CHAPTER ONE

Introduction and Methodology

1.1. Preamble
1.2. Conceptual Issues
   A. Definition of Tourism
   B. Tourism as a Service
1.3. Significance of Tourism
1.4. Objectives of the Study
1.5. Scope of the Study
   A. Coverage
   B. Time Frame
   C. Samples
1.6. Literature Review
1.7. The Research Gap
1.8. Justification of the Study
1.9. Research Design
   A. Nature of the Study
   B. Hypotheses
   C. Survey Area
   D. Populations
   E. Sizes of Samples
   F. Sample Selection
   G. Questionnaire Preparation
   H. Pilot Survey
   I. Field Survey and Primary Data Collection
   J. Secondary Data
   K. Data Analysis and Interpretation
1.10. Chapter Plan
1.1. Preamble

Most people are prone to fun and enjoyment. They intend to have new experience, relatively more leisure, lasting pleasure, and know different cultures. For this, people wish to travel from one place to another, one country to other countries and, may be in future, from one planet to other ones. Tourism is one of the initiators of people’s movements, a facilitator for the exchange of knowledge, a provider of pleasure, a method to enjoy leisure and means to enrich culture. Today, the tourism industry is recognized as the single largest industry in the world. It has shown a tremendous growth during the past four decades. The impact of modern science and technology on transport has made it possible for the tourism industry to reach this position. According to one estimate made by Paci¹, “the total tourist arrivals in East Asia and the Pacific region from intra-regional as well as long-haul markets was 50 million in 1990. He also projected that the number may increase nearly twice to 98 million in 2000.” The World Tourism Organization had estimated a total of 500 million tourist arrivals worldwide for 1993 and projected an increase of tourist traffic to nearly 660 million by the year 2000². The introduction of speedy and comparatively cheap air transport, growing world-economy, rising standard of living, increased paid-holidays, changes of interest among the tourists, monotonous and mechanized working conditions in developed countries, etc have contributed to the huge increase in people’s propensity for tourism activities and fuelled the spectacular growth of tourism as well as this industry.

Though tourism industry and its market have grown phenomenally worldwide, there is no significant growth and development of tourism in Bangladesh.

¹ Paci, Enzo, “Challenges for East Asia and the Pacific Region - Up to the Turn of the Century”, Paper Presented at Technical Seminar Held in Kuala Lumpur, Malaysia, Convened by the WTO, Madrid, July 6-7, 1994, P.16

Bangladesh tourism industry and its market have failed to grow properly not merely because it lacks enough attractions. Its tourism appears to have suffered mostly due to inadequate infrastructure, insufficient facilities at the destinations and inaccessibility to the destinations by road, rail and air transports. Besides, the main providers of tourism services in Bangladesh, viz. Bangladesh Parjatan Corporation (BPC) and other private tour operators perform their marketing activities without any separate marketing department and cannot regulate or control their marketing activities scientifically. Further, the travel agencies in Bangladesh are the least involved in the marketing of the tourism industry. They at best arrange air tickets only for the outgoing tourists and do not usually render any other tourism-related services. Even the national carrier of Bangladesh, viz. Biman Bangladesh Airlines, does not have modern aircrafts and suffers from poor fleet-planning, irregularities in flight schedule, delay in take off, lack of professional executives and managers, etc. Last but not the least, Bangladesh also suffers from an image problem. Many foreigners still know Bangladesh as a country of poverty, beggars, floods and political unrest. Only the few who have visited Bangladesh would have seen it as a country of magnificent natural beauty, attractive tourist attractions, rich cultural heritage, cheap service and facilities and friendly simple people.

Though the government, over the years, has taken several measures for the overall development of the tourism industry, many of the initial steps are rather modest in nature and even now much remains to be accomplished to give the industry a solid footing and a real sense of direction. A lot of efforts are still required to offer right tourism services, suitable environment, relatively more man-made attractions, improved facilities (such as hygienic food, adequate accommodation of acceptable standard and at reasonable price, proper recreational

---

facilities etc., easy accessibility and connectivity to the destinations, other allied facilities at the destinations, professional providers and so forth.

However, even within the existing infrastructure, facilities, accessibility, image, government's policy framework, etc, there is a lot of scope for Bangladesh tourism industry to adopt effective marketing strategies which can ensure a realistic service package for foreign tourists and bring about comparatively better performance of the industry. The direct and indirect influence of fruitful marketing strategies will also improve to some extent the present arrangements of the infrastructure, facilities, environment, accessibility and safe movements of the tourists. Side by side, the government in its regular programmes should also implement its development projects which will again help develop the above tourism-related aspects and thus accelerate the growth of the domestic as well as the inbound tourism in the country. As both the tourist market and the industry are growing very rapidly, it has now been recognized as one of the most competitive fields of marketing. Therefore, improved marketing strategies to meet the needs and expectations of the tourist-customers and ensure the long-term performance of the industry are called for. In most of the countries, tourism has attracted the professional marketing executives to develop new directions and formulate useful marketing strategies for planned growth and development of this sector. In the case of Bangladesh, therefore, emphasis should be given on exploring and exploiting the potentials of tourism through professionalism in marketing and relatively better positioning of the country's tourism products and services. Implementation of effective promotion campaign, establishment of better marketing information system, persuasion of foreign tourists through Biman offices and Bangladesh diplomatic mission offices abroad, motivating the international tour-operators and travel agents to influence the potential tourists to visit Bangladesh, appointment of trained human resources in various sub-sectors of this industry and establishment of
professional management throughout the industry will result in better performance of the industry in the long run.

This thesis is based on a study of the marketing performance and strategies of the Tourism Industry in Bangladesh. It presents the nature and structure of the existing tourism arrangements, examines the marketing performance and highlights the marketing strategies of the tourism industry in Bangladesh. The marketing strategies of the industry have been discussed in light of four Ps of Marketing-mix. The study has also attempted to focus on the crucial problems faced by the tourism industry in Bangladesh and suggested policy options to help formulate effective marketing strategies and bring about better marketing performance by the industry concerned.

1.2. Conceptual Issues

A. Definition of Tourism: Although tourism is known since the beginning of human civilization, there still exist debates among the experts and academicians on a conceptual definition of tourism. It was not till 1992 that a meaningful and acceptable definition of tourism emerged. The Ottawa Conference convened by the World Tourism Organization (WTO) in 1991 made some fundamental recommendations for a meaningful and acceptable definition of tourism. According to those recommendations, the WTO endorsed the following statement in 1992 and the United Nations Statistical Commission (UNSC) adopted it in 1993 as the official definition of tourism:

"Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes." 

McIntosh, Goeldner and Ritchie also attempted to put forward a comprehensive definition describing the full scope and taking the various groups which participate in and are affected by tourism. Their definition is—

"Tourism is the sum of the phenomena and relationships arising from the interaction of tourists, business suppliers, host governments and host communities in the process of attracting and hosting these tourists and other visitors."

Therefore, tourism encompasses a number of multi-faceted activities and services. A tourism industry represents a complex network of business activities to provide accommodation, food and beverage, drink, entertainment, communication, facilities (sports, boating, fishing, horse-riding and other activities) at destinations, accessibility through air and ground level transports and promotion activities. It also encompasses different parties engaged in the process of attracting tourists and providing services to them. Thus, a tourism industry consists of those firms and independent industries which perform these multi-dimensional activities, render various services and offer necessary facilities required to deliver travel experience for visitors.

B. Tourism as a Service: Kotler defined service as “any art or performance that one party can offer to another that is essentially intangible and does not result in the ownership of any thing.” Most services are personal or trade such as car-wash, TV-repairing, tailoring, cloth-cleaning, ironing, hair-dressing, medical-services, legal-advice, investment-counselling, and so on. However, there are also services which fulfil people’s high level needs, i.e., self-actualization and status needs, and tourism is included in this category of services. Unlike products or

---


goods, services have some distinct characteristics which compel marketing managers to emphasize special attention for marketing strategies. Some important characteristics, which differentiate services from goods, include intangibility of services, inseparability, perishability, heterogeneity, lack of ownership for the buyer, etc. Tourism, being an experience, can only be felt or enjoyed and cannot be seen or touched by tourists. It is inseparable from the persons or firms providing it and perishable as it can not be stored for future use. It is also heterogeneous because services of the same may differ significantly depending upon time, persons involved in rendering the service and sincerity of the providers. Tourists can only enjoy the services and cannot become the owner of hotel rooms, airline seats, attractions, etc. This justifies the characteristic of the lack of ownership. Thus, all these special features are applicable to tourism as a service.

1.3. Significance of Tourism

Tourism business is essential to economies because of the direct effect on employment, the balance of payment and society in terms of educational and cultural benefits. Its role as a provider of employment opportunity, a source of revenue, a way of resource mobilization and a creator of multiplier-effects on other sectors of the economy is of obvious importance. According to Kale and Weir, tourism can be the life-blood of the developing nations by bringing foreign exchange and promoting local employment, while exploiting a country’s resources without depleting them. It creates opportunity to know each other, helps facilitate to gather experiences about unknown places and things, establishes friendship among the people of nations and paves the way for political amity throughout the world. As an exciting and fascinating phenomenon tourism also provides pleasure,

---

gives changes in normal lives, creates opportunity to enjoy leisure, and extends areas to enrich cultures through travelling to different places of the world. Realizing the significance of tourism worldwide, the United Nations in its 21\textsuperscript{st} General Assembly declared the year 1967 as the International Tourism Year. It also officially acknowledged the significance of tourism by passing a unanimous resolution which described tourism as the most basic and desirable activity of human beings and urged for its encouragement by the people as well as the governments of all the nations. The significance of tourism may be viewed from many angles like personal, economic, social, educational, cultural, political, etc as described below.

Tourism is an exchange process, an experience which has value to tourists\textsuperscript{10}. A person may desire for change and wish to travel. Every human being has an insatiable curiosity for seeing new places and doing new things. Historically, only the wealthy people could spend money and time for travel and tourism. The lower and working class people did not have enough money or time to spend on this purpose. But today's labour-saving devices, improved transports, easy communication, short working-hours, relatively longer paid-holidays, increased disposable-income, upliftment in standard of living, change in personal and family outlook, etc have led people to enjoy through tourism. Besides, multiplicity of motivational needs such as escaping from the drab and mechanized urban life, avoidance of monotonous work, rising demand for quality education and intention for better treatment have contributed to the travel, leisure and tourism oriented lifestyle among all classes of people. Moreover, the recent surge in business and pleasure travel represents an unparalleled demand for tourism-related services\textsuperscript{11}.


As tourism has value to tourists and is demanded by a large segment of people, it has also some obvious social and cultural significance. It has been recognized as a dynamic force for social and cultural development of the society and as an instrument for the preservation of heritages, art and culture since the earliest time of civilization. Therefore, visitors get an opportunity to understand religions, customs, culture, way of life, behaviour, manner and social structure directly from the destination areas and return home with some new outlooks on life, habits and added experiences. They can also project their own customs and traditions to the people of the host countries. All these broaden the horizon of knowledge and enrich the culture of people in both the host and visitors' countries and consequently build up images and international goodwill of the countries concerned.

Tourism, being a labour-intensive industry, helps create employment opportunities for a large number of skilled and unskilled persons in different sectors. An WTO publication – Economic Review of World Tourism (1986) had shown that in the developed countries of the world, two-thirds of the workforce had been working in the service sectors and as much as 25 percent of these workers were in tourism-related jobs. “In terms of world statistics, tourism has become the single largest employer in the world, generating over 120 million jobs world-wide or one in every nine workers. Jobs in this sector are expected to increase faster than other traditional industries, 33 percent by the year 2005.” Both the domestic and the international tourism offer a protective umbrella for other sectors and help flourish transport companies, hotel industry, food service and restaurant industry, etc and thus pave the way of creating employment opportunities. Moreover, distribution channel members like tour operators and travel agents add to the

---


opening up of further employment opportunities. There has been even greater emphasis on creating employments through both the domestic and the international tourism demand, especially in the areas where alternative economic development is not a cost-effective alternative. As Bangladesh has been suffering from an acute unemployment problem and no alternative cost-effective avenue of employment has been developed, a greater emphasis on creating employment opportunities through the development of both the domestic and the international tourism in this country is essential.

Today’s international tourism, as one of the most dynamic invisible export sectors, brings significant amount of foreign exchange to the balance of payment and makes vital contribution to the economic growth of a country. Tourism is regarded as an invisible export because it has the potential to bring foreign exchange to a country, through the provision of services to overseas visitors. It has emerged as one of the top foreign exchange earners and now occupies the second position, next to petroleum, among the foreign exchange earners. During the period 1960-79, the growth rate of international tourism was found almost equal to that of the world exports.

Tourism helps in the growth of GNP of countries. As the world’s single largest business, it accounts for about a significant portion of the world GNP and is, therefore, a vital force in the global economy.

16 Hasan, Syed Rashidul, Problems and Prospect of Bangladesh Tourism Industry, Bureau of Business Research, University of Dhaka, 1992, P.4
Tourism has been described as a ‘light industry requiring small amount of capital.’ No other industry requires as little capital as tourism. Therefore, countries lacking in capital should emphasize on investing in tourism if there is potential.

Last but not the least, tourism contributes silently to the growth of peace, solidarity and brotherhood among the nations and races. According to Hasan, tourism creates friendship among the people of different nations and different cultures; the bond which goes long way to consolidate international peace and cooperation\(^{17}\). From an international angle, therefore, the tourism and travel industry helps in bringing about better understanding and peace in the world\(^{18}\).

1.4. Objectives of the Study

On the basis of the research problem, the study mainly attempts to concentrate on the marketing performance and strategies of the tourism industry in Bangladesh. To examine the two broad areas stated above, the study also demonstrates some more relevant aspects of the industry. However, the detailed objectives of the study are as follows:

i. To study the nature and structure of the tourism arrangements in Bangladesh;

ii. To analyze the marketing performance as well as the performance of marketing mix elements of the tourism industry in Bangladesh;

iii. To study the marketing strategies of different firms under the tourism industry in Bangladesh;

iv. To identify the marketing problems of the said industry; and

v. To propound suggestions for reforms and improvements of the industry.

These suggestions will also help the concerned policy-planners formulate

\(^{17}\) Ibid., P. 7.

effective marketing strategies and attain better marketing performance of the
industry under consideration.

1.5. Scope of the Study:
The scope of the study extends to the following aspects:

A. Coverage: The study has attempted to cover three main areas. These are
nature and structure of tourism arrangements, marketing performance and
marketing strategies of the tourism industry in Bangladesh. The study has attempted
both macro and micro level analyses. In the macro-level analyses, the nature and
structure of the tourism arrangements in Bangladesh and the overall marketing
performance of the industry have been dealt with. At the micro-level, the
description of the individual tourism component has been given and marketing
performance and strategies of the individual tourism firm have been measured.

B. Time Frame: The study has been made over the period from 1990-91 to
1996-97 which as a duration of seven years is reasonably long for studying the
performance of the tourism industry in Bangladesh.

C. Samples: The samples taken for this study are:

i. Tourism Firms: Six types of tourism firms have been examined in the
study. These include BPC, private tour operators, airlines, travel agents, hotels and
restaurants. These firms are the major role players in the marketing activities of the
tourism industry in Bangladesh.

ii. Tourists: The study has confined itself to the foreign tourists only. It has
studied the pre-dispositions (beliefs, perceived image, attitudes, perceptions, etc.)
and the behavioural dimensions (length of stay, sights visited, accommodation
taken, expenditure patterns, etc.) of the foreign tourists. Attempts have also been made to study their impressions on the tourism arrangements and marketing activities of the tourism industry in Bangladesh.

1.6. Literature Review

A substantial number of works on tourism as a subject have been done throughout the world. But a relatively few works and literatures on marketing of tourism have been found as yet. It may be mentioned that the world literature on different aspects of tourism marketing has evolved over the last twenty five years or so. Similarly, only a few articles and research reports appear to have attempted to deal with the problems of the tourism industry in Bangladesh. Besides, a very few studies have addressed tourism in Bangladesh in the context of marketing performance and strategies and, hence, literatures reviewed for this study include only a handful of papers and the few research reports addressing different aspects of tourism marketing from various angles and with varied degrees of emphasis. These are summarized below:

Shafi\(^{19}\) has emphasized on the manipulations and settings of the four elements of marketing mix in an effective manner to ensure the best combination of the elements and a balanced mix for tourism industry to facilitate customers' satisfaction and achieve the targeted performance or result. She has also laid importance on the concentration of various mix-elements to develop an integrated marketing policy for the industry to achieve the targeted result.

Uysal\(^{20}\) in his work has stressed the improved marketing strategies to meet the increased demands of ‘tourism destinations’ within the travel industry. He has


further argued that the marketers should acquire a complete knowledge of both the products and the tourists and combine them to develop successful marketing strategies for making the products worked/accepted by the potential tourists.

Kale and Weir\(^{21}\) have carried out a study for identifying both the positive and the negative factors affecting the choice of the third world countries (especially, India) as a tourist destination. They have pointed out that people have country specific attracting and repeating factors which determine their decisions regarding their travel to a country. Therefore, they have recommended that the tourism department of the country should uncover those factors and evolve suitable marketing strategies accordingly.

In investigating the trends and prospects of tourism in Bangladesh, Ahmed\(^{22}\) has addressed the role played by the government of Bangladesh for the development of tourism in the country. He has found that although Bangladesh government has taken some measures for the overall development of tourism, the industry has not yet got a solid footing and a real sense of direction. He has praised, though exaggerated to some extent, the role of the BPC saying that it has been ceaselessly striving to foster tourism in the country since its inception. He has concluded that despite all the efforts of the BPC, the government and the private sector firms, the tourism industry of Bangladesh has not yet 'taken off' in a true sense due to lack of co-ordination, imagination, policy-planning and resources. He has also advocated the need for the expansion and development of the infrastructure before promoting Bangladesh as a tourist destination.

\(^{22}\) Ahmed, Syed Shahabuddin, Op Cit. PP 89-93
Pannell Kerr Forster Associate’s\textsuperscript{23} report has mentioned that for the development of the infrastructure, national airlines and overall tourism in the country government has already taken attempts to make substantial investments which require to be properly supported by effective marketing activities in order to meet the policy objectives and ensure a realistic return from these investments. The report has also pointed out that the comfort, services and management of the tourism firms in Bangladesh are all below the level expected by the international tourists and the foreign community residing in Bangladesh as well as in other nearby countries. It has also identified the shortcomings as difficulty in obtaining the operating supplies of sufficiently high quality, poor communication system, lack of the infrastructure, bad image and, more importantly even, a lack of true professional management. It has further blamed the BPC for not playing completely its role as a national tourism promotion agency and suggested preparing itself for playing its proper role as a national tourism organization and facilitator of tourism development. The report then emphasized the balanced marketing activities with the improvement of the infrastructure, quality of services, facilities, amenities and management in order to cater to the needs of the existing and potential tourists.

In answering the question ‘why will the international tourists select Bangladesh as a destination for tourism?’ Hasan\textsuperscript{24} has addressed the motives behind tourism, reviewed the tourist resources in Bangladesh, pointed out the promotion activities undertaken by the BPC and, finally, considered inadequate activities for tourism in Bangladesh. While putting forward the policy prescriptions, he has emphasized the government’s role to explore the potential tourist spots, build the proper infrastructure which are yet to get much attention and expand newly introduced products/services like lake, river and sea cruise arrangements. Excepting

the above issues, Hasan has not analyzed other aspects relevant to the marketing mix strategies of the tourism industry in Bangladesh.

Woodside and Carr\textsuperscript{25} have suggested that marketing strategies to influence clients' decisions and changing behaviours should be developed on the basis of how their decisions are made. They have emphasized to examine each alternative benefit-package as well as the destination-package while formulating the marketing strategies.

Rao, Thomas and Javalgi\textsuperscript{26} have focused on the need for the marketing professionals and industry-leaders to develop new directions and marketing strategies for exploring future business opportunities in this challenging sector. They have also discussed the issues relevant to the marketing strategies to be adopted for relatively better marketing performance and result.

In a classic work, Calantone and Mazanec\textsuperscript{27} have focused the management and information analysis tasks of various organizations of tourism industry in the context of marketing. They have given an overview of some marketing issues of tourism and emphasized its service encounter, direction, information needs, etc. They have also criticized that tourism is one of the last industries to experience the change from seller's to buyer's market.

In another classic work, Hasan\textsuperscript{28} has described the tourism inventory of Bangladesh and analyzed its potential market and marketing strategies. He has blamed that Bangladesh, in comparison to other South Asian Countries, has failed


to attract a sizeable number of tourists to visit the country though it is endowed with
different tourism attractions. He has also criticized that the performance of the BPC
as well as the industry as a whole is largely affected due to the absence of the
infrastructural facilities. It has also been revealed in his study that the industry has
failed to develop and launch any pragmatic promotion strategy as yet to uphold the
image of Bangladesh as a tourist destination and to develop necessary services and
facilities for tourists. He then suggested to create a separate organization for
performing the marketing activities of the BPC owned tourist plants and
installations. Hasan further recommended for planning the marketing strategies
aiming at the potential markets and avoiding aimless policies to develop mass
tourism at the initial stage of this new industry in Bangladesh.

Patwari has emphasized the coordinated efforts of the concerned
authorities, professional efficiency of the management, pleasant behaviour of the
service providers and scientific techniques of the marketers to present the products
effectively and develop tourism fruitfully in a country. He has specifically pointed
out four key pillars such as a developed infrastructure, safe transport facilities, an
efficient marketing information system and professional manpower which may lead
to the success of this industry. He has also opined that it will be difficult and very
expensive to develop tourism in Bangladesh with the present state of technology
and limited resources. He then advocated for the development of natural
attractions and local traditions-based tourism in Bangladesh.

Kamal and Chowdhury in their article “Marketing Orientation in Tourism
Sector: Case Study on Biman Bangladesh Airlines,” have criticized Biman’s failure

---

17

---

29 Patwari, Col. (Rtd.) Bazlul Ghan, “Review and Proposals for the Development of Tourism
30 Kamal, Md. Moinuddin and Md. Ashraful Islam Chowdhury,” Marketing Orientation in
Tourism Sector: Case Study on Biman Bangladesh Airlines,” *The Dhaka University Journal of
to offer better customer services as compared to most of its competitors and, hence, to attract more customers or even retain the old ones. They have blamed that Biman performs conducts its marketing activities in a manner which does not confirm marketing orientation fully. It has been mentioned there that the marketing mix elements of Biman Bangladesh Airlines present somewhat a mixed picture of marketing orientation.

Hasan and Chowdhury have critically analyzed the state of hotel and restaurant services and their role in the development of tourism in Bangladesh. They have found that the occupancy rates of the graded hotels at Dhaka, Chittagong and Cox's Bazar are much lower due to high room-rates. The local non-graded hotels throughout the country are engaged in catering to the needs of the domestic night stoppers and most of these do lack in food and drinking facilities. The country also suffers from an acute shortage of standard restaurants to meet the needs of the tourists. They have suggested erecting good quality accommodation units blending with good restaurants and service offerings at cheaper prices for the domestic travellers and establishing more units of better quality at the cities of administrative and commercial importance to serve both the domestic and intra-regional tourists. They have also suggested to offer customized services blending with reception, living, foods and recreation for the high spending tourist-segments through high cost deluxe and graded hotels.

Go has pointed out that many destination-communities in the Pacific Asia are grappling with due to the inadequate infrastructure of airports and lack of

---

trained human resources. The situation of the airports in Bangladesh is similar to the picture presented in the article.

Existing evidence and materials (both published and unpublished) reviewed above clearly suggest that there is a lack of strategic marketing orientation in the tourism industry. Bangladesh tourism industry is of no exception of this and, hence, it has failed to achieve better marketing performance. Therefore, it is essential to formulate appropriate marketing strategies and ensure better marketing performance of the tourism industry in Bangladesh.

1.7. The Research Gap

Though there has been a considerable expansion of tourism activities and an intense worldwide competition in this sector, relatively little attention has been given by the professionals and researchers to the issues of tourism marketing. Moreover, little has been written on tourism marketing so far and, therefore, literatures on tourism marketing throughout the world are not enough. Only some articles, a few research reports and several textbooks have addressed the marketing issues in a skin-deep and peripheral manner. These offer little help in developing a framework for further studies by the researchers. In Bangladesh, researchers do not seem to have much attention to the studies on the marketing issues of tourism. Therefore, no comprehensive paper, research monograph or research report on marketing performance and/or strategies of the tourism industry in Bangladesh has been available.

1.8. Justification of the Study

Tourism industry has attained an impressive development in recent years. The growth of this industry and its market has led to an ever-increasing competition among the marketers. This competition, in turn, has led to the adoption of scientific marketing principles and strategies by the marketers of this industry. Besides, there
is the need to develop customer-oriented concepts so that all aspects of marketing of the industry are properly adjusted with the needs of the tourists and the objectives of the marketers. To serve the mutual interests of both the customers and the marketers effectively, it needs to conduct a market survey to measure the performance of the tourism industry, the level of satisfaction of the tourists, and thus formulate appropriate marketing strategies on the basis of the results. According to Gilbert\textsuperscript{33}, research is an important aid to feedback and decision making. Its importance lies on the knowing of the relevant facts and taking decisions on the basis of those facts to bring about success in the operation. In case of tourism industry, these decisions may include the influence on the choice of the tourists to visit specific destinations and to change the visiting behaviour of tourists. In this connection Davidson\textsuperscript{34} proposed in his work, "if we are going to influence a decision and a change in behaviour, we need to know how that decision is made. There must be an increasing focus in the research and in planning in our industry (travel and tourism) on how decisions are made."

It is worth mentioning that marketing performance of any product or service depends upon appropriate marketing strategies. Present performance and future potentials are the outcome of marketing strategies adopted at present and to be adopted in future respectively. Bangladesh lags behind in the development of this sector and in attracting a significant number of foreign tourists as well as in motivating the domestic tourists. The situation, therefore, calls for the identification of the causes and the formulation of policy and strategy measures. As there has been no major study pertaining to the marketing of the tourism industry in Bangladesh, a study on the same as attempted in this thesis may be of great help to


\textsuperscript{34} Davidson, Thomas Lea, "Strategic Planning: A Competitive Necessity," \textit{The Battle for Market Share: Strategies in Research and Marketing}, Travel and Tourism Research Association(TTRA), Salt Lake City: Graduate School of Business, University of Utah, 1985, P. 103.
the policy makers, service providers, promoters, academicians and other interested people.

The study will help the concerned authorities in Bangladesh to develop appropriate approaches to policy formulation for better marketing performance. It is expected that such a study on marketing performance and strategies of the tourism industry in Bangladesh may be of immense help for the marketers of tourism services as well as the visiting tourists in Bangladesh. It is also expected that this study will provide sufficient information on what products/services tourists want, which level of price they are ready to pay or able to pay, how customers can effectively be reached to the products/services and in which way the present and potential customers fruitfully be made aware of the offer and persuaded to visit Bangladesh. It is further apprehended that the study will furnish necessary information on the needs, expectations and behaviour of the foreign tourists. The information to be available from the findings of this research will again focus light to accurately formulate proper marketing strategies by the tourism industry in Bangladesh. And proper marketing strategies may allow the development of cost-effective and quality products/services, fixation of optimum price, publicizing of effective promotion and establishing efficient distribution channels. The study aims to develop a comprehensive package of suggestions for the marketers to help them formulate appropriate policies and strategies for the tourism industry in Bangladesh. Again, a systematic study on these areas of the tourism industry in Bangladesh can be a source of and aid to ensure better performance and review strategies for its future success. Moreover, any such approach to help identify the problems of tourism industry in Bangladesh and overcome those must be more than appropriate in the present context of its development. Furthermore, as the marketing aspects of the tourism industry in Bangladesh have not been given much attention, this area lends itself to a systematic and structured study. Finally, as an emerging research area, the study will also add to the existing knowledge of tourism literature. All
these may again result in better marketing performance of the industry in future. Therefore, it is hoped that the proposed study will generate sufficient interest and way of thinking which will again lead to the guidance for further research on other marketing issues of the tourism industry in Bangladesh.

1.9. Research Design

The research design for the study is described below:

A. Nature of the Study: The present study has arisen as there is very little by way of literatures. Since the existing research on the marketing of tourism industry in Bangladesh is not adequate, the nature of this study has to be exploratory.

B. Hypotheses: It is assumed that marketing strategies affect the marketing performance of the tourism industry. That is, action plans or decisions relevant to products/services, channel of collection, prices and promotional measures play vital role in affecting the marketing performance of the tourism industry in Bangladesh. It is also hypothesized that the strategies as well as the resulting performance of marketing mix elements are interrelated and interdependent, as the action plans of a single factor can not ensure optimum performance of the industry.

It is already mentioned that enough literatures on the marketing of the tourism industry in Bangladesh are not available. Therefore, it is very difficult to draw hypothesis precisely regarding any problem in this field. Nevertheless, on the basis of the survey of available literatures and also on the basis of the expert opinion, the following two hypotheses have been drawn and put forward to be established by the findings of this study:

i. Tourism industry in Bangladesh shows bad marketing performance; and
ii. Tourism industry in Bangladesh does not follow effective marketing strategies.

C. Survey Area: The overall tourism arrangements have been considered in this study and the whole of Bangladesh is the survey area of this study. Therefore, foreign tourists visiting any part of the country have been considered to include in the sample and, simultaneously, the role of the National Tourism Organization, airlines, tour operators, travel agents, hotels and restaurants operating in the country have been included in the survey. It should be mentioned at the same time that most of the tour operators and the travel agents are located in and around Dhaka, the capital city, and only a few operate at Chittagong and Sylhet.

D. Populations for the Survey: The objectives and the scope of the study have set seven categories of population. These include (i) executives of the BPC, (ii) owners of the tour operating agencies (17 member firms of the TOAB), (iii) foreign tourists visiting Bangladesh (iv) sales executives of Biman Bangladesh Airlines, the national carrier of Bangladesh, (v) owners of travel agencies (total no. is 235), (vi) receptionists at hotels and (vii) managers of restaurants. The first category consists of currently employed executives of the BPC. An up-to-date TOAB (Tour Operator Association of Bangladesh) members’ list consisting of names and addresses of 17 firms has been used as the base of population for the second category. Foreign tourists visiting Bangladesh during the months of December’97 and January’98 constitute the population for the tourist group. The above mentioned three categories of population have been included in the questionnaire survey. The last four categories of population have been used for the informal conversations. Since up-to-date lists of the travel agencies, hotels and restaurants operating in Bangladesh have not been found, the sizes of population for these three sectors remain unknown.
E. Sizes of Samples: It is already mentioned that the study has considered seven categories of samples. Four chief executives (three directors and one general manager) of four separate divisions of the BPC have constituted the sample for the first category of respondents. A total number of five tour operators have been taken in the sample for the wholesalers' category of respondents. The sample size for the respondent foreign tourists was exactly one hundred and one from whom necessary information has been collected with a pre-designed set of questionnaire. For the retailers category of respondents, a total number of seven travel agents has constituted the sample for this category. Two sales executives of Biman Bangladesh Airlines, five receptionists of five different hotels and five managers at five restaurants have constituted the samples for those respective categories. The following table shows the different categories of samples and their respective size:

<table>
<thead>
<tr>
<th>Sample Categories</th>
<th>Size of Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. For Questionnaire Survey</td>
<td></td>
</tr>
<tr>
<td>1. BPC Executives</td>
<td>4</td>
</tr>
<tr>
<td>2. Owners of Tour Operators</td>
<td>5</td>
</tr>
<tr>
<td>3. Foreign Tourists</td>
<td>101</td>
</tr>
<tr>
<td>B. For Informal Conversation</td>
<td></td>
</tr>
<tr>
<td>1. Biman’s Sales Executives</td>
<td>2</td>
</tr>
<tr>
<td>2. Owners of Travel Agents</td>
<td>7</td>
</tr>
<tr>
<td>3. Receptionists of Hotel Firms</td>
<td>5</td>
</tr>
<tr>
<td>4. Managers of Restaurant Firms</td>
<td>5</td>
</tr>
</tbody>
</table>

It should be mentioned that out of 101 respondent foreign tourists, 9 are from India, 8 are from each of the USA, the UK, Japan and South Korea, 6 are from China, 5 are from each of the Netherlands, Pakistan, Malaysia and the rest 39 are from other countries. Out of them, 78 constituting 77.23% are male and 23 constituting 22.77% are female. Their ages range from 17 to 68 years. As found in
the study, the larger segments of the respondent tourists fall in the age limits 26-35 and 36-45.

F. Sample Selection: It is mentioned earlier that three directors from three separate divisions and one general manager from administration division have been selected for the purpose of interviews. Since the sample of this category has included the chief executives of all the four divisions of the BPC, they have been thought to be suitable and competent to provide all the necessary available information relevant to the marketing performance and strategies of the tourism industry in Bangladesh. For the tour operators' category of sample, attempt has been made to draw five firms from the TOAB members' list through an unbiased lottery. For selecting the sample respondents from seventeen tour operators, each has been given a number like 1,2,3,......16 and 17 serially. These numbers have been written on 17 separate pieces of white papers of the same size. Five pieces of such papers have then been drawn through this lottery. The sample thus drawn has included all the tour operators from Dhaka only. The third category of sample consists of 101 foreign tourists who have already completed their visit in Bangladesh and now attempted to depart from the country. In case of selecting sample from the tourist category, the use of probability sampling technique has not been possible due to the unknown size of population and volatile nature of their visits. Another reason to apply purposive sampling technique is to ensure a reasonable number of respondents from each important source country. Of course, while choosing the respondent foreign a tourist, due care has been taken to include them from various occupations, both sex and different ages. Due to different categories of respondent tourists, the researcher considers this sample as reasonable for this study and optimum to represent the overall market of the tourism industry in Bangladesh.
G. Questionnaire Preparation: Three different sets of semi-structured questionnaires (for BPC, tour operators and foreign tourists) have been prepared to conduct the field survey. The survey instrument included both structured and unstructured questions and, hence, the nature of the questionnaires has been semi-structured. The semi-structured questionnaires have been used with a view to broaden the scope of information to be gathered. Through these structured and unstructured questions, attempts have been made to gain insights into both quantitative and qualitative aspects of the marketing performance and marketing strategies of the industry. In case of the questionnaire used for the respondent tourists, a five-point likert type scale has been utilized to obtain their experiences, perceptions and opinions on marketing mix elements of the tourism industry in Bangladesh. The responses on the scale associated with some structured questions have been valued as 1, 2, 3, 4 and 5 in order to convert the qualitative responses into quantitative forms and thus help calculate the mean responses of each variable of the questions concerned. Expert opinions have been taken to improve all three sets of questionnaires designed initially. No formal questionnaire has been designed to collect information from Biman, travel agents, hotels and restaurants.

H. Pilot Survey: Before launching the field survey, a pilot survey has been conducted in September’97 in order to test the availability of data and examine the practicability of the questionnaires. The pilot survey includes conversations and interviews with experts, BPC executives, tour operators and some foreign tourists. The pilot survey has helped in pre-testing and improving the questionnaires and enabled the researcher to get acquainted with the relevant technical aspects on the subject matter of the study and the field survey to be conducted finally. In light of the experiences gained by the pilot survey, all three sets of questionnaires have been suitably amended.
I. Field Survey and Primary Data Collection: The field survey has been conducted between December’97 and January’98 by the researcher himself. These two months have been chosen as these are in the peak tourism season. Data pertaining to marketing performance and strategies of the tourism industry in Bangladesh have been collected from the key persons engaged in BPC and some randomly selected tour operators through in-depth personal interview with the pre-designed questionnaires. In order to understand the pre-dispositions, behavioural dimensions and impressions of the foreign tourists, an in-depth exit interview of 101 foreign tourists has been conducted at the departure lounge of Zia International Airport (ZIA). Two sales executives of Biman, seven travel agencies, receptionists at five hotels and managers of five restaurants have been interviewed with a view to interpreting their roles as channel members of the industry. Only informal conversations have been made to collect some relevant information from them. While conducting the field survey, utmost care has been taken in the process of data collection to ensure validity and reliability.

J. Secondary Data: The secondary data used in this study has been drawn from newspapers, magazines, journals, research papers and research reports. Besides, souvenirs, brochures, travel handbooks, hotel guides, leaflets, posters and folders of the BPC, tour operators and hotels have also been found useful. Moreover, the publications of Bangladesh Bureau of Statistics (BBS) and other published and unpublished materials of both the government and the non-government agencies have also provided the required secondary data.

K. Data Analysis and Interpretation: Marketing performance of the tourism industry has been evaluated through the analysis of time series data – the main sources being the publications of BPC, BBS and other published as well as unpublished materials of both the government and the non-government agencies. Besides, some time-series data like tourist arrivals in Bangladesh, earnings from
tourism in Bangladesh, sector-wise revenue earnings of the BPC, BPC’s contribution to the national exchequer, number of courses conducted and number of trainees trained by the BPC, etc have also been collected through the questionnaire survey. The information thus collected from the secondary sources and through in-depth personal interviews with questionnaires have been classified and tabulated first. In some cases, data collected from various sources and on different issues have been presented in tabular form. Conventional statistical tools like percentage, simple mean, standard deviation and simple growth rate have been used to analyze and interpret the classified and tabulated data. Besides, in case of measuring the performance of BPC’s hotel sector, Percentage of Capacity Sold (PCS) approach has been used to examine the proportion of bed nights sold out of the total bed nights. The formula used here to measure the performance is —

\[ PCS = \frac{\text{Capacity Sold in the Year}}{\text{Total Capacity in the Year}} \times 100 \]

This is an easy and widely used approach. But this approach does not show the relative profitability of the firm/industry concerned. Because, hotels are found to attract customers at the cost of heavy discounts and thus to obtain high utilization rates, especially during the off-season. For this, Assets Revenue Generating Efficiency (ARGE) approach has been used to analyze the extent to which BPC’s assets are achieving their full revenue generating potentials. Here, the Price Efficiency Rate (PER) is taken into consideration. PER shows the relationship between the average price actually obtained from the sector concerned and the maximum price that might potentially have been charged for the occupied rooms. The formula used here to calculate the ARGE is —

\[ ARGE = \frac{PCS \times \text{PER}}{100} \]

\[ \text{PER} = \frac{\text{Total Revenue Received in a Year}}{\text{Maximum Theoretical Revenue in that Year}} \times 100 \]
Further, Percentage of Net Profit on the Value of Fixed Assets (PNPFA) has been used to show the percentage of net profit earned by the BPC against its fixed assets during the years concerned. This approach has helped analyze the extent to which the firms’ assets are achieving its full net profit generating potentials. The formula used here under this approach is —

\[
PNPFA = \frac{\text{Net Profit Earned in the Year Concerned}}{\text{Value of Fixed Assets in that Year}} \times 100
\]

In view of measuring the performance of marketing mix elements, attempts have been made to identify the relevant variables for each mix element. In analyzing the data pertaining to impressions of the respondent foreign tourists, the responses on the five-point likert type scale for each variable of the questions relevant to marketing mix elements have been valued “from 1 to 5” in order to convert the qualitative responses into quantitative forms. Thus, the total value/score derived for each variable of the questions concerned have been calculated to find the mean value/score of the variable under consideration.

1.10. Chapter Plan

The thesis has been arranged in seven chapters. Chapter One mainly presents the meaning and a conceptual framework of what constitutes tourism under several sub-sections like preamble, conceptual issues, significance of tourism, etc. Also the objectives of the study, its scope, literature review, research gap and the justification of the study have been discussed in this chapter. Literature review has briefly voiced the past, reflected the present and moulded the future course of action. Moreover, this chapter has addressed the research design which consists of nature of the study, hypotheses, survey area, population for the survey, sizes of samples, sample selection, questionnaire preparation, pilot survey, field survey and primary data collection, secondary data and data analysis and interpretation. The last section of this chapter presents the chapter plan of the thesis. Chapter Two
depicts the nature and structure of the existing tourism arrangements in Bangladesh. This chapter deals with the geographical position, seasons and climate, tourism season, transport network, tourism components in Bangladesh (What Bangladesh can offer to tourists?), facilities at the destinations and tourism organizations in Bangladesh. Chapter Three attempts a critical evaluation of the marketing performance of the tourism industry in Bangladesh. Performance of marketing mix elements of the industry have also been evaluated and shown in this chapter. Chapter Four explores the marketing strategies of the tourism industry in Bangladesh. Firm-wise marketing strategies have been discussed and organized there. Marketing problems faced by the tourism industry have been identified and discussed in Chapter Five. The Causes of the low influx of foreign tourists in Bangladesh and failure of Bangladesh tourism industry in attracting optimum number of foreign tourists have also been dealt with through the presentation of the marketing problems there. Chapter Six is devoted to a package of suggestions for the reforms and improvements of the industry. While prescribing the policy measures, the researcher has kept in mind the need for better marketing performance by adopting effective marketing strategies and developing the sector in an organized way. The remainder part of the thesis, Chapter Seven, summarizes the findings, reconsiders the hypotheses, draws a conclusion and directs the scope for further research.