generic and competitive benchmarking of a tourist destination. The four core components that have significant influence on tourist destination performance were identified through literature reviews. Kerala tourism was identified as the potential tourist destination to conduct the study due to the specific characteristics of the tourist destination. Both quantitative and qualitative approaches were adopted to test the four index core components for destination performance evaluation in Kerala.

CHAPTER 2: LITERATURE REVIEW

2.1 Tourist Destination

There has been considerable study that has established the relationship among service satisfaction, value perception, product quality and intention to purchase a product in consumer behavior in general (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975; Oh & Parks, 1997; Zeithaml, 1988; McCleary, Weaver & Hsu, 2006). The tourism product is designed in a particular way and tourism product evaluation enables us to understand the performance, quality, value, positioning and impact assessments. This may require understanding the progress of growth and maintenance of tourism product during its development. Echtner & Ritchie (1991) studied tourist destination is a holistic impression of many components and elements; destination consists of functional characteristics, concerning more tangible aspects of the destination, and psychological characteristics, concerning the more intangible aspects. The complex reality of a tourist destination requires it to be managed
as an integrated system (Manual & Tomas, 2007). Tourism destinations are being treated de facto as traded commodities (Leiper, 1990, Hughes, 1991) that consists of many components, sub components, elements and people. In this complex and adaptive system in which numerous interrelations are generated in the environmental, human, natural and economic areas (McKercher, 1999; Farell & Twinning Ward, 2004; Manual & Tomas, 2007). The ultimate focuses of these interrelations are to create an open system that as a whole determines an offer capable for attracting tourists (Manual & Tomas, 2007). Manufacturing of tourism product involves services and other tangible components. This makes to understand the special characteristics of tourism product. For visitors, the product is the total experience, covering the entire amalgam of all aspects and components of the product, including attitudes and expectations (Heath & Wall, 1994; Scott, Parfitt & Laws, 2000; Marios & Vasiliki, 2007). Therefore a superior synergy of destination components and elements are determining factors of destination development. If there is an established framework of tourism system in a destination, it is possible to find attributes that are commonly used to compare to those which are unique to very few destinations. (Tasci, Gartner, & Cavusgil, 2007). There is an increased demand for destination marketing, due to rising customer expectations and growing competition between destinations (Pike, 2004; Scott et al., 2000; Marios & Vasiliki, 2007) and statistics shows that tourism is one of the top five export categories for as many as 83% of countries and main source of foreign exchange earnings for at least 38 percentages of countries.
According to the present data the 10-year annualized growth forecast of economy in all over the world (for 2006-16) is 4.2% per annum, demonstrating an outlook for strong long-term growth (WTTC, 2008). Over time, an increasing number of destinations have opened up and invested in tourism development turning modern tourism into a key driver for socio-economic progress, through the creation of jobs and enterprises, infrastructure development and the export income earned (UNWTO, 2009). The development of tourist facilities and recreational opportunities has frequently been viewed as stimulating a major positive contribution to the national balance of payments, as a means of redressing regional disparities in incomes and employment (Wall & Mathieson, 2006).

In the sustainable tourism development context, Poon (1993, p.24) states that destination should follow some key principles in order to be competitive and ensure that a new and more sustainable tourism industry is developed. In the business context ‘what makes a tourist destination truly competitive is its ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying memorable experiences, and to do so is a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations (Ritchie and Crouch, 2003, p.2). In the marketing context, competitiveness is a dynamic issue and is not destination-specific the goal posts are continually shifting and therefore a destination proposition needs to be constantly ‘reappraised’ against competitor destinations.
2.1.1 Destination Competitiveness Determining Factors

In order to be efficient (Rodriguez & Diasz, 2007, p.369) identified the most important four supply chain function of tourist destination as indicated below:

1. Attributes referring to the geographical, environmental, and socio-cultural conditions that attract tourists.
2. The political decisions influencing a destination’s strategic planning, the construction of infrastructures, and the integrated management of the tourist destination.
3. The service companies subcontracted by the core companies in the supply chain and constituting a key sector to improve destination competitiveness.
4. The target market segments, which establish the destination’s strategic orientation.
According to (Waiu et al., 2003) when a destination has a differential development of these tourism resources, it will achieve greater competitiveness (Rodriguez & Diasz, 2007).

Figure 2.1. “Factors Determining the Competitiveness of the Tourist Destination” by Rodriguez & Diasz, 2007, Journal of Travel Research

According to Augustyn & Knowles (2000) coordination between public and private agents is important strategy as the joint action has a greater impact on destination competitiveness (Rodriguez & Diasz, 2007). If a sector or company of tourism industry finds it more difficult to achieve competitive prices, outsourcing becomes a strategic option such as cleaning, catering, laundry (Rodriguez & Diasz, 2007). Market segment firstly analysis permits the destination’s strategy to be focused on categorizing the tourists and secondly, pointed by Lee, (2005) image, Fyall et. al., (2003) emotional
experience and level of loyalty and price – quality ration (Rodriguez & Diasz, 2007). It is also important to consider environmental sustainability of tourist destination; environmental competitiveness can be achieved by environmental quality management and enhanced through environmental marketing activities (Rodriguez & Diasz, 2007).

2.1.2 Productivity Drivers

In tourist destination competitiveness, major resource endowments in the destinations micro environments are classified as follows;

1. Physical capital: A major pillar of productivity and competitiveness consists of equipment and infrastructure for the touristic use.
2. Human capital: As a second key driver, human capital consists of education, skills, and training that workers acquire for efficiently working in tourism industry.
3. Innovation and technological progress: As a third driver and consists of higher rate of productivity growth and produces more innovation and its familiarity with employees.
4. Competition: Competition plays a key role in destination productivity, encouraging business to innovate, decrease costs, and become more efficient. In a nutshell competitiveness consists of entrepreneurial ability.
In evaluation of destination productivity the above factors also act as a barrier of productivity that means failure of one or more of the above causes the productivity of the tourist destination (Blake, Sinclair, & Soria, 2006).

2.1.3 Strategic Destination Evaluation

In an internal view Collis & Montgomery (1995) noted that competitive advantage of a tourist destination stem from valuable resources that enable destination to perform better or lower cost than competitors. It is stated that the resource must be (a) valuable, (b) rare, (c) imperfectly imitable, and (c) non-substitutable. An addition to this is pointed by Grant (1991) is that the resources must be scarce and the resources must be directly transferable to the market (Rodriguez & Diasz, 2007). Therefore the customer (tourist) perceives the destination as an integral, differential offer. The internal analysis of tourist destination allows to identifying its principal strength and weaknesses (Rodriguez & Diasz, 2007) that include all operational core components of the tourist destination.

In relational view, the new dimension interprets competitiveness depends on the networks in which it operates. According to Lechner & Dowling (2003) some researcher’s view destination competitiveness as meta-capabilities and are distinguished into three. (a) relational capability (Lorenzoni & Lippiarini 1999), focusing on the destinations capability to select suitable partners; (b) combinative capability (Dyer & Singh, 1998),
referring to the resources that the destination can combine to obtain a competitive advantage, and (c) absorptive capacity (Cohen and Levinthal, 1990), enabling destination to improve competitive position by acquiring knowledge from external relationship with other destinations (Rodriguez & Diasz, 2007). According to Volberda (2003) indicate that significant attention must be given to the dynamic capability approach, which emphasizes the development of capabilities by absorbing knowledge inside and outside the tourist destination (Rodriguez & Diasz, 2007). Hence, external influences also affect the internal capability of the tourist destination.

Tourist destinations are classified in to three based on the attributes of the destination capabilities to integrate major resources and sectors and is described in the following table;

Table 2.1

*Level of Integration and Sustainability of Tourist Destination*

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type I</td>
<td>“Very limited or nonexistent integration between the attribute and other resources. No relational capabilities are developed, and synergies that the resources may generate are not exploited. Level of resource management with sustainable development criteria is very low or zero. Resource management is short term, and the aim is maximum exploitation of the most valuable resources to achieve the highest possible performance”.</td>
</tr>
<tr>
<td>Type II</td>
<td>“Medium integration between the attribute and other resources.</td>
</tr>
<tr>
<td>Level</td>
<td>Description</td>
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<tr>
<td>Type I</td>
<td>Development of relational capabilities and exploitation of possible synergies have begun. Medium level of sustainable development management. The resource is managed with a longer time frame (medium term). Integrated management of the resource within the destination as a whole with the aim of continuity of destinations competitiveness but, not yet optimum level”.</td>
</tr>
<tr>
<td>Type II</td>
<td>“Very high level of integration of the attribute with other resources. Relational capabilities have been developed, and all possible synergies have been exploited. The resource is managed with criteria of sustainable development. Management of the resource is long term. Integrated management of the resource within the destination as a whole with the aim of the destination’s continued competitiveness in the future”.</td>
</tr>
</tbody>
</table>


Apart from the above Northcote and Macbeth (2006) it is also required to consider six parameters to measure the sustainable integration of the tourist destination, they are tourist, financial, economic, environmental, social and cultural areas (Rodriguez & Diasz, 2007).
2.1.4 Destination Competitiveness

Ritchie and Crouch (2003) observed that in business context ‘what makes a tourist destination truly competitive is its capability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination community and preserving the natural capital of the destination for future generations (Mazanec, Wober, Zins, & Joseph, 2007). With thousands of tourist Destination Marketing Organizations (DMOs), now choice of selection of a tourist destination is substitutable for the tourists. Potential tourists will be continuously search for a destination with their best choice. (Ryan & Pike, 2004). This is because of the underpinning philosophy of destination competitiveness and positioning is for meeting unique consumer needs (Ryan & Pike, 2004) and tourist satisfaction is a predominant factor to determine destination competency. Satisfying and memorable experiences are therefore an antecedent of an increase in the number of visitors (Mazanec, Wober, Zins, & Joseph, 2007). The most comprehensive framework of destination competitiveness is developed by Ritchie and Crouch (1994) and is termed as the ‘generic system’, which distinguishes comparative and competitive advantages on five different layers namely (a) qualifying and amplifying determinants, (b) destination policy, (c) planning and development (d) destination management (e) core resources and attractions (f) supporting factors and resources. (Mazanec, Wober, Zins, & Joseph, 2007). Ritchie and Crouch (1994) developed 32 destination
competitiveness indexes. The itemization is considered to be a first step leading toward a composite destination competitiveness index and a subsequent tool for simulating destination performance (Mazanec, Wober, Zins, & Joseph, 2007). There seems to be consent that destination competitiveness is regarded as an antecedent to economic welfare and prosperity of the destination community. It is, however, difficult to identify whether external criteria for destination competitiveness, such as destination market share or sustained relative growth, may be characterized as indicators, or whether these variables are better considered to be effects within the overall causal chain (Mazanec, Wober, Zins, & Joseph, 2007). Destination competitiveness is expected to reflect the multifaceted character it shares with its underlying parent phenomenon, tourism. Hence, it becomes a latent construct made up of various components such as economic, social and cultural, technological, and environmental factors. Therefore, a double-layered structure of destination competitiveness and its constituents appears to properly express the common notion of destinations’ competitive strength (Mazanec, Wober, Zins, & Joseph, 2007) as indicated below.

Figure 2.2 describes the multiple destination components that influencing destination competency. In a destination servicescape, there are components such as communication facilities, infrastructure, heritage and culture, openness, price, social competency, education and environmental preservation are major underlying constructs that influence destination competency.
Performance analysis is a central issue of corporate governance and similarly in tourist destination as well because in a competitive environment, a company less efficient than its competitor fails generally to maintain a sufficient market share to survive on the market (Botti.L, N, & Robinot E, 2009). The destination experience is created not by one operation but by a minimum number of tourism facilitating services such as attraction, accommodation, transport and hospitality. Such experience is provided via a set of operations suggesting that the destination acts as a virtual service firm with destination’s name often as its brand (Botti.L, N, & Robinot E, 2009).

When a destination explores it potential for tourism development, the development has a subliminal social, economic and environmental effects at the tourist destination both positive and negative. In developing countries tourism is generally perceived as a catalyst for socio economic transformation than considering it as a pure recreation industry. Destinations’ rate of dependability on tourism is critically significant in many developing economies and the rate of dependency is based on the social and economic status of the destination community. Exploring destinations are significantly increasing in developing countries due to the recognition of it’s hallow effect for social and economic development. Resource competency alone is not a parameter too determine destination competency, many of the new destinations are resource rich in tourism but most of them have poorly designed policies and competition among the newly introducing destination loses its ideal image as a perfect choice for holidays. The geopolitical aspects
of tourism show that tourism in developing countries is still unstable. There are many parameters pertaining to these issues. (a) difficulty to synchronize new tourism policy into the other development sectors (b) the priorities of public and private sectors (c) lack of political interests (d) lack of synergy between and among supply chain and development sectors (e) external influences such as social acceptance of tourism and political instability. The impacts are the direct reflection of the “actor’s” satisfaction, i.e. the tourists. Measuring tourist satisfaction and dissatisfaction is significantly important for destination development as the satisfaction will affect the choice of selection. Creating an image or retaining a lost image is one of the most difficult tasks of planners and policy makers.
2.2 Destination Benchmarking

Benchmarking basically stems from Deming’s quality management theory that aims to enhance quality and check its sustainability (Kozak & Nield, 2001). Benchmarking has been given many different definitions by different organizations and authors (Kozak, 2004). Camp (1989) defined benchmarking as “the search for industry best practices that leads to superior performance (Kozak, 2004). Watson (1993) defines benchmarking in terms of its continuity feature referring to the continuous input of new information to an organization (Kozak, 2004). The American Productivity and Quality Centre (APQC, 1999) defined benchmarking as the process of continuously comparing and measuring an organization against business leaders anywhere in the world to gain information which will help the organization take action to improve its performance (Kozak, 2004). “According to Yasin (2002) “Benchmarking is a managerial technique to identify performance gaps and improve operational performance” (Sandra, Karen, & Rodney, 2008, p. 369). In a general concept, the rule in benchmarking is firstly to identify performance gaps with respect to production and consumption within the organization and then to develop methods to close them (Kozak & Nield, 2001).

“Benchmarks are undoubtedly valuable in assessing the performance of the operations in one area or another of any hospitality or tourism business” (Leslie, 2001, p. 128). In tourism industry, benchmarking is described as an interpretive tool which can be used to: (1) comparatively analyze destination market area; (2) evaluate performance of tourist destinations; and, (3) enable
destinations to identify and learn the best practices to improve their competitive advantage (Xiang, Kothari, Hu and Fesenmaier, 2007). It is also possible to shape up future strategies depending on the measures and their findings obtained in benchmarking project (Kozak, 2004) Kozak & Rimmington, Wober (2007) observed that benchmarking can be conducted across tourist destinations at different geographical levels (Xiang, Kothari, Hu and Fesenmaier, 2007), however, benchmarking based on large geographical areas involved multiple destination elements.

In tourism, destination benchmarking should usually be carried out when; (a) tourism demand for the destination or tourism revenue are in decline; (b) there appears to be tourist dissatisfaction or a lower level of satisfaction; (c) there is enthusiasm following recent developments in the tourism and travel industry; (d) findings of market research and destination performance measurements fail to meet expectations; (e) the objective is to maintain a competitive advantage and overtake competitors in the market. (Kozak, 2004).

Bogan and English (1994) proposed three types of benchmarking based upon the objectives: (1) process benchmarking; (2) performance benchmarking; (3) strategic benchmarking. Process benchmarking focuses on discrete work progress and operating systems (e.g., customer complaints process) in order to identify the most effective operating practices from other companies that perform similar work functions. Performance benchmarking enables managers to assess their competitive positions through product and service comparisons by looking at elements of price, technical quality, ancillary product and
service features, speed, reliability and other performance characteristics. Strategic benchmarking evaluates how companies compete by identifying the winning strategies that have enabled high performing companies to be successful in their market places (Xiang, Kothari, Hu and Fesenmaier, 2007). The heterogeneity of benchmarking practices suggests that benchmarking is, indeed, a versatile utilitarian tool and the essence of benchmarking is to encourage continuous learning to lift organizations to higher competitive levels (Zairi, 1992; Xiang, Kothari, Hu and Fesenmaier, 2007). Bogan and English (1994) found that benchmarking has the ability to facilitate a variety of inter-related managerial activities such as work progress re-engineering, strategy setting and refining, strategic planning, performance measurement, and organizational learning. By detecting performance gap and consequently identifying the solutions, benchmarking cartelizes innovation and organizational change in a way that it exposes people to new approaches, systems and procedures, and most importantly, fosters the cultivation of new ideas (Xiang, Kothari, Hu and Fesenmaier, 2007).

In destination benchmarking research, finding might be interpreted and used to understand how competitive a destination is and in what respect and identify what methods or strategies it needs to apply to improve itself (Kozak, 2004). According to European Commission DGXI (1996) the use of benchmarking indicators is to help guide a proper action through setting the suitable target (Lesley, Greal, & Jim, 2004). Bieger (1998); Flagestad & Hope (2001) suggested the main purpose of benchmarking tourist destination is to assess
the adequacy and effectiveness of tourism components and elements that all
together provide memorable destination experiences for visitors (Fuchs,
2004). Karlof et al. (1994) also observed that the benefits of benchmarking are
fourfold as (1) showing organizations how to better meet customer needs, (2)
identifying their strengths and weakness, (3) stimulating the continuous
operational improvement and (4) finally creating innovative ideas in cost
effective ways (Fuchs, 2004). In tourism benchmarking framework, quality
perception by tourists and their expectations are two important areas to
measure and to understand the performance (Fuchs & Weiermair, 2001). It is
also suggested by Fuchs & Weiermair (2004) that in many cases visitor or
guest satisfaction is used as a significant indicator for destination
competitiveness (Xiang, Kothari, Hu and Fesenmaier, 2007). “In tourism
related services, Gronroos (1984) found that service quality in tourism has a
technical and a functional dimension which are associated respectively with
the result of what the consumer is receiving and the process of how the
service is being received” (Velazquez, Saura, & Molina, 2011, p.68). In the
case of product and services, it is required to assess the adequacy and
effectiveness of the product, facilities, services, and program that altogether
provide memorable destination experience for visitors (Mathias & Klaus,
Destination Benchmarking: An indicator-System's potential for exploring
guest satisfaction, 2004). Therefore, Corouch & Ritchie (1999) suggested that
the core destination management activities are periodic monitoring of visitor
satisfaction and regular resource stewardship (Fuchs, 2004). The notion of
quality of tourism product includes assurance of safety and security for tourists with destination community as a basic factor (Bindu, Rajendran, & Prakash, 2008). Atkinson, Waterhouse, & Wells (1997) observed that measuring a destination performance may also help people who live there such as local residents, employees, customers, and suppliers to evaluate their contributions and expectations (Kozak, 2004). A functional approach of destination development suggests that all parties or stakeholders interested in or affected by the tourism business within a particular market or community should collectively manage the tourism system (Sautter & Leisen, 1999). In terms of destinations’ resource strength it is required to consider mainstream destination’s attractiveness and attributes, together with generic industry level attributes such as human resources, infrastructure and capital, that contribute to the overall competitiveness of a tourist destination (Meng, Tepanon, & Uysal, 2006).
Parasuram (2002) developed an efficiency framework of tourism destination. It describes the central role of service quality linking the two. Inputs provided by both the destination and the tourist influence service quality, which in turn affects outputs as viewed from a destination and customer perspective (Fuchs, 2004).

Figure 2.3 “Destination Efficiency Framework” by Parasuraman, 2002, Managing Service Quality.

Relationship 1, in line with the resource-based approach, captures the notion that as destination channel taken in more resources into the provision of services, tourists input should decline. Link 2 proposes the moderating effect by the market; this suggests the extent to which changes in destination inputs trigger changes in customer inputs which will depend on how the destination
can allocate available inputs. Relationship 3 demonstrates the positive impact of tourists’ output on the output of tourist destination (Fuchs, 2004). Optimizing tourism service quality has two effects. On the one hand it should improve and secure the quality as perceived by the tourists. On the other hand it should make the conversion of destination inputs to outputs more efficient. Thus, destination management has to improve its multidimensional output rates and should also control related resource input (Fuchs, 2004). Destination efficiency framework is a key tool to identify areas where destinations perform well or poorly, and particular attention must be given to those areas to bring them up to the standard.

The existing literature seems to focus mainly on two aspects of benchmarking (1) performance measurement issues (i.e., what to benchmark) and, (2) methodological issues (i.e., how to benchmark) (Xiang, Kothari, Hu and Fesenmaier, 2007). Performance measurement for tourist destinations has emerged as one of the fundamental issues for destination benchmarking (Xiang, Kothari, Hu and Fesenmaier, 2007). Ritchie & Crouch (1999) suggested developing an operational measure for evaluating the competitiveness and sustainability of a tourist destination (Xiang, Kothari, Hu and Fesenmaier, 2007). Ritchie & Crouch (2003) investigated that visitor satisfaction is considered as one of the most important sources of destination competitiveness. This is because the core destination management activities involve periodic monitoring of visitor satisfaction and regular resource stewardship involving effective maintenance of those resources that are highly
vulnerable to damage caused by tourism (Xiang, Kothari, Hu and Fesenmaier, 2007).

2.2.1 Classification of Benchmarking

Classification of benchmarking that influences the total performance of the destination under tourists’ confidence are (a) Internal benchmarking measuring the own performance of the destination in order to specify areas that need to be benchmarked (Zairi et al, 1992) (b) External benchmarking, a management technique that initially identifies performance gaps with respect to any production or consumption part of the organization and then presents the method to close the gap. External benchmarking is to analyze the performance of one destination to another. The gap between internal and external practices displays where to change and if there is any need to change. External benchmarking measures one’s own performance in order to specify areas that need to be benchmarked (Zairi et al, 1992). Each destination needs to put their own priorities in order. (c) Generic benchmarking, the core idea is to identify the best practices or the best performing business in the industry and improve one’s own performance by adopting good practices by other’s or guidelines established by professional national or international organizations (Evans and Lindsey, 1993).

2.2.2 Internal benchmarking

Little research has been carried out to develop methodologies for internal or generic benchmarking studies (Kozak & Nield, 2001). Some of those studies
compare findings of the performance of previous years and some attempted to establish best practices based on the performance score marked by both consultants and customers (Kozak & Nield, 2001). Kozak (2000) suggested that some destination may have their own cultural, economic and political characteristics, which has limited application to transfer to others or cannot easily be revised by looking at others. Examples of these are hospitality, harassment, law, currency exchange values and tourist and visa regulations in a country. These variables may be measurable and compatible but not comparable for external benchmarking purposes (Kozak & Nield, 2001). Cross & Leonard, (1994); McNair & Leibfried, (1992) noted that Internal benchmarking is an approach that includes the collection of data on one’s own performance and its assessment on the basis of several criteria such as objectives or improvements compared to past years (Kozak, 2004). Internal destination benchmarking refers to a monitoring process of the performance objectives released by authorities prior to commencing benchmarking study and then taking action (Kozak, 2004).

The strength of internal benchmarking is that it helps to find methods that are relevant to a particular culture and practices and build up local strategies on the basis of the characteristics of the managerial and social culture and specific objectives. There is no need to spend time in collecting data from others and observing their performance levels (Kozak & Nield, 2001). The main purpose of internal benchmarking is to improve the performance of tourism business or tourist destinations by identifying their
own strength and weakness on the basis of feedback obtained from travellers and local population (Kozak & Nield, 2001). Internal benchmarking is a continuous process, targeting performance within various aspects of the organization. Identifying the level of each destination’s performance based on feedback about the outcome is vital in providing a useful indication of its current position of tourism and demonstrating the extent to which it takes place set in the international competitiveness and the need for improvement (Kozak, 2004).

2.2.3 Challenges of Tourist Destination Benchmarking

Sower et al., (2001) observes that service benchmarking is made more difficult than benchmarking in manufacturing because it appears that those things, which are important to customers, would differ significantly from one service industry to another (Bindu, Rajendran, & Prakash, 2008) “As a service industry, tourism benchmarking methods are much more complicated than tangible industries, as the synergy must be significantly established between and among various sectors and sub-sectors of tourism” (Xiang, Kothari, Hu and Fesenmaier, 2007, p. 86). Motwani and Sower (2006) noted that quality is not universal in services (Bindu, Rajendran, & Prakash, 2008), therefore the performance of one destination vary significantly compared with the other. Benchmarking in tourism faces several challenges which may limit the usefulness of this management tool. In particular, it is often used as a comparative analytical tool and is rarely linked with organizational strategy. Also the process of transforming knowledge into action is considered as an
extremely challenging and controversial task (Xiang, Kothari, Hu and Fesenmaier, 2007). This is not an issue that only pertains to the tourism industry; in fact, every organization conducting benchmarking will eventually face the same challenge due to the high level of ambiguity of the task (Xiang, Kothari, Hu and Fesenmaier, 2007). Bendell, Boulter, and Kelly (1993) found the barriers of benchmarking consists of time constraints, competitive barriers, cost, lack of management commitment and professional human resources, resistance to change, poor planning and short-term expectations (Kozak & Nield, 2001). Another criticism made by Cox and Thompson (1998) is that, benchmarking finding may remove the heterogeneity of an industry because practices will themselves become globally standardized and attempts to produce differentiation may fail (Kozak & Nield, 2001). It is also noted that there are no best practices to observe and apply; therefore, benchmarking must be perceived as a method of learning from our own as well as others’ success and failures and assessing their utility to one’s own culture and objectives, rather than accepting it as an attempt to copy what exactly others are doing and providing (Kozak, 2004). One of the main challenges of benchmarking tourism observed by Jones et al. (2004) is because of the definition problem, relating to intangibility of the tourism output; leading to the measurement problem, asking which units of measurement are appropriate; which makes difficult comparing one tourism unit to another or even the same unit over time (Fuchs, 2004).
2.3 Tourist Satisfaction

Graburn and More (1994) stated that tourism is the product of experience and is intangible in nature and unlike other products and services, tourism sells excitement, and unknown experience, and a sense of discovery to travelers (Rittichainuwat, Qu, & Leong, 2003). It is critically important for all tourist destinations to evaluate tourist satisfaction level. “In doing so, a baseline of information from which to build and tailor marketing promotions and decision makers can better identify visitor markets that offer opportunities for growth” (Andriotis, Agiomirgianakis, & Mihiotis, 2007). Malthouse et al., (2004) observed that customer satisfaction has long been valued as a key outcome of good marketing practice (He & Song, 2008). Without question, service quality and customer satisfaction are key drivers of financial performance as customer satisfaction is directly linked to the tourist’s emotion (McMullan & O’Neill, 2010). Satisfaction variables or psychological construct of tourists are associated with motivation, satisfaction, and intention (Huang & Hsu, 2009). “It is argued that satisfaction leads to increased loyalty, reduced price elasticity, increased cross buying, and positive word of mouth” (Matzler & Pechlaner, 2001, p.26). Hence, visitor satisfaction is a key measure for destination benchmarking. According to Weiermair; Fuchs (1998); Kozak (2002) tourist satisfaction is regarded as a customer-driven measure of destination performance, where the customer is the main source of information for identifying those standards that should be established in order to close potential performance gap (Fuchs, 2004). Lash et.al., (1987) suggested that post modernity constitute a new cultural paradigm and social
consciousness, that have significant influence on tourist behavior, which is described in a three factor model of tourist choices that further influence the satisfaction level, they are (a) tourist’s decision to take a vacation consists of personal restriction and socio-demographic characteristics, (b) income restrictions, spending capacity is taken into account and (c) occupational situation, is a substitute variable of income (Nicolau & Mas, 2005). “A change in these factors also changes the experience level of the tourists. Early conceptualizations of the tourist experience emphasize it in distinctiveness from everyday life” (Uriely, 2005, p.203). The argument on authentic and everyday life has discussed by Ash (1995) temporary distance from one’s everyday life will help to suspend their power of norms and values that govern their daily lives and think about their own lives and societies from a different perspective (Uriely, 2005) and therefore tourists in a tourists destination may be in a contradicting environment and this is due to the conflict of interest of tourists and destination community as the destination communities are set with achieving their everyday life and tourists are for experiencing their inauthentic life. According to Cohen (1979) different kinds of people may desire different modes of tourist experience (Uriely, 2005). This is due to the fact that services are performances, frequently produced by humans, no two services will be precisely alike (Bowen, 2000). In some cases customers will have unique demand and success of service is to maintain this unique standard which meets the expected need of all the tourists. Tourist satisfactions are influenced by a number of components such as (a)
expectation, (b) performance of all the players, (c) management, (d) service personal, (e) tourists and (f) host population (Bowen & Clarke, 2002).

Service quality and satisfaction are measured in different scales. “Satisfaction is considered to work more on the consumer’s affective or emotional side” (Bowen, 2000, p.31). Cronin and Taylor (1992) suggested that service quality has a global evaluation parameter and satisfaction is associated to a specific transaction and Boulding et al., (1993) suggested that tourist satisfaction will be an antecedent to service quality (Velazquez, Saura, & Molina, 2011). Tourist satisfaction is studied on precieved value which explains “consumer value involves a perceptive evaluation of an exchange between what is achieved (result and desired benefits) and what has been invested (money, time and effort)” (Velazquez, Saura, & Molina, 2011, p.72). Tourist experiences are also influenced by service personel’s performance that are speed, accuracy, hospitlaity, appearance etc. There are four factors affecting the service quality, they are (a) service experience, (b) expertise, (c) attitude and (d) demographic background (Chang & Bowie, 2005). Another note made is job dissatisfaction arising due to the existance of underpaid employees in tourism sector that cause low level of motivation and will directly influence the service quality leading to tourist dissatisfaction (Chang & Bowie, 2005). The perception of destination image leads to the tourist loyalty and repeat visit will be an added advantage in attracting and retaining visitors for a prolonged and stable development of the tourist destination. The creation of loyalty is an evolutionary process driven by tourist experience
Tourist satisfaction is a dynamic, rather than static, concept. It implies that people have hierarchies of values which undergo constant modification (Dann, 1978). These explanations prove that the tourist satisfaction in a destination is influenced by multiple aspects of destination characteristics.

2.3.1 Tourist Type

Tourism experience are not alike, it varies based on the time, place and target of the tourists (Elizabeth, Ross, Seppo, & Ahola, 1991). These multiple symbiosis are important to target the tourist generating market. According to Muller (1991) personal values may serve as an effective basis of market segmentation due to their indirect impact on preferences of products and brands (Furman & Prentice, 2000). Cohen (1972) developed the four fold categories of tourists based on their visitation pattern, they are drifter, explorer, individual mass, and organised mass. This categorization constructs the differentiation between noninstitutionalized and institutionalized tourists (Uriely, 2005). Wickens (2002) classified five subtypes of tourists based on their motivational factors, they are (a) placing a strong emphasis on the local culture, (b) searching for sensual and hedonistic pleasures, (c) wishing for romantic experience, (d) questing for sunshine and hot climate, (e) and enjoying the familiarity in a tourist destination (Uriely, 2005) and tourists are more likely to choose destinations which are believed to best fulfill their internal needs or pull factors (Meng, Tepanon, & Uysal, 2006). Tourists in a tourist destination have different modes of experience, this is explained by
they are “recreational mode” or “diversionary” modes, “experiential mode”, “experimental” or “existential” mode (Uriely, 2005).

When tourist visits a destination, they interact with many different components and elements of the tourist destination, which is a package of diverse attributes that includes physical components such as attractions, services and facilities catering to the everyday needs of the tourists and people at the destination. The quality of these interactions and experiences, with numerous encounters in the total holiday experience, forms the basis for overall holiday satisfaction or dissatisfaction and future travel decisions (Yuksel, 2001, p.154). Therefore, destination attractiveness is just an element of tourist satisfaction, the remaining part of the tourist satisfaction is influenced by the efficiency of the destination to serve the tourist at its best (Yuksel, 2001). Tourist satisfaction is the result of the interaction between a tourist’s experience at the destination area and the expectation the tourist had about the tourist destination (Pizam, Yoram, & Reichel, 1978). Baker et al., (2000) suggested that tourism satisfaction can be examined in services of travel agencies, quality of accommodation, destinations and tours (Bosque & Martin, 2008). “Measuring satisfaction in tour operating sector is particularly important as it is indicatives of the process by which a customer evaluate a purchase, thereby determining satisfaction and likelihood of purchase” (Hudson & Hudson, 2004, p.305). A further clarification in the service of tour operation is the quality of service of the tour operating sector, which is difficult to control before it is sold or consumed; its invisible and intangible
nature make customers rely on the image of a firm for further purchases (Chang & Bowie, 2005). Schofield and Fallon (2000) observed that service quality and tourist satisfaction are not similarly used for measurement. According to Oliver (1981, 1989) service quality perceptions represent a primarily cognitive appraisal of service performance. Whereas customer satisfaction represents a mainly affective response to this same performance (O’Neill, Kozub, & Hyfte, 2010). Ryan (1995) observed that in practitioners point of view, understanding motivation is critical for marketing tourism experiences. According to Lawler (1973) the specific expectations people have for a given experience are influenced by individual and environmental factors such as the amount and type of previous experience, the degree of communication with others, situational variables and personal characteristics (Graefe, 1987). Dann and Pizam (1978) suggested that most people participate in recreation activities to satisfy multiple expectations (Graefe, 1987) and they design and plan tourist attractions, and evaluate service delivery for vacation experience (Snepenger, King, Marshall, & Uysal, 2006) for the tourists for service quality enhancement. Jamal and Lee (2003) described the micro and macro factors which explain the need to escape and search for authenticity respectively (Snepenger, King, Marshall, & Uysal, 2006). The search for authenticity stems from the idea that the modern world has left people with a sense of experiences that are inauthentic and relationships that are disconnected from the normal routine of life (Snepenger, King, Marshall, & Uysal, 2006). Tourist experience is viewed as superficial and a quest for
“pseudo-events’ and artificial attractions (Uriely, 2005). However, there are significant evidences to show that the tourist expectations are different from country to country (McCleary, Weaver, & Hsu, 2006).

The customer processing part of service operations is one of the central aspects of destination benchmarking paradigm (Fuchs, 2004). Directly or indirectly, guest satisfaction for a destination’s service element (e.g., facilities and infrastructure) is influences the overall image of a tourist destination. According to Kozak and Rimmington, (1998), benchmarking of customer satisfaction in small hospitality businesses results in a drive for innovation with the corresponding effects on a destination’s attractiveness (Matzler & Pechlaner, 2001). Today, tourist destinations begin to consider customer satisfaction as one of the most important sources of their competitive advantage (Bieger 1998; Kozak and Rimmington 1998; Ritchie and Crouch 2000; Fuchs, Peters, and Weiermair 2002; Matthias and Weiermair, 2004). Fernandez-Ballesteros et al., (2001) suggested that life satisfaction is related to the individual’s satisfaction with health, work, family, or leisure. This is a broad approach for long term well-being and touring is an element of it. Sense of well beings are defined by two main approaches by Ryan (2001) as hedonic and eudaimonic (Bosque & Martin, 2008). The hedonic well-being is the momentary pleasure achieved through the satisfaction of subjective needs, i.e. short term satisfaction. The eudaimonic well-being refers to self realization through the satisfaction of deeply held needs or values, i.e long term satisfaction (Bosque & Martin, 2008) and the
tourist satisfaction contributes to both states. Consumer behaviour in tourism explains how individuals would process external information of the tourist experience in order to form their own beliefs and judgements (Bosque & Martin, 2008).

Another approach of tourist satisfaction is the individual’s cognitive-affective state derived from tourist experience (Bosque & Martin, 2008). According to Oliver (1980) cognitive approach leading to tourist satisfaction is the consumer’s response to the congruence between performance and comparison standard (Bosque & Martin, 2008). A cognitive-affective approach of tourist satisfaction explains satisfaction formation as influenced by the individual’s cognitive judgements (Bosque & Martin, 2008). According to Oliver (1993) satisfaction is influenced by cognitive evaluations such as expectations and disconfirmation (Bosque & Martin, 2008). According to Oliver (1987) expectations are defined as the individual’s belief about how a product is likely to perform in the future (Bosque & Martin, 2008). Sharif and Hovland (1961) reviewed the tourist expectation in a simulation theory. Expectancy disconfirmation falls under interactive theories which focuses on explaining tourist satisfaction between situational and personal facets which consists of (a) expectancy confirmation, (b) norms, (c) equity, and (d) self–congruity (Sirgy, 2009). According to Oliver (1997) expectation disconfirmation paradigm implies consumer’s purchase of goods with pre-purchase expectations about anticipated performance. The expectation level then becomes a standard against which the product is judged
(Yuksel & Yuksel, 2001). Individuals encounter a psychological conflict when they perceive discrepancies between performance and prior belief (Bosque & Martin, 2008). Churchill et al., (1982) found that under these circumstances, satisfaction will be led by expectations (Bosque & Martin, 2008). According to Oliver (1997) there are two possibilities which are likely to occur when the consumer compares product performance with beliefs. If performance is above expectations, positive disconfirmation is expected to occur. In the contrary case, negative disconfirmation occurs (Bosque & Martin, 2008). According to Szymanski & Henard (2001), expectations have an indirect effect on satisfaction through disconfirmation, in this case, prior beliefs are only conceived as a comparison standard in the disconfirmation judgement that means (Churchill et al., 1982) the higher the tourists expectations, the less positive the disconfirmation during the consumption process (Bosque & Martin, 2008). Miller (1977) constructed expectations in a hierarchial order and related them to different levels of satisfaction. He proposed ‘zone of tolerance’ which is considered as an alternative comparison of standard and disconfirmation model. Between the adequate and desired is the ‘zone of tolerance’ which represents a range of performance that the consumers considers acceptable. “The ‘zone of tolerance’ is bounded by ‘the best customers can expect to get’ versus ‘the worst customers will accept as barely fulfilling their needs” (Chang & Bowie, 2005, p.307). The little argument is observed by Arnould & Price (1993) is satisfaction might have little or nothing to do with expectations and this is supported by Johnston
(1987) that the expectations may not reflect reality and may be based on lack of information and unfair comparisons (Chang, 2008). However, in the modern world this view has little relevance as the tourists are from a highly information-intensive society. Apart from the theory of expectation disconfirmation, researchers applied theories, such as dispositional theories and interactive theories. In dispositional theory tourist satisfaction focuses on inherent personal characteristics of the tourist or the type of traveler, the thrill of holiday is determined by the personal interest of the tourist (Sirgy, 2009). “Norms” theory in tourist satisfaction explains the type of tourist expectation that the tourist used in evaluation of services. This is classified into four (a) ideal expectation, (b) deserved expectation, (c) desired expectation, (d) predictive expectation, (e) expectation established by referent others (Sirgy, 2009). Equity theory explains satisfaction in terms of tourists’ perceived ratio of input versus output. Satisfaction is higher when the tourist perceives high levels of output (benefits from the service) in a given low level of input (cost incurred) dissatisfaction can occur when the level of output is low against high levels of input (Sirgy, 2009). Sirgy and Su (2000) offered Self-congruity theory in tourist satisfaction which explains tourists feel happy with the service when they perceive the typical service patron to be similar to how they see themselves, this is called as self-image (Sirgy, 2009). Most of the researchers argue that interactive theories are most effective due to the fact that interactive theories combine aspects of both the situation and the person to better explain tourist satisfaction. Another theory that supports tourist
satisfaction is goal theory (Cantor & Sanderson 1999) however this theory is not popular in tourist satisfaction study. “Goal theory examines the “Goal Valance Principle”, this states that leisure travel satisfaction is enhanced by selecting the leisure travel goals in which goal attainment is likely to induce high levels of positive effect in major life domains such as social life, leisure life, love life, cultural life, spiritual life, family life, and work life” (Sirgy, 2009, p.248). This experience eventually contributing directly or indirectly to Quality of Life (QOL) of the tourists. This theory further explains the intrinsic and extrinsic goals of the tourists and explains that tourist needs vary from one to another. Example of intrinsic need is any visit associated with closeness of friends, family and relationship with co-workers and neighbours, while extrinsic satisfaction of tourist visit is heightened satisfaction of the trip, the kind of satisfaction that significantly contribute to subjective well-being of the tourist. Kano’s consumer satisfaction model suggests the classification of service satisfaction into three attributes, each having a different impact on consumer satisfaction, this model consists of three factors;

a. Basic factors: “Consumers regard these factors as being guaranteed by the service provider, with no need for specific request if it is not fulfilled, they generate a high level of customer dissatisfaction although they do not increase satisfaction. These factors determine a minimum threshold for penetrating market” (Alegre & Jaume, 2009, p.78).
b. Performance factors: “These are the factors that increase satisfaction levels if they are fulfilled and reduce the satisfaction if not fulfilled. Their effect of satisfaction is therefore symmetrical, provision of these services in a competitive way only increase the satisfaction” (Alegre & Jaume, 2009, p.78)

c. Excitement factors: “These are the factors that increase consumer satisfaction if they are fulfilled but do not cause dissatisfaction if they are not” (Alegre & Jaume, 2009, p.78).

Figure 2.4 “Kano’s Model of Customer Satisfaction,” by Matzler, Pechlaner, and Siller, 2001, Journal of Quality Assurance in Hospitality and Tourism.

2.3.2 Goal Valance Principle
a. The intrinsic principle of goal selection: “life satisfaction can be increased and dissatisfaction can be decreased by selecting intrinsic rather than extrinsic leisure travel goal” (Sirgy, 2009, p.248)

b. High versus low-level goals (Abstractness principle of goal selection): Life satisfaction can be increased and dissatisfaction can be decreased by selecting abstract or high-level rather than concrete or low-level leisure travel goal (Sirgy, 2009).

c. The Growth Needs Principle of Goal Selection (Goal related to basic versus growth needs): Life satisfaction can be increased and dissatisfaction can be decreased by selecting leisure travel goals more related to growth needs than basic needs (Sirgy, 2009).

d. Approach Principle of Goal Selection (Approach of desired status versus avoidance of undesired status): Life satisfaction can be increased and dissatisfaction can be decreased by selecting leisure travel goals more related to approach (approaching desired state of affairs) than avoidance (avoiding undesired state of affairs) (Sirgy, 2009, p.250).

e. The need Deprivation Principle of Goal Selection (Goal related to deprived needs): Life satisfaction can be increased and dissatisfaction can be decreased by selecting leisure travel goals more related to deprived than undeprived needs (Sirgy, 2009, p.250)

f. The Flow Principle of Goal Selection (Goal Production Flow): Life satisfaction can be increased and dissatisfaction can be decreased by selecting leisure travel goals more likely to induce flow than goals less
likely to induce flow (Sirgy, 2009, p.250). According to (Csikszentmihalyi et al., 1975) flow is psychological state produced by the person’s perception that his skills match the challenges presented in a given situation (Sirgy, 2009). “This further explains when one’s skill level is perceived to be greater than the task challenge, the person likely to feel bored and when the task challenge is perceived to require more skill than one posses, the person likely to feel anxious, when both challenge and skills are perceived to be low, the person is likely to feel apathetic” (Sirgy, 2009, p.251).

g. The Autonomy Principle of Goal Selection (Autonomous Goal): According to Cantor & Sanderson (1999) “well-being is enhanced when individuals are able to pursue their distinct personal goal in ways that are intrinsically valued and autonomously chosen. Tourists who are allowed to develop their own travel plans are likely to experience higher level of leisure and life satisfaction than tourists whose travel plans are selected by a tour operator (Sirgy, 2009). That means life satisfaction can be increased and dissatisfaction can be decreased by selecting leisure travel goals autonomously as opposed to nonautonomously (Sirgy, 2009).

h. The Motive Congruence Principle of Goal Selection (The goal expectancy principle): This principle explains the type of tourist goals likely to generate strong positive emotions. According to Vallacher & Wegner (1989) individuals experience greater satisfaction when they strive to attain goals that are realistic and attainably feasible (high expectancy of
success) than goals that are nonrealistic and feasible (Sirgy, 2009). The principle explains “life satisfaction can be increased and dissatisfaction can be decreased by selecting leisure travel goals consistent with strong needs” (Sirgy, 2009, p.252).

i. Cultural Value Congruence of Principle of Goal Selection (The goal-cultural value congruence): Satisfaction with travel is related to well-being of traveller. Oishi et al., (1999) explains that goal related to leisure activities are more accepted in wealthy countries as compared to poor ones (Sirgy, 2009). “The principle explains life satisfaction can be increased and dissatisfaction can be decreased by selecting leisure travel goals consistent with cultural values of the host community” (Sirgy, 2009, p.252)

j. The Resource Congruence Principle of Goal Selection (Goal-resource congruence): According to Sanderson (1999) goal-resources of a person is specified in three dimensions (a) personal resources such as health, traits, strategies and abilities. (b) social resources such as social networks, power and status. (c) material resources such as money, power and status (Sirgy, 2009). Cantor and Sanderson (1999) “interpreted that well being can be attained to an extent to where the goals that are realised are congruent on incongruaut with one’s own personal resources” (Sirgy, 2009, p.252). This principle explains life satisfaction can be increased and dissatisfaction can be decreased by selecting leisure travel goals consistent with one’s resources (Sirgy, 2009, p.252).
k. The Conflict Principle of Goal Selection (Goal conflict): Henry et al., (1997) described that life satisfaction is associated with the consistency of the life goal. “This principle explains that life satisfaction can be increased and dissatisfaction can be decreased by selecting leisure travel goals that do not conflict with other important goals” (Sirgy, 2009, p.253)

l. The Concreteness Principle of Goal Implementation (The Goal Implementation Principle): Failing to attain a set goal that is important to one's travel goal can decrease satisfaction level. Satisfaction can be increased essentially by attainment of important goals in leisure travel (Sirgy, 2009). “The principle explains life satisfaction can be increased and dissatisfaction can be decreased by translating abstract leisure travel goals into a set of concrete goals” (Sirgy, 2009, p.253)

m. The Commitment Principle of Goal Attainment (Goal commitment): According to Tubbs & Dahl (1991) a committed person is thought to adopt a specific performance goal and persists in his attempt to reach it. Satisfaction experienced in particular life domains is dependent on goal commitment. This principle explains life satisfaction can be increased and dissatisfaction can be decreased through goal commitment (Sirgy, 2009).

n. The Recognition Principle of Goal Attainment (The goal attainment principle): The satisfaction from goal attainment can only be experienced when the tourist recognises that they have attained the goal they have set. This principle interprets life satisfaction can be increased and dissatisfaction
can be decreased through explicit recognition of attainment of leisure travel goals (Sirgy, 2009, p.254)

The Frequency Principle of Goal Attainment (Intensity versus frequency of positive feedback): This principle explains tourist should experience frequent but small doses of reward or less frequent but large doses of reward. Research shows that “frequent but small doses of reward” are better than “less frequent but large doses of rewards”. In tourism it is tourist experiences at the tourist destination. “The principle of goal attainment explains life satisfaction can be increased and dissatisfaction can be decreased through experiencing more frequent and less intensive attainment of leisure travel goals as compared to less frequent and more intense goal attainment” (Sirgy, 2009, p.255)

2.3.3 Factors Influencing Tourist Satisfaction at the Destination

Infrastructure is one of the major elements that must be assessed for measuring tourist satisfaction. Tourist satisfaction for a destination’s service element (facilities and infrastructure) is influencing the overall image of a tourist destination (Matzler & Pechlaner, 2001).

Measuring customer satisfaction is significantly important for benchmarking tourist destination and must be done in systematically and regularly, drivers of satisfaction and dissatisfaction should be identified, competitor information should be assessed and result should be available in time (Matzler & Pechlaner, 2001). Anderson et al., (1994) suggested that the
findings of the customer satisfaction is expected to generate positive behavioral reactions from customers such as return, repeat purchase recommendation and positive word of mouth (Neal & Dogan, 2008). Mactavish et al., (2007) investigated that consumer satisfaction with service aspects of travel and tourism services have shown to enhance the subjective quality of life (QOL) (Neal & Dogan, 2008). “Repeat visitations are not significantly noticed in all tourist destinations, repeat visitations are commonly seen in mature holiday destinations, securing repeat visitations is an important measure to sustain the competitiveness of tourist destinations” (Huang & Hsu, 2009, p.29). According to Lundberg (1972) measuring tourist motivation has two major difficulties (a) “individuals and their cultural conditions and (b) the possibility that what the traveler says are his or her motivations for travelling may only be reflections of deeper needs, needs he himself does not understand nor wish to articulate” (Dann, Tourist Motivation: An Appraisal, 1981).

2.3.4 Factors Influencing Dissatisfaction at the Destination

Tourist experience in a tourist destination is not guaranteed and constant in nature, they may get an experience of what they expected mean time tourists may resist being annoyed or disturbed during their holidays (Kozak, 2007). Holiday experience is an amalgam of the total experience and can’t be isolated from one segment of the tourism industry. The satisfaction is the totality of the experience when tourist passes through the tourism system, breakdown of experience can be from a hotel, restaurant or at the tourist
destination or in transit route. When it is considered a service failure in any segment directly results in a loss of holiday quality (Kozak, 2007). According to Fornell (1992) measurement of tourist satisfaction is cumulative and is an overall satisfaction based on the whole purchase and consumption experience from tourism over time (Kozak, Bigne, & Andreu, 2004). According to Kozak (2007) “hospitality and harassment are words identifying two different aspects of a national culture and of a tourist’s experience. The hospitality factor is important in developing positive memories and stimulating people to come back, while the harassment factor has an equivalent power to discourage visitation or spending behavior (Kozak, 2007). Based on the definition of harassment the possible tourist harassments are listed as (a) persistently being asked to visit shops or purchase (Vendors harassment), (b) soliciting an unwanted sexual relationship either for payment or on a volunteer basis (Sexual harassment), (c) use of obscene language or gestures to make the tourist feel annoyed or threatened (Verbal abuse), (d) tourists are approached with aggressive action including abusive encounter or insult, bodily mistreatment (physical abuse), (e) crime related matter of dealings in relation to drugs (peddling of drugs) (Kozak, 2007).
2.4 Destination Community Impact Assessment

There is growing agreement that long term success of tourist destination development can only be achieved based on the knowledge of the views of host population on destination development (Yuksel & Yuksel, 2008). Burns et al., (1999) suggested that lack of community involvement has been pointed as one of the main factors leading to a high rate of tourism plan failure (Yuksel & Yuksel, 2008). The literature on tourism impacts suggests that “a number of deleterious effects of tourism development such as environmental degradation, resource depletion and inauthentication, and commodification of host community cultures are the direct result of the philosophy on development” (Sirakaya & Choi, 2005, p. 381). Therefore, tourism development has positive and negative effect on destination community. What is required is to minimize the consequences of tourism development and maximize the benefits and weigh it in a Cost Benefit Analysis (COBA). In a positive sense, tourism is viewed as a vehicle for achieving greater economic performance for many regions and countries in both developing and developed nations (Nowak & Sahli, 2007). Minnaeret et al., (2007) viewed that tourism in the local community add moral value, which aims to benefit the host and the visitor in the tourism exchange (Minnaert, Maitland, & Miller, 2009). “A general appreciation of tourist activity appears to be characteristic of most travel destination residents, incidents of negative reaction or resistance can sharply decrease traveller satisfaction and severely damage a community’s hospitality” (Pearce II, 1980.
If the tourist is a foreigner, the inhospitable reactions can be exacerbated and is reflected in the form of jealousy, xenophobia and may be manifested in the form of disinterest to rudeness to physical hostility (Pearce II, 1980). The amount of positive and negative impacts varies from the economic state of the country and the levels of impact vary depending on the sociocultural structure of the country and the level of touristic development (Dogan, 1989). “Earnings from tourism and economic growth remain the fundamental justification for tourism’s inclusion in regional and development strategies” (Nowak & Sahli, 2007, p. 426). Regardless of the positive impacts of tourism to the local residents tourism can bring substantial social, economic, and environmental impacts to rural communities and the surrounding areas. The nature and magnitude of these impacts have been a significant concern for planners, community leaders and social scientists (Pfister & Wang, 2008). Arnstein et al., (1969) suggested that for effective planning and development of tourism resident involvement is required to mitigate negative impacts and increase the benefits associated with the tourism industry (Pfister & Wang, 2008). Due to this relevancy, research on residents’ attitudes on tourism has become a major focus (Pfister & Wang, 2008). Ap et. al., (1992) suggested that destination communities are the major actors in the tourism development process since they are directly affected by it. (Sirakaya & Choi, 2005). According to (Davis et.al., 1988) residents’ receptiveness to both visitors and tourism development plays an important role in attracting and pleasing visitors (Sirakaya & Choi, 2005). The rationale
of understanding residents’ attitude and perception towards tourism appears founded on several perspectives (Pfister & Wang, 2008), they are described as follows.

(a) According to McGehee and Meares (1998) the degree to which types of tourism initiatives are acceptable to residents.

(b) According to Andereck and Vogt (2000) nature of residents’ positive and negative concerns with development options

(c) According to Harill and Potts (2003) significance of spatial, economic investment, and rational network factors among the community stakeholders (Pfister & Wang, 2008).

Sirakaya et.al, 2000) noted that tourism has been celebrated as the savior for many communities around the world because of its ability to generate hard currency, new income and jobs and on the other hand, many communities are affected with adverse impacts of tourism on natural, social, and cultural resources (Sirakaya & Choi, 2005). Benefits and costs of tourism development to local community must be carefully evaluated, and when benefits exceed costs, the actor will hold a positive attitude toward tourism. If the reverse is true and costs exceed benefits, then a negative attitude toward tourism will be evident (Pfister & Wang, 2008). It is also frequently asserted that the traditions of the host countries are weakened under the influence of tourism (Dogan, 1989). According to Kadt (1979) tourism transforms human relationships into a source of economic gain and the proportion of non-economic relationships
diminishes. In this way, previously warm and intimate relationships are transformed into commercial forms (Dogan, 1989). However, these negative consequences are not observed everywhere. Barbados, Liu & Var (1986) found in a study conducted in Hawaii that tourism has produced important economic and cultural benefits for the destination community and that social and environmental problems were not necessarily associated with tourism (Dogan, 1989). This perspective fulfills the rationality principle to measure economic impact through the examination of social exchange (Pfister & Wang, 2008). Evaluating the above performances can assist community leaders in the design and implementation of tourism development strategies aimed at building residents’ support for tourism development in rural communities that are undertaking tourism planning (Pfister & Wang, 2008). According to Sachs (1999) the old development paradigm has produced socially inequitable and environmentally disruptive growth by constructing development to mean simply economic growth. Perhaps the new development paradigm considers “whole” development denoting holistic approaches that support a harmonized way of development that is ecologically responsible, socially compatible, culturally appropriate, politically equitable, technologically supportive and economically viable for the host community (Sirakaya & Choi, 2005). In the economic context, increased income injection to the destination community is not only a parameter of social sustainability, but also, it is the crucial ability to retain the income
generated from tourism in the community. According to Belisle et.al., (1984) “on the dark side of tourism development destination community suffer from economic leakage, skilled workers compensation, increase of imported goods, payment of loyalty and no local transportation and increased foreign investment” (Sirakaya & Choi, 2005, p. 384). “These issues can be more prevalent when a destination becomes more popular without any prior planning or preparation as the rapid development causes negative social, cultural, environmental impacts, and even adverse economic impacts” (Sirakaya & Choi, 2005, p. 383). Based on the Cost Benefit Analysis (COBA), sustainable and successful community tourism represents two dimensions;

(a) Active participation: Active participation of community can make sustainable community tourism viable therefore, more benefits will be reached to the local community. This viability can be created by opening well-developed management-communication channels with receptive governments (Sirakaya & Choi, 2005).

(b) Satisfying visitors: A critical element of sustainable community tourism for long-term economic viability of local tourism (Sirakaya & Choi, 2005).

A grassroots strategy proposed by John (1998) described that strategy for economic growth in rural areas must originate and directed from within the community (Vogt & Andereck, 2000). Furthermore, when government organizations are involved in community development, they are ultimately
accountable to community residents (Vogt & Andereck, 2000). Social sustainable development of tourism as an emerging paradigm considers destination community as the focal point and focuses on direct and indirect support to the local community due to tourism development (Sirakaya & Choi, 2005). The social sustainable tourism paradigm seeks to strike a balance between traditional “utility paradigm” and its derivative “social exchange theory” (trade-off between economic costs and benefits) and according to Rowe (1992) the New Environmental Paradigm (NEP), explains conservation and preservation of all resources and enhancement of the well-being of communities during generations to come (Sirakaya & Choi, 2005).

“In order to know the multiplier effect of tourism reaching to the local community, the inter relationships between various elements of tourism in tourism system must be studied” (Williams & Lawson, 2001, p. 269). Previous researches show that resident’s attitude toward and support for tourism development and its impacts are highly correlated to several key factors (Huh & Vogt, 2007). Bastias-Perez et al., (1995) noted these factors are socio economic factors (age, income, duration of residence, ethnicity, education and gender (Huh & Vogt, 2007). Matin et al., 1998) noted that these changes are based on the residents’ economic dependency and Harill and Potts (2003) investigated the distance from tourism site to residential neighborhoods that influence the community dependency on tourism (Huh & Vogt, 2007). “If it is known why residents support or
oppose the industry, it will be possible to select those developments which can minimize negative social impacts and maximize support for such alternatives thereby the quality of life for residents can be enhanced, or at least maintained, with respect to the impact of tourism in the community” (Williams & Lawson, 2001, p. 270). Andereck (1995) recognized three categories of areas that must be identified to understand the attitude towards tourism impacts by local community. First, economic, including elements such as tax revenue, increased jobs, additional income, tax burdens, inflation, and local government debt. Second, socio-cultural, including elements such as resurgence of traditional crafts and ceremonies, increased intercultural communication and understanding, increased crime rates and changes in traditional cultures. Third, environmental, including elements such as protection of parks and wildlife, crowding, air, water and noise pollution, wildlife destruction, vandalism and littering (Andereck, Valentine, Knopf & Vogt, 2005). Although economic benefits are often assumed to largely improve the quality of life of residents, socio-cultural factors may not always be as positive (Liu, Sheldon, Var 1997; Johnson, Snehenger and Akis 1994; Andereck, Valentine, Knopf & Vogt, 2005) Dogan (1989) found that tourism development has an effect on the sociocultural characteristics of residents such as habits, daily routines, social lives, beliefs, and values. These factors may, in turn, lead to psychological tension (Andereck, Valentine, Knopf & Vogt, 2005). However, the variables may differ
slightly from community to community based on the nature of community and geographical setup as in some places considering the wildlife destruction may be irrelevant due to its nonexistence. Andritos et al., (2003) pointed that tourism generates employment and income for locals and is considered a medium for culture and environmental preservation, development of infrastructure, culture of communication, and political stability. Many communities have seen tourism as a promising opportunity for reducing underdevelopment problems and as a means of modernizing their economic base (Andriotis, 2005). Murphy (1980) suggested that “tourism is an industry which uses the community as a resource, sells it as a product, and in the process affects everyone (Andriotis, 2005, p. 67). Murphy (1980) suggests community as a part of community tourism development and the products produced by community as a “community tourism product” (Andriotis, 2005). A study conducted by Gursoy & Rutherford (2004) suggested that if more residents feel the “economy of the destination needs improvement, the more likely they are to support tourism, and less likely they are to be troubled by any social costs” (Gursoy & Rutherford, 2004, p. 512).

2.4.1 Perception

Tourism industry is dependent on the local community’s hospitality, and therefore it should be developed according to the host community’s needs and desires (Andriotis, 2005) Sheldon, Abenoja (2001) investigated community attitude as essential for visitor satisfaction and repeat visitation,
the measurement of host community’s perceptions of tourism development plays a vital role in the future success of the tourist destination (Andriotis, 2005). The support of tourism can be measured by perception of the local population, which can dictate the extent of the host community’s acceptability of tourism (Andriotis, 2005). Ap, et al., (1992) suggests social exchange theory is considered as a major conceptual sociological approach to the study of tourism and community relationship where the objects offered for exchange have value, are measurable and there is mutual dispensation of rewards and costs between actors (Andriotis, 2005). Pearce et al., (1996) interprets social exchange theory as supporting the community members “balance the costs and benefits of tourism development and their support for tourism depend on the outcome of this cost-benefit equation (Andriotis, 2005). Emerson (1992) and humans (1961) found that community groups engaged in an exchange transaction are keen to support tourism development and have positive reaction to tourists when they find exchange beneficial for their well-being (Andriotis, 2005). Bhagwati (1958) found the “immiserizing growth” due to tourism development; this is explained as economic growth which does not, however, necessarily make residents richer (Nowak & Sahli, 2007). In some circumstances, economic growth may in fact leads to a decline of residents’ real income and thus resulting in degradation of their economic standard of living, this is contrary to the general view that economic growth is not synonymous with improvement in standard of living of the local community (Nowak & Sahli, 2007). This indicates that positive economic impact of
tourism does not necessarily lead to an improvement in community’s real income and economic well-being (Nowak & Sahli, 2007) leading to a positive perception which is indicated in the following figure.

![Community Groups Willingness towards Further Tourism Development](image)

*Figure 2.5 “Community Groups Willingness towards Further Tourism Development,” by Andriotis, 2005, Journal of Hospitality and Tourism Research.*

Benchmarking community benefits of tourism development provide better insight into community’s development and planning in regard to quality of life, job opportunities, cost of living and retention of young, adults and retirees (Huh & Vogt, 2007). Several studies show that community perception significantly differ from one destination community to another due to heterogeneous nature of rural communities and the findings suggests that the nature of tourism industry in a community will affect the attitude of its residents (Vogt & Andereck, 2000) and according to Allen et al., (1993) comparisons between individual communities seems warranted (Vogt & Andereck, 2000). “The desirable outcome of resident involvement in tourism planning is the development of acceptable and appropriate tourism products and services customized for each community” (Vogt & Andereck, 2000, p.
29). The results of many studies shows that tourism development creates social conflicts at the destination due to sociocultural differences, economic welfare, and purchasing power gaps between the host community and the tourists, therefore the community perception on the impact of tourism oscillates continuously between the negative and the positive (Tosun, 2002).

2.4.2 Power Relation

“It has become widely recognized that planners and entrepreneurs must take the views of the host community into account if the industry is to be sustainable in the long term” (Allen, Long, Perdue and Kieselbach 1988; And Crompton 1998; Williams & Lawson, 2001, p. 270). According to Jamal & Getz (1995) community, development authorities, planners and policy makers alone can exert direct control over the destinations tourism development. Most narrow interpretation shows that individuals often rely on coalitions with other private or public individuals or agencies (Reed, 1997) as such the community tourism development is a continuous structured and collective decision and action by individuals and agencies in emergent tourism settings where interests are not collectively organized (Reed, 1997). Since economic development is one of the key “extradisciplinary” areas considering through tourism development but frequently non-economic impacts are not valued, this must be incorporated into policy making process (Lindberg & Johnson, 1997). The main issues observed in the context are that different parties involved in the decision making for tourism development have their own interests, and these interests may conflict with other party’s
priorities and may cause more development issues and adversely impact tourism development. Whatever the causes the ultimate suffering goes to the destination community. Determining an optimum balance by different stakeholders and having a well-established balance alone can make a difference in impact making the less adverse and increasing sociocultural and economic benefits. Therefore, it is confirmed that community leadership is heterogeneous being drawn from a number of power basis (1989: 54) (Reed, 1997). Improper and imbalanced distribution of power causes loses to everybody: Residents, visitors, and the tourism industry (Keogh, 1990).

2.4.3 Need for Assessment

Tourism’s impact on community is quite different from that of other economic sectors. The success of sustainability tourism development depends on active support of the local populations (Gursoy & Rutherford, 2004). Many researches suggests that tourism-dominated/ interested communities should plan their evolution more systematically, thereby taking into account residents’ attitudes and perceptions about its growth at the outset (Reid, Mair, & George, 2004). The impact of such growth must be monitored over a long period of time and their effects on daily life be assessed regularly (Reid, Mair, & George, 2004). To investigate residents’ perceptions of tourism’s impact and test the relationship between these perceptions, the role of tourism in the local economy, persons who benefits from it, engage with it, and community attachment all have to be assessed (Andereck, Valentine, Knopf, & Vogt, 2005). It has also been noted that economic benefits are often seen to largely
improve the quality of life of residents; Liu, Sheldon and Var (1987) found that sociocultural factors may not always be as positive as it seems (Andereck, Valentine, Knopf, & Vogt, 2005). Tourism development has an effect on sociocultural characteristics of residents such as habits, daily routines, social lives, beliefs, and values. These factors may, in turn, lead to psychological tension (Dogan, 1989). Perdue et al., (1991) observed that, in an area with high levels of tourism there is often an increase in population as a result of new residents relocating from outside areas (Andereck, Valentine, Knopf, & Vogt, 2005). The rapid growth of tourism without planning and proper destination management directly causes loss of resident identity and local culture. From the negative perspective, adverse effect on traditional family values (Kousis 1989), cultural commodification (Cohen 1988), crime (Brunt & Courtney 1999; Tosun 2002) drug abuse (Haralambopoulos & Pizam 1996; Mok, Slater & Cheung 1991; Tosun 2002), degradation of morality (Mok et al., 1991), increased use of alcohol, openness of sex (King, Pizam and Milman 1991), increased prostitution (Cohen 1988; Lankford 1994; Lindberg & Johnson 1997; Mok et al., 1991), Gambling (Pizam and Pokela 1985), crowding of public facilities and resources (Brunt & Courtney 1999; Lindberg & Johnson 1997; McCool and Martin 1994), and declining resident hospitality are the major ones. (Lui & Var 1986) (Andereck, Valentine, Knopf, & Vogt, 2005). There is a possibility that development policy clashes with local requirement when development plans only focus on meeting the needs of the tourists (Andereck, Valentine, Knopf, & Vogt, 2005). The main
environmental consequences due to tourism development is noted by Andereck (1995) are: air pollution, water pollution such as waste water discharge, fertilizer and road oil leakage, wildlife destructions (hunting, trapping, fishing and disruption of natural habitat (plant destruction and deforestation, over collection of specimens, and forest fires, trampling on vegetation, destruction of wetland, soil and beaches. One other study by Brunt and Courtney (1999) is on impact of tourism on traffic (Andereck, Valentine, Knopf, & Vogt, 2005) causing traffic congestion at the destination. Measuring resident reaction is important in the context of these negative effects which not only affect quality of life but commercial tourism ventures may also be hampered or terminated by excessive negative resident sentiments toward tourism development (Williams & Lawson, 2001). If it is known why residents support or oppose the industry, it will be possible to select those developments which can minimize negative social impacts and maximize support for local community. As such, quality of life for residents can be enhanced, or at least maintained (Williams & Lawson, 2001). Evaluating the community impact of tourism is valuable to local planners, policymakers, and business operators while considering the type, size, and complexity of development (Gursoy & Rutherford, 2004).

2.4.4 Issues of Measurement

Destination communities are usually not homogeneous culturally and socially; they are more or less differentiated in themselves (Dogan, 1989). The diversity in attitudes, and in perceptions and evaluations of impacts, present
challenges to decision makers, who must determine whether the gains to some with the community outweigh the losses to others (Lindberg, Andersson, & Dellaert, 2001). Rambaud (1967) observed that tourism itself may be a factor in this differentiation process of creating a homogeneous community (Dogan, 1989). Madrigal (1995) pointed out the issues of measuring resident opinion on tourism as distance of respondent’s home from tourism center (Belisle & Hoy 1980; Pearce 1980 Sheldon & Var 1984; Tyrell & Spaulding 1984) and heavy tourism concentration (Madrigal 1995; Pizam 1978). Greater length of residency in the community (Allen et al., 1998), being born native (Brougham et al., 1981), personal economic reliance on tourism (Lankford et al., 1994), Ethnicity (Var et al., 1985), retail activity attributable to tourism (Long, Perdue & Allen, 1990), stage in destination area lifecycle (Johnson et al., 1994), level of knowledge about tourism and local economy (Davis et al., 1988), level of contact with tourists (Akis et al., 1996), Perceived impact on local recreation opportunities (Lankford et al., 1994), Gender (Pizam et al., 1986) and (Lankford 1994) found the perceived ability to influence tourism planning decisions (Williams & Lawson, 2001) and different tourism development paths generate different impacts (Lindberg & Johnson, 1997). This heterogeneous environment is a challenge for obtaining accuracy in measuring community impact due to tourism development.
2.4.5 Models and Theories

The ultimate aim of community based tourism is to support tourism development for the wellbeing of destination community. Hunziker (1951) describes Social Tourism as “the relationships and phenomena in the field of tourism resulting from participation in travel by economically weak or otherwise disadvantaged elements of the society” (Minnaert, Maitland, & Miller, 2009). Therefore social tourism is an exchange phenomenon, where mostly the relations come from host and the guest powered by the organizations and agencies. Jurowski et al., (1997) developed a model based on the social exchange theory (Andriotis, 2005). This model explains the integrated factors likely to influence reaction toward tourism. This model suggests that the perceived community economic gain, use of resources, community attachment, and attitude towards preservation of the natural environment influence how residents perceived the economic, social and environmental impacts (Gursoy & Rutherford, 2004). Later Gursoy et al., (2002) expanded the model by understanding the requirement of community support for tourism and identified two dimensions which are costs and benefits and by breaking down the perceived impact into five areas: Economic benefits; social benefits; social costs; cultural benefits; cultural costs (Gursoy & Rutherford, 2004). An addition to this model is the inclusion of economic costs as evident in the literature which along with economic benefits of tourism were incurred to the destination community. The cost and benefit model is illustrated on the following figure.
Figure 2.4 represents the five determinants of community support for tourism development based on social exchange theory by breaking down the perceived impact into five areas; they are economic benefits; social benefits; social costs; cultural benefits and cultural costs. (Jurowski et al., 1997) found that most of the research indicated that locals viewed economic impacts as being positive, but Brunt & Courtney (1999) observed that in some cases local community perceive the social and cultural impact negatively (Gursoy & Rutherford, 2004). According to Liu and Var (1986) there are many economically depressed regions, local community underestimate the cost of tourism development and over-estimate the economic gain (Var et al., 1985). Communities are willing to accept some inconveniences in exchange for tourist money (Gursoy & Rutherford, 2004) as the ultimate focus of the destination community is the income from tourism.
2.5 Tour Operators

Freeman (1984) suggests that according to stakeholders an organization is characterized by its relationship with various groups and individuals, including employees, customers, suppliers, governments and community members (Sautter & Leisen, 1999). The effort to understand the complex and elaborate set of interactions among tourists, tour operators, governments and local communities has led to the development of tourist behavior (Smallman & Kevin, 2010, p.397). Tourists’ decision making processes are complex, involving many sub-decisions, occurring continuously from prior to decision ‘where to go’ through to ‘what are we going to do now we are here’ and beyond (Smallman & Kevin, 2010, p.399). According to Sirakaya & Woodside et. al., (2005) the dominance of intangible factors in tourism is problematic (Smallman & Kevin, 2010). The implementation of specific code of conduct by tour operators has grown in popularity in recent years, this is a clear indication of tour operators and supply chain having significant role in the image and development of tourist destination (Gray, Reisinger, Jung, & Brijesh, 2005). Owing to the importance of tourism and sustainable development, tour operators are the main point to educate the tourists. Some of the tour operators surveyed in the United States have responsible tourism policy and operating principles to educate the tourists (Gray, Reisinger, Jung, & Brijesh, 2005). According to the guideline of responsible tourism policy by International Centre for Responsible Tourism (ICRT) “tour operators have responsibility to be sensitive to potential impacts at the tourism destination. Some of these potential impacts are loss of privacy,
access to culturally significant places, demeaning cultural ceremony etc. all of which can result from tourist visitation (Gray, Reisinger, Jung, & Brijesh, 2005). Today organizations and planning bodies must be more careful to take a hard look at the various types of persons and groups which affect or are affected by the tourist service (Sautter & Leisen, 1999). The role of tour operators is to act as a negotiation point to create a platform for responsible tourist visitation. Tourism planners need to consider the interest of the different stakeholders in tourism business defined by roles and serve them with regard to the particular development initiative (Sautter & Leisen, 1999). Tourism planners need to be concerned about the perspectives of stakeholders group, while recognizing that their interests are exclusively touristic (Sautter & Leisen, 1999).

2.5.1 Travel Brochure as a Medium of Communication

Among the most effective forms of communication and promotion tool used by the tour operators are brochures. According to VSO (Voluntary Service Overseas (VSO World Wise) the role of travel brochures in influencing responsible behaviors of the tourists is significant (Gray, Reisinger, Jung, & Brijesh, 2005). Hence the travel brochure should provide information about the people and places including advice on how they can visit locally owned facilities and resorts (Gray, Reisinger, Jung, & Brijesh, 2005).
2.5.2 Conceptualizing Tour Operator’s Role

The role of tour operators in any tourist destination is to act as a cultural ambassador who facilitates communication, understanding and action between hosts and tourists who differ culturally. Mays & Jarvis (1981) stated that in destination selection process, potential tourists formulate the image of the tourist destination based on news, media, advertisement, and word of mouth (Rittichainuwat, Qu, & Leong, 2003). Basically tour operators can play this role by educating the tourists at three levels;

a. Pre-trip: Educate the tourists through brochure, websites and personal communication and other collaterals (Gray, Reisinger, Jung, & Brijesh, 2005).

b. On Site: Educate tourists via tour guides and printed materials (Gray, Reisinger, Jung, & Brijesh, 2005).

c. Post-Trip: Educate tourists through continued contacts and updates on the service quality based on continuous feedback (Gray, Reisinger, Jung, & Brijesh, 2005).

In the destination development loop private sectors are expected to arrange the tourism policy and regulatory framework, which in many countries are done through Destination Marketing Organizations (DMOs) (Dore, Geoffrey, & Crouch, 2003). Quality assurance is nowadays one of the important criteria the destinations look for its branding and image. Visitors expect high-quality facilities and customer service and these services are
expected to be packaged by the tour operators (Blain, Levy, & Ritchie, 2005). It is critical that for the community based tourism projects to succeed, development agents and other intermediaries including tour operators should always be aware of the existing and the emerging conflicts within the community (Yuksel & Yuksel, 2008).

2.5.3 Tour Guide as an Image Builder

Tour guides are the real representations of a tourist destination, the quality service of the tour guide is not only essential to the business success of the tour operators, they are affiliated with but also to the overall image of the destination they represent (Hunag, Hsu, & Chan, 2010). This can be achieved through a qualifying and enforcement mechanism such as national or state tour guide qualification examination and established tour guide licensing and registration system (Hunag, Hsu, & Chan, 2010). However, tour guide licensing is not a strict tourism act in most of the developing countries, causing fake tour guides providing quack information resulting in inauthentic tourist experiences.
2.6 Tourism Policy

Tourism Policy is a road map of tourism development, which contains the priorities and action plan showing the direction the tourism industry need to grow. Tourism policy development is significantly considered as a managerial activity by the public sector organization representing the interest of the country’s social and economic goals. “According to Richter (1989) tourism policy development and implementation is a function of political and administrative action, rather than economics or business” (Airey & Chong, 2010, p. 295). Tourism policy is used to reflect a broader understanding of the political, societal and human context of public sector – led decision making (Airey & Chong, 2010) and policy conceptualization is a holistic function of interactions and process in negotiation with all the parties directly or indirectly impacted from tourism development. The choices of selecting the thrust areas of tourism development depend as much on political as on cultural consideration (Richter & Richter, 1985). Howlett. et. al., (2003) suggested that policy development process has to focus on the factors that affect policy formulation and implementation as well as the subsequent effect of the policy (Airey & Chong, 2010). Considering the major performance components in the tourism policy is important as tourism sector consists of political, economic and social facets. Elliot (1997) described that tourism in a place is also typified by a diverse number of organizations and issues (Airey & Chong, 2010). Therefore, tourism policy decision must be collective and holistic and should be made with the involvement of government agencies,
non-government organizations and businesses (Airey & Chong, 2010). Coordination of tourism policy is important for the effective implementation, because as Hall & Janson-Verbeke (1994) found a policy is a (Bramwell & Sharman, 1999) fragmented power structure, where authority and power get diffused (Airey & Chong, 2010).

2.6.1 Stakeholders Role

Due to many expected benefits of involving stakeholders in the tourism policy development and implementation process, conceptualization, realization and implementation of tourism policy is a collaborative role of different stakeholders. This kind of collaboration is very important as it enhances the coordination of policies and related actions, and promotes consideration of economic, environmental, and social impacts of tourism. Further, according to Healey (1998) the stakeholders’ collaboration avoids the cost of resolving adversarial conflicts among stakeholders in the long term. Bradley (1991) suggested that the stakeholder collaboration also adds value by building on the new knowledge, insights and capabilities of stakeholders in the tourist destination (Bramwell & Sharman, 1999). Significant consideration should be made to measure the private sectors view on policy implementation effectiveness because private sector of tourism industry plays a significant role in the economic development of both a developed and a developing economy (Mei, Arcodia, & Ruhanen, 2011).
2.6.2 Local and Collaborative Policy Making

Some recent evaluation of tourism policy implementation effectiveness shows that stakeholders’ involvement in developing and practicing tourism policy is inevitable. Stakeholders such as tour operators are the frontline segment of the tourism industry that experiences the outcome of tourist satisfaction, issues and opportunities. In this way stakeholders can solve many issues in relation to tourism development (Bramwell & Sharman, 1999). Since tourism policy consists of multiple segments and to protect the interest of the beneficiaries of each segment and to simplify and solve the issues associated with them, inter organizational collaboration is important, which has been explained in the interorganizational collaboration theory. Chavez (1995) investigated this possibility in intercollaboration theory, which explains tourism development as forming a basis to develop an evolutionary model of partnerships in destinations and Mayers (1998) described the “importance of intercollaboration to assess factors constraining or promoting the effectiveness of such partnership” (Bramwell & Sharman, 1999, p. 393). Jamal & Getz (1997) found that stakeholders and community collaboration also helps to overcome power imbalances by involving all stakeholders in a process that meet their needs (Bramwell & Sharman, 1999). It is also suggested that a stakeholder who is impacted by the actions of other sectors has a right to get involved not only to moderate those impacts but also to develop the resources and skills in for involvement (Bramwell & Sharman, 1999). Based on these facts, tour operators can represent to explain the
effectiveness of tourism development of a country, which is directed by the public sector and reflected through tourism policy of a country or state.

Local communities are also an integral part of the tourism policy development. Healey (1997) contends that “planning should draw on the webs of relations found in local areas and build the capacities of stakeholders so that they can have more direct influence on their own lives” (Bramwell & Sharman, 1999, p. 394). However, it is observed that often tourism planning and policy development is structured as a top down approach and hence results in public opposition. Study shows that tourism development and resident attitude are correlated to each other. Local communities expect a higher level of economic benefits, but many of the social and environmental consequences are perceived as negative impacts at the destination (Keogh, 1990).

Tourism policy is important for destination market leadership and competitiveness. Ha, 2007; Hall & Williams, (2008) described the importance of innovation as it is becoming an important criterion in tourism policy development (Mei, Arcodia, & Ruhanen, 2011) and Carson, Richards & Jacobsen, 2004; Dwyer & Edwards, 2009; Bieger, 2005; Hall & Williams, 2008; Hjalager et al, 2008; Laredo & Mustar, 2001; Mattsson, Sundbo & Fussing- Jensen, 2005; Nordin & Svensson, 2005; Novelli, 2006; Pechlaner et al, 2005; Prates et al, 2008; Volco, 2005) suggested innovation at the tourist destination level must emphasize on tourism industry network and partners’ collaboration between public, private, NGOs at community level as innovation cannot occur in a single level (Mei, Arcodia, & Ruhanen, 2011).
2.6.3 Theoretical Background

2.6.3.1 Stakeholder theory

The basic concept of the definition of stakeholder theory is how an organization shapes its business concept. Since tourism is a product that consists of many components and elements, shaping tourism business involve multiple parties. Descriptive stakeholder theory explains how managers and stakeholders actually behave and how they view their actions and roles (Faintaine, Haarman, & Schmid, 2006). Friedman (2006) explained normative stakeholder theory that describes how managers or stakeholders should act and should view the purpose of organizations, based on some ethical principles (Faintaine, Haarman, & Schmid, 2006). In tourism, normative stakeholder theory is more emphasized due to the influence of normative principle on the stakeholder to enhance the sustainable development of the industry. Friedman (2006) further explains the theory, which says stakeholder consists of customers, employees, local communities, suppliers and distributors and shareholders (Faintaine, Haarman, & Schmid, 2006). Lane (2003) “contributed to the application of the principle in tourism stressing the “plurality of organizational interest groups and the political nature of organizational goal setting and policy implementation” (Faintaine, Haarman, & Schmid, 2006, p. 734). This approach focuses on “policy Communities” which consists of people who interact with networks. According to John (1998) in this networking process it is considering the dynamics of “complex relationships” by examining them as they shift and change (Faintaine,
Haarman, & Schmid, 2006). Since tourism policy is a partial outcome of managerial action that contributes at various levels of development. Hence, a reciprocal relationship is required to be established when tourism explores a geographical region ie., the contribution of tourism policy to stakeholders and destination community and vice-versa which was described by Bramwell (2006) as importance of people in the process and their support contributes to a social conceptualization (Stevenson, Airey, & Miller, 2008).

2.6.3.2 Network theory

Tourism policy implementation effectiveness is a cost benefit analysis of a series of network which is described as a ‘waves repast’ from a major managerial action. Social network theory explains social relationship in term of nodes and ties. Brass (2002) describes the mechanisms and processes that interact with network structures to yield certain outcomes for individuals and groups (Halgin & Borgatti, 2011). The network consists of a set of actors or nodes along with a set of ties of a specified type (Halgin & Borgatti, 2011, p. 2). Tourism policy is a network of many different actors involved and is also a mechanism that functions to achieve specified goals of involved parties. The involved parties are directly, indirectly visibly or invisibly involved in the effective implementation of tourism policy.
Tourism policy consists of a number of nodes and ties. Major nodes that are the key segment of the industry consists of (1) Economy (E), this node is tied with major beneficial areas such as Stake Holders (S), Community (C), National Economy (N) and Others (O) are the indirect business entities in tourism business. (2) Tourist (T) is considered as the actor of the tourism system and the preference of a destination is based on the level of satisfaction (S) and confidence of their trip in terms of safety and security (protection) (P). (3) Society (S), as a multidisciplinary field of study and policy need to consider social and cultural equilibrium (C) and environmental consideration (E). The 4th component is Destination Development (D) which
consists of marketing and promotion of tourist destination (M) and in order to be competitive, identification of new Resources (R) is important. Fischer & Hammann (2005) noted that the destination needs to differentiate them in an attempt to develop a competitive edge in the global market (Mei, Arcodia, & Ruhanen, 2011) and hence, destination will be competitive only if it provides unique products which are the Unique Selling Points (USP) (U) of the tourist destination.