Chapter- 4

Meaning OF Evaluation and Benchmarking

- Evaluation & Benchmarking Meaning
- Types of Benchmarking
- Evaluation concept
- Evaluation of hotel industry destinations
- Efficiency concept and definition
- Overview of analytical research
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- Evaluation and benchmarking in tourism and hospitality industry
CHAPTER 4

EVALUATION AND BENCHMARKING OF HOTEL INDUSTRY

4.1.1 Meaning of Evaluation & Benchmarking
4.1.2 Evaluation Significance
4.1.3 Evaluation of hospitality industry.

4.1.- Evaluation & Benchmarking Meaning:

According to Pyo S.2005), in his book titled (Benchmarking in hospitality industry and tourism), Benchmarking is the search for the industry best practices that will lead to superior performance.

Benchmarking is one of the learning processes. To perform benchmarking work, the process should be formalized first, performances should be compared to the industry leaders and performance gaps should be measured and identified, and commitments made to the operational processes to close the gaps (figure4-1), Performance gap analysis is to identify the operations to target for improvements.
Figure 4.1 The Benchmarking process.

Referring to (Camp, 1989; Vaziri 1992; Codling 1992; Watson 1993), as it has been mentioned by Poy, S. 2005, Benchmarking basically stems from Deming’s quality management theory that aims to enhance quality and check its sustainability. Despite this relative clarity, benchmarking has been defining differently by a variety of organizations and authors even though each aims to reach the same conclusion.

Nevertheless, all of these definitions have a common theme, namely, that benchmarking is the continuous measurement and improvement of an organization’s performance against the best in order to obtain information about new working methods or practices in other organizations. As Watson (1993) says, the benchmarking concept should be viewed as a process of adaptation, not adoption. It is not just a question of copying what others are doing; the power in benchmarking comes from sharing ideas.

As benchmarking has been considered to be the process of learning from the best practices and experience of others, Thus, benchmarking, is not different
from the principle of learning from the experiences of others, but its real use is that is puts this learning experience into a structured frame work.

Following Wober K.W.2002, in his book titled benchmarking in tourism and hospitality industries, the selection of benchmarking partners, The practice of benchmarking as detailed by camp and widely followed by practitioners, is dominated by the search for specific practices that will enhance performance with a controlled allocation of resources. This improved efficiency is achieved by the discovery of specific practices, typically for a single problem area, relying on simple engineering ratios. Typical benchmarking hand Books offer checklists for the conduction of a benchmarking project. These checklists are vaguely defined and sometimes even contradictory in process and content. For example, Camp’s original ten-step benchmarking process (Camp, 1989) is described by Watson (1992) in the form of a Six-step process (Figure4.2).

Codling (1998) synthesized different models that have been found to be successful benchmarking programmes. Her model comprises 12 steps arranged in four stages.

1. Planning
   - Select the subject area.
   - Define the process.
   - Identify potential partners.
   - Identify data source and select appropriate collection method.

2. Analysis
   - Collect data and select partners
     - Determine the gap compared to benchmark.
     - Establish process differences.
     - Target future performance.

3. Action
   - Communicate to management and others.
   - Adjust goal and develop improvement plan
   - Implement
3. Review

- Review progress calibrate

Although stage 4 is a final review, constant monitoring and feedback should take place throughout the whole process.

A remarkable point here is that identification of potential benchmarking partners is located in the planning stage of the benchmarking process, however, the final selection of one or more benchmarking partner(s) takes place in the analysis stage once more detailed data have been collected.

**Figure. 4.2**: Benchmarking process steps by Camp (1989) and Watson (1992).
Furthermore, Benchmarking has been given many different definitions by different definitions by different organizations and authors even though each aims to reach the same conclusion (See Table-No.4-1) Webster’s Dictionary defines benchmark as a standard by which something can be measured or judged.

Moreover, and referring to (Camp, 1989); emphasis added). On a similar note,( Zairi ,1996), as it has been pointed out by Kozak,M.(2004), in his book entitled “Destination Benchmarking, concepts, practices and operations” that, benchmark is: “as something that serves as standard by which others may be served.” Also, Kozak,M.(2004), has found that,

The most widely accepted and referenced text on the subject of benchmarking is the definition by Xerox and Robert C. Camp at the end of the 1980s, which is the continuous process of measuring our products, services, and practices against the toughest competitors or those companies recognized as industry leaders (Camp 1989; emphasis added) Benchmarking has been defined by Comp (1989) simply as ‘the search for industry best practice that leads to superior performance (emphasis added).

In other words, benchmarking is a process of finding what best practices are and then proposing what performance should be in the future. The three principles of benchmarking are maintaining quality customer satisfaction and continuous improvement. (Wtson, 1993). Kozak,M.(2004)

For the same purpose, Kozak,M.2004),has also mentioned that:

The American productivity and Quality Centre (1999) has contributed to the definition of benchmarking by stating that it is “the process of continuously comparing and measuring an organization against business leaders-anywhere in the world to gain information that will help the organization take action to improve its performance (emphasis added). Similarly, Vaziri (1992) states that benchmarking is “a continuous process comparing an organization’s performance against that of the best in the industry considering critical consumer needs and determining what should be improved (emphasis added). Watson (1993) define benchmarking in term of its continuity feature referring to the continuous input of new information to an organization Geber (1990) focuses on the significance of looking at best practices in his definition of benchmarking as follows: a process of finding the World-Class examples of a product, service or systems to meet or beat those standards. Kozak,M.(2004)
Table 4: 1 What is benchmarking:

<table>
<thead>
<tr>
<th>Authors</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Camp (1989)</td>
<td>The continuous process of measuring products, services and practices against the toughest competitors or those companies recognized as industry leaders.</td>
</tr>
<tr>
<td>Geber (1990)</td>
<td>A process of finding the world-class examples of a product, service or operational system and then adjusting own products, services or systems to meet or beat those standards.</td>
</tr>
<tr>
<td>Colding (1992)</td>
<td>An ongoing process comparing an organization is performance against that of the best in the industry considering critical consumer needs and determining what should be improved.</td>
</tr>
<tr>
<td>Vaziri (1992)</td>
<td></td>
</tr>
<tr>
<td>Watson (1993)</td>
<td>The continuous input of new information to an organization</td>
</tr>
<tr>
<td>Lu et al. (1994)</td>
<td>A way of collecting information about customers and other businesses within the industry</td>
</tr>
<tr>
<td>Kleine (1994)</td>
<td>An excellent toll to use in order to identify a performance goal for improvement identify partners who have accomplished these goals and identify applicable practices to incorporate into a redesign effort.</td>
</tr>
<tr>
<td>Cook (1995)</td>
<td>A kind of performance improvement process by identifying understanding and adopting outstanding practices from within the same organization or from other businesses.</td>
</tr>
<tr>
<td>APQC (1999)</td>
<td>The process of continuously comparing and measuring an organization against business leaders anywhere in the world to gain information that will help the organization take action to improve its performance.</td>
</tr>
</tbody>
</table>

*Source: Kozak, M.2004*
4.2- Types of benchmarking:

There are several classification of benchmarking.

1. **Internal benchmarking**

   Covers two-way communication and sharing opinions between departments within the same organization or between organizations operating as part of a chain in different countries (Cross and Leonard, 1994; Breiter and Khine, 1995).

   Among advantages of internal benchmarking are the ability to deal with partners who share a common language, culture and systems, having easy access to data, and giving a baseline for future comparisons (Breiter and Kline, 1995). Therefore, the outcomes of an internal benchmarking can be presented quickly.

2. **External Benchmarking:**

   External benchmarking requires a comparison of work with external organizations in order to discover new ideas, methods, products and service (Cox and Thompson, 1998). The objective continuously to improve one’s own performance by measuring how it performs, comparing it with that of others and determining how the others achieve their performance levels. These type of benchmarking provides opportunities for learning from the best practices and experiences of others who are at the leading edge.

   External benchmarking is divided into three major subcategories. Competitive, generic and relationship benchmarking.

A. **Competitive Benchmarking:**

   It refers to a comparison with direct competitors only. This type of benchmarking is believed to be more rational for larger organizations than smaller ones, as they have the infrastructure to support quality and continuous improvement (Cook, 1995). The benefits of using competitive benchmarking include creating a culture that values continuous improvement to achieve
excellence, increasing sensitivity to changes in the external environment and sharing the best practices between partners (Vaziri, 1992).

**B- Functional Benchmarking**

Refers to comparative research and attempts to seek World-class excellence by comparing business performance not only against competitors but also against the best business operating in similar fields and performing similar activities or having similar problems, but in a different industry (Davies, 1990; Breiter and Kline, 1995).

**C- Relationship Benchmarking**:

Anderson (1995) introduces relationship benchmarking as a further type of external benchmarking. This refers to benchmarking against an organization with whom the benchmarker already had a relationship in advance of a benchmarking agreement. This method potentially may provide some benefits to organizations since less time is required and the trust established between the two parties will help break down confidentiality barriers. Cox et al (1997) call this Collaborative benchmarking. Introducing Collaborative benchmarking as an alternative option to competitive benchmarking, they suggest that the purpose should be to study what collaborative organizations can gain from benchmarking together, rather than focusing on the benefits only a single organization will gain.

**4.3- Evaluation concept**:

According to UNICEF, 2008, As a common noun, the term “evaluation” is fairly easy to understand. People evaluate things all the times. Formal evaluation, as a profession and administrative function, is a disciplined and methodical approach to this natural and common sense activity. By using formalized methods and principles, professional evaluators can help policy makers, program managers, and other interested parties obtain more evaluative information and more reliable and trustworthy data than might otherwise be available to them.
Formal evaluation encompasses a broad range of types and methods, depending on the objective of an evaluation study. Some are highly focused, others are broad in scope. Some can be done quickly, even within a matter of days or weeks; others might take one or more years to do. They can focus on administrative compliance—efficiency, outputs, outcomes, or impact. Some are highly focused, while others are exploratory.

New methods and analytic approaches are being developed all the time. Innovations over the years have included focus groups, inspections, quantitative methods, qualitative methods, program logic models, participatory evaluation, randomized assignment groups, and systems analysis, to name just a few.

The most quoted performance measurement is Neely et al’s (2002) as “the process of quantifying the efficiency and effectiveness of past actions”. Max Moullin (2004) is critical of this definition and suggests “evaluation how well organizations are managed and the value they deliver for customer and other stakeholders”. Moullin’s definitions seem rather restrictive and it is no wonder that Neely et al’s definition has withstood the test of time. Moullin (Op cit) over extends the meaning of ‘quantifying to evaluating’ because the latter implies interpretation and analysis already at the information gathering stage. Interpretation and analysis are pure management functions and Moullin blurs the clear distinction that needs to be made between performance measurement and performance management. Given a propensity to keep things simple, performance measurement is information gathering.

4.4 Efficiency: Concepts and definition

Following Farrell (1957), built up the work of Debreu (1951) and Koopmans (1951) to label a simple measure of firm efficiency, which accounts for multiple outputs which has been discussed by Snjeev G.M in his research paper titled “measuring efficiency of the hotel and restaurant sector: the case of India” and also mentioned by. Coelli, T. J. (2005 and et al. 2005), in their book named “An Introduction to efficiency and productivity analyses, second edition,”
which thy outlined that, efficiency comprising two components: technical efficiency and a locative efficiency.

Technical efficiency is a reflection of how ably a firm can obtain maximal outputs from a given set of inputs. How a firm uses the inputs in optimal proportion given their respective prices and the production technology, is a reflection of the allocative efficiency of the firm.

Economic efficiency is given by the combination (product) of both the measures.

4.5- Overview of analytical research:

Many workers in the hospitality industry have to use figures in the workplace. They may be sales results of a restaurant, number of attendances to a theme park, or simply, banking information.

At the managerial level, data that you encounter may be multiple years of financial statements, average daily rates of your compared with a group of comparable hotels in the same city, sales records of a hotel together with other economic data such as total number of visitors to your region, or macroeconomic data such as change in annual growth rate of GDP. In a typical managerial accounting course, series of ratio analysis are utilized to draw useful managerial information by comparing multiples of operational statements. In the research field of tourism and hospitality, scholarly or scientific investigation or inquiry that would go beyond analysis of simple numbers would be considered as research.

Research in hospitality and tourism is to build on what we think we know and improve what we can do with problems in the hospitality and
Figure 4-3 Quantitative analytical research methods for hospitality and tourism

(Overview of analytical research methods for hospitality and tourism. Notes: CGE, computable general equilibrium; I-O, input-output; SAM, social accounting matrix; TSA, tourism satellite account; TSA is not exactly the method rather an applied technique to capture tourism as an industry).

Tourism management field, and hopefully with those in the broader society. Qualitative or normative assertions are not as easily verified or refuted as quantitative results, which tend to carry not only broader external validity but also higher objectivity. In acknowledgement of the existence of outcry, or can did admission that tourism and hospitality management field appear to enjoy less than fair share of due respect and
recognition among broader scientific society, further advancement of the scientific component is what might be crucial for tourism to be considered as a scientific subject by broader audience in the society. Figure 2-1 presents an overview of analytical research methods in perspective. As for scientific approaches for tourism analysis, statistical or stochastic methodologies are highly prevalent, and they are indeed very important tools for scientific research. It is important to note that I-O/SAM modeling would not be classified into this statistical group of methodology even though I-O/SAM methods are highly quantitative. We briefly discuss each model and put them in perspective in relative to others , Tadayuki, H.2008).

2.3 Qualitative method

The qualitative method does not deal with numbers, or not as much as quantitative counterparts do, if any. Not all the objects that we observe can be quantified, even though quan methods have a relative advantage in external validity. When we invite a former executive of a large hotel as a guest speaker from the industry, they are quite informative, inspirational, and intriguing. Students have to be aspired, so this has a great effect on motivation for learning. However, we do not know whether the way the speaker thought were the path for his/her success is applicable to other hotels in the same city, other hotels in other cities, or for a business unit in other business sectors. We do not know if the person’s opinion can be applied to the broader hotel industry as the basis of argument is derived from one person’s experience. The opinions can be expressed in a normative manner, which is the opinion of the authority. When the authority/expert advocates the same solutions for the same problems it will not cause any issues. When multiple experts have different solutions it becomes challenging to verify which one is relatively more appropriate over the others. Occasionally, the seniority (age, rank, affiliation) of the
person becomes the source of relative authenticity of the opinion, away from the contents of arguments.

In the meantime, we cannot be too complacent to recognize the accumulated contributions made through thousands of years of history of humans that have been predominantly qualitative.

Wang (2007) used the concise and effective comparison of the qualitative and quantitative methods in a table format. Table 2-1 shows a relative comparison of characteristics of

Table 4.2- Research paradigm: quantitative and qualitative methods:

<table>
<thead>
<tr>
<th></th>
<th>Quantitative approach</th>
<th>Qualitative approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philosophical Assumptions</td>
<td>Positivism, determinism, reductionism</td>
<td>Constructivism, understanding, social multiple meaning</td>
</tr>
<tr>
<td>ontology epistemology</td>
<td>Empirical observation and measurement, Theory verification</td>
<td>Participatory knowledge claims; grounded theory; phenomenology; ethnography case study Narrative research.</td>
</tr>
<tr>
<td>axiology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategies of inquiry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nature of problem</td>
<td>Previously studied, body of literature exists; known variables; existing theories</td>
<td>Exploratory research; variables unknown context important; may lack theory base.</td>
</tr>
<tr>
<td>Methods employed</td>
<td>Closed-ended questions; approaches; numeric data</td>
<td>Open-ended questions; approaches, text, audio, visual data</td>
</tr>
<tr>
<td>Research practices</td>
<td>Test/verify theories; identify variables; related variables; uses unbiased approaches; employ statistical procedures</td>
<td>Collects participants meanings, brings personal values, Studies context/ setting of participants, interpret data.</td>
</tr>
</tbody>
</table>

Source: Course material in HFT 6586 Research Method by Dr. Raymond Wang, Rosen College of Hospitality Management, University of Central Florida.
Each approach (The context and nuances with which Wang’s table is presented here may not necessarily reflect those of Wang but those of this author.) Qualitative methods can be very useful to clear the thinking processes. After all, good research questions will not be generated by statistical software but by researchers with clear vision and insights on observed data and trends. Good quantitative research often originates from solid qualitative thoughts. It would be a little more challenging to put the results of qualitative research in the context of broader social science fields than those of quantitative approach.

2.4 Quantitative methods

According to Tadayuki, H.2008), in his book named ‘ Quantitative Tourism Industry Analysis, Introduction to Input-Output, Social Accounting Matrix Modeling, and Tourism Satellite Accounts, Sated that, While qualitative approach is still widely used, it must be emphasized that a quantitative approach is important in advancing tourism and hospitality research as another solid social scientific subject in today’s social science field.

In the US, which is one of the most advanced nations in terms of quantitative knowledge generation in hospitality and tourism, many students dislike learning quantitative methods as much as they dislike finance or accounting courses because of overwhelming amount of dry numbers. However, without an ability to understand financial statements, it is difficult to serve at senior management position in business.

In the current US hospitality and tourism academic fields, it is almost impossible for students studying for a doctor in philosophy degree (PhD) to obtain tenure-track positions unless they can demonstrate solid knowledge on, and mastery of, quantitative methods. It is understandable that hospitality and tourism students procrastinate to learn to use numbers until, or unless, they appreciate that mastery of quantitative skills is important whether they work for the profit-oriented industry or research –oriented noncommercial environment. After all, some honest students claim that they are in the hospitality and tourism field because they do not like numbers. In the
following sections, there will be only brief overviews of statistical models are already available so the subject will not be covered in great detail. For nonstochastic (deterministic) models, detailed introductory explanations will be expanded in the following chapters.

4.6- Approaches of Benchmarking:

Following (Dorsch & Yasin, 1998), as pointed out by Lennon, J.J. 2, and et al., 2006), in their book titled “Benchmarking national Tourism organizations and Agencies: Understanding best practice”, that, Benchmarking has been used extensively by the public and private sectors as a tool to develop competitive advantage. The process is defined as:

…..a continuous, systematic process for evaluating the products, services, and work processes of organizations that are recognized as representing best practices for the purposes of organizational improvement. Referring also to (Spendolini, 1992a, p.9) as stated by Lennon and et al., 2006) that, for many organizations, whether from the public or private sector, this process is fused with the analysis of competition and competitor benchmarking. Xerox, IT & T and Texas Instrument were early proponents of this approach (See Bemowski, 1991, 1994; Shetty, 1993; King, 1993, respectively), which has now become extremely common in a range of private sector companies. This process involves identification of products, services and operations of an organization’s or business direct competitors (Spendolini, 1992b, p.18).

Two main approaches to benchmarking have been identified (see Cook, 1995; Wober, 2002) namely, internal benchmarking (analysis of exemplary practice within an organization/destination) and external benchmarking, where practices adopted by other organizations/destinations are considered. The external benchmarking approach can be further categorized as:

- Best practice benchmarking (considering an exemplar in a different sector):
• Competitive benchmarking (considering a competitor in the same sector as an exemplar);
• Sector benchmarking (considering an exemplar within a specific or similar sector, but not necessarily a competitor (Wober, 2002). Benchmarking involving National Tourism Administrations (NTAs) and National Tourism Organizations (NTOs) was first covered by Organization for Economic Co-operation and Development’s (OECD’s) Tourism Committee in the early 1990s, but was addressed in greater depth by World Tourism Organization (WTO) from the mid-1990s (WTO, 1994, 1996a,b, 2000, 2003). The process involves a range of data gathering that enables the NTO/NTA and the destination to compare their practices and achievements with those of others (Pizam, 1999). In the case of exemplar destinations, they can be identified as short and long-hand competitors to aid analysis (Ooi, 2002). Benchmarking can be applied from a basic to an advanced level. In more sophisticated cases, comparative analogous destination analysis can involve much more than basic information gathering. Rather, the analysis may probe and compare practices and outcomes with those of other NTOs and destinations and can assist in measuring competitiveness (Dwyer & Kim, 2003). Key performance indicators measured over a period of time could include:
  • Tourism revenue;
  • arrivals;
  • principal existing markets;
  • emerging markets;
  • seasonality.

In addition to major benchmarking analysis, monthly or sporadic benchmarking may be undertaking to provide ‘real’ time indicators on performance levels, etc. An alternative is the tracking of business confidence levels carried out either in partnership with the NTO or via the public sector (see for example Wales Tourist Board, 2002-2003).
In tourism terms, benchmarking is increasingly being used by NTOs and NTAs as a means of situational analysis. However, longer appraisal of country NTO/NTA analysis is also favored and, more recently, some national tourist boards have chosen to employ a full-time team of staff to carry out regular benchmarking of major long-haul and short-haul competitors.

Crucial in practical application of the process in the tourism sector is the measurement of the key areas:

- situational analysis;
- competitive destinations review;
- improvement planning;
- adoption of best practice;
- identification of critical success factors.

In related to that, and according to Pyo, S. 2005), in his book "Benchmarking in hospitality and tourism", which has been criticized that, research in this area is limited, past research in this area has tended to concentrate upon conceptual ideas such as why benchmarking is important and how benchmarking may be operationalized rather than empirical research focusing on methodology issues such as how to measure performance gaps. As a result of this, he has demonstrated that, there are several weaknesses (limitations) in past studies of tourism benchmarking that need to be addressed.

Farther more, Lennon, J.J. 2, and et al., 2006), and according to the opinions of mentioned authors below, they have cited that, at the start of any analysis, goals and objective must be clearly identified and then the scope of the analysis should be highlighted. For example, the analysis may be based on analysis of key competitors’ marketing strategies, but the scope could be confined to analysis of short-haul competitors. Other areas of consideration may be outline in the scope/dimensions of the study, including the use of electronic marketing, the efforts undertaking to reduce seasonality, etc. of key
importance is the identification of appropriate competitor organizations or destinations. There is a clear logic in comparing performance with analogous destinations in terms of location, economy, significance of tourism to the economy and socio-economic profile. However, value to studies can also be added by comparison with non-analogous destinations in order to learn and gain insights from international exemplars, or ‘world class’ cases (Cook, 1995), which might make a simple scale or profile comparison meaningless.

In the example below, an outline of the kind of quantitative and qualitative measures used in many studies is provided in order to help construct an outline matrix for basic evaluation.

The categories and dimensions identified are not intended to be exhaustive or definitive. Rather, they are typical of the areas examined (Table). Benchmarking, which had its origins in manufacturing (see Balm, 1992; Breiter & Kline, 1995; CBI and DTI, 1994; Coopers and Lybrand, 1995), has now become a mainstream tool in the tourism industry and can be considered ‘a catalyst’ for fast learning’ (Fuchs & Weiermair, 2004, p. 213). From the early work undertaking predominantly in the context of the hotel sector (see Barsky, 1996; CBI and DTI, 1994; Coopers and Lybrand, 1995), scope and coverage has now grown to encompass NTOs/NTAs, destinations, tour operators and other travel intermediaries (see Boards, 1994; Kozak & Rimmington, 1997, 1998; WTO. 1996b. 2000, 2003). Consequently, the later chapters of text will attempt to examine some of the major learning derived from this valuable management information tool, which has gained such popularity and application in the last decade.

Table 4.3: Example of typology utilized in NTO/NTA benchmarking analysis

<table>
<thead>
<tr>
<th>Measure</th>
<th>Host nation</th>
<th>Competitor A</th>
<th>Competitor B</th>
</tr>
</thead>
<tbody>
<tr>
<td>International arrivals (nos)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International expenditure ($/€)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International arrivals trends</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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(5 and 10 years)
International expenditure
(5 and 10 years)
Domestic arrivals (nos)
Domestic expenditure ($/€)
Domestic arrivals trends
(5 and 10 years)
Domestic expenditure
(5 and 10 years)
Changes in tourism account
(inbound: outbound)
Occupancy trends at sectoral Levels (5 and 10 years)
Tourism as proportion of GDP/GNP
Significance of tourism as
an employer
Trends in jobs created in
Tourism (5 and 10 years)
Seasonal performance trends
(5 and 10 years)
Market share of international
tourism (trend over 5 and 10 years)
Tourism balance of payment
Account trends (5 and 10 years)
Total cost of operation of
NTO/NTA per annum
Total NTO/NTA expenditure
On marketing (domestic and
International)
Total NTO/NTA expenditure on
Electronic marketing
4.7- Evaluation and Benchmarking in Tourism and Hospitality industry

There is a growing body of research assuming that benchmarking is not solely a comparison activity. Studying the business performance of several hospitality sectors (attractions, restaurants, and catering motels).

Bergin et al., 2000) found that benchmarking is often confused with the practice of competitive comparison studies. Terms such as benchmarking, inter firm comparisons and competitive comparison analysis are incorrectly interchanged.

Benchmarking is considered to be a more powerful tool than competitive comparison analysis. It helps to keep business focused on satisfying customers, improving procedures and achieving a world class reputation, whereas competitive comparison analysis is merely the first data-gathering stage of the benchmarking process.

Begin et al. (2000) propose that competitive comparison-analysis is only a component of benchmarking that lies in the final step of the benchmarking process of gap identification.

Principal Areas of Benchmarking in Tourism

Benchmarking studies in tourism can be very different according to the application field. In principle, benchmarking in tourism can be classified as follows:

1. **Benchmarking of profit-oriented tourism business**
   - Accommodation suppliers (hotels, models, bed and breakfast places,
Pensions, camping sites etc.)

- Restaurants (all forms)
- Tour Operators and travel agencies
- Airlines.
- Other profit-oriented tourism service providers (e.g. amusement parks, Schools, etc.)

2. **Benchmarking of non-profit-oriented tourism business organizations**
   - National or regional tourist boards/organizations.
   - Attractions operated by public authorities or other forms of non-profit-oriented business (e.g. museums, galleries, theaters, Operas, etc.)

3. **Destination benchmarking**
   - National benchmarking
   - Regional benchmarking
   - Local (rural or urban) benchmarking.

Although benchmarking has been adapted to a variety of national and international business in order to improve their performance levels, it is a new concept in the tourism and hospitality industry. Therefore, either large or medium and small businesses can have difficulties in conducting benchmarking and implementing findings themselves. They will also need further technical knowledge about the application and operation of benchmarking. On the other hand, compared with medium and large business, small businesses can be more reluctant to adapt themselves to new ideas or operations that will occur as a result of internal or external adjustments.

It is obvious that small and large business in the manufacturing industry are implementing benchmarking in an attempt to become one of the best in the industry. This should be one indication as to why tourism businesses and tourist destinations need to use this technique with respect to maintaining a certain level of service quality they should deliver and customer satisfaction they should achieve. Although benchmarking has become established in the culture of both the manufacturing and service industries, only a small amount of benchmarking research has been carried out among hospitality business in
order to analyses the competitive position of such businesses by considering the strengths and weaknesses of operations. Some of these studies specifically focused only on individual businesses (e.g.-Barky, 1996; Cheshire, 1997) Whereas others focused on the hospitality industry overall (e.g.CBI News, 1995; Department of National Heritage 1996).

The majority of benchmarking studies can be found in the accommodation sector, Ritchie et al- developed operational measures for evaluating competitiveness and sustainability of a tourism destination (Ritchie and Crouch, 2000; Ritchie et al, 2001).

Although their frame work provides a detailed set of measures and guidelines, only a few attempts have been made to apply benchmarking methodologies for measuring the efficiency of regional tourism management or to assess the competitiveness of tourism destinations. Kozak and Rimmington (1999) review the literature on tourism destination Competitiveness, stressing the requirement to establish which destinations are in direct competition. They note the importance of systematically evaluating such competitiveness both quantitatively through measurement of hard data (such as arrivals and tourism receipts) and qualitatively through soft data.