Chapter IV

4.1 Literature Review

Researchers summarize relevant literature at the beginning of their Thesis. The literature review provides readers with the background essential to understand the current work on the topic and the significance of the new study. Literature review shows the gap between the researcher's objective and existing body of knowledge in the subject area. A literature review is a text written by a researcher to consider the critical points of current knowledge including substantive findings, as well as theoretical and methodological contributions to a particular topic.

The main aim of literature survey is to place the current study within the body of literature and to provide context for the particular reader. Literature reviews are a staple for research in nearly every academic field.

4.2 Secondary Data

Secondary data involves the analysis of an existing dataset, which has been previously collected by another researcher, usually for a different research question. Secondary data helps in understanding the research work already done in the field. It provides valuable information and insights into the research field. Literature review discloses appropriate theoretical structure of the study. It is the best way to establish the importance of the study (Houser 2007). Literature review is important to judge the research question and to provide latest research material for the readers.
4.3 Tourism Literature
The literature available in the field of Tourism was reviewed. Research articles in tourism journals focused on marketing and human resources management in tourism industries. Though articles on India Tourism abounded - there were very few articles on Pune Tourism. Research articles were available in Tourism Journals like Asia Pacific Journal of Tourism Research, Tourism and Travel (T&T) published by the Indian Institute of Tourism and Travel Management (IITTM), International Journal of Hospitality and Tourism. The websites visited were www.tourism.gov.in and http://www.attindiatourism.com among many others.

4.4 Pune Tourism Literature
The Researcher found that not much research was done on tourism in Pune City. There was information given on tourism spots, places of special interests, new tours and discounts offered on tours and hotel stays. This was in the form of websites, newspaper articles and magazine articles. There was little or no research done from an academic point of view. The researcher discovered two excellent websites – Maharashtra Tourism Development Corporation (MTDC) and India Tourism Development Corporation (ITDC). They were the major fount of information. These sites especially provided information about tourist spots, companies, government initiatives, outlays and tourism statistics. Having said this researcher is compelled to note that Pune forms a small segment of the website. It is devoted to all of Maharashtra. Nonetheless it is the website to which a serious student of tourism should visit. The Researcher found out that Tourism companies themselves do little research for their tours – they duplicate the itinerary of a large tourism company. It is in the special or tailor made type of tour that research is done.
4.5 Consumer Behaviour

The study of consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items (Schiffman and Kanuk, 1997). The field of consumer behavior covers a lot of ground. According to Solomon (1996), consumer behavior is a study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires.

The definition of consumer behavior given by Belch (1998) is ‘the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires’. Behavior occurs either for the individual, or in the context of a group, or an organization. Consumer behavior involves the use and disposal of products as well as the study of how they are purchased. Product use is often of great interest to the marketer, because this may influence how a product is best positioned or how we can encourage increased consumption.

Middleton (1994) presented an adapted model of consumer behavior in tourism, which was termed the stimulus-response model of buyer behavior. The model is based on the four interactive components with the central component identified as 'buyer characteristics and decision process'. The model separates motivators and determinants in consumer buying behavior and also emphasizes the important effects that an organization can have on the consumer buying process by the use of communication channels. Schmoll (1977) quoted in Cooper et al. (1993), developed a model which hypothesized that consumer decisions were a result of four elements as follows:

- travel stimuli, including guide books, reports from other travelers and advertising and promotion
- personal and social determinants of travel behaviour including motivators, desires and expectations
• external variables, including destination images, confidence in travel trade intermediaries and constraints such as cost and time
• Characteristics and features of the service destination such as the perceived link between cost and value and the range of attractions and amenities offered.

Different models of consumer behavior describe satisfaction as the final output of the decision process or incorporate it in the feedback mechanism linking completed experiences to future behavior. For example; Nicosia (1976) attributes the state of CS/D to the dominant interest in the "final act" of consumers that is the purchase of product. Further, the concept of CS/D is given greater emphasis in the works of McNeal (1973), Engel and Blackwell (1982), and Howard and Sheth (1967, 1969, and 1973). In their consumer behavior models, satisfaction is shown as the final output in the framework of purchase decisions. These buyer behavior models postulate that if the actual outcome of a product is judged to be better than or equal to the expected, the buyer will feel satisfied. If, on the other hand, actual outcome is judged not to be better than expected, the buyer will be dissatisfied. This disconfirmation paradigm of CS/D can be also found in the works of Suprenant (1977); Hunt (1977); and Oliver (1977, 1980).

A more encompassing approach to the understanding of CS/D can be found in Sirgy's evaluative congruity models of consumer behavior (Sirgy 1983; Sirgy and Tyagi 1986). Sirgy explains the theoretical position associated with CS/D in terms of discrepancies between perceived and normative outcome levels. According to his theory, satisfaction is a function of evaluative congruity, which is a cognitive matching process in which a perception is compared to evoke referent cognition for the purpose of evaluating a stimulus object/action. The result of the cognitive process is postulated to produce either a motivational or an emotional state. CS/D is viewed as an emotional state because it prompts the consumer to evaluate alternative courses of action.
to reduce an existing dissatisfaction state and/or to obtain future satisfaction state (Sirgy 1983; 1984; Sirgy and Tyagi 1986). Further, CS/D is viewed as a function of one or more congruities between perceptual (perceived value) and evoked referent (evoked value) states.

4.5.1 Tourism Motivation

Leiper (1990) states that thanks to their own motivation visitors go to places where they feel their needs will be satisfied. According to Crompton (1979) push motivating factors are considered as the crucial point decisive for understanding visitor’s behavior. The relationship between the push and pull motivations was studied by Baloglu and Uysal (1996) while later studies focused on destination and tourists choice (Matzler and Siller, 2003; Correia, Oom do Valle and Moco, 2007). Tourist’s motivations are influenced by the personal characteristics (pleasure seeking, confidence, people orientation and others) Plog (1994). Depending on tourist motivators travel styles can be identified (Bieger and Laesser, 2002) Huang and Hsu (2009) drafted two practical scenarios from Maslow’s need hierarchy and Plog’s allocentrism and psychocentrism models for tourist motivators.

Factors that motivate tourists for leisure travel are classified into two types, i.e. “push” and “pull” factors (Crompton, 1979; Dann, 1977; Pearce, 1993; Uysal and Hagan, 1993; Uysal and Jurowski, 1994). An analysis on tourist motivation and activities is important for destinations to understand leisure tourist destination choice (Moscardo, et al 1996); it can also enhance destination image (Beerli and Martin, 2004; Trauer and Ryan, 2005) and its interplay with tourist satisfaction and loyalty (Yoon and Uysal, 2005). The analysis of tourist motivation can focus on one destination (Kim, Lee and Klenosky, 2003); or it can be conducted by a comparative study by nationality and destination (Kozak, 2002). The motivation study can also focus on one type of target group such as on senior travelers (Jang and Wu, 2006) and on backpackers (Maoz, 2007).
Each destination offers a variety of products and services to attract tourists. From the destinations’ point of view, it is very important to know why tourists choose (or not choose) this destination and how the tourists feel about the place they visited. Analysis of tourist motivation attempts to extend the theoretical and empirical evidence on the causal relationship among the push and pull motivations, satisfaction, and destination loyalty (Yoon and Uysal, 2005). Motivation has been referred to as psychological/biological/social needs and wants, including internal (or emotional) and external forces (Dann, 1981; Chon, 1989; Pearce, 1982; Uysal & Hagan, 1993). According to Uysal & Hagan (1993), these forces describe how individuals are pushed by motivation variables into making travel decisions and how they are pulled or attracted by destination attributes.

4.5.2 Customer Satisfaction

The consumer satisfaction is related to profitability though there can be exceptions. (Gurau and Ranchod, 2002). According to Alegre and Juaneda (2006) two opposed forces act on a destination. Repeat customers pay less and make informed choices but are willing to pay extra surcharges. Cross cultural differences influence the tourist behavior. The influence of nationality on tourist behavior was studied by Pizam and Sussmann (1995). Yadavet all (2010) examined the pilgrimage tourists to the Lotus temple concluding that the level of satisfaction depends on the socio-cultural factors. The study of Dolnicar and Leisch (2003) as well as the study of Chen and Uysal (2003) show the role of ethnic factors and their influence on vacation styles.

4.6 Customer Expectations

The concept of customer expectations is interlined with that of service quality. From the beginning of the 1960s when the marketing techniques shifted from product orientation to customer orientation, customers were considered the focal point of all marketing actions. Then as now a
company’s success depends on its ability to maintain its service quality level to meet or even exceed its customer expectations.

Applications of the concept of customer expectations in hospitality and tourism disciplines are dominated by the essence of the original SERVQUAL model. The SERVQUAL was first introduced by Parasuraman, Zeithaml and Berry in 1985. They attempted to develop an instrument that would measure the service quality across a range of service industries. They focus on the comparison between desired service and perceived service. The five dimensions of SERVQUAL are Tangibles, Reliability, Responsiveness, Assurance and Empathy.

Representative of such applications are the two measurement scales of LODGSERV developed by Knutson, Stevens, and Patton (1995). Both scales were developed using US samples, and mirrored the five dimensions of the SERVQUAL. The specific service items of each dimension were developed in the US lodging and restaurant contexts.

Following the methodology employed in the United States, Patton, Stevens, and Knutson tested the LODGSERV scale in Japan, Hong Kong, Taiwan, Australia, and the United Kingdom. The five overall dimensions remained valid in these markets. Some service items were not applicable in one or more markets. The concept of customer expectations was applied to travel services by Lam and Zhang (1999). They assessed customer expectations and perceptions of services provided by travel agents in Hong Kong. They tailored the SERVQUAL scale to the unique setting of the retailing travel services and arrived at five dimensions that were somewhat different from the SERQUAL.

In 1991, Flick and Ritchie found the tool useful in comparing the services of two tourism companies operating within the same marketing segment. A particularly interesting attempt to apply the technique to tourism was made by Frochet in 19996 who studied its application to heritage sites. This study can be found in Roboinson, Evans and Callighan, 1996.
4.7 Market Segmentation, Targeting and Positioning

The traditional demand segmentation based on the demographic model is paving way for segmentation based on more sophisticated criteria. The segmentation is done on the basis of psychological and psychographic factors. Moller et al (2007) studied the travel behavior of senior citizens and found that the psychological impact of travel on them was immense. Moschis et al (2003) studied the application of monetary incentives on this segment. Sund and Boksberger (2007) tried to identify the differences according to age in the Swiss holiday market.

Smith (1956) introduces the concept of market segmentation as a strategy. He states that “Market segmentation consists of viewing a heterogeneous market (one characterized by divergent demand) as a number of smaller homogeneous markets”. When segmenting a market, groups of individuals are developed which are similar with respect to some personal characteristic. The particular personal characteristic with respect to which similarity is explored is the segmentation criterion or segmentation base. Segmentation criteria / bases can be socio-demographics (for instance, old versus young tourists), behavioral variables (skiers versus sightseers) or psychographic variables (tourists motivated by rest and relation versus those motivated by action and challenges). Frochot and Morrison (2000) review benefit segmentation studies in tourism. They conclude that benefit segmentation leads to valuable insights in tourism research in the past, but recommend the following improvements: careful development of the benefit statements used as the segmentation base (some benefits are generic, but many are specific to the destination under study), informed choice of the timing (asking tourists before their vacation is less biased by the actual vacation experience), conduct benefit segmentation studies regularly to account for market dynamics and conduct them separately for different seasons. Dolnicar (2002), based on a subset of studies reviewer by Baumann (2000), analyzes methodological aspects of data-driven segmentation.
studies in tourism concluding that only a small number of the available algorithms is used by tourism researchers who prefer either the hierarchical Ward's algorithm or the k-means partitioning algorithm. Dolnicar also identifies a number of problematic methodological standards that have developed in data-driven segmentation in tourism. To avoid data-driven segmentation studies that are of limited scientific and practical value it is important for data analysts and users to be aware of a number of basic principles upon which data-driven segmentation is based.

The most utilised segmentation criteria are the demographic, geographical, behavioural and psychographic approach (Tsiotsou, 2006). The combination of various approaches in segmentation seems to be the future way to segment demand (Tsiotsou and Vasioti, 2006). Sundbury and Simcock (2009) developed a multivariate model for the senior market with five clusters.

Hudson (2008) summarised the criteria that are used usually for segmenting hospitality and tourism markets as: demographic segmentation; psychographic segmentation; geographic segmentation; benefit segmentation; behaviour segmentation. Mintel (2002) went further to add another form of segmentation, i.e. criterion segmentation, and identified two main segments in the ‘e-travel market segmentation of customers’ - lookers and bookers. McCabe (2009) was more focused and pointed to three bases for marketing segmentation: demographic; behavioural; psychographic. The various segmentation criteria reflected the differences between customers and the need to select the right target market.

4.8 Strategic Marketing

The strategic analytical tools are the first area to be studied in tourism strategic marketing. De Carlo et all (2008) used the strategy map approach to develop the balance score card model to assess performance of tourism destinations. The key dimensions of strategy assessments
were measured by qualitative methodology based on Turin city data. Evans (2005) projected the balance score card for the international hotel industry in Northern England. Min et al. (2008) used the balance score card to study the marketing of tourism in Korea. Benchmarking as a strategic tool was used by Kozak (2001) to assess the destination attractiveness. Kozak and Remmington evaluated the destination and its relation with small hospitality business performance by benchmarking. Portfolio analysis was applied by Laimer and Weiss (2009) to help the Australian Tourism industry. The Tourism flow was analysed based on accommodation statistics for a period of 35 years for more than 60 markets.

The value chain was used by Yilmaz and Bititci (2006) as a management and performance measurement tool in the Tourism sector. Sharma and Christie (2010) pursued the idea of value chain in the Hotel industry in Mozambique hospitality industry.

The SWOT analysis is used to identify the strength, weaknesses, opportunities and Threats of a destination, event, operator and many others (Weber, 1999, Karadakis et al. 2010; Tew et al. 2008). The 7 S McKinsey model was used to implement the destination marketing strategy by Palatkova (2001).

The TALC (Tourism Area Life Cycle) model was used for formulating destination marketing strategy (Russel and Faulkner, 2004, Pratt, 2010, Garay, 2011). Generally the strategic marketing planning discussed in tourism marketing literature is more or less focused on destination level without any connection to the stakeholder.

David L. Edgell, Sr. Kurtis M. Ruf Alpa Agarwal in Strategic Marketing Planning for the Tourism Industry present a new approach to strategic marketing planning for the tourism industry. The authors recommend a six-step approach to strategic marketing planning for the tourism industry. These steps include needs analysis, research and analysis,
creative infusion, strategic positioning, marketing plan development and training, implementation, evaluation, and adjustment. The framework is designed to provide a road map for almost any tourism organization or destination and to help enhance and improve their marketing efforts.

4.9 New communication tools (e-marketing) for Tourism Marketing

The information and communication technologies (ICT) and their application in tourism claimed the researchers and practitioners attention in the 90's. Adoption and e-business in the area of e-marketing, C@C communication, e-word-of-mouth communication are the challenges for theory and practice of tourism marketing. Schertler (1994) examined the role of information technology from a strategic management's point of view. Later on the diverse approaches to the ICT application in tourism are available in the literature however the dynamics of the ICT development is higher than the progress in the researchers’ work. ICT supported the development of travel and tourism and facilitated communication among different stakeholders (Buhalis and Law, 2008). The application of ICT in distribution and communication channels in tourism sub-sectors became enormous (Reino et al., 2011; Dwivedi et al., 2009; Sirirak et al., 2011). The study of ICT related research papers that were published in 1999-2008 in hospitality business depicted seven areas where the ICT were used most intensive, namely training, security, reservation, revenue management, marketing, guest services, as well as strategic and operational management (IP et al., 2011).

The consumer centric marketing (CCM) can be considered to be a more advanced marketing philosophy than CRM. The CCM is based on the grounds of the CRM (Customer relationship management) in tourism designed by Daniel et al. (2003) or Varey (2004. The CCM concept is “the discipline of capturing and deploying consumer insights to enhance marketing effectiveness and better serve those consumers that are brand's best prospects” (Maney et al., 2002:3).
E-marketing can be rated as the upcoming tool of tourism marketing since it involves using the internet and other interactive technologies aiming to open a dialogue between the company and consumers (Coviello et al., 2001). Brodie et al. (2007) emphasized the extraordinary position of e-marketing because of providing the access to information for consumers and providing information about consumers to the business. Internet is the main e-marketing tool, although its role is more extensive. The web can be used for data collection and analysis, to communicate with consumers and to identify and track the consumer (Wang et al., 2000).

The increasing internet usage in tourism marketing questions the role of travel agents and even tour operators in the current and future tourism market. One of the first studies in this field was the research conducted by Wynne et al. (2001) in the South African tourism market. The research study focused on the role of intermediaries in the value chain and the strengths and opportunities emerging thanks to the internet marketing with emphasis on distribution and communication. The profile for intermediaries was projected and assessed from the point of view of the electronic value chain. Vrana and Zafiropoulos (2004) researched the attitude of travel agents towards internet technology in the Greek market. The Greek travel agents used the internet because of facilitation of marketing activities and completion of online services, but relatively small numbers of transactions were completed online. The perception of insecurity and the tradition of direct social contact were the main limits for more intensive internet marketing.

4.9.1 Social Media in Marketing

The role of social media became decisive in tourism marketing. The social media and technologies make possible content sharing (e.g. text, video, and images), social networking (e.g. Facebook), social bookmarking (e.g. ratings, tagging), collaborative writing (e.g. wikis) or a syndication (e.g. RSS feeds) (Dawson, 2007; O’Reilly, 2005). The role of tourism intermediaries has changed significantly because of the social media.
Hogg (2010) and Pantoano et al. (2010) reckon the social networks as the main tool for the choice of a destination. Di Pietro et al. (2012) researched how the social networks can affect the choice of a destination in terms of the promotion media and competitive advantages of a destination. The TAM (Technology Acceptance Model) was applied in the study. The TAM identified the key role of e-word of mouth communication and social network choice.

Since the application of mobile devices has been growing significantly in the last decade, the mobile application for visitors became more popular. The context-aware applications have the advantage of meeting the visitor's needs better. The mobile applications often lack of consensus in the definition of context and lack of understanding of visitor's needs. Meng-Yoke Tan et al. (2009) projected the TILES (temporal, identity, location, environmental and social) model to define and classify five substantial types and characteristics linked to each of studied tourism-related mobile applications.

4.10 Future Research in Tourism

The discussions on tourism marketing were following the lead of discussion on marketing in other service sectors. New ways and principles of tourism marketing emerged and the researchers as well as the practitioners checked their performance and viability. The proposal of Riege and Perry (2000) is focused on three strategic approaches in tourism industry. The platform of three approach consists of the consumer oriented approach, the competitor-oriented approach and the trade-oriented approach.

The relationship marketing in tourism is in its initial phase of development. According to Tsiotsou and Ratten (2010) the works of Moaris and Zillifro (2003) dealing with the resource exchange theory and Au and Las (2002) focusing on the mathematical rough set theory or the usage of the neural networks (Tsaur et al., 2002) are the most important theoreticians dealing with relationship marketing in Tourism.
The concept of experiential marketing became very prominent in tourism marketing. The progress in tourism experiential marketing is apparent primarily in the hospitality (e.g. Williams, 2006) or in natural and heritage settings (e.g. Schanzel and McIntosh, 2000). Further research is needed to explore the attributes of the tourism experience and their linkage to strategic marketing.