketing in general is considered a relatively recent phenomenon. It is hoped that this study will contribute towards a better understanding of these marketing concepts and partly cover that gap in the literature. As such, it makes a useful addition to the body of marketing knowledge for hotel operations management in the hospitality industry. It must be re-emphasised that this is an exploratory and pioneering study that investigates the renovation phenomenon from a marketing perspective, namely that of repositioning.

8.2.2 Generic Managerial Implications

For practitioners, in general, the present study has reviewed the extent of repositioning through renovation by examination of the available literature, and primary research.

Secondly, in pursuing the available literature, it has explained the existing relationship between hotel repositioning and property renovation, identifying for hotel management:

- 1- the available repositioning strategies and tools in the hotel industry;
- 2- the relationship between repositioning and renovation decisions;
- 3- the relationship between renovation and innovation in hotels; and
- 4- the management of renovation in hotels.

8.2.3 Specific Managerial Implications

The major topics of this study are relatively new areas of research. Moreover, when this research was about to take place, there were very few relevant up-to-date data about renovation and repositioning in the hotel industry. Therefore, one of the

purposes of this research was to provide up-dated information on these concepts and their implication for hotels.

The research explained and analysed the concepts and their implication for hotels. This could contribute to better understanding of the concepts of positioning, repositioning and renovation and refurbishment. Therefore, the hotels could benefit and learn how to use those concepts to achieve their goals.

In pursuing primary research, the researcher has evaluated the knowledge and experience of hotel managers and hotel designers about repositioning and renovation and also the effectiveness of hotel market product repositioning strategies through property renovation programmes in Egypt. As a result of the conclusions reached in previous Chapters (5, 6 & 7), a number of recommendations follow. The successful implementation of several of these recommendations is dependent upon the implementation of others. These recommendations are grouped into three primary categories namely hoteliers, architects & interior designers, and hotel inspectors.

8.4.3.1 Implications For Hoteliers

Drawing upon inferences from the study findings, the main conclusion is that the majority of three and four star Egyptian hotels are far from using renovation as a marketing repositioning tool. They do not adopt this concept either conceptually, or in practical terms. They do not reflect a marketing orientation in their renovation decisions, policies or objectives. In essence, these hotels could make fundamental changes and developments in the way their products are designed and renovated. Furthermore, they have some distance to travel before they reach an organizational structure that integrates marketing and renovation in ways calculated to deliver high levels of service quality and customer satisfaction.

As for five star hotel firms operating in Egypt, most of these international operations are utilizing renovation as a marketing repositioning tool more than any other hotel categories. However, while most of these operations are trying to integrate their renovation programmes within their marketing plans, they do not give equal consideration to satisfying customers' needs and the permeation of the renovation

philosophy among their different levels of employees. Hence, there is still room for improvement in many areas in order for these organizations to achieve fully comprehensive and integrated renovation plans.

The results also show that positioning success in hotels is not static. The ability to compete well in particular products or services can shift from hotel to hotel when the market changes or new technologies make cheaper and better products possible. Accordingly, hotel firms in Egypt need to continuously keep up to date with technical and professional advances, as well as to meet and exceed international service quality standards and incorporate information technology in the provision of their services. They need to take a pro-active attitude towards renovation through considering the provision of sufficient budgets to allow for periodic changes to their physical products. Also, they need to meet the requirements of their customers through conducting ongoing market research and to look at the other services and products offered by other hotel categories in other competing nations such as Tunisia, Turkey, Greece and Spain.

Hoteliers should fully respond to the competitive hotel industry environment and adopt a market driven approach towards not just the intangible product but also the tangible product.

Hoteliers should review their criteria for appointing architects and interior designers. Criteria should include a minimum standard of marketing and hotel design knowledge and experience and specify:

- Previous hotel renovation experience
- Marketing training, understanding and orientation of these parties
- Level of ability to use tools to effectively meet marketing objectives

Hoteliers need also to make consumer dynamics an integral part of their future corporate strategy. This strategy should include policies how the organization will align itself to future markets and consequently how the hotel building may need to adapt. They should also review the effectiveness of the liaison between their primary executives participate in the renovation process and the external parties. They should ensure that these external parties participate in providing all relevant information

towards the formulation of marketing objectives in renovation and the profiling of target markets and their dynamics.

Hoteliers should implement a policy of determining a sufficiently wide range of characteristics of their geographic target markets to be able to identify their perceptive and behavioural profile related to the renovation marketing objectives. The market profile should specifically consider the composition of culture, gender, age, lifestyles, perceptions, purchasing behaviour, needs, wants and competitors' existing products. It should also analyse the market dynamics, potential future markets and the industry itself. Hoteliers must adopt an attitude of viewing renovation research expenditure as an investment aimed at producing the most effective renovation plan in the most efficient way.

Hoteliers should provide architects and interior designers with a detailed documented renovation marketing plan in advance, which should aim to be sufficient for those architects and designers to understand the business and enable the optimisation of its potential through renovation. This should include relevant business strategies, marketing aims and objectives, specification and summary of the target market dynamics.

Finally, hoteliers should conduct research following the renovation of their hotels in order to obtain target market feedback. This will offer hoteliers an opportunity to learn how to meet marketing objectives better and thereby gain competitive advantage.

Customers or suppliers should be involved in the process more than just evaluation in terms of guest comment card or guest complaints. The renovation process needs to be improved to the point that they should be tested through the customers or suppliers of the hotel.

8.4.3.2 Implications For Architects and Interior Designers

Architects and interior designers could develop a clear understanding of the marketing concept and become more market oriented in their renovation philosophy. Similarly they could develop a better understanding of the effects of the built environment on human behaviour and how to use renovation to meet the behavioural objectives of marketing. They could independently or jointly conduct market research before

starting any major or master renovation. This research will enable them to achieve the required marketing objectives.

They could also re-examine their attitude towards renovating for 'the client' and consider whether the best way of satisfying the client is perhaps based upon renovating to maximize profits by best satisfying the end-user or the consumer. They could also take an objective approach in discussions with hoteliers and use researched data to justify their renovation decisions. Finally, they need to equip themselves with further marketing orientation and training. This will enable them to understand and respond adequately with the requirements of the hotel industry.

8.4.3.3 Implications For the Public sector

The finding in this research has implications for the Egyptian hotel industry in particular. The research outcome repeatedly suggests that there is a wide gap between the public and private hotel sectors in Egypt with respect to their ways of communication, inspection and evaluation. Moreover this gap increases with national hotels. It raises the questions of does the hotel public sector in Egypt offer the necessary services (e.g. supervision, grading, inspection, training) for private sector developments? And is there a chance for further integration rather than segregation?

It could be concluded that there are three findings this research has contributed in the area of hotel repositioning through renovation for the Egyptian public sector:

- The grading and inspection environment in Egypt does not offer the necessary conditions for hotel development and improvement. Despite recent reforms, the upgrading initiatives are insufficient to encourage hoteliers to renovate. Thus, the Egyptian government need to regenerate its hotel inspection and grading systems to minimize the existing gap between the public and private sectors.
- The instable economic environment in Egypt seems to be responsible for the slow pace of hotel renovation. It also affects negatively the national hotel firms more than the international ones.

- Egyptian national hotels are suffering seriously in terms of their management and finance.

The research argues that hotel supply sectors in Egypt are mostly SMEs, face competition from large multinationals companies with enormous financial strength access to the latest technology, world-wide networks, and sophisticated information technology infrastructure. In order to overcome such challenges in Egypt, the research suggests that the Egyptian hotel public sector should be more involved through considering these areas of development:

Therefore, the Egyptian Government could enhance the skills of those working at all levels of the Egyptian national hotels. The hotel industry needs skilled managers and staff who can identify and meet the needs of visitors in the face of increasing fierce international competition. The government must ensure that the available training meet the needs of the industry. In this respect, the Ministry of Tourism could develop a wide range of training courses for employees and managers in the Egyptian national hotels. In order to increase service quality, training programmes could also be developed for the owners of those hotels.

8.5 Limitations

There are a number of limitations to the study caused by time, access and financial constraints. First, although the nature of this research suggests a need for a more qualitative approach (Hussey and Hussey 1998), the researcher was not able to undertake this on the desired scale due to time and access constraints. This access limitation was induced by hotels because of policies of confidentiality and is the major reason for not undertaking a more comprehensive qualitative study.

A second limitation concerns the span of the fieldwork. Because of time and cost limitations, the study is based on primary research carried out in Cairo, Egypt and therefore reflects the particular attitudes of those employed there. If the perception of hoteliers and the behaviour of hotels in different locations regarding renovation are similar to those of Cairo, the results of this research could be said to have general

applicability concerning all hotels, yet sampling of these hotels would be necessary to confirm this. Therefore, the researcher feels that the study is not large enough to be able to claim generalisability beyond this context. However Cairo hoteliers are a very international group of people with global experience. It is therefore suggested that the findings of this study may be replicated in other locations, particularly in large gateway cities with a number of international hotel groups represented.

The final dimension that could have been included is that of customer perception but issues of access have prevented this.

8.6 Suggestions for Further Research

It is expected that this study will stimulate further research on renovation and refurbishment in the hospitality industry to provide insights for both academics and practitioners. Areas for further research can be suggested as follows:

- Since the hospitality industry includes different types of sub-industries (i.e. hotels, motels, restaurants), a replication of this study could be undertaken in other institutions comprising other different sub-segments of the hospitality industry.
- Similarly, a replication of this study could be undertaken in other cities or countries that will serve a basis for cross-cultural comparisons.
- Another approach is to examine the impact of renovation on a sub-product of the hotel's physical product, not all the physical products as examined in this study, which could contribute to better detailed understanding and exploration of the phenomenon. For example, the impact of renovation on hotel exterior design, interior design, rooms division, or food and beverage outlets, could be studied.
- Exploring the relationship between renovation and the wider field of facilities management may provide a new dimension of understanding the value of renovation.

- Similarly, the relationship between re-affiliation, re-branding, and renovation could also provide a better understanding of the great value of renovation.
- Further research can also investigate how head office and units work together in developing and implementing new product development/innovation through property renovation.
- It would also be useful to use a multiple case study approach and carry out in-depth analysis in an attempt to develop a generic model of the renovation process in the hotel industry using different analysing techniques such as grounded theory or cognitive mapping.
- Investigating how owners and hoteliers work together in developing and implementing their property renovation projects.

8.7 Conclusion

This study has explored the repositioning and renovation activities in the Egyptian hotel industry and the extent to which hotel property renovation is used as a marketing tool for repositioning in the hospitality industry. It has been found that the renovation strategies are largely informal. This contradicts the literature and, as a result, Egyptian hotels may be missing out on opportunities in the marketplace. The findings reflect significant differences between five star hotels in one hand and the three and four star hotels on the other hand. The main differences are a) five star hotels use renovation mainly as a marketing tool while the three and four star hotels use renovation mainly as a maintenance tool; b) five star hotels have a formal renovation and repositioning plans while the three and four star hotels have an informal renovation plan. However, when the renovation plan is operationalised, the resulting outcome is very similar in both groups. Most of Egyptian hotels demonstrate a lower proactive attitude to the external environments in terms of the implementation of their renovation plans due to some barriers such as the owner and lack of enough funds.

Moreover, the hotel owners do not fully realize the importance of renovation as an effective marketing tool, and its potential for attracting new markets. This realization

has developed into an awareness that policy on renovations cannot be left to the owners only. Based on this strategy, renovation could be formulated and priority areas should be identified.

Although five star hoteliers view a strong relationship between renovation and innovation, they gave more attention to the service part of their product/service mix. This might be due to a lack of a budget to innovate in their physical products. The findings also confirm previous work by Jones (1995) which indicated that new product development, or innovation activities in affiliated organizations are carried out by parent companies.

In today's globalised market, a country competes with every other destination in the type and price of tourism it offers. If Egypt is to be successful in competing in the international tourism market, standards of excellence must be introduced for its products, particularly for infrastructure and accommodation and services. This cannot be achieved without sustainable cooperation between both public and private sectors. Therefore the Egyptian Hotel Association and the Ministry Of Tourism in Egypt need to revisit their grading, evaluation and inspection systems and their training and communication strategies with all hotels in general and with national hotels in particular. Also, the Egyptian Government could try to facilitate the renovation implementation of tired hotels through lending them money or excluding them from paying taxes.

The findings provide a number of contributions to the fields of marketing and management for hotels. These include:

- ❑ The relationship between renovation and repositioning;
- ❑ The importance of both renovation and repositioning;
- ❑ The different repositioning tools; and
- ❑ Barriers to renovation in the hotel industry and the actions to overcome them.

The contributions and the inherent limitations of the study provide an agenda which can be used in guiding future research. Future research, which provides clarification of the suggested research areas, will assist in extending the understanding of hotel

property renovation and the role it plays in the sustainable success of the hospitality industry.

The fundamental analysis of this study is that renovation policy should be driven by an effective plan and guidelines adopted by all stakeholders of the hotel industry. Despite the importance of renovation, owners do not value adequately it as an important marketing tool. There is, therefore, a further need for continued development and investment in hotel renovation in Egypt.

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Appendix 1: General Manager's Questionnaire

GENERAL MANAGERS' QUESTIONNAIRE

Instruction for completion

Each question gives specific instructions about how to complete it. Please select the responses that comes nearest to your opinion putting a 'X' in the box. Occasionally, you will be asked to write your answer in your own words in the space provided.

1. How long has your hotel been in operation? years
2. How long have you worked in the field of hotels? years
3. What type of operation is your hotel? (Please select only one)

Hotel chain, company owned and operated	
Hotel chain, franchised	
Hotel chain, management contract	
Independently operated	
Other (Please specify)	

4. What are the main market segments (customers) of your hotel?
(Please number all that apply in order of importance with 1 being the most important, etc.)

Business traveler	Leisure travelers	Conference	Other
			(Please state).....

5. **Renovation** refers to the process concerned with maintaining, modifying, and/or improving the existing physical hotel product in order to:(a) extend the useful life of the property to stay competitive, (b) improve the functional and operational efficiency of the property, and/or (c) reposition the property within its marketplace.

Given the above definition, how important are renovation programmes for your hotel?
(Please select only one)

Very important	Important	Undecided	Unimportant	Very unimportant

6. Listed below are some factors, which can determine the objectives when renovating your hotel. (Please, circle the most appropriate number for each statement on the scale provided)

	Major Importance				Minor Importance
To extend the useful life of the hotel	1	2	3	4	5
To improve the current image	1	2	3	4	5
To increase the hotel's operational efficiency	1	2	3	4	5
To meet competition	1	2	3	4	5
To satisfy customers	1	2	3	4	5

To cope with technology and new trends	1	2	3	4	5
--	---	---	---	---	---

7. Before answering question 7, please read the following definitions:

Minor renovation refers to replacement or renewal of some non-durable furnishings (e.g., carpeting) and finishes within a space without changing the space's use or physical layout.

Major renovation refers to replacement or renewal of all furnishings, equipment and finishes within a space, which may include extensive modifications to the physical layout of the space and/or upgrading the former used systems (mechanical or electrical).

Master renovation is more comprehensive than major renovation and it involves the entire property, especially in the case of mature or tired hotels to breathe new life into these hotels.

Given the above definitions, what is the current frequency of each type of renovation in your hotel? (Please indicate average number of years)

Minor renovation	Major renovation	Master renovation
..... years years years

8. Given the above definitions, could you please describe the importance of each type of renovation to your hotel? (Please allocate 100 points in each of the three columns based upon the importance of each item)

Element	Minor	Major	Master
To extend the useful life of the hotel			
To improve the current image			
To increase the hotel's operational efficiency			
To meet competition			
To cope with the market changes and demand			
To comply with the new trends and technology			
Other (Please state)			
	100 %	100 %	100 %

9. What are the main obstacles to renovating your hotel?

(List as many obstacles as apply by writing in numbers, 1 for the first in order of importance, 2 for the second, etc.)

Lack of money	
Lack of suitable manpower	
Lack of in-house appropriate experience	
Limits by the owners	
Others (Please state)	

10. How important is your hotel renovation as a marketing tool to:

(Please, select the most appropriate number for each statement on the scale provided)

Factors	Importance				
	major			minor	
	1	2	3	4	5
Retain existing customers?					

Attract new customers from the same segment(s)?	1	2	3	4	5
Attracting new market segment(s)?	1	2	3	4	5

11. Who is in charge of implementing each type of renovation in your hotel?
(Please select only one in each row)

Type	(A) Hotel Maintenance Staff	(B) Contract work	Both (A) & (B)	Other (Please state)
Minor renovation			
Major renovation			
Master renovation			

12. Which renovation type, if any, has your hotel experienced since it was opened?
(Please select as many as apply)

Minor renovation	Major renovation	Master renovation	None

13. Have there been any addition, or improvement to the rooms, or the F&B outlets, or to any other facilities in the last five years?

Yes No

14. If yes, please give some brief examples and explain the reasons?

.....

.....

.....

.....

.....

15. To what extent do each of the following factors affect your decision to renovate your hotel? (Please, select the most appropriate number on the scale provided)

Factors	Very Great	Great	Moderate	Little	Very little
Changes in market conditions or demand	1	2	3	4	5
Damage or hazard	1	2	3	4	5
Legal and/or insurance standards	1	2	3	4	5
Improvements to operational efficiency	1	2	3	4	5
Improvements in standards and image of hotel	1	2	3	4	5
Others (Please state)	1	2	3	4	5

16. What are the main forces driving the renovation programs in your hotel?
(Please number all that apply in order of importance with 1 being the most important, etc.)

Customers	
Competition	
Technology	
Parent Company	
Other (Please state).....	

17. Which of the hotel staff are involved in renovation programs? (Please select as many as apply)

General manager	
Marketing personnel	
Maintenance personnel	
Department heads	
Other (Please state)	

18. Which types of the following external parties are usually involved in your renovation programs? (Please select as many as apply and provide names and contact information of those known to be involved)

		Name & contact information
Hotel owner		
Architect		
Interior Designer		
Building Contractor		
Other (Please state)		

19. Are external parties, identified in Q.17, involved in your hotel renovation programs at an appropriate stage? (Select only one)

Always	Sometimes	Rarely	Never

20. At which stage in the renovation process are building contractors, interior designers, or architects (if any) usually involved? (Select as many as apply)

	Architect	Designer	Contractor	Other (Please state)
Planning				
Implementation				
Evaluation				

21. What are your criteria for choosing building contractors, interior designers, and/or architects? (Please select all that apply)

Cost	Reputation	Experience	Other (Please state)
		

22. What is the title given to the executive assigned with the responsibility of a renovation program? (Select only one)

Renovation manager	
Such activities are not assigned to a particular executive/department and are the direct responsibility of the general manager	
Each department is individually responsible for its own renovation	
Other (Please state)	

23. In your hotel, how important are each of the following variables to the success of its renovation? (Please select the most appropriate number on the scale provided)

	Major Importance				Minor Importance
Money	1	2	3	4	5
Time	1	2	3	4	5
Team	1	2	3	4	5
Materials	1	2	3	4	5

24. How is the renovation work based on? (Select only one)

Verbal brief	Written brief	Both of verbal and written briefs

25. What percentage of your annual capital expenditure is allocated to repair & maintenance?

Less than 3%	3 - 5%	5 - 7%	Other (Please state)
		

26. What are the methods used to determine your hotel renovation budgets?

	Minor renovation	Major renovation	Master renovation
Percentage of total revenues (Please specify)	%	%	%
All that could be spent			
All that is available after allocating the other demands			
What is needed to do the job			
Other (Please state)			

27. What importance does the hotel management give to the customer in its renovation programs? (Select only one)

Very high	High	Moderate	Low	Very low

28. Do you market your renovation?

Yes No

29. If yes, when? (Select only one)

After the event	
Before the event	
During the event	
Other (Please state).....	

30. Is it a policy of your hotel to evaluate its renovation's effectiveness?

Yes No

31. If yes, how is this done?

.....

32. If no, why not?

.....

33. Over the next five years in this country, you anticipate that:

	Increase	Decrease	Stay the same
the amount of hotel renovation will			
the amount of new hotel construction will			
the renovation budgets in hotels will			

34. For each of the following statements, please circle the most appropriate number relating to whether or not you agree with the statement as it applies to your hotel.

<u>Statements</u>	Strongly agree	Agree	Uncertain	Disagree	Strongly Disagree
Before any renovation activities begin, we discuss possibilities with our key customers and suppliers	1	2	3	4	5
We encourage customer comments-even complaints since they help us to do a better renovation job.	1	2	3	4	5
We look for ways to create customer value in our tangible, hard or physical products.	1	2	3	4	5
We look for ways to create customer value in our intangible, soft products.	1	2	3	4	5
We measure customer satisfaction on a regular basis.	1	2	3	4	5
Our hotel seeks out new ideas from a variety of sources to assess in NPD.	1	2	3	4	5
There are clearly defined stages that make up the renovation process.	1	2	3	4	5
In our hotel, there is a close relationship between renovation and NPD.	1	2	3	4	5
Our hotel has adequate advertising and promotion skills to support its renovation	1	2	3	4	5
Our hotel encourages and seeks renovation ideas from suppliers.	1	2	3	4	5
Our hotel encourages and seeks renovation ideas from key customers.	1	2	3	4	5
<u>We respond rapidly to competitor's action regarding</u>	1	2	3	4	5
Renovation is hardly to be copied.	1	2	3	4	5
Our hotel achieves product innovation through renovation.	1	2	3	4	5
Renovation objectives are fully discussed with all staff prior to any publication of the plan	1	2	3	4	5
The product life cycle is used in our hotel as a criteria to carry on renovation in our hotel.	1	2	3	4	5
We use a formal renovation process- a standardized process to guide renovation development from idea to launch	1	2	3	4	5
We are conducting marketing research program before any renovation process.	1	2	3	4	5
External parties should be involved in the renovation's market research.	1	2	3	4	5
External parties should be introduced to the renovation project at the earliest possible stage.	1	2	3	4	5

External parties need to improve their awareness of hotel's needs.	1	2	3	4	5
Greater coordination, and communication are required between hoteliers and external parties for proper renovation.	1	2	3	4	5
Our hotel understands the competitive situation against our renovation	1	2	3	4	5

35. For each of the following statements, please circle the most appropriate number on the scale that best describes your own feeling about the corresponding statements.

<i>Statements</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Uncertain</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
The main purpose of renovation is to maintain an efficient functional operation.	1	2	3	4	5
Renovation has an essential marketing role in hotels.	1	2	3	4	5
Renovation, from the minor to the master, achieves guest satisfaction for hotels.	1	2	3	4	5
Growing competition has increased the importance of hotel renovation.	1	2	3	4	5
Lack of suitable new hotel locations has increased the importance of hotel renovation.	1	2	3	4	5
Growing technology has increased the importance of renovation of existing hotels.	1	2	3	4	5
Renovation in hotels is an ongoing and inevitable process.	1	2	3	4	5
Hotel renovation is the main tool for tangible new products or innovation.	1	2	3	4	5
In the hotel industry, it is hard to evaluate the effectiveness of a renovation.	1	2	3	4	5
Hotel renovation should be implemented regularly.	1	2	3	4	5
The hotel's annual capital expenditure currently allocated for renovation should be increased.	1	2	3	4	5
<u>Environmental concerns in the hotel field have increased over</u>	1	2	3	4	5
Most hotels use renovation mainly to extend the useful lives of the properties.	1	2	3	4	5
Hoteliers pay more attention to service, an intangible product,	1	2	3	4	5
Property renovation, or refurbishment, is considered as a tool for a hotel's tangible product modification or development.	1	2	3	4	5
Renovation has proven to be more relevant to the service industry than to the manufacturing industry.	1	2	3	4	5
Changing customer needs have increased the importance of hotel renovation.	1	2	3	4	5
Renovation, from the minor to the master, achieves profitability for hotels.	1	2	3	4	5
Finding money to renovate is much easier than to build new hotels.	1	2	3	4	5
Renovating hotels is much easier than building new ones in terms of time.	1	2	3	4	5

Our hotel has adequate financial resources to carry out renovation	1	2	3	4	5
Hoteliers should give further recognition to the importance of renovation	1	2	3	4	5
Our hotel design, decor and architecture differentiate it from our competitors.	1	2	3	4	5

Thank you for participating in this survey. Please make any additional comments or suggestions in the box below.

Thank you very much for your time.

Appendix 2: Cover Letter for the General Managers

UNIVERSITY OF STRATHCLYDE
THE SCOTTISH HOTEL SCHOOL

Date:
Name:
Address:

Dear Sir/Madam,

Re: Questionnaire for the Scottish Hotel General Managers

I am a lecturer at the faculty of tourism and Hotel Studies Of Cairo University, and currently doing my PhD at The Scottish Hotel School of Strathclyde University, and I am conducting research study on the subject of 'Analysing Hotel Positioning Through Renovation In The Hospitality Industry'. I am writing to ask for your assistance with a survey which forms an integral part of my PhD research.

An important part of this study takes the form of survey and I would be very grateful if you could spare some time to complete the attached questionnaire and then, it will be collected by the researcher himself on the agreed day and time. The questions posed are of a general nature, and all data collected will be aggregated. Individual data concerning any single hotel will not be published. All responses to this survey and all data collected will be treated in the strictest confidence.

I realise that your daily schedule will be very busy and that your free time is limited. I would, however, very much appreciate if you could help in this way in order that I might progress with my research. I would be happy to send you a copy of any material which is published based on this work once it is completed. If you have any queries relating to this questionnaire, please do not hesitate to contact me.

Thank you very much for your cooperation.

Yours sincerely

Ahmed Hassanien

Appendix 3: External Parties' Questionnaire

QUESTIONNAIRE FOR ARCHITECTS, INTERIOR DESIGNERS & BUILDING CONTRACTORS

Instruction for completion

Each question gives specific instructions about how to complete it. This is normally done by putting a tick in the bracket that comes nearest to your own opinion. Occasionally, you will be asked to write your answer in your own words in the space provided. Please ignore the numbers in the right hand margins which are for computer coding and analysis only.

35. How long has your company been in operation? years

36. What services does your company offer to hotels? (Please tick all that apply)

Architecture	Construction	Interior design	Consultancy	Other (please state)
			

37. Are all the services identified above provided by your company or do you contract them out to external parties?

Service	Your company	Contracting out
Architecture		
Construction		
Interior design		
Other (please state)		

38. How long has your company dealt with hotel renovation programs? years

39. In which hotel category are the majority of your hotel renovation projects?

5* Hotels	4* hotels	3* Hotels	Others (specify)

40. How many hotel renovation projects did your company carry out in the last five years?

.....
Projects

41. Listed below are some factors, which may determine the objectives of renovating in most hotels. (Please circle the most appropriate number on the scale provided)

	Major Importance				Minor Importance
To extend the useful life of the hotel	1	2	3	4	5
To improve the current image	1	2	3	4	5
To increase the hotel's operational efficiency	1	2	3	4	5
To meet competition	1	2	3	4	5
To satisfy customers	1	2	3	4	5

To avoid any risk of damage or hazard	1	2	3	4	5
To cope with the legal or governmental standards	1	2	3	4	5
To cope with new trends and technology	1	2	3	4	5

42. Before answering question 8, please read the following definitions.

Minor renovation refers to replacement or renewal of non-durable furnishings and finishes within a space without changing the space's use or physical layout.

Major renovation refers to replacement or renewal of all furnishings, equipment and finishes within a space, which may include extensive modifications to physical layout of the space and/or upgrading the used systems (mechanical or electrical).

Master renovation is more comprehensive than major renovation and it involves the entire property, especially in the case of mature or tired hotels to breathe new life into these hotels.

Given the above definitions and in your company's experience, what is the current frequency of each type of renovation in the 5* / 4* / 3* hotels? (Please indicate average number of years in the boxes provided according to your identified hotel category in question 5)

Renovation Type	5* Hotels	4* hotels	3* Hotels
Minor Renovation			
Major Renovation			
Master Renovation			

43. What objectives does your organization consider most important in the execution of hotel renovation projects? (Please, circle the most appropriate number for each statement on the scale provided)

Factors	Very Great	Great	Moderate	Little	Very little
Satisfaction of client (hotelier)	1	2	3	4	5
Achieving completion of project on time	1	2	3	4	5
Meeting project quality requirements	1	2	3	4	5
Achieving completion with budgeted costs	1	2	3	4	5
Others (Please state).....	1	2	3	4	5

44. In general, what are the main obstacles to renovating in most hotels? (List as many as apply by writing in numbers, 1 for the first, 2 for the second, etc.)

Lack of money	
Lack of suitable manpower	
Lack of in-house appropriate experience	
Limits by the owners	
Others (Please state)	

45. What are the main obstacles that you face with hoteliers in renovating their hotels?
 (List as many as apply by writing in numbers, 1 for the first, 2 for the second, etc.)

Lack of money	
Lack of time	
Lack of clear requirements or plans	
Others (Please state)	

46. Do you feel that you have an adequate level of involvement in the planning stages of your renovation projects? (Please select only one)

Always	Sometimes	Rarely	Never

47. Do you feel that you have an adequate level of involvement in the implementation stages of your renovation projects? (Please select only one)

Always	Sometimes	Rarely	Never

48. Who from the hotel staff seems to have the most interaction with the design team during renovation? (Please tick all that apply)

General manager	
Maintenance manger	
Other (Please state).....	

49. What are the main forces driving the renovation process in most hotels?
 (Please number all that apply in order of importance, 1 most important, etc.)

Customer	
Competition	
Technology	
Parent company	
Other (Please state).....	

50. In general, how important is each of the following variables to the success of hotels' renovation programs? (Please number them in order of importance, 1 most important, etc.)

Money	
Time	
Team	

51. To what extent does the hotel management pay attention to the customer in its renovation programs? (Please select only one)

To a very high extent	
To a high extent	
To a moderate extent	
To a low extent	
To a very low extent	

52. How does the hotel renovation work is usually based on? (Please select only one)

Verbal brief	
Written brief	
Both verbal and written briefs	

53. In general, do hoteliers prefer to remain open or to close their properties during renovation? for each column)

	Minor Renovation	Major Renovation	Master Renovation
Remain open			
To close			

54. If they prefer to remain open during renovation, why?

.....

55. If they prefer to close during renovation, why?

.....

56. Does your firm usually evaluate the effectiveness of its renovation projects?

Yes	
No	
Do not know	

57. If yes, how or what methods are used?

.....

58. If no, why not?

.....

59. Over the next five years in this country, you anticipate that:

	Increase	Decrease	Stay the same
the amount of hotel renovation will			
the amount of new hotel construction will			
the renovation budgets in hotels will			

60. For each of the following statements, please circle the most appropriate number on the scale that best describes your own feeling about the corresponding statements.

Statements	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Renovation has an essential marketing role in hotels.	1	2	3	4	5
our company has management training in marketing	1	2	3	4	5
All types of renovation achieve guest satisfaction for hotels.	1	2	3	4	5
Growing competition has increased the importance of hotel renovation.	1	2	3	4	5
Lack of location has increased the importance of hotel renovation.	1	2	3	4	5
Growing technology has increased the importance of hotel renovation.	1	2	3	4	5
Statements	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Renovation in hotels is an ongoing and inevitable process.	1	2	3	4	5
Hotel renovation is the main tool for tangible new products and innovation.	1	2	3	4	5
In the hotel industry, it is hard to evaluate the effectiveness of your renovation.	1	2	3	4	5

Hotel renovation should be implemented regularly.	1	2	3	4	5
Currently allocated budgets for hotel renovation is not enough.	1	2	3	4	5
<u>Environmental concerns in the hotel field have been increased over the last ten years</u>	1	2	3	4	5
Most of the hotels use renovation to extend the useful life of the property.	1	2	3	4	5
hoteliers needs to pay more appreciation and recognition to their Physical product	1	2	3	4	5
Property renovation, or refurbishment, is considered as a tool for the hotel's tangible product modification or development.	1	2	3	4	5
Changing customer needs have increased the importance of hotel renovation.	1	2	3	4	5
Renovation achieves profitability for hotels.	1	2	3	4	5
Finding money to renovate is much easier than to build new hotels.	1	2	3	4	5
Renovating hotels is much easier than building new ones in terms of time.	1	2	3	4	5
Most Hotels have adequate financial resources to carry out renovation	1	2	3	4	5
Hoteliers should give further recognition to the importance of renovation	1	2	3	4	5
Hotels are distinguished from their competitors by their design, decor and architecture.	1	2	3	4	5
External parties should be involved in the renovation's market research.	1	2	3	4	5
External parties should be introduced to the renovation project at the earliest possible stage.	1	2	3	4	5
External parties need to improve their awareness of hotel's needs.	1	2	3	4	5
Greater coordination, and communication are required between hoteliers and external parties for proper renovation.	1	2	3	4	5
Our company understands the competitive situation against our hotel's renovation	1	2	3	4	5
Most hotels use renovation to offer new facilities and services	1	2	3	4	5
Renovation is hard to copy by cmpetitors	1	2	3	4	5

61. What is your age?

Under 25	25-35	36-45	46-60	Over 60

62. What is your Gender?

Male	Female

63. Your Current Position: _____

64. How many years have you been working in the industry?

Less than 2	2-5	6-10	11-20	Over 20

65. The number of full time employees in your company: _____

Finally, if there is anything else you would like to add on the subject of hotel renovation, please write in the space provided below.

Thank you very much for your time.

Appendix 4: Cover Letter for the External Parties

UNIVERSITY OF STRATHCLYDE
THE SCOTTISH HOTEL SCHOOL

Date:
Name:
Address:

Dear Sir/Madam,

Re: Questionnaire for the Egyptian architects, interior designers and building contractors.

I am a lecturer at the faculty of tourism and Hotel Studies of Cairo University, and currently doing my PhD at the Scottish Hotel School of Strathclyde University, and I am conducting research study on the subject of 'Analysing Hotel Repositioning through Renovation In The hospitality Industry'. I am writing to ask for your help with a survey, which forms an integral part for my PhD research.

An important part of this study takes the form of survey and I would be very grateful if you could spare some time to complete the attached questionnaire and then, it will be collected by the researcher himself on the agreed day and time. The questions posed are of a general nature, and all data collected will be aggregated. Individual data concerning any single hotel will not be published. All responses to this survey and all data collected will be treated in the strictest confidence.

I realize that your daily schedule will be very busy and that your free time is limited. I would, however, very much appreciate if you could help in this way in order that I might progress with my research. I would be happy to send you a copy of any material which is published based on this work once it is completed. If you have any queries relating to this questionnaire, please do not hesitate to contact me.

Thank you very much for your cooperation.

Yours faithfully

Ahmed Hassanien

Appendix 5: Marketing Manager's Questionnaire

QUESTIONNAIRE FOR HOTEL MARKETING OR SALES MANAGERS

Instruction for completion

Each question gives specific instructions about how to complete it. Please select the responses that comes nearest to your opinion putting an 'X' in the box. Occasionally, you will be asked to write your answer in your own words in the space provided.

1. How long has your hotel been in operation? Years
2. How long have you worked in the field of hotels? Years
3. How is the total marketing effort carried out at your hotel? (Please select all that apply)

Through the marketing or sales department within the hotel	
Through the head office for the area or division (please provide its contact information to be involved)	
Other (Please state)	

4. is your hotel marketing strategy or plan: (Select only one)

a. Fully written down;	
b. Partly written down; or	
c. Not written down	

5. In planning and executing your marketing activities do you: (Select only one)

d. Regard all customers as the same and use the same approach to them all;	
e. Distinguish between different subgroups and approach them differently; or	
f. Cater mainly for a particular type of customer	

6. For each of the following factors, please circle the most appropriate number on the scale that best describes its importance for your marketing decisions making.

	Very Important	Important	Moderate	Unimportant	Very Unimportant
Customers' contributions	1	2	3	4	5
Awareness of competitors' activities	1	2	3	4	5
Market research results	1	2	3	4	5
Management contributions	1	2	3	4	5
Others (please state)	1	2	3	4	5

7. Does your hotel research the customer market before it decides to introduce a new facility or service? (Select only one)

Always	Usually	Sometimes	Rarely	Never

8. How is this customer research carried out?

By own staff	
By specialized outside organization	
Other (Please state)	

9. What are the major sources of information upon which you build or start the research process? (Please write in)

.....

.....

.....

10. What are the main reasons for not conducting research activities? (Please tick all that apply and rank them in order of importance)

Expensive	
Lack of necessary facilities	
Lack of research talent	
Unnecessary	
Lack of manpower	
Others (Please state)	

11. To what extent does the hotel revise its existing services/facilities to satisfy customer's changing needs and attitudes?

Very great	Great	Moderate	Little	Very little

12. Have there been any services and/or facilities eliminated or added since the hotel started operation?

Ye s		No	
---------	--	----	--

Please give example and state reason(s).....

.....

.....

13. What are the major factors, which influence your hotel's decision to introduce new service or product to the market?

Competition introduces similar services	
Maintaining our market leadership	
Entry of new market	
Risk of a financial and/or image loss	
Others (Please state)	

14. How important is each of the following Product/market development strategies to your hotel (Please circle the most appropriate number on the scale).

Strategy	Very Important	Important	Moderate	Unimportant	Very Unimportant
Increasing sales of present products in existing markets	1	2	3	4	5
Developing new markets for existing products	1	2	3	4	5
Developing new products for existing markets	1	2	3	4	5
Developing new products for new markets	1	2	3	4	5

15. How strongly do you agree or disagree with the following statements about the process involved in developing new products or facilities in your hotel.

Statements	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Our hotel has a formal procedure for developing such new products	1	2	3	4	5
Our hotel carry out idea generation for this new product	1	2	3	4	5
Our hotel carry out Screening for this new product	1	2	3	4	5
Our hotel carry out business analysis for this new product	1	2	3	4	5
Our hotel carry out development for this new product	1	2	3	4	5
Our hotel carry out testing for this new product	1	2	3	4	5
Our hotel carry out commercialisation for this new product	1	2	3	4	5
Our hotel carry out Screening for this new product	1	2	3	4	5

16. Does the hotel vary its services/products to suit the different customers?

Yes	<input type="checkbox"/>
s	<input type="checkbox"/>

No	<input type="checkbox"/>
	<input type="checkbox"/>

If 'Yes', Please give example(s)

.....

.....

17. In your opinion, what is the main reason for customer choosing your hotel?

Please write in.....

.....

.....

18. In your opinion, to what extent are your customers satisfied with the services they receive during their stay at your hotel?

Very great	Great	Moderate	Little	Very little

19. What feedback measure do you employ in reaching such a conclusion?

Please write in.....

20. Does your hotel acquire a unique advantage that its competitors lack?

Please write in.....

21. What are the main forces driving the marketing activities in your company?
 (Please number all that apply in order of importance, 1 most important, etc.)

Factors	Order of Importance
Customer	
Competition	
Market	
Technology	
Others (please state)	

22. Which of the following do you depend upon most in business generation?
 (Please rank in order of importance)

tools	Order of Importance
Chain affiliation	
Travel agencies	
Airline offices	
Internet	
Others (please state)	

23. In your hotel, what is the difference, if any, between the process of changing the current position and the initial process of positioning?

.....

24. What are the environmental factors, which influence the process of positioning in your company? (Please number all that apply in order of importance, 1 most important, etc.)

Technological	
Economical	
Political-legal	
Social	
Others (please state)	

25. How important has each of the following actions been in improving the position of your hotel in the marketplace?
(Please select the most appropriate number on the scale provided)

	Very Important	Important	Moderate	Unimportant	Very Unimportant
Reducing the price	1	2	3	4	5
Increasing the price	1	2	3	4	5
Improving the service	1	2	3	4	5
Improving the product	1	2	3	4	5
Modifying the channels of distribution	1	2	3	4	5
Modifying the promotion or communication tools	1	2	3	4	5
Others (please state)	1	2	3	4	5

26. In your hotel, how important are the modifications of each of the following elements to maintain or increase your market share? (Please allocate 100 points in each of the three columns based upon the importance of each item)

Element	To maintain its market share	To attract more customers from the same segment(s)	To attract new market segment(s)
Service			
Price			
Physical Product			
Distribution Channels			
Communication			
Other(Specify)			
	100 %	100 %	100 %

27. In your opinion, how important is each of the following marketing activities to your hotel (Please circle the most appropriate number on the scale).

Statements	Very Important	Important	Moderate	Unimportant	Very Unimportant
Studying competitive activities	1	2	3	4	5
Identifying competitors' advantages over your property	1	2	3	4	5
Identifying competitors' disadvantages over your property	1	2	3	4	5

28. For each of the following statements, please circle the most appropriate number on the scale that best describes your own feeling about the corresponding statements.

Statements	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Our hotel has a formal marketing plan or strategy .	1	2	3	4	5
Market research; once conducted; helps the firm achieve long-range operational success.	1	2	3	4	5
The position of a hotel is its real source of competitive power and the key to product success.	1	2	3	4	5
A successful position can lead to profitability and guest satisfaction.	1	2	3	4	5
A successful position can lead to a more frequent use of a specific offering.	1	2	3	4	5
Positioning is one of the most central ideas in the marketing.	1	2	3	4	5
Positioning is mainly concerned with using effective advertising to sell the products/services of the hotel.	1	2	3	4	5
In the hotel business, it is hard to measure guests' satisfaction by using a statistically valid method.	1	2	3	4	5
The process of changing the current position is the same as the	1	2	3	4	5

initial process of positioning.					
Positioning can be achieved mainly by promotion and advertising.	1	2	3	4	5
Changing the current position can be achieved through increasing prices.	1	2	3	4	5
Changing the current position can be achieved through reducing prices.	1	2	3	4	5
Changing the current position can be achieved through modifying your distribution channels.	1	2	3	4	5
Changing the current position can be achieved through modifying your communication tools.	1	2	3	4	5
Changing the current position can be achieved through modifying your service.	1	2	3	4	5
Changing the current position can be achieved through introducing more new products.	1	2	3	4	5
Repositioning is concerned with targeting the existing products to new markets or market segments.	1	2	3	4	5
Repositioning is concerned mainly with tired hotels.	1	2	3	4	5
Hoteliers are not familiar with the concept of 're-positioning'.	1	2	3	4	5
The positioning tem is not common in hoteliers' marketing strategies	1	2	3	4	5
Positioning and repositioning are more academic concepts rather than practical concepts	1	2	3	4	5
"Differentiation" is objectively based (tangible) while "positioning" is subjectively based (intangible).	1	2	3	4	5
The position is concerned with competition while the image is not.	1	2	3	4	5
The image is concerned with competition while the position is not.	1	2	3	4	5

29. Please indicate the educational qualifications that you have obtained.
(Could you please select only one and state the field as well)

BA, BSc	
MPhil, MSc	
Ph.D.	
Other (Please state)	

Finally, if there is anything else you would like to add on the subject of hotel positioning, please write in the space provided below.

Thank you very much for your time.

Appendix 6: Cover Letter for the Marketing Managers

UNIVERSITY OF STRATHCLYDE
THE SCOTTISH HOTEL SCHOOL

Date:

Name:

Address:

Dear Sir/Madam,

Re: Questionnaire for the Scottish Hotel Marketing Managers

I am a lecturer at the faculty of tourism and Hotel Studies Of Cairo University, and currently doing my PhD at The Scottish Hotel School of Strathclyde University, and I am conducting research study on the subject of 'Analysing Hotel Positioning Through Renovation In The Hospitality Industry'. I am writing to ask for your assistance with a survey which forms an integral part of my PhD research.

An important part of this study takes the form of survey and I would be very grateful if you could spare some time to complete the attached questionnaire and then, it will be collected by the researcher himself on the agreed day and time. The questions posed are of a general nature, and all data collected will be aggregated. Individual data concerning any single hotel will not be published. All responses to this survey and all data collected will be treated in the strictest confidence.

I realise that your daily schedule will be very busy and that your free time is limited. I would, however, very much appreciate if you could help in this way in order that I might progress with my research. I would be happy to send you a copy of any material which is published based on this work once it is completed. If you have any queries relating to this questionnaire, please do not hesitate to contact me.

Thank you very much for your cooperation.

Yours sincerely

Ahmed Hassanien

Appendix 7: Hotel Owners' Interview Questions

Interview Schedule For the Hotel Owners of 3* Hotels In Egypt

First: Icebreaking:

Introduction of self and research set interview at ease, permission to use tape recorder etc. During the introduction of the research, effort will be exerted to clarify the study subject, which concerns the hotel renovation process and its marketing role.

Second: Historical Background:

This part will focus on considered factors such as: hotel age, specifications, facilities, managerial changes, brand name(s), owners, management type(s), and so on.

Third: Renovation Issues to be covered:

- The Importance of renovation to your hotel
- Renovation programs in your hotel (types – dates – changes)
- Renovation drivers or forces
- Renovation barriers (owner/operator – Egyptian Tourist Board – customer requirements – market instability – hotel area)
- Renovation Process (Planning – Implementation – Evaluation)
- Renovation Team and Time
- Renovation budget and Maintenance budget (difference – enough)
- Renovation and NPD

Fourth: Marketing Issues to be covered:

- Hotel USP (Differentiation Point- Hotel purchasing determinants)
- Price as a Marketing Tool
- Distribution Marketing Tool (internet)
- Promotion as a Marketing Tool
- Service as a Marketing Tool
- Physical product as a Marketing Tool
- Relationship Marketing (customers coming back)
- Hotel Image
- Maintain your market share
- Increase your market share (same segment)
- Increase your market share (new segment)
- Marketing responsibility
- Customer Profile

Appendix 8: Cover Letter for the Hotel Owner

UNIVERSITY OF STRATHCLYDE
THE SCOTTISH HOTEL SCHOOL

Date:
Name:
Address:

Dear Sir/Madam,

You may recall that I contacted you last year (August/ September) asking for your help with a survey, which formed an integral part of research for my PhD thesis. I am very grateful for your help with this survey and appreciate the time you have already given me in taking the trouble to complete the questionnaire.

As I explained in my last letter, I am a PhD research student at the Scottish Hotel School, Strathclyde University, and I am researching 'Hotel Positioning Through Renovation In The Hospitality Industry'. I am using the comparative study method, focusing on Egypt and Scotland.

Based upon the findings of the questionnaire survey, I believe that it would be valuable to carry out personal interviews with a number of the respondents to my original survey in order to discuss in more detail some of the issues raised in the questionnaire. As a leading hospitality industry professional in Egypt, your participation in this research is very important. Individual data concerning your hotel will not be published and will be treated in the strictest confidence.

I realise that your daily schedule is very busy and that your free time is limited. I would, however, very much appreciate if you could assist in this research by allowing me to visit your hotel and discuss these issues more fully with you or any of your colleagues so that I could make further progress with my research. I hope to conduct interviews during the months of August/September this year. I will contact you over the next few days in the hope that you are agreeable to this interview and to arrange a mutually convenient date. If you wish, I would be happy to send you a copy of any material, which will be published, based on this work. In case you have any queries relating to this questionnaire or the research please do not hesitate to contact me.

Thank you very much for your cooperation.

Yours faithfully

Ahmed Hassanien

Appendix 9: Hotel Inspectors' Interview Questions

Hotel Inspector's Interview

Specific Questions

1. In your opinion, what is the importance of renovation for hotels?
2. Is there an increase usage of property renovation in hotels of Cairo? If yes/no, please explain reasons.
3. How do you evaluate hotels?
4. What are the used criteria in evaluating Hotels?
5. What is your opinion regarding the Egyptian Hotel Specification Guide and the hotel classification in Egypt?
6. According to the Questionnaire findings, owners of small hotels are the main barriers to renovate. What do you think?
7. According to the Questionnaire findings, the Egyptian Tourist Board is the main reason to renovate in most 3* & 4*hotels, Why?
8. In the last 10 years, how many hotels have you downgraded because of the lack of renovation? Please explain in all 3*, 4* and 5* hotel categories. Is there any Published data and possibility of acquiring them?
9. In the last 10 years, how many hotels have you upgraded due to its renovation or extension? Please explain in all 3*, 4* and 5* hotel categories. Is there any Published data and possibility of acquiring them?
10. According to the Questionnaire findings, international chain hotels are using renovation as a marketing tool much better than national hotels. Why?
11. To what extent do hoteliers deal with renovation as a marketing tool to cope with the environmental changes? Please specify in all categories.
12. With the trend towards globalization of markets, in your view;
 - A. Are Egyptian Hotels, especially small hotels (3* hotels and less), at risk?
 - B. What are the policies of the Egyptian Tourist Board?
 - C. What would you suggest hotels to cope with globalization?

Appendix 10: Cover Letter for the Hotel Inspector

UNIVERSITY OF STRATHCLYDE
THE SCOTTISH HOTEL SCHOOL

Date:
Name:
Address:

Dear Sir/Madam,

I am a lecturer at the faculty of tourism and Hotel Studies Of Cairo University, and currently doing my PhD at The Scottish Hotel School of Strathclyde University, and I am conducting research study on the subject of 'Analysing Hotel Positioning Through Renovation In The Hospitality Industry'. I am writing to ask for your assistance with an interview, which forms an integral part of my PhD research.

Based upon the findings of the first phase of my field research (survey), I believe that it would be valuable to carry out personal interviews with a number of hotel inspectors in order to discuss in more detail some of the issues raised in the survey. As a leading hospitality industry body in Egypt, your participation in this research is very important. Individual data concerning your hotel will not be published and will be treated in the strictest confidence.

I realise that your daily schedule is very busy and that your free time is limited. I would, however, very much appreciate if you could assist in this research by allowing me to visit your hotel and discuss these issues more fully with you or any of your colleagues so that I could make further progress with my research. I hope to conduct interviews during the months of August/September this year. I will contact you over the next few days in the hope that you are agreeable to this interview and to arrange a mutually convenient date. If you wish, I would be happy to send you a copy of any material, which will be published, based on this work. In case you have any queries relating to this survey or the research please do not hesitate to contact me.

Thank you very much for your cooperation.

Yours faithfully

Ahmed Hassanien

Appendix 11: Case Study Interview Questions

Case Study Interview Schedule

Hotel Portrait

- Name- Location- owners- management(s)- hotel operation type- Hotel Category- age- number of rooms- outlets- function space- cost- etc.

Renovation Project History

- Previous renovation project(s)
- Current or recent renovation project

Renovation Process

- Renovation reasons
- Renovation Goals
- Head office involvement (how ?)
- Renovation barriers
- Finance and Budget
- External Parties (Architect- Interior designer- building contractors)
- Design Aspects (schedule- stay open or close)
- Marketing Aspects (customer involvement- market share- renovation promotion- hotel image- positioning)
- Implementation Aspects (Purchasing- cooperation between team)
- Evaluation aspects (quantitative and qualitative)
- Document availability (interior and exterior photos- plans- occupancy rate(s) pre and after- revenue and so forth)

New Product Development

- What is the relationship between renovation and new product development in the hotel industry (similarity- stages- importance)?
- Why the soft product (service) is getting more attention than the hard product (physical assets) in hotels?

Why the owners are the main barriers to renovate?

Appendix 12: Cover Letter for the Case study

UNIVERSITY OF STRATHCLYDE
THE SCOTTISH HOTEL SCHOOL

Date:
Name:
Address:

Dear Sir/Madam,

You may recall that I contacted you last year (August/ September) asking for your help with a survey, which formed an integral part of research for my PhD thesis. I am very grateful for your help with this survey and appreciate the time you have already given me in taking the trouble to complete the questionnaire.

As I explained in my last letter, I am a PhD research student at the Scottish Hotel School, Strathclyde University, and I am researching 'Hotel Positioning Through Renovation In The Hospitality Industry'.

Based upon the findings of the questionnaire survey, I believe that it would be valuable to carry out personal interviews (case study) within your hotel in order to discuss in more detail your recent successful renovation program. As a leading hospitality industry professional in Egypt, your participation in this research is very important. Individual data concerning your hotel will not be published and will be treated in the strictest confidence.

I realise that your daily schedule is very busy and that your free time is limited. I would, however, very much appreciate if you could assist in this research by allowing me to visit your hotel and discuss these issues more fully with you and/or some of your colleagues so that I could make further progress with my research. I hope to conduct interviews during the months of August/September this year. I will contact you over the next few days in the hope that you are agreeable to this interview and to arrange a mutually convenient date. If you wish, I would be happy to send you a copy of any material, which will be published, based on this work. In case you have any queries relating to this questionnaire or the research please do not hesitate to contact me.

Thank you very much for your cooperation.

Yours faithfully

Ahmed Hassanien

Thank you very much for your cooperation.

Yours faithfully

Ahmed Hassanien

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**Appendix 13: Table And Figures: General Manager's Survey: Results As Output Of
SPSS**

Table 5.5.a: Results of ANOVA test ON Hotel Category and Renovation Objective (to retain existing customers)

Descriptives

retain existing customers

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.38	.50	.11	1.15	1.61	1	2
4 stars	13	1.46	.52	.14	1.15	1.78	1	2
3 stars	27	1.74	.53	.10	1.53	1.95	1	3
Total	61	1.56	.53	6.83E-02	1.42	1.69	1	3

Test of Homogeneity of Variances

retain existing customers

Levene Statistic	df1	df2	Sig.
.410	2	58	.666

ANOVA

retain existing customers

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.681	2	.840	3.172	.049
Within Groups	15.368	58	.265		
Total	17.049	60			

Multiple Comparisons

Dependent Variable: retain existing customers

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-8.06E-02	.18	.897	-.52	.36
	3 stars	-.36	.15	.050	-.72	4.60E-04
4 stars	5 stars	8.06E-02	.18	.897	-.36	.52
	3 stars	-.28	.17	.251	-.70	.14
3 stars	5 stars	.36	.15	.050	-4.60E-04	.72
	4 stars	.28	.17	.251	-.14	.70

Table 5.5b: Results of ANOVA test on Hotel Category and Renovation Objective (to attract new customers from the same segments)

Descriptives

attract new customers from the same segment(s)

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.38	.50	.11	1.15	1.61	1	2
4 stars	13	1.92	.64	.18	1.54	2.31	1	3
3 stars	27	2.67	.62	.12	2.42	2.91	2	4
Total	61	2.07	.81	.10	1.86	2.27	1	4

Test of Homogeneity of Variances

attract new customers from the same segment(s)

Levene Statistic	df1	df2	Sig.
.808	2	58	.451

ANOVA

attract new customers from the same segment(s)

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	19.862	2	9.931	28.981	.000
Within Groups	19.875	58	.343		
Total	39.738	60			

Multiple Comparisons

Dependent Variable: attract new customers from the same segment(s)

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-.54*	.21	.029	-1.04	-4.52E-02
	3 stars	-1.29*	.17	.000	-1.70	-.88
4 stars	5 stars	.54*	.21	.029	4.52E-02	1.04
	3 stars	-.74*	.20	.001	-1.22	-.27
3 stars	5 stars	1.29*	.17	.000	.88	1.70
	4 stars	.74*	.20	.001	.27	1.22

*. The mean difference is significant at the .05 level.

Table 5.5c: Results of ANOVA test on Hotel Category and Renovation Objective (to attract new market segments)

Descriptives

attract new market segment(s)

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	2.00	.84	.18	1.62	2.38	1	4
4 stars	13	3.69	1.03	.29	3.07	4.32	2	5
3 stars	27	4.44	.51	9.75E-02	4.24	4.64	4	5
Total	61	3.44	1.32	.17	3.10	3.78	1	5

Test of Homogeneity of Variances

attract new market segment(s)

Levene Statistic	df1	df2	Sig.
2.868	2	58	.065

ANOVA

attract new market segment(s)

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	71.613	2	35.807	62.112	.000
Within Groups	33.436	58	.576		
Total	105.049	60			

Multiple Comparisons

Dependent Variable: attract new market segment(s)

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-1.69*	.27	.000	-2.34	-1.05
	3 stars	-2.44*	.22	.000	-2.98	-1.91
4 stars	5 stars	1.69*	.27	.000	1.05	2.34
	3 stars	-.75*	.26	.013	-1.37	-.14
3 stars	5 stars	2.44*	.22	.000	1.91	2.98
	4 stars	.75*	.26	.013	.14	1.37

*. The mean difference is significant at the .05 level.

Table 5.7 a: Results of ANOVA test on Hotel Category and Renovation Reason (to extend the useful life of the hotel)

Descriptives

To extend the useful life of the hotel

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	2.2381	.7684	.1677	1.8883	2.5879	1.00	4.00
4 stars	13	1.3846	.7679	.2130	.9205	1.8487	1.00	3.00
3 stars	27	1.1111	.5774	.1111	.8827	1.3395	1.00	4.00
Total	61	1.5574	.8470	.1085	1.3404	1.7743	1.00	4.00

Test of Homogeneity of Variances

To extend the useful life of the hotel

Levene Statistic	df1	df2	Sig.
3.588	2	58	.034

ANOVA

To extend the useful life of the hotel

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	15.496	2	7.748	16.310	.000
Within Groups	27.553	58	.475		
Total	43.049	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: To extend the useful life of the hotel

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	.8535*	.2432	.002	.2684	1.4385
	3 stars	1.1270*	.2005	.000	.6446	1.6093
4 stars	5 stars	-.8535*	.2432	.002	-1.4385	-.2684
	3 stars	.2735	.2327	.472	-.2862	.8332
3 stars	5 stars	-1.1270*	.2005	.000	-1.6093	-.6446
	4 stars	-.2735	.2327	.472	-.8332	.2862

*, The mean difference is significant at the .05 level.

Table 5.7 b: Results of ANOVA test on Hotel Category and Renovation Reason (to improve the current image)

Descriptives

To improve the current image

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.7619	.7003	.1528	1.4431	2.0807	1.00	3.00
4 stars	13	1.6923	.8549	.2371	1.1757	2.2089	1.00	3.00
3 stars	27	1.8148	.8787	.1691	1.4672	2.1624	1.00	3.00
Total	61	1.7705	.8040	.1029	1.5646	1.9764	1.00	3.00

Test of Homogeneity of Variances

To improve the current image

Levene Statistic	df1	df2	Sig.
1.944	2	58	.152

ANOVA

To improve the current image

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.134	2	6.703E-02	.101	.904
Within Groups	38.653	58	.666		
Total	38.787	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: To improve the current image

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	6.960E-02	.2881	.968	-.6234	.7626
	3 stars	-5.2910E-02	.2375	.973	-.6242	.5184
4 stars	5 stars	-6.9597E-02	.2881	.968	-.7626	.6234
	3 stars	-.1225	.2756	.897	-.7854	.5404
3 stars	5 stars	5.291E-02	.2375	.973	-.5184	.6242
	4 stars	.1225	.2756	.897	-.5404	.7854

Table 5.7c: Results of ANOVA test on Hotel Category and Renovation Reason (to increase the hotel's operational efficiency)

Descriptives

To increase the hotel's operational efficiency

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	2.3333	1.3166	.2873	1.7340	2.9326	1.00	5.00
4 stars	13	1.8462	1.2810	.3553	1.0720	2.6203	1.00	5.00
3 stars	27	2.1111	1.2195	.2347	1.6287	2.5935	1.00	5.00
Total	61	2.1311	1.2580	.1611	1.8090	2.4533	1.00	5.00

Test of Homogeneity of Variances

To increase the hotel's operational efficiency

Levene Statistic	df1	df2	Sig.
.230	2	58	.795

ANOVA

To increase the hotel's operational efficiency

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.925	2	.963	.600	.552
Within Groups	93.026	58	1.604		
Total	94.951	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: To increase the hotel's operational efficiency

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	.4872	.4469	.524	-.5878	1.5622
	3 stars	.2222	.3685	.819	-.6641	1.1085
4 stars	5 stars	-.4872	.4469	.524	-1.5622	.5878
	3 stars	-.2650	.4275	.810	-1.2933	.7634
3 stars	5 stars	-.2222	.3685	.819	-1.1085	.6641
	4 stars	.2650	.4275	.810	-.7634	1.2933

Table 5.7d: Results of ANOVA test on Hotel Category and Renovation Reason (to meet competition)

Descriptives

To meet competition

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	2.0000	.4472	9.759E-02	1.7964	2.2036	1.00	3.00
4 stars	13	1.9231	.2774	7.692E-02	1.7555	2.0907	1.00	2.00
3 stars	27	2.0000	.4804	9.245E-02	1.8100	2.1900	1.00	3.00
Total	61	1.9836	.4279	5.478E-02	1.8740	2.0932	1.00	3.00

Test of Homogeneity of Variances

To meet competition

Levene Statistic	df1	df2	Sig.
.193	2	58	.825

ANOVA

To meet competition

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.053E-02	2	3.026E-02	.161	.852
Within Groups	10.923	58	.188		
Total	10.984	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: To meet competition
Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	7.692E-02	.1531	.871	-.2915	.4453
	3 stars	.0000	.1263	1.000	-.3037	.3037
4 stars	5 stars	-7.6923E-02	.1531	.871	-.4453	.2915
	3 stars	-7.6923E-02	.1465	.859	-.4293	.2755
3 stars	5 stars	.0000	.1263	1.000	-.3037	.3037
	4 stars	7.692E-02	.1465	.859	-.2755	.4293

Table 5.7 e: Results of ANOVA test on Hotel Category and Renovation Reason (to satisfy customers)

Descriptives

To satisfy customers

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.1429	.4781	.1043	.9252	1.3605	1.00	3.00
4 stars	13	3.0000	.7071	.1961	2.5727	3.4273	2.00	4.00
3 stars	27	2.8889	.6980	.1343	2.6128	3.1650	2.00	4.00
Total	61	2.3115	1.0574	.1354	2.0407	2.5823	1.00	4.00

Test of Homogeneity of Variances

To satisfy customers

Levene Statistic	df1	df2	Sig.
2.199	2	58	.120

ANOVA

To satisfy customers

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	43.844	2	21.922	54.715	.000
Within Groups	23.238	58	.401		
Total	67.082	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: To satisfy customers

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-1.8571*	.2234	.000	-2.3944	-1.3198
	3 stars	-1.7460*	.1842	.000	-2.1890	-1.3030
4 stars	5 stars	1.8571*	.2234	.000	1.3198	2.3944
	3 stars	.1111	.2137	.862	-.4029	.6251
3 stars	5 stars	1.7460*	.1842	.000	1.3030	2.1890
	4 stars	-.1111	.2137	.862	-.6251	.4029

*. The mean difference is significant at the .05 level.

Table 5.7 f: Results of ANOVA test on Hotel Category and Renovation Reason (to cope with technology and new trends)

Descriptives

To cope with technology and new trends

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	2.9048	.8309	.1813	2.5265	3.2830	1.00	4.00
4 stars	13	3.6923	.4804	.1332	3.4020	3.9826	3.00	4.00
3 stars	27	3.8519	.6015	.1158	3.6139	4.0898	3.00	5.00
Total	61	3.4918	.7879	.1009	3.2900	3.6936	1.00	5.00

Test of Homogeneity of Variances

To cope with technology and new trends

Levene Statistic	df1	df2	Sig.
1.181	2	58	.314

ANOVA

To cope with technology and new trends

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	11.260	2	5.630	12.566	.000
Within Groups	25.986	58	.448		
Total	37.246	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: To cope with technology and new trends

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-.7875*	.2362	.004	-1.3557	-.2194
	3 stars	-.9471*	.1948	.000	-1.4155	-.4786
4 stars	5 stars	.7875*	.2362	.004	.2194	1.3557
	3 stars	-.1595	.2260	.761	-.7031	.3840
3 stars	5 stars	.9471*	.1948	.000	.4786	1.4155
	4 stars	.1595	.2260	.761	-.3840	.7031

*, The mean difference is significant at the .05 level.

Table 5.10 a: Results of ANOVA test on Hotel Category and Renovation Obstacle (lack of money)

Descriptives

1= lack of money

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.33	.58	.13	1.07	1.60	1	
4 stars	13	1.31	.48	.13	1.02	1.60	1	
3 stars	27	1.30	.47	8.96E-02	1.11	1.48	1	
Total	61	1.31	.50	6.42E-02	1.18	1.44	1	

Test of Homogeneity of Variances

1= lack of money

Levene Statistic	df1	df2	Sig.
.395	2	58	.675

ANOVA

1= lack of money

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.644E-02	2	8.220E-03	.032	.969
Within Groups	15.066	58	.260		
Total	15.082	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: 1= lack of money

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	2.56E-02	.18	.989	-.41	.46
	3 stars	3.70E-02	.15	.966	-.32	.39
4 stars	5 stars	-2.56E-02	.18	.989	-.46	.41
	3 stars	1.14E-02	.17	.998	-.40	.43
3 stars	5 stars	-3.70E-02	.15	.966	-.39	.32
	4 stars	-1.14E-02	.17	.998	-.43	.40

Table 5.10 b: Results of ANOVA test on Hotel Category and Renovation Obstacle (lack of suitable manpower)

Descriptives

2= lack of suitable manpower

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	3.62	.67	.15	3.31	3.92	2	5
4 stars	13	3.69	.48	.13	3.40	3.98	3	4
3 stars	27	3.52	.51	9.80E-02	3.32	3.72	3	4
Total	61	3.59	.56	7.16E-02	3.45	3.73	2	5

Test of Homogeneity of Variances

2= lack of suitable manpower

Levene Statistic	df1	df2	Sig.
1.793	2	58	.176

ANOVA

2= lack of suitable manpower

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.292	2	.146	.458	.635
Within Groups	18.462	58	.318		
Total	18.754	60			

Multiple Comparisons

Dependent Variable: 2= lack of suitable manpower

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-7.33E-02	.20	.928	-.55	.41
	3 stars	.10	.16	.814	-.29	.50
4 stars	5 stars	7.33E-02	.20	.928	-.41	.55
	3 stars	.17	.19	.635	-.28	.63
3 stars	5 stars	-.10	.16	.814	-.50	.29
	4 stars	-.17	.19	.635	-.63	.28

Table 5.10 c: Results of ANOVA test on Hotel Category and Renovation Obstacle (lack of in-house appropriate experience)

Descriptives

3= lack of in-house appropriate experience

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	3.38	.59	.13	3.11	3.65	2	4
4 stars	13	3.46	.66	.18	3.06	3.86	3	5
3 stars	27	3.48	.51	9.80E-02	3.28	3.68	3	4
Total	61	3.44	.56	7.21E-02	3.30	3.59	2	5

Test of Homogeneity of Variances

3= lack of in-house appropriate experience

Levene Statistic	df1	df2	Sig.
.592	2	58	.557

ANOVA

3= lack of in-house appropriate experience

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.125	2	6.264E-02	.192	.826
Within Groups	18.924	58	.326		
Total	19.049	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: 3= lack of in-house appropriate experience

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-8.06E-02	.20	.916	-.57	.40
	3 stars	-.10	.17	.818	-.50	.30
4 stars	5 stars	8.06E-02	.20	.916	-.40	.57
	3 stars	-1.99E-02	.19	.994	-.48	.44
3 stars	5 stars	.10	.17	.818	-.30	.50
	4 stars	1.99E-02	.19	.994	-.44	.48

Table 5.10 d: Results of ANOVA test on Hotel Category and Renovation Obstacle (limits by owners)

Descriptives

4= Limits by owners

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.86	.65	.14	1.56	2.16	1	3
4 stars	13	1.85	.55	.15	1.51	2.18	1	3
3 stars	27	1.70	.47	8.96E-02	1.52	1.89	1	2
Total	61	1.79	.55	7.06E-02	1.65	1.93	1	3

Test of Homogeneity of Variances

4= Limits by owners

Levene Statistic	df1	df2	Sig.
.457	2	58	.635

ANOVA

4= Limits by owners

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.336	2	.168	.545	.583
Within Groups	17.893	58	.309		
Total	18.230	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: 4= Limits by owners

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	1.10E-02	.20	.998	-.46	.48
	3 stars	.15	.16	.611	-.24	.54
4 stars	5 stars	-1.10E-02	.20	.998	-.48	.46
	3 stars	.14	.19	.729	-.31	.59
3 stars	5 stars	-.15	.16	.611	-.54	.24
	4 stars	-.14	.19	.729	-.59	.31

Table 5.12a: Results of ANOVA test on Hotel Category and Renovation Force (customers)

Descriptives

Customers									
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	
					Lower Bound	Upper Bound			
5 stars	21	1.57	.81	.18	1.20	1.94	1	3	
4 stars	13	2.31	.95	.26	1.74	2.88	1	4	
3 stars	27	2.30	.82	.16	1.97	2.62	1	3	
Total	61	2.05	.90	.12	1.82	2.28	1	4	

Test of Homogeneity of Variances

Customers			
Levene Statistic	df1	df2	Sig.
.206	2	58	.814

ANOVA

Customers					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.311	2	3.655	5.104	.009
Within Groups	41.542	58	.716		
Total	48.852	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: Customers

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-.74*	.30	.043	-1.45	-1.79E-02
	3 stars	-.72*	.25	.013	-1.32	-.13
4 stars	5 stars	.74*	.30	.043	1.79E-02	1.45
	3 stars	1.14E-02	.29	.999	-.68	.70
3 stars	5 stars	.72*	.25	.013	.13	1.32
	4 stars	-1.14E-02	.29	.999	-.70	.68

*. The mean difference is significant at the .05 level.

Table 5.12.b: Results of ANOVA test on Hotel Category and Renovation Force (competition)

Descriptives

competition									
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	
					Lower Bound	Upper Bound			
5 stars	21	2.10	.54	.12	1.85	2.34	1	3	
4 stars	13	2.08	.95	.26	1.50	2.65	1	4	
3 stars	27	1.81	.79	.15	1.50	2.13	1	3	
Total	61	1.97	.75	9.63E-02	1.77	2.16	1	4	

Test of Homogeneity of Variances

competition			
Levene Statistic	df1	df2	Sig.
3.997	2	58	.024

ANOVA

competition					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.128	2	.564	.997	.375
Within Groups	32.807	58	.566		
Total	33.934	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: competition

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	1.83E-02	.27	.997	-.62	.66
	3 stars	.28	.22	.411	-.25	.81
4 stars	5 stars	-1.83E-02	.27	.997	-.66	.62
	3 stars	.26	.25	.560	-.35	.87
3 stars	5 stars	-.28	.22	.411	-.81	.25
	4 stars	-.26	.25	.560	-.87	.35

Table 5.12.c: Results of ANOVA test on Hotel Category and Renovation Force (technology)

Descriptives

Technology

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
					5 stars	21		
4 stars	13	3.46	1.05	.29	2.83	4.10	1	5
3 stars	27	3.44	.75	.14	3.15	3.74	2	4
Total	61	3.26	1.00	.13	3.01	3.52	1	5

Test of Homogeneity of Variances

Technology

Levene Statistic	df1	df2	Sig.
1.114	2	58	.335

ANOVA

Technology

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.096	2	2.048	2.132	.128
Within Groups	55.707	58	.960		
Total	59.803	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: Technology

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-.56	.35	.250	-1.39	.28
	3 stars	-.54	.29	.150	-1.23	.15
4 stars	5 stars	.56	.35	.250	-.28	1.39
	3 stars	1.71E-02	.33	.999	-.78	.81
3 stars	5 stars	.54	.29	.150	-.15	1.23
	4 stars	-1.71E-02	.33	.999	-.81	.78

Table 5.12d: Results of ANOVA test on Hotel Category and Renovation Force (Egyptian Hotel Association)

Descriptives

EHA									
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	
					Lower Bound	Upper Bound			
5 stars	21	3.81	.51	.11	3.58	4.04	3	5	
4 stars	13	5.69	2.10	.58	4.43	6.96	2	7	
3 stars	27	7.00	.00	.00	7.00	7.00	7	7	
Total	61	5.62	1.72	.22	5.18	6.06	2	7	

Test of Homogeneity of Variances

EHA			
Levene Statistic	df1	df2	Sig.
69.353	2	58	.000

ANOVA

EHA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	120.321	2	60.160	60.153	.000
Within Groups	58.007	58	1.000		
Total	178.328	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: EHA

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-1.88*	.35	.000	-2.73	-1.03
	3 stars	-3.19*	.29	.000	-3.89	-2.49
4 stars	5 stars	1.88*	.35	.000	1.03	2.73
	3 stars	-1.31*	.34	.001	-2.12	-.50
3 stars	5 stars	3.19*	.29	.000	2.49	3.89
	4 stars	1.31*	.34	.001	.50	2.12

*. The mean difference is significant at the .05 level.

Table 5.15a: Results of ANOVA test on Hotel Category and the Frequency of Minor Renovation.

Descriptives

frequency of minor renovation

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.43	.60	.13	1.16	1.70	1	3
4 stars	13	1.23	.44	.12	.97	1.50	1	2
3 stars	27	1.67	.78	.15	1.36	1.98	1	3
Total	61	1.49	.67	8.63E-02	1.32	1.66	1	3

Test of Homogeneity of Variances

frequency of minor renovation

Levene Statistic	df1	df2	Sig.
5.976	2	58	.004

ANOVA

frequency of minor renovation

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.795	2	.898	2.046	.139
Within Groups	25.451	58	.439		
Total	27.246	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: frequency of minor renovation

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	.20	.23	.676	-.36	.76
	3 stars	-.24	.19	.437	-.70	.23
4 stars	5 stars	-.20	.23	.676	-.76	.36
	3 stars	-.44	.22	.134	-.97	.10
3 stars	5 stars	.24	.19	.437	-.23	.70
	4 stars	.44	.22	.134	-.10	.97

Table 5.15b: Results of ANOVA test on Hotel Category and the Frequency of Major Renovation.

Descriptives

frequency of major renovation

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	2.95	.97	.21	2.51	3.40	1	5
4 stars	13	4.31	.95	.26	3.74	4.88	2	5
3 stars	27	4.44	.85	.16	4.11	4.78	1	5
Total	61	3.90	1.14	.15	3.61	4.19	1	5

Test of Homogeneity of Variances

frequency of major renovation

Levene Statistic	df1	df2	Sig.
.316	2	58	.731

ANOVA

frequency of major renovation

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	29.022	2	14.511	17.393	.000
Within Groups	48.388	58	.834		
Total	77.410	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: frequency of major renovation

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-1.36*	.32	.000	-2.13	-.58
	3 stars	-1.49*	.27	.000	-2.13	-.85
4 stars	5 stars	1.36*	.32	.000	.58	2.13
	3 stars	-.14	.31	.897	-.88	.60
3 stars	5 stars	1.49*	.27	.000	.85	2.13
	4 stars	.14	.31	.897	-.60	.88

*. The mean difference is significant at the .05 level.

Table 5.15c: Results of ANOVA test on Hotel Category and the Frequency of Master Renovation.

Descriptives

frequency of master renovation

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	3.81	.60	.13	3.54	4.08	3	5
4 stars	13	4.08	.86	.24	3.56	4.60	3	5
3 stars	27	5.96	.19	3.70E-02	5.89	6.04	5	6
Total	61	4.82	1.16	.15	4.52	5.12	3	6

Test of Homogeneity of Variances

frequency of master renovation

Levene Statistic	df1	df2	Sig.
19.750	2	58	.000

ANOVA

frequency of master renovation

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	63.892	2	31.946	108.203	.000
Within Groups	17.124	58	.295		
Total	81.016	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: frequency of master renovation

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-.27	.19	.350	-.73	.19
	3 stars	-2.15*	.16	.000	-2.53	-1.77
4 stars	5 stars	.27	.19	.350	-.19	.73
	3 stars	-1.89*	.18	.000	-2.33	-1.44
3 stars	5 stars	2.15*	.16	.000	1.77	2.53
	4 stars	1.89*	.18	.000	1.44	2.33

*. The mean difference is significant at the .05 level.

Table 5.16a: Results of ANOVA test on Hotel Category and Renovation Variable (money).

Descriptives

variale1: money

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.05	.22	4.76E-02	.95	1.15	1	2
4 stars	13	1.15	.38	.10	.93	1.38	1	2
3 stars	27	1.04	.19	3.70E-02	.96	1.11	1	2
Total	61	1.07	.25	3.20E-02	1.00	1.13	1	2

Test of Homogeneity of Variances

variale1: money

Levene Statistic	df1	df2	Sig.
4.055	2	58	.022

ANOVA

variale1: money

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.130	2	6.503E-02	1.045	.358
Within Groups	3.608	58	6.220E-02		
Total	3.738	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: variale1: money

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-.11	8.80E-02	.454	-.32	.11
	3 stars	1.06E-02	7.26E-02	.988	-.16	.19
4 stars	5 stars	.11	8.80E-02	.454	-.11	.32
	3 stars	.12	8.42E-02	.354	-8.57E-02	.32
3 stars	5 stars	-1.06E-02	7.26E-02	.988	-.19	.16
	4 stars	-.12	8.42E-02	.354	-.32	8.57E-02

Table 5.16b: Results of ANOVA test on Hotel Category and Renovation Variable (time).

Descriptives

variable2:time

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.62	.59	.13	1.35	1.89	1	3
4 stars	13	1.46	.52	.14	1.15	1.78	1	2
3 stars	27	1.44	.51	9.75E-02	1.24	1.64	1	2
Total	61	1.51	.54	6.86E-02	1.37	1.65	1	3

Test of Homogeneity of Variances

variable2:time

Levene Statistic	df1	df2	Sig.
.449	2	58	.640

ANOVA

variable2:time

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.396	2	.198	.682	.510
Within Groups	16.850	58	.291		
Total	17.246	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: variable2:time

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	.16	.19	.687	-.30	.62
	3 stars	.17	.16	.510	-.20	.55
4 stars	5 stars	-.16	.19	.687	-.62	.30
	3 stars	1.71E-02	.18	.995	-.42	.45
3 stars	5 stars	-.17	.16	.510	-.55	.20
	4 stars	-1.71E-02	.18	.995	-.45	.42

Table 5.16c: Results of ANOVA test on Hotel Category and Renovation Variable (team).

Descriptives

variable3: Team

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.71	.64	.14	1.42	2.01	1	3
4 stars	13	1.69	.75	.21	1.24	2.15	1	3
3 stars	27	1.74	.76	.15	1.44	2.04	1	3
Total	61	1.72	.71	9.09E-02	1.54	1.90	1	3

Test of Homogeneity of Variances

variable3: Team

Levene Statistic	df1	df2	Sig.
.678	2	58	.512

ANOVA

variable3: Team

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.216E-02	2	1.108E-02	.021	.979
Within Groups	30.240	58	.521		
Total	30.262	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: variable3: Team

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	2.20E-02	.25	.996	-.59	.63
	3 stars	-2.65E-02	.21	.991	-.53	.48
4 stars	5 stars	-2.20E-02	.25	.996	-.63	.59
	3 stars	-4.84E-02	.24	.978	-.63	.54
3 stars	5 stars	2.65E-02	.21	.991	-.48	.53
	4 stars	4.84E-02	.24	.978	-.54	.63

Table 5.16d: Results of ANOVA test on Hotel Category and Renovation Variable (material).

Descriptives

variable4: material

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.48	.60	.13	1.20	1.75	1	3
4 stars	13	1.92	.86	.24	1.40	2.44	1	3
3 stars	27	1.85	.82	.16	1.53	2.18	1	3
Total	61	1.74	.77	9.89E-02	1.54	1.94	1	3

Test of Homogeneity of Variances

variable4: material

Levene Statistic	df1	df2	Sig.
1.242	2	58	.296

ANOVA

variable4: material

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.235	2	1.117	1.931	.154
Within Groups	33.569	58	.579		
Total	35.803	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: variable4: material

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-.45	.27	.228	-1.09	.20
	3 stars	-.38	.22	.215	-.91	.16
4 stars	5 stars	.45	.27	.228	-.20	1.09
	3 stars	7.12E-02	.26	.959	-.55	.69
3 stars	5 stars	.38	.22	.215	-.16	.91
	4 stars	-7.12E-02	.26	.959	-.69	.55

Table 5.21: Results of ANOVA test on Hotel Category and the statement 'our hotel has adequate financial resources to carry out renovation'

Descriptives

Our hotel has adequate financial resources to carry out renovation

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	3.19	1.03	.22	2.72	3.66	1	5
4 stars	13	3.92	.76	.21	3.46	4.38	3	5
3 stars	27	4.30	.72	.14	4.01	4.58	3	5
Total	61	3.84	.97	.12	3.59	4.08	1	5

Test of Homogeneity of Variances

Our hotel has adequate financial resources to carry out renovation

Levene Statistic	df1	df2	Sig.
2.457	2	58	.095

ANOVA

Our hotel has adequate financial resources to carry out renovation

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	14.570	2	7.285	10.110	.000
Within Groups	41.791	58	.721		
Total	56.361	60			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: Our hotel has adequate financial resources to carry out renovation

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-.73*	.30	.045	-1.45	-1.21E-02
	3 stars	-1.11*	.25	.000	-1.70	-.51
4 stars	5 stars	.73*	.30	.045	1.21E-02	1.45
	3 stars	-.37	.29	.400	-1.06	.32
3 stars	5 stars	1.11*	.25	.000	.51	1.70
	4 stars	.37	.29	.400	-.32	1.06

*. The mean difference is significant at the .05 level.

Appendix 14: Table And Figures: External Party's Survey: Results As Output Of SPSS

Table 5.24: Results of ANOVA test on company Category and the number of permanent employees

Descriptives

no. of permanent employees

	N	Mean	Std. Deviation	Std. Error	5% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Large companies	14	1.143	.363	.705E-02	.933	1.353	1.0	2.0
Medium companies	14	2.429	.646	.173	2.055	2.802	2.0	4.0
Small companies	10	3.300	.483	.153	2.954	3.646	3.0	4.0
Total	38	2.184	1.010	.164	1.852	2.516	1.0	4.0

Test of Homogeneity of Variances

no. of permanent employees

Levene Statistic	df1	df2	Sig.
4.832	2	35	.014

ANOVA

no. of permanent employees

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	28.468	2	14.234	53.899	.000
Within Groups	9.243	35	.264		
Total	37.711	37			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: no. of permanent employees

Tukey HSD

(I) company category	(J) company category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Large companies	Medium companies	-1.286*	.194	.000	-1.761	-.810
	Small companies	-2.157*	.213	.000	-2.678	-1.636
Medium companies	Large companies	1.286*	.194	.000	.810	1.761
	Small companies	-.871*	.213	.001	-1.392	-.351
Small companies	Large companies	2.157*	.213	.000	1.636	2.678
	Medium companies	.871*	.213	.001	.351	1.392

*. The mean difference is significant at the .05 level.

Table 5.27 a: Results of ANOVA test on company Category and Renovation reason (to extend the useful life of the hotel)

Descriptives

To extend the useful life of the hotel

	N	Mean	Std. Deviation	Std. Error	5% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Large companies	14	2.00	.78	.21	1.55	2.45	1	3
Medium companies	14	1.71	.83	.22	1.24	2.19	1	3
Small companies	10	1.10	.32	1.00E-01	.87	1.33	1	2
Total	38	1.66	.78	.13	1.40	1.91	1	3

Test of Homogeneity of Variances

To extend the useful life of the hotel

Levene Statistic	df1	df2	Sig.
5.268	2	35	.010

ANOVA

To extend the useful life of the hotel

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.795	2	2.398	4.726	.015
Within Groups	17.757	35	.507		
Total	22.553	37			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: To extend the useful life of the hotel

Tukey HSD

(I) company category	(J) company category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Large companies	Medium companies	.29	.27	.544	-.37	.94
	Small companies	.90*	.29	.012	.18	1.62
Medium companies	Large companies	-.29	.27	.544	-.94	.37
	Small companies	.61	.29	.108	-.11	1.34
Small companies	Large companies	-.90*	.29	.012	-1.62	-.18
	Medium companies	-.61	.29	.108	-1.34	.11

*. The mean difference is significant at the .05 level.

Table 5.27 b: Results of ANOVA test on company Category and Renovation reason

Descriptives

to retain standards and image projected by the hotel

	N	Mean	Std. Deviation	Std. Error	5% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
					Large companies	14		
Medium companies	14	1.36	.63	.17	.99	1.72	1	3
Small companies	10	1.80	.63	.20	1.35	2.25	1	3
Total	38	1.37	.59	9.56E-02	1.17	1.56	1	3

Test of Homogeneity of Variances

to retain standards and image projected by the hotel

Levene Statistic	df1	df2	Sig.
5.835	2	35	.007

ANOVA

to retain standards and image projected by the hotel

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.099	2	1.550	5.567	.008
Within Groups	9.743	35	.278		
Total	12.842	37			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: to retain standards and image projected by the hotel

Tukey HSD

(I) company categor	(J) company categor	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Large companies	Medium companies	-.29	.20	.335	-.77	.20
	Small companies	-.73*	.22	.006	-1.26	-.19
Medium companies	Large companies	.29	.20	.335	-.20	.77
	Small companies	-.44	.22	.121	-.98	9.17E-02
Small companies	Large companies	.73*	.22	.006	.19	1.26
	Medium companies	.44	.22	.121	-9.17E-02	.98

*. The mean difference is significant at the .05 level.

Table 5.27 c: Results of ANOVA test on company Category and Renovation reason

Descriptives

To increase the hotel's operational efficiency

	N	Mean	Std. Deviation	Std. Error	5% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Large companies	14	1.43	.51	.14	1.13	1.73	1	2
Medium companies	14	1.14	.36	9.71E-02	.93	1.35	1	2
Small companies	10	1.70	.95	.30	1.02	2.38	1	3
Total	38	1.39	.64	.10	1.18	1.60	1	3

Test of Homogeneity of Variances

To increase the hotel's operational efficiency

Levene Statistic	df1	df2	Sig.
18.181	2	35	.000

ANOVA

To increase the hotel's operational efficiency

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.836	2	.918	2.426	.103
Within Groups	13.243	35	.378		
Total	15.079	37			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: To increase the hotel's operational efficiency

Tukey HSD

(I) company categor	(J) company categor	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Large companies	Medium companies	.29	.23	.444	-.28	.85
	Small companies	-.27	.25	.541	-.89	.35
Medium companies	Large companies	-.29	.23	.444	-.85	.28
	Small companies	-.56	.25	.087	-1.18	6.61E-02
Small companies	Large companies	.27	.25	.541	-.35	.89
	Medium companies	.56	.25	.087	-6.61E-02	1.18

Table 5.27 d: Results of ANOVA test on company Category and Renovation reason

Descriptives

To meet competition

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum
					Lower Bound	Upper Bound	
Large companies	14	1.00	.00	.00	1.00	1.00	
Medium companies	14	1.57	.85	.23	1.08	2.06	
Small companies	10	1.30	.48	.15	.95	1.65	
Total	38	1.29	.61	9.91E-02	1.09	1.49	

Test of Homogeneity of Variances

To meet competition

Levene Statistic	df1	df2	Sig.
30.112	2	35	.000

ANOVA

To meet competition

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.287	2	1.144	3.472	.042
Within Groups	11.529	35	.329		
Total	13.816	37			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: To meet competition

Tukey HSD

(I) company category	(J) company category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Large companies	Medium companies	-.57*	.22	.033	-1.10	-4.06E-
	Small companies	-.30	.24	.425	-.88	.
Medium companies	Large companies	.57*	.22	.033	4.06E-02	1.
	Small companies	.27	.24	.495	-.31	.
Small companies	Large companies	.30	.24	.425	-.28	.
	Medium companies	-.27	.24	.495	-.85	.

*. The mean difference is significant at the .05 level.

Table 5.27 e: Results of ANOVA test on company Category and Renovation reason

Descriptives

To satisfy customers

	N	Mean	Std. Deviation	Std. Error	5% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
					Large companies	14		
Medium companies	14	1.57	.85	.23	1.08	2.06	1	3
Small companies	10	1.30	.48	.15	.95	1.65	1	2
Total	38	1.37	.63	.10	1.16	1.58	1	3

Test of Homogeneity of Variances

To satisfy customers

Levene Statistic	df1	df2	Sig.
7.096	2	35	.003

ANOVA

To satisfy customers

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.956	2	.478	1.205	.312
Within Groups	13.886	35	.397		
Total	14.842	37			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: To satisfy customers

Tukey HSD

(I) company category	(J) company category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Large companies	Medium companies	-.36	.24	.303	-.94	.23
	Small companies	-8.57E-02	.26	.942	-.72	.55
Medium companies	Large companies	.36	.24	.303	-.23	.94
	Small companies	.27	.26	.557	-.37	.91
Small companies	Large companies	8.57E-02	.26	.942	-.55	.72
	Medium companies	-.27	.26	.557	-.91	.37

Table 5.27f: Results of ANOVA test on company Category and Renovation reason

Descriptives

to avoid any risk of damage or hazard

	N	Mean	Std. Deviation	Std. Error	5% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Large companies	14	4.3571	1.0082	.2695	3.7750	4.9393	2.00	5.00
Medium companies	14	2.0714	.6157	.1646	1.7159	2.4269	1.00	3.00
Small companies	10	1.5000	.7071	.2236	.9942	2.0058	1.00	3.00
Total	38	2.7632	1.4784	.2398	2.2772	3.2491	1.00	5.00

Test of Homogeneity of Variances

to avoid any risk of damage or hazard

Levene Statistic	df1	df2	Sig.
3.101	2	35	.058

ANOVA

to avoid any risk of damage or hazard

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	58.226	2	29.113	45.001	.000
Within Groups	22.643	35	.647		
Total	80.868	37			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: to avoid any risk of damage or hazard

Tukey HSD

(I) company category	(J) company category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Large companies	Medium companies	2.2857*	.3040	.000	1.5417	3.0297
	Small companies	2.8571*	.3330	.000	2.0421	3.6721
Medium companies	Large companies	-2.2857*	.3040	.000	-3.0297	-1.5417
	Small companies	.5714	.3330	.214	-.2436	1.3864
Small companies	Large companies	-2.8571*	.3330	.000	-3.6721	-2.0421
	Medium companies	-.5714	.3330	.214	-1.3864	.2436

*. The mean difference is significant at the .05 level.

Table 5.27g: Results of ANOVA test on company Category and Renovation reason

Descriptives

To cope with the legal or governmental standards

	N	Mean	Std. Deviation	Std. Error	5% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
					Large companies	14		
Medium companies	14	1.9286	.7300	.1951	1.5071	2.3501	1.00	3.00
Small companies	10	1.4000	.6992	.2211	.8998	1.9002	1.00	3.00
Total	38	2.6316	1.4411	.2338	2.1579	3.1053	1.00	5.00

Test of Homogeneity of Variances

To cope with the legal or governmental standards

Levene Statistic	df1	df2	Sig.
.436	2	35	.650

ANOVA

To cope with the legal or governmental standards

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	57.156	2	28.578	50.810	.000
Within Groups	19.686	35	.562		
Total	76.842	37			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: To cope with the legal or governmental standards

Tukey HSD

(I) company category	(J) company category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Large companies	Medium companies	2.2857*	.2835	.000	1.5920	2.9794
	Small companies	2.8143*	.3105	.000	2.0544	3.5742
Medium companies	Large companies	-2.2857*	.2835	.000	-2.9794	-1.5920
	Small companies	.5286	.3105	.219	-.2313	1.2885
Small companies	Large companies	-2.8143*	.3105	.000	-3.5742	-2.0544
	Medium companies	-.5286	.3105	.219	-1.2885	.2313

*. The mean difference is significant at the .05 level.

Table 5.27h: Results of ANOVA test on company Category and Renovation reason

Descriptives

To cope with and new trends and technology

	N	Mean	Std. Deviation	Std. Error	5% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Large companies	14	1.3571	.4972	.1329	1.0700	1.6442	1.00	2.00
Medium companies	14	3.2143	.5789	.1547	2.8800	3.5486	2.00	4.00
Small companies	10	4.3000	.6749	.2134	3.8172	4.7828	3.00	5.00
Total	38	2.8158	1.3327	.2162	2.3778	3.2538	1.00	5.00

Test of Homogeneity of Variances

To cope with and new trends and technology

Levene Statistic	df1	df2	Sig.
.528	2	35	.594

ANOVA

To cope with and new trends and technology

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	54.039	2	27.020	81.026	.000
Within Groups	11.671	35	.333		
Total	65.711	37			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: To cope with and new trends and technology

Tukey HSD

(I) company category	(J) company category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Large companies	Medium companies	-1.8571*	.2183	.000	-2.3913	-1.3230
	Small companies	-2.9429*	.2391	.000	-3.5280	-2.3577
Medium companies	Large companies	1.8571*	.2183	.000	1.3230	2.3913
	Small companies	-1.0857*	.2391	.000	-1.6708	-.5006
Small companies	Large companies	2.9429*	.2391	.000	2.3577	3.5280
	Medium companies	1.0857*	.2391	.000	.5006	1.6708

*. The mean difference is significant at the .05 level.

Table 5.29 a: Results of ANOVA test on Company Category and Renovation Obstacle (limits by owners)

Descriptives

limits by the owners

	N	Mean	Std. Deviation	Std. Error	5% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Large companies	14	1.7857	.4258	.1138	1.5399	2.0316	1.00	2.00
Medium companies	14	1.8571	.3631	.705E-02	1.6475	2.0668	1.00	2.00
Small companies	10	1.8000	.4216	.1333	1.4984	2.1016	1.00	2.00
Total	38	1.8158	.3929	.373E-02	1.6867	1.9449	1.00	2.00

Test of Homogeneity of Variances

limits by the owners

Levene Statistic	df1	df2	Sig.
.515	2	35	.602

ANOVA

limits by the owners

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.910E-02	2	1.955E-02	.121	.887
Within Groups	5.671	35	.162		
Total	5.711	37			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: limits by the owners

Tukey HSD

(I) company category	(J) company category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Large companies	Medium companies	7.1429E-02	.1521	.886	-.4438	.3009
	Small companies	1.4286E-02	.1667	.996	-.4222	.3936
Medium companies	Large companies	7.143E-02	.1521	.886	-.3009	.4438
	Small companies	5.714E-02	.1667	.937	-.3507	.4650
Small companies	Large companies	1.429E-02	.1667	.996	-.3936	.4222
	Medium companies	5.7143E-02	.1667	.937	-.4650	.3507

Table 5.29b: Results of ANOVA test on Company Category and Renovation Obstacle (lack of suitable manpower)

Descriptives

lack of suitable manpower

	N	Mean	Std. Deviation	Std. Error	5% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Large companies	14	.2143	.8018	.2143	-.2487	.6772	.00	3.00
Medium companies	14	.8571	1.7033	.4552	-.1263	1.8406	.00	4.00
Small companies	10	.7000	1.4944	.4726	-.3691	1.7691	.00	4.00
Total	38	.5789	1.3682	.2220	.1292	1.0287	.00	4.00

Test of Homogeneity of Variances

lack of suitable manpower

Levene Statistic	df1	df2	Sig.
4.545	2	35	.018

ANOVA

lack of suitable manpower

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.092	2	1.546	.818	.450
Within Groups	66.171	35	1.891		
Total	69.263	37			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: lack of suitable manpower

Tukey HSD

(I) company categor	(J) company catego	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Large companies	Medium companies	-.6429	.5197	.440	-1.9147	.6290
	Small companies	-.4857	.5693	.673	-1.8790	.9075
Medium companies	Large companies	.6429	.5197	.440	-.6290	1.9147
	Small companies	.1571	.5693	.959	-1.2361	1.5504
Small companies	Large companies	.4857	.5693	.673	-.9075	1.8790
	Medium companies	-.1571	.5693	.959	-1.5504	1.2361

Table 5.29c: Results of ANOVA test on Company Category and Renovation Obstacle (lack of in-house appropriate experience)

Descriptives

lack of In-house appropriate experience

	N	Mean	Std. Deviation	Std. Error	5% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Large companies	14	1.1429	1.6104	.4304	.2130	2.0727	.00	4.00
Medium companies	14	1.0714	1.4917	.3987	.2101	1.9327	.00	3.00
Small companies	10	.7000	1.4944	.4726	-.3691	1.7691	.00	4.00
Total	38	1.0000	1.5067	.2444	.5047	1.4953	.00	4.00

Test of Homogeneity of Variances

lack of In-house appropriate experience

Levene Statistic	df1	df2	Sig.
.963	2	35	.392

ANOVA

lack of In-house appropriate experience

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.257	2	.629	.266	.768
Within Groups	82.743	35	2.364		
Total	84.000	37			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: lack of in-house appropriate experience

Tukey HSD

(I) company category	(J) company category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Large companies	Medium companies	7.143E-02	.5811	.992	-1.3508	1.4936
	Small companies	.4429	.6366	.768	-1.1151	2.0008
Medium companies	Large companies	-7.1429E-02	.5811	.992	-1.4936	1.3508
	Small companies	.3714	.6366	.830	-1.1865	1.9294
Small companies	Large companies	-.4429	.6366	.768	-2.0008	1.1151
	Medium companies	-.3714	.6366	.830	-1.9294	1.1865

Table 5.29d: Results of ANOVA test on Company Category and Renovation Obstacle (lack of money)

Descriptives

lack of money

	N	Mean	Std. Deviation	Std. Error	% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Large companies	14	1.2143	.4258	.1138	.9684	1.4601	1.00	2.00
Medium companies	14	1.2143	.4258	.1138	.9684	1.4601	1.00	2.00
Small companies	10	1.3000	.4830	.1528	.9544	1.6456	1.00	2.00
Total	38	1.2368	.4309	.0989E-02	1.0952	1.3785	1.00	2.00

Test of Homogeneity of Variances

lack of money

Levene Statistic	df1	df2	Sig.
.477	2	35	.625

ANOVA

lack of money

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.414E-02	2	2.707E-02	.139	.871
Within Groups	6.814	35	.195		
Total	6.868	37			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: lack of money

Tukey HSD

(I) company category	(J) company category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Large companies	Medium companies	.0000	.1668	1.000	-.4081	.4081
	Small companies	8.5714E-02	.1827	.886	-.5328	.3614
Medium companies	Large companies	.0000	.1668	1.000	-.4081	.4081
	Small companies	8.5714E-02	.1827	.886	-.5328	.3614
Small companies	Large companies	8.571E-02	.1827	.886	-.3614	.5328
	Medium companies	8.571E-02	.1827	.886	-.3614	.5328

Table 5.30: Results of ANOVA test on Hotel Category and Renovation Frequency

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
frequency of minor renovation	Large companies	14	1.2857	.4688	.1253	1.0150	1.5564	1.00	2.00
	Medium companies	14	2.0714	.2673	7.143E-02	1.9171	2.2257	2.00	3.00
	Small companies	10	2.4000	.5164	.1633	2.0306	2.7694	2.00	3.00
	Total	38	1.8684	.6226	.1010	1.6638	2.0731	1.00	3.00
frequency of major renovation	Large companies	14	6.6429	.4972	.1329	6.3558	6.9300	6.00	7.00
	Medium companies	14	7.5714	.5136	.1373	7.2749	7.8679	7.00	8.00
	Small companies	10	7.8000	.4216	.1333	7.4984	8.1016	7.00	8.00
	Total	38	7.2895	.6939	.1126	7.0614	7.5176	6.00	8.00
frequency of master renovation	Large companies	14	4.3571	.4972	.1329	4.0700	4.6442	4.00	5.00
	Medium companies	14	4.7857	.4258	.1138	4.5399	5.0316	4.00	5.00
	Small companies	10	4.9000	.3162	1.000E-01	4.6738	5.1262	4.00	5.00
	Total	38	4.6579	.4808	7.799E-02	4.4999	4.8159	4.00	5.00

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
frequency of minor renovation	11.483	2	35	.000
frequency of major renovation	3.514	2	35	.041
frequency of master renovation	4.952	2	35	.013

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
frequency of minor renovation	Between Groups	8.156	2	4.078	23.075	.000
	Within Groups	6.186	35	.177		
	Total	14.342	37			
frequency of major renovation	Between Groups	9.573	2	4.786	20.324	.000
	Within Groups	8.243	35	.236		
	Total	17.816	37			
frequency of master renovation	Between Groups	2.081	2	1.041	5.628	.008
	Within Groups	6.471	35	.185		
	Total	8.553	37			

Multiple Comparisons

Tukey HSD

Dependent Variable (I) company category (J) company category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval		
				Lower Bound	Upper Bound	
frequency of minor renovation	Large companies - Medium companies	-.7857*	.1589	.000	-1.1746	-.3969
	Large companies - Small companies	-1.1143*	.1741	.000	-1.5403	-.6883
	Medium companies - Large companies	.7857*	.1589	.000	.3969	1.1746
	Medium companies - Small companies	-.3286	.1741	.157	-.7545	.9741E-02
	Small companies - Large companies	1.1143*	.1741	.000	.6883	1.5403
	Small companies - Medium companies	.3286	.1741	.157	-.7405E-02	.7545
frequency of major renovation	Large companies - Medium companies	-.9286*	.1834	.000	-1.3775	-.4797
	Large companies - Small companies	-1.1571*	.2009	.000	-1.6489	-.6654
	Medium companies - Large companies	.9286*	.1834	.000	.4797	1.3775
	Medium companies - Small companies	-.2286	.2009	.498	-.7203	.2632
	Small companies - Large companies	1.1571*	.2009	.000	.6654	1.6489
	Small companies - Medium companies	.2286	.2009	.498	-.2632	.7203
frequency of master renovation	Large companies - Medium companies	-.4286*	.1625	.032	-.8263	.0830E-02
	Large companies - Small companies	-.5429*	.1780	.012	-.9786	-.1072
	Medium companies - Large companies	.4286*	.1625	.032	.0830E-02	.8263
	Medium companies - Small companies	-.1143	.1780	.798	-.5500	.3214
	Small companies - Large companies	.5429*	.1780	.012	.1072	.9786
	Small companies - Medium companies	.1143	.1780	.798	-.3214	.5500

*. The mean difference is significant at the .05 level.

Table 5.32: Results of ANOVA test on Hotel Category and Renovation Variables

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
money	Large companies	14	1.1429	.3631	9.705E-02	.9332	1.3525	1.00	2.00
	Medium companies	14	1.2143	.4258	.1138	.9684	1.4601	1.00	2.00
	Small companies	10	1.4000	.6992	.2211	.8998	1.9002	1.00	3.00
	Total	38	1.2368	.4896	7.942E-02	1.0759	1.3978	1.00	3.00
time	Large companies	14	1.2143	.5789	.1547	.8800	1.5486	1.00	3.00
	Medium companies	14	1.7143	.9139	.2442	1.1866	2.2419	1.00	3.00
	Small companies	10	1.9000	.8756	.2769	1.2736	2.5264	1.00	3.00
	Total	38	1.5789	.8263	.1340	1.3073	1.8505	1.00	3.00
team	Large companies	14	1.0714	.2673	7.143E-02	.9171	1.2257	1.00	2.00
	Medium companies	14	1.3571	.6333	.1693	.9915	1.7228	1.00	3.00
	Small companies	10	1.5000	.7071	.2236	.9942	2.0058	1.00	3.00
	Total	38	1.2895	.5651	9.167E-02	1.1037	1.4752	1.00	3.00
material	Large companies	14	1.2143	.4258	.1138	.9684	1.4601	1.00	2.00
	Medium companies	14	1.7143	.8254	.2206	1.2377	2.1909	1.00	3.00
	Small companies	10	2.0000	.8165	.2582	1.4159	2.5841	1.00	3.00
	Total	38	1.6053	.7548	.1224	1.3572	1.8534	1.00	3.00

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
money	3.568	2	35	.039
time	4.694	2	35	.016
team	8.714	2	35	.001
material	3.722	2	35	.034

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
money	Between Groups	.397	2	.198	.820	.449
	Within Groups	8.471	35	.242		
	Total	8.868	37			
time	Between Groups	3.149	2	1.574	2.492	.097
	Within Groups	22.114	35	.632		
	Total	25.263	37			
team	Between Groups	1.173	2	.586	1.929	.160
	Within Groups	10.643	35	.304		
	Total	11.816	37			
material	Between Groups	3.865	2	1.932	3.929	.029
	Within Groups	17.214	35	.492		
	Total	21.079	37			

Multiple Comparisons

Tukey HSD

Dependent Variable	(I) company category	(J) company category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
money	Large companies	Medium companies	-7.1429E-02	.1859	.922	-.5265	.3836
		Small companies	-.2571	.2037	.426	-.7556	.2414
	Medium companies	Large companies	7.143E-02	.1859	.922	-.3836	.5265
		Small companies	-.1857	.2037	.637	-.6842	.3128
	Small companies	Large companies	.2571	.2037	.426	-.2414	.7556
		Medium companies	.1857	.2037	.637	-.3128	.6842
time	Large companies	Medium companies	-.5000	.3004	.233	-1.2353	.2353
		Small companies	-.6857	.3291	.108	-1.4911	.1197
	Medium companies	Large companies	.5000	.3004	.233	-.2353	1.2353
		Small companies	-.1857	.3291	.840	-.9911	.6197
	Small companies	Large companies	.6857	.3291	.108	-.1197	1.4911
		Medium companies	.1857	.3291	.840	-.6197	.9911
team	Large companies	Medium companies	-.2857	.2084	.367	-.7958	.2244
		Small companies	-.4286	.2283	.160	-.9873	.1302
	Medium companies	Large companies	.2857	.2084	.367	-.2244	.7958
		Small companies	-.1429	.2283	.807	-.7016	.4159
	Small companies	Large companies	.4286	.2283	.160	-.1302	.9873
		Medium companies	.1429	.2283	.807	-.4159	.7016
material	Large companies	Medium companies	-.5000	.2651	.158	-1.1487	.1487
		Small companies	-.7857*	.2904	.028	-1.4963	-7.5098E-02
	Medium companies	Large companies	.5000	.2651	.158	-.1487	1.1487
		Small companies	-.2857	.2904	.592	-.9963	.4249
	Small companies	Large companies	.7857*	.2904	.028	7.510E-02	1.4963
		Medium companies	.2857	.2904	.592	-.4249	.9963

*. The mean difference is significant at the .05 level.

Table 5.35: Results of ANOVA test on Hotel Category and the allocated financial resources to carry out renovation

Descriptives

Most Hotels allocate adequate financial resources to carry out renovation

	N	Mean	Std. Deviation	Std. Error	5% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
					Large companies	14		
Medium companies	14	4.2143	.8018	.2143	3.7513	4.6772	3.00	5.00
Small companies	10	4.5000	.8498	.2687	3.8921	5.1079	3.00	5.00
Total	38	3.9474	1.1137	.1807	3.5813	4.3134	1.00	5.00

Test of Homogeneity of Variances

Most Hotels allocate adequate financial resources to carry out renovation

Levene Statistic	df1	df2	Sig.
2.120	2	35	.135

ANOVA

Most Hotels allocate adequate financial resources to carry out renovation

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.180	2	5.090	4.988	.012
Within Groups	35.714	35	1.020		
Total	45.895	37			

Multiple Comparisons

Dependent Variable: Most Hotels allocate adequate financial resources to carry out renovation

Tukey HSD

(I) company categor	(J) company categor	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Large companies	Medium companies	-.9286	.3818	.052	-1.8629	5.804E-03
	Small companies	-1.2143*	.4182	.017	-2.2378	-.1907
Medium companies	Large companies	.9286	.3818	.052	-5.8036E-03	1.8629
	Small companies	-.2857	.4182	.775	-1.3093	.7378
Small companies	Large companies	1.2143*	.4182	.017	.1907	2.2378
	Medium companies	.2857	.4182	.775	-.7378	1.3093

*. The mean difference is significant at the .05 level.

Appendix 15: Table And Figures: Marketing Manager's Survey: Results As Output Of

SPSS

Table 5.39a: Results of ANOVA test on Hotel Category and Positioning statements

Descriptives

positioning can be achieved mainly by promotion and advertising

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	3.90	1.09	.24	3.41	4.40	1	5
4 stars	13	2.15	.90	.25	1.61	2.70	1	4
3 stars	25	1.84	.90	.18	1.47	2.21	1	4
Total	59	2.64	1.35	.18	2.29	3.00	1	5

Test of Homogeneity of Variances

positioning can be achieved mainly by promotion and advertising

Levene Statistic	df1	df2	Sig.
.289	2	56	.750

ANOVA

positioning can be achieved mainly by promotion and advertising

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	52.664	2	26.332	27.895	.000
Within Groups	52.862	56	.944		
Total	105.525	58			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: positioning can be achieved mainly by promotion and advertising

Tukey HSD

(I) Hotel Catego	(J) Hotel Catego	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	1.75*	.34	.000	.93	2.58
	3 stars	2.06*	.29	.000	1.37	2.76
4 stars	5 stars	-1.75*	.34	.000	-2.58	-.93
	3 stars	.31	.33	.615	-.49	1.11
3 stars	5 stars	-2.06*	.29	.000	-2.76	-1.37
	4 stars	-.31	.33	.615	-1.11	.49

*. The mean difference is significant at the .05 level.

Table 5.39b: Results of ANOVA test on Hotel Category and Positioning statements

Descriptives

the process of changing the current position is the same as the initial process of positioning

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	3.52	1.17	.25	2.99	4.06	1	5
4 stars	13	2.46	1.20	.33	1.74	3.19	1	5
3 stars	25	2.08	.91	.18	1.70	2.46	1	4
Total	59	2.68	1.24	.16	2.36	3.00	1	5

Test of Homogeneity of Variances

the process of changing the current position is the same as the initial process of positioning

Levene Statistic	df1	df2	Sig.
.761	2	56	.472

ANOVA

the process of changing the current position is the same as the initial process of positioning

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	24.572	2	12.286	10.699	.000
Within Groups	64.309	56	1.148		
Total	88.881	58			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: the process of changing the current position is the same as the initial process of positioning
Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	1.06*	.38	.018	.15	1.97
	3 stars	1.44*	.32	.000	.68	2.21
4 stars	5 stars	-1.06*	.38	.018	-1.97	-.15
	3 stars	.38	.37	.554	-.50	1.26
3 stars	5 stars	-1.44*	.32	.000	-2.21	-.68
	4 stars	-.38	.37	.554	-1.26	.50

*. The mean difference is significant at the .05 level.

Table 5.39c: Results of ANOVA test on Hotel Category and positioning statements

Descriptives

the positioning tem is not common in hoteliers' marketing strategies

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	3.81	.81	.18	3.44	4.18	2	5
4 stars	13	2.46	1.20	.33	1.74	3.19	1	5
3 stars	25	2.04	.89	.18	1.67	2.41	1	4
Total	59	2.76	1.22	.16	2.44	3.08	1	5

Test of Homogeneity of Variances

the positioning tem is not common in hoteliers' marketing strategies

Levene Statistic	df1	df2	Sig.
1.487	2	56	.235

ANOVA

the positioning tem is not common in hoteliers' marketing strategies

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	37.249	2	18.625	21.101	.000
Within Groups	49.429	56	.883		
Total	86.678	58			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: the positioning tem is not common in hoteliers' marketing strategies

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	1.35*	.33	.000	.55	2.15
	3 stars	1.77*	.28	.000	1.10	2.44
4 stars	5 stars	-1.35*	.33	.000	-2.15	-.55
	3 stars	.42	.32	.394	-.35	1.19
3 stars	5 stars	-1.77*	.28	.000	-2.44	-1.10
	4 stars	-.42	.32	.394	-1.19	.35

*. The mean difference is significant at the .05 level.

Table 5.39d: Results of ANOVA test on Hotel Category and positioning statements

Descriptives

positioning and repositioning are more academic concepts rather than practical concepts

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	3.57	.93	.20	3.15	3.99	2	5
4 stars	13	3.08	1.12	.31	2.40	3.75	1	5
3 stars	25	2.24	1.01	.20	1.82	2.66	1	4
Total	59	2.90	1.16	.15	2.60	3.20	1	5

Test of Homogeneity of Variances

positioning and repositioning are more academic concepts rather than practical concepts

Levene Statistic	df1	df2	Sig.
.103	2	56	.903

ANOVA

positioning and repositioning are more academic concepts rather than practical concepts

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	20.764	2	10.382	10.267	.000
Within Groups	56.626	56	1.011		
Total	77.390	58			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: positioning and repositioning are more academic concepts rather than practical concepts

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	.49	.35	.351	-.36	1.35
	3 stars	1.33*	.30	.000	.61	2.05
4 stars	5 stars	-.49	.35	.351	-1.35	.36
	3 stars	.84*	.34	.047	9.09E-03	1.66
3 stars	5 stars	-1.33*	.30	.000	-2.05	-.61
	4 stars	-.84*	.34	.047	-1.66	-9.09E-03

*. The mean difference is significant at the .05 level.

Table 5.43a: Results of ANOVA test on Hotel Category and sources of Information

Descriptives

customer's contributions

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.76	.77	.17	1.41	2.11	1	3
4 stars	13	2.31	.75	.21	1.85	2.76	1	3
3 stars	25	2.28	.89	.18	1.91	2.65	1	4
Total	59	2.10	.84	.11	1.88	2.32	1	4

Test of Homogeneity of Variances

customer's contributions

Levene Statistic	df1	df2	Sig.
.325	2	56	.724

ANOVA

customer's contributions

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.771	2	1.886	2.807	.069
Within Groups	37.619	56	.672		
Total	41.390	58			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: customer's contributions

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-.55	.29	.152	-1.24	.15
	3 stars	-.52	.24	.092	-1.10	6.60E-02
4 stars	5 stars	.55	.29	.152	-.15	1.24
	3 stars	2.77E-02	.28	.995	-.65	.70
3 stars	5 stars	.52	.24	.092	-6.60E-02	1.10
	4 stars	-2.77E-02	.28	.995	-.70	.65

Table 5.43b: Results of ANOVA test on Hotel Category and sources of Information

Descriptives

awareness of competitors' activities

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
					5 stars	21		
4 stars	13	2.08	.76	.21	1.62	2.54	1	3
3 stars	25	2.08	.81	.16	1.74	2.42	1	4
Total	59	1.85	.78	.10	1.64	2.05	1	4

Test of Homogeneity of Variances

awareness of competitors' activities

Levene Statistic	df1	df2	Sig.
.122	2	56	.885

ANOVA

awareness of competitors' activities

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.721	2	2.861	5.357	.007
Within Groups	29.906	56	.534		
Total	35.627	58			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: awareness of competitors' activities

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-.65*	.26	.039	-1.27	-2.75E-02
	3 stars	-.65*	.22	.011	-1.17	-.13
4 stars	5 stars	.65*	.26	.039	2.75E-02	1.27
	3 stars	-3.08E-03	.25	1.000	-.60	.60
3 stars	5 stars	.65*	.22	.011	.13	1.17
	4 stars	3.08E-03	.25	1.000	-.60	.60

*. The mean difference is significant at the .05 level.

Table 5.43c: Results of ANOVA test on Hotel Category and sources of Information

Descriptives

Market research results

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.71	.96	.21	1.28	2.15	1	4
4 stars	13	2.69	1.11	.31	2.02	3.36	1	4
3 stars	25	2.60	1.08	.22	2.15	3.05	1	5
Total	59	2.31	1.12	.15	2.01	2.60	1	5

Test of Homogeneity of Variances

Market research results

Levene Statistic	df1	df2	Sig.
.273	2	56	.762

ANOVA

Market research results

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	11.454	2	5.727	5.253	.008
Within Groups	61.055	56	1.090		
Total	72.508	58			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: Market research results

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-.98*	.37	.027	-1.87	-9.09E-02
	3 stars	-.89*	.31	.016	-1.63	-.14
4 stars	5 stars	.98*	.37	.027	9.09E-02	1.87
	3 stars	9.23E-02	.36	.964	-.77	.95
3 stars	5 stars	.89*	.31	.016	.14	1.63
	4 stars	-9.23E-02	.36	.964	-.95	.77

*. The mean difference is significant at the .05 level.

Table 5.43D Results of ANOVA test on Hotel Category and sources of Information

Descriptives

management contribution

	N	Mean	Std. Deviation	Std. Error	5% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.52	.60	.13	1.25	1.80	1	3
4 stars	13	1.62	.65	.18	1.22	2.01	1	3
3 stars	25	2.08	1.00	.20	1.67	2.49	1	4
Total	59	1.78	.83	.11	1.56	2.00	1	4

Test of Homogeneity of Variances

management contribution

Levene Statistic	df1	df2	Sig.
1.412	2	56	.252

ANOVA

management contribution

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.981	2	1.990	3.083	.054
Within Groups	36.155	56	.646		
Total	40.136	58			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: management contribution

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-9.16E-02	.28	.944	-.77	.59
	3 stars	-.56	.24	.059	-1.13	1.64E-02
4 stars	5 stars	9.16E-02	.28	.944	-.59	.77
	3 stars	-.46	.27	.218	-1.13	.20
3 stars	5 stars	.56	.24	.059	-1.64E-02	1.13
	4 stars	.46	.27	.218	-.20	1.13

Table 5.47a: Results of ANOVA test on Hotel Category and Product/Market Development Strategy

Descriptives

increasing sales of present products in existing markets

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.00	.00	.00	1.00	1.00	1	1
4 stars	13	1.23	.44	.12	.97	1.50	1	2
3 stars	25	1.20	.41	8.16E-02	1.03	1.37	1	2
Total	59	1.14	.35	4.50E-02	1.05	1.23	1	2

Test of Homogeneity of Variances

increasing sales of present products in existing markets

Levene Statistic	df1	df2	Sig.
19.929	2	56	.000

ANOVA

increasing sales of present products in existing markets

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.608	2	.304	2.697	.076
Within Groups	6.308	56	.113		
Total	6.915	58			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: increasing sales of present products in existing markets

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-.23	.12	.135	-.52	5.44E-02
	3 stars	-.20	9.93E-02	.118	-.44	3.92E-02
4 stars	5 stars	.23	.12	.135	-5.44E-02	.52
	3 stars	3.08E-02	.11	.961	-.25	.31
3 stars	5 stars	.20	9.93E-02	.118	-3.92E-02	.44
	4 stars	-3.08E-02	.11	.961	-.31	.25

Table 5. 47b: Results of ANOVA test on Hotel Category and Product/Market Development Strategy

Descriptives

developing new markets for existing products

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	1.29	.46	.10	1.08	1.50	1	
4 stars	13	1.77	.44	.12	1.50	2.03	1	
3 stars	25	1.64	.49	9.80E-02	1.44	1.84	1	
Total	59	1.54	.50	6.54E-02	1.41	1.67	1	

Test of Homogeneity of Variances

developing new markets for existing products

Levene Statistic	df1	df2	Sig.
1.458	2	56	.241

ANOVA

developing new markets for existing products

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.291	2	1.145	5.192	.009
Within Groups	12.353	56	.221		
Total	14.644	58			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: developing new markets for existing products

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-.48*	.17	.014	-.88	-8.45E-02
	3 stars	-.35*	.14	.036	-.69	-1.96E-02
4 stars	5 stars	.48*	.17	.014	8.45E-02	.88
	3 stars	.13	.16	.702	-.26	.52
3 stars	5 stars	.35*	.14	.036	1.96E-02	.69
	4 stars	-.13	.16	.702	-.52	.26

*. The mean difference is significant at the .05 level.

Table 5.47c: Results of ANOVA test on Hotel Category and Product/Market Development Strategy

Descriptives

developing new products for existing markets

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
					5 stars	21		
4 stars	13	2.77	.60	.17	2.41	3.13	1	3
3 stars	25	2.80	.96	.19	2.40	3.20	1	5
Total	59	2.31	1.05	.14	2.03	2.58	1	5

Test of Homogeneity of Variances

developing new products for existing markets

Levene Statistic	df1	df2	Sig.
1.207	2	56	.307

ANOVA

developing new products for existing markets

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	25.058	2	12.529	17.785	.000
Within Groups	39.451	56	.704		
Total	64.508	58			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: developing new products for existing markets

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-1.34*	.30	.000	-2.05	-.63
	3 stars	-1.37*	.25	.000	-1.97	-.77
4 stars	5 stars	1.34*	.30	.000	.63	2.05
	3 stars	-3.08E-02	.29	.994	-.72	.66
3 stars	5 stars	1.37*	.25	.000	.77	1.97
	4 stars	3.08E-02	.29	.994	-.66	.72

*. The mean difference is significant at the .05 level.

Table 5.47d: Results of ANOVA test on Hotel Category and Product/Market Development Strategy

Descriptives

developing new products for new markets

	N	Mean	Std. Deviation	Std. Error	5% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5 stars	21	2.81	.51	.11	2.58	3.04	1	3
4 stars	13	3.92	.76	.21	3.46	4.38	2	5
3 stars	25	3.88	.97	.19	3.48	4.28	1	5
Total	59	3.51	.94	.12	3.26	3.75	1	5

Test of Homogeneity of Variances

developing new products for new markets

Levene Statistic	df1	df2	Sig.
1.963	2	56	.150

ANOVA

developing new products for new markets

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	15.945	2	7.972	12.829	.000
Within Groups	34.801	56	.621		
Total	50.746	58			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: developing new products for new markets

Tukey HSD

(I) Hotel Category	(J) Hotel Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5 stars	4 stars	-1.11*	.28	.001	-1.78	-.44
	3 stars	-1.07*	.23	.000	-1.63	-.51
4 stars	5 stars	1.11*	.28	.001	.44	1.78
	3 stars	4.31E-02	.27	.986	-.61	.69
3 stars	5 stars	1.07*	.23	.000	.51	1.63
	4 stars	-4.31E-02	.27	.986	-.69	.61

*. The mean difference is significant at the .05 level.

Appendix 16: Publications

A. Refereed Conference Papers

1. 'Hotel Property Renovation As A Product Modification Marketing Tool', *The 7th APTA Conference, Manila, Philippines, 2001*. (Co-authored with Prof. Tom Baum)
2. 'Hotel Repositioning: Clarifying the Concept and Strategies', *Fall 2001 EuroCHRIE Conference, Swizerland, 2001*. (Co-authored with Prof. Tom Baum)
3. 'Repositioning Tourism Industry of Developing Countries With Globalisation ', *International Conference on Tourism Development, Community and Conservation: Shaping Ecotourism for the Third Millennium, Lucknow, India, 2001*. (Co-authored with Hanaa Fayed)
4. 'Hotel Innovation Through Property Renovation', *Seventh Annual Graduate Education and Graduate Student Research Conference in Hospitality and Tourism, Houston, USA, 2002*. (Co-authored with Prof. Tom Baum)
5. 'Exploring the Impact of Tourism Liberalisation on the Environment in Developing Countries', *The 9th APTA Conference, Melbourne, Australia, 2003*. (Co-authored with Dr. Hanaa Fayed)

B. Refereed Journal Papers

1. 'Applying the expertise of Facilities Management to the hotel renovation Process', *Facilities, Volume 20, Number 7/8, 2002*.
2. 'Analysing Hotel Positioning Through Property Renovation', *Tourism and Hospitality Research: The Surrey Quarterly Review, Volume 4, Number 2, 2002*.
3. 'Hotel Innovation Through Property Renovation', *International Journal of Hospitality & Tourism Administration (IJHTA), Volume 3, Issue 4, 2002*.