

ENHANCING THE VISITOR EXPERIENCE A STUDY ON THE DIVERSIFICATION OF TOURISM PRODUCTS IN SRI LANKA

Wageesha Kalhari Moramudali

Faculty of Industrial and Vocational Technology, University of Vocational Technology,
Rathmalana
wageesha@univotec.ac.lk

Abstract

Purchasing a tourism product is different from purchasing a consumer good. Tourism product contains of attributes such as service, experience, persuasion, involvement, and most importantly revisit. Destinations are supposed to fulfill all those desires of each and every visitor. Eventually, needs and wants of visitors have shown dynamic changes due to competition among destinations. In today's saturated markets customers look for experience rather than destination driven products. The creation of experience should consist of entertainment, educational, aesthetics and escapist elements. Theoretically, a product has an s-curve with stages of growth, maturity, saturation and decline in sales and profits and it seems to hold true even for tourism products imposing that product development and new product innovations is important in tourism. Sri Lanka is marketed for nature based tourism, cultural tourism and historical tourism. In a highly competitive market those elements are not enough to stay competitive. Therefore, this research study intended to explore possible new product development for the tourism industry of Sri Lanka. The Quantitative approach has been employed in this research. 70 online questionnaires were administered to identify tourist satisfaction with regard to existing tourism products. Findings of this study revealed that the visitor satisfaction for activities for kids, organized excursions, traditional dance and music, and for contact with local communities is at a lower level. Following niche product developments are proposed to make tourism a larger contributor to the economy: Galle fort trishaw ride, temple stay, honeymoon packages, thatched houses and performance of traditional music and dance.

Keywords: creative Tourism, Destination marketing, product innovation

1. Introduction

Tourism plays an important role in the economy of countries like Sri Lanka, Maldives, and Thailand. Especially in developing countries national plans are developed to gain economic advantage from international and domestic tourism. Sri Lanka entered to the international tourism in 1970s(Laksiri, 2007). Over the last 40 to 50 years tourism industry in Sri Lanka had ups and downs. From late 90s to early 2000s the industry was struggling due to the civil war. The golden era for tourism in Sri Lanka started from 2010 just after finishing the civil war in 2009. The annual tourist arrivals in 2012 just exceed 1 million. Tourism which forms 0.6% of the total GDP of the country was one of the fastest growing sectors in the economy, growing by 39.8% in 2010. The government has set a target of receiving 4.5 million tourist arrivals by 2020. Sri Lanka as a tourist destination is benefiting from the country's natural advantage of having the highest bio diversity in Asia backed by a strong culture, historical artifacts, exotic beaches, green environment and friendly people all of which are solid building blocks for tourism development (Strategic Plan, 2017). More often Sri Lanka is branded as "historic", "cultural" and "natural" to become overcrowded. In a highly competitive market those elements are not enough to make lucrative markets. Individuals travel to destinations to visit attractions, to participate in leisure activities and to form vacation experiences resulting from their interactions in the place they visit(Wang, 2011). For that purpose, the destination has to make deep emotional and psychological response in

visitors as revisits and word of mouth advantage can be achieved. In the past the travelling purposes of hundreds of people were similar. Recently, the purpose of travelling has become vast and travelers have different preferences and purposes of visit. This has become a huge challenge to destination planners. If a destination got a wide range of tourist attractions it becomes the winning destination. Simply, more tourist attractions result in more arrivals.

People travel for a variety of reasons such as to escape, explore, participate, and understand. Therefore, tourism and hospitality providers have to identify their expectations and ways that can make a memorable and successful experience for tourists (Xu, 2010). Destination management often only advocates holistic tourism in the destination and minor opportunities for creative tourism are often neglected. Especially, Sri Lankan tourism planning and marketing are limited for traditional tourism products, meanwhile possibility to formulate new products from existing resources are not well recognized.

Attractions can be outstanding geological features, significant cultural monuments, important historical events; famous sites motivate people to become tourists. Without attractions, visitors have no reason to visit. Therefore, it is vital to assess a destination's attractions in order to identify potential markets. Tourism attraction and tourism products are often used interchangeably. An attraction is any object, place, person, or concept that draws people geographically so that they might have an experience. The experience can be spiritual, recreational or otherwise. An attraction is an outstanding example of resources which includes all kinds of elements. People divide attractions as cultural and natural. All tourism products begin with an attraction. An attraction should have easy access to draw people. Every visitor experiences activities in an attraction in different ways. Service is one of the most important components to offer great experience to visitors. Qualified people should be positioned in each attraction to offer great experience to visitors such as trained tour guides, drivers, police and etc. Every tourist product needs effective promotion to attract tourists (Stange, Brown, Hilbruner, & Hawkins, 2010). The tourism attractions of Sri Lanka can be identified in many different ways such as beach destinations, heritage attractions, casino and retail, national parks and bird sanctuaries (wildlife), shopping, and pilgrimage. The island of Sri Lanka contains a variety of beaches, surfing and diving sites. Sri Lanka has nine national parks and seven bird sanctuaries, with several endangered species. Sri Lanka also draws Hindu and Buddhist devotees for pilgrimages. Buddhist pilgrimage sites are located across the country. These sites are also recognized as historical tourist attractions. Most famous Buddhist pilgrimage sites are Adam's Peak, Tooth Temple (Kandy), Kataragama, cave temples, Anuradhapura and Polonnaruwa. The commercial capital of Sri Lanka Colombo offers entertaining activities such as shopping and casino. Currently, most tours ranging from 3 to 5 days involve visiting Kandy, Sigiriya, Anuradhapura, or Nuwara Eliya for world heritage sites and temples, and a visit to Bentota as a beach attraction, with entry and exit into the country from Colombo. In addition to the above mentioned destinations, the tours for a longer duration of 10-15 days include a visit to all or some of the following: tea factories in Nuwara Eliya, the beach in Trincomalee, beach in Galle, and a wildlife safari in one of the national parks. These are the forms of existing tourism products in Sri Lanka that have been marketed throughout the history of the tourism industry in Sri Lanka (Sri Lanka Tourism, 2018).

Attractions have different capacities and are gaining depending on their scale. The new product development and innovation in tourism is ignored due to the theme tourism. Especially in rural tourism development projects efforts are not made to develop new products. Unlike in the past, in the modern world tourists are searching for more interactive and fulfilling experiences rather than just being served by the travel industry (Tan, Luh, & Kung, 2014). Previous studies indicate that creativity should be an integral part of tourism since it has a

potential impact on generating economic impacts and on creating successful destination image (Lindroth et al., 2007). Developing new tourism products is not only increase the number of arrivals, but also it has many ripple effects such as making new employment opportunities, infrastructure development, and economic effects which improve the residents' quality of life. Most importantly it enhances the experience of visitors. Tourism is an important economic activity in many countries around the world. The main economic sectors of Sri Lanka are tourism, tea export, apparel, textile, rice production and other agricultural products. The contribution to economy of tourism can be divided into three main sections such as, direct contribution, indirect contribution and induced contribution. The total contribution of Travel & Tourism to GDP was LKR1405.4bn (11.4% of GDP) in 2016, and is forecast to rise by 5.5% in 2017, and to rise by 6.2% to LKR2686.2bn (13.5% of GDP) in 2027 (WTTC, 2017). Considering the economic impact of tourism industry Sri Lanka needs to move fast to make this sector a larger contributor to economy by innovating and developing new tourism products as global trends and visitor expectations are satisfied.

2. Objectives

The general objective of this study was to analyze the importance of developing new tourism products with existing resources in order to enhance the visitor experience in Sri Lanka. Following specific objectives were studied in this research:

- i. To assess to what extent visitors are satisfied with the existing tourism products in Sri Lanka.
- ii. To analyze the overall satisfaction of tourists on tourism related services in Sri Lanka
- iii. To propose possible new tourism products for enhancing visitor experience in Sri Lanka by looking at the creative tourism initiatives taken by other destinations.

3. Literature review

Purchasing a tourism product is different from purchasing a daily good. Tourism product contains attributes such as service, experience, persuasion, involvement, and most importantly revisit. Destination managers have to fulfill all those desires and needs of each and every visitor. In the past, destination management was barely showing something natural and something old to visitors. Over the past few years the consumer behavior and the needs and wants of visitors have been changed dynamically (Kotler & Armstrong, 2010). Tourism remains the fastest growing industries in developing countries like Sri Lanka. It is known that the industry provides motivation to growth in other sectors such as agriculture, transportation, retailing and manufacturing and is therefore seen as a key component of economic development. It plays a major role for the generation of foreign exchange which directly facilitates the improvement of foreign reserves of said economies. Similarly, the sector has shown greater improvements in employment generation, revenue adding to tourist sites, and increase in number of hotels and similar establishments and other tourism supply establishments (Ranasinghe & Deyshappriya, 2010). One of the major reasons for improving tourism in developing countries is multiplier effect of tourist dollar which means money paid for wages or in other ways is spent not once but sometimes several times for other items in the economy. Several models have been studied to identify the theoretical background of product innovation with regard to the tourism industry. Tourism Area Life Cycle (TALC) model has been widely used for destination development. TALC model suggested that many tourist locations lack the element of overall control (Wang & Pizam, 2011). This is useful when creating, maintaining, and renovating tourism products and image of destination. According to this model tourist destinations are supposed to be dependent on the overall

appeal of attractiveness of the destination to its markets and loss of this appeal could be caused by few factors such as changes in market, demographic characteristics, high price, loss of quality, and etc(Lagiewski, 2006). The process of this model is similar with the stages of product life cycle; beginning slowly, rapid growth and expansion of facilities, stable, and declining. There are six stages in TALC model. The first stage is exploration, characterized by a small number of tourists travelling independently, using existing facilities and causing little if any change in the community. The second stage is involvement, would see the early emergence of a tourist product with some local residents providing services and facilities for visitors. In the third stage development, the encouragement and growth of services and facilities would be undertaken on a larger scale, tourism would be regular. The fourth stage, consolidation, destination would be identified as a tourist Centre and the economy would be dependent on tourism. The number of tourists would be likely to have exceeded resident numbers and have reached their maximum growth rate. In the fifth stage stagnation, the decline of visitation growth would happen. In the absence of effective destination management destination would enter a decline of inbound tourists(Kruczek, Kruczek, & Szromek, 2018). According to the TALC model, the tourism industry of Sri Lanka is in between stages of development and consolidation. Thus tourism industry has to identify the new trends of market and create tourism products accordingly to stay competitive. To stay ahead of the competition, destination managers must constantly look for new product innovations.

The traditional product life cycle theory indicates that typically a product will have an s-curve with stages of growth, maturity, saturation and decline in sales and profits. This theoretical model seems to hold true also for tourism products which means that product development and new product innovations are highly needed. Improvements to an existing product can render that product so new as to make it seen by prospective purchasers as a genuinely new product, and if an existing product is launched to a new market or to other purposes, that product is also new for the customer (Komppula, 2001;Keller, 2013). Generally, tourism products are advances on and modifications of existing products. The fact that services are intangible makes it even more imperative for a new-product development system to have certain basic characteristics. The development must be based on objective data about customer perceptions and market needs. As mentioned in the introduction Sri Lanka has the second largest tourist arrivals in Asia following India. The tourist receipts in both countries are 22,4275and 3,518mn respectively in 2016 (UNWTO tourism highlights, 2017). Destination marketing has to be focused on tourists to open their wallets and spend more money during their stays in Sri Lanka. To increase tourist receipts the number of tourist activities should be increased.

In today's saturated markets customers look for experience rather than destination driven products. The creation of experience should cover elements including "entertainment", "educational", "aesthetic" and "escapist"(Weiermair, 2004). Inbound tourists have higher expectations when they come to country like Sri Lanka. Sri Lanka is located far beyond the Europe, America and Asia as well. The average nights of staying in Sri Lanka is 7 to 14 nights. During the long stay tourists expect more activities to participate and something different form their daily life. According to the Sri Lanka tourism development authority 74% of tourists find Sri Lanka for pleasure. The challenge of destination managers is to identify what exactly the pleasure means for visitors and offer more than their expectations. As in the service industry tourism products contains of intangibility which has higher risk to both consumers and sellers. Particularly for a destination it is crucial to make confidence in the mind of visitors. Destinations have to have overall attractiveness to keep visitors in touch. Usually, when a tourist purchases a product from a destination he/she does not purchase that

single item but also it involves attributes such as service, participating and retaining. Tourism products are “experience products”. When tourists make a decision to visit a destination far away from their home they make a commitment to have special experience and build memories upon it. To make a special place to visitors destination managers have to consider the customization of tourism products. Usually tourism depends on the places such as landscapes, heritage sites, national parks and so on. Tourism activity is not only showing them the sites but also it contains activities that visitors can participate. The tourism industry involves activities and features such as sporting, entertainment, cultural, adventure etc.(Decelle, 2004). There is an invisible war to attract tourists among countries. Sun and beach are promising destinations across the world. Especially most European tourists find tropical countries during the winter. Considering the tropical countries such as Philippines, Thailand, Malaysia, Sri Lanka, and Maldives all these countries have diverse culture, heritage, natural beauty and pleasant weather. Among them Thailand is ranked 9th most tourist arrivals in the world in year 2016 with more than 32 million visitors. At the same time, Malaysia exceeds 26million tourist arrivals in 2016 while Sri Lanka and Maldives just exceed 1million arrivals in 2016 (UNWTO, 2017). Considering above data it is clear that culture, heritage, and nature solely do not make a destination competitive and attractive towards visitors. Destinations need to go for creative tourism through innovation in order to be competitive and for survival. Destinations those responses to continuously changing needs of visitors are capable of offering ultimate experience for travelers.

4. Methodology

The Quantitative approach has been employed in this research. 70 questionnaires were administered to identify tourist satisfaction with regard to existing tourism products. The travel agent assistance was received for administering surveys. The survey instrument included Likert scale questions to explore factors that are being considered by visitors when making the decision to select their next destination. Furthermore, the survey addressed the satisfaction for existing tourism products in Sri Lanka with regard to selected tourism product categories.. Considering the visitor satisfaction for existing tourism products several new product recommendations were derived by looking at the potential resources in Sri Lanka. In the process of making suggestions success cases of other destinations were also used for benchmarking.

5. Results

Table 1. Sample Profile in Percentages

Age (years)	
15-19	0
20-29	48
30-39	26
40-49	26
50 above	0
Gender	
Male	46
Female	54
Party in group	
Alone	14
With partner	26
With Friends	31
With family	29
Length of holiday(nights)	

1-3	26
4-7	33
8-14	31
15 & above	10

As per the summary illustrated in the Table 1, 54% of participants of this study are males whereas 46% are females. Participants' age is ranged between 15 and 49 showing nearly half of participants in the age group of 15-19. Most of the participants travel with their friends and families. 33% of participants said that they stayed in Sri Lanka for 4 to 7 days whereas 31% of participants stayed in Sri Lanka for 8 to 14 days.

Table 2. Mean Perceived satisfaction on Tourism Products (n=70)

Tourism Product Category	Mean	Std. Deviation
Nature tourism	4.44	.605
Cultural Heritage tourism products	3.83	.932
Availability of cultural and religious events and festivals	3.69	.894
Opportunities for adventure and sports	3.90	1.04
Opportunities to visit indigenous communities	3.61	.952
Activities for children	3.40	1.244
Organized excursions	3.31	1.03
Contact with Local communities	3.56	.934
Availability of traditional dance and musical events	3.36	.952
Traditional cuisine and drinks	3.64	1.07
Availability of shopping areas	3.57	1.07

Table 2 represents eleven tourism product areas identified by extensive literature and perceived satisfaction towards them were measured by using 5 point Likert scale (1 being strongly dissatisfied and 5 being strongly satisfied). As per the findings of this study tourists have higher satisfaction towards nature tourism, cultural heritage tourism and adventure tourism in Sri Lanka. Tourists' perceived satisfactions towards availability of cultural and religious events and festivals, opportunities to visit indigenous communities, traditional cuisine and drinks and availability of shopping areas lie just above the mean satisfaction whereas availability of activities for kids, organized excursions, contact with local community and availability of traditional dance and musical events lie around the mean satisfaction.

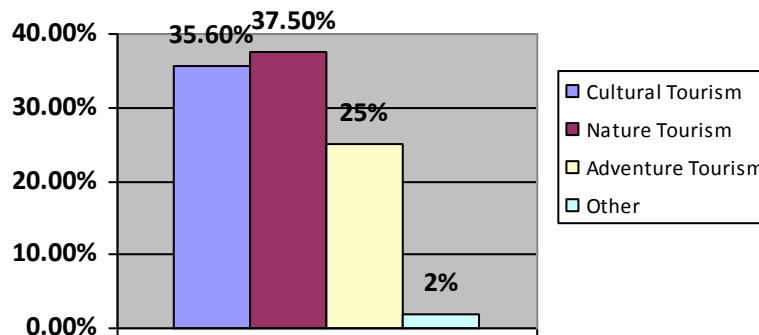


Figure 1. Preferred Type of Tourism

The tourists were asked to indicate their preferred type of tourism. The results indicated that majority selected nature tourism followed by cultural and heritage tourism and adventure tourism. This indicates that tourists have higher expectations towards nature tourism and cultural and heritage tourism when they make travelling decisions.

Table 3. Mean Perceived satisfaction towards tourism related services

Service Category	Mean	Std. Deviation
Transportation Facilities	2.24	.669
Availability of Rest Rooms	3.01	.732
Availability of Information desks, road signs and maps	2.74	.912
Hospitality of taxi drivers	2.61	.982
Hospitality at ticket counter	3.19	.856

This research study further requested the participants to rate their satisfactions towards highly required tourism related services. As Table 3 illustrates participants indicated their perceived satisfaction on transportation facilities, availability of rest rooms, availability of information desks, road signs and maps, hospitality of taxi drivers and hospitality at ticket counters in tourism attractions. It is revealed that tourists are dissatisfied on aforementioned services except hospitality at ticket counters and availability of rest rooms which lies around the mean satisfaction level. It is highly required to consider these tourism related facilities since they are highly related with the overall satisfaction on tourism products in a destination.

6. Recommendations and Conclusion

This research was aimed to explore possible new product development for the tourism industry of Sri Lanka so that visitor experience can be enhanced. The results of this study revealed that visitors have relatively low satisfaction towards availability of cultural and religious events and festivals, opportunities to visit indigenous communities, traditional cuisine and drinks and availability of shopping areas, availability of activities for kids, organized excursions, and contact with local community and availability of traditional dance and musical events. For that purpose, possible tourism products are proposed by studying the successive creative tourism initiatives taken by other destinations in the region. There are plenty of resources where it is possible develop new tourism products. Sri Lanka has the perfect climate around the year, natural scenic beauty, rich heritage, diverse religious and ethnic culture, and beaches. However, country does not seem to have an effective strategy towards creative tourism other than conventional positioning strategies. Creativity and innovation are seen as key components in destination management strategies (Lindroth et al., 2007). Creative tourism requires a fundamental shift in the creation of value from production to consumption and focuses on the active participation, involvement, learning, and absorption of tourists (Wattanacharoensil & Sakdiyakorn, 2016). Therefore, this type of tourism is expected to provide enhanced experience with special consideration to culture and authenticity of the destination (Richards & Raymond, 2000). Some new tourist products are suggested considering the success tourist product innovations in countries such as Malaysia, Singapore and South Korea.

6.1. Galle fort-trishaw ride

Galle fort is the largest construction remained in Asia built by European occupiers. Galle fortress was built during the Dutch Colonial era. The Galle fort is 2 ½ hours away from Colombo, capital. Malaysia has the same type of construction built by the Dutch occupier in Malacca which takes more than 3 hours from the Kuala Lumpur. Malaysia has created an impressive tourist attraction using Malacca effectively where they attract hundreds of

domestic and international visitors a day. There are numerous places to enjoy such as museum, street shops, and street guitar players. The best way to enjoy Malacca in a slow and laid back manner is trishaw ride. The trishaw can be rented on hourly or distance covered basis. These trishaws have their own decorations and music which take travelers to another end of entertainment. Not only the trishaw ride, but also visitors can purchase handmade jewelries, wood crafts, and souvenirs that reflect the Malaysian culture and tradition from the street shops. These street shops take more than 200m along either side of the road. Malaysia has created an impressive tourist attraction by commoditizing their cultural resources effectively. The Galle fort in Sri Lanka is situated faced to the beautiful beach where visitors can enjoy both beach and historical constructions. However, there is nothing attractive and colorful nearby this place. The Galle fort has potential resources to be developed as an attractive tourist destination through strategic planning. Formulating a tourist destination of bunch of products such as street shops, trishaw ride and diving boys is suggested. Thus, residents of destination can involve in those tourist activities which may increase the employment opportunities. On the other hand tourists can meet local communities in destination and run away from the tourist bubble.

6.2. Temple stay program

Unlike in other countries where tourism is believed, Buddhism is integrated in day today life of Sri Lankans which makes it more than a religion. There is a special culture in Sri Lanka which is formulated around the practices of Buddhism. The Buddhism of Sri Lanka is blessed with heritages such as ruins, temples, palaces, pagodas, and statues etc. Visitors can find a temple within every 200m or 500m in Sri Lanka. Although the Buddha's teachings have been known in countries throughout Asia for over 2,500 years, very few people in Europe or America would have known what the word 'Buddhist' meant unless they had been born in the last 50 years. Over a century ago people from France, the Netherlands, Great Britain, and other European countries began to travel in the Far East. Many of them returned with Eastern ideas, and so Europeans began to hear about Buddhism. As a respond to this trend South Korea introduced a program named "Temple Stay Programme" in 2002 when South Korea hosted FIFA world cup finals that took place in South Korea aiming thousands of foreigners visited during that time (Galmiche, 2010). Temple Stay is a cultural experience program designed to enhance the public understanding of Korean Buddhism which is open to everyone regardless of one's religious belief. A typical temple stay program entails an overnight stay at a Buddhist temple, and participation in such Buddhist rituals as "yebool" (ceremonial service), "Cham-Seon" (Zen meditation), and "Balwoogongyang" (monastic meal). Other experiences of Korean culture include "Thado" (tea ceremony) with monks, outdoor meditation, lotus lantern and prayer bead crafts, painting, folk games, hiking, etc. (Temple Stay, 2018). The government operates a websites where they offer all information about this program and visitors can register for this program as well. Currently, there are several meditation centers and monasteries in Sri Lanka. Giving special consideration to available Buddhist temples and related heritages in Sri Lanka there is a possibility to widen the range of such programmes. Tourism authorities have to be mindful to offer this type of programmes in English and other international languages as well.

6.3. Honeymoon packages utilizing the resources outside Colombo

It is highly required to have a plan to improve tourism activities outside the Colombo utilizing available resources. Sri Lanka is blessed with fine beaches, waterfalls, hill country tea estates, friendly people, delicious dishes, heritage sites and many more. Young couples travelling to Maldives via Sri Lanka. More than 1 million tourists visited Maldives in year 2016 (UNWTO tourism highlights, 2017). One of the main strategies of Maldives is offering special honeymoon packages with all-inclusive services. The best way to see the Sri Lanka is

by trains running around the country. Sri Lanka has rail way to hill country Kandy and also railway to Jaffa, Northern Province. It is possible to arrange visitor class seating in trains and train trips for foreign visitors as well as for couples coming for honeymoon. Packages may introduce for discounted prices and the promotion programs can be conducted through the airport and other regional visitor information centers.

6.4. Performance of traditional music and dance

Each region in Sri Lanka has inherited traditional dances and music practices. There are three main dancing types such as Kandyan dance, low country dance, and Samabaragamuwa dance. The three classical dance forms differ in their styles of body-movements and gestures, in the costumes worn by the performers, and in the shape and size of the drums used to provide rhythmic sound patterns to accompany the dancing. The music of Sri Lanka can be categorized into ancient folk rituals, music influenced from Buddhist religious traditions, European colonization and the modern music influenced by Indian culture especially Bollywood cinema. Currently, foreign visitors can enjoy these dances and music only during the Esela Perehera which is taking place in Month of July. In countries like Malaysia and South Korea they perform their traditional dances and music in well-known tourist destinations such as palaces, markets, streets and making ultimate entertainment. Such events not only produce entertainment but also those promote the culture of the destination. Such events have higher recalling ability even after visitors left that destination. Furthermore, result in higher word of mouth advantage. Most regions in Sri Lanka have cultural centers where they train traditional dance and music for teenagers. It is recommended for regional tourism bureaus to hire people from those institutions for performing at well-known tourist attractions such as Sigiriya, Galle, Kandy and Anuradhapura.

6.5. Thatched house accommodation

The traditional Sri Lankan houses are small temporary wattle and daub (stick and mud), thatched houses. Even in current days people from rural areas live in these types of houses. These thatched houses are cold and make perfect atmosphere to sleep avoiding hot weather. Especially rural areas nearby Sigiriya and Anuradhapura which are most visited sites, residents have huge area of land which they use to plant. Huge area of land is still remaining even after the plantation. The authorities can encourage residents to construct traditional houses which are not cost to build and rent them for visitors. This can be a solution for shortage of rooms and overpricing of five star hotels as well. The visitors can also experience authentic Sri Lankan culture and visitors get opportunity to contact with local communities as well.

The purpose of this study was to propose new tourism products that can be enhance the visitor experience in Sri Lanka. Sri Lanka is an Island where one can experience beaches, 2500 of Buddhist oriented culture, and meet hospitable people. In order to move fast to make tourism a larger contributor to economy Sri Lanka needs to focus on its strengths and come up with innovative and creative tourism product initiatives despite of conventional tourism strategies. From a practical perspective, this study presents several tourism product initiatives that can be implemented in order to enhance the visitor experience in Sri Lanka. This may help the policy makers and practitioners for developing creative experiences to ensure that wide array of needs of visitors are met.

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EVALUATION OF SOCIAL MEDIA MARKETING STRATEGIES OF MAHARASHTRA TOURISM DEVELOPMENT CORPORATION (INDIA) FROM THE TOURISTS' PERSPECTIVES

Harshada Satghare^a and Madhuri Sawant^b

^a Research Scholar, Department of Tourism Administration, Dr Babasaheb Ambedkar Marathwada University, Aurangabad (MS), India;
harshada.satghare@gmail.com

^b Assistant Professor & Coordinator, Research & Consultancy Cell, Dr Babasaheb Ambedkar Marathwada University, Aurangabad (MS), India;
drmadhurisawant@gmail.com

Abstract

Maharashtra is an important tourism state in India. With the increasing importance of social media marketing, Maharashtra Tourism Development Corporation, the destination marketing organisation of the state, is taking serious efforts to utilize this unique medium for successful promotion of tourism on international level. Here, the paper aims to evaluate the social media marketing strategies of MTDC through user judgment approach. After extensive review of literature, the researcher has proposed the instrument to measure the performance of the social media marketing strategies for destination promotion from tourists' perspective. The developed instrument measured the performance on the basis of 3 critical success factors: Variety of contents and Quality of contents. Reliability and validity tests applied, confirmed the usefulness of the instrument. Tourist ratings (collected from 300 respondents) have made the researcher to understand the preferred attributes for social media marketing. "t test" was used for data analysis. The findings revealed that there is a huge gap (significant difference) between the importance and performance of various identified attributes. Therefore, constructive suggestions were given for improvement of the identified critical success factors. The findings are helpful for DMO to acknowledge online information preferences and E-consumer behavior.

Keywords: Social media marketing strategies, DMO, Maharashtra Tourism Development Corporation (MTDC), India.

1. Introduction

Maharashtra State, which came into existence in the year 1960, is one of the most progressive states in India. Along with agriculture, it is known as industrial state and its capital, Mumbai is the economic capital of the country. It is a leading tourism state of India, which ranked second in foreign tourist arrivals and sixth in domestic tourist arrivals in the country (MoT GoI, 2016). The state is blessed with numerous tourist products, including 5 world heritage sites (Ajanta cave, Ellora cave, Elephanta caves, Chhatrapati Shivaji Terminus and Western ghats), 720 km of coastal line, well-known tiger reserves, Lonar crater (third largest crater in the world) and many other cultural and natural tourism products.

Maharashtra Tourism Development Corporation (MTDC) is the official Destination marketing organisation (DMO) for promotion of Maharashtra tourism in the world. Established in the year 1975, the agency is utilizing diverse marketing tools, ranging from traditional media to modern marketing channels like internet. Nevertheless earlier research have highlighted 'lack of information availability' and 'ineffectiveness of marketing strategies' as the impediments in satisfactory tourism marketing of the state (Joshi, 2014; Thadani & Roy, 2017; *Tourism*, 2014). Further no visible research literature is found related to internet marketing of such crucial tourism state of the country. Thus the present research is a sincere attempt to fill the research gap by evaluating social media strategies of Maharashtra state.

To achieve the research goal, the researchers have measured the gap between importance and performance of various critical factors related to social media marketing by using developed instrument. The output of the study successfully provided the insights on online consumer behavior and discussed the suggestions for improvement of online marketing of Maharashtra.

2. Review of Literature

2.1 Evaluation of Social media strategies:

In recent years, internet has become the most prominent source of information among the tourists (Celik & Caylak, 2015; Tanrisevdi & Duran, 2011; UNWTO, 2008) because of ease of use, interactivity, (disintermediation) no-need of intermediary, and flexibility offered by web-based interfaces (Ayeh, Leung, Au, & Law, 2012; Bronner & Hoog, 2016; Eduardo Parra-López Desiderio Gutiérrez-Taño, Bulchand-Gidumal, & Ricardo J. Díaz-Armas Jacques, 2016; Li, Robinson, & Oriade, 2017). Destination Marketing Organisations (DMOs), the organisations responsible for the marketing of destinations (ETC & UNWTO, 2003; Elbe, Hallén, & Axelsson Björn, 2009; Pike, 2004), have turned to online channels to cope up with rising new behaviors among users (Ruelnovabos, Matias, & Mena, 2015).

With the emergence of web 2.0, the earlier world of static web 1.0 (Mariani, Di Felice, & Mura, 2016; Mistilis & Buhalis, 2012), switched to dynamic and interactive world of internet. The term Web 2.0 was coined by Tim O'Reilly in 2004 (O'Connor, Wang, & Li, 2011b). It revolutionized the use of Internet (Crespo, Martín, & Mogollón, 2015) by offering a wide range of electronic applications, which enabled user to participate and co-create the web contents. It is people-centric phenomenon which facilitates interactions among users and companies about products and services by using different platforms like consumer review sites, blogs and social networking sites etc. (Crespo et al., 2015; Kerkhof & Beukeboom, 2015). Social media blurred the line between the content creator and content audience. It resulted into the development of new two way media channel for marketers i.e. "social media".

The concept of Social media is defined by many scholars in different manner indicating that it is a group of internet-based application that utilize web 2.0 as its development platform, allowing users to create, share, participate and exchange ideas, thoughts, experiences and information and enable dissemination of this user generated contents (Cabiddu, Carlo, & Piccoli, 2014; Chung & Koo, 2015; Constantinides, 2014; Hays, Page, & Buhalis, 2012; Roque & Raposo, 2016). Roque & Raposo (2016) illustrated that social media has transformed the customer from passive receivers of company's messages to active creators who easily contribute their creations to internet. Therefore, now, in tourism industry, not only destination marketers but also tourists can paint the real picture of the destination. These empowered customers look to web to obtain a wide variety of information on holiday travel, use the experiences shared by others, share their own experiences, buy travel – related services etc, by using variety of devices like PC, Smartphone, tablets etc.(Eduardo Parra-López Desiderio Gutiérrez-Taño et al., 2016; Roque & Raposo, 2016). Numerous studies have supported the significance of social media in tourism and hotel sector (Yoo & Lee, 2015). Thus ultimately social media has forced companies to switch to co-creative marketing strategies from earlier push marketing (Constantinides, 2009; Hays et al., 2012; O'Connor, Wang, & Li, 2011). As a result, the widespread use of Web 2.0 applications generated radical changes in tourism destination promotion (Roque & Raposo, 2016) by broadening marketing horizon (O'Connor et al., 2011b).

In tourism industry, the ultimate goal of DMO is to develop and promote the destination through the coordination and management of essential activities, such as financing, strategic planning, marketing, decision-making, and destination product development (UNWTO, 2010). Adding to the point, many studies annotated ‘cost effectiveness and global reach of the social media with limited resources’ is highly important benefit of social media to DMOs at a time when public sector cuts in their funding in the marketing budgets (Chung & Koo, 2015; Hays et al., 2012; Mariani et al., 2016; Yoo & Lee, 2015). This state of affairs has pushed many DMOs to turn to social media as a marketing tool. Accordingly, nowadays, it is an unavoidable element of marketing strategy of these destination marketing agencies.

As the revolution has just started, tourism organizations are still experimenting with creative as well as basic use of social media as a marketing tool (Uşaklı, Koç, & Sönmez, 2017). To get clear picture of benefit (i.e. Return on Investment) of this media over traditional media there is a vital need to monitor, evaluate and benchmark the marketing performance against agreed objective, KPIs and targets (Constantinides, 2009; Id, Type, Annual, & Anzmac, 2009). Alan Stevenson and Jim Hamill (2012) elucidated that there are over 200 different Social media monitoring tools available, ranging from very sophisticated but expensive solutions to no or very low cost tools which can often provide a ‘good enough’ service for small tourism and hospitality businesses. Thus there is a dire call for changing the untailed mindset of DMOs towards social media (Hamill et al., 2016).

Therein, the literature brings to the notice that the topic is under-investigated and hence there is need of comprehensive understanding of use and efficacy of social media by DMOs (Alizadeh & Isa, 2015; Ayeh et al., 2012; Mariani et al., 2016; O’Connor et al., 2011b; Xiang & Gretzel, 2010). Generally research areas related to social media includes its use by tourism organization, impact on decision making (Bizirgianni & Dionysopoulou, 2013). But earlier literature has highlighted the gap related to use of social media by DMO. Moreover, there is no visible literature related to study of perceptions of tourists about social media strategies of DMOs.

Further, the research study on social media usage among DMOs of Asian region is very scant (Shao, Davila Rodriguez, & Gretzel, 2016) except a study conducted by Roque & Raposo (2016) analysed Facebook usage of Malaysian DMO. Over and above, very limited research is done on the area of Indian tourism industry. Few research studies analysed the use of social media by tourists in tour planning phase. The study conducted by Ministry of Tourism & Government of India (2017) found that 89.30% potential tourists had explored social media to get more information related to India while planning their trips. Another study on the similar line was conducted by Kumar & Abraham (2014) to understand how tourists accessed information about India. Regrettably it was found that neither India’s destination gets properly advertised on social media nor does the government leverage social media tools to attract more footfalls. Therefore, these studies recommended enhancing the presence of India as a tourist destination on social media platforms which will facilitate the online explorers. However, there is no noticeable research study found on the topic related to use of social media by DMOs of India.

2.2. Social media marketing strategies of Maharashtra tourism:

Being an important tourism state in the country, Maharashtra receives 20% of foreign tourists visiting India. In this vein, the State tourism policy 2016 of Government of Maharashtra aims to promote the state as ‘Numero Uno’ destination wherein the state will offer vast experiences on global, regional, and local best practices and standards. The research studies conducted on

the marketing strategies of Maharashtra tourism highlighted the weaknesses of lack of visibility in marketing campaign (“Maharashtra Tourism SWOT Analysis , USP & Competitors,” 2017). It also lacks in proactive information strategy to attract tourists at decision making point due to the ignorance towards the study of consumer behavior related to online information search and purchase of products (*Tourism*, 2014).

The present State tourism policy of Government of Maharashtra (2016) aims to develop an integrated 360 degree marketing plan targeting new audience through social and digital media. Accordingly, the interview of officials conducted by the researchers on 23rd February 2016 revealed that Website and social media marketing have been prioritized by MTDC. Presently MTDC is emphasizing on the use of social networking sites like facebook, twitter, instagram etc. for promotion of Maharashtra.

Table 1: Social Networking sites used by MTDC

Sr. NO	Platforms	Date of Joining	Username / Account name
1.	facebook	2012	Maharashtra Tourism Development Corporation Ltd (MTDC)
2.	Twitter	2011	Maharashtra Tourism
3.	Youtube	2014	MTDC
4.	Instagram	NA	MTDC_official

Unfortunately, review of literature, interview of official and researcher’s observations revealed that till date the effectiveness of these strategies was not evaluated through the online / offline survey of the tourists / users. Further absence of specialized manpower and standard procedure for social media marketing are the weaknesses of the organizations. Furthermore, no study has been conducted on evaluation of the social media strategies of the state. As a response, the present research study is a genuine attempt to fill the research gap by investigating the perceptions of tourists about the importance and performance of different contents of social media marketing of Maharashtra state. The developed framework measures its performance from user’s perspective which will be helpful in understanding user satisfaction and perception.

3. Research Methodology

The objective of this research paper was to evaluate the social media strategies of Maharashtra state from the perspectives of the tourists. For that, following null hypothesis have been proposed:

H₀: There is no significant difference between the mean value of importance of the attributes of social media marketing and the mean value of performance of these attributes.

Primary data have been collected from the tourists visiting the state. Three world heritage sites located in the Maharashtra state, namely Ajanta caves (Aurangabad), Ellora caves (Aurangabad) and Elephanta caves (Mumbai), were selected purposively as sample destinations. From each site 100 respondents were selected by using simple random sampling, forming sample size of 300 tourists.

3.1 Design of Instrument

In this vein, the first step while developing the tool was to generate an all-inclusive list of important attributes related to social media marketing by digging into the main body of the relevant literature. These items were later grouped together to represent two different

categories. Thus the researchers have attempted to propose the comprehensive tool that uses a combination of attributes identified by prior studies as important attributes or critical success factors for social media or for quality of destination information. The observation of the researcher, discussion with experts and earlier literature highlighted variety of contents that could be posted. These are as follows:

Table 2: The list of factors and contents

Sr. No	Factor	Contents
1	Type of the Content	Text, photos, videos, links, events, announcements
2	Quality of the Content	Accuracy , Timely and up-to-date information, Easily understandable information, Creative or attractive contents, Interactive contents, Informative contents, Engaging contents, entertaining contents, Active presence/ consistency, Promptness in responses to online queries / comments

3.5 Measuring the Performance

Here, the proposed scale is based on user judgment that means the ratings are taken from tourist for each attribute on two 5- point Likert scales : Scale of Importance (1- Not at all important, 2- somewhat important, 3 - important, 4- very important, 5 – most important) and Scale of Performance (1- Poor, 2- fair, 3- good, 4- very good, 5- excellent). Thus User ratings have made the researcher understand the important factors of social media. This understanding helps researchers to measure the performance gap. The gap is measured statistically by comparing the difference between the mean value of importance of attribute and mean value of performance of attribute by using Paired ‘t’ test.

4. Data Analysis

4.1 Verifying instrument validity

The face validity of the construct was performed with the help of eight experts (researchers from tourism fraternity). They were asked for their opinions on the suitability of the questions. To resolve the ambiguity raised by experts about few sentences and words, some of them were replaced and for few of them explanations were provided. Thus the face validity of the construct was deemed acceptable. Further, Reliability test and Confirmatory Factor Analysis (CFA) were performed to ensure the reliability and uni- dimensionality of the scale. Reliability is defined as ‘the extent to which an individual answers the same question in the same way each time’, which is assessed using Cronbach’s alpha. Uni-dimensionality refers to ‘the extent to which indicators are strongly associated with each other and represent a single construct’ (Ruelnovabos et al., 2015). The pilot survey was performed at one of the sample destination i.e. at Ajanta caves, Aurangabad with the sample of 100 respondents. The result of the Chronbach test produced the alpha value of 0.955 (> 0.7) which indicates very strong reliability of the scale and confirms that there was no need to remove any item. Next, Principal Component Analysis (PCA) with varimax rotation was done to reaffirm the uni-dimensionality of the scale. PCA explores the underlying dimensions of each item in order to reduce the number of items into related clusters (Ruelnovabos et al., 2015). According to Kaiser (1974), Kaiser-Meyer- Olkin (KMO) value exceeding the cut-off value of 0.50, indicates a desirable sampling (cited in Pan, Zhang, Gursoy, & Lu, 2017). Here, the (KMO) value was 0.823, indicating a desirable sampling. The Bartlett's test of Sphericity was significant ($p < 0.001$), indicating sufficient correlations among selected variables.

First, the Kaiser criterion for factor extraction was used. According to the criterion, factors with eigenvalues less than 1.0 are rejected. Based on the analysis, only two factors had eigenvalues greater than 1.0. These factors explained 78.12% of the variance in the data, which is also a good sign. Next, a scree plot was generated and examined. As a rule of thumb, factors to the left of the inflection point or elbow are accepted. In the scree plot, the inflection point was seen on the third factor, hence only the first three factors were accepted and retained.

The factor loadings are shown in Table 3. It confirms the groupings showing that Factor 1 is Quality of Contents, comprises Accuracy, Timely and up-to-date information, Easily understandable information, Creative or attractive contents, Interactive contents, Informative contents, Engaging/ entertaining contents, Active presence/ consistency and Promptness in responses to online queries / comments and Factor 2 i.e. Type of Content which is explained by Textual information of tourism products, Photos of tourism products, Videos of tourism products, Links of the related contents/ blogs of tourism products, Reviews / experiences / feedback by actual tourists and Official announcement/ news of the organisation.

Table 3: Result of Factor analysis

SN	Items	Factor 1 Quality of contents	Factor 2 Type of Content
1.	Textual information of tourism products		.760
2.	Photos of tourism products		.870
3.	Videos of tourism products		.817
4.	Links of the related contents/ blogs of tourism products		.637
5.	Reviews / experiences / feedback by actual tourists on		.834
6.	Official announcement/ news of the organisation		.773
7.	Accuracy	.640	
8.	Timely and up-to-date information	.889	
9.	Easily understandable information	.915	
10.	Creative or attractive contents	.933	
11.	Interactive contents	.916	
12.	Informative contents	.807	
13.	Engaging/ entertaining contents	.886	
14.	Active presence/ consistency	.846	
15.	Promptness in responses to online queries / comments	.901	
	Eigen value	9.436	2.282
	Variance	46.814	31.307
	α	0.968	0.904

While conducting the survey, tourists who have visited the official social media pages of MTDC were asked to rate the importance and performance of listed attributes. Regrettably, it was a tiresome task as a very less number of tourists have visited these pages and it was a major hurdle to achieve the target sample size. After extensive survey, 289 usable questionnaires were found.

Table 4: Result of Paired t test

Factor	Attributes	Mean values		Sig.
		Importance	Performance	
Quality of Information	Accuracy	3.4607	2.5179	0.000
	Timely and up-to-date information	3.6036	2.5321	0.000
	Easily understandable information	3.6536	2.6750	0.000
	Creative or attractive contents	3.5679	2.6857	0.000
	Interactive contents	3.5857	2.6821	0.000
	Informative contents	3.6393	2.6536	0.000
	Engaging/ entertaining contents	4.3679	2.6500	0.000
	Active presence/ consistency	3.6000	2.6893	0.000
	Promptness in responses to online queries / comments	3.5286	2.3714	0.000
	Textual information of tourism products	3.3429	2.7857	0.000
Type of Contents	Photos of tourism products	3.5071	2.8571	0.000
	Videos of tourism products	3.4179	2.7643	0.000
	Links of the related contents/ blogs of tourism products	3.3000	2.5607	0.000
	Reviews / experiences / feedback by actual tourists	3.5679	2.5821	0.000
	Official announcement/ news of the organisation	3.4536	2.6321	0.000

The survey revealed (table 4) that there is a huge gap (significant difference) between the importance and performance of various factors of social media strategies. Hence, the null hypothesis (H_0) is rejected and alternate hypothesis; 'there is significant difference between the importance of various factors of social media strategies and their performance' is accepted. It suggests that MTDC should focus on improvement of their strategies.

5. Conclusion and Scope of Future Research:

Social media is thriving component of internet marketing and it plays crucial role in improving destination competitiveness in the world. Therefore DMOs are exploring their available resources and taking efforts to reap optimum benefits of this promising destination marketing strategy. Review of literature revealed that there is miniscule research work done on the online marketing initiative of Indian tourism industry. Adding to the point, there is no visible research done on area of performance/ effectiveness measurement of social media marketing strategies of Maharashtra state, a leading tourism state in the country. For measurement, the researchers have come up with the tool, based on exhaustive list of identified critical success factors of social media marketing of tourism destination. The scale measures performance on the basis of 2 critical success factors, namely Quality of information and type of content.

Evaluation of the social media strategies utilized by MTDC, which includes application of social networking sites only, demonstrated under-performance and under-utilization of the medium. There is a huge gap between the expected performance and actual performance of these strategies. The highest importance rating was achieved by 'engaging and entertaining contents'. It illustrated that tourists expect that DMOs should post such kind of contents which will encourage tourist engagement and entertain tourists. The earlier literature has also

supported the similar consumer behavior. DMOs should use social media platforms, especially social networking sites, for competitions, quizzes, gamification of products which will improve user engagement and ultimately contribute towards strengthening destination brand and loyalty. Further tourists expect that the contents should be informative, easy to understand and up-to-date.

Active presence and promptness in response greatly affects effectiveness of social media strategies. Unfortunately, MTDC received the lowest performance ratings for both the qualities. The researcher observed that MTDC generally posts 3-4 posts during the one week which are mainly announcements or news related to the organization rather than destination information. MTDC should identify the motto social media pages, whether it is for promotion of state tourism or for the promotion of organization.

The type of content which is the most important for tourists in tour planning phase is reviews / experiences / feedback by earlier tourists. MTDC received very poor performance rating for the same. In this vein, DMOs should encourage user to generate contents about the destination. Thus, Social media pages should act as platforms for tourists to interact with the DMO or to write and share their photos, videos, experiences, reviews etc. It will lead to improve user engagement. Though earlier MTDC has implemented few such kind of initiatives, like “Selfi at MTDC resort”, now they should come up with few innovative and creative ideas like Kerala tourism which come up with online bidding war through their facebook page. It is organized every year. In this manner, MTDC should plan such things periodically.

Other important and attractive contents are photos, videos and official announcement. In a nutshell, there is a dire need to refurbish social media strategies of MTDC. In this rapidly changing technical environment, MTDC should think about innovative and creative online promotional techniques, so that, these social media will act as interaction platform for industry stakeholders including users, tourists, private tourism organizations and local community. Regular online and offline assessment of social media strategies by users and experts must be performed to maintain the destination competitiveness and online destination brand.

At the last, further study of themes of contents published by the organisation could add great insights. Comparing these strategies with other national or international best practices like Kerala or visit England will be helpful in obtaining more diverse and thorough knowledge and ground-breaking ideas for the best possible use. Study of relationship between demographic profile and user ratings can assist destination promoters in understanding the Customer Personas to design personalized and tailored strategies for different markets.

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INNOVATION OF ECONOMIC SUSTAINABILITY AND ITS MEASUREMENT IN HOTEL INDUSTRY

Zuzana Tučková^a, and Zuzana Vaculčíková^b

^aTomas Bata University in Zlín, nám. T.G. Masaryka, Zlín
^atuckova@utb.cz

^bTomas Bata University in Zlín, nám. T.G. Masaryka, Zlín
^bvaculcikova@utb.cz

Abstract

High competitiveness in tourism businesses puts a pressure on solving and improving financial results. One way how to reach economically stable tourism business is to concentrate on sustainability and its integration into planning and policy. By integrating sustainable elements, tourism businesses may be considered innovative and more competitive in the eyes of their clients and it can be helpful for the management, too. Thus, tourism management should solve innovation, competitiveness and sustainability in order to benefit tourism economy. The aim of this paper is to determine the relevance of the economic sustainability in the hotel industry in chosen region in the Czech Republic and to clarify indicators to monitor economic sustainability in the field of hotel facilities as a possible innovative element of economic side of hotels. Methodologically, Delphi study is used to gather opinions on economic sustainability and its measurement in the chosen hotels in the Czech Republic.

Keywords: competitiveness, economic sustainability, innovation, hotel, measurement

1. Introduction

Globalisation and its impact on travelling has influenced the form of supply and demand side which resulted in growing tendency of businesses to solve sustainability. As a result, globalisation has caused higher pressure on small and medium-sized enterprises in tourism in the big competition world (Smeral, 1998). Competition of destination or tourism industry is important also for single enterprises (e.g. hotels) because without competitiveness, it would be difficult for them to attract international visitors. (Crouch and Ritchie, 2003) This is especially true for destinations where tourism is the main source of income. In order to ensure long-term development and face the challenges in tourism, tourism businesses should integrate sustainability into planning and policy not only for reaching competitiveness but also to boost employment and social cohesion as “economic, social and environmental sustainability are key factors for the competitiveness of destinations and the welfare of their populations”. (Castellani and Sala, 2009, p.18) As it was already mentioned, destinations and tourism businesses should gain competitive advantage in order to attract tourists and this is possible through innovation since “innovation is linked to competitiveness in that innovation is necessary for maintaining competitiveness in an industry and competitiveness is a requirement for maintain or improving market standing.” (Artal-Tur and Kozak, 2015, p.19). Moreover, tourism is characterised as a part of the economy of experiences (Nagy and Piskóti, 2016) where according to Boswijk et al. (2005) the innovation has an important role. As stated by Nagy and Piskóti (2016, p.75), “culture, innovation and spatial development go hand in hand in creating tourism experience”. Even though, tourism product is connected with providing experiences more than with particular service (Najda-Janoszka and Kopera, 2014), however, reaching competitive advantage and sustainable growth is not only about innovative experiences but it is necessary to monitor also economic and financial perspective of tourism businesses and destinations. Hence, their

competitiveness should be measured also by “efficiency in resource allocation which produces long-term economic prosperity” (Hong, 2008, p. 46). As a matter of previously mentioned, this paper concerns innovation of economic sustainability that is not a subject of a lot of studies within tourism industry with the emphasis on hotel businesses. The study is held in the chosen region of the Czech Republic and its aim is to analyse the relevance of the economic sustainability in the hotel industry in chosen region in the Czech Republic and to clarify indicators to monitor economic sustainability in the field of hotel facilities as a possible innovative element of economic side of hotels.

2. Literature review

2.1. Interconnection between innovation and sustainability

Generally, innovation is characterised as “a new idea and its implementation into a new product, process or service, leading to the dynamic growth of the national economy and the increase of employment as well as to a creation of pure profit for the innovative business enterprise.” (Kuniyoshi, Child and Kagano, 1988, p.3). From the definition of innovation, one can observe its interconnection with economic growth as a main outcome of innovative process. This may be due to the fact that investments in innovative solutions may develop new technologies that can support sustainable development in any area of business (Commission of the European Communities, 2001) and reaching sustainability goal then leads to dynamic growth. To support this, innovation and entrepreneurship, according to Lisbon Agenda, should be taken into consideration as two key elements for defusing sustainability demands (Wagner, 2017). Innovation processes and its importance in sustainability of businesses was proved also by the global executive study of Kiron et al. (2013, p. 69) where “37% respondents of their survey from 2012 say their organizations profit from sustainable activities and 63% of those respondents say their organization has changed its business model in response to sustainability.”

Both of these concepts have few things in common when resulting from the definition of innovation:

- economic concept (in sustainability, not only economic concept is important but also social and environmental);
- long-term process;
- desire for growth or profit in market economy. (Kuniyoshi, Child and Kagano, 1988)

When interconnecting economic sustainability and innovation, one should bear in mind that dominant is process innovation as cost and productivity are more important than focusing on competitive advantage. (Kuniyoshi, Child and Kagano, 1988) Regarding the combination of sustainability and innovations, it “is indispensable to realize new combinations, which can lead to an innovation process tackling the current sustainability challenges.” (Stock et al., 2017, p. 217) According to Stock et al. (2017), the combination of innovation and sustainability resulted in three terms:

- Sustainable innovation – “Sustainable innovations not only comprise the environmental dimension but also economic, social and institutional aspects. They improve the realization of the aims of a sustainable development and represent a subset of all innovations” (Horbach, 2005) The focus of this sustainable innovation is nowadays concentrated to solutions and systems rather than products. (Murto, 2011)
- Sustainable-driven innovation – “the creation of new market space, products and services or processes driven by social, environmental or sustainability issues” (Little, 2005).

- Eco-innovation – “Any form of innovation aiming at significant and demonstrable progress towards the goal of sustainable development. This can be achieved either by reducing the environmental impact or achieving a more efficient and responsible use of resources.” (European Commission, 2015)

2.2. Innovations in tourism

Tourism as a phenomenon defined by immense innovativeness (Hjalager, 2009) is a topic of many practical and theoretical works. The theme of innovation in tourism used to be “a matter of limited research and political consideration” (Hjalager, 1997, p.35). This is confirmed also by Halkier, Kozak and Svensson (2013) who claim that tourism innovation is not a widely discussed topic. A fact that there is little knowledge about innovating in tourism may be caused by a lot of barriers such as lack of flexibility, lack of financial capital, weak management willingness to change, human resources barriers, protection of innovations or technical support (Najda-Janoszka and Kopera, 2014). However, nowadays, the issue of innovation in tourism is more elaborated. The main aim of innovation processes in tourism is to increase productivity, profitability and quality which means to concentrate on competitiveness of tourism economy. In more than any other business, tourism requires new trends, modern approaches and because of more demanding clients, it requires also development of new basis of tourism and new destinations. (Dias et al., 2018) This is proved also by other works on competitiveness and its connection to tourism innovations (e.g. Ionica, 2010; Hjalager, 2002; Parera et al., 2012) This is so because “innovation is one of the main determinants of competitiveness” (Orfila-Sintes and Mattsson, 2009, p.380). In the past, economics was based more on comparative advantage such as labour or production resources whereas now its concentration is on knowledge, developed infrastructure, technology and innovation. Thus, entrepreneurship in general shifted from the creation of profits and risk-taking policy to reduction of unemployment and highlighting competitive advantage. (Sladoljev, Sisara and Kardum, 2014) In other words, technology-based economy defined by industrialism has changed to a service economy regarding knowledge as a central source of innovation. (Hipp and Grupp, 2005).

The size of tourism businesses is an important determinant of implementing innovations because it represents one of the barriers that should be overcome. (Najda-Janoszka and Kopera, 2014) Some companies or its stakeholders regarding the major tourism companies such as e.g. the Hilton hotel chain or Disney World have stronger innovation capabilities than small and medium-sized enterprises that represents the core of local destinations and struggle with innovations. (McPhee, Guimont and Lapointe, 2016). In tourism sector, larger businesses tend to more likely accept changes and innovations than the smaller enterprises. This is due to the fact that larger enterprises are willing to implement new ideas much faster and smaller enterprises follows innovations only after they see innovations and particular investments are realizable. (Hjalager, 2002).

As stated in Hjalager (2002, p. 466, 467), Abernathy and Clark (1985) developed a model of innovations applied to different sectors and also to tourism. It includes four different types of innovations, namely:

- “Regular innovations: e.g. new investments in larger structures, internal training of personnel, upgrading quality standards (classification of hotels), approaches to new markets with the same methods and products

- Niche innovations: franchiser or foreign investors entering the tourist sector as a supplement to existing companies, establishment of marketing alliances, new combinations of existing products in new ways
- Revolutionary innovations: diffusion of new technology in enterprises, introducing new methods that shift composition of staff, attachment to the same markets but with new methods
- Architectural innovations: creating new events and attractions that demand a reorganisation, redefining the physical or legal infrastructure, creating of other ways of accessing knowledge in centres of excellence.”

When we concentrate especially on hospitality sector, as said by Ottenbacher and Gnoth (2005), the research on innovation in hospitality is lacking, however in recent years few studies are devoted to innovations in hospitality (e.g. Trojan et al., 2014; Bilgihan and Nejad, 2015; Diaconu and Dutu, 2017; Horng et al., 2018) The shift in research of innovations in hospitality sector is caused by the changes in the economic and social environment that has caused the emergence of new aspects within the hospitality services. (Diaconu and Dutu, 2017) According to Langvinienoa, and Daunoravijntob (2015), innovation in hospitality industry is one of the key factors that can improve service quality, reduce costs and generally gain competitive advantage. Mostly, with regard to hotels, literature mentions innovations in information technologies that are helpful in increasing the competitiveness of companies and simplifies the communication between the hotel, its customers or suppliers. (Orfila and Mattsson, 2009).

3. Methodology

The aim of this paper is to determine the relevance of the economic sustainability in the hotel industry in chosen region in the Czech Republic and to clarify indicators to monitor economic sustainability in the field of hotel facilities as a possible innovative element of economic side of hotels. This will be achieved by qualitative method through Delphi study. In qualitative research, the nature of the problem, the causes and the attitudes of the respondent are examined. Research is carried out on a smaller number of samples and its results are generalized. (Gúčik, 2011) Phillimore and Goodson (2004) use qualitative research directly in tourism and they argue that this type of research has an excellent potential for collecting data about activities, events and behaviours to achieve understanding of individual processes on a social scale. Therefore, this type of research was applied also in this study. As a form of qualitative research, Delphi study technique was applied and by which we were able to gain trustworthy views of a group of tourism experts through an intensive mixed questionnaire survey that had in this case two rounds. The application of the Delphi method to research should not be perceived as the main tool of research but as supporting and expanding method that gains reliable research opinions towards a research problem. (Ritchie et al., 2005) The main steps of the Delphi method used for this research can be summarized as follows:

- defining the criteria for the evaluation of potential candidates for the setting up of an expert panel;
- identification of potential candidates;
- a request for their participation;
- defining the problem and creating the first version of the questionnaire;
- 1st round - spreading a questionnaire, individual interviews with the managers in all chosen hotels and collecting answers;

- creating a second questionnaire;
- 2nd round - distributing the questionnaire by email and collecting answers;
- considering other rounds if necessary;
- distributing the summary to all participants;
- application of results to solve a research problem (Ritchie et al., 2005)

In order to evaluate the relevance of the criteria for different economic sustainability indicators from Delphi method, multiple-criteria decision analysis (further as MCDA) was used. By the term variant, we understand specific decision making options that are feasible (in Delphi study, these are hotels A,B,C). The criterion is the point from which the variants are judged (in Delphi study, these are individual indicators of economic sustainability). These criteria are further subdivided according to maximization, i.e. the best values have the highest values and are objectively measurable. (Jihočeská univerzita v Českých Budějovicích, n.d.) Lastly, the preference of the significance of the criteria was determined according to the order of the individual criteria based on the final evaluation.

For assessment Likert scale was used in this meaning:

- 1 – do not use (disagree)
- 2 – rather not use (rather disagree)
- 3 – neutral
- 4 – rather use (rather agree)
- 5 – definitely use (completely agree)

As this is unique research, the main area of research for the purposes of qualitative data was Zlín region for the following reasons:

- the regional focus of research brings better added value for practical uses because of the diversity of each region;
- the intensity of tourism (number of nights spent/population in total) is highest in the Zlín region in 2016 from the whole Morava
- local knowledge of surrounding collective accommodation facilities of the Zlín region enables better targeting and higher willingness to cooperate (Reichel, 2009).

Due to respecting anonymity (Ritchie et al., 2005) which is typical for Delphi method, the expert panel will be further referred to as hotels A, B and C.

Hotel A is a 4* hotel located in Zlín with 101 and more rooms. It is a privately owned hotel with mostly business clients.

Hotel B is a 4* hotel located in spa town Luhačovice with 25 rooms. It is a privately owned hotel that focuses on wellness clients.

Hotel C is a 4* hotel located in Velké Karlovice It has 130 rooms. It is also a privately owned hotel and its main clients are primary wellness visitors.

4. Results

1st round of the Delphi research method

The first round of Delphi research was focused on introducing the research issue, the relevance of solving the issue of economic sustainability in practice and practical experience with economic sustainability in managing the economic aspects of the hotel facility. Responses were due to vastness of the topic and subsequent responses evaluated by Likert scale from 1 to 5. Likert

scale was designed to measure the attitudes of managers of hotel facilities. The results are seen in table 1.

Table 1 Results of the first round of the Delphi research (own processing)

The main goal	Hotel A	Hotel B	Hotel C	Average
a) Knowledge of economic sustainability with regard to work in the hotel	3	2	2	2,66
b) Use of the evaluation system of economic sustainability in current practice	2	3	3	2,66
c) Measurement of economic sustainability in current practice	3	4	4	3,66
d) The need to unify the system of economic indicators of sustainability in the future	1	1	1	1
e) Willingness to implement a system of sustainability indicators	1	2	3	2
f) Use of selected specific indicators	3,4	3,0	3,3	3,23

The conclusions of the first part of the Delphi research show that measurement of economic sustainability and its use in practice is a relatively unknown term. However, this does not correspond to the results of point f) which consists of 10 selected specific indicators of economic sustainability (number of tourist nights per month, average length of stay of tourists, daily spending, price of the room in destination, percentage relative contribution of tourism to destination economy as a % of GDP, occupancy rate of commercial accommodation per month and its average per year, % of repeated tourist visits, evaluation in tourist guides or websites, sales from accommodation services per year, % of tourist to local residents at events, festivals etc.). Here, even after a more detailed personal interview with hotel managers, it is believed that the knowledge about specific indicators among expert panel was, however not directly linked to the concept of economic sustainability. At the same time, there was a consensus on the need to unify indicators to measure economic benefits (point d). All three hotel facilities did not agree with uniform and practical implementation of economic sustainability indicators. The reasons were, in particular, the differences in the supply and demand side of tourism in individual regions, the location and aim of hotel facilities, the demographics and the level of difference of people's disposable income.

2nd round of the Delphi research method

After evaluation and processing of the results from the first round, it was possible to modify the questionnaire and further target the research in the second round. From the results in the first round, it was said that from 10 economic sustainability indicators, only few of them were used (see table 1, point f). As a consequence of this, the aim of the second round was to aim at concrete indicators of economic sustainability that are used in practice when managing financial side of hotels. Thus, the second questionnaire included indicators of economic sustainability as described in the theory of three major publications on measurement sustainability, namely WTO (2004), the Association for the Development of Municipalities and Regions (2007) and the European Union (2013). The second part of the Delphi method research was aimed at assessing the attitudes toward the presented economic sustainability indicators presented by theory. The aim was to find out the real indicators which are used by hotel facilities when measuring economic aspects of hotels.

Table 2 Results of the second round of the Delphi research (own processing)

Indicator of economic sustainability	Hotel A	Hotel B	Hotel C	Number of points
% of total occupancy in the season	2	4	5	11
Occupancy rate in accommodation establishments	1	5	5	11
The ratio of the number of tourists in the main and weak season	1	3	4	8
% of budget spent for high season and off season promotion	1	2	3	6
% of facilities open all year round	1	2	5	8
Number of employees in the tourism sector	1	2	5	8
% of full-time and part-time jobs	3	2	4	9
Employee satisfaction	2	4	5	11
Level of employees' income	1	3	5	9
Complaints	4	5	2	11
% of imported work from other regions or countries	1	3	1	5
Average length of stay	3	5	4	12
% of accommodation facilities open all year-round (regardless of seasonality)	1	2	5	8
Unemployment rate (in accommodation facilities) regardless of seasonality	1	1	5	7
% of the budget invested in promotional activities in low and off-season areas	2	2	3	7
Number of accommodation facilities in the given territory	2	2	5	9
Number of tourist nights per month	1	3	4	8
Daily spending on tourist (accommodation, food, other services)	1	2	5	8
Occupancy of commercial accommodation capacities per month and their average per year	1	4	4	9
Direct employment in tourism as % of total employment	1	1	3	5
% of enterprises in tourism sector for which the fire control was carried out in the last year	1	1	5	7
% of enterprises in the tourism sector that actively take steps to use local and sustainable goods and services as well as goods and services certified as fair trade	1	1	4	6
GDP per capita at current prices per year or constant prices per inhabitant	3	1	4	8
Share of total net investment to gross investment	3	3	3	9
The difference between the revenue and expenditure of public budgets to GDP	3	1	4	8
The difference between the total value of goods and services exported and imported to GDP	2	1	2	5
Share of GDP to the number of employees in current prices per year or at constant prices over a longer period	3	1	3	7
Domestic material consumption to GDP	2	1	3	6
Total energy consumption to GDP	3	1	3	7

5. Conclusion

Tourism plays a significant role in many economies where tourism is a main source of income. These economies should bear in mind that it is necessary to improve and develop their services in order to remain competitive. Innovation in tourism industry is a key element to reach competitive advantage, sustainable growth and satisfaction of customers' needs. One of the methods how to innovate in tourism facilities is through knowledge in any area. One of these, so far, uncharted areas of knowledge is innovation of economic sustainability and its management. The concept of sustainability is nowadays a topic of many recent debates in tourism businesses and also it is a part of Agenda 2030 that emphasizes the need of economic growth and innovation. In order to be considered sustainable, innovation in the form of economic sustainability requires, first of all, education and knowledge of financial managers. Because this is not very elaborated theme throughout literature and practice, this research offers unique insight into assessment of economic sustainability of hotels through using economic sustainability indicators. The indicators were created as a mix of three major publications on sustainability, namely WTO (2004), the Association for the Development of Municipalities and Regions (2007) and the European Union (2013) and the results were processed by using Delphi method with expert panel consisting out of three hotels and their managers. The financial managers had the opportunity to indicate concrete real usage of individual indicators. It is noteworthy that expert panel knew and used most of the mentioned indicators, however they did not know these were the indicators of economic sustainability. Interviewed financial managers of hotels (i.e. the expert panel) concluded that economic sustainability is not a solved concept in the hotel sphere, however after mentioning chosen economic sustainability indicators, they admitted their usage in practice. By Delphi method, it was proved that hotels really solve financial side of the business but not through the assessment of economic sustainability indicators. This unique study brought interesting results in terms of usage concrete economic sustainability indicators and its implementation in practice. Throughout years, in tourism and especially in hotel industry, more attention has been paid to environmental or social sustainability with little or no concentration on economic sustainable well-being of businesses in practice. Even though control of financial side of business has always been crucial for managers, this area is not as elaborated compared to innovations in social or environmental sustainability. A lot of tourism businesses either struggle with implementation of economic sustainability concept into their businesses or they deny to implement it at all because the metrics of measurement of economic sustainability does not correspond to actual needs of hotels.

Respecting the results from this research, most used indicators for assessment of economic sustainability were total occupancy, occupancy rate, employee satisfaction, complaints and average length of stay. The changing role of traditional economy to the economy emphasizing knowledge is evident. Interesting fact is that two indicators out of five mostly used and seen as important were not of economic nature in the true meaning of this word and were intangible. Satisfaction of employees as well as complaints or customers' opinions in general have a big impact on financial side of the hotel and its long-term sustainability because although satisfied customer deals with his/her experience with others, unsatisfied customer tends to talk about his/her experience even more. Therefore, innovation of economic side of the hotel in terms of applying sustainability indicators should be considered by managers in the future. This is very important to consider while planning future strategy because nowadays, customers in hotels requires more demanding approach. Thus, the role of hotel managers is to keep up with the

trends, keep prices competitive and keep clients satisfied. The limitation of this research is seen in the sample that was tested and interviewed but because this was unique research in the Czech Republic, these few hotels served as a sample to prove whether the research on economic sustainability is meaningful in hotel sphere.

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TOUR OPERATORS' ROLE IN PRODUCT DIVERSIFICATION FOR ENHANCING VISITOR SATISFACTION: A CASE STUDY OF HIRIWADUNNA VILLAGE TOUR, DAMBULLA, SRI LANKA

Indrachapa Weerasingha

Department of Economics, University of Colombo, Sri Lanka

Abstract

The tour operator's role in modern world is challengeable due to various factors including technological influences, changes in tourist behavior and novel trends of the industry. In this regard the product diversification appears as a must to be practiced by the tour operators in order to offer a satisfied tour experience and to compete with the rival competitors. This study focuses on tour operators in Hiriwadunna, Habarana, North Central Province, Sri Lanka who promote the village tour as a tour package. The study addresses the question whether tour operators offer diversified tourism product to deliver enhanced visitor experience? Primary objective of the study is to examine the role of the tour operators and their strategies in product diversification in tourism industry.. Study is based on both qualitative and quantitate methods where interviews and surveys were used as data collecting techniques. 50 foreign tourists were given structured questionnaire to measure their satisfaction level. Product diversification strategies were determined by the discussions and structured interviews conducted with 04 tour operators at the destination. The findings indicate that even though the tour operators have implemented many product diversification strategies in village tour operations, the visitors are not satisfied with many aspects which should be concentrated by the tour operators in the area to match with the visitors' expectations.

Keywords: Product Diversification, Tour Operators, Tourism, Visitor Experience, Visitor Satisfaction

1. Introduction

Rapid competitive nature among the tourist service providers empower themselves for innovations, diversified products, or product extensions. Once a similar product is being offered for a decade of period, the tourist will not be interested to consume or experience the existing product, there they expect an authentic product with uniqueness and diversity.

Habarana located in Anuradhapura District, North Central Province in Sri Lanka is one of the major tourist destinations in the island. The area is a central point connecting the major tourist destinations such as Anuradhapura ancient city, Polonnaruwa ancient city, Sacred Temple of Tooth Relic- Kandy, Cave

Temple of Dambulla, and Sigiriya Rock Fortress which all are reputed UNESCO World Heritage Sites.

According to the Annual Statistical Reports issued by the Sri Lanka Tourism Development Authority (SLTDA), Habarana - Dambulla – Sigiriya is a resort region under the main category of Ancient Cities. Table 1 indicates the continuous growth of the tourist arrivals to the particular region by during past 6 years.

Table 1: Tourist Guest Nights in Habarana - Dambulla – Sigiriya tourist destination

Year	Foreign Nights in Hotels *	Guest Tourist	Local Nights Tourist	Guest in Hotels *	Monthly Occupancy Rates in Tourist Hotels	No. of Units	No. of Rooms
2011	284,533		108,265		73.1	13	848
2012	60,710		74,707		68.7	15	343
2013	114,423		72,328		70.0	8	401
2014	n.a.		n.a.		n.a.	n.a.	n.a.
2015	515,326		130,339		74.3	21	1115
2016	646,553		156,809		73.92	24	1403

*Classified/Unclassified/ Boutique Hotels n.a. : data not available

Sources: SLTDA Annual Statistical Reports, 2011, 2012, 2013, 2015, 2016)

According to the statistics the region is highly attracted by both domestic and foreign tourists as a major destination in the island. Number of domestic tourists' guest nights and foreign tourists; guest nights at the tourist hotels denote that the attraction of the visitors is significant and they have spent thousands of overnight stays at the destination. If a tourists selects a destination for overnight staying certainly he would visit the nearby attraction or would engage in tourist activities. Under this beneficial condition of tourist arrivals to Sigiriya-Habarana-Dambulla area, there is a huge potential for the tour operators to be targeted and positioned their tourism product 'Hiriwadunna Village Tour' in the potential visitors. It requires a product diversification in tour packages that is expected by the tourists beyond the UNESCO World Heritage Sites which are connected by the area. Not depending only on the conventional tour itinerary, the tour operators in Dambulla area have identified various potentials to promote minor attractions,

lesser known attractions and also new excursions in order to make diversify the tourist product within the periphery. Visit to Sigiriya Rock Fortress, Piduranagla Temple, Dambulla Cave Temple, Rose Quarts Mountain Range at Jathika Namal Uyana, engage in elephant back safaris at Habarana, jeep safaris at Minneriya National Park, and village tour in Hiriwadunna are some of the mostly attracted excursions and recreational activities offered by the travel agencies, tour operating companies at the destination. It is the responsibility of the tour operators to diversify the tourism product to target different market segments of the tourism market. It is not only the heritage and nature, but also the authentic culture is behind Habarana-Sigiriya-Dambulla region which can be highlighted effectively to attract more tourists to the destination.

Hiriwadunna Village Tour is a diversified tourism product which offer unique community based experience for the tourists compared to other natural and cultural attractions at the periphery. The Village Tour is an excellent combination of culture, nature, tradition, community and their simple but traditional way of living. Hence, the travel agencies have the possibility to add the Hiriwadunna Village Tour in their companies' tour packages, it would be an unexpected experience for the visitors.

Tour operators immensely make efforts to maximize the visitor experience while preserving the authentic quality of the activities and excursions of the Village Tour. Thus, it is significant to study the role of the tour operators in offering Village Tour at Hiriwadunna and to evaluate the visitors' perception regarding their satisfaction level, so that the destination can be promoted with effective manner in future.

2. Statement of the Problem

The UNESCO World Heritage sites, Sigiriya Rock Fortress and Cave Temple of Dambulla almost attracted by the tourists since decades and decades. Those heritage sites are included in every tour package as a site must visit. Beyond the tangible heritage aspect, the tourists are willing to experience new tourism products. Thereby, the tour operators have diversified their tourism products in their tour packages. In this effort, the tour operators are encountering with various challenges and issues as well. There is a huge potential for the tour operators in Habarana area, to offer Hiriwadunna Village Tour as a dynamically diversified product with abundant natural, cultural and community based resources.

Thereby, there should be decent combination of selecting human resources, physical and natural attributes when tourism products are developed. It is relevant to identify the tourists' perception on their visitor satisfaction, hence the maximum benefits can be reaped while enhancing the benefits for the community at the periphery.

Despite the significance of product diversification, there is limited research conducted in this context the selected region. Thus, this study analyzes the role of the tour operators in product diversification and enhancing visitor experience which contribute altogether to build-up the destination image of Habarana area as a popular but diversified tourist destination is Sri Lanka.

3. Objectives of the Study

The Primary objective of the study is to examine the role of the tour operators and their strategies in product diversification in Hiriwadunna Village Tour in Habarana. In the meantime the study further elaborates the specific objectives such as

- i. To examine the visitors' level of satisfaction on safety & security during the village tour Hiriwadunna
- ii. To assess the visitors' level of satisfaction on guidance and information provided by the tour operator in Hiriwadunna Village Tour
- iii. To evaluate the visitors' level of satisfaction on easy access during the Hiriwadunna Village Tour
- iv. To find out the visitors' satisfaction level on authentic tour experience during the Hiriwadunna Village Tour
- v. To assess the visitors' satisfaction level on entertainment aspect during the Hiriwadunna Village Tour
- vi. Village Tour in Dambulla and recommend the suggestions to reduce the visitors' satisfaction gap

4. Literature Review

4.1 Role of tour operator

Atilgan et al. (2003) defines tour operator as "the principal service provider who is responsible for delivering and/or contracting and monitoring the promised service mix, including all arrangements such as flights,

transportation, accommodation, excursions, guidance etc. throughout the service delivering period”

The role of the tour operator is much prominent in various aspects such as destination promotion, visitor satisfaction, sustainable tourism and tourism product development. Many researchers have emphasized the position of the tour operators as a key stakeholder in the industry. Arica and Çorbacı (2017) has determined the role of the tour operators’ as guiding stakeholder in sustainability process, router and administrator positions in the industry. There, he discusses the limitations and shortcomings of the financial concerns and policy implementations of the tourism industry.

In modern world the tourist’s expectations are designed and modified by many of push /internal factors and pull / external factors such as technology, social media, novel trends and individual characteristics. Contemporary tourist always seek unique experience that worth for what they expend. It is really challenging for the service providers in the tourism industry to cater on the personalized and unconventional demand of the tourists. Today tourists are not interested anymore in purchasing a standardized product/service: in order to meet the new needs of the demand, the tourist destinations must give top priority to the achievement of tourist satisfaction (Corte et al, 2015). Thus there is a huge responsibility on the tour operators to diversify the tourism product in order to promote the destination and to offer a delighted travel experience for the visitors.

4.2 Tourism product diversification

There are diverse reasons for advocating diversification of tourism to areas such as Kisumu as a strategy for sustainable development. First, is because tourism can act as a catalyst for investment in other sectors thus leading to economic diversification to these areas. Second is that tourism stimulates economic diversification across sectors and therefore economic growth. Third tourism offers strong potential for environmental and cultural linkages by providing an economic incentive to preserve natural and cultural sites, undertake environmental cleanup efforts, and improve local environmental management all which can lead to environmental and social wellbeing which are key pillars for sustainable development. Tourism expenditures can turn over 7 to 11 times in an economy. In addition, pro-poor tourism studies have shown tourism linkages clearly benefiting the poor (World Bank, 2010).

In tourism industry, tourism product can be defined as any tangible product or intangible service or mixture of them which is offered for the tourists to satisfy their travel related requirement. Inskip (1991) and Pearce (1998) defines the tourism products as the combination of attractions, accommodations & catering, sightseeing and entertainment among others. Tourism is therefore a complex activity comprising travel to and around a destination (Briassoulis, 2002).

If the touristic product has the potential to answer the needs of the tourists, the product can be regarded as a success. Thereby, both tour operators and destinations are concentrate on continuous and new tourism products. While these products are preferred to have increased added value and to be applicable all year round from the viewpoint of the tourism actors, it is preferred to create plus value for the customers. (Süreci, 2015)

Smith (1994) has described five elements of a tourism product which are the physical plant, service, hospitality, freedom of choice, and involvement. He further states that the generic production begins with raw inputs, progresses through intermediate inputs and outputs, to final outputs, or the tourist's experience.

Tourism products are available at both tourist generating country and tourist attracting country. Tourist destination is similar to an 'umbrella' under which the diverse sub-sectors of tourism industry appear as the stakeholders with the partnership with each other to facilitate with tourists' travel requirements. Holloway (2002) states that a destination can be a particular resort or town, a region within a country, the whole of a country or even a larger area of the globe. A destination should possesses distinctive attributes of its own so that the tourists get attracted based on the quality of three elements such as attractions, amenities (or facilities) and accessibility (Holloway, 2002)

Rotich (2012) identifies with a case study of Kisumu, that the sustainable tourism development can be achieved through the product diversification where the government and other stakeholders need to develop the amenities/facilities specially, accommodation and improve the accessibility within the region.

According to Kapunda (2003 cited in Malema 2012:55) "diversification is distribution of investment across different economic sectors to improve the

economic spread and minimize overdependence on few sectors". Carlsen and Butler (2011) explains that diversification of the tourism product base and introducing markets with upmarket destination positioning are contributing to tourism growth of a destination. For product diversification, there should be usage of both types of resources including existing resources which are under strain and previously unexploited resources. Even though, Carlsen and Butler (2011) emphasize the relationship between the new product development and attracting new markets on diversification. Additionally, Farmaki (2012) argues that 'diversification is associated with advantages of profit maximization through the development of new products that complement cost reduction due to the transfer of assists to other markets and extension of seasonality of offering products that can be enjoyed off season'.

Importance of product diversification is highlighted from the studies by various researchers (Akama 1997; 1999; Ikiara et al. 2006; Manyara and Jones 2007) where challenges affecting on tourism have been identified including unsystematic tourism planning, lack of tourism awareness, insecurity, and bad publicity, stiff competition from other countries, poor road infrastructure and narrow range of tourism products.

4.3 Visitor Satisfaction

In profit oriented business sector, customer satisfaction is the ultimate objective where the satisfied customers are considered as an asset who can be the repeated customers, and finally would be the loyal customers to the business. Product loyalty or brand loyalty is created from the basement of the customer satisfaction. In the tourism and hospitality industry also, the customer is defined in various terms according to the context. A satisfied/delighted tourist/visitor or guest is a precious value for the establishment who always expect the positive impression of the customers. In hotel industry, the customer is the guest, while in travel industry, the customer is referred as either tourist or client. At a particular travel destination the customer in tourism industry is referred as the visitor since he is engaged in excursions or recreational activities.

Tourist/visitor satisfaction or perception regarding the destination choice is determined by various indicators including accommodations, foods, and services. Further there indicators determine the decision to return, too. Many scholars have conducted and testes research on tourist satisfaction and

perception since 1960s from the perspectives of quality management and repurchase intention (Xia et al., 2009). Many researchers have identified that destination image affects the tourist satisfaction (Cooper, Fletcher and Gilbert, 1993; Lee et al, 2002).

In tour operating activities, visitor satisfaction is a considerable factor on which the tour operators' future business are depending on. If the visitors are not satisfied with the experience, service, security, reliability and credibility, the negative image will reduce the potential of repeated visitors, positive word of mouth and impression of the visitor. Customer satisfaction has been defined by various intellectuals with number of explanations. According to Solomon (2002) customer satisfaction is determined by "overall feelings, or attitudes, a person has about a product after it has been purchased" (Solomon, 2002): it is often found to be at the heart of firms' marketing activities (Machleit and Mantel, 2001), because it helps them achieving their desired strategic objectives.

The concept of customer satisfaction in the context of tourism and hospitality industry is explored and investigated by Pizam et al (1978), and defined it as the comparison between "a tourist's experience at the destination visited and the expectations about the destination". Tourist's expectations are strengthened by the push and pull factors. As many scholars mentioned in literature, travelers are 'pushed' into making travel decision by internal, psychological forces and 'pulled' by the destination attributes which are the external forces (Crompton, 1979; Dann, 1977; Uysal and Jurowski, 1994).

O'Neill et al. (2000) states that service quality is a customer issue that is determined by the customers, not by the service providers. Further that study reveals the necessity of understanding customer requirements and adjusting (tailoring) the service to meet the customer requirements. Zemke and Schaaf (1990) point out that 'successful organizations are able to diagnose their customer expectations fully and satisfy them completely, during each and every service encounter'.

Citing WTO (2005), Vveinhardt and Kigaitė (2005) provide the following definition on quality of tourism "the result of a process which implies the satisfaction of all the legitimate product and service needs, requirements and expectations of the consumer, at an acceptable price, in conformity with mutually accepted contractual conditions and the underlying quality

determinants such as safety and security, hygiene, accessibility, transparency, authenticity and harmony of the tourism activity concerned with its human and natural environment”.

5. Conceptual Framework of the Study

Figure 1 presents the conceptual framework of the study that was developed based on the literature review.

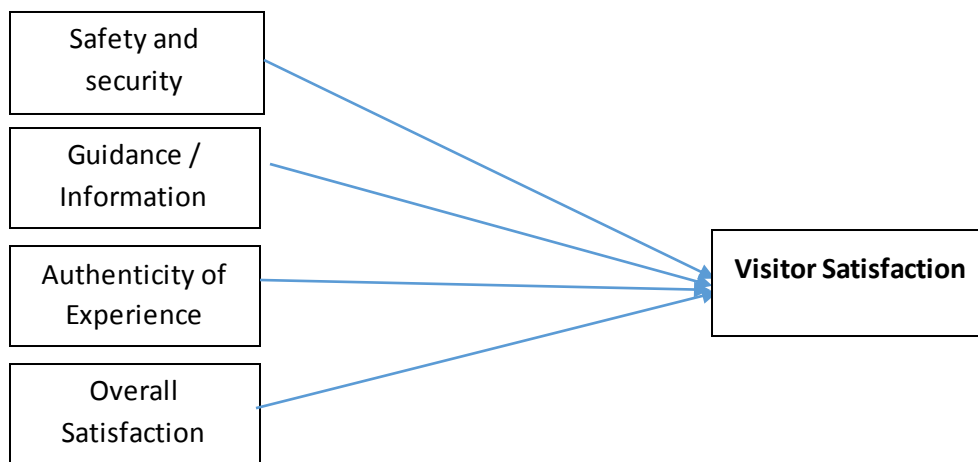


Figure 1: Conceptual Framework

6. Methodology

The study is basically based on the tour operation on Village Tour at Hiriwadunna village in Habarana. The research is based on both qualitative and quantitative methods where primary data were collected through the techniques of interviews with several parties and surveys were conducted as data collecting techniques. Secondary data were gathered from the websites of the travel agencies who offer Hiriwadunna Village Tour, and the travel blogs, previous researches on visitor satisfaction.

Since the research is an empirical study field observations and experience also were contributed in building up the hypothesis. The survey was conducted in December 2017, through an empirical observation where the villagers, visitors and tour coordinators were interviewed. Village Tour is operated by the villagers who are from Hiriwadunna area itself and coordinators are from the outside. The tour operation is not well established here like the other travel destinations, because the tour operators are directly connected with the travel

agencies who provides the visitors in most of the time. Other than that, the Free Individual Travelers (FIT) might direct connect the tour operators and will have their trek. Due to limited number of tour operating personals at the area, it was only 4 coordinators were interviewed to examine the strategies followed by them to diversify the village tour experience.

Technically, tourists do not select Hiriwadunna village tour as a major attraction or destination, even though it is a best option as an en-route excursion after or before visit at Sigiriya Rock Fortress or Minneriya National Park. The population of the visitors to the area depends on tourist arrivals to Sigiriya-Dambulla region. Therefore, the sample of the visitors was selected as 50 foreign tourists since the domestic tourists are not much interested of the tour operations such as rural tourism activities, they were not targeted during the survey. Foreign tourists were selected based on convenient sampling technique, since all the tourists were not interested to engage in survey due to physical inconveniences during the tour.

Researcher used a self-administrative structured questionnaire given for the visitors was consisted of 25 questions. The questionnaire consisted of 3 parts including demographic characteristics (06 questions), evaluation criteria of visitor satisfaction level such as Safety & security, Guidance & Information, Authenticity of experience and overall satisfaction on experience. Thus each criteria was consisted of 04 questions which were based on five point Likert Scale, to analyze the level of satisfaction.

At the end of the questionnaire 03 open ended questions were added to investigate the personal perception or criticism on the experience, to assess whether they wish to recommend the tour to others and to identify their revisit to Hiriwadunna for village tour experience.

7. Findings

7.1.Role of the tour operators in product diversification

Dambulla destination in Sri Lanka is centralized location which attracts thousands of foreign and domestic tourists annually due to abundance of cultural and natural resources within the peripherals. Habarana, Sigiriya and Dambulla areas is one of the regions in the Resort Region of Ancient cities as identified by the Sri Lanka Tourism Development Authority. The particular areas have recorded 646,553 of foreign guest nights in Tourist Hotels

(classified/unclassified/boutiques hotels) in 2016. (SLTDA Annual Report, 2016)

Hiriwadunna is a famous destination for rural / village tourism, located 20 km away from Dambulla. The visitors are given a country side experience which is remarkable and authentic experience especially for the foreigners. Village tourism product is diversified by the tour operators in various aspects covering 3-4 hours at the village vicinity. The journey begins with a 30 minutes bullock cart ride which is handled by a villager. During the ride the guide explains the significances of the village and its rural community. Specially, for the foreigners this is a unique experience, but some contradictory ideas were shared by the visitors about this activity since animal torturing is highlighted here. At the end of the bullock card ride, it begins with a short trek which leads to a man-made reservoir named Hiriwadunna *Wewa*; full of blue water with rich diversified aquatic eco system. Catamaran ride starts here where the visitors are invited by the tour operators for sightseeing of the surroundings and to have the snapshots of the breathtaking sceneries. Meanwhile the visitors can experience the day today living style of the villagers who engage in fishery, bathing, cultivations and other daily chores. The guide makes some opportunities for the visitors to have short conversations with the villagers creating an interpreting atmosphere.

Then, the visitors are given the opportunity to visit the *chena* cultivation or rural vegetable cultivation which is cultivated by the villagers as their living hood. The guide explains the crops, and if the visitors are willing to taste some fresh edible crops, the guide makes it possible too. The tree hut or *pela* which is constructed on the top of a tree for the purpose of farmers' staying at night to protect the cultivation from the wild elephants' hazards. If the visitors like, it is a rare opportunity for them to climb up the tree hut a have a wonderful glance of the rural vicinity. Visitors can enjoy the taste of king coconut offered by the villager penetrating the sign of rural Sri Lankan hospitality.

In the afternoon, the group can enjoy a delicious authentic Sri Lankan lunch prepared by a rural house wife, while sitting on a *pila*: a flat form of a rural Sri Lankan house. The cuisines are prepared of pure Sri Lankan ingredients, vegetables and grains and been offered with Lotus leaf. Further the village woman make cooking demonstrations on how to prepare traditional meal, how to use traditional kitchen utensils and equipment or the farmer would demonstrate how to make a roof out of coconut leaves. The entire village

excursion is mingled with authenticity and simplicity which is a result of the strategies practiced by the tour operators.

The tour operators encounters with many issues and challenges in tour operation of Hiriwadunna village tour. Though the tour operators have generated several direct and indirect job opportunities and extra income ways for the villagers, even from the villagers there is a protest against the tour operators. Some villagers argue that the presence and involvement of the foreigners is regarded as a threat for the rural, simple life style of the villagers. They highlight that the risk at the young generation who seek minor jobs generated from tour operational activities at the destination and not been motivated for higher studies or traditional cultivation practices. Due to this protest of some villagers in the area, the tour operators are with the issue of appointing villagers for the activities if the tour such as bullock cart riding, catamaran riding and other activities. The tour operators are not been registered with the Sri Lanka Tourism or any tourism body of the country is not monitoring or giving guidelines for these tour operational activities at the area. Thus, the service quality and the security of the tourists might be at a risk due to unavailability of safety guidelines, precautions and quality standards.

The efforts indulge by the tour operators in Hiriwadunna area is admirable due to the product diversification techniques they have utilized offering a diversified authentic travel experience for the foreign tourists. The tourists who visit the Cave Temple of Dambulla, then after proceed to Sigiriya or if not next day they have the excursion at Sigiriya rock fortress. Since Sigiriya and Dambulla are famous destinations, the tourists can enjoy the Hiriwadunna village tour which is positioned less than 15 km from Sigiriya. Sigiriya-Dambulla destination is not only for UNESCO World Heritages, but also for a new aspect of authentic Sri Lankan culture can be explored during this village tour. Thus the tourism product is significantly diversified and most of the travel companies get the advantage of this village tour by including for their tour packages as a 3-5 hour en-route village excursion on the way to Minneriya National Park which is located another 13 km away from the village.

7.2.Visitor satisfaction level during the village tour

Visitors' satisfaction was measured with a sample of 50 foreign tourists soon after they end up the village tour. With the consent of the tour operator, the foreign tourists were informed to complete the given questionnaire which consisted of only 25 questions, allocating only about 20 minutes. With regard to the perception of safety and security criteria of the village tour experience, safety of the catamaran ride, chena tour, bullock cart ride and safety foods were measured. In safety and security criteria, 23 visitors (46%) have mentioned that they are dissatisfied with safety & security of foods provided during the village tour. At the end of the questionnaire, 24% of visitors had commented on the safety and hygienic condition of food preparation was not in a satisfied level so that they reluctant to consume homely prepared foods due to threat of food borne illnesses.

30 (60%) visitors are strongly dissatisfied with the safety of the sanitary facilities offered during the tour so that it would be considerable factor for the tour operators to provide with hygienic and safe sanitary facilities for the visitors. Usually, foreigners are highly concerned on safe foods, safe water and hygienic sanitation which are the basic needs for a healthy life. Thus, there should be a proper mechanism to facilitate the visitors with basic needs in a secured manner so that satisfaction level of the future visitors can be increased. If not, the negative recommendation would be spread through the reviewing channels.

Rather than that, safety on other activities including catamaran ride, bullock cart ride are strongly satisfied levels as 40% and 60% respectively due to the usage of personal protective devices in catamaran ride and allocating minimum number of visitors for a bullock cart at once.

24% of visitors are dissatisfied about information provided about the village and its community. Since the foreigners are unable to have direct communication with the villagers, they highly expect the interpretation and explanations about the village, its people, their way of life, cultural aspects, natural resources and bio diversity. Thereby, the tour operator is expected to be much fluent in either English language or any other preferable foreign language to create favorable communication by mitigating the language barrier. So that 36% of tourists have rated that they are in a natural perception regarding the responds of the tour operators at the moment they expect further clarification while 28% visitors are in their natural perception on information provided on attractions at the peripheral area.

Since the foreigners are strangers to Sri Lankan culture, they are highly interested and keen on investigating each and every scene they catch during the tour. During the tour they might ask number of questions about the floral and faunal species of the surrounding. It is recommended for the tour operators to be rich enough with terminology and knowledge regarding culture, nature and bio diversity in order to enhance the visitor satisfaction on information and guidance.

Authenticity of the experience was measured under four aspects including Engagement with community, Authenticity of activities, Uniqueness/diversity and Interaction with native activities. 24%, 28% and 24% of visitors are neither satisfied nor dissatisfied on engagement with community, Authenticity of activities, and Interaction with native activities respectively. Even though 50% of visitors are satisfied with uniqueness and diversity of the authentic experience, which is inherited by the village. The cultural identity of the area should be promoted in a sustainable manner without commercializing the traditional aspects and opening avenue for demonstrative effect.

Investigating the overall satisfaction level of the Village Tour experience, four aspects were evaluated such as Coordination of the tour, Attractions & activities, Hospitality and Value for money. 20% and 22% of visitors are on neutral perception regarding the tour coordination and attractions/activities offered during the tour. This is resulted due to the language barrier occurred during the interpretations and explanation since there is a high expectation of the visitors to be engaged with local community. Time management during the tour is another factor in coordination where the tour itinerary is exceeding the time permit, so that the visitors might get delay for the next excursion to Minneriya national park to witness the large elephant gathering in Sri Lanka. 30% visitors have mentioned they are in a neutral view on value for money, that the reason behind this rate, would be the poor coordination, communication barriers, lack of information of the sightseeing and lack of engagement with local community.

8. Conclusion

Tourism product is a prominent factor which derives the attention of the tourist to the travel destination where a collection of diversified tourism products should be available. If the destination fails to offer the diversified tourism products with determining the requirements, consuming patterns, and

expectations of the tourists, definitely the tourist will change their destination choice.

Tour operators, being one of the prominent service providers in tourism industry in Sri Lanka, pass through a challengeable stage where they have to utilize the available resources including natural, cultural, community and other physical resources while diversifying the tourism product offered by their companies. Simultaneously the tourists are expecting a diversified even though quality and safety are given priority during their tour.

The role of the tour operator in diversifying the Hiriwadunna Village Tour experience is admirable and not having any contribution or guidance from the tourism related authorities, the local tour operator is currently encountering challenges and issues with standards. There is a strong combination and participation of the host community of the area, even though that partnership should be strengthened further, identifying the expectations of the visitors.

To analyze the visitors' expectations, it is highly essential to determine their current satisfaction level regarding the village tour. Basically four criteria including Safety & security, Guidance & Information, Authenticity of Experience and Overall Satisfaction level were measured during the survey. It is identified that the mentioned criterions have positive core-relationship between the visitors' satisfaction level. Even though the tour operators have taken maximum efforts to diversify the tourism product of 'village tour', there are critical aspects to be concerned by the tour operator, and the expected satisfied level is not achieved yet.

9. Managerial Implications

This study analyzes the role of the tour operators in product diversification and the level of visitor satisfaction which contribute altogether to build-up the destination image of Hiriwadunna area as a popular and diversified minor tourist destination in Sri Lanka. Not depending only on the conventional tour itinerary, the tour operators in Sigiriya-Dambulla area have identified various potentials to promote minor attractions, lesser known attractions and also new excursions in order to make diversify the tourist product within the periphery. Tour operators in Hiriwadunna Village Tour have to perform a major role in creating a responsive environment for the tourists to engage in various activities, excursions and experiences. Further, the tour operators immensely

make efforts to maximize the visitor experience while preserving the authentic quality of the activities and excursions.

Even though in perspective of the tourist, there are some aspects to be concentrated by the tour operators to offer a delighted visitor experience. According to the visitors' reviews it can be identified that there is a gap between what they expect and what they really perceive at the destination. Food safety, hygienic sanitary facilities, effective communication with proper language, making responsible opportunities for interaction with host community are some of the aspects that the tour operators should focus on.

There should be a proper mechanism to monitor the tour operational activities at the area, and guidance from the tourism related authorities in private or public sector to promote the Hiriwadunna Village Tour as major destination. Development of a home stay project or ecofriendly accommodation units would be more effective for sustainable tourism development within the area.

The tour operators are unable to expect the re-visits of the tourists who had the first experience, due to visitors' individual perception. Still, the tour operators have not positioned the Hiriwadunna Village Tour as a destination that must visit by a foreign tourist in Sri Lanka. It would be really difficult for the tour operators to generate repeat visitors to the excursion, if the prevailing issues were not addressed accordingly.

10. Limitations and directions for future research

This study examined the role of the tour operator in Hiriwadunna area in diversifying the tourism product: 'Hiriwadunna Village Tour'. Hiriwadunna area is not only famous for village tourism but also for nature tourism, and therefore future research can be developed on combination of village tourism with nature tourism at particular area. Additionally, the visitors' satisfaction level was determined based on only four criteria and there is potential for future researchers to measure the service quality of the tour operators in Hiriwadunna Village Tour, and to analyze the promotional strategies followed by the tour operators in promoting village tourism in particular area. The research structure can be applied for any form of tour operation in any selected destination in order to identify the product diversification strategies of the tour operators and their implications on visitor satisfaction level.

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