

PERCEPTION OF RESIDENTS TOWARDS COMMUNITY TOURISM IMPACTS: A CASE STUDY AT MOUNT LAVINIA, SRI LANKA

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Abstract

This study has found the perceptions of the local community towards the developments in tourism and their perceptions towards the community tourism impacts. The host population was taken from the Mount Lavinia, Sri Lanka and 120 questionnaires were distributed. And the direct observations of the researcher have also included. The respondents of the study can be divided into mainly two parts. They are: The community with tourism income in their household and the community who has not engage in tourism income generation activity. Most of the community at Mount Lavinia who were not engage in tourism agreed that there are so many negative impacts of tourism while the community who engage in tourism were not concern much about the negativity that bring through tourism to their lives. The researcher has suggested that local governments and tourism promoters should pay particular emphasis to the residents to feel that their concerns are being considered, then they will support tourism.

Keywords: Tourism, Perception, Impacts, Residents

1. Introduction

Tourism industry is one of the world's largest industries. The main stakeholder of the tourism industry in a country is the local community. Tourism can be make positive and negative impacts for the destination and its community. The concepts and theories related to the tourism impact analysis is important to uncover with this study. Tourism development possesses its own positive and negative impacts in whatever of the destination in the world. Tourism can be a positive input, for the development of physical, social, cultural, economic and environmental aspects of a country (Gunce,2003). According to Smith (1995), tourism can play an important contribution to poverty alleviation, employment, generation and the development of remote areas.

The success of the tourism industry depends on two major factors. They are: Local attractions and the hospitality of the local residents (Gursoy et al, 2002). But, Tourism is a goose that not only lays a golden egg, but also fouls its own nest. (Hawkins, 1982. Tourism developments have costs and benefits both (Prentice,1993).

Therefore, for a tourism-based economy to sustain itself in local communities, the residents must be stakeholders in the tourism industry. Their attitudes toward tourism and perceptions of its impact on community life must be continually assessed (Perdue et al. 1990).

According to Butler (1980), the tourism destinations can be gone through seven major stages such as exploration, involvement, development, consolidation, stagnation, decline and rejuvenation. He stated that after the involvement stage, the local participation and support for the tourism will be decreased. Now, Mount Lavinia is experiencing the stagnation stage where the carrying capacity in social, economic and environmental has exceeded.

This study is done to identify the major impacts arise on the local community due to tourism activities in Mount Lavinia according to the residents' perception and to find out the relationship between the characteristics of the community and their perceptions of impacts.

2. Literature Review

The literature that are related to this study has been divided mainly into two sections. They are: Identifying tourism impacts and identifying the respondents' profile, identifying the perception of the residents toward tourism and identifying the research question.

2.1 Identifying tourism impacts

According to Jafari (1981) as cited in Mason (2015) tourism impacts are the key factors in discussion of planning and management of tourism. And also he stated that tourism is consisted of mainly three parts. They are: tourists, industry and the local community. When considering the impacts, there should be three ways including socio-cultural, economic and environmental. Jafari's (1981) definition of tourism impacts has been proved by Andereck (1995) stating that tourism impacts can be identified mainly on three bases. They are: Economic impacts such as increased jobs, additional income & inflation; sociocultural impacts including intercultural communication and understanding, increased crimes, changes in traditional culture as well as preservation of cultural values. Environmental impacts such as protection of parks and wildlife, crowding, air, water and noise pollution, wildlife destruction, vandalism, and litter. Tourism has multi-dimensional impacts upon the regions that it operates; these dimensions include economic, social, cultural and environmental factors (United Nations educational, Scientific and Cultural Organisation ((UNESCO) 1976; Yildiz et al,2011). Gee et al (1989) has also given evidenced on the above identifying the impacts of tourism under three sections: Economic, Environmental and Socio-Cultural.

Gursoy & Rutherford (2004) have identified impacts under the economic benefits, the author mentioned employments, investments, and business opportunities and the tax income for the local government. The perceived benefits according to their study; provide incentive for the preservation of local culture, more parks and other recreational areas for the local, incentives for the restoration of historical buildings, and provide the standards of roads and other public amenities. Benefits of the culture are development of cultural activities by local residents, cultural exchange between tourists' locals, and positive impacts on cultural identity.

According to Cooper et al., (1993) the impacts of tourism can be benefited rural and regional economies by creating more business opportunities and favorable image for the tourism among the society.

Tourism affects the economy and the lives of societies and has proven to be a lifesaver for many destinations. There are real and perceived fears that are sometimes attributed to tourism and largely related to poorly managed or mass tourism ventures. As with any economic activity, tourism can have negative impacts on communities. These must be minimized and measured against the benefits that tourism brings. (Lee et al., 2010)

In Sri Lanka, tourism performs a major role not only within the economic sphere but also in the social and cultural spheres. Social scientists have conducted valuable research in this field. Among the social scientists, economists have placed more importance in studying tourism (G. Tantrigama, 1994).

In world context, the researchers found when tourism came to the local community there are some socio cultural impacts were occurred. Spanou (2007) stated that the impact of tourism on the host destination is an area that has been greatly researched by many tourism related authors.

The social aspects of tourism fall into three different categories (Affeld, 1975).

1. The tourist. Demand for the services, motivations to travel, attitudes and expectations of tourists
2. The host. The Local community, Local Organizations and Tourism employees
3. Tourist–host interrelationships. The nature of the relationship between hosts and guests, with the consequences of these contacts and with the attributes of the interacting parties.

The host culture is the culture of the host country with which tourists are in contact (Jafari, 1987). Tourist culture is the culture that tourists bring on vacation. Tourists culture explains the tourists' behavior. The elements that generate cultural differences are manners, values, material items, language, education, customs, religion, economics, politics, social institutions/family structure, aesthetics and attitudes (Hofstede 1991; Hampden-Turner& Trompenaars, 1993). Tourism can affect the culture, thoughts, clothing, behaviors and lifestyles of local people of a destination, these can be both positive and negative (Yildiz et al., 2011).

The negative socio-cultural aspects of the tourist industry can be broken down as follows according to the author, Nandasena Rathnapala, (1984):Sex Behavior: Prostitution, Homosexuality, Nudism and such other instances of behavior. The erosion of traditional values such as those caused in the institutions of the family, religion and education. Drug addiction, alcoholism and tourism. The impact of tourism on traditional culture, religion, arts and crafts and such other areas.

Paul Brunt and Paul Courtney argued that Communities in many rural, coastal, and urban destinations in Britain are affected somewhat by tourism. Its socio cultural effects in these areas, however, are less well documented, as much of the academic literature concentrates on the impacts in developing countries, or else evaluates them at a more general level. (Brunt & Courtney, 1999).

The ability to define and quantify the various socio cultural impacts of tourism on the local communities helps to create effective strategies that avoid potential conflicts between guest and host (Brunt and Courtney, 1999).

Andereck (1995) has found some environmental negative impacts which occurs on the residents such as air pollution due to emissions from vehicles; water pollution due to waste water discharge, road oil; large buildings which destroy views, clashing and unfitting architectural styles, noise pollution from vehicles and tourists; damage to geological formations such as erosion and vandalism. Based on the literature, the researcher has found the below positive and negative impacts that occur on the residents of the Mount Lavinia due to tourism activities.

Table 1. The impacts occurred on the residents

	Positive Impact	Negative Impact
Economic Impact	More jobs and income methods are available	Price of Land & Houses have been increased
	More facilities are available for the community due to tourism	The jobs are low paid and seasonal jobs
		Cost of living has increased
Socio-cultural Impact	Quality of life has improved due to tourism	There can be seen copying behavior among the community.
	Cultural values have been preserved	There are conflicts between haves and have-nots
	Cross cultural understanding can be seen	There is a use of Child labor for tourism
		There are families which were disrupted due to tourism
		The unacceptable human behaviors have increased due to tourism
		Security issues in Mount Lavinia has increased due to tourism
		Residents have been displaced from the area and natural resources use
		Tourism disturb the livelihood of the residents
		Privacy and stranger feeling is there for the residents
Environmental	The nature is preserved due to tourism	Pollution (air, water, noise, solid waste, and visual) is there
		Open space and natural beauty has lost

Source: based on the literature

2.2 Identifying Residents' profile

As investigated by different researchers, the perception of the impacts of tourism can be differ from person to person based on their demographic features such as Gender (Mason & Cheyne, 2000); Age (Haralambopoulos & Pizam, 1996); Civil status (Allen et al., 1988); Having children (Haralambopoulos & Pizam, 1996); Education level (Andriotis & Vaughan, 2003); Participation (Lankford & Howard, 1994); Community attachment/length of residence (Haley et al., 2005); Type of work /Economic dependence(Andriotis & Vaughan, 2003).

2.3 Identifying Residents' perceptions

As cited in Yoon et al (1999), There were so many researches have been done in the past to identify the community perception towards tourism developments such as Akis et al., 1996; Ap 1992; Belisle & Hoy 1980; Chen 2000; Getz 1994; Hernandez, Cohen, and Garcia 1996; Jurowski et al. 1997; King et al. 1993; Lankford 1994; Lindberg and Johnson 1997; Liu and Var 1986; Long et al. 1990; McCool and Martin 1994.

In order to identify the position of host people toward tourist groups, a big part of those studies have been accentuated on examination of attitude differences among various types of host community members; several identification criteria such as remoteness from central tourism destinations and patterns of contacts with visitors, financial dependence on tourism sector, and demographics features have been taken into consideration by authors (Long et al.,1990). In most cases it has been shown that as local people have lived in a tourism-oriented community, the more negative their attitude towards this sector became (Allen et al.,1988; Liu & Var, 1986; Sheldon & Var, 1984).

People of the community dependent on tourism and related employments, and also their family members and associates, have been noticed to be more approving and tolerant towards presence of strangers within the community (Milman& Pizam, 1988; Pizam & Pokela, 1985; Perdue et al.,1987)In 1985 it was stated by Murphy: 'if tourism is to merit its community of being "the hospitality industry", it must look beyond its own doors and employees to consider the social and cultural impacts it is having on the host community at large'(Murphy, 1985:133).

2.4 Identification of the problem statement

Sri Lanka Tourism Development Authority has identified 45 areas to develop tourism to mitigate the negative impacts of tourism on the community. Mount Lavinia is one of forty-five and it is known as the beach which closes proximity to Colombo. Mount Lavinia is famous among tourists because of the historical Mount Lavinia Hotel and the beach which calls as Golden Mile Beach. The Tourist and Hotel Trade which is well established in Mount Lavinia have also contributed to the development of the commercial and service sectors, especially in the Mount Lavinia area. As such, many shops dealing with gems and jewellery, spas and Ayurveda, local handicrafts, textiles (Batik and handlooms) are seen along the access roads to the hotels. Most of the hotels and tourist shops are not registered with Sri Lanka Tourism Development Authority.

As 2011 census, there were 8374 people residing in the Mount Lavinia. Out of 1208 peoples were living in Coastal area. Community Concern Societies have been working for the past 28 years in the Dehiwela, Mount Lavinia, Ratmalana beach slums - which are located on the Western coastline of Sri Lanka and are suburbs of Colombo. One of the main income earners in this area is derived from the fishing industry. Due to its coastal location, tourism also contributes to the income of these residents. The average income of a family in this area is approximately Rs 3,500 (about US\$ 30) per month. Due to tourism activities in Mount Lavinia, there are so many impacts have occurred on the community because that the residential areas and non-residential areas have not been differentiated well. The residents have to live in the area where tourism is activated. Due to this unplanned and unapproved tourism developments in the Mount Lavinia, most of the residents are having issues in living there. Some of the residents have said that impacts due to tourism are positive while some disagree to the above statement.

The main research question of this study is to identify the most affected impacts occur on the residents due to tourism in their perspective. While examining the perception of the residents towards the tourism impacts, this research has attempted to find the relationships in between the demographic factors of tourism with the tourism impacts.

3. Methodology used

This study is based on primary and secondary data. Primary data was collected through questionnaires a while secondary data were collected reading the newspapers, books, police records of Mount Lavinia and internet searching. Questionnaires were distributed among 120 residents in the area and SPSS 16.0 was used to analyze the data. Convenience sampling method was used since that the Mount Lavinia is a highly residential area during the months of January and February 2016. Questionnaires were measured using the five point Likert Scale from 'strongly agree' to 'strongly disagree'. The questionnaire was translated into the Sinhala language when the respondents requested. Most of the questionnaires were filled on the beach, on the way and inside some hotels and tourist shops. Hundred and twenty useable questionnaires were completed and analyzed. In addition to questionnaire survey, semi-structured interviews were held with the local community and tourism service providers.

4. Results and the discussion

Table 2. Demographic profile of the respondents

Demographic Factor		Total No	Percentage
Descendant of Mt Lavinia	Yes	49	40.8
	No	71	59.2
Gender	Male	89	74.2
	Female	31	25.8
Age(Years)	18-30	48	40
	31-45	30	25
	46-60	27	22.5
	Above 61	15	12.5

Civil Status	Single	67	55.8
	Married	42	35
	Divorced	11	9.2
Education Level	O/Ls	42	35
	A/Ls	36	30
	Diploma/Certificate	24	20
	Degree or above	18	15
Income Level(Rs Per Month)	10000 or less	17	14.2
	10001-25000	44	36.7
	25001-50000	35	29.2
	50001 and above	24	20
Tourism Engagement	Yes	79	65.8
	No	41	34.2
Type of tourism engagement	Employment at a hotel	30	25
	Taxi service	10	8.3
	Guide	8	6.7
	Life guard	2	1.7
	Employment at a Tourist shop	12	10
	Rent income	7	5.8
	Owner of a business	10	8.3
	No tourism income	41	34.2
Proportion of tourism income	full	55	45.8
	3/4	20	16.7
	2/4	4	3.3
	Nothing	41	34.2

Source: Researcher's field observations

The 60% of the total respondents were not the descendants of Mount Lavinia. While almost 74% of the respondents were males. The 55% of the respondents are single while 35% were married. With regard to their educational levels, majority (about 35%) were had only ordinary level qualification while 30% had Advanced level qualification and only 35% had tertiary education. Almost 56% of the total respondents were had the total household income in between Rs 10001 to Rs 50000 per month. In terms of the tourism engagement of the household, about 66% of the respondents were having relations to the tourism industry in the area. The 25% of the respondents were engage in the employment at hotels while 34.2% stated that they do not get any income from the tourism activity. Almost 45% of the respondents' income was generated only through the tourism activities.

Table 3. The Mean and Standard deviation of the responses

	Mean	Std. Deviation
Negative socio-cultural impacts		
There can be seen copying behavior among the community(1)	3.88	0.958
There are conflicts between haves and have-nots(2)	4.22	0.804
There is a use of Child labor for tourism (3)	3.01	1.531
There are families which were disrupted due to tourism (4)	3.58	1.135
The unacceptable human behaviors have increased due to tourism(5)	3.76	1.181
Security issues in Mount Lavinia has increased due to tourism(6)	4.12	0.842
Residents have been displaced from the area and natural resources use(7)	3.55	1.194
Tourism disturb the livelihood of the residents(8)	3.33	1.311
Privacy lost and stranger feeling is there for the residents(9)	3.83	1.133
Positive socio-cultural impacts		
Quality of life has improved due to tourism(10)	3.26	1.293
Cultural values have been preserved(11)	1.93	0.796
Cross cultural understanding can be seen(12)	3.41	1.273
Negative environmental Impacts		
Pollution (air, water, noise, solid waste, and visual) is there(13)	3.88	1.117
Open space and natural beauty has lost(14)	3.66	1.17
Positive environmental impacts		
The nature is preserved due to tourism(15)	1.98	0.799
Negative economic impacts		
Price of Land & Houses have been increased(16)	3.88	0.881
The jobs are low paid and seasonal jobs(17)	3.19	1.404
Cost of living has increased(18)	3.87	1.045
Positive economic Impacts		
More facilities are available for the community due to tourism(19)	3.4	1.198
More jobs and income methods are available(20)	3.86	2.437
General perception		
Tourism brings more benefits than costs(21)	3.29	1.233

Source: Researcher's field observations

When considering the Table 3, there can be seen some important aspects of the community perception on tourism. The highest mean values in the table can be seen for issues related to security and the concerns of have and have nots representing 4.12 and 4.22. The lowest mean values representing the disagreement levels of the community with the questionnaire variables. The most of the respondents were disagreed with the statements of that due to tourism, the preservation of culture and environment is there.

Table 4. Correlation

	N	Pearson Correlation	Sig. (2-tailed)
Negative environmental impacts (NEI)	120	-.715**	.000
Positive environmental impacts (PEI)	120	-.258**	.004
Positive economic impacts (PECOI)	120	.533**	.000
Negative economic impacts (NECOI)	120	-.539**	.000
Positive socio-cultural impacts (PSCI)	120	.718**	.000
Negative socio-cultural impacts (NSCI)	120	-.702**	.000

Source: Researcher's field observations

** Correlation is significant at the 0.01 level (2-tailed).

Dependent variable is Perception of the residents towards tourism

The NEI sig. value for two tailed test is .000., and it is less than 0.01. This indicates that the relationship is statistically significant between NEI and the perception of the residents. Pearson correlation value is -.715, which exceeds 0.5, and it indicates that there is a strong negative relationship between the perception and the negative environmental impacts. The Sig. value for PEI is .004, and it is less than 0.01 where it implicates that the relationship in between PEI and the perception is statistically significant. Pearson correlation is -.258 and it is lower than 0.5 stating that there is a week negative relationship between the perception and PEI.

When considering the PECOI Sig. value, it is .000 and less than 0.01 which implies that the relationship is statistically significant and the Pearson correlation value is .533, where the value is exceeding 0.5, which indicates that there is a moderate positive relationship between the perception and the PECOI. NECOI Sig. value is .000, and it is less than 0.01. Pearson correlation value is -.539 and it is slightly exceeding the value 0.5 indicating that there is a moderate negative relationship between NECOI and the perception.

PSCI Sig value is 0.000 and it is less than 0.01 which indicates that there is a statistically significant relationship between two variables. Pearson correlation value is .718 and it is exceeding 0.5 indicating that there is a moderate positive relationship between NECOI and the perception.

Table 5. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.851 ^a	.724	.709	.665

a. Predictors: (Constant), NSCI, PEI, PECOI, PSCI, NECOI, NEI

There is a strong positive correlation is there indicating that if any one of the independent variables (NSCI, PEI, PECOI, PSCI, NECOI, NEI) is changed, holding the other five factors constant, the dependent variable will be changed by 72.4%.

Table 6. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.306	.571		7.539	.000
	NEI	-.407	.100	-.347	-4.050	.000
	PEI	-.191	.062	-.157	-3.076	.003
	PECOI	.130	.046	.167	2.819	.006
	NECOI	.252	.114	.185	2.219	.028
	PSCI	.414	.092	.312	4.517	.000
	NSCI	-.457	.147	-.316	-3.122	.002

a. Dependent Variable: Perception of the residents

Coefficient table for multi independent variables disclose whether the above five independent variables affect to the perception of the residents in Mount Lavinia. Sig value for NEI is .000 and less than .005 at 95% confidence level stating that statistically significant relationship in between the NEI and the perception. There is a negative value (-.407) as the slope value and it indicates that NEI did not influence the perception of the residents when considering the combine effect of five variables together. And also the Sig. value for PEI is 0.003 and it is less than 0.05 at 95% of the confidence level indicating that there is a significantly relationship in between the PEI and the perception and the negative slope value (-.191) indicates that PEI did not influence the perception of the residents when considering the combine effect of five variables together.

The Sig. value for PECOI is 0.006 and it is more than .005 at 95% confidence level stating that there is a moderate relationship between PECOI and the perception. The slope value is .130 and it indicates that PECOI can influence the perception of the residents when considering the combine effect of the five variables together. And also this positive slope indicates that if the PECOI is changed by 1%, then the perception of the residents will be changed by 13%.

Moreover, when considering NECOI Sig. value, that is 0.028, which is more than 0.005, at 95% confidence level, indicates that there is a strong relationship between NECOI and dependent variable. The positive value (.252) of the slope represents that if the NECOI is changed by 1%, then by 25.2%, the perception of the residents will be changed.

Sig value for PSCI is .000 and less than .005 at 95% confidence level stating that statistically significant relationship in between the PSCI and the perception. There is a positive value (.414) as the slope value and it indicates that PSCI will influence the perception of the residents by 41.4% when considering the combine effect of five variables together. Finally, NSCI Sig value is 0.002 where it is lower than 0.05 at 95% confidence level indicating its statistically significant relationship in between the NSCI and the perception of the residents. Slope value is -.457 indicating that PSCI will not influence the residents' perceptions when considering the combine effect of the five independent variables together with the perception of the residents.

One of the important finding of this study is that the change of the perception of the residents can be done giving them more positive economic and positive socio-cultural impacts. Therefore, the development of the sustainable tourism plan in the Mount Lavinia should be focused more on giving positive economic and positive socio-cultural benefits to the residents in the area. Some commentaries of the respondents can be linked here that the people high class need the socio-cultural positive impacts while the low class/low income holders need more positive economic impacts.

The most of the respondents of this study were engage in tourism business or the activates. Therefore, because of the economic benefits they received/ the economic dependency, they do not like to accept that tourism in Mount Lavinia has adverse impacts on the residents. Most of the respondent did not agree that due to tourism their environment and the culture has been recovered. The most of the residents said that the environment is highly polluted during the weekends. And also some said that the problem of the culture is not because of the foreign tourists in Mount Lavinia, but because of the local people who come for the hotels and the beach searching for low cost hotels and places for romance. They mentioned that the most of the hoteliers in the area are providing the room facilities for the young crowd during the weekdays. Most of them, highlighted that tourism authorized people should take necessary actions to abolish these businesses for the sake of the residents' wellbeing.

When considering the relationship between the demographic profile and the tourism impacts, the following things can be found and evidenced the previous researchers' findings. There is a significant relationship between tourism income proportion and the negative tourism impacts perception. When the residents depend mainly on the tourism income, they do not perceive the negativity in tourism activities. (Andriotis & Vaughan, 2003). There is a significant relationship between the education levels and the perception of tourism impacts. When the resident is well educated that they would perceive more negative impacts. (Andriotis & Vaughan, 2003). There is a significant relationship between civil status of the respondents and the tourism impacts. Singles were ignoring most of the negativity. (Allen et al., 1988).

Limitations of the study can be identified as follows. A new research should be done with the residents who do not engage in the income generating activity related to tourism to calculate the actual impact of the tourism on the residents. The most of the respondents of this study were engage in tourism related income generation and most of them do not concern much about the negativity that brings tourism to their lives due to the economic benefits that they receive. Therefore, a new study on the residents should be focus more on the residents without any tourism engagement. This research has done in a small tourism area in the country and it would be better to do a research including the mass tourism areas such as Negombo, Bentota, Mirissa and Passikudah. And also that the perception of the residents in tourism impacts in other countries should need to be concerned.

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A STUDY OF CHINESE INBOUND TOURISM DEMAND IN SRI LANKA: AN ANALYSIS OF TOURIST BEHAVIOURAL CHARACTERISTICS

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Abstract

Sri Lanka is one of the major developing tourist destinations where tourism has huge potential to grow thereby supporting the national economy of Sri Lanka. According to Sri Lankan Tourism Development Authority the tourists arrivals in Sri Lanka is more than 2 million in 2016, which has been drastically increased after end of civil war which was lasted for 26 years.

After analyzing the importance and contribution of the tourism industry to the economy, Sri Lanka has begun an aggressive promotion of the destination on the theme of The Wonder of Asia. Sri Lanka has traditionally branded, promoted, and carried out marketing and promotional strategies aiming at Western & European markets. Now , however, considering the rapidly growing market and the vast potential of the East Asian region, specially Chinese outbound tourism, Sri Lanka has decided to shift its traditional market strategies which will aim at attracting a larger number of tourist arrivals from China than which is presently experienced.

This study is to recognize the tourist Behavioural Characteristics that influence Chinese inbound tourism demands in Sri Lanka. Therefore, the main objective of this research is to achieve sustainability of Chinese Tourism demand for Sri Lanka. When studying Chinese inbound tourism demand in Sri Lanka and analysing tourist's behavioural characteristic there are key questions to be answered, such as what are the tourists behavioural factors that influence Chinese inbound tourism demand for Sri Lanka, what are the current trends and patterns of Chinese inbound Tourism in Sri Lanka and to what extent can tourist's behavioural characteristics be used to attract more Chinese tourists to Sri Lanka?. This research attempts to provide some preliminary insight into these questions.

The study used a descriptive analysis and regression model to determine the influence of social demographic characteristics, Tourism Pricing and destination attributes on Chinese inbound tourism demand. The study results indicated that the tourism pricing, travelling cost, influence were the main economic factors influencing Chinese tourism demand for Sri Lanka. In addition, the tourist's socio-demographic characteristics such as annual household income, age and occupational status were found to significantly influence Chinese inbound tourism demand .

The destination attributes were also important determinants of Chinese inbound tourism demand. Taking into consideration of all these factors affecting Chinese inbound tourism demand, the government and all the tourism stakeholders should work towards making Sri Lanka tourism product attractive by ensuring that the prices remain competitive, expanding tourism by creating tourism products which meets the needs of specific groups. The existing tourism products should also be improved in order to remain competitive, the tourism infrastructure and services should be well established and of good quality. The government should continue to participate in mutual trade. Therefore, all the tourism stakeholders should work towards making Sri Lanka a destination of choice.

Keywords : Chinese inbound Tourist , Tourism Demand ,Tourist Behaviour

1. Introduction

The below table contains country wise arrivals to Sri Lanka from 2011 to 2015 in Asian countries. As per information given, the main contributors to Sri Lankan tourism are China and India which is 64% in 2015 from total Asian country arrivals. Further, the Chinese arrivals have been improved by 144%, 118% and by 99% in consecutively in years 2013, 2014 and 2015 and it is more than ten multiples as in 2015, when compares with tourist arrivals in 2012. Hence, it can be clearly shown that the Chinese tourists have a major impact to the inbound tourism in Sri Lanka.

Table 1: Country wise tourist arrivals to Sri Lanka in Asian region

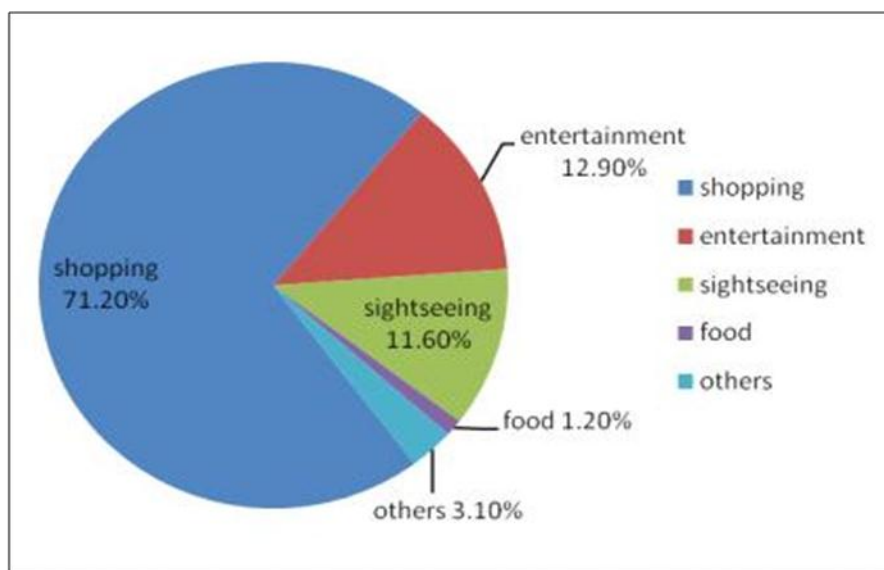
Country	2011	2012	2013	2014	2015
China	17,013	21,220	51,704	112,867	224,210
India	178,359	191,281	229,674	238,951	278,017
Indonesia	2,011	2,812	11,161	26,786	19,182
Japan	20,951	23,421	33,506	42,136	45,418
Korean	5,965	6,133	11,700	13,543	15,727
Malaysia	15,915	29,181	20,914	22,120	21,771
Maldives	43,926	45,321	78,726	82,342	95,248
Pakistan	15,857	14,543	24,095	24,657	18,975
Singapore	10,666	15,453	15,020	17,643	16,647
Other	23,611	33,569	46,053	54,336	46,362

Sources - Statistical Report 2015 | Sri Lanka Tourism Development Authority

As stated in the Annual Report of China Outbound Tourism Development 2009-2012, there have been 70.25 million Chinese tourists traveling abroad just in 2011, with an increase of 22%. According to its quantity, China's outbound market has already been one of the biggest markets on the globe, 1.2 times the US market, and 3.5 times the Japanese market. Then again, China has already surpassed Japan and become the No.1 outbound tourism market. According to World Travel Organization, and there will be an estimate of 100 million Chinese people travelling abroad by 2020.

According to the data in 2011, Chinese tourists have become the most generous spending tourists in the world. From the chart below, it can be shown that most of the money spent abroad by Chinese tourists is on shopping. AC Nielsen and Pacific Asia Travel Association also pointed out that the expense of Chinese outbound tourist is close to ¥21,000 (\$3,300).

Graph 1: Chinese outbound tourists' spending pattern



Source: China Tourism Academy (CTA), 2016)

The Chinese can be generally divided into two groups: tourists from North of China and those from the South. According to the Nielsen China Outbound Travel Monitor, most Chinese tourists are from the south. In 2008, 10% of the residents from South of China have visited a foreign country, much higher than that in the North. The better economic base can probably explain the higher outbound travel frequency of Chinese tourists from the south. Another possible reason is the convenience. Most travel agencies capable of outbound travel organization are from the south. Geographic convenience also accounts for the difference of travel frequency between tourists from north and south.

Most Chinese people travel outbound for two reasons such as business or leisure. Amongst all the outbound tourists from China, business travelers contribute to 46% and another 31% is from leisure tourism, as China news reports. And these two kinds of tourists have quite different factors that foreign industry needs to be aware of. Business travelers care much more about business-related service of hotels such as internet access, 24 hour food delivery, ticket booking service, efficiency of hotels service etc.

Whereas leisure tourists care more about entertainment and recreation facilities, luggage service, TV programs in Chinese etc. All of them are about personal entertainment and relaxation, which is what leisure tourists are looking for.

Sri Lanka is a better tourist destination for the Chinese who are more concern on entertainment and pleasure activities as Sri Lanka has diverse landscapes range from rainforest and arid plains to highlands and sandy beaches. It's famed for its ancient Buddhist ruins, including the 5th-century citadel Sigiriya, with its palace and frescoes. The city of Anuradhapura, which was Sri Lanka's ancient capital, has many ruins dating back more than 2,000 years. These places are more attracted by tourists.

2. Problem Statement

China is currently the highest outbound tourism generating country in the world. The number of outbound tourists reached 122 million in 2016, an increase to 4.3 % over 2015. China has become the top source of tourism for many countries including Thailand, Japan and South Korea. In 2016, there were 8.77 million Chinese tourists to Thailand, which is an increase of 45% over 2015, the tourists to South Korea increased up to 8.04 million. In addition, there were about 6.0 million outbound tourists to Japan, an increase of 63% over 2015.

Sri Lanka has experienced a minimal growth in Chinese tourist arrivals over the last few years whereas the actual Chinese outbound tourism has increased on a massive scale during this period. As a popular tourism destination, Sri Lanka expects a higher growth of Chinese tourism demand in Sri Lanka but there is still a significant gap between expectations and reality where Chinese inbound tourism demand is concerned when compared to other destinations in the region. Therefore, it is apparent that the maximum market potential has yet to be exploited by Sri Lanka. The prevailing issue is that in recent years Sri Lanka tourism industry has experienced problems of lower than expected growth in relationship to Chinese inbound tourism and hence, it is vitally important to identify the gap between Chinese tourists demand and the characteristics and the key impact of variables in Sri Lanka that affect the Chinese tourists demand for Sri Lanka.

Therefore it is important to examine the behavioural characteristics of the Chinese tourists and identify the factors which restrain full potential growth. This will make a significant contribution for the policy makers and managers and operators of the industry to design novel strategies which will lead to enhancing Chinese tourist arrivals to Sri Lanka.

Hence it is important to analyse the question as to what are the behavioural characteristics of Chinese tourists and what are the reasons and factors which are responsible for preventing the realisation of the full potential of Chinese inbound tourist demand in Sri Lanka?.

3. Objectives of the study

3.1 Major Objectives

This study is to examine the influence of Chinese tourist's behavioural factors on their demand for Sri Lanka. Therefore the main objective of this research is to analyse the Chinese inbound tourism demand for Sri Lanka, in order to recommend strategies to gain a significant market share from the Chinese outbound market.

3.2 Specific Objectives

1. To examine the current trends and patterns of Chinese Tourism demand for Sri Lanka.
2. To assess to what extent tourist's behavioural characteristics can be used to attract more Chinese in bound tourists to Sri Lanka.
3. To propose fruitful recommendations for the decision makers to develop tourism strategies and plans, to enhance the Chinese in bound tourism to Sri Lanka.

4. Literature Review

4.1 Tourism Demand

Tourism demand is a fundamentally vital subject to examine. Several scholastics and destination managers are interested in the economic assessment of tourism demand for many circumstances in tourism developing regions. According to the Ngugi (2014) and Pearce (1995) referred to tourism demand as the relationship between person's motivation to travel and their willing to buy at specific price and during some specific time period. . The Main microeconomic factors influence with tourism demand are disposable income, employments, government revenue, the environment of choice destination. Song and Witt (2000)The main measurement of tourism demand is the amount of tourist products that the tourists are willing to acquire during a specific period of time and under certain conditions which are controlled by the explanatory factors used in the demand equation. Ngugi (2014)The overall demand for tourism is considered to consist of three basic components which include actual demand, suppressed demand and no demand (Cooper, Fletcher, Fyall, Gilbert & Wanhill, 2008; Page & Connell, 2006). The no demand component constitutes the category of those who do not wish to travel or are unable to travel. Suppressed demand refer to the section of the population who do not travel for some reason while actual demand refers to the aggregate number of tourists recorded in a given location or at a particular point in time. Page and Connell further noted that actual demand depended on the specific features and characteristics of those product and service alternatives that the customer evaluates to make the final purchase decision. This includes choosing the destination, the time and duration of travel, the activities are an undertaken at the destination, and the amount of money spent for the holiday. The study focused on actual demand.

Demand for tourism is segmented and is illustrious through a number of different markets. Tourism demand can be analyzed for groups of countries, individual countries, regions or local areas. Demand can also be disaggregated by groups as types of visits and types of tourists. Tourism visits can take place for various reasons including holidays, business trips, visits to friends and relatives (VFR), conferences, and religious purposes among others (WTO, 2010). International tourism demand is usually measured in terms of the number of tourist visits from an origin country to a destination country, in terms of tourist nights spent in the destination country or in terms of tourist expenditures by visitors from an origin country in the destination country. The number of tourist arrivals is most frequently used as the measure of demand, followed by tourist expenditure or tourist receipts Ahamed ,(2005).

4.2 Tourist Behavioural analysis using theory of Motivation and models of consumer behaviour.

Motivation refer to individual variables that specifically influence the individual and are called as tourism desire and choices. The Motivations can be impacted by internal factors (e.g., tourist's perceptions) and external factors (e.g., culture, age, and gender orientation).

Bukart and Medlik (1981); Ahamed (2005) considered the impacts of tourism demand into two divisions, in particular, determinants and motivations. Determinants are the internal or external elements that apply the general demand for tourism within a society or a specific population. Such elements have a tendency to be common to all world regions. The identification of such a factors vary to country to country according to their tourism plan. For example, the economy in a country has great or lesser impact on inbound and outbound tourism.

Understanding the motivational factors of the potential tourist will contribute significantly to preparing strategies to attract tourists to the destination. At the same time, assist to have better conclude relevant to tourists. According to page and Connell (2006) stated that motivation acts as produce which stimulates the chain of events in the tourism process. Motivational knowledge will always enhance understanding of underlying patterns of tourist behaviour thus helping understand the reasons why people travel. The Maslow's hierarchy of needs theory developed in 1943 is the best-known theory of motivation.

The purpose of consumer behaviour model is to attempt to give a simplified to the relationship of the various factors that influence consumer behaviour. (Horner & Swarbrooke, 2007) Various models have been developed to describe consumer behaviour with the intention of trying to control the behaviour patterns.

Tourist behaviour is related to gender, age and education, (Mcintosh and Goeldner, 1986). Six factors are recognised as required to create barriers for travel even though different motivations exist. These are the direct factors, which involved with the tourist destination choice. The main six factors are time, cost, health and family life cycle constraints as well as level of interest or risk perception. Cost led decision-making is a regular theme in the literature.

1. Cost - This is straight forward as travel competes with the purchase of other products and available funds.
2. Time - People are constrained by responsibilities to business or home.
3. Health - Poor health or handicap may restrict travel arrangements.
4. Family - Parents with small children are said to often find travel inconvenient.
5. Interest - A lack of interest is associated with unawareness.
6. Fear and safety - Because the world is unfamiliar and crime and unrest exist, potential travellers fear for their safety.

Tourist destinations are creating more expectations in the mind of the tourist. As it has been mentioned before, a tourist's destination selection has been understood as a sequential process to determine the final destination. Cooper et al. (2008) explained by the mathieson and wall model (1982),

this model offer a five stage process of travel buying behaviour namely the felt need or travel desire, information and evaluation, travel decision, travel preparation and travel equipment and travel satisfaction evaluation.

Table 2: Five Stage process of tourist buying behaviour - Mathieson & Wall model (1982)

Felt need or Travel Desire	A desire to travel is felt and reasons for
Information & Evaluation	Potential tourists utilize travel intermediaries, brochures and advertisements as well as friends, Relatives and experienced travellers. This information is evaluated against both economic and time constraints as are factors such as Accessibility and alternatives.
Travel Decision	Stage advancement occurs with destination, mode of Mode of travel, accommodation and activities being selected.
Travel Preparation & Travel equipment	Travel takes place once bookings are made and & Travel confirmed, budgets organised, clothing and equipment are arranged,
Travel Satisfaction Evaluation	During and post travel the overall experience is evaluated and the results influence subsequent travel decisions.

Source: Cooper et al. (2008)

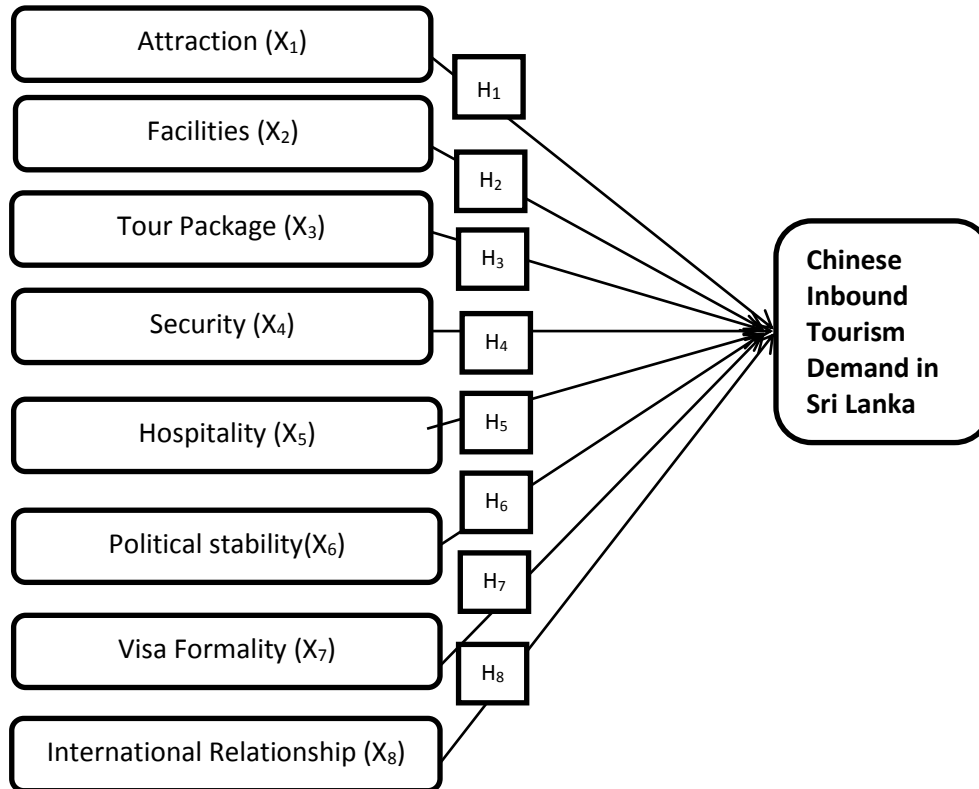
4.3 Understanding the Chinese Tourist Behaviour.

Chinese outbound tourism marketing size and structure, Chinese outbound tourism marketing trends, understanding the Chinese tourist behaviour have separately identified because this understand of this element help in order to reduce the risk and enhance the Chinese tourism demand in Sri Lanka.

5. Conceptual Framework of the Study

In order to test this hypothesis a conceptual framework has been developed below and this conceptual framework has been developed including both assumed variables by the researcher of this study and adopted variables from previous research publications.

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Figure 1: Conceptual Framework

6. Hypothesis

This research is conducted based on the hypothesis testing method (Swift 1996, as cited in Sapsford, 1999). The hypothesis has been developed through the research questions, which are actually derived from research objectives. Eight hypotheses that have been used for this research are as follows;

The hypothesis are mainly related with the regression analysis, which is to find out the destination attributes for Chinese inbound tourism demand,

H1: There is a positive relationship between the “attraction of the destination” and Chinese tourism demand in Sri Lanka.

H2: There is positive relationship between “facilities of the destination” and Chinese tourism demand in Sri Lanka.

H3: There is positive relationship between “Tour packages of the destination” and Chinese tourism demand in Sri Lanka.

H4: There is positive relationship between the “security situation of the destination” and Chinese tourism demand in Sri Lanka.

H5: There is positive relationship between “hospitality of the destination” and Chinese tourism demand in Sri Lanka .

H6: There is positive relationship between the “political stability of the destination” and Chinese tourism demand in Sri Lanka.

H7: There is positive relationship between “visa formalities of the destination” and Chinese tourism demand in Sri Lanka.

H8: There is positive relationship between the “international relationship of Sri Lanka and China” and Chinese tourism demand in Sri Lanka

7. Methodology

The methodology considered in this research is Mixed approach and the questions have been strategically prepared taking into consideration the language barrier of Chinese participants. Personal interviews were carried out in associated sectors such as the Foreign Ministry, the Tourist Development Board, Managers of city and rural hotels who have a substantial Chinese clientele and also Travel Agents and tourist guides directly involved in Chinese inbound tourism thus enabling a clear understanding of the subject.

A Chinese language questionnaire was distributed through travel agents who get down a large volume of Chinese tourists’ to Sri Lanka. The randomly selected sample of Chinese tourists completed this with the un-biased help from the interviewer (if required) due to the language problem.

8. Findings

The findings of this research indicate that tourist evaluation of destination attributes is still the most important indicator of overall Chinese tourist Demand. The findings of this study suggest that tourists were mostly satisfied with facilities available in Sri Lanka including the natural attractions and leisure facilities provided by the destination.

Chinese Tourists are as a whole, overwhelmed by the natural attractions of Sri Lanka. However, the lowest level of satisfactions was observed with respect to attributes such as tour package , visa formalities , city transportation services, destination information services, health and emergency services. As revealed in the survey carried out, the high percentage of short duration stays of tourists can be directly attributed to the high cost of accommodation and optional leisure activities. Tourists visiting Sri Lanka for the first visit time spent more nights than those who were on a repeat visit. The tourists travelling alone were found to spend more nights in Sri Lanka than those travelling with others or those travelling in groups.

According to the personal interview and survey, when tourism pricing and the cost of travelling increase, the Chinese demand for Sri Lanka is expected to decrease. The word of mouth effect was significant implying that Chinese Tourism demand for Sri Lanka is influenced by tourists’ report to others about their holiday experience.

Tourists are sensitive to political stability, therefore the good relationship between Sri Lanka and China is expected to enhance tourism demand. During the survey, tourist, demographic patterns such as age, gender, socio-economic background (income, marital status, occupation, education) and travel behavioural patterns were examined. There is a strong demand from the young Chinese tourists, therefore Sri Lanka needs to improve leisure facilities and other diverse attractions should be developed to increase young Chinese tourism demand to Sri Lanka. The overall destination image needs to be improved positively.

9. Conclusion

This research is aimed at getting a accurate depiction of the Behavioural Characteristics of Chinese tourists and to identify the key demand factors which will contribute to attracting Chinese tourists to Sri Lanka. This research further expects to determine the key challenges inherent in attracting Chinese tourists and develop tourism promotional strategies targeting the Chinese outbound travelers as increased Chinese inbound tourists demand will enhance the annual tourist arrivals to the country and which in turn will help to achieve 4 million annual tourist arrivals to Sri Lanka by the year 2020 as targeted by the Sri Lanka Tourism Development Authority of Sri Lanka.

Sri Lanka experiences problems of competition due to the relative lack of improvement in Sri Lanka's tourism product. In sum, Sri Lanka has failed to market the country as one that offers a different and unique product. According to the research, more tourists are switching to other countries in the Asian region such as Thailand, Maldives etc. There is need therefore, for Sri Lanka to offer demand driven tourism products that appeal to the Chinese tourist, which thereby ensures that more Chinese tourists are attracted to Sri Lanka as their holiday destination of choice and would encourage longer stays.

In addition to developing destination image, offering quality products and services to satisfy the Chinese tourists' demand will help to lay the foundation to sustainably develop Sri Lanka's tourism industry as a whole.

It is the profound hope of the researcher that the findings of this report will support and assist in the process of effective decision making of the responsible authorities in the Tourism Industry and that these facts will also assist them in developing new and novel plans, policies and strategies to more efficiently maximize the ultimate growth of Sri Lanka's tourism industry.

10. Managerial implications

According to finding most of the rich class outbound tourists are traveling in developed cities for enjoying with shopping, night life with entertainment and tailor-made packages.

The aim of the project is to gain a deeper insight into the Chinese travel market, identify the preferences and unique peculiarities of the modern Chinese travelers and to prepare and implement a marketing strategy based on these insights, thereby vastly improving the chances of gaining and holding the attention of the potential traveler with the end result that they will be more inclined to make Sri Lanka their destination of choice.

The findings of this report will attempt to provide information, particularly to the policy makers that will assist them in making policy decisions regarding marketing strategies for Chinese Inbound tourists. It will also aim to provide some recommendations that need to be considered by Policy Makers, Hotel Managers, Tour Operators etc., when incorporating any future development plans for the tourism industry in Sri Lanka.

11. Limitations and directions for future research

There can be several limitations when conducting this research which are attached to the human behavior of the target population and sampling problems.

The main limitation is to understand the appropriate sample of Chinese tourists for data collection from the total population. Further some people might be reluctant to provide the correct feedback to the questionnaires as they may be afraid to provide information or sometimes they might feel a burden on this.

When gathering tourism statistics, it would be unable to access to Chinese tourism statistics due to country limitations. The private sector organizations would not provide adequate data and information due to company policies.

Although there are numerous factors with influence to Chinese inbound tourism demand in Sri Lanka. This study has mainly focused on tourism pricing, socio demographic characteristics and Destination attribution, it is realized that there are some further research requirements that can be carried out in the future.

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IMPACT OF MARKETING MIX STRATEGIES ON PERFORMANCE OF TOURIST HOTELS IN THE EASTERN PROVINCE, SRI LANKA

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Abstract

The main aim of this study was to investigate the impact of marketing mix strategies on marketing performance of tourists hotels in the eastern province. Hotel sector became highly competitive with the increasing number of chain hotel entering the market aftermath of the war. Hence, the hotel management need to be more customer focused and have to differentiate from their competitors by making their marketing mix strategies best suit to the needs of target customers. A survey research was employed to collect primary information from 100 managerial employees working in tourist hotels in the eastern province. Convenience sampling was employed for data collection using a questionnaire with a five-point Likert scale. SPSS 20.0 was used to analyze the data. Marketing mix variables such as, product, price, place, promotion, people, process and physical evidence have positive impact on the marketing performance of tourist hotels in the eastern province while price of their offering is the most important marketing mix element that affect the marketing performance of hotels in great extent, physical evidence comes last in the rank order of marketing mix elements which influence the marketing performance of tourists hotels in the eastern province.

Keywords: Marketing mix strategies, competition, marketing performance

1. Introduction

Globalization, growth of modern transportation facilities, the rise of a leisure and entertainment culture, advanced communication systems backed by technological innovation and the development social media have, over the past years, led to a rapid rise in tourist activities (Neuts,, Romão., Leeuwen. , & Nijkamp., 2013).

The main aim of a business is to create and maintain satisfied and profitable customers. Customers are satisfied and become loyal when their needs are met.

One of the marketing philosophies called “the marketing concept” explains that achieving the organizational goals depends on determining the needs and wants of target markets and delivering the desired satisfaction better than competitors. Almost all organizations including organizations in the hospitality industry have been adopting the marketing concept. The marketing process is defined as “The process of (a) analyzing marketing opportunities (b) selecting target market (c) developing marketing mix and (d) managing the marketing effort”. Customers are at the centre of marketing process. The organization divides the total market into smaller segments, selects segments it can best serve and focuses on serving and satisfying these segments through market segmentation, targeting and positioning. It then designs a marketing mix to produce the response it wants in the target market (Thygaraju. & Venkateswarlu, 2014).

Tourism and hospitality industry has become one of the fastest growing industry in the world, generating more direct and indirect employment opportunities, income for local destinations and hotels and tax revenues for the governments. Communication is one of the most important tools to direct tourist flows to hotels and destinations. A large variety of e-tourism tools and technologies has emerged in the recent years. These tools inform potential customers about the benefits of a given destination, hotels and they also aim to create loyalty feelings as such, they became competitive tools in the tourism and hospitality industry (Neuts et al., 2013).

Increased competition among different tourist hotels which offer a wide range of products and services is a result of the growth in the tourism activities. This business environment around the globe is very competitive and calls for dedicated efforts in hotel management and marketing, required to create an attractive portfolio of tourism products and services. It's very clear that the tourism and hospitality industry is not a homogeneous industry, with much difference in tourists demand stimulus, alternative destinations, supply and supplier characteristics, ecological impacts and economic situation (Matias, Nijkamp, & Sarmento, 2011).

2. Literature Review

Marketing is “is a process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others.” (Kotler, Armstrong, Agnihotri and Haque, 2013). To become successful in marketing, firms should focus on customers. Eventhugh, marketing costs are the major expenses for organisations, marketing leads to improved business performance and benefits the economy as a whole (Alzbeta and Andrej., 2014). The most studied service marketing mix, popularly referred to as the 7 P's, which has seven elements were extracted from the twelve elements. These seven elements are the product, price, place, promotion, people, process and physical evidence (Kotler et al, 2013). The framework calls upon marketers to decide on the product and its price, distribution and promotion, their people and process with physical evidence. Hameed and Zaytoonah (2014) asserted that the 7 P's can be used to meet the needs of the customer and obtain competitive advantages.

2.1 Marketing Mix Strategies

Stable and distinct market segments can be found by analyzing the information collected from the marketing research process to support marketing strategy decisions. Firm should estimate the needs and potential of each segment and the segment that the organisation can serve best and make optimal profit is to be determined as their target market. For this selected target market, differentiation decision for the product offered is to be arrived at and positioning strategy has to be finalized. Multiple attributes can be used to differentiate the market offerings but position strategy calls for one or two features to be emphasized in communications so that position is associated with the company's product image whenever a potential user thinks of the product (Kotler et al., 2013). The differentiation strategy gives the opportunity for full development of the new product and where marketing has further role to play. The marketing strategy related to the product gets modified based on the product life cycle stages in which the product is, such product life cycle stages include development, introduction, growth, maturity, and decline. The marketing strategy is also influenced by the position a product obtain in the competitive market place. Such market positions are leader, challenger, follower and niche player (Antoneta et al., 2015).

According to Kotler et al., (2015) A product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a need or want. Product is a key element in overall market offering. This offering becomes the basis upon which the company builds profitable customer relationship. This can be pure tangible goods, pure services, events, artist performance, experience, persons, and places in broader context. Price is the amount of money charged for a product or service or the sum of the values that customers exchange for the benefits of having or using the product or service. Price is one of the most important elements determining a firm's market share and profitability. This is the only element in the marketing mix that produces revenue and the most flexible marketing mix element. The product should be available from where firm's target consumer finds it easier to shop. This may be High Street, Mail Order or the more current option via e-commerce or an online shop. Marketing communications are the means by which firms attempt to inform, persuade, and remind Consumers directly or indirectly about the products and brands they sell. In a sense, marketing communications represent the voice of the company and its brands; they are a means by which the firm can establish a dialogue and build relationships with consumers. This marketing communication includes advertising, sales promotion, personal selling, public relations and direct marketing, in more recent times, Social Media are all key communication tools for an organisation. These tools should be used to put across the organisation's message to the correct audiences in the manner they would most like to hear, whether it be informative or appealing to their emotions. Advertising and word of mouth communications are the two major tools used by service marketers. All companies depend on the people who run them from front line sales staff to the Managing Director. Having the right people is essential because they are as much a part of business offering as the products/services that a firm offers. In service marketing, people (employees) can make or break an organization. The process of service is the way in how the service is delivered to the end user. Elements of the process that is current work activities.

Physical evidence is the last and the most important element in the extended marketing mix. Elements of physical evidence includes many which are related to interior design of the firm, equipment used, employees, and environmental hygiene.

2.2 Marketing Performance

According to Kotler et al., (2015) marketing performance requires understanding the financial and nonfinancial returns to business and society from marketing activities and programs. Top marketers are increasingly going beyond sales revenue to examine the marketing scorecard and interpret what is happening to market share, customer loss rate, customer satisfaction, product quality, and other measures. They are also considering the legal, ethical, social, and environmental effects of marketing activities and programs. For this research, Sales revenue, sales growth, customer satisfaction and profitability are included in the marketing performance as a dependent variable.

3. Statement of Problems

Marketing mix strategies of tourists hotels evidently play a crucial role in their marketing performance, yet there are very few studies on the marketing mix strategies of hotels in Sri Lanka. In Sri Lanka, especially in the eastern province, both domestic as well as international tourists are attracted by the beaches, wildlife, culture, and nature.

These tourists need accommodation, therefore, it is important to have lodging facilities such as hotels. According to Sri Lanka Tourism Development Authority, Hotel sector in Sri Lanka was heavily invested envisaging that postwar scenario would boost the market condition in Sri Lanka. The hotel accommodation capacity has been increased up to 40% in 2015 compared to 2010. However, as envisaged the investment could not bring the returns.

Most of the hotels also provide dining, entertainment and conference facilities in addition to providing accommodation to their guests. This makes them invaluable to the economy of the eastern province and to the entire country. Consequently, the country has further invited hotels of various star ratings to invest in Sri Lanka (SLTDA, 2016). These facilities are spread across the country which increase the competition in the market place.

Few researches regarding to this study were done based on Sri Lanka's hotel industry and the hotel industry in the eastern province which includes three districts namely Trincomalee, Batticaloa and Ampara. In addition, more studies are necessary to examine the impact of marketing mix strategies on the marketing performances of hotels. Therefore, this research intended to study in depth on this area based on eastern province's hotel industry.

4. Research Objectives

The main objective of this study was to assess the impact of marketing strategies of tourists' hotels on their marketing performance. Other objectives set out to achieve in this study are; to find out

how various products offered by hotels effect marketing performance, to evaluate how prices set by hotels affect their marketing performance, to assess the promotional tools used by hotels and their impact on marketing performance, to examine the ways used by hotels to provide their services affect the marketing performance of hotels, to find out how employees are prepared and participate in the process to increase the marketing performance of hotels and to investigate how hotels involve in environmentally friendly services to improve their marketing performance.

5. Research Questions

The research seeks to answer the following questions: (1) how various products offered by hotels affect the marketing performance? (2) Are the prices set by hotels for their products affordable to tourists and improve their marketing performance? (3) What promotional tools used by hotels to position themselves to improve the marketing performance? (4) How hotels makes their tourism products available and accessible to the tourists to improve their marketing performance? (5) How hotel employees are well prepared and informed to provide better hospitality to tourists visit their hotel to improve their marketing performance? (6) How hotel employees participate in the service delivery process to satisfy the tourists and contribute to the marketing performance of hotels? (7) How hotels are environmentally friendly to improve their marketing performance?

6. Significance of the Study

The findings of this study are significant to the hotels, government or policy makers, and to academicians and scholars. The findings of this study helps the hotels in the eastern province to make necessary changes in their marketing strategies to improve their marketing performance. The results help the government policy makers to make informed decisions and to make necessary changes in the policies relating to the services of hotels. Using the findings of this research, academicians and scholars can contribute further into this topic.

7. Methodology

7.1 Conceptual model and hypothesis development

Hameed and Zaytoonah (2014) stated that marketing mix strategies positively contribute to business performance in terms of financial and non-financial performances. Antoneta et al., (2015) argued that effective marketing mix strategies of a firm can increase marketing performance while Pomeroy *et al.* (2010) stated that customer retention and competitiveness are two major outcomes of marketing mix strategies of a firm. The marketing strategies should be evaluated by looking at their impact on financial and non financial performances (Suherly, 2016). Kotler et al. (2013) highlighted that location can be a competitive advantage for hospitality firms. Based on the above literature the following conceptual framework developed for this study.

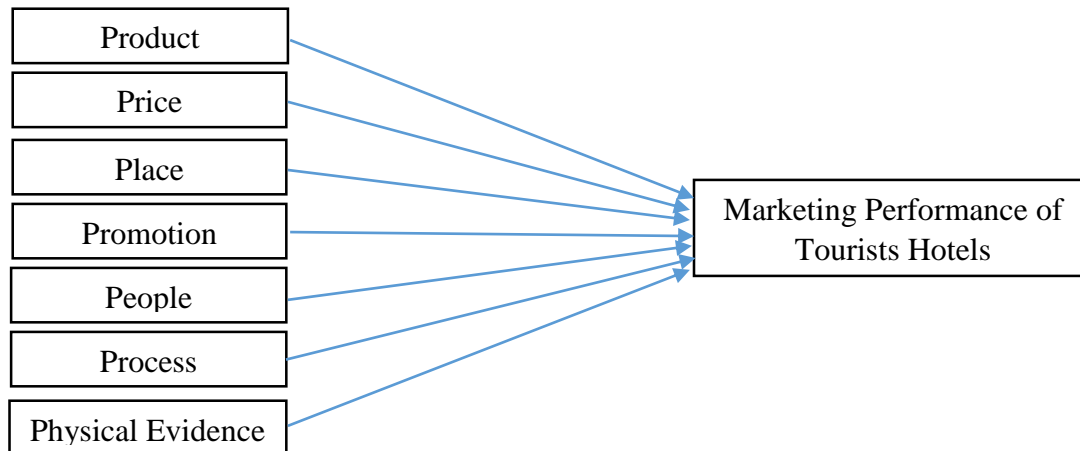


Figure 1.1: Conceptual Framework

Based on the above literature review and conceptual framework, following hypotheses were developed

H₁: There is a relationship between product and marketing performance of tourist hotels

H₂: There is a relationship between price and marketing performance of tourist hotels

H₃: There is a relationship between place and marketing performance of tourist hotels

H₄: There is a relationship between promotion and marketing performance of tourist hotels

H₅: There is a relationship between people and marketing performance of tourist hotels

H₆: There is a relationship between process and marketing performance of tourist hotels

H₇: There is a relationship between physical evidence and marketing performance of tourist hotels

7.2 Population, Sampling and Data Collection

The population refers to the entire group of people, events or things of interest that the researcher wishes to investigate. It is the group of people, events or things of interest for which the researcher wants to make inference (Sekeran & Bougie, 2013).

The study focused on tourist hotels in the eastern province. It was postulated that most of them were either in the introductory, growth or mature stage of their business life-cycle. Their managers and employees were the best sources of information on the most competitive marketing mix strategies and tactics for hotels in the area. This is because marketing is the responsibility of all employees. This study involved all managers of the hotels (resident managers, operations managers, human resource managers, business development managers, public relations managers, guest services managers, guest relations officers, marketing executives, sales managers, marketing managers, communications managers, departmental heads and supervisors) who felt that they were knowledgeable and informed enough to participate in the study.

As the population is not known in the eastern province, convenience sampling was used because it is easy to collect data. This approach is practiced because the exact number of hotels registered in the area and the number of hotels in the business operations are different. In this case the sample size was 100 respondents as they were considered to provide sufficient input to ascertain findings.

The questionnaire is the most common instrument to collect data. The researcher has chosen a self-administered questionnaire as a tool for the data collection. The questionnaire was in the form of closed-ended (or structured) questions in which respondents were asked to make the choice from a list of possible responses. Close-ended questions are also easy to administer and usually evoke rapid response (Schmidt & Hollensen, 2006). To make the study more effective and efficient, questionnaire consists of closed ended question and five point Likert scale questions.

The questionnaire had 50 items, 35 items for marketing mix strategies and 09 items for marketing performances and 06 items for demographic characteristics. Marketing mix strategies questions were categorized under product, price, place, promotion, people, process and physical evidence and the marketing performance question were categorized under sales growth, sales volume and profitability.

8. Analysis and Interpretation of Results

8.1 Overview of data analysis

The research focused on some background variables of respondents such as star rating of hotel, job title, working experience in the hotel as well as in the hotel industry, gender, age, and education level to get some insights of the sample in terms of this research.

Out of the 100 questionnaires issued, only 89 usable questionnaires were returned. Almost 97% of the respondents were males and all respondents work in non-star rated hotels. Around 23% of the respondents have more than 15 years of experience in the industry. Out of 89 respondents around 86 % of them are below 35 years old. 78 % of the respondents have higher education qualifications like diploma, higher national diploma, degree, and other postgraduate qualification while the rest are school leavers.

8.2 Correlation between Independent Variables and Dependent Variable

Correlation is the measure of strength of association between two variables. In social sciences, based on Cohen's criterion, correlation values of more than 0.3 are considered as sizable level of association.

The correlation analysis results indicated that all the independent variables such as, product, price, place, promotion, people, process and physical evidence are positively correlated with marketing performance of tourists hotels. The r between marketing performance and price is .839, marketing performance and price is .780, marketing performance and place is .710, marketing performance and promotion is .691, marketing performance and people is .694, marketing performance and

process is .815 and marketing performance and physical evidence is .849 (r values > 0.3), which means the variables have strong positive correlation between them at 1% significant level. R values of all the variables are less than 0.85. Perhaps, there is no problem of multicollinearity.

8.3 Regression Analysis

Table 1.2: Regression of coefficients for marketing performance upon marketing mix

Predictors	Beta	P	VIF
Product	.359	.000	1.712
Price	.161	.005	1.790
Place	.221	.000	1.041
Promotion	.071	.122	1.837
People	.067	.099	1.313
Process	.256	.000	1.848
Physical Evidence	.410	.000	1.260

(Source: Survey Data)

Notes: $F = 205.878$, $R^2 = 0.80$, Adjusted $R^2 = .796$. $n = 89$

Coefficient Values: Constant = .800, $X_1 = .359$, $X_2 = .161$, $X_3 = .221$, $X_4 = .071$, $X_5 = .067$, $X_6 = .256$, $X_7 = .410$

Above table depicts that out of seven marketing mix constructs, Promotion and People p-values are more than 0.05. as such Promotion and People are not significant predictors of Marketing Performance of Tourists Hotels.

The p-values for Product, Price, place, Process and Physical Evidence are less than 0.05. as such, Product, Price, Place, Process and Physical Evidence are significant predictors of Marketign Performances of Tourists Hotels.

The overall model explains the fit for the research and R^2 given above shows this aspect. This coefficient is a measure of how well the regression equation fits the data. According to the above, the R^2 is 0.80 (80 percent), hence, the regression equation apparently have a fit with the data. It can be predicted that 80% of the variance (R-square) in dependent variable has been significantly explained by the five independent variables (Product, Price, Place, Process and Physical Evidence). Here, $p = 0.000 < 0.05$ and the F value of 205.878 is significant at the 0.000 level. So the model is significant and model exists.

In the above table, the Variance Inflation Factor (VIF) values are less than 5. Hence, there is no problem of multicollinearity.

The Coefficients values indicate the most important independent variables among seven that influence most of the variance in marketing performance of tourists' hotels.

The standardised coefficient shows that the highest number in the beta is 0.410 for Physical Evidence, which is significant at the 0.000 level. This indicates that the Marketing Performance of Tourists' Hotels is influenced by physical evidence in great extent, and the Product influence Marketing Performances by 0.359. Based on the above, the following model fit regression equation is derived.

$$Y = .800 + .359 X_1 + .161 X_2 + .221X_3 + .071 X_4 + .067 X_5 + .256X_6 + .410X_7$$

Y = Marketing Performances of Tourists Hotels, X₁ = Product, X₂ = Price, X₃ = Place, X₄ = Promotion, X₅ = People, X₆ = Process and X₇ = Physical Evidence

In stepwise regression price, promotion, product and people were the significant predictors of marketing performance of tourists hotels in the eastern province. The R² Value of these four variables together 0.991 and the R² value of price alone in the stepwise regression was 0.769, hence, the price is the most important variable that determine the marketing performance of tourists hotels in the eastern province.

9. Hypotheses Testing

After the analysis of the data, hypotheses were tested to make sure the assertion in the light of the data analyzed. Hypotheses were tested and explained one by one. The most common policy in statistical hypothesis testing is to establish a significance level, denoted by α , and reject H₀ when the p – value falls below it. Here, the hypotheses were tested at 5% confidence level ($\alpha = 0.05$). P values are denoted by 'Sig.' in the following table.

Table 1.3 Hypotheses Testing

Variables	Hypothesis (Null & Alternative)	P - Value	$\alpha = 5\%$	Null Hypothesis	Alternative Hypothesis
Product	H ₀ , H ₁	.000	0.05	Reject	Accept
Price	H ₀ , H ₂	.005	0.05	Reject	Accept
Place	H ₀ , H ₃	.000	0.05	Reject	Accept
Promotion	H ₀ , H ₄	.020	0.05	Reject	Accept
People	H ₀ , H ₅	.039	0.05	Reject	Accept
Process	H ₀ , H ₆	.000	0.05	Reject	Accept
Physical Evidence	H ₀ , H ₇	.000	0.05	Reject	Accept

According to the above table, p-values of Promotion and People are higher than the α value 0.05, hence the null hypothesis were accepted and alternative hypotheses were rejected. The p-values of Product, Price, Place, Promotion, People, Process and Physical Evidence are less than the α value 0.05, therefore, the null hypothesis were rejected and alternative hypotheses were accepted.

10. Conclusion

This study was designed to see the impact of marketing mix variables of tourists hotels on their marketing performances. The literature search revealed that the marketing mix factors such as product, price, place, promotion, people, process and physical evidence have significant impact on marketing performances of tourists hotels.

Seven hypotheses were proposed to investigate the impact of marketing mix strategies on marketing performances of tourists hotels, and the results of the hypotheses tests supported all the seven hypotheses. These results provided valuable insights for understanding the impact of marketing mix variables on marketing performances.

Based on the analysis, it is found out that product, price, place, promotion, people, process and physical evidence have significant and positive impact on marketing performance of tourists hotels in the eastern province. As the finding imply, tourists hotels have to find out the best mix of marketing mix variables to improve their marketing performance.

Previous studies (Suherly et al., 2016; Antoneta et al., 2015; Michel et al., 2013; Neuts et al., 2013) were found out that marketing mix strategies have significant impact on the performances of tourists hotels including marketing performances of sales growth, market share growth and profitability.

11. Managerial Implication

Top management of the tourists hotels in the eastern province could use any form of marketing mix strategy matching the demographic profile of the tourists. However it must be noted that hotels should concentrate on using more of online and social media strategies in marketing their hotel services as part of their place online because majority of the visitors are internet users and engage in mobile marketing. The hotels should provide more incentives for tourists who organize their visits themselves as this tourists visit here mainly to appreciate nature.

Management should pay more attention to training to their employees as it is crucial element in dealing with tourists and function as a major touch point in marketing hotels services. Safety and security of the guests during their stay in the hotel is also important in attracting more tourists to the hotels. As part of their promotion mix strategy, hotel management can introduce a loyalty program to their foreign and local customers.

12. Limitations and Direction for Future Research

This study examined the impact of marketing mix elements on the marketing performances such as sale growth, sales volume and profitability. This marketing performances can be as a result of many other marketing strategy related to segmentation, targeting and positioning apart from the marketing mix strategy, therefore, further research can be carried out on other marketing strategies. In this research, the impact of marketing mix strategies on marketing performance only was tested but the marketing mix strategy may have impact on other areas of business, that need to considered in the future researches. Furthermore, this study was conducted in the eastern province, therefore a similar survey can by undertaken in tourist hotels other areas may present interesting findings.

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AN INVESTIGATION OF KEY FACTORS FOR NIGHT TIME FUNCTIONS IN COLOMBO: WITH SPECIAL REFERENCE TO PUBLIC OPEN SPACES

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Abstract

Night functions are vibrant of 24 hours, and key income fact in a lot of countries around the globe. Many Asian towns and cities are also becoming fond of this night time entertainment as it can be considered the main income generator. Ex: Bangkok, Hong Kong, Tokyo However in Sri Lanka night time entertainment is not in its full form as many parties bear differential opinions with that. Night functions can divide into entertainment sector and industrial sector. Here, it only considers entertainment sector. Although past few decades several institutions were started some sort of night functioning projects targeting tourists, not implemented well because of lack people participations and none of the researches have been provided to fulfill that gap because of this research attempts to identify important factors and investigate present condition of night functions in Colombo. Generally, public open spaces are the places where night functions are occurring as considerable level. This research was provided the basis of the reasons why Colombo people couldn't clutch night functioning. As identified through the literature, safety, variety of activities, infrastructure provision, the brand of products, cultural initiatives, planning and policy framework etc. provide strong night time entertainment and it exploring the role of these factors in Colombo night functioning on people and institutional perspectives. Thus this research attempts to argue about the gap between both perspectives. Research methodology basically comprised with background survey, literature review, data collection comprehensively discussed under two phases combined with Colombo community gathering public open spaces case study analysis and implementing issues relate to finding factors in responsive authorities through semi-structured interviews. As outcomes each of the two phases identified, no significant different among selected factors according to people requirements and all are important for night functioning. However, according to the present condition, there are significant differences competing with people requirements and existing situation. Thus the responsive authorities also having issues with the implementation. Once, it will fill the gap between people requirement and percent level of factors by the responsive authorities Colombo will success with night functioning.

Keywords: Night functions, Public open spaces,

1. Introduction

Night functioning is a key income fact a lot of countries around the world. There is no exact definition for night functioning which is practically specified. It can be defined as activities which occur from evening to early hours of the morning which involve the economy and the entertainment requirements of the people. Examples: Food culture, Shopping activities, Cultural events, Restaurants, live music, etc. This income finding sources would get the attraction of tourists and other visitors for their entertainment purposes.

The origin of Night time entertainment occurred in British cities as alcohol related entertainment.(Roberts, 2006) After the industrial revolution, it expanded in different ways and added with new characteristics from towns and cities all over the world. Many of the Asian cities are also becoming fond of this night time entertainment which can be considered as the main income generator. Examples: Bangkok, Hong-Kong, Seoul, Tokyo etc. Such Asian cities develop night entertainments as a center of the tourist attraction by implementing youth-oriented culture like night clubs, gambling, dance culture.(Hong Kong Tourism Board Annual Report 2014/15 - Existing events, 2015)

However, today many people parties bear different opinions about having negative opinions about having night time functions because of its negative effects on the society. Furthermore, people argue that Sri Lanka has a written history over 2500 years and rich with cultural values but the people believe that some night activities like night clubs, gambling, casino culture may harm the Sri Lankan culture. The majority of Sri Lankans still a bit reluctant to accept night time entertainment.

In Sri Lanka night entertainment is not in its full form functioning. If there any possibility to develop night time entertainment except cultural harmful activities it will be an opportunity to upgrade national contribution as well as social community benefits like improved participation for cultural activities and to enhance the relationships of people with other community groups.

However, in present-day Sri Lanka, the home for many evening and night life activities are city centers. However, considering the scale of this industry in Sri Lanka it is too small comparing with other cities in the world and their festivals, recreation areas, carnivals are not fully supported by attract foreign and other visitors to the island. At the same time, most of the streets and shops close after 10.00 p.m. and some streets are full of shady and catch up unpleasant appearance.

Though Sri Lanka has good resources to develop this industry, it has become useless without getting maximum benefits. As an example, Sri Lanka has amazing natural beaches that are ideal for beach parties and cultural events and some foods are unique to Sri Lanka. However, according to the Tourism Development Strategy (2011-2016) expresses the idea of that, the island is rich

with its unique geographical location, diversity, quality human resources, peace and stability alike all the ingredients in place here to play a key role.(2011) As a matter of fact, the potentials are here to develop night time events in Sri Lanka.

Considering the instructional background in Colombo NF, the UDA together with CMC has done several projects to develop NF such as illumination projects, Night street functioning project but it discontinued and failed due to lack of people arrivals. Up to now above institutional idea is useless to start new night programmers without changing attitudes of people. However, still, there are some projects planned to support night time functions which involve Megapolis development plan has introduced some strategies to change working hours at night (Western Region Mega Police Plan - 2030, 2015) and Beira lake project which implement have some night function supportive programs. Sri Lanka Tourism Promotion Bureau also introduced Colombo night until 12.00 o'clock for the foreign tourists with some sort of stops. Though these projects implemented or not still we couldn't reach the positive level in night functioning. This research is being focused on finding out the reasons for the inability of Sri Lankans' (specified Colombo people) to engage in night time functioning. This research attempt to identify factors important for night time functioning and To investigate the present condition of the factors with reference to the public Open Spaces Colombo.

The paper structure begins with an introduction to the study followed by a literature review on Night time functioning to identify factors important for night time functioning. The next section presents Important factors to functioning night time. The subsequent section briefs research methodology with data collection, analysis and research findings. The final section presents the gap between the responsive institutions and present level of night functioning derived from the findings.

1.1 Night functioning entertainment

Several decades ago, people define night time entertainment was an alcohol base drinking culture. *“Alcohol is the core commodity that attracts individuals into the night time city (Dick Hobbs, 2005) but laterally authors explain that “The night-time entertainment economy is a hedonic space directed at pleasure and relaxation” (Maris, 2009)*

Night time entertainment has its own characteristics different from the country. Further, it can change the physical urban structure of the city and it is a combination of a private and government partnership. The government has to provide infrastructure and make the safe environment for people and private sector requires carrying out the production and consumption process.(Roberts, 2004) In particular, in conviction that night time entertainment functioning is one of urban phenomenon, which involves number of people gathering in a particular location and make their

commercial, leisure, pleasure ,shopping and activities from evening to early hours of the morning, such as cafes, clubs, cinemas, concerts, live music etc. This affects the physical patterns of the city, such as new development projects, street layout, infrastructure etc.

Marion Roberts put forward her idea to explore the transformation as origin, process, Impacts and policy response. In 1990's municipality of major cities in England needed to structural change in night industry and first thing they made in this industry and introduced liquor licensing laws with regard to numbers of premises and special permissions to open after 11 p.m., resulted in dramatic increases in night time entertainment and numbers licensed premises more than doubled. For example, between 1997 and 1999, there was a 243% increase in the capacity of licensed premises.

Up to now structure of alcohol-related entertainment industry has changed. It is not based on alcohol related and more characteristics were added. In the 'first wave' of expansion, the industry became as youth orientated dance culture and leisure activities. Night time entertainment have been catching up the majority of cities in the world because of the huge benefits of this industry (Roberts, 2004).

- **Economic benefits**

In 2005 Hobbs highlighted the idea that night time entertainment “*provision of services towards a focus upon nurturing economic growth*”. Most of the western and Asian cities adapted to this industry for this economic impacts. As an example according to the estimations in night functioning (NF) industry in the UK running at around £1 billion per year and growing at a rate of 10 percent per annum and it equals of 3% of national GDP. Considering about how this huge revenue was generated, attract tourists and visitors to the city centers and pay them entertainment, shopping, foods, festivals, music etc. Similarity, the job creation also one of best opportunity. As an example estimated that the 'hospitality sector' employs over half a million staff and contributes over 3% of GDP in England (Time for Reform: Proposals for the Modernisation of Our Licensing Laws, 2000).

- **Social benefits**

NF not only boosts the local economy but also it can be creating a huge development of the community. Basically, the day time people work hard and NF makes relaxation relate with leisure and pleasure activities. People move the entertainment actives as a cultural led it will be a great opportunity to highlight the culture to the world cities like Hong-Kong always highlighted their culture with these night events such dragon dancers, own Chinese foods. (Hong Kong Tourism Board Annual Report 2014/15 - Existing events, 2015) And also the local people engaging these cultural events and make relationships with other community groups and make safe living environment.

1.2 Challengers of night functioning

There are some challenges arise to public authorities by night time activities. Marian Roberts has been discussed about some problems which ranked by night time activities such as,

- Lack of night transport
- Litter/Rubbish
- Street fouling
- Area feels threatening or unsafe
- Notice disturbing (Roberts, 2004)

An addition to that most of crime and disorder also arise in part of alcohol base night time industry. Bromley and Nelson argue that there is relationship between context NF and alcohol consumption. Space and time dimensions of alcohol-related crime patterns of functions in different urban space. According to their argument, most of the alcohol related crimes occur at night (Rosemary Bromley, 2001).

2.0 Research Methodology

A comprehensive literature review was conducted referring journals, conference proceedings, and books to identify factors and attributes important for night time functioning. Preliminary survey was carried out to finalize factors & attributes according to the Sri Lankan context. For that structured Interviews was carried out through fifteen numbers of professionals who are working in the respective agencies such as Colombo Municipal Council, Sri Lanka Tourism Development Authority, Sri Lanka Police, Road Development Authority, Urban Development Authority. Base on expert opinion finalized factors & attributes important for night time functioning (Table 01). Four public places were identified as a cause study located in the Colombo Municipal Council area namely Gall Face Green, Floating Market, Archade Independent squire, Viharamaha Devi Park.

Comprehensive survey was carried out to find People willingness for night functioning, to find out the existing situations of found out factors of night functioning in selected sites, to understand the existing night functioning position on selected sites. Further photographic survey, question air survey, non-structure interview and time series observation were used to gather preliminary data. Analysis was carried out based on bench marking and content analysis. Further selected sites and adopt stratified random sampling method and for the easy of explaining value 0 to 2 considering as low level 2 to3 consider as moderate level and 3-5 consider as high level.

Important factors for night time functioning

Table 01: Rearranged factors according to the expertise

Finalized factors and attributes	
Safety and security	Feeling safe environment
	Illumination provision
	Police enforcement and security
	CCTV systems
	Moving anywhere without harm from other people

Infrastructure provision	Sanitary and water facilities
	Street layout, urban parks, shelters etc.
	Parking facilities
Night transport and easy access	Public privet transport
	Taxi servicers
	Can access all part of the community
Brand of the venue and quality products	Brand and quality items
	Brand of the venue
Cleanliness	Having litter bins
	Clean environment
Creativity and type of activity	Creative and variety of events
	Public privet partnership for night activities
	Activities for different gender groups and age groups
Place interactions	Natural beauty
	Attractive locations
	More activities in one location
Threshold population	A minimum number of people in that area as customers or users.
Cultural initiatives	Cultural activities and festivals
	Cultural foods and items
Planning and policy framework	Regulation and policy plan
	Development plans

(Source: *Compiled by author Based on expert opinion*)

Safety and security: Wilson and Kelling's 'broken windows theory' highlights that the importance of a preserved urban environment with combating anti-social behavior. Before preparing night functioning people have to adapt to an outdoor safe environment. However, illumination increase the safety of the place CCTV is extra security can promote for a better safe area.

Infrastructure: Infrastructure gives their magnitude in the urban context. Infrastructure like roads, public places, sanitary facilities, public transportation etc. brings physical development of a particular area. Infrastructure will certainly allow the city to restructure its present functional structure. (Magalhaes, 2003) If there are adequate levels of infrastructure to the concentration of services and it support of the emergence of new uses (like tourism) as an alternative to the consolidated residential use.

Night transportation and easy accessibility: Public transportation makes dynamic role in night functions. Service types of transportation can public or else private. Night transport can provide safer routes home for late night passengers. Night buses and taxi services can facilitate as better transportation mobility.(Roberts, 2004)And also it should be easily accessible all part of the community with the free of charge.

Brand of the product and quality of the venue: Visitors who come to the night functions, as customers they always looking for branded items. Present condition the structure of the night time industry has changed and most of the visitors attract for branded venues.(Roberts, 2006) Branded items always highlighted among tourist and local people too.

Cleanliness: Cleanliness is a general factor should have any environment condition but in night functions cleanliness impact to attract people and dirty environment straight away people. Municipality provision servicers for keep clean such having litter bins but has a responsibility for all part of the community keeps it as it is.

Creativity and type of activity: Creativity flourishes in night functioning and create benefits such people attraction and obtain supplementary income. Various kinds of activities bring people into night functions. Multi-agency public privet partnership also part of creativity.

Place interactions: People never attract dirty and unpleasant physical conditions. Attractive locations bring benefits to night time entertainment (Salim Jiwa, 2009) such beach sides, lakes likewise places should have an attracted phenomenon to interest people.

Threshold population: Should have a minimum number of populations for night functions in particular location as a customers or service gainers.

Cultural initiatives:The majority of European and Asian countries how attract people for night functions showing their cultural initiatives. The office and residential developments that either incorporated or pointed to the cultural facilities of the center, the promotion of the city as a culturally vibrant realm. (Andylovatt, 1995)

Planning and policy framework: Regulation and policies always trying to protect the people and create a decent and friendly environment for all. Regulation and policy plans and development plans contributed to arrange night functions safe and cleaner at night and reduce crime and corruptions.

3.0 Case study Analysis

Before initiate night time functioning it is important understand about people willingness for night functioning. Find out this information conducted questionnaire survey 88% have positive posture about night functioning (NF) based on Colombo.

There is three analysis were carried to identify present NF level in Colombo. Semi-structured interviews and time series observations methods carried to understand peak times of the people. Photographs also used for visually understand the locations.

3.1 Galle face green

- **Analysis of peak time of people in Galle Face Green**

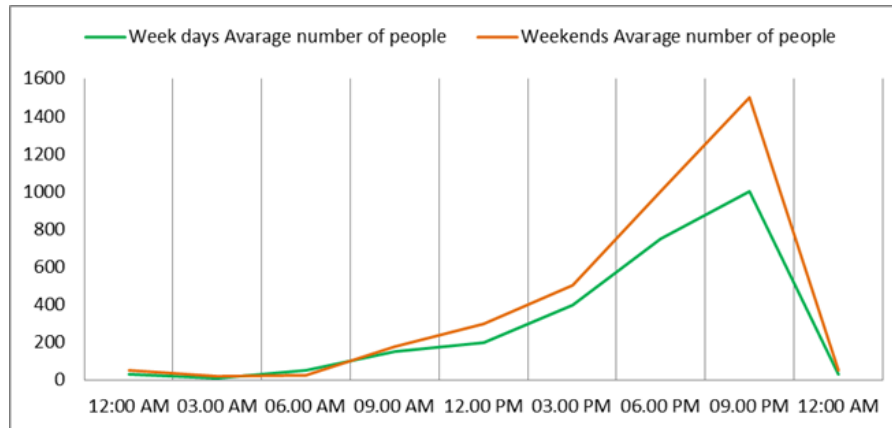


Figure 01: Peak time of people in Galle Face Green

Source: Compiled by author base on Survey

According to the observations, peak times of Galle face usually it is 6.00 pm to 11.00 pm but in weekends it is grown up 5.00 pm to 12.00 am (Figure 1). Photographs survey visually show that how people gathering in the night time to Galle face and their activities. Observations founded that Galle Face green is accessible to anybody walks by anytime of the day. However, it will find this place crowded between 6 p.m. to 11 p.m. According to the police guards’ people were there until early hours of the morning.

- **Percent level of night functioning according to people perceptions of Galle face green**

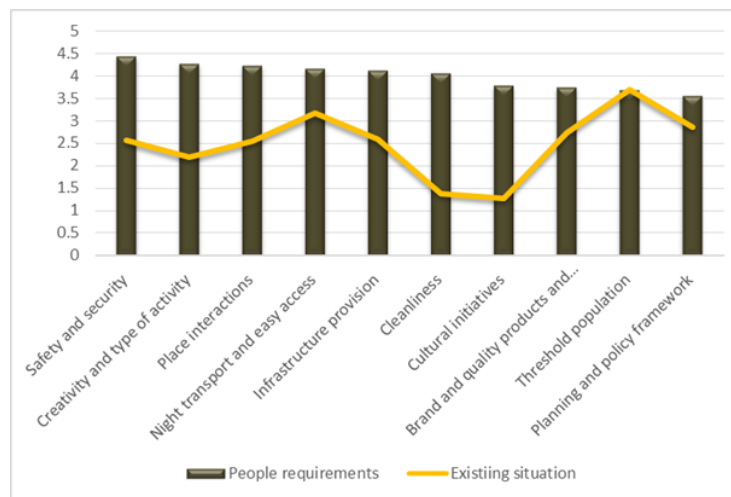


Figure 02: Existing level of night functioning in Galle face green

Source: Compiled by author based on survey

According to the existing situation in peoples' perceptions (Figure 2) how act selected important factors in Galle Face green factors of safety, the creativity of activities, place interactions, infrastructure, brand and transport play moderate level, cleanliness cultural initiatives are being low level however in here the factor of threshold population at the level of people requires.

For ensuring safety in an area having booths and conducted by police in entire night two or three police officers are being operational. Considering about creativity and verity of activities, there is food and enough space for kids to play. However on another hand, the place lacks the range of activities for different age categories. Most of the time adult men tend to get together here at night to have foods and snacks.

Considering about the cleanliness CMC provide their duty well. Every morning CMC provides cleaners to clean the site. But the day time until night people generate waste and throw it away as they want. Further people also have a responsibility to clean the environment.

Although some features are missing, the basic infrastructure for people is here. As an example, it is hard to find shelters for people to protect from the rain and sunshine and lack of benches for the people to sit down during the day or night. Whoever comes here will have to scorch in the day so no proper arrangement for that.

There is no branded items sale here. However the locals and foreigners who choose to visit here don't mind that. There are no cultural initiatives on regular days but the places interactions and the magnitude will be the sea and beach to relax people minds and enjoy them. Threshold population circulates around here till midnight.

3.2 Viharamahadevi Park

- **Analysis of peak times of people in Viharamahadevi Park**

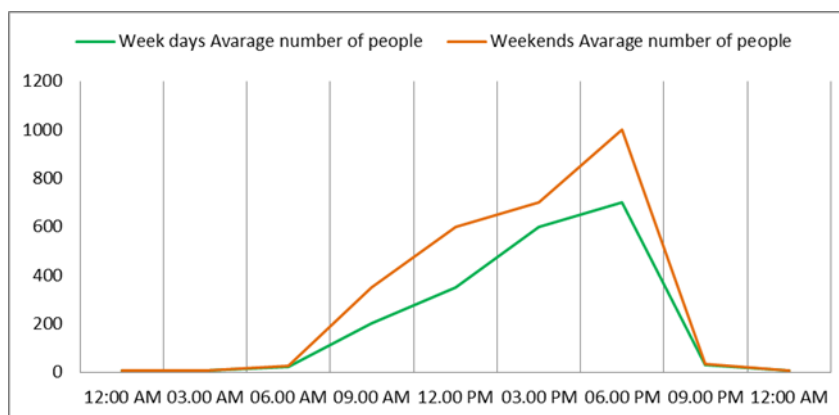


Figure 03: Peak times of people Viharamahadevi Park

Source: Compiled by author based on survey

According to the analysis only cultural initiatives have in low-level others are in moderate and high levels but no any factor could fulfill at the level of people requires and also 3 p.m. to 8 .p.m. can be recognized as the peak time. The most functioned segment is the children playing area.

- **People perceptions for present situation in Viharamahadevi Park**

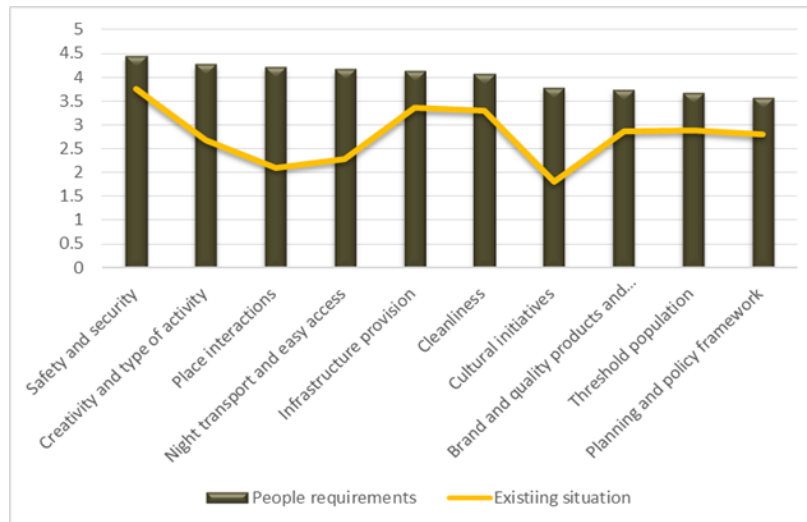


Figure 04: Existing condition of Night functioning

Source: Compiled by author based on survey

In Viharamahadevi Park availability of food items and the creativity of activities are less. Romantic couples and other people visit most in the evenings. The peak is open to public regardless of its day or night. Police booth and army personnel are available throughout just in case. For the security, the police were provided 15 Gramarashaka and 4 police officers operational in the entire night for the safety of the people.

Representing by the project of Metro Colombo was lightning each and every tree is equipped a light in Viharamahadevi Park being observed. Yet the light in the night not adequate according to the observations those light are not having brightness. Therefore people don't pay a night visit to the areas where there are more trees. No place is interaction available at night time in Viharamahadevi park side.

3.3 Floating market

- **Analysis of peak times of people in Floating market**

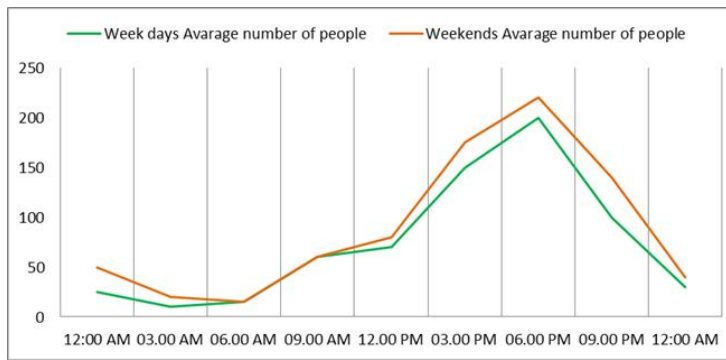


Figure 05: Peak times of people in Floating Market

Source: Compiled by author based on survey

According to above analysis (See figure 4-9) most of the people coming and peak time Floating Market are known as 4 p.m. to 8 p.m. and the majority of shops and stalls here are close by 9 p.m. But there are three food stalls open and functioning in the entire night people are there getting dinner and having some chit chats. And also in front of those stalls have some open space with having some benches and trees to stay.

- People perceptions for present condition in Floating Market**

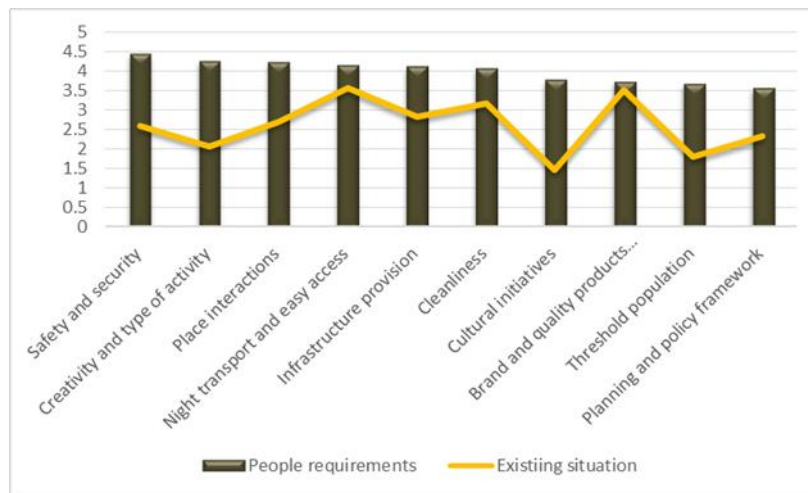


Figure 06: Existing level of night functioning in Floating Market

Source: Compiled by author based on survey

Here the factor of cultural initiative in low level, Branded items, place interactions are in high-level others are in moderate. However here no any factor fulfills at the level of people requires in Floating Market.

This place consumes safety issue as Pettah is renowned for its all sorts of antisocial activities and criminal history, therefore, people might lazy to make trust the location at night time. As well as this reason affects to the factor of place interaction too. Floating market is located at the heart of the commercial capital closer to the main bus stand in Colombo where thousands of people from all over the country are moving here and there. Hence, can't rely on 100% safety when people walk along the roads here.

3.4 Arcade independence square

Peak time in Arcade independence square

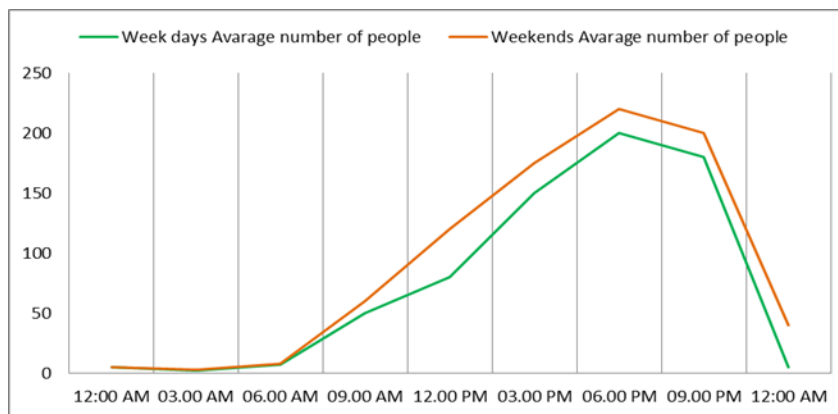


Figure07: Peak times of Arcade Independence Square

Source: Compiled by Author based on survey

The majority of people coming to Arcade Independence Square to fulfill recreation requirement such relaxing and pleasure activities. Here it has more inclusive shopping activities and night time it has a night opening restaurant. Peak times of this location during 4.00 p.m. to 9.00 p.m.

- **People perceptions for percent condition in Arcade Independence Square**

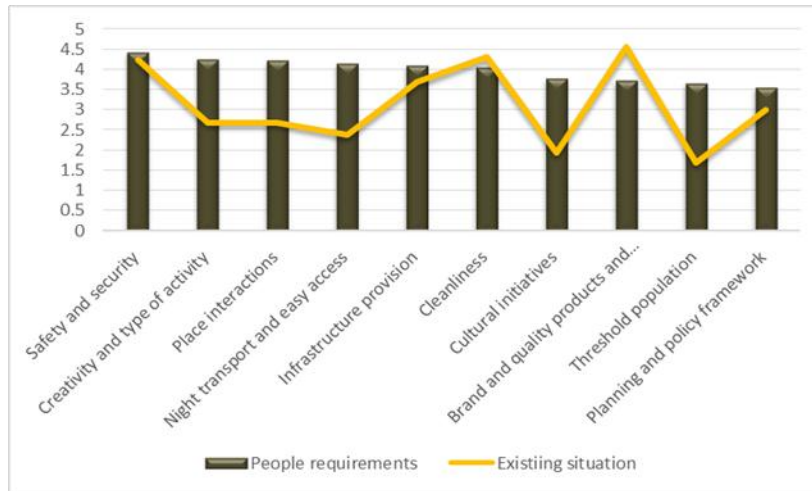


Figure08: Existing night function condition of Arcade Independence Square

Source: Compiled by Author based on survey

In Arcade premises cleanliness have achieved the level of people requires. Although no any factor has in a lower level in Arcade, the factor of Band and quality of the location exceed the level of people requires then the price of items have been increased. Therefore it has been affected by the factor of “threshold population” in that area.

Varieties of activities are available in Arcade Independence square premises. Inclusive shopping activities, cinema, restaurants and cafes and much more. At night, this area is having fully of lightning and attractive place. Cinema theaters, food outlets, and night restaurants are also remarkable features are which targets the rich population around the vicinity of Colombo.

3.5 Concluded case study analysis

Important Factors	Galle Face Green	Viharamahadevi Park	Floating Market	Independence Squire
Safety and security	●		●	●
Creativity and type of activity	●	●	●	●
Place interactions	●	●	●	●
Night transport and easy access	●	●	●	●
Infrastructure provision	●	●	●	●
Cleanliness	●	●	●	●
Cultural initiatives	●	●	●	●
Brand of the products & quality of the venue	●	●	●	●
Threshold population	●	●	●	●
Planning and policy framework	●	●	●	●

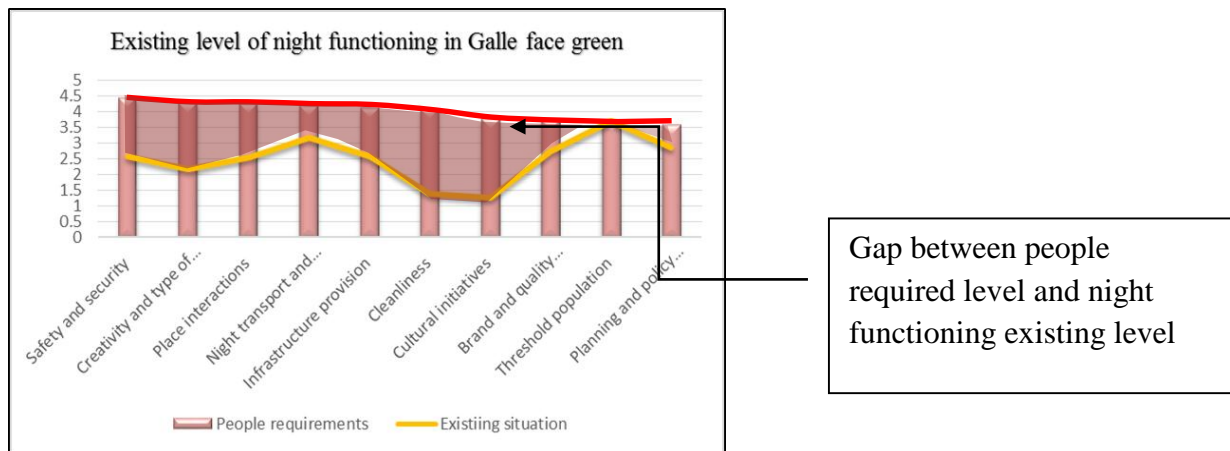
Legend	
High level of factors	●
Modarate level of factors	●
Low level of factors	●
Up to the level of people required	●
Exeed the level of people required	●

Table 2: Concluded case study analysis

Source: Compiled by author based on survey

Table 2 represent the existing roll of night functions in selected case studies. It visually representing that most of the factors are having in moderate level. If it fills the gap between people required level and existing level one day Colombo will achieve night functioning. As an example figure 09 representing the gap in Galle Face Green. Therefore in phase 02 investigating what are the implementing issues and capacity to the relative institutional perspective.

Figure 09: Example for gap between people required level and existing level



Source: Compiled by Author based on survey

4.0 Conclusion

This research was attempt to investigate the realistic gap between the responsive institutions and present level of night functioning. Once when the gap has been filled, Colombo can develop successful night functioning industry.

The research findings have been created the clear path to carry out night functioning programs which filling the gap between people requirements and implementing issues. Basically the research has been identified eleven important factors.

In addition to the findings can use for further night time development projects and making development plans. And also literature have been represented some solutions to implementing issues. Public privet partnership (Explained in literature chapter) is one of best solutions foreign countries used in night time entertainment. This research found the level of important factors in people requirements and existing situation another hand it has been found responsive institutional capacity and issues. If any responsive group wish to do night functioning program, first they should fill the gap of above explained.

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ROLE OF WORD-OF-MOUTH WITHIN THE CBBE COMPONENTS AND BRAND LOYALTY OF ARUGUM BAY AS TOURIST DESTINATION: A STUDY AMONG LOCAL TOURISTS

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Abstract

The major objective of the study is to understand the role of word of mouth through brand salience and brand image as customer based brand equity components in the creation of brand loyalty of Arugam Bay as tourist destination among local tourists. Brand salience, brand image are used as independent variables and the brand loyalty is used as dependent variable. A survey questionnaire method was used as data collection technique. Convenient sampling technique was used to draw respondents. 120 respondents were drawn from the visitors at Arugum Bay. Collected data was analyzed using regression and correlations. The mediating role of word of mouth was analyzed using the method suggested by Baron and Kenny (1986). Findings reveals that brand salience and brand image of Arugum bay create the word of mouth among the local tourist visiting Arugum Bay. In the case of mediating role, the word of mouth is well mediating within the brand equity components. Thus, destination marketers need to focus on the brand salience and brand image of Arugum Bay rather than trying to create word of mouth for this destination.

Keywords: Brand equity, word of mouth, Arugum Bay, Brand image, Brand salience

1. Background of the Study

Sri Lanka tourism is growing progressively with the huge assistance of the government of Sri Lanka. East coast of Sri Lanka consists of many attractions and large number of potential and re visitors pay a visit to the attractions in the areas. Destination marketing organizations need to focus on the branding strategies to promote an attraction as tourist destination.

According to Sri Lanka Tourist Board, Arugum Bay is one of the top ranking surfing point in the world attracting many local and international tourists enabling them to enjoy the attraction.

According to the tourism strategic plan 2017-2020 of Sri Lanka tourist board, Sri Lanka is working on the tourism destination planning and to make them sustainable through facilitating the destination management. This will help allocate resources easily and minimize the cost. Further, Sri Lanka has a strategic plan for the new tourism development and feasibility and consideration and hence, the study on the role of word of mouth may help to find opportunities to develop further the Arugum Bay as strategic destination in Sri Lanka. This is also to note here that the destination brand as Arugum Bay has not been much studied well in the Sri Lankan tourism arena especially with brand loyalty.

Sun and beaches is found to be a niche tourism destination for tourists arriving to the country. Strategic plan also finds the MICE and medical tourism as niche. Therefore, it is worthy to study the brand salience, brand image and its word of mouth for Arugum Bay which is one of the beach where surfing takes place. Thus, it is very important to promote the Arugum Bay as one of the niche in Sri Lanka for tourists. Therefore a study on brand salience, brand image and brand loyalty is necessitated and how the word mouth is playing within these components of brand equity. In the tourism marketing today, destination brand loyalty is vital and it is linked to organizational performance (Jraisat et al., 2015). Hence, the research questions are whether the brand salience and brand image of Arugum Bay leading to brand loyalty mediating through word of mouth. This will help promote further the Augum Bay as a niche in the destination marketing of Sri Lanka. Sun and beaches have been mentioned as niches in the strategic plan of Sri Lanka tourism. This study further adds value to the significance in the way that it focuses on the domestic markets which has been mentioned as one of the important market in the Sri Lanka tourism strategic planning 2017-2020.

2. Review of Literatures and Hypothesis Development

A brand is important asset for any organizations. Brand is always with huge intangible value for organizations irrespective of the size of the firms in any industry and hence brand is always prioritized (Lehmann *et al.*, 2008). Customer based brand equity (CBBE) is defined as “*the differential effect that brand knowledge has on consumer response to the marketing that brand*” (Keller, 2013). This definition has three parts such as differential effect, brand knowledge and consumer response to marketing. A brand is having a positive customer based brand equity when consumers react more to the brand and become more familiar with the particular brand (Keller, 1993). Consumers will also accept the brand extension without any hesitations. Hence, Keller (1993) points out that customer based brand equity takes place when consumers have positive brand associations. Akroush *et al.*, (2016) conducted a study to examine the relationship between service quality dimensions and destination loyalty. This study supports that these dimensions of tourism service quality positively contribute to the destination image and in turn, destination image positively contributes to the destination brand loyalty. A study conducted by Pike *et al* (2010) on customer based brand equity for Australia as a long haul tourism destination in an emerging markets includes brand salience, perception of quality, brand image and brand loyalty. Although brand salience, perception of quality, brand image and brand

loyalty are the components of the brand equity, Konecnic (2010) finds that perceived brand salience, brand image and perceived brand quality cause a destination brand loyalty.

In order to examine the relationship between the variables and to see the mediating effect, it is necessary to examine the variables under study and establish the relationship between dependent and independent variables. These are explained below.

Brand Salience

Keller (1993) explains the perceived brand salience as the recalling a brand when a product category is given to the consumer and hence, it is a subset of brand awareness. Guido (1998) explains the brand salience that “it is associated with an item which stands out from its environment”. This means that the brand is thought by buyers. In other words, brand salience is called as top of mind brand (Romaniuk and Sharp, 2004). There was a study on the Consumer-based brand equity for Australia as a long-haul tourism destination in an emerging market conducted by Pike et al., (2010) used brand salience as one of the dimension of the brand equity. Pike et al (2010) further emphasized that brand salience for a destination is a strength that will enable the destination brand to persist in the mind of target consumers and increase the brand awareness. If a brand is with salient features, that brands will positively be evaluated by consumers (Romaniuk and Sharp, 2004). Brand salience is also important for destination brands. When a destination brand is with brand salience, it will be thought by tourists when travelers have more options to be considered for visiting. Therefore, destination brand salience will give a guidance during the selection of destination brand (Hankinson, 2005). Brand salience for a destination will definitely generate the word of mouth for Arugum Bay and leads to brand loyalty of Arugum Bay. This infers that brand salience at a higher level for a destination of Arugum Bay will generate word of mouth. Thus, the researcher hypothesizes that

H₁ : Brand salience of Arugum Bay will positively contribute to the word of mouth about Arugum Bay

Brand Image

Brand image is one of the key dimension of customer based brand equity. Brand image is the general perception of the brand and this will be created through marketing activities in order to influence the consumer behavior (Zhang, 2015). Establishing an image for a product or service is very vital task for marketers in order to influence the perception of the goods and services (Zeithaml and Biner, 1996). Destination marketer needs to establish the image of the destination that will help position the destination brand well in the mind of tourists (Molina et al., 2010; Hosany et al., 2007). This is because, the destination image will have influence on the choosing behavior of tourists (Beerli and Martin, 2004). Consequently, this will help destination marketers to be successful in the destination marketing (Hosany et al. 2007).

When a destination is positioned, there may be enhanced image that will generate positive word of mouth for the destination. Hence, the researcher hypothesize that

H₂: Brand image of the Arugum Bay positively contribute to the word of mouth among local tourists.

Word of Mouth and Brand Loyalty

Word of mouth is also a form of customer loyalty. This is one of the personalized transmission of experience to other party and be considered as one of the trustworthy source (Swan and Oliver, 1989). Many studies have been conducted and detailed that the interpersonal communications are identified as influencing on the tourism industry (Reza et al., 2012). Further, a study conducted by Morgan et al (2003) reiterates that negative word of mouth largely affects the destination image and that leads to dissatisfaction of visitors. Reza et al., (2012) also find that tourists with satisfaction would convey their experiences with prospective customers.

Oliver (1999) defines loyalty as “*a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing...*” When a customer buys a brand repeatedly the customer is believed to be loyal to the particular brand (Odin et al., 2001). Therefore, it is important to have a brand loyalty for a product since marketers do not want to promote the brand to the customers (Aker, 1991). Oppermann (2000) emphasizes that brand loyalty is one of the key component of customer based brand equity but there was no much more researches in the destination marketing. Brand loyalty is said to be a success driving force of a business and it is an indicator of business success (Sun et al., 2013). Destination marketers should also attempt to see the success factors of their destination brand loyalty and how it is formed for their destination (Gursoy et al., 2014). Destination brand loyalty is one of the important elements of the tourism strategic marketing and has a link to the reputation of the destinations (Jraisat et al., 2015).

In the case of Arugum Bay as a tourist destination, destination marketers need to study about the Arugum Bay’s brand loyalty in order to formulate and implement marketing strategies and be successful in the destination marketing. When a destination is with higher brand loyalty, word of mouth referrals of the destination are also in force (Faullant et al., 2008). This infers that the destination brand loyalty can be seen with visitation of tourists and word of mouth to the potential and existing tourists (Pike et al., 2010). Therefore, word of mouth generated from the destination brand salience and destination brand image can be a cause for the destination brand loyalty. Thus, the researcher hypothesizes that

H₃: The word of mouth of Arugum Bay positively leads to Arugum Bay brand loyalty.

3. Methodology

The study was quantitative in nature. The research was conducted in Arugum Bay among local tourists who were visiting Arugum Bay beach. Convenience sampling technique was adopted for 120 local tourists. This was because of the fact that local tourist who arrived at the Arugum Bay could not be limited in numbers.

Questionnaire was used as instrument for data collection. The questionnaire consists of personal information and five point likert scale for each item of each variable under study. Statements in the questionnaire for each variable were adopted from previous studies. Items for brand salience, brand image and for brand loyalty were adopted from Boo et al. (2009) and Konecnik and Gartner (2007). Items for word of mouth was adopted from Bodo (2009).

Factor analysis was used for data reduction purpose. All communalities had more than 0.5 and all items were taken into considerations. The data were fed into SPSS and correlation and multiple regression analysis were used at data analysis techniques.

4. Results and Discussion

Pilot study was conducted among 30 local tourists who were at Arugum Bay beach. Reliability analysis was done in order to see the internal consistency and it shows that the Cronbatch's alpha value of 0.93 which is more than 0.70. The characteristics of the visitors are given in Table 1 below.

Table 1 Demographical Characteristics

Characteristics	No. of Respondents	%
Sex		
Male	78	65%
Female	42	35%
Age		
16-25	32	27%
26-40	52	43%
41-60	28	23%
Above 60	8	7%
Educational Qualifications		
< GCE OL	11	9%
GCE OL	14	12%
GCE AL	43	52%
Bachelor Degree	38	32%
Postgraduate	4	5%
Visiting Time		
First time visitors	33	28%
Previously visited	87	72%

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Of 120 respondents 65 percent was male and 35 percent was female. 43 per cent of the respondents for the questionnaire were with the age between 26 – 40. Other rest of the respondents belongs to the categories of 16 -25, 41 – 60 and above 60 years of age. As far as number of visits to the Arugum Bay is concerned, 72 per cent of the tourists gave the answers to the questionnaire were previously visited to this destination and other rest of 28 per cent were the first time visitors to the Arugum Bay.

Factor analysis was carried out in order for the data reduction. The communalities of items in the questionnaires were with more than 0.5 and hence, all items were taken for analysis. Further, the KMO values and variances of each variable given in Table 2.

Table 2 Variance and KMO Values

Variables	Variance	KMO
Brand salience	66.69	0.637
Brand image	71.47	0.696
Brand loyalty	55.43	0.698
Word of mouth	72.55	0.657

KMO statistics given in Table 2 are more than 0.5 and it shows that sampling adequacy and data can be used for factor analysis. The variances for brand salience, brand image, brand loyalty and word of mouth are 37%, 71%, 55% and 72% respectively. This also shows that the data collected for this study is well represented.

Table 3 Correlation Matrix

	BS	BI	BL	WOM
BS Pearson Correlation	1			
Sig. (2 tailed)				
N	120			
BI Pearson Correlation	.730**	1		
Sig. (2 tailed)	.000			
N	120	120		
BL Pearson Correlation	.680**	.580**	1	
Sig. (2 tailed)	.000	.000		
N	120	120	120	
WOM				1
Pearson Correlation	.914**	.857**	.598**	
Sig. (2 tailed)	.000	.000	.000	120
N	120	120	120	

Table 3 shows the correlation values between dependent and independent variables. There are positive significant associations between Arugum Bay brand salience and word of mouth and Arugum Bay brand image and word of mouth at 0.01 level at $p < 0.05$. In order to get the impact of these variables brand salience and brand image on the word of mouth of Arugum Bay, multiple regression analysis was performed. The extraction of the regression results are given in Table 4.

Table 4 Regression Results

Predictable variable	Beta	<i>p</i>	<i>t</i>	VIF
Brand salience	0.618	0.000	15.442	2.144
Brand image	0.405	0.000	10.117	2.144

Note: $F_{2, 117} = 610.081$, $p < 0.05$, R Square = 0.913, Adjusted R Square = 0.913

Table 4 explains that results of the multiple regression. The R square value is 0.913 which is significant at 5 per cent level with the probability value less than 0.05. This shows that 91.3% of the variation of the word of mouth is explained by brand salience and brand image of the Arugum Bay. Further, adjusted R Square 0.913 indicates that the model has accounted for 91.3% of the variance in the criterion variable. Multicollinearity problems were also checked with the Variation Inflation Factor (VIF) which is falling between 1 to 10 and hence, it is concluded that there is no serious multicollinearity problem.

According to the results of the multiple regression analysis, word of mouth about the Arugum Bay is influenced by brand salience ($t = 15.442$, $p < 0.05$) and by brand image ($t = 10.117$, $p < 0.05$). The first factor that highly contribute to the word of mouth is brand salience ($\beta = 0.618$, $t = 15.442$).

The brand salience of the Arugum Bay is made up of the top of mind brand that is when asking about the beach to the local tourists, they are able to pronounce Arugum Bay which is very famous among the local tourists. In the case of Arugum Bay's image, tourists are keen to look at the attributes of the destination and its match with tourists' personality and self-image. Since it is very famous, others are also thinking highly about the particular tourists visited this destination.

Therefore, destination marketers of Arugum Bay may focus on the brand salience and brand image of the Arugum Bay that will definitely help generation of the word of mouth. In the case of mediating variable word of mouth, it has positive relationship with brand loyalty of Arugum Bay ($\beta = 0.598$, $t = 8.099$). This shows that tourists are conveying their ideas that they generated through brand salience and brand image to other friends and family. This creates the brand loyalty for Arugum Bay.

This infers that Arugum Bay is the preferred destination for tourists who is paying a visit to Arugum Bay and visitor is advising other people to visit this destination and the visitor is having intention to visit this destination in future too.

The hypotheses developed for this study were supported well. This is given in Table 5.

Table 5 Hypotheses Testing

Hypotheses	Standard coefficient	Hypothesis testing
H1: BS → WOM	0.618 (15.442)	Supported
H2: BI → WOM	0.405 (10.117)	Supported
H3: WOM → BL	0.598 (8.099)	Supported

Note: $p < 0.05$, $n = 120$

Mediation Effect

The mediating effect can be seen after adopting four steps procedures (Baron and Kenny, 1986). As a first step, the relationship between two independent variables and mediating variable will be examined. In the second step, the relationship between mediating variable and dependent variable will be investigated. At the third step, the contribution of independent variables to the dependent variable need to be seen. Finally, mediating variable is considered as one of the independent variables and be investigated of the contribution to the dependent variable. This analysis is given in Table 6.

Table 6 Mediating Effect

Independent Variable	Word of Mouth		Brand Loyalty	
	Model 1	Model 2	Model 3	Model 4
Brand salience	0.618 (15.442)		0.546 (5.587)	0.960 (5.832)
Brand image	0.405 (10.117)		0.183 (1.869)	0.454 (3.509)
Mediation effect				
Word of mouth		0.598 (8.099)		-0.669 (-3.068)
R ² (Adj. R ²)	0.913 (0.911)	0.357 (0.352)	0.478 (0.469)	0.517 (0.505)
Changes in R ²				0.039 (0.036)
F	$F_{2, 610.081}$	$F_{1, 65.587}$	$F_{2, 53.564}$	$F_{2, 41.415}$

In Table 6, the model 1 indicates that brand salience and brand image of Arugum Bay is significantly contributing to the word of mouth of the destination. As per the model 2, word of mouth about the Arugum Bay is influencing on the Arugum Bay brand loyalty ($R^2 = 0.357$, $p < 0.05$). The third model shows that brand salience and brand image of the Arugum Bay is significantly contributing to the brand loyalty of the Arugum Bay. The final model indicates that when the mediating variable word of mouth is added as one of the independent variable, the effect of brand salience ($0.546 \rightarrow 0.960$) and brand image ($0.183 \rightarrow 0.454$) on the brand loyalty of the Arugum Bay is increasing revealing the clear mediation of word of mouth. Further, the R^2 is also increasing from 0.478 to 0.517 and therefore, adjusted R^2 is also increasing by 0.036.

5. Conclusion, Managerial Implication and Limitations

The objective of the study is to understand the role of word of mouth within the customer based brand equity elements such as brand salience, brand image and brand loyalty of Arugum Bay as tourist destination among local tourists. This study finds that brand salience and brand image of Arugum Bay create the word of mouth among the local tourist visiting Arugum Bay. In the case of mediating role, the word of mouth is well mediating within the brand equity components. Therefore, destination marketers need to focus on making brand salience and brand image of the Arugum Bay and that will in turn generate word of mouth about Arugum Bay. This further enhance the brand loyalty of Arugum Bay. This is because of the fact that brand salience is a strength of the brand awareness of the tourist destination (Bianchi and Pike, 2011) and hence, brand salience need to be further established and will expressly lead to word of mouth of Arugum Bay. Brand image is also important to generate the word of mouth of the Arugum Bay among local tourists. In other words, destination marketers can further invest on the creation of brand salience and building up the image of the Arugum Bay that will definitely generate word of mouth and enhance the brand loyalty.

In order to create the brand salience of Arugum Bay, destination marketers need to look at what brand attribute of the Arugum Bay will easily influence on the tourists behavior. The choice of the destination by tourists is actually stimulated by relax and sensory gratification (Trembath, 2008). Relaxing environment and other enjoyments at Arugum Bay have to be promoted to among local tourists so that the destination Arugum Bay can be thought when people think of tourist attractions. Moreover, tourists need clean surrounding and clear beach, establishing resorts for tourists and special events should also be ensured to the people visiting the Arugum Bay. When the destination has improved facilities that will enhance the brand salience and also build brand image of the Arugum Bay.

This study is helpful to the policy makers of the Sri Lanka tourism in the way how the brand loyalty for Arugum Bay tourist destination is created and what the role word of mouth is playing within the customer based brand equity components. Further, destination marketers need to promote the Arugum Bay among the people outside of the East coast region. Accordingly, destination marketers can plan for strategic marketing of Arugum Bay. Resource allocation is an important to develop destination and therefore, how marketing resources can be apportioned to the Arugum Bay that leads to the Arugum Bay brand loyalty.

This study also supports to the Sri Lanka Tourism strategic plan in which the domestic tourism has been given an importance. Further studies need to focus on the customer satisfaction of the Arugum Bay including all facilities since there is a need for mapping of attributes which cause the experience and familiarity which is making up tourists satisfaction and brand salience Arugum Bay. This study can further extended to the international tourists as well.

The major limitation of the study is sample. Only 120 respondents were drawn among large number of local tourists. Thus, there may be a requirement to further confirm the results of this study.

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