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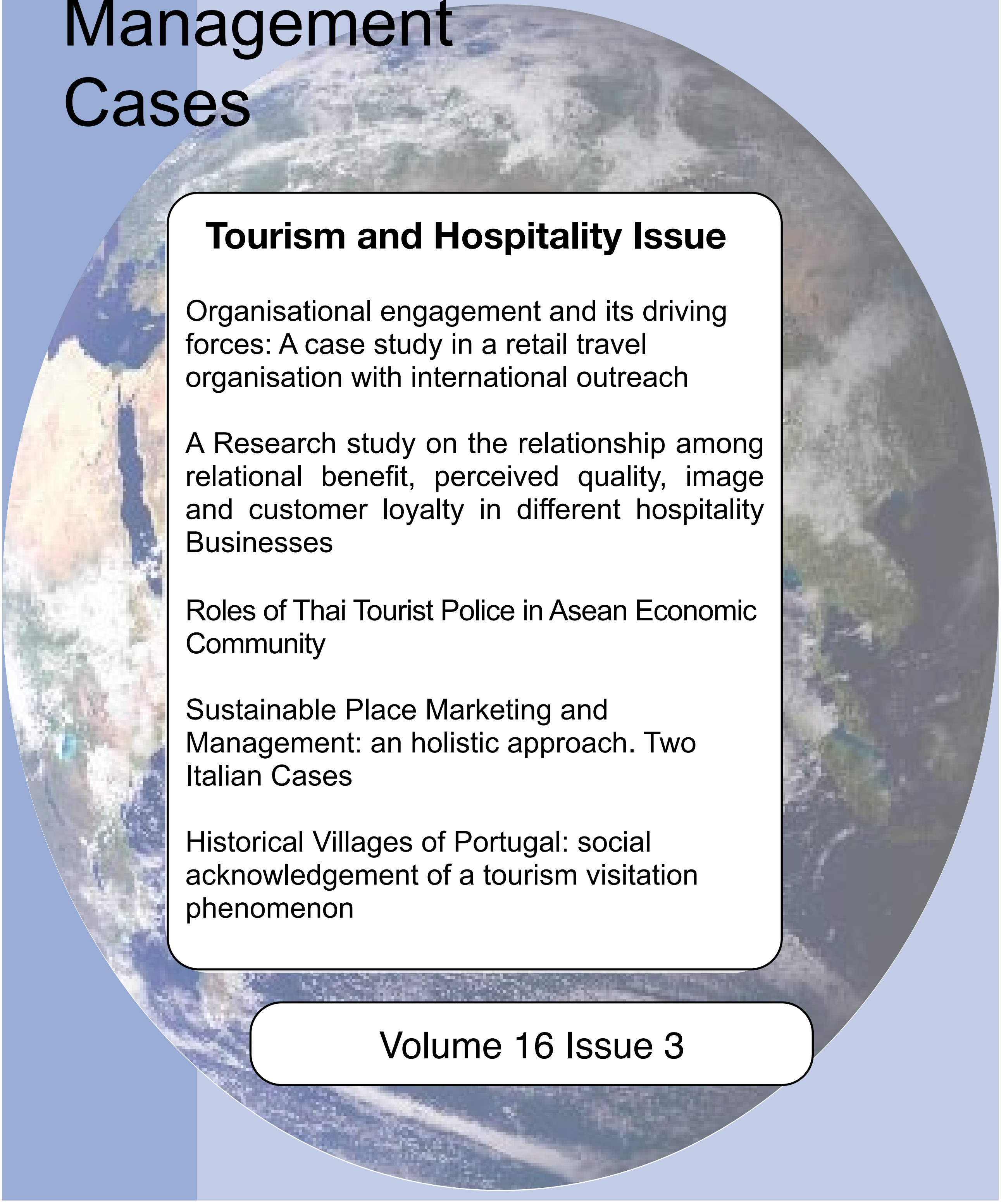

## Tourism and Hospitality Issue



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# Organisational engagement and its driving forces: A case study in a retail travel organisation with international outreach

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## Abstract

The Organisation Engagement Survey (OES) was designed to measure engagement and its predictors (drivers) within a large retail travel organisation in Australia. It includes a specially-developed 5-item engagement scale (ES) and a forty-item 8-factor drivers-of-engagement scale (the eight factors are: senior leadership, team leadership, continuance, work support, work demands, employee empowerment, customer focus, financial rewards). This paper reports findings in this case study of the organisation on what were the drivers or predictors of engagement within the organisation (of over 4000 people, as obtained from over 400 responses reasonably representative of the overall organisation). It also provides some insights into how the OES and its parts are related to external selected common European and US scales that are used to assess engagement (specifically, The Utrecht Work Engagement Scale- short form of 9 items; the Cook and Wall Organisational Commitment Scale of 9 items; and the Three Component Model of Commitment- Revised Scale- 18 items). Confirmatory factor analysis validated the relationship of the drivers in the organisation in predicting engagement; and there were strong relationships found between the ES and the selected external scales. The OES differs from the other available scales in its integration of several thrusts as exemplified in part separately by the common engagement scales- no other available full engagement scale at the time of writing appears to have integrated and examined under research conditions the measures involved in the OES including aspects related to emotional commitment, organisational loyalty, customer focus, workplace support, and workplace leadership. The results from this case study appear to have value also for other organisations and for further research.

**Key words**: employee engagement; organisational engagement; commitment; drivers of engagement

## Introduction

Engagement has wide reaching implications for employees' performance and organisational outcomes. If managed successfully, an engaging work environment can strengthen the commitment employees have toward their organisation and inspire them to go the extra mile in delivering on work related outcomes.

Measures for various types of engagement have been developed both within practitioner-consultancy and in academic environments, each with varying degrees of overview, relevance and parsimony. Although it is generally accepted that engaged employees add value to organisations by increasing customer satisfaction, productivity, profit, reducing staff turnover, and on site accidents (e.g., Harter, Schmidt and Hayes, 2002), different forms of engagement have been identified (such as personal engagement, employee engagement, vital engagement, work engagement, and 'organisational' engagement). It can be confusing as to which type of engagement is most relevant to an organisation, and thence how to measure that specific form of engagement.

This paper addresses these issues in part by reporting a case study that involved development of a measure of engagement and its drivers for a large Australian retail travel organisation.

**The Case: "Walkabout"**

At the time of data collection during 2005-2009 Walkabout (not the company's actual name) was Australia's largest travel company employing 6900 people in 1139 retail stores worldwide, incorporating 27 different retail, corporate and wholesale travel businesses (IBIS World, 2004; Jobsons, 2005). It held operations in Australia, Canada, South Africa, UK, Hong Kong, New Zealand, USA, Papua New Guinea, Vietnam, and China (Aspect Financial, 2005; IBIS World, 2004). IBIS World (2007) identified the company as having been in operation for 26 years, with a history of fast growth and strong revenue, and a strong ability to attract and hire staff (seven times the industry average).

Walkabout's employees had been surveyed by leading consultants and had been identified at least three years in a row among "Hewitt's Best Employers" with high levels of engagement present. However, Walkabout was interested in what were the determinants of engagement in their organisation and readily accepted involvement of one of the authors, a PhD scholar, in investigating the determinants. This involvement extended to attendance at main meetings in Brisbane, involvement in travel exhibitions, and access to data held in personnel files. Personal (for interview) and Online (survey) access to Walkabout's members was given. This paper therefore represents research directly related to what engagement was seen to be about in Walkabout, and what drove engagement ('the drivers'), and it reports the findings that resulted in a five-item 'engagement' survey and a forty-item 'drivers of engagement' survey relating directly to this travel organisation, the two scales together being known as the Organisational Engagement Survey (OES).

First, an overview of the engagement literature and practice is given and then a description of how the OES was developed and validated, thus yielding a picture of the nature of engagement at Walkabout and what were its major drivers.

**Employee Engagement**

Employee engagement has been described as individuals' "involvement with, satisfaction with and enthusiasm for the work they do" (Robbins, Judge, Millett and Boyle, 2011, p535). Engaged employees are said to support the organisation to achieve its goals, while disengaged employees are said to drain the company financially by reacting towards others with distrust, resistance and blame, and demonstrating low levels of commitment (Coffman and Gonzalez–Molina, 2002). No organisation is said to be free from *disengagement* (Rampersad, 2008). With only 21% of Australian workforce reported to be fully engaged, researchers from the Gallup Institute were estimating the economic cost to be over $3.3 billion annually through loss in productivity (Smith, 2009). High levels of disengagement are also characterized by high levels of staff turnover (Harter et al, 2002). In an increasingly tight labour market, knowledge of how the employee - employer relationship can be strengthened help organisations retain key personnel and cultivate a productive and effective workforce.

The current paper examines *organisational engagement*, and provides insight into what factors strengthen the relationship between the employee and their employer, specifically for employees from the large Australian-based travel retail organisation.

**Literature review- engagement at work**

Since a landmark study by William Kahn conducted in 1990, several forms of engagement have emerged, each with a respective definition and measure (see below for details on personal engagement, vital engagement, work engagement, and employee engagement). However, there has been little research on *organisational* engagement except that of Saks (2006) who differentiated two forms of engagement: job engagement and organisational engagement. These constructs were related to each other, but conceptual distinctness was also present.

To provide a context for organisational engagement as a construct, the five forms of engagement as listed above are now discussed.

*Personal engagement.* Driven by the concept that people seek fulfilment through self-expression at work, William Kahn (1990) theorised that personal engagement was experienced when people felt confident to "employ and express themselves physically, cognitively, and emotionally during role performances" (p694). The more engaged people were, the more they experienced their work as meaningful, they felt capable of completing their tasks, and that they felt safe to be themselves without negatively affecting their self – image or career. May and colleagues (2004) operationalized and confirmed Kahn's theory arguing that all three psychological conditions (renamed as *psychological engagement*) proposed by Kahn (1990) of meaningfulness, safety and availability were important determinants of engagement and that particular factors such as work role fit, supervisor relations, and availability of resources functioned as strong predictors of these conditions (Pallant, 2002).

*Employee engagement.* The Gallup Institute and associated consultants defined engaged employees as those who were loyal and committed to their organisation (e.g., Coffman and Gonzalez–Molina, 2002). Gallup based its engagement theory on the premise that workplace environments, when managed effectively, enhance positive emotions generating greater productivity (Harter, 2000). To this end, the affective quality of engagement is pivotal in maintaining employees' connection with their organisation. Gallup and associated researchers used an instrument called the Q12 which was designed to cultivate a work environment that supported talented employees. This 12-item scale does not measure engagement or its drivers directly but assesses how well employees' needs are met across various themes including material and social support, professional development, relationship with one's supervisor, and feeling valued.

*The burnout - engagement continuum.* This approach to engagement was proposed by Maslach and Leiter (1997) and positioned engagement as the antithesis of burnout. According to Leiter and Maslach (2004), burnout is defined as "a psychological syndrome of exhaustion, cynicism, and inefficacy, which is experienced as a response to chronic job stressors" (p. 93). Engagement on the other hand, is defined as an enduring state of energy, involvement, and effectiveness that results from a successful match between employees and their environment (Leiter and Maslach, 2004). More specifically, when employees experienced a “good fit” with aspects of their work environment which relate to: workload, control, fairness, rewards, community and values, they became more engaged.

As a way to measure and model the burnout- engagement continuum theory, Leiter and Maslach (2000) designed an “organizational check-up” package which consisted of three scales totalling 68 items: the Maslach Burnout Inventory general form (MBI – GS) measuring burnout / engagement, the Areas of Worklife Scale (AWLS) measuring the six work environment facets, and the Managerial Process Scale (MPS) measuring organizational change, supervision, communication, skill development, and work group cohesion. Engaged employees received low scores on the MBI- GI, gave favourable ratings to each of the workplace facets, as well as gave favourable ratings to managerial processes. In other words, engaged employees had favourable perceptions of their work environment, and held positive views of the managerial processes that created their work environment.

*Work engagement.* Work engagement was a concept that emerged from the burnout - engagement literature. Schaufeli, Gonzalez–Rama and Bakker (2002) agreed with Maslach and Leiter that engagement and burnout were conceptually opposite, but that the underlying factor structure in engagement in the workplace was slightly different. Schaufeli and colleagues proposed that engagement was made up of the three factors of vigour, dedication, and absorption and therefore needed a different form of measurement from the MBI – GI and consequently designed the Utrech Work Engagement Scale (UWES). Based on the notion that there are “two sets of variables that can be distinguished in any kind of job” (Schaufeli and Bakker, 2004, p295), Schaufeli and Bakker proposed a model of work engagement that divided workplace drivers of engagement into job demands and job resources. *Job resources* included facets such as social support from co-workers and supervisors, performance feedback, skill variety, autonomy, and learning opportunities (Bakker & Demerouti, 2007; Schaufeil and Salanova, 2007), whereas *job demands* included facets such as time urgency, role conflict, and workload (Hakanen and Roodt, 2010). Driver categories were present, but not ‘fixed’ in this model, the drivers appearing to vary according to the context and research being undertaken.

*Vital engagement*. This type of engagement is seen to be experienced by employees when they are fully involved in their work (Nakamura and Csikszentmihalyi, 2002, 2003) and arises when a perceived balance is achieved between on the job challenge and personal resources regarding the job. If a job provided too much challenge, employees felt anxious. If there was too little challenge, employees felt bored. When a balance was struck employees experienced “flow” and felt connected in a meaningful way to their surrounding work environment. This connection was what Nakamura and Ciskszentmihalyi (2002, 2003) called vital engagement. Bakker (2007) operationalized this concept using the 13 item Work-reLated Flow inventory (WOLF) which measured flow at work. Three independent dimensions were identified: *absorption, work enjoyment, and intrinsic motivation.* In addition, five predictor variables, measured by short individual scales, were also identified: work pressure, emotional demands, autonomy, social support from colleagues and opportunities for self-growth. Bakker divided these drivers into job demands and job resources to show the general positive effect of resources (autonomy, social support, and opportunities) and the mixed effect of demands (work pressure and emotional demands).

**Summary of engagement approaches**.

Each of the five forms of engagement reviewed here describes a connection or involvement employees experience with their job or work environment. This connection can either be a momentary state of being as with personal and vital engagement, or a more pervasive state as with employee engagement, work engagement, and burnout - engagement. Antecedents or drivers included in each model varied. Themes such as Hackman and Oldham's (1980) job design characteristics (skill variety, autonomy, feedback, task significance), social support (co-worker and supervisor), workload, recognition and feeling valued, and opportunities for growth emerged across the five categories. However, no one category covered all themes, and each had unique antecedents depending on the relative type of engagement.

The various forms of engagement reviewed could suggest that engagement is an umbrella term used to measure and describe various forms of involvement or connection with one's job or work environment (Bakker and Leiter, 2010).

The forms of engagement illustrate the several ways engagement can be interpreted and measured. Not all organisations see all their needs met by the current engagement measures. Walkabout was one company that was interested in gaining additional information on what was involved in engagement in Walkabout and what motivated or drove its workers to higher levels of engagement. The current study aimed to contribute to the growing body of engagement literature by identifying engagement and its drivers in this large retail based organisation, and then developing an organisational engagement survey that was valid for use within the organisation's context. This paper reports the outcomes of some of the processes involved in answering the needs of the organisation.

To grasp where the engagement construct was positioned within the literature, a review of related constructs was also undertaken. Three more established constructs were compared with engagement.

**Constructs related to engagement at work**

In academic literature, engagement is said to be related to but distinct from other constructs in organisational behaviour such as 'job involvement', job satisfaction', and 'organisational commitment' (Saks, 2006). Engagement has been compared extensively with these constructs (e.g., see Leiter and Maslach, 2004; Mills, 2005; Schaufeli and Bakker, 2010). It has been questioned as to whether engagement adds value to these traditional and established constructs (Bakker and Leiter, 2010). A closer look at what these concepts cover and how they appear to be related to engagement now follows.

*Job Involvement* refers to "the degree to which a person is identified psychologically with his work, or the importance of work to his self-image" (Lodahl and Kejner, 1965, p24). Essentially, job involvement focuses on the relationship between employees and their job; how they feel about their work and the level of significance they place on their performance in terms their own self-worth (Robbins, Judge, Millett and Boyle, 2011). The overlap between job involvement and engagement lies in employees' enthusiasm for their work and the resulting self-efficacy (Maslach and Leiter, 1997). However, job involvement is a narrower concept than engagement as it only addresses the relationship between employees and their job; not their work environment. It also does not include the energetic component noted in Maslach and Leiter's (1997) burnout – engagement continuum or

Schaufeli and Bakker's (2002) work engagement. Instead, job involvement focuses more on the psychological effect work has on the individual in terms of performance and self-image.

*Job Satisfaction* reflects how people feel about their work (Spector, 2003). It refers to "the positive and negative feelings and attitudes we hold about our job" (Schultz and Schultz, 2002, p235). Job satisfaction has been linked with the broader wellbeing concept of life satisfaction, with both constructs influencing the other in a positive way (Argyle, 2001). Measures commonly used for job satisfaction such as the job descriptive index (Smith, Kendall and Hulin, 1969) and the Minnesota satisfaction questionnaire (Weiss, Dazis, England and Lofquist, 1967), are similar to engagement measures, as they measure factors relating to supervision, rewards, promotional opportunities, and co-worker relations. However they do not include items relating to *behavioural engagement* such as discretionary effort and company advocacy. In this context, job satisfaction has been termed a passive state, and engagement an active state (Blizzard, 2004). As a further comparison, the Melcrum Report described satisfaction as "what gets employees to show up for work. It's the base level of employee contentment – whether or not they can do the job, how happy they are with their pay, [and] how well they like their work environment", but in terms of discretionary effort they may have no desire to "go the extra mile"(Melcrum Publishing, 2005, p6).

*Organisational Commitment* refers to a psychological state of attachment and identification, but it is primarily concerned with employees' relationships to their organisation and not their work (as in 'job involvement'). According to Mowday, Steers and Porter (1979), organisational commitment is concerned with "the relative strength of an individual's identification with and involvement in a particular organization" (p. 226). Meyer and Allen (1991) divided organisational commitment into three separate and measurable components: affective (feeling), normative (thinking), and continuance (behaving). When defining engagement, Coffman and Gonzalez–Molina (2002) explained that the stronger the intensity of the emotional connection felt from the employee toward the organisation (affective commitment), the greater the degree of engagement, and the higher the productivity (Coffman and Gonzalez-Molina, 2002).

*In summary*, engagement is clearly related to job involvement, job satisfaction and organisational commitment. Therefore in the series of studies conducted within Walkabout towards identifying engagement and its drivers, not only were interviews conducted, records reviewed, committee meetings, workshops and exhibitions attended, but the measurement instrument developed from these studies was validated against various measures of engagement (e.g., the UWES) and the related constructs (job involvement, satisfaction, commitment).

Following are the details of our studies which detail organisational engagement as it operated in the Australian-based retail travel organisation.

**First, why this study?**

The importance of this overall study is evident in relation to the effects gained from engaged rather than disengaged workers - with added value coming from engaged employers beyond the value from traditional financial valuing systems (that omit the workforce contributions). Pheffer (2005) was quick to confirm that organisations can no longer achieve a competitive advantage simply through the sole application of sources of success such as technology, regulated markets, access to financial resources, and economies of scale alone On the contrary, it is the focus on people and the effective management of employees which is now said to give organisations a competitive advantage (Johns and Saks, 2011). The growing body of research on employee engagement has mirrored this shift in focus.

Further, engagement has become an increasingly important phenomenon within people management circles as *disengaged* employees are wide spread and said to be on the rise. In a recent study by Gallup Consulting involving 47,000 employees across 120 countries, engaged employees represented only 27%. In Australia the figures were worse with only 18% of employees reporting to be fully engaged (HCA, 2011). No organisation is quoted in practice as being free of disengagement (Rampersad, 2008).

However, while there is much research on the measurement of engagement with several useful internationally based questionnaires developed, research on what *drives* engagement has produced inconsistent and sometimes confusing findings. Part of this confusion may lie in the different definitions of engagement as discussed above, but also may arise in relation to the different industries concerned. It could be expected that the retail travel industry may involve special emphases in engagement and what it is related to in the industry organisation.

We analysed the themes on engagement and drivers arising from our studies, and concluded that there is a further, newer, version of engagement: *organisational engagement* and its respective drivers- as shown in the retail travel organisation we studied. An outline of the method and results of the studies conducted within the organisation follow.

**Method and Results**

Three separate studies or stages were followed: exploration of the themes of engagement and its drivers as ascertained from employee interviews, and organisational resources (study 1); the subsequent development of the overall Organisational Engagement Survey based on study 1's findings; and finally the initial validation of the OES through linkages with the UWES, and work commitment questionnaires. These are outlined. Then conclusions are drawn on the relevance of the findings on engagement and its drivers for the retail travel organisation studied.

**Study one: a qualitative assessment of engagement and its drivers**

To determine what engagement was for Walkabout employees, qualitative analyses (NVivo) of collected data were used: the data included: a review of company documents, attending and documenting engagement enhancing events, and conducting interviews with Walkabout employees.

A review of company documents,[1] provided a starting point for qualitative data collection. Policies and procedures provided information as to how organisational governance contributed to engagement, and organisational outcome reports such as

[1] Company documents included: the employee manual (which provided 66 documents detailing policies and procedures), internal company reports (on customer satisfaction, staff turnover, financial performance, productivity, engagement, and general employee statistics), annual reports, and published newspaper and magazine articles. These documents were coded in Nvivo providing a starting point for determining the main engagement themes.

staff turnover, customer satisfaction figures, and productivity reports showed trends as to how engagement might function operationally.

Once an initial understanding of the organisation was established, the attendance of engagement enhancing events[2] provided the researcher with a deeper understanding of how engagement functioned at a cultural level within the organisation.

The third mode of qualitative data collection involved employee interviewees lasting 40 minutes to an hour each. This final method helped to explain the intricacies of engagement operating at Walkabout. The interview process and the amalgamation of data from other qualitative sources is now explained.
A stratified purposive sampling technique was used to recruit both current and former employees[3] for the interview process. The 26 interviewees ranged in age from 25 – 45 years, 11 of whom were men and 15 women; length of tenure ranged from 6 months to 18 years. Four different subgroups were identified and targeted to ensure a range of opinions was collected (9 subject matter experts, 5 team leaders, 6 former employees, and 5 new recruits). A semi-structured interview strategy was employed, which included pre determined interview questions and related probes[4] (Patton, 2002).

Each interview was taped, transcribed, and reviewed for transcription accuracy. Thematic coding (template analysis) was used to categorise the data (King, 1998). That is the majority of codes were pre determined according to the various types of engagement and related drivers reviewed in the literature as well as in additional surveys of closely related constructs[5]. In addition the data collected from company documents, and information collected from attending engagement enhancing events also contributed to the initial theme codes. These themes were then modified according to the interview material (King).

**Results of study 1: the initial themes identified**

Working with NVivo's data sorting tools with 73 different coding themes, 12 main themes emerged, 2 related to the working definition of engagement, and the other 10 to the various factors within the work environment which appeared to be related to engagement. (These themes were subsequently, after scale development and assessments, reduced to one engagement scale and eight main associated themes or drivers- as to be explained).

*For Walkabout employees* engagement was primarily concerned with their relationship with the organisation. To this end, highly engaged employees did not see themselves as separate from the organisation- as reflected in the following words of a senior leader

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[2] Six events were attended including a monthly awards night for travel consultants, an annual awards ball, three staff retention project meetings, and an induction training day for new employees.

[3] Differences in perceptions about engagement were anticipated from former employees because of the strong link between disengagement and staff turnover (Frank, Finnigan, & Taylor, 2004).

[4] Separate interview schedules were used for former and current employees, which covered the same topics, but used slightly different questions maintaining relevance to each group.

[5] Additional surveys and related theory included: the Towers Perrin Engagement Report (2003), the ISR model (Harding, 2003), and OD online (OD_Online), Cheney's Organisational Identification questionnaire (Cheney, 1983), Downs' Communication satisfaction questionnaire (Downs, 1977), and Quinn and Staines Facet free job satisfaction questionnaire (Quinn & Staines, 1979).

*When you talk about Walkabout, I think of me. I don't think an organisation or whatever, I'm Walkabout. The people that are here with me are Walkabout. So I have been here so long that I can't separate myself from the company.*

In general, for Walkabout employees, engagement included the sense of being part of something they believed in, enjoyed, and felt part of. More specifically it referred to their felt connection with the organisation as a whole. This was distinctly different from the other forms of engagement included in the literature review. The following working definition of *organisational engagement* was adapted from an interview with a team member of the Human Resources Division

*Organisational engagement is the extent to which employees identify with their organisation: its people, values, purpose, and culture. It is about the level of emotional connection employees feel toward their organisation; the passion and enthusiasm they feel, and their motivation towards supporting the company's goals.*

These comments helped establish a working definition of organisational engagement and the remaining 10 themes were then used to identify aspects of the work environment that served to generate and maintain the felt connection between the employee and the organisation – that is, the engagement drivers.

Driver themes were summarised (10 initially, though further internal company research and factorial analyses reduced these to eight); the final eight themes and their definitions are shown in Table 1.

**Table 1: *Organisational engagement drivers and definitions-descriptions***

| *Factor (driver)* | *Conceptual definition-description* |
|---|---|
| Senior leadership | People centred company leadership that demonstrates care and concern for employees, considers their interests and opinions, and engenders faith and trust in their ability to run the company successfully and with integrity |
| Team leadership | People centred team leadership that is primarily collaborative, which includes being receptive to employees' inputs while providing sufficient feedback, guidance and coaching for team members to be successful in their work |
| Work demands | A reasonable and sustainable workload that allows for an appropriate balance between work responsibilities and personal commitments |
| Continuation | An employee's desire to remain with the organisation -reinforced by the experience of positive work challenges and access to a career path that meets personal goals and desires |
| Customer focus | The company's support for delivering quality customer service - evident in its policies, procedures, resources, and communication |
| Work support | Adequate and ongoing support via training and interdepartmental collaboration that promotes individual and company success |
| Rewards | A fair level of pay which acknowledges the contributions an employee makes in supporting the company's goals |

| *Factor (driver)* | *Conceptual definition-description* |
|---|---|
| Senior leadership | People centred company leadership that demonstrates care and concern for employees, considers their interests and opinions, and engenders faith and trust in their ability to run the company successfully and with integrity |
| Team leadership | People centred team leadership that is primarily collaborative, which includes being receptive to employees' inputs while providing sufficient feedback, guidance and coaching for team members to be successful in their work |
| Work demands | A reasonable and sustainable workload that allows for an appropriate balance between work responsibilities and personal commitments |
| Continuation | An employee's desire to remain with the organisation -reinforced by the experience of positive work challenges and access to a career path that meets personal goals and desires |
| Employee empowerment | Demonstrating trust in employees' capabilities by providing them with adequate autonomy and control over their work |

**Discussion of the themes (study 1)**

When comparing the identified drivers (themes) to those reviewed in the literature, there were some similarities, some additions, and some notable differences. From the themes listed in Table 1, similarities can be recognised in the categories of: rewards and recognition, team leadership, community, empowerment, opportunities, and work experience. Additional themes not usually seen in other literature and analyses included: continuation commitment, customer focus, and senior leadership. Differences lay primarily in the absence of any job design characteristics. The variation in these themes was attributed to the different form of engagement; organisational engagement, which was identified as being most relevant for employees of this large retail organisation.

With a definition of engagement established for the retail travel organisation, and *proposed* drivers identified, survey development occured. Although this paper was mainly about the working drivers identified in Table 1, the study developed surveys that measured both organisational engagement (a five item survey- see next) and the replicated drivers (eight) following an organisation-wide online survey study involving some 400 participants. The results of these follow-on studies are reported briefly here, helping confirm the major drivers identified for the retail travel organisation.

**Study 2: the organisational engagement scale and the drivers scale.**

Using exploratory factor analyses, the following organisational engagement scale (short form) was established.

The short *organisational employee engagement scale* (the ES) was made up of the following five items chosen after extensive analyses and comparison with an earlier 8-item version with which this version correlated .95 –

1. I believe in Walkabout's values (philosophies)
2. Walkabout's values (philosophies) are a good match with my own personal values
3. I care about Walkabout's long term success

4. I am personally motivated to help Walkabout succeed
5. I fully support Walkabout's goals and objectives

("Walkabout" of course should be replaced by the name of the organisation being surveyed).

Again in regard to the drivers, using exploratory factor analyses the many items assessing drivers were reduced substantially and a 40-item 8-driver solution was developed. Validation is discussed next and then the results of a confirmatory factor analysis are given.

**Validation of the 5-item engagement scale and the 8-factor driver scale**

This 5-item scale correlated highly (.51 to .70, N >398) with other scales used in the study confirming it measured similar constructs. To assess criterion, discriminant, and convergent validity, correlations between the five-item organisational engagement scale and other test battery surveys were calculated(test battery scales: TCMC (Meyer and Allen, 2004), The UWES (Schaufeli and Bakker, 2003), and the OCS (Cook and Wall, 1980). All correlations were positive and significant as shown in Table 2.

**Table 2 Correlations between test battery surveys: the Engagement 5-item scale, Meyer & Allen's TCC (2004), Schaufeli & Bakker's UWES (2003), and Cook & Wall's OCS (1980)**

| | *Engage- 5* | *TCC* | *UWES* | *OCS* |
|---|---|---|---|---|
| *TCC* | .59** | | | |
| *UWES* | .60** | .51** | | |
| *OCS* | .75** | .64** | .70** | |

N values ranged between 399 – 402. ** Correlation is significant at the 0.01 level. Engage 5 = the developed engagement scale, TCC= Three Components of (organisational) Commitment scale; UWES= Utrecht Work Engagement Scale; OCS= (British) Organisational Commitment Scale

The drivers (part 2 of the 2-part OES) were examined using factor analysis resulting in eight engagement drivers, which were similar to those themes identified in the interview study with some integration of categories. The developed scales for each of these drivers (ranging from 3 to 8 or more items per scale) showed nnternal consistency measures (Cronbach Alpha coefficients), ranging between .78 and .93.

The relationships between the confirmed drivers and the main construct of engagement are now examined. The confirmed drivers were the following eight (as in Table 1): employee empowerment, financial reward, work support, customer focus, continuation desire, work demands, team leadership and senior leadership.

These eight factors were inter-correlated with each other, showing Pearson-Product Moment bi-correlations ranging from .24 to .65, no coefficient being high enough to breach multi-collinearity principles. Significantly, as shown in Table 3, the Engagement Survey (5-item) was found to correlate with the drivers in the manner expected from the qualitative analyses. Coefficients with Engagement ranged from .30 for Team leadership and its effects, to .58 for Senior Leadership and .66 in relation to personal continuation commitment and planning.

**Table 3- Correlations between engagement and the eight drivers**

| *Drivers* | *Engagement* |
|---|---|
| Empowerment | .48** |
| Financial Reward | .54** |
| Work support | .42** |
| Customer focus | .47** |
| Continuation | .66** |
| Work demands | .47** |
| Team Leadership | .30** |
| Senior Leadership | .58** |

N values range between 398–409
** Correlation is significant at the 0.01 level.

Once the engagement survey model (the five item engagement scale plus the drivers' scales) was identified, confirmation was needed to ensure overall survey validity. Study 3 examined the relationships via structural equation modelling and confirmatory factor analysis. A brief outline of the results follows.

**Study 3: Engagement Scale Confirmation**

Confirmatory factor analysis (CFA) was run to assess the validity of the engagement and driver surveys**.** Some minor modifications were needed (addition of an item to the work support scale). The eight drivers all showed positive loadings onto the latent driver variable, ranging from .52 to .82. The eight drivers combined were shown to be reliable predictors of engagement. The measurement model, which is composed of the eight drivers and the latent driver variable is shown in Figure 1.

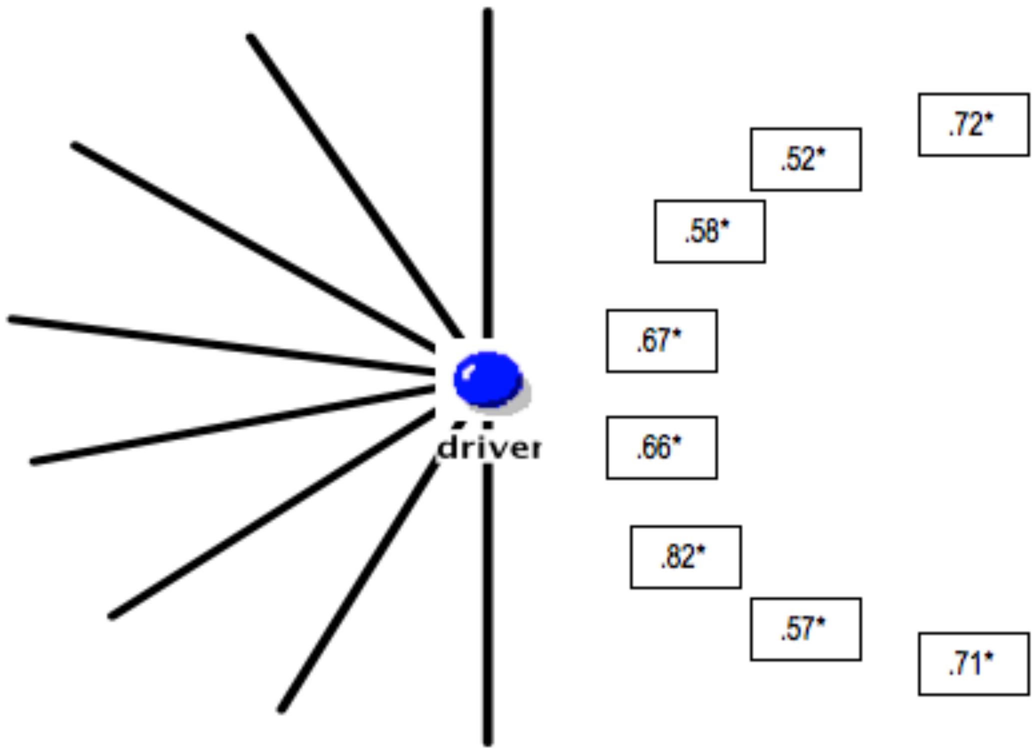
The driver development process highlighted the differences between the various forms of engagement reviewed and the drivers of organisational engagement. As outlined earlier the noticeable differences lie in the absence of any specific job design characteristics, as well as the addition of several newer drivers: senior leadership, continuation and customer focus. This is considered as being reflective of the different nature of organisational engagement in the retail travel organisation.

**Discussion: Engagement in the Retail Travel Organisation**

The purpose of this project was to contribute to the engagement construct definition and determine what actually drove engagement according to Walkabout employees. The results have produced a version of engagement not fully covered in other earlier scales: what we called 'organisational engagement'. This version of engagement is strongly linked to Schaufeli et al's (2002) Utrecht Work Engagement Scale, Meyer and Allen's Organisational Commitment scale and Cook and Wall's (1980) Organisational

Commitment scale (as shown by the correlation coefficients : .51 to .70) . However, there were marked differences from these constructs. For example, the UWES is similar to organisational engagement in that it measures dedication and involvement (absorption), but the OES is much more specifically related to the organisation itself.

**Figure 1. The measurement model of organisational engagement (retail travel organisation)**




Notes: $X^2$ = (12, N = 373) 35.89, p < .01, CFI =.98, NNFI = .95, IFI = .98, RMSEA = .07.
* All path values are significant. Fit indices indicated an acceptable model with all comparative fit indices above 0.95 and the RMSEA below 0.8.

By providing another form of engagement, one which specifically measures the "employee – employer relationship" or organisational engagement, this study provides some further insights into the overall understanding of engagement at work.

In terms of the drivers used to create and maintain organisational engagement for this large retail travel organisation, this study has identified some distinctive motivational elements (drivers) while also showing direct relationships with what is currently measured in engagement audits in organisations. Eight specific drivers not dissimilar to those used for other forms of engagement were identified but there were three notable additions: the importance of senior leadership, the sense of continuation that employees have toward the organisation, and customer focus.

The importance of the first two of these additional drivers could be explained by their relevance to the "employee – employer relationship," and the strength of felt connection. The third driver, customer focus from within the organisation and the provision of support to that end in the day to day running of the organisation outlets (e.g., in the face to face and online customer contacts), is more likely to be specific to retail or customer service based organisations. In these organisations employee job requirements are linked into delivering exceptional customer service as with Walkabout. In such situations, supporting employees to fulfil their job requirements generates higher levels of engagement, as indicated in our study. These three elements along with the other five identified, all contribute as drivers of the overall engagement to the organisation.

The potential value of this research lies in the organisation based domain and its associated measurable drivers. With staff retention being a long standing issue, keeping productive and talented employees is a competitive advantage. The ability to measure the felt connection between employees and their organisation, and to assess the drivers behind this connection, provided the Australian based travel organisation with a good understanding of what engagement was in their company, and what the main drivers are. Such information means that the organisation can manage its organisational work environment in a way that can maximise engagement, maintain retention and foster productivity. It is possible that other retail travel and related organisations would also find the both the drivers of engagement and overall engagement itself are similar to those obtained in the current study.

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# A Research study on the relationship among relational benefit, perceived quality, image and customer loyalty in different hospitality Businesses

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## Abstract

As in all sectors, it is very difficult to make a difference that will provide advantage in competition in the services of hospitality services sector. It is important to increase customer loyalty by positively affecting the perception of quality and image among customers. In recent studies, it has been determined that relational benefit is an influential factor on quality, image and customer loyalty especially in services. Relational benefit consists of three dimensions which are social benefit, trust and special care. In this study, primarily it has been aimed to determine the effects of relational benefit of customers who purchase hospitality business service on the perception of quality and image. The effects of perception of quality and image resulted from relational benefit have been investigated on customer loyalty. In this study, the questionnaire study have been conducted on 400 customers who buy service from hospitality businesses which serve in different categories (3 stars,4 stars,5 stars) in Turkey-İstanbul. The research model presented below has been tested through structural equation model. Discriminant analysis have been conducted to determine whether there is a difference in the relationships in the research model according to the types of hospitality businesses from which customers buy service. In accordance with the results of the research, various suggestions related to marketing strategies towards creating relational benefits have been made for the hospitality businesses.

**Key words:** Hospitality business, Relational Benefit, Image, Loyalty, Quality.

## Introduction

Today's consumers always want to do a more reasonable shopping and buy better quality with a lower price. Even though they seem like not looking for other shops different from the ones they often prefer, even rarely, they want to obtain the maximum benefit from the opportunities they come across. In recent years, businesses have often been utilizing CRM techniques such as making customers club members, providing some privileges by giving customer or store cards, offering products of higher quality and plus value, contacting the customers in regular intervals, having an on-going communication with the customers and turning complaints into satisfaction to create customer commitment and loyalty (Pickel, 2000). In economies in which there is a fierce competition for even a single target customer, consumers struggle not be committed and addicted to a brand, and businesses struggle hard to keep them as customers and make them committed to their brands by the use of various forms and practices (Bergmann, 1998).

Customer loyalty is the combination of the emotional commitment that a customer feels toward a certain business, the purchasing tendency and will which are intentional and the repeated preferences. Customer loyalty describes both the commitment to a certain business or brand and the commitment to the products or services of that business or brand. They loyalty can be towards not only the business but also the product or service (Bayuk and Küçük, 2007, p.287). In this context, there are several ways of creating loyal customers and increasing the level of loyalty (Arnold, 1992, p.132). The consumers are categorized as loyal and less-loyal customers. The less-loyal customers are the minority. But, the important point is ensuring the continuous satisfaction of these customers. One of the most remarkable indicators of a brand's acceptability by customers and its long-term success is the market share. A brand which faces a positive reaction when entering a new market is bound to be successful in long term. Therefore, businesses can increase their market share by providing their loyal customers with continuous satisfaction.

The number of loyal customers is essential for the long term success and profitability of a company. For this reason, creating customer loyalty and maintaining it are among the basic marketing and management strategies of businesses (Kavas, 2004, s.22). A brand can create customer loyalty as far as it provides customers with satisfaction and benefit. Similarly, if customers perceive some distinctive features of a brand and get affected by them, customer loyalty can form. The key to have a loyal and satisfied customer profile is creating values for customers (Dube and Renaghan, 2001, p.1). A brand can have loyal customers as far as it provides satisfaction and benefits. Otherwise, the customers will be in search for other bands and will prefer another one when they have the first chance. As can be seen, creating customer loyalty is an important aim for all businesses. It is important to determine customers' attitudes and behaviors to create consumer loyalty. In this way, customer satisfaction will be provided by responding to needs and expectations of consumers. Customer loyalty reflects the commitment and addiction of customers to a business or brand (Bilgili v.d., 2009).

Another issue is that loyalty is also a matter of satisfaction. Since brand loyalty also reflects the loyal customers' satisfaction, the customers do not follow the competitor brand's activities because they are not in search for new products. The loyal customers will be less exposed to the competitors' persuasion efforts. Therefore, the brands that have a higher number of loyal customers, gain an advantage to endure the competitor activities. Customer loyalty decreases the vulnerability to competitor activities. It discourages the competitors in terms of trying to attract these satisfied customers. Furthermore, a high level of customer loyalty also means a higher level of profit due to the constant customers (Yaraş, 2005).

In entertainment industry and accommodation businesses, customer loyalty is very important. That consumers recommend a business or its products to the people they are in contact with, which is an important indicator of customer loyalty, is an essential factor to prevent the vacant capacities of these businesses from staying empty. There several important factors to create customer loyalty. Any factors that will create customer satisfaction and pleasure can also be considered as important factors affecting customer loyalty.

Relational marketing, which has an important place especially in service businesses in recent yeras, can be described as practices and efforts of businesses to develop mutual long term relations with their customers (Ravald and Grönroos, 1996). One important function of relational marketing is the management of the relations between businesses and their customers (Hunt, 1993). Today, since the expense of attracting or gaining new customers is quite high, maintaining the number of present consumers can be considered as advantageous. Establishing long term and constant relations with the customers instead of temporary relations has various advantages both for customers and the businesses (Parasuraman vd., 1991; Shani ve Chalasani, 1992; Zeithaml vd. 1993). The main focus of relational marketing is the benefits of gaining loyal customers (Molina vd., 2007). Relational marketing practices aim to create loyal customers by increasing customer satisfaction. The relational benefits (special care, social benefit and trust) that customers will obtain from forming long term relationships with businesses are considered to be very important in creating customer satisfaction (Molina vd., 2007, İlter and Gökmen, 2009).

For the relational marketing practices to seem attractive to the customers, the relational benefit perceived by the customers must be really worth forming a long term relationship (O'Malley ve Tynan, 2000). Relational benefit is described as the benefits obtained upon the customers' forming long term relationships with businesses (Gwinner vd.,1998). Gwinner vd. (1998) states that the individuals having long term relationships with service providers not only expect high quality service, but also have other expectations and named these as "relational benefit" (İlter and Gökmen, 2009). The relational benefit dimensions Gwinner vd. (1998) suggests include trust, social benefit and special care (Molina vd., 2007).

**Special Care**: Special care can be described as any kind of privilage provided to loyal and special customers. These privileges are the main motive for a consumer to develop a long term relation with a service provider. The customers who provide a high profit to the business can enjoy the special care (İlter and Gökmen, 2009). According to some studies, certain customers can have special care privileges such as certain financial advantages or priorities in some services that are not provided to them by other businesses because they have a long term relationship or they are valuable customers for this business (Gwinner vd., 1998; Reynolds ve Beatty, 1999). Even if no correlation has been found between customer satisfaction and special care in some business types such as retail banking, it can be assumed that the special care provided to the customer will positively affect customer satisfaction according to the relational marketing theory (Henning-Thurau vd., 2002; Molina vd., 2006).

**Trust**: Reliability in banking means that the service performance is reliable. Berry (1996) has also stated that trust can be seen as an important relational marketing tool. In the relational marketing literature, trust is identified as the key variable of relationships (Ndubisi, 2007, İlter and Gökmen, 2009). In other words, trust is one of the most crucial variables of relational marketing approach. Brand characteristics have an important role in making the customers rely on the brand. Making a consumer rely on a brand or business is a very long process which requires a quite extensive evaluation process. While studying trust among humans, brand characteristics such as the brand reputation (Zucker, 1986), information about the brand (Remple, 1985) and the ability of the brand were focused on. Brand reputation means that consumers have the impression that the brand is reliable and favorable. Brand reputation can also be created by advertising or public relations; however, the quality and performance of the product are also important factors for the product to be popular among consumers. According to Creed and Miles (1996), brand reputation can develop a positive interaction between the consumer and the brand. If a consumer realizes that other consumers think that a product is favorable, s/he will rely on that product and consider buying it. After the brands are used or experienced, brand reputation will increase the consumer's will to rely on that brand if the brand at least meets the expectations of the consumer. If the brand does not have a positive reputation, the consumer will be more suspicious towards the brand. The situation that consumers are largely aware of everything will compel the brand to behave as sensitively as possible. This makes it difficult to rely on the brand (Lau and Lee, 1999, p.346).

Shapiro (1992) describes trust in three categories. These are discourage-based trust, information-based trust and recognition-based trust. Information-based trust is formed on behavioral brand information and takes place in situations in which a group has sufficient information to guess how another group may behave. The brand's giving information in advance increases the consumers' trust in that brand since they know that they will not face an unexpected situation upon using it. In relation to this, the consumer forms a positive expectation about the brand and his/her trust in that brand also increases (Lau and Lee, 1999, p.346). The ability of a brand means that the brand has the ability to solve consumers' problems and meet their needs (Lau and Lee, 1999, p.346). Deutsch (1960), Cook and Wall (1980), and Stkin and Roth (1993)states that the ability for something is the most important factor influencing trust. A consumer can determine a brand's ability by using that brand or obtaining information from other consumers. If a consumer wants to rely on a brand, this brand has the ability to solve the problems that can be faced (Lau and Lee, 1999). A band has an image and a personality (Smothers, 1993). Brand image is the associations the consumer has formed about the brand in his mind. The image of a brand is one of the most essential features of the brand. David Ogilvy, described a brand as the opinion of the consumer about the brand in 1950s. Brand image is whole perception of all the features of the brand in consumers' minds (Howard, 1989, p. 27-42). The elements affecting the formation this perception are the recognition of the brand, attitude towards the brand and trust in the quality of the brand (Uztuğ, 2003, p.40). Trust, one of the dimensions of relational benefit, has been observed to increase intensive and meaningful information sharing between the buyer and seller, the will to continue the relationship and cooperation. As a result of this, in several studies, it has been concluded that trust is the main determinant that increases the loyalty between the customer and the business (Gundlach ve Murphy, 1993; Garbarino ve Johnson,1999).

The employees of a business also has a crucial role in maintaining the trust in the businesses and sometimes, they can even be much more effective than the trust in the businesses. There are studies showing that they can affect the customers' re-purchasing intentions, their loyalty to the business and their will to go on using the products of that business (Macintosh and Lockshin, 1997). In a study conducted in service sector in Turkey, it has been found that consumers' trust in employees and their satisfaction from employees creates the satisfaction from the business. The consumers' satisfaction, in turn, causes the consumers to share positive information about the business with people around them and have a higher level of loyalty to the business (Tüzün and Devrani, 2008).

**Social Benefit**: Social benefit can be described as the customer's being personally known in his/her relationship with the employees of a business and the positive feelings of happiness, comfort and peace resulting from the social interactions with the employees of the business. This type of benefit takes place more in situations in which there is an intensive interaction between the customers and employees. In some studies, no correlation has been found between social benefit, which is another dimension of relational benefit and customer satisfaction (Henning-Thrau vd., 2002; Molina vd., 2006). On the other hand, some studies have suggested that customers attach more importance to their relationships with employees of a business than relational benefit dimensions (Reynolds ve Beatty, 1999). In a study conducted in financial services sector, it has been found that customer-oriented employees have a positive impact on customers' relationship satisfaction (Bejou vd.,1998, İlter and Gökmen). Crosby and Stephens (1987), states that the customer's satisfaction from employees is an important factor that influences the customer's satisfaction from the business. Singh (1991) suggests that satisfaction from the employee who provides the service, as well as the factors related to the business itself, affects the customer's sense of satisfaction from the business. Similar to customers' satisfaction from the business, satisfaction from employees also lead the customers to develop a positive attitude towards the business. Therefore, customers' satisfaction from the employees will primarily affect the satisfaction from the business and lead the customers to develop a positive attitude towards the business.

The perceived quality, which is an important factor in creating consumer loyalty, is a subjective criterion. Perceived quality is the customer's picking up, sorting and interpretation of the information s/he gathers by his/her five sense organs (Alkibay, 2005, p.86). In other words, the perceived quality is related to customers' perception of the brand rather than the categorization of product quality. The categorization of brand quality is as the following (Aaker, 1991, p.85): The perceived quality is an important factor that affects the profitability of businesses. In a study he conducted on 77 Swedish companies, Aaker (1996), found that the perceived quality is the most important factor that influences customer satisfaction and this has a positive impact on profitability. He determined that the benefit or quality consumers obtain from or perceive of a product is an important factor that influences the profitability of businesses and also it also influences the perceptions of the brand value of that product. **The real or objective quality** aims that the product or service must be better that the competitors, **product quality** includes the composition of a product or features of a service and **production quality** aims the compliance of the products with the previously set criteria and zero error. The perceived quality has different characteristics than these other quality categories. The perceived quality is not the real quality of a product; it is the subjective evaluation of the product by the consumer (Zeithaml, 1988). It has a multidimensional and subjective characteristic. Different customers expect different benefits from the same product because of features attached importance to in products and the relative/subjective importance of these features. Zeithaml suggests that a customer's being convinced of the quality of a product depends on the value of the main and external features of a product. Gutman and Alden (1985) describe the main features of a product as the features that cannot be changed without manipulating the origin of a product. The main product is also called as the objective quality. As described by Zeithaml, the objective quality reflects both the superiority that can be measured and proved by previously set standards and the real technical superiority or the superiority of the product. Garvin (1987) determines eight dimensions in product quality: performance, features, reliability, comfort, durability, service, esthetic and perceived product quality. The first seven of these are the basic ones and used for measuring the customers' perception of product quality indirectly in analyzes. The eighth feature, the perceived product quality, includes all of the dimensions of product quality. The external features are, on the other hand, price, brand name, brand image, company name, product name, sponsorships, advertising and customer-based product quality. At this point, there is a disagreement on whether the price is a basic or external feature. It is alleged to be present in both groups. Along with this, in several notable studies, the price is taken as an external feature. Zeithaml, on the other hand, considers the perceived price as a distinct feature from other external features. The perceived quality expresses the extent to which a brand meets the expectations of its customers. These expectations can vary depending on the product, service or individuals. For example, it is identified as the quality specifications or compliance with standards in products. On the other hand, in services, it is identified as things related to the service itself, its reliability, the physical conditions it provides, the helpfulness of the service provider, empathy and insurance (Franzen, 2002, p.109).

Brands have always played a crucial role in the marketing of products and services. It is generally acknowledged that consumers base their buying decisions not only on rational considerations regarding, for instance, the price-quality ratio, but also to a great extent on their subjective estimations and associations. The value added to a product by its brand, which is usually referred to as “brand equity,” comprises both brand reputation (the long-term overall impressions of price and quality aspects of a brand) and brand image (e.g. a brand’s personality and the associations it evokes). For years, marketing professionals and academics have been developing and using research techniques to investigate brand image and brand reputation (Hofstede et.al.,2007;300).

The brand makes the consumers get acquainted with the product and repurchase them. In other words, creating a successful brand is very important in building customer loyalty. At the same time, it helps the products be successful in the market by creating a stable price image. Furthermore, it contributes to the development of image of company and product and plays an important role in creating loyalty to the brand (Pira v.d., 2005:62). In other words, the brand is a strong promise and quality insurance on the mutual relationship. The brand forms a relationship between the company and its customers. A strong brand is distinguishable, preferable and creates prestige (Perry and Wisnom III, 2003:12). The brand image is the total of emotional and esthetic impressions of the target population (Ker, 1998:25). In another description, the brand image is the total of an individual’s or group’s emotional and rational evaluations of a product, or it is the composition of emotions and opinions associated with a certain brand (Peltekoğlu, 2007:584).

On the other hand, brand image is the combination of mostly controllable perceptions such as that brand’s strong and weak sides and positive and negative aspects. These perceptions form over the time as result of the direct or indirect experiences with the brand (Perry and Wisnom III, 2003:15). The common point of the several descriptions made for brand image is that brand images forms in people’s mind as a result of the marketing practices about the brand and consumers’ perceptions and interpretations of the brand. Consumers have the image of a brand depending on the associations with that brand. Therefore, the brand image can vary from person to person since every single person can have different associations with a brand (Hung, 2005:239).

The self-benefit of a product, its distinctive features and plus values it offers to consumers are very close and interrelated elements and they form the brand image. All of the three elements are required to create a successful brand. The first step of developing a brand is having an effective product. Then, a distinctive identity should be given to product so that it will be customers will differentiate it from other products. Finally, a successful brand should offer plus values to persuade its customers on that its products are of a higher quality and more desirable than the products of competitor brands (Doyle, 2003: 408-409).

Associations with the brand, which is the most difficult and important issue in developing a brand and brand image, are the information that is linked with the brand and reflects the meaning of the brand for the consumers. That associations with the brand are unique, strong and superior is the most important factor that influences the formation of brand value (Tek and Özgül, 2005). Just like individuals, brands also have characteristics of their own (brands with intimate characteristics, brands arousing excitement, brands creating a sophisticated aura, brands known for reliability and success etc.) In summary, brand associations or brand image is the composition of consumers' perceptions, opinions, feelings and what that brand reminds of (Kavas, 2004, p.21).

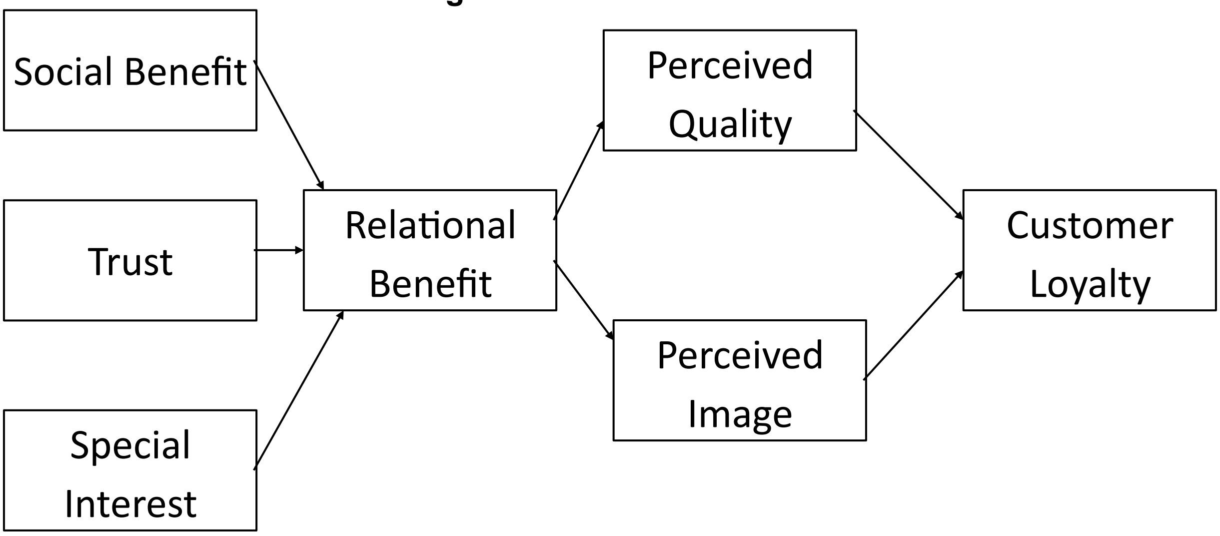
In this context, perceived quality, perceived image, relational benefit, special care, social benefit and trust concepts can be regarded as significant factors in creating customer loyalty in accommodation businesses due to their contribution to customer satisfaction.
In this study, the impacts of relational benefit provided to customers of accommodation business by special care, social benefit and trust, quality perception and image perception on customer loyalty have been investigated. In the light of findings of the study, several strategy suggestions have been provided to accommodation businesses with different characteristics.

## Purpose of the research and method

In this study, primarily it have been studied to determine the effects of relational benefit of customers who purchase hospitality business service on the perception of quality and image. The effects of perception of quality and image resulted from relational benefit have been investigated on customer loyalty. In this study,the questionnaire study have been conducted on 400 customers who buy service from hospitality businesses which serve in different categories (3 stars,4 stars,5 stars) in Turkey-İstanbul. The research model presented below have been tested through structural equation model. Discriminant analysis have been conducted to determine whether there is a difference in the relationships in the research model according to the types of hospitality businesses which customers buy service. In accordance with the results of the research,various suggestions related to marketing strategies towards creating relational benefits have been made for the hospitality businesses.

## Research Model

**Figure.1. Research Model**




The hypotheses below have been improved in the line of the research.
H1: Social benefit affects relational benefit
H2: Trust affects relational benefit
H3: Special interest affects relational benefit
H4: Relational benefit affects perceived quality

H5: Relational benefit affects perceived image
H6: Perceived quality affects customer loyalty
H7: Perceived image affects customer loyalty
H8: Research variables have distinctive characteristics in terms of hotel types.

**The characteristic value of the research**

According to the conducted researches,no similar study have been founded in hospitality businesses.The strategy suggestions provided towards the results of this research may contribute to the customers who buy service from hospitality businesses to the improvement of new services by creating relational benefit.

**Findings and Discussion**

**Demographic Features**

The demographic features of participants of the study are presented in Table 1.

**Table.1.Demographic Features**

| Variables | | Number | Percentage |
|---|---|---|---|
| Sex | Female | 200 | 50.0 |
| | Male | 200 | 50.0 |
| Age | 18-27 | 192 | 48.0 |
| | 28-37 | 84 | 21.0 |
| | 38-47 | 80 | 20.0 |
| | 48-57 | 36 | 9.0 |
| | Over 57 | 8 | 2.0 |
| Income | 2001-4000 TL | 200 | 50.0 |
| | 4001 -6000 TL | 128 | 32.0 |
| | 6001-8000 TL | 36 | 9.0 |
| | 8001 TL and over | 36 | 9.0 |
| Education | Primary school | 12 | 3.0 |
| | Secondary school | 84 | 21.0 |
| | Undergraduate | 260 | 65.0 |
| | Graduate | 44 | 11.0 |
| | | **400** | **100** |

The male and female percentages of participants in the study are equal by 50-50%. 48% of the participants are at 18-27 age group, 82% are between 2000 and 6000 income level and 65% have undergraduate education level.

**Purchasing behaviours**

The participants' purchasing behaviors from hotels are presented in the following table.

**Table.2 Rate of buying services from hotels**

| | Number | Percentage |
|---|---|---|
| Once a week | 16 | 4 |
| Once a month | 28 | 7 |
| Once in 3 Months | 64 | 16 |
| Once in 6 Months | 212 | 53 |
| Once a year or less | 80 | 20 |
| | 400 | 100 |

53% of the participants buy a hotel service once in 6 months, 20% once in a year and 16% once in 3 months.

**Table.3 Hotel Preferences**

| Variables | Average | Order of importance |
|---|---|---|
| 5 Stars | 1.0455 | 1 |
| 3 Stars | 1,0769 | 2 |
| Boutique Hotel | 1.1333 | 3 |
| 4 Stars | 1.2083 | 4 |
| Hostel | 1.2875 | 5 |

The order of importance in participants' hotel preferences is as the following: 5 stars is the first, 3 stars are the second, boutiques are the third, 4 stars are the fourth and hostels are the fifth order.

**Table.4. Factors That Influence Hotel Preferences**

| Variables | Average | Order of İmportance |
|---|---|---|
| Recommendation of family or close friends | 1.3846 | 1 |
| Social surrounding | 1.5 | 2 |
| Social Prestige | 2.0 | 3 |
| Media and Commercials | 2.4444 | 4 |

When the order of importance of factors that influence participants' hotel preferences are analyzed the order is as following: recommendation of family or close friends is in the first, social surrounding is in the second, social prestige is in the third and media and commercials is in the fourth rank. This case shows that recommendation of close friends or family is very influential in service businesses.

**The test of research Model**

In the research, confirmatory factor analysis was used primarily to test the relational benefit scale formed by trust, social benefit and special care. Similarly, confirmatory factor analysis was also used for the scales of perceived quality, image and customer loyalty.

The variables that show negative variance, exceed standard parameters (too close to 1.0), and give very big standard errors are controlled (Hair vd., 1998:610) and the inappropriate variables were eliminated.

After the suggested modifications were made in the confirmatory factor analysis which was carried out for the scales, path analysis was conducted to test the research model. According to the results of the analysis, the model was found inconsistent with the compliance values. In accordance with the suggested modifications, one variable was eliminated from both trust and special care dimensions of relational benefit scale. Two variables from the perceived quality scale, one from the image scale and two from the loyalty scale were eliminated. After the modifications were made, the compliance values of the model were at an acceptable level. The compliance values before and after the modification are shown in Table 5.

**Table.5 Test of The Research Model**

| Compliance Index | Before Modification | After Modification | Acceptable Compliance |
|---|---|---|---|
| **Absolute Compliance Value** | | | |
| Ki-Square ($X^2$) | 429.14 | 333.86 | |
| Degree of freedom | 73 | 73 | |
| Ki-Square/sd | 5.87 | 4.57 | 1-5 |
| GFI | 0.87 | 0.90 | 0,90≤GFI≤0,95 |
| AGFI | 0.81 | 0.85 | 0,85≤AGFI≤0,90 |
| RMSR | 0.078 | 0.057 | 0,05≤RMSR≤0,08 |
| RMSEA | 0.111 | 0.080 | 0,05≤RMSEA≤0,08 |
| **Increasing Compliance Value** | | | |
| CFI | 0.93 | 0.95 | 0,95≤CFI≤0,97 |
| NNFI | 0.92 | 0.95 | 0,95≤NNFI≤0,97 |
| NFI | 0.92 | 0.95 | 0,95≤NFI≤0,97 |

In table 6, the standard parameters, $R^2$ values, t values, error variances of research model are presented.

**Table.6 Values of the Variables of Research Model**

| Variables | Standard Value | $R^2$ | Error Varriance | t Value |
|---|---|---|---|---|
| **RELATION** | | | | |
| **Trust** | 0.45 | 0.21 | 0.62 | 13.08 |
| Hotel managers are honest and reliable | | | | |
| The hotel management behaves honestly when a problem arises and they accept their mistake. | | | | |
| Hotel management has a friendly approach to customers | | | | |
| . Hotel management always promises only for the things that they can provide. | | | | |
| **Benefit** | 0.74 | 0.54 | 0.33 | 7.80 |
| Hotel managers recognize me | | | | |
| Hotel employees call me with my name. They personally know me. | | | | |
| We have a close relationship with the management | | | | |
| **Special Interest** | 0.61 | 0.37 | 0.57 | 7.32 |
| The hotel offers me first class services since I am a regular customer of them. | | | | |
| The hotel informs me about special opportunities since I am a regular customer of it | | | | |
| The hotel offers me special treatment and privileges since I am a regular customer of them. | | | | |
| This hotel offers me special discounts different from what they offer to other customers. | | | | |
| **LOYALTY** | | | | |
| I can pay a higher price for the this hotel's services than other hotels' services | 0.59 | 0.35 | 0.75 | 12.01 |
| This hotel my first preference | 0.73 | 0.53 | 0.49 | 15.52 |
| I will recommend my close friends or family to buy this hotel's services. | 0.66 | 0.44 | 0.58 | 13.68 |
| **QUALITY** | | | | |
| I am satisfied with the service I got in return for the price I paid. | 0.64 | 0.41 | 0.42 | 12.39 |
| The hotel's service quality meets my expectations | 0.77 | 0.59 | 0.27 | 12.11 |
| I believe that the service quality the hotel offers will be at the same standard in the future. | 0.77 | 0.59 | 0.30 | 12.07 |
| I am satisfied with the services the hotel provides me. | 0.66 | 0.44 | 0.46 | 10.88 |
| **IMAGE** | | | | |
| The hotel provides social benefit with its services aimed for the environment (e.g. projects) | 0.59 | 0.35 | 0.71 | 12,84 |
| Being a customer of this hotel is worth the expenses I pay | 0.82 | 0.67 | 0.34 | 11.51 |

| | | | | |
|---|---|---|---|---|
| I think this hotel offers more benefits than other hotels by effectively responding to customer complaints and requests | 0.72 | 0.52 | 0.50 | 10.77 |
| I think this hotel is a widely known hotel | 0.63 | 0.39 | 0.58 | 9.78 |

The relational benefit factor consists of trust, social benefit and special care dimensions. Therefore, the H1, H2 and H3 hypothesis of the research were accepted.

The relations among the model's dimensions of relational benefit, perceived quality, image and customer loyalty are shown in Table 7.

**Table.7.The Relations between the Variables of Research Model**

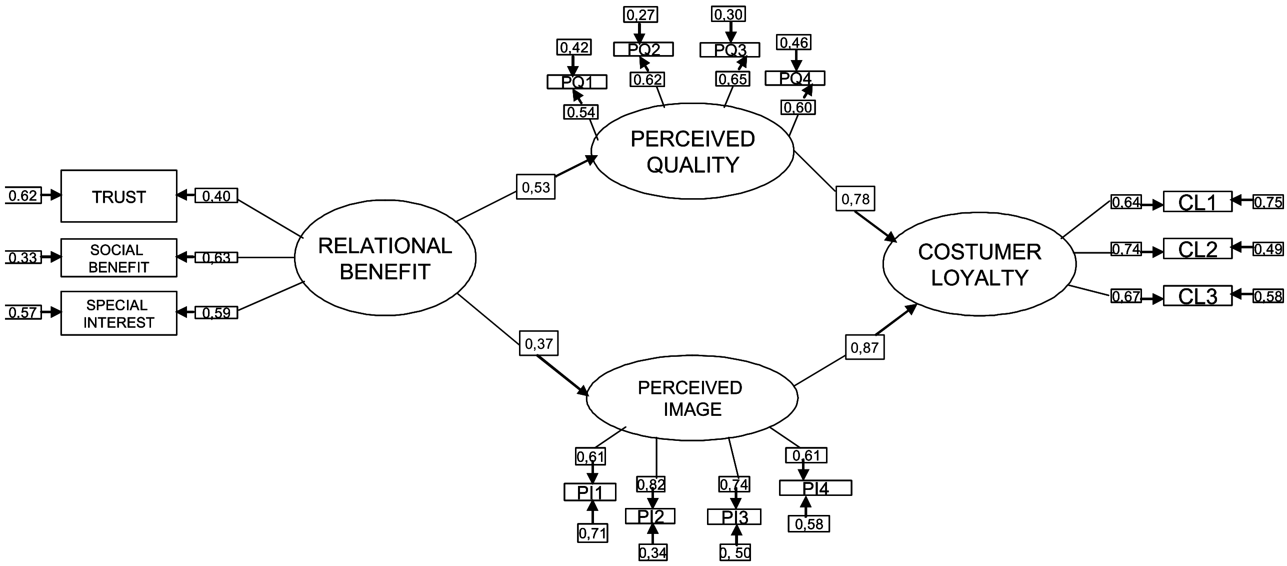
| **Variables** | **Standard Value** | **$R^2$** | **Error Varriance** | **t Value** |
|---|---|---|---|---|
| RELATION-QUALITY | 0.53 | 0.68 | 0.32 | 5.0 |
| RELATION-IMAGE | 0.37 | 0.68 | 0.32 | 3.84 |
| IMAGE-LOYALTY | 0.87 | 0.76 | 0.24 | 10.84 |
| QUALITY-LOYALTY | 0.78 | 0.61 | 0.39 | 10.92 |

As seen in the table, relational benefit has an impact on the perceived quality and the perceived image. Therefore, the H4 and H5 hypothesis of the research were accepted. When the influence of relational benefit is analyzed, its impact on the perceived quality is high in terms of t values and standard values. It is possible to say that, in service sector, the relational benefit influences the perceived service quality positively. Similarly, it influences the perceived image positively, too. The highest influence is observed in service quality.

The perceived image and service quality which have an important impact on customer loyalty are also very influential in hotel services, too. Therefore, the H6 and H7 hypothesis of the research were accepted. In other words, the perceived image and quality influence customer loyalty positively. The values of the factors are very close to each other and the perceived quality is seen to be one step ahead by a very small difference.
From this point of view, when the high impact of relational benefit on perceived quality is considered, it is possible to say that relational benefit has very important place in customer loyalty.

The path diagram of the research model is presented in Figure 2.

**Figure 2. The Estimated Research Modal.**




## The Results of The Discriminant Analysis

A discriminant analysis was conducted to determine whether service quality, image, trust, social benefit, special care, relational benefit and loyalty dimensions have a distinctive features or not in terms of the hotel types preferred by the participants of the study. The hotel types preferred by the participants of study are categorized as 5 stars, 4 stars and 3 stars.

**Table.7. Canonical Discriminant Function and Wilks' Lambda Values**

Eigenvalues

| Function | Eigenvalue | Variance | Cumulative% | Canonical Correlation |
|---|---|---|---|---|
| 1 | 0,087[a] | 87.7 | 87.7 | 0.283 |
| 2 | 0,012[a] | 12.3 | 100.0 | 0.110 |

Wilks' Lambda

| Test of Functions | Wilks' Lambda | Ki-Square | sd | The Level of Significance |
|---|---|---|---|---|
| 1 through 2 | 0.909 | 27,461 | 12 | 0.007 |
| 2 | 0.988 | 3,493 | 5 | 0.624 |

As seen in the table, the canonical discriminant function explains 100% of the total variance. The canonical correlation of the function is 0.283 for the first function and 0.110 for the second function. In the test carried out with Wilks' Lambda, the first function's Wilks' Lambda value was 0.909 and the second function's value was 0.988. The significance level is 0.007 for the first function and it is statistically significant ($p<0.01$). The significance level of the second function is 0.624 and it is not statistically significant.

**Table 8. Structure Matrix**

| Variables | Function | |
|---|---|---|
| | 1 | 2 |
| TRUST | 0.720* | 0.352 |
| RELATION | 0.546* | 0.381 |
| SOCIAL BENEFIT | 0.487* | 0.040 |
| QUALITY | 0.057 | 0.847* |
| LOYALTY | 0.184 | 0.811* |
| IMAGE | 0.464 | 0.603* |
| SPECIAL INTEREST | 0.101 | 0.456* |

* Largest absolute correlation between each variable and any discriminant function

According to the results of the analysis, the variables of discriminant factors that have the highest correlations are listed in the structure matrix. The highest correlation is observed in the second function, in service quality and loyalty. This result shows that service quality and loyalty are the most essential dimensions. On the other hand, the highest discriminant feature is observed in trust dimension among relational benefit dimensions of research model. When the importance of trust in service businesses is considered, it can be said that the results of the study is compatible with the literature.

**Table 9. The Equity Test of Group Averages of Hotel Types Related to the Dimensions of Research Model**

| Variables | Wilks' Lambda | F | sd1 | sd2 | P |
|---|---|---|---|---|---|
| Relation | 0.973 | 4.017 | 2 | 290 | 0.019 |
| Loyalty | 0.989 | 1.592 | 2 | 290 | 0.205 |
| Quality | 0.991 | 1.314 | 2 | 290 | 0.270 |
| Image | 0.977 | 3.355 | 2 | 290 | 0.036 |
| Trust | 0.980 | 2.998 | 2 | 290 | 0.050 |
| Social benefit | 0.955 | 6.754 | 2 | 290 | 0.001 |
| Special care | 0.997 | 0.497 | 2 | 290 | 0.609 |

Whether the variables used in discriminant analysis show a significant difference depending on the groups can be determined by an F test. For this aim, the variables that have discriminant features between the groups are determined by using the statistics of Wilks' Lambda test. As it can be seen in the table, relational benefit, image, trust ($p<0.05$) and social benefit ($p<0.01$) have discriminant features. The groups averages of these variables are shown in Table 10.

**Table10. Group Averages**

| Variables | 1 | 2 | 3 |
|---|---|---|---|
| Relation | 4.0710 | 3.8167 | 3.9924 |
| Loyalty | 3.5759 | 3.4458 | 3.6894 |
| Quality | 3.9216 | 3.8688 | 4.0455 |
| Image | 3.7441 | 3.4938 | 3.7273 |
| Trust | 4.0237 | 3.7500 | 3.8636 |
| Social Benefit | 4.2722 | 3.8750 | 4.1136 |
| Special Care | 3.9172 | 3.8250 | 4.0000 |

When the averages are analyzed, it can be seen that the discriminant dimensions have a higher average in consumers who prefer 5 star hotels.

**Table 11.Results of Categorization Analysis**

| | | Preferred Hotel Type | Estimated group membership | | | Total |
|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | |
| Original group membership | Number | 5 Stars | 74 | 48 | 47 | 169 |
| | | 4 Stars | 28 | 27 | 25 | 80 |
| | | 3 Stars | 13 | 14 | 17 | 44 |
| | Percentage | 5 Stars | 43.8 | 28.4 | 27.8 | 100.0 |
| | | 4 Stars | 35.0 | 33.8 | 31.3 | 100.0 |
| | | 3 Stars | 29.1 | 31.8 | 38.6 | 100.0 |
| Original group membership was categorized correctly by 40.03% | | | | | | |

In the categorization made according to the discriminant function that distinguishes the important differences among hotels with stars, 43.8% of consumers who prefer 5 star hotels, 35.0% of consumers who prefer 4 star hotels and 29.1%of consumers who prefer 3 star hotels were assigned correctly. For the test group, the correct categorization rate of discriminant function's weighted average is 40.03%.  In this case, whether the correct categorization rate obtained by the application of discriminant functions to the sample is more significant than a correct categorization rate obtained by a random categorization or not must be tested (Kurtuluş, 2004, s.393).
According to the Morrison possibility model conducted for this aim:

$$P(Dogru) = [(115/293)(169/293) + (89/293)(80/293) + (89/293)(44/293)] = 0.355$$

P (true) = was found as 0.355. Whether the rate of 0.355 obtained by discriminant function has a more statistical significance than the rate of 0.4003 obtained by Morrison possibility model was tested by using the rate test which has 1% significance level and the Z value was calculated.

$$Z = \frac{0.4003 - 0.355}{\sqrt{\frac{0.355(1 - 0.355)}{293}}} = 1{,}618$$

The Z value found as 1,618 is lower than Z value of 2.33. According to this result obtained, it is seen that discriminant function cannot discriminate better than random discrimination. Based on these results, the H8 hypothesis of the study was rejected. In other words, variables of the study don't have a discriminant feature on the hotel types. Service quality, image, relational benefit, loyalty, social benefit, trust and special care have similar characteristics in all hotel types. In other words, the hotel type don't create a difference in customers' expectations and perceptions of services, and the customers are observed to evaluate the accommodation services they get on basis of the relational benefit formed by trust, social benefit and special care dimensions. This relational benefit they obtain, on the other hand, influences the service quality and image they perceive. As a consequence, all these factors influence their loyalty to the hotel from which they get service. These factors do not have a discriminant feature based on the hotel types, and it can be said that usually the service itself is evaluated.

**Suggestions**

The concept of relational benefit, as a consequence of the understanding of modern marketing, is one of the approaches that gained popularity with several practices in recent years. According to findings obtained from this study, the concept of relational benefit is identified as trust, social benefit and special care in hotel businesses. Relational benefit influences the perceived service quality and image positively. The perceived service quality and image, on the other hand, influences consumer loyalty positively. Of these dimensions, especially service quality is more prominent. The relational benefit is observed to be more influential especially on the perceived service quality. When the results of the study is analyzed, relational benefit, perceived quality and perceived image have been observed not to have a significant discriminant feature on hotels types from which service is taken. In other words, whatever the hotel type is, all of these factors that influence customer loyalty must be considered as important. The customers pay attention to the relational benefit while perceiving the quality and image of any type of hotel. Therefore, it is very important for the hotel businesses to create relational benefit by developing various practices related to trust, special care and social benefit dimensions. One of the most important tools for creating relational benefit is to form a database on which information about the customers, their preferences and purchasing behaviors can be stored. In this way, businesses can develop special services for each customer and increase the customers' trust in the business. The can provide their customers with social benefit by the special services they offer. These services can lead the customers to perceive the quality of the services they buy as high and influence their image perceptions positively. At the end of the study, the findings that recommendations of close friends or family and social surrounding are prominent factors in customers' hotel preferences also support the hypothesis that relational benefit influences customers' loyalty.

Special practices of hotel businesses that will create surprise value, advantages peculiar to individuals and offering privileges for their regular customers can create relational benefit, too. That kind of practices will influence customer loyalty positively and can affect the perceived service quality and image positively regardless of the hotel type.

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# Roles of Thai Tourist Police in Asean Economic Community

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## Abstract

This article focuses on presenting the result of research entitled **"Roles of Thai Tourist Police in ASEAN Economic Community"** concerning expectation of tourism industry employees and international tourists towards Thai tourist police's role in tourist safety, their level of confidence in the international standard of tourist police work and promotion of Thailand tourism image, stakeholders' opinion towards trends and changes in tourism safety issues and crimes and policy suggestions and practical guidelines for the tourist police in ASEAN Economic Community context.

The research employed both quantitative and qualitative approaches. Two sets of survey questionnaires were designed to gather data from 408 tourism industry employees, and from 420 international tourists. In-depth interviews were used to obtain data from 13 tourism, safety and crime experts.

The quantitative finding revealed that tourism industry employees' expectation towards the tourist police's proactive and reactive role was at the highest level whereas their confidence in the international standard of tourist police work of "Protect and Serve" and promotion of Thailand tourism image was at a high level. In terms of the international tourists, both level of their expectation and level of their confidence were at a high level. The qualitative finding indicated that some stakeholders supported the tourist police present role and responsibility, viewing it as a service quality. However, others suggested the police' role should be changed in accordance with the changing environment whereby differentiation between tourists and people who would come to work in Thailand would be much more difficult.

Recommendations are; 1) regular personality development training, English proficiency improvement, ASEAN language capacity building, and international and ASEAN laws understanding are needed for tourist police 2) Thai tourist police' s role and responsibility should be publicised for international tourists 3) organisational structure re-engineering, increasing workforce and experts, coordinating with other countries' polices and involved parties should be seriously considered.

**Key words:** Tourism Safety, Thai Tourist Police, Thailand tourism image, ASEAN Economic Community

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This article bears the same title as our study conducted in 2012, funded by Tourist Police Department of Thailand

## Introduction

Thailand has undergone an enormous transition in term of the relationship with the countries in Southeast Asia. The agreements among The Association of Southeast Asian Nations (ASEAN) member were to create the ASEAN community in the year 2015 with the share vision as a concert of Southeast Asian nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies. The ASEAN Community is comprised of three pillars, namely the ASEAN Political-Security Community, ASEAN Economic Community and ASEAN Socio-Cultural Community. Each pillar has its own blueprint and the operations of these pillars are on progress. However, Thailand seems to pay a greater interest in the ASEAN Economic Community (AEC) than the other two pillars due to the fact that the entrance of Thailand to AEC will affect every sector of the country. Moreover, throughout the ASEAN history, it has been emphasising on the economic development and cooperation such as products, services, industries and tourism starting from the creation of ASEAN Free Trade Area (AFTA) in 1993, the ASEAN Framework Agreement on Service in 1996, SEAN Investment Area in 1998 and ASEAN Industrial Cooperation in 2010. Thus, it is not surprising that Thailand seems to be alert in preparing itself into the AEC rather than the other two pillars (ASEAN, 2011; Tangpatomwong, 2012)

The integration of AEC aims to provide the ASEAN members a single market and production base, a highly competitive economic region, a region of equitable economic development and a region fully integrated into the global economy. The joining of Thailand to the 2015 AEC will clearly affect the policy and practice in relation to the tourism industry because the AEC blueprint focuses on creating the single market and production base, which will consist of five core elements: (i) free flow of goods; (ii) free flow of services; (iii) free flow of investment; (iv) freer flow of capital; and (v) free flow of skilled labour. There are 12 priority integration sectors and Thailand was assigned to be the leader in the sectors of air transport and tourism. The strategic operation plan of the air transport sector involves the Cargo Open Skies Agreement for the benefit of cargo transporting which is currently led by Thailand, Singapore and Brunei. Important tourism policies include the single Visa policy for travelling within ASEAN, and the Visa exemption for the population of its member countries (Wongsamesorn, 2007).

The hospitality and tourism sector is an important sector that can generate a very high income to the country with the growth of 11.90 %. In 2013, Thailand gained 942,159.81 million Baht. ($ 29,662 Million) from 21,738,328 international tourists. (Ministry of Tourism and Sports, 2014) It is predicted that there will be about 120 million international tourists visiting the ASEAN countries in 2015. Thailand is also expecting more international tourists with the prospect to gain two trillion baht from tourists' expenditure in 2015 (Ministry of Tourism and Sports, 2011 b).

In preparation for the AEC 2015 with the expected international tourists and their targeted expenditures, Thailand has to develop tourism standard in all aspects, i.e. uniquely brand Thailand to differentiate itself from other destinations, develop new media marketing strategies, create sustainable tourism development, and prepare human resources both in terms of quantity and quality. Importantly, Thailand has to build travel safety confidence among the international tourist with the international standard of health and safety care (Pattanakiatchai, 2012).

However, considering the 2012 Travel and Tourism Competiveness Index (TTCI) of Thailand in the aspect of safety and insecurity issue, Thailand ranked in 94 out of 139 countries (World Economic Forum, 2012). This position shows that the level of confidence about safety and security in Thailand is rather low. Thus, all stakeholders in the tourism industry cannot overlook this issue because safety is one of the most important decision making factors in travelling to Thailand. Notably, The National Tourism Development Plan (2012-2016) has established a tourism development framework relating to the safety and security seeing it as a strategy for building confidence and promoting tourism. The strategies are as follows (Ministry of Tourism and Sports,2011 a);

1. Be ready for the unexpected epidemic and natural disaster by placing emphasis on the crisis management programme. Design the pre and post crisis management.

2. Identify the strategy and law enactment in terms of safety and security for international tourists or any matter that can affect to the image of the country.

3. Identify safety and security standard for all tourism infrastructure and activities.

4. Encourage local people to participate in safety and security prevention for tourists by working as a tourist police volunteer or lifeguard.

5. Support the tourist police, organisations, communities which are related to tourism industry.

All of these guidelines are directly related to the Thai tourist police. TheTourist Police Division was established in 1991 under the Royal Thai Police with the main mission to take care of the tourists' safety and security. (The Tourist Police Division, 2012) In other words, the tourists' safety and security issue is nothing new to the work of Thai tourist police. Yet, the changing context due to the integration of the AEC, especially the single Visa and Visa exempt policy for the ASEAN members, plus the Thai government policy about the economic boosting by increasing numbers of tourists and their expenditures, the Thai Tourist Police Division has to be fully prepared for it. In particular, its mentality and practice should be more internationalised.

In doing so, it is therefore vital to first learn about the expectation and level of confidence of tourism industry employees and international tourists towards the Thai tourist police. Moreover, opinion of stakeholders in Thai tourism industry in relation to trends and changes in tourism safety should be explored so that the tourist police can clearly visualise their role in the AEC context. More precisely, this study aims to firstly, study expectation of tourism industry employees and international tourists towards tourist polices's proactive and reactive role in tourist safety. Secondly, it investigates tourism industry employees' level of confidence in the international standard of tourist police work of "Protect and Serve" and the promotion of Thailand tourism image. Thirdly, it also examines international tourists' level of confidence in the international standard of tourist police work of "Protect and Serve". Fourthly, it explores stakeholders' opinion towards trends and changes in tourism concerning safety issues and crimes. Finally, it synthesises the result to offer policy suggestions and practical guidelines for the tourist police, particularly, in the changing context of AEC.

## Background

### The ASEAN Economic Community (AEC)

The ASEAN Economic Community (AEC) is one of the three pillars of the ASEAN Community. Another two pillars are the ASEAN Political-Security Community (APSC) and ASEAN Socio-Cultural Community (ASCC). Concept of the ASEAN Community was agreed in the 9th ASEAN Summit in 2003 among the Association Leaders of the ASEAN. The Association of Southeast Asian Nations (ASEAN) was founded in Bangkok, Thailand on 8 August 1967, On the day, the ASEAN Declaration (Bangkok Declaration) was also signed by the Founding Fathers of ASEAN-i.e. Indonesia, Malaysia, Philippines, Singapore and Thailand. With the five new entries including Brunei Darussalam (7 January 1984), Vietnam (28 July 1995), Lao PDR and Myanmar (23 July 1997), and Cambodia (30 April 1999), ASEAN now has the total of ten Member States. The aims of the Associated was stated in the ASEAN Declaration as;

1. Stimulate the growth of economic, social and cultural in the region through collaborative activities to increase a thriving and peaceful community of the Southeast Asian countries;

2. Encourage political stability in the region by following and respecting the regulations of the member countries, as well as the United Nations Charter;

3. Boost efficient partnerships in relevant matters: i.e. economic, social, cultural, technical, scientific, and administrative;

4. Enhance training and research collaborations in the educational, professional, technical and administrative areas;

5. Reinforce the collaborations in agriculture and industries; highlight the importance of trade expansion that includes the study of international commodity trade, the improvement of transportation and communication facilities, and the growth in living standards;

6. Encourage the study of Southeast Asia Region; and

7. Sustain strong cooperation with existing international and regional organisations that value similar objectives and seek stronger collaborations amongst Member States.

The ASEAN fundamental principles were stated in the Treaty of Amity and Cooperation in Southeast Asia (TAC) (1976) that the ASEAN Member States have complied with the agreed rules, as follow:

1. All Member States shall respect the independence, autonomy, equality, territory and identity of all Members;

2. All Member States are free to lead its national existence without external interference, nor pressure, in any form;

3. All Member States shall respect the non-interference policy in managing internal affairs;

4. All Member States shall respect one another when helping to settle or dissolve any issue in a peaceful way;

5. All Member States shall not demonstrate threat, nor the use of force; and

6. All Member States shall demonstrate strong and positive cooperation among themselves.

The ASEAN declared their shared their vision of 2020 as farsighted, peaceful, secure, prosperous, collaborations in strategic and social developments. This led to the agreement on the establishment of the ASEAN Community in January 2007, during the 12th ASEAN Summit which the Leaders concluded that the ASEAN Community should be established by 2015 and then signed the Cebu Declaration on the Acceleration of the Establishment of an ASEAN Community by 2015. As mentioned earlier, the ASEAN Community is comprised of three core pillars, nevertheless, the ASEAN Economic Community (AEC) is focused in the research due to the fact that the AEC integration of Thailand has such a major affects to Thai economic system, especially the service industry system. The four key points of the AEC have been illustrated, as (a) a single market and production base, (b) a highly competitive economic region, (c) a region of equitable economic development and (d) a region fully integrated into the global economy.

From the agreement, AEC covers various areas of collaboration that include the development of human resources and capacity; recognition of professional qualifications; joint-consultation on economic-related issues (i.e. macroeconomic, financial policies, trade financing measures); strategic development of infrastructure and communications connectivity; establishment of e-ASEAN, the regional electronic transaction; encouragement of regional sourcing; and enhancement of private sector involvements. In summary, the establishment of ASEAN Economic Community (AEC) will create an unrestricted movement in various aspects including products, services, investment, skilled labour and the flow of capital.

**The Tourist Police Division of Thailand**

Destination image is one of the factors affecting tourists' decision making in travelling to that place. The positive image about destination enhances the buying decision of the tourists. According to the study of Wichasin (2011), with the use of a nethnography approach to analyse the destination image about Thailand from the internet, it was found that overall, Thailand had a very positive destination image and the country was valued for money. However, most of the websites stated about Do and Don't in Thailand including the warning about the safety and security problems of Thailand such as the problems of fraud, drug, thief and various kinds of scams. The safety and security problems among international tourists travelling in Thailand can be categorised into four main problems.

1. Problems about life and belongings which can also be divided into three sub section i.e. problems about transportation, accommodation and travelling. The examples of transportation problems are problems such as illegal taxi at the airport, the taxi drivers who overcharge and take advantage from tourists, the possession stealing in the informal cheap travelling bus. In relation to the accommodation problem, it is likely to be the problems of stealing the guest's possession by either the accommodation staff or the

international thief who pretended to be the tourists. The problems during travelling can be stealing, pick pocketing, robbing, etc.

2. Problems of accidents both transportation accident and travel accidents. In terms of transportation accidents, for land accidents, they can caused by either the tourists themselves who may be not familiar with the rule and road in Thailand or sometimes drunk; or the transport condition itself such as the brake system, the wheels and the light. Considering the water accidents, the incidents are the collapse of the ship, the drowning of the tourist, the bumping of scooters or banana boats. These may cause from the carelessness of the drivers, drunkenness, the malfunction of the equipments, the lack of the safety equipments. As for the travel accidents, they can be the lost during trekking, falling down from the hill, injury from animals in the forest. These happened mostly from the circumstances of the tourist attraction and the lack of information of the tourists.

1. Drug-related problems

2. Overcharging and fraud problems (The Thai Tourist Police Division, 2007)

Due to various kinds of safety and security problems among the tourists, The Tourism Authority of Thailand with the coordination of The Thai Royal Police set up the Tourist Police Division to be responsible in taking care of the tourists' safety and security and help tourists when they have problems during their stay in Thailand (The Thai Tourist Police Division, 2007). Their roles are both to protect and serve the tourists. Tourist police stations were established in all major tourist destinations. Visibly, The Tourist Police Division has prepared itself for the transition of Thailand towards the AEC by identified their visions in the Strategic Plan of 2012-2015 as;

1. Assure tourists' safety and security during their stay in Thailand

2. Serve and facilitate tourists to their satisfaction

3. Eliminate the problems of tourists' frauds and exploitation as well as protect their interest

4. Tackle environmental impacts resulting from tourism development

5. Protect the tourism industry cycle

6. Create the coordination among tourism industry stakeholders, especially law enforcement sectors both at national and international level (The Tourist Police Division, 2012)

To reach such goals, their strategies are to expand the squad car system to cover all major touristic areas; develop the international standard call centre (1155); increase the capability of information distribution and public relations for tourists; mobilise the police, public and private sectors and tourist volunteers to watch over tourists' safety; develop investigation techniques suitable for short stay tourists; improve the standard and professional level in serving the tourists; encourage international volunteers to help out the tourist police in facilitating tourists, and lastly expand the coordination among law enforcement sectors at a national and international level.

One of the important strategies is the preparation to integrate the ASEAN community with the emphasis on establishing information linkage among polices in the 10 countries in order to protect the international crimes. This can be done by developing the IT and communication system; and the controlling system. Apart from that, the tourist police have to improve their working standard in dealing with international tourists such as hiring more translators at each station and developing their language skills. Moreover, the establishment of networks among all stakeholders are encouraged (The Tourist Police Division, 2012).

**Methodological Approach**

The research employed both quantitative and qualitative approaches so to select data collection methods that suit each research objective and population.

**The quantitative approach**

The quantitative approach using a survey design was conducted for the purpose of gathering data about expectation towards tourist police's proactive and reactive role in tourist safety, level of confidence towards the international standard of tourist police work of "Protect and Serve" and the promotion of Thailand tourism image, from tourism industry employees and international tourists.

In terms of the sampling method, a non-probability technique was applied to help selecting samplings of tourism industry employee population. Firstly, the tourism industry was classified into five main tourism businesses (hotel business, tour operator business, transportation business, souvenir business and restaurant business). Then, the quota sampling using a typical sampling technique was employed to choose 400 samplings from those who worked in 8 major touristic areas of Thailand (Bangkok, Phuket, Chiangmai, Pattaya, Nokornrajasrima, Kanjanaburee, Surajthanee and Hadyai). It also specified to choose 50 samplings from each area and 10 samplings from each business within the area. In practice, 408 samplings were selected.  Similarly to the international tourist population, the non-probability technique was also employed.Practically, a total of 420 samplings were selected.

To gather data from these two groups of samplings, two sets of survey questionnaires, mainly adopting five-point Likert's rating scale were designed. The questionnaire for tourism industry employee samplings consisted of five parts, which were, 1) demographic information, 2) knowledge about AEC, 3) expectation towards the proactive and reactive role of the Thai tourist police, 4) level of confidence in the international standard of tourist police's work of "Protect and Serve" and the promotion of Thailand tourism image and 5) opinion and suggestions for role of the Thai tourist police in the changing context of AEC.

Another questionnaire used to gather data from international tourist samplings was also divided into five parts, which were, 1) demographic information, 2) tourism background, 3) expectation towards the police in proactive and reactive in tourism safety, 4) the confidence towards the Thai tourist police's international standard work of "Protect and Serve" and 5) opinion and suggestions for role of Thai tourist police in the changing context of AEC. Notably, this questionnaire was self-administration distributing to the sampling at Suwannabhumi airport.

The quantitative data was then analysed using descriptive statistics (frequency, means, Standard Deviation) and inferential statistics (t- test, one way ANOVA, Least Significant Difference and Pearson Product Moment Correlation)

**The qualitative approach**

This approach was applied to explore stakeholders' opinion towards trends and changes in tourism concerning safety issues and crimes. Thirteen informants were selected through the application of the purposive sampling using the intensity sampling technique which allowed the selection of experiential informants i.e. experts in tourism, safety and crime.

An in-depth interviewing technique was then employed as a data collection tool. Guideline interviewing questions were issues concerning trends and changes in tourism industry, possible tourist safety problems which could occur in the year 2015, balance between international tourist safety enhancement and expenditure and the role of Thai tourist police in the context of AEC. The qualitative data was than analysed using a content analysis approach.

**Research Results**

**Survey result from tourism industry employees**

The survey result from a sampling group of tourism industry employees revealed that the majority were male, aged between 40-49 years with a bachelor degree, working in tourist accommodation and tour guide business with 6-10 years working experience in a position of business owner and operation staff. Most used to contact with tourist police in the aspect of assisting international tourists. In terms of their level of knowledge concerning Thailand entering AEC in 2015, it was at the moderate level. The means comparison between demographic factors and knowledge about AEC showed that the employees' difference in educational background, type of business, working duration, job position, tourist police contact, purpose of the contact and province of living had different level of knowledge about AEC at a significance level of 0.05.

In the respect of expectation, it was found that the sampling group's expectation towards the tourist police's proactive and reactive role in tourist safety, was at the highest level whereas their confidence in the international standard of tourist police's work of "Protect and Serve" and the promotion of Thailand tourism image was at a high level. The detail was presented in table 1-2 below

**Table 1: Expectationlevel of a sampling group of tourism industry employees towards the tourist police's proactive and reactive role in tourist safety**

| **Tourist police's role** | $\bar{X}$ | **S.D.** | **Level of expectation** |
|---|---|---|---|
| **Proactive role** | **4.37** | **.479** | **Highest** |
| Tourist police call centre (hotline 1155) must respond promptly. | 4.41 | .651 | Highest |
| Tourist police call centre must be reached easily. | 4.46 | .649 | Highest |

| | | | |
|---|---|---|---|
| Tourist police should use modern technology to run a database system containing necessary information about people working in tourist businesses. | 4.35 | .657 | Highest |
| **Tourist police's role** | $\bar{X}$ | **S.D.** | **Level of expectation** |
| **Proactive role** | **4.37** | **.479** | **Highest** |
| Tourist police should acknowledge all stakeholders in tourism industry about the possible safety problems after Thailand entering AEC. | 4.34 | .639 | Highest |
| Tourist police should understand languages and cultures of other ASEAN state members. | 4.33 | .662 | Highest |
| Tourist police should work with tourist business sector to design preventive strategies for tourists' safety. | 4.39 | .630 | Highest |
| Tourist police should coordinate with local communities to protect tourists' interest and safety. | 4.41 | .625 | Highest |
| Tourist police should build sufficient volunteer networks to enhance their work with international tourists. | 4.34 | .668 | Highest |
| Efficient communication technology should be brought to facilitate tourist police's network. | 4.33 | .685 | Highest |
| Sufficient number of tourist police service points is provided in all touristic areas. | 4.42 | .664 | Highest |
| Tourist police publicises necessary travelling information and advice consistently. | 4.34 | .664 | Highest |
| Tourist police continuously campaigns for those who work in the tourism industry to help taking care of international tourists. | 4.29 | .658 | Highest |
| Regular presence of tourist polices in touristic areas would help prevent crimes against tourists. | 4.39 | .650 | Highest |
| **Reactive role** | **4.28** | **.508** | **Highest** |
| Tourist police must respond to tourist incidents rapidly and efficiently. | 4.52 | .623 | Highest |
| Tourist police must respond to tourist incidents professionally. | 4.38 | .970 | Highest |
| Tourist police must work with other agencies to speed up their investigation of crimes against tourists. | 4.26 | .607 | Highest |
| Tourist police must work with other Thai and foreign agencies for the advantage of crime suspects' arrest. | 4.26 | .614 | Highest |

| **Tourist police's role** | $\bar{X}$ | **S.D.** | **Level of expectation** |
|---|---|---|---|
| **Proactive role** | **4.37** | **.479** | **Highest** |

| | | | |
|---|---|---|---|
| Tourist police must work with other Thai and foreign agencies to provide assistance for international tourists. | 4.26 | .595 | Highest |
| **Overall level of Expectation** | **4.35** | **.449** | Highest |

Table 1 indicates that a sampling group of tourism industry employees has generally expected the Thai tourist police's role at the highest level ($X$=4.35). Their expectation towards the police's proactive role was at the highest level ($X$=4.37). The top three expectation aspects in the rank as follows;

Tourist police call centre must be reached easily ($X$= 4.46).

Sufficient number of tourist police service points is provided in all touristic areas ($X$= 4.42).

Tourist police call centre (hotline 1155) must respond promptly, and the tourist police should coordinate with local communities to protect tourists' interest and safety (earned equal $X$= 4.41).

In terms of their expectation towards the Thai tourist police's reactive role, it was at the highest level ($X$=4.28). The top three expectation aspects in the rank as follows;

Tourist police must respond to tourist incidents rapidly and efficiently ($X$= 4.52).

Tourist police must respond to tourist incidents professionally ($X$= 4.38).

Tourist police must work with other agencies to speed up their investigation of crimes against tourists, tourist police must work with other Thai and foreign agencies for the advantage of crime suspects' arrest, and tourist police must work with other Thai and foreign agencies to provide assistance for international tourists (earned equal $X$= 4.26).

**Table 2: Confidence level of a sampling group of tourism industry employees in the international standard of tourist police's work of "Protect and Serve" and the promotion of Thailand tourism image**

| **Tourist police's work** | $\bar{X}$ | **S.D.** | **Level of confidence** |
|---|---|---|---|
| **International standard of tourist police's work** | **3.98** | **.597** | **High** |
| Tourist police understand the context of Thailand's integration to AEC. | 3.84 | .746 | High |
| Tourist police are ready to adjust their work to the changing circumstance of AEC. | 3.89 | .747 | High |

| **Tourist police's work** | $\bar{X}$ | **S.D.** | **Level of confidence** |
|---|---|---|---|
| **International standard of tourist police's work** | **3.98** | **.597** | **High** |
| Tourist police procedure concerning safety provision for international tourists is met with international standards. | 3.95 | .730 | High |
| Tourist police process of tourist assistance is efficient and standardised | 3.94 | .761 | High |
| Tourist policeis conscious of human right principles. | 3.90 | .739 | High |
| Tourist police assists international tourists indiscriminately. | 4.19 | .692 | High |
| Tourist police is able to perform both under Thai and international laws. | 4.00 | .733 | High |
| Tourist police networks with relevant agencies in Thailand and abroad to enhance their efficiency in providing tourist safety and assistance. | 3.95 | .778 | High |
| Tourist police are clearly aware of facilitation and service role (apart from safety provision role). | 4.09 | .705 | High |
| Tourist police are always ready to assist the tourist. | 4.07 | .738 | High |
| **Promotion of Thailand tourism image** | **4.08** | **.681** | High |
| Tourist police's efficiency of safety provision for tourists can boost tourism image of Thailand. | 4.10 | .823 | High |
| Tourist police's service mind helps create positive tourism image of Thailand. | 4.17 | .731 | High |
| Tourist police undoubtedly works with the concern of tourism image of Thailand. | 4.12 | .742 | High |
| Tourist polices' work is clearly integrative with other sectors in tourism industry. | 4.03 | .796 | High |
| Tourist police definitely works with the international tourism stakeholders | 4.00 | .820 | High |
| **Overall level of Confidence** | **4.01** | **.573** | High |

Table 2 shows that a sampling group of tourism industry employees had confidence in the Thai tourist police's work in general at a high level ($\bar{X}$= 4.01). Their level of confidence in the international standard of tourist police's work about safety was at a high level ($\bar{X}$ =3.98). The top three aspects in the rank as follows;

Tourist police assists international tourists indiscriminately ($\bar{X}$= 4.19).

Tourist police are clearly aware of facilitation and service role ($\bar{X}$= 4.09).

Tourist police are always ready to assist the tourist ($\bar{X}$= 4.07).

In the aspect of their confidence in the tourist police's role of promoting Thailand image, it was at a high level ($\bar{X}$=4.08). The top three aspects in the rank as follows;

Tourist police's service mind helps create positive tourism image of Thailand ($\bar{X}$= 4.17).

Tourist police undoubtedly works with the concern of tourism image of Thailand ($\bar{X}$= 4.12).

Tourist police' efficiency of safety provision for tourists can boost tourism image of Thailand ($\bar{X}$= 4.10).

A further analysis revealed that the factors of business type, job position, and province of living had an effect on their expectation towards tourist police's proactive and reactive role in tourist safety, as well as their level of confidence in the international standard of tourist police work of "Protect and Serve", and the promotion of Thailand tourism image. However, there was no correlation between their level of knowledge about AEC and expectation towards the tourist polices' proactive and reactive role. Yet, their level of knowledge about AEC was correlated with their confidence in the international standard of tourist police' work of "Protect and Serve", and the promotion of Thailand tourism image. In addition, their expectation towards tourist polices' proactive and reactive role in tourist safety was also correlated with their confidence in the international standard of tourist police's work of "Protect and Serve", and the promotion of Thailand tourism image. These were at a significance level of 0.05.

**Survey result from the international tourists**

The survey result from a sampling group of international tourists indicated that most of them were female, aged between 20-29 years, married and single, bachelor degree or equivalent attainment, and from Asian countries (members of ASEAN community excluded). Most have been to Thailand a few times, and have stayed for more than a week this time. They usually chose to stay in a hotel. They had perceived Thailand as a very safe place but have never come into contact with the tourist police.

In terms of expectation, the sampling group's expectation towards the tourist polices' proactive and reactive role in tourist safety and their confidence in the international standard of tourist police's work of "Protect and Serve" was at a high level. The detail was presented in table 3-4 below.

**Table 3: Expectation of a sampling group of international tourists towards Thai tourist police's proactive and reactive role in tourist safety**

| Tourist police's role | $\bar{X}$ | S.D. | Level of expectation |
|---|---|---|---|
| **Proactive role** | **4.00** | **.589** | **High** |
| Tourist police call centre (hotline 1155) must respond promptly. | 4.10 | .659 | High |
| Tourist police call centre must be reached easily. | 4.12 | .672 | High |
| Tourist police boxes can be seen in all touristic areas. | 3.96 | .798 | High |
| Tourist police should patrol main touristic spots regularly. | 4.01 | .753 | High |
| Tourist police should be present at main terminals and ports. | 4.07 | .739 | High |
| Tourist police should patrol major tourist accommodation areas regularly. | 4.05 | .707 | High |
| Tourist police must be reached easily. | 4.06 | .733 | High |
| Tourist police service points or stations are easy to find. | 4.00 | .770 | High |
| Tourist police is expected to communicate in English. | 4.08 | .774 | High |
| Tourist police should have sufficient knowledge about cultural differences. | 4.08 | .750 | High |
| Tourist police should use modern technology to run a database system containing necessary information about people working in tourist businesses. | 4.04 | .758 | High |
| Tourist police should work with tourist business sector to design preventive strategies for tourists' safety. | 4.05 | .717 | High |
| Tourist police should coordinate with other government agencies, private organisations and community to protect tourists' interest and safety. | 4.06 | .752 | High |
| Tourist police's volunteers help provide safety atmosphere. | 4.07 | .755 | High |
| Efficient communication technology should be brought to facilitate networking of tourist police. | 4.03 | .730 | High |
| Tourist police provides useful safety information and warnings upon arrival. | 4.05 | .764 | High |

| Tourist police's role | $\bar{X}$ | S.D. | Level of expectation |
|---|---|---|---|

| | | | |
|---|---|---|---|
| **Proactive role** | **4.00** | **.589** | **High** |
| Tourist police publicizes necessary travelling information and advice consistently. | 4.02 | .738 | High |
| The regular presence of tourist police in touristic areas helps prevent crimes against tourists. | 4.05 | .747 | High |
| **Reactive role** | **4.05** | **.481** | **High** |
| Tourist police must respond to tourist incidents rapidly and efficiently. | 4.07 | .712 | High |
| Tourist police must work with other agencies to speed up their investigation of crimes against tourists. | 4.02 | .726 | High |
| Tourist police must work with other Thai and foreign agencies for the advantage of crime suspects' arrest. | 3.95 | .754 | High |
| Tourist police must work with other Thai and foreign agencies to provide assistance for tourists. | 3.96 | .752 | High |
| Tourist police's professionalism can be shown through the process of assisting tourists in need. | 4.03 | .746 | High |
| **Overall level of Expectation** | **4.04** | **.470** | **High** |

Table 3 indicates that a sampling group of international tourists has generally expected the tourist police's role at a high level ($X$=4.04). Their expectation towards the police's proactive role was at a high level ($X$=4.00). The top three expectation aspects in the rank as follows;

Tourist police call centre must be reached easily ($X$= 4.12).

Tourist police call centre (hotline 1155) must respond promptly ($X$= 4.10).

Tourist police is expected to communicate in English and tourist police should have sufficient knowledge about cultural differences ($X$=4.08)

In terms of their expectation towards the tourist police's reactive role, it was also at a high level ($X$=4.05). The top three expectation aspects in the rank as follows;

Tourist police must respond to tourist incidents rapidly and efficiently ($X$= 4.07).

Tourist police's professionalism can be shown through the process of assisting tourists in need. ($X$= 4.03).

Tourist police must work with other agencies to speed up their investigation of crimes against tourists ($X$=4.02).

**Table 4: Confidence level of a sampling group of international tourists in the international standard of tourist police's work of "Protect and Serve"**

| International standard of tourist polices' work | $\bar{X}$ | S.D. | Level of confidence |
|---|---|---|---|
| Tourist police gives you safety confidence while travelling in Thailand. | 3.91 | .720 | High |
| You can count on tourist police when having any problems in Thailand. | 3.91 | .773 | High |
| Tourist police can assist you efficiently. | 3.83 | .801 | High |
| Tourist police procedure concerning safety provision for international tourists is met with international standards. | 3.90 | .753 | High |
| Tourist police process of tourist assistance is efficient and standardized. | 3.89 | .771 | High |
| Tourist policeworks with the consciousness of human right principles. | 3.92 | .758 | High |
| Tourist police assists international tourists indiscriminately. | 3.93 | .800 | High |
| Tourist police is able to perform both under Thai and international laws. | 3.97 | .803 | High |
| Tourist police networks with relevant agencies in Thailand and abroad to enhance their efficiency in providing tourist safety and assistance. | 3.98 | .761 | High |
| Tourist police are clearly aware of facilitation and service role (apart from safety provision role) | 3.93 | .677 | High |
| Tourist police's efficiency of safety provision for tourists can boost tourism image of Thailand. | 3.99 | .667 | High |
| Tourist police's service mind helps create positive tourism image of Thailand. | 3.97 | .725 | High |
| **Overall level of Confidence** | **3.92** | **.553** | **High** |

Table 4 shows that a sampling group of international tourists had confidence in the international standard of tourist police's work about safety in general at a high level ($\bar{X}$= 3.92). The top three aspects in the rank as follows;

Tourist police's efficiency of safety provision for tourists can boost tourism image of Thailand ($\bar{X}$=3.99)

Tourist police networks with relevant agencies in Thailand and abroad to enhance their efficiency in providing tourist safety and assistance. ($\bar{X}$=3.98)

Tourist police is able to perform both under Thai and international laws, and tourist police's service mind helps create positive tourism image of Thailand (earned equal $\bar{X}$=3.97).

The means comparison between demographic factors, and expectation towards tourist police'sproactive and reactive role in tourist safety revealed that age and education affected their expectation. Moreover, their contact with tourist police also influenced such expectation. The difference in their country of origin and previous perception towards Thailand safety resulted in the different level of confidence in the international standard of tourist police work of “Protect and Serve”. Furthermore, the tourists’ expectation towards tourist police’s proactive and reactive role in tourist safety was positively and highly correlated with their confidence level in the international standard of tourist police work of “Protect and Serve”. These were at a significance level of 0.05.

**Qualitative data analysis of the informants’ opinion**

The analysis of qualitative data gained from in-depth interviews revealed important issues as follows:

Tourism industry is deemed to grow rapidly which will be a result of “one single destination” policy. However, there will be a high competition within the industry. Thus, Thailand has to prepare itself for such a competition through differentiation. The country also has to change its vision and adjust its development strategies to be part of the ASEAN community.

Thailand has to do SWOT analysis in its tourism as well as analysing other members of ASEAN community. A competitive aspect that could be used for Thailand tourism advantage is Thainess. Private sectors and business owners should also analyse and evaluate their business potential as well as trying to improve themselves as much as possible.

Being part of AEC has its own advantages. Particularly, there will be more foreign investors investing in Thailand tourism industry whereas Thai investors (i.e. SME) will have more opportunity to increase their investment in other countries. Moreover, there will be more labour force from neighbouring countries coming to work in Thailand.

In terms of the safety aspect, it is believed that free-flow of travelling and workforce will have a direct impact on Thai society while insecurity from economic transformation will indirectly affect the society.

There are four main strategies that could be used for balancing international tourists’ safety protection and the advantage of tourist number increase. These are; border and threat management for national security, networking between tourism and service industry coupled with investment from other ASEAN community members, coordinating with countries within and outside ASEAN community for crime prevention and protection, and organisational management and development.

Regarding the tourist police’s role in international tourists’ safety, some have supported the tourist police’s present role and responsibility because they viewed it as a service quality. A clear image of creating trust and confidence is therefore necessary. Within the AEC context, the tourist police will have to be responsible for more number of international people. Consequently, the tourist police’s role (i.e. its organisational structure, workforce and investigative authority) should be altered. Moreover, they should build their unique personality and image, have more language ability, take both proactive and reactive policing role, coordinate with other countries’ polices as well as build a networking structure with other states as well as with private organisations in the country.

Some informants viewed that the tourist police's role should be changed in accordance with the changing context of AEC since it would be much more difficult to differentiate between tourists and people who come to work in Thailand.

**Conclusion**

When Thailand would be fully take part in the ASEAN Community in 2015, it is predicted that the Thai tourism industry will rapidly grows because of the ASEAN Community's single destination policy and the development of the logistic system within the region. There is also a possibility that Thailand can be the hub of the intra-region tourism industry because of the country's geographical strength and land transportation development which can connect countries within the region easily. Due to the fact that the integration of the ASEAN Community can bring tourism benefits to all country members, each country has to try to differentiate itself from other members. This is in order that its tourism development is sustainable.

This research pointed out that Thailand needs to maintain Thai identity or Thai-ness in every sector of tourism industry. This is in the alignment with the Thai government tourism policy which aims to promote Thailand as ASEAN tourism hub (Ministry of Tourism and Sport, 2011 b). This aspect is also in compatible with the research of Termpittayapisit (2012) which stated that ASEAN Community aimed to urge the country members to build up their own identity, the feeling of cultural ownership and the cultural creativity.

While AEC policies such as free flow of goods, services, investment, capital and skilled labour have been widely promoted in Thai media, our research indicated that those who work in the tourism industry did not seem to be aware of them since their knowledge concerning the AEC issue was at the moderate level. This can be interpreted that the Thai government's publicity about this matter seems insufficient. Noticeably, their knowledge level of AEC seemed vary according to the factor of educational level, business types, period of work, job position, contact experience with tourist polices and the province of work.

Although the integration of Thailand into AEC can bring a lot of tourism benefits to the country, there is a concern about safety and security of tourists. With the prediction of more intra-region travel and more of the intra migration to work in the tourism industry, it could generate more of problems such as drug smuggling, human trafficking, terrorism and other types of crimes. This is supported by the findings of The Tourist Police Division which stated that regular incidents involved tourists are relevant to life and belongings, accidents, drug related problems, overcharging and frauds (The Tourist Police Division, 2007). In addition, the free flow of labour force could also create a higher cost of living, which may lead to increasing problems of crimes committed by those who do not have enough to get by or those who are jobless (The Federation of Thai Industries, 2012).

Thus, Thailand should have a guideline for tourist safety and security management set up by all stakeholders in the tourism industry. The tourist police could take a lead in the aspect of preventing and solving international crimes through its cooperation with all sectors, especially the police from ASEAN member countries. The international crime database should also be constructed. This corresponds with the ASEAN political and security pillar (2011) which has put an emphasis on the comprehensive security to all forms of threats, transnational crimes and transboundary challenges as well as the peace of living both within and outside the region.

The Tourist Police Division is the organisation which is directly responsible for the safety and security of tourists. This research explored the expectations of both tourism industry employeesand international tourists towards the tourist police's proactive and reactive role. Moreover, the confidence in the tourist police's work was examined. The result indicated that the level of confidence of both group was at a high level. In term of the expectation level of those who work in the tourism industry towards the proactive and reactive role of Thai tourist polices was at the highest level whereas the international tourist's expectation was at a high level. This clearly indicates that these two groups of people share a similar level of expectation towards the tourist police's roles which is in line with The Strategic Plan 2012-2015. More precisely, The Strategic Plan focuses on boosting tourists' confidence in safety and security during their stay in Thailand (The Tourist Police Division, 2012).

## Recommendations

Recommendations gained from synthesising the research results include three aspects, which are, the tourist police's desired characteristics, public relations, and practices. Firstly, the desired characteristics entail regular personality development training, English proficiency improvement, ASEAN language capacity building, and international and ASEAN laws understanding. Secondly, the tourist police division should publicise about their role and responsibility so as to make international tourists aware of it. This kind of public relations should be implemented both before and when the tourist has arrived in Thailand. Lastly, the practical suggestion involves organisational structure re-engineering, increasing workforce and experts, coordinating with other countries' polices and involved parties. In particular, due to the incompatible ratio between tourist police personnel and international tourists, the tourist police should establish concrete networks that can assist them. Also the implementation of a one-stop service system should be highlighted so as to benefit the international tourist and the tourist police.

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# Sustainable Place Marketing and Management: an holistic approach. Two Italian Cases[6]

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## Abstract

### Purpose

We aim to contribute to the debate on sustainability, proposing a theoretical framework which contextualizes place management and marketing studies in a holistic framework.
Our interdisciplinary approach embraces: general systems theory, the second law of thermodynamics, complexity theory, bioeconomics and place marketing and management.

### Design/methodology/approach

On this scientific basis, we propose our view of the place as an adaptive system that constantly receives multiple environmental, societal and economic inputs from generic stakeholders. We consider these external stimuli coming from the context as variety amplificators, ultimately creating a chaotic condition.
Management aims to reduce chaos through strategies and tactics, this resulting into efforts towards the dynamic steady state and order condition, achieved through dyadic relationships with the relevant stakeholders.
We consider the place as a system undergoing dynamic transformations. These transformations ultimately cause the loss of energy and entropy that are the antecedents of a dissipative system.

### Findings

Our framework represents the lense through which we observe place management as a whole. This allows us to consider the contextual inputs, marketing and communication behaviours and to plan and take decisions accordingly.

### Research limitations/implications

The model suggests a paradigm that needs to be further exploited. The entropy measures

[6] To conform with Italian regulations on academic publishing, even though the article is the joint work of all the authors we attribute the contribution of each author as follows: Gianpaolo Basile, sections: 4 and 6; Francesca Miano, sections: 3 and 5; Giancarlo Scozzese, sections:1 and 2.

and contextual structure maps may shed light on the emergent character of such systems and facilitate aggregate structural comparison over time and space.

**Practical implications**

The paper illustrates, towards two Italian cases, how marketing and communication politics can be integrated into more sustainable place marketing strategies.

**Originality/value**

The literature considers the place according to a holistic view, showing it as the result of auto-organizational dynamics.

This paper considers the place or territory as a relatively isolated system where management creates and maintains relationships with the relevant stakeholders, identifies the significant inputs and consequently re-elaborates its competencies, by means of auto-organizational work.

**Key words:** place marketing and management, sustainability, entropy, viable systems approach.

**Definition and origin of place marketing.**

Although marketing in general is considered as a discipline with its interest directed towards consumer goods and business, over the years some researchers have shifted the focus to also include collective well-being. Researchers and marketers have begun to think, therefore, that business decisions should take into account the production and sale of a particular product not only for the satisfaction of personal and economic interests, but also to ensure the welfare of the consumer and of the community. Based on these developments, the achievable short term economic results have been overshadowed by others, such as the well-being of society in general, which can only be achieved in a relatively long time (Wittink, 1977; Gordon, 2010).

In this study, the terms “place and territorial” are used indifferently and to mean all kinds of places like cities, city-regions, regions, communities, areas, states and nations (Kotler et al, 2002).

Place marketing has its origin in the radical change, starting from the beginning of the 80s, in the model of connection between companies and their geographical context of origin. Compared to the past, this connection has become much less restrictive and comprehensive, not less important (and this must be emphasized), but much more stable and less influenced by exogenous forces. (Caroli, 2006)

On the basis of developments related to business management and to the management of territories (cities, regions and countries) ever more committed to creating conditions for cooperation and competition with other territories to achieve survival, a new branch of marketing has developed: *territorial or place marketing*.

This line of thought has evolved based on the needs of territories to promote sustainable socio-economic development and, at the same time, ensuring the well-being of the citizens, respect for the environment and preserving the cultural and historical heritage of the area. (Bagautdinova et al, 2012)

As in other areas in the field, although place marketing has emerged and established itself in academia in the last two decades, we can consider that its first definitions were widespread in Europe in the colonial era, when newly-gained territories were advertised and some tourist resorts began to promote their image.

Place marketing, although in forms different than today, has been applied since the nineteenth century.

In fact, goals have taken shape over time that, in the initial emergence phase of the discipline, were recognized primarily in the promotion and, above all, enhancement of the area, but not before the needs of the community were identified, met, restored and re-invented and the characteristics of the territory enhanced, for the survival and well-being of the area and community.

There are many definitions of territorial or place marketing, but those that describe most clearly and concisely how the discipline has evolved so far are presented below.

"…Place marketing means designing a place to satisfy the needs of its target markets. It succeeds when citizens and businesses are pleased with their community, and the expectations of visitors and investors are met…" (Kotler, 2003:97).

"…In place marketing, the place product must be adapted to fit the needs of place customers. The overall targets of a place can be reached only when this task has been fulfilled. Each place should define and communicate its special features and competitive advantages effectively…" (Espoo, 2003:45).

According to other definitions "…Strategic marketing calls for designing a community to satisfy the needs of its key constituencies. Place marketing succeeds when stakeholders, such as citizens, workers, and business firms derive satisfaction from their community, and when visitors, new businesses and investors find expectations met. […] Place marketing means designing a place to satisfy the needs of its target markets…" (Kotler, Haider and Rein, 1993:37).

Marketing of the city includes the analysis, planning and implementation of programs designed to create, build, and maintain beneficial trade relations with related markets in order to achieve organizational goals (Van Den Berg, Bramezza, and Van Der Meer, 1994). In fact, exchange is a key concept inherited from marketing, inasmuch as it creates value that leaves the two participating parties in better condition than at the outset. (Kotler, 1967).

Place marketing has inherited much from the approaches of products and services marketing. Indeed, through the years the definitions of place marketing have focused strongly on both the "product/service-territory", assessing and considering relational aspects, "extended" or not, as being important, and the analysis of characteristic features of the services linked to the issue of sustainable development, such as uniqueness, immateriality and perishability (Crouch and Ritchie, 1999; Crouch and Ritchie, 2003; Crouch, 2006)

In this respect place marketing, as it has evolved, can be considered as a set of collective actions implemented to attract new economic and productive activities to a specific area or territory, to encourage the development of local businesses and to promote a positive image (Texier and Valle, 1992), and therefore represents the means by which it is possible to enhance what territories have to offer and to identify key resources (Coiro, 2005).

From an organizational point of view, place marketing is considered as a function that contributes to the balanced development of the area, through design and implementation from an interpretation of key supply features that meet identified segments of current and potential demand. Satisfaction is achieved through the creation of a net positive value. At the strategic level, territorial marketing is an intelligence of integration and fertilization (Caroli, 1999).

Analyzing the context, and seizing and satisfying needs by implementing certain strategies, means responding better to the expectations of the people and the activities of the city and its surrounding area and improving the quality and global competitiveness of the city in its competitive environment (Casella, 1997), and also favouring the enrichment and improvement of living conditions of the resident or migrant population (Valdani e Jarach, 1998).

It is only in the last decade that scientific developments have transformed the discipline towards a holistic approach to territory dynamics, so much so that place marketing is no longer represented only as an activity which once attracted investment in a specific area, but also as a relational, strategic and operational process implemented by a local authority, a public agency or some other agency, taken individually or in agreement with each other and, in the emergence of a viable system with the help of the consonant (and/or resonant) action of other agents in the area, designed to encourage orderly, coordinated and consistent development with a predetermined area (Vesci, 2001).

The review presented above reveals a gap. The prevailing definitions of place marketing are borrowed from products and services marketing, but do not dwell on the concept of territory, which is an entity absolutely different from business.

Following a holistic approach, to fill this gap we propose a definition of territory/place as a "system" consisting of a set of actors and resources, a place of business and relationships, placed into a more or less well defined space that also determines some of its characteristics and that bases the probability of survival on the ability to generate and maintain two-way relationships with key stakeholders.

**Place: from Product/Service to Holistic View**

Despite being located in a defined space, however, the activities carried out in a place do not necessarily originate there nor are their effects limited to remain within the area. Since the basic components of a territory occur dynamically (actors, resources, activities and relationships), a territory can be defined not only by the spatial dimension but also by time. In this sense, we can say that a territory is the result of the presence of actors and resources engaged in activities and relationships in a certain space, in constant evolution. It is for this reason that, as it evolves, the entity should be considered as a *viable system*. (Golinelli, 2002; Caroli, 2006)

Although the place is a viable system it can not, as the authors mentioned above, be conceived of and defined as a product/service, but as a constantly evolving and therefore dynamic entity, using every relational effort to achieve survival.

The territory is made up of a number of factors, but the evolution of the area is not determined by the structural characteristics of the geographical space. Rather, it is strongly influenced by the behaviour and evolution of the multiple actors that make up the system. We can also define the territorial system, or territory, as a subsystem of a wider geographical area context does not have delimiting boundaries (Barile, 2011).

The place, from a marketing viewpoint, should not therefore be regarded as a space defined by sharp boundaries, as it is primarily a social organization composed of social actors whose purpose is survival through the creation of economic and social value for the supra-systems with which they have relationships (Golinelli 2002).

The territory, therefore, is also the space within which culture, traditions and customs are developed and passed on, characterizing social groups and distinguishing them from each other.

To consider the territory as a viable system means to think of it like any entity that survives thanks to its relationships and interactions with relevant supra-systems, which ensure vitality thanks to an exchange of energy that allows evolution and non-isolation.

In the light of what has been said, the purpose of place marketing is the pursuit of a distinctive identity, the identification or redevelopment of a particular vocation, which aspires to guarantee survival of the territory. Therefore, it is not a function or process aimed at business but is that set of dynamics, including social dynamics, planned by a decision maker to stimulate and facilitate biunivocal relations between social actors, in order to contribute to the survival of the system .

These conditions, mentioned earlier, result when a state of consonance and resonance occurs between actors and between the distinctive characteristics of the territory and its relevant stakeholders (institutions, users, citizens, tourists and investors).

Identifying a common language (*consonance*) that evolves in a condition of common purpose, *resonance*, where there are long-lasting relationships that meet the needs of all actors involved in the system, thus represents the condition that enables survival of the territory system (Golinelli, 2002; Barile, 2011)

So place marketing plays a public function inasmuch as it is involved in the process of creation and/or emergence of a system, taking care to control those factors that undermine or contribute to the survival of the territory.

**Methodological approach: analogy with the second law of thermodynamics.**

Over the last twenty years, the management and dynamics of the territory have become the subject of studies by disciplines far, apparently, from the focus of origin.

According to the objectives of this work the approach of Georgescu-Roegen, founder of the field of studies on bio-economy, is of great interest.

Georgescu-Roegen (1971) studied territory dynamics using, by analogy, the second law of thermodynamics, as its principles are useful to represent the dynamics of an adaptive system, as the territory may be.

In the seventies this author started working on a new economic theory distinct from the standard as the latter was, in his opinion, unable to explain the evolutionary change of economic and social dynamics in systems. In fact, he countered the mechanism of classical economics with a new kind of evolutive concept, focusing mainly on complex systems.

Before contextualizing these studies, however, it is useful to focus on the law of thermodynamics defined by its founders. According to Clausius (1850): "... in all production work done by heat, some of the energy used goes from an available to an unavailable form.” In other words, energy in the form of heat inevitably undergoes a process of degradation, measured and known as "entropy". Clausius argues that "*it is impossible to achieve a transformation whose sole result is the transfer of heat from a body at a given temperature to another at a higher temperature*." Kelvin-Planck said: "*It is impossible to achieve a transformation whose only result is the conversion of work into heat supplied from a source to a uniform temperature*." In an isolated system, entropy necessarily tends towards a maximum since each form of energy ends up being transformed into heat (Prigogine and Stengers, 1981).

Exemplifying and contextualizing these definitions, we can argue that any system or organism is made up of several factors that contribute in different ways to the creation of a final result. We can speak of a series of inputs at the start and one or more outputs at the end.

The inputs are numerous and create a state of disorder or entropy within the system. The prerequisite for overcoming this condition is to rework abilities and skills in order to reach a steady state. As part of this restructuring, the system tends to dispel energy that goes into a dissipative state.

In this regard Gergescu-Roegen (1971:5), considering the universe to be the only closed system, defines entropy as "... a measure of the unavailable energy in a closed thermodynamic system so related to the state of that the system to change in the measure varies with the change in the ratio of the increment of heat taken in to the absolute temperature at which it is absorbed .. ".

To ensure the survival of the system it is necessary for it to remain in interaction with the outside world, (Prigogine, 1984)

The condition of steady state, therefore, is the process that takes shape when the system emits output, ie, responds to external demand, and when it behaves in a dynamic way in order to create and maintain relationships and adaptations with relevant stakeholders.

Thus, the territory is represented as a *complex* system made up of components that interact with each other and form an open or partially open system (Barile, 2011).

These systems are equipped with openness, which is a fundamental characteristic necessary for them to interact with the surrounding world in a continuous exchange of energy and information, conditions essential for evolution.

The territory system, therefore, is an example of an adaptive complex system, insofar as it circulates materials, information and energy both internally and externally that contribute to its vitality, but also because it is made up of a series of equally complex components.

If the system does not develop the dynamic ability to interact, create and maintain relationships with relevant stakeholders, it will implode.

So the dynamic steady state could be the unique representation of consonance and/or resonance conditions, which are the essence of survival of the viable system (Golinelli, 2002).

During this process, inevitably, loss of energy occurs, but it is important to ensure that this does not compromise the system or the end result, over time.

It is important to emphasize that this is an evolutive rather than a mechanistic process, that is to say it is not static, where there is reaction to an action, but dynamic, where the interaction of inputs entering into the system generates output that ensures dynamism, vitality and survival of the system.

An economic system that fails to interact with the energies and demands of its social, political and environmental surroundings and to evaluate future scenarios, fails to reach a steady state and transforms into a dissipative and implosive system.

Thus, "the application of the second law of thermodynamics to the economic process, in addition to relevant ecological consequences (related to the depletion of resources and the emission of pollutants into the environment) is the bearer of many significant *epistemological* changes as well as insights necessary for decision makers" (Kuhn, 1977).

This effectively leads us to conceive of the economic process as "oriented in time" (the entropic arrow of time) in which it is not possible to envisage a return to initial conditions.

Standard economic theory has simply ignored the underlying physical determinants in the economic process [...] imbued in epistemology mechanics, it has implicitly supported and continues to support the vision of a *closed* economic system and a *circular* economic process [...], with few statements more evident than that the economic system is essentially an open system. On the other hand the law of entropy shows that, from a physical point of view, the economic process is substantially *unidirectional*. The circularity of neoclassical theory, according to Georgescu-Roegen, requires being placed in an evolute type of representation. " (Bonaiuti 2001)

In fact, in the epistemological conception of Georgescu-Roegen, the economic system is represented as an open system. The mechanistic epistemology on which economic standard science is based is, according to Georgescu-Roegen, "solely responsible" for the traditional representation of the economic system as an isolated (and circular) system. But it is not difficult to realize that, just as there are bio-physics and bio-chemistry, the very boundaries of economic science are "moving shadows". Within this twilight, economics mingles with the social and political, as well as with the natural environment (Bonaiuti 2001).

This confirms what was said previously, namely that when a system is unable to create consonant and/or resonant relationships as a result of processing not only inputs and the interaction between them but also with the world in which the system is situated, it appears as closed and incapable of evolutionary changes and therefore near to implosion.

**Management of the place/territory**

Any system which aims to survive, therefore, is and should be considered an open system, or at least partially open, because this condition is the expression of a series of exogenous and endogenous relationships/interactions, which ensure the system evolves.

Talking about the system implies reference to General Systems Theory, which considers the world not as a chaotic complex but as a body with principles and laws involving the components that characterize it in totality. In fact, "General Systems Theory is opposed to the mechanistic reductionism, against the concept of cause and effect, and against the breakdown of reality into separate and isolated particles. It focuses on the whole, the interaction between organism and phenomena. " (Von Bertalanffy, 2004)

According to Von Bertalanffy, founding father of General Systems Theory, the properties of open systems are: *totality*, *non-summativity*, *positive and negative feedback* and *equifinality*.

These characteristics are the conditions that underpin the actions of place management.
The concept of *totality* refers to the fact that each part of a system is in relationship with the other parts that make it up, and that any change in one part causes a change in all the others and in the system.

*Non-summativity,* however, prohibits attempts to understand and govern a system by observing the individual segments which make it up, as the system is not the sum of its parts.

*Feedback,* that every open system reacts to and modifies data or inputs which come from the stakeholders, gives results that can be positive or negative. In the first case it generates a change that leads to a loss of stability and balance, while, with negative feedback, the system uses the input data to maintain a steady state.

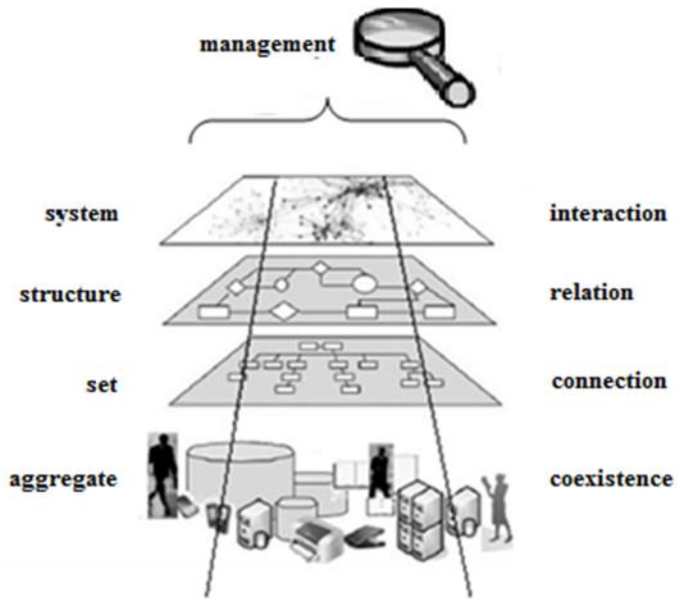
Finally, with *equifinality* we refer to the results of relational dynamics. Though these may have the same origins, they may not produce the same effects, and vice versa, in a system.

The Viable Systems Approach, in reference to the concepts of General Systems Theory and contextualized in place management, focuses on the systemic operation between the various components that contribute to unison in the process of value creation, which depends on the occurrence of three main conditions: competitiveness, or the ability of an economy to achieve an advantage over others; social balance, or the ability to distribute the value created in order to obtain a positive outcome, and ultimately sustainability, or to maintain and maximize the value obtained in the present and in the future (Elkington, 2006).

Based on these conditions it is clear that a change in the paradigms of management should be considered, designed according to the view of Kuhn (1977).

In fact, applying a systemic approach to the management of a system as complex and adaptive as the territory, the variables are considered on the basis of their interdependencies (see fig.1)

**Fig.1:vision of the system**

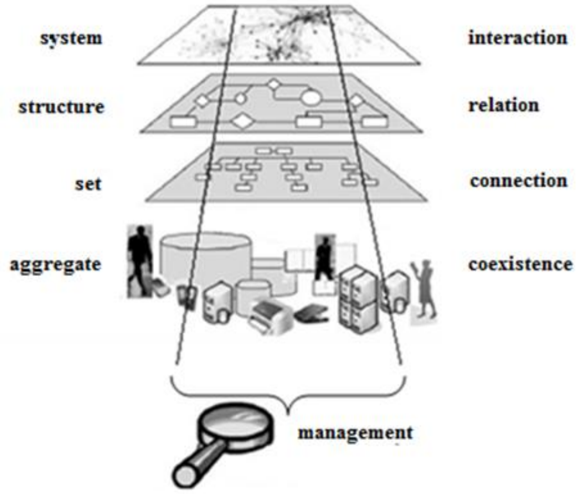



from (Barile, 2011)

This consideration tends to characterize place management as the figure that, by effect of the systemic approach, frequently analyzes and receives input from suprasystems.

This phenomenon causes the entropy (disorder) condition and leads management, according to an adaptive approach, to reformulate their skills and competencies as a result of a self-organizing reductionist phenomenon, so as to create a state of dynamic order (steady state) through the creation and maintenance of relationships with relevant stakeholders (Prigogine, 1984) (see fig.2).

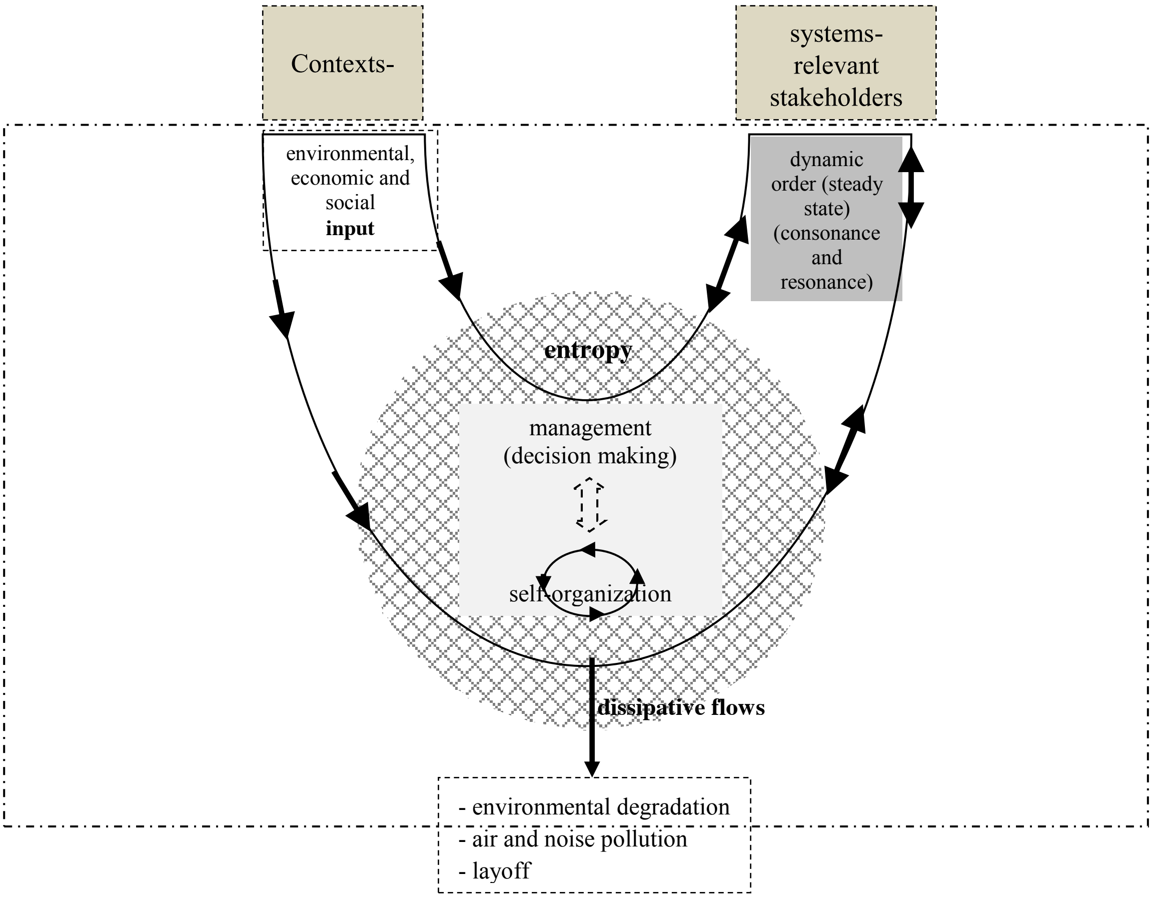
**Fig.2: reductionist approach for the self-organization processes**




Within these dynamics the management, by effect of the many inputs received and the number of reports to generate and maintain, will take action in conditions characterized by different levels of information, so their decisions will be based primarily on creative approaches (in the case of lack of information) or inductive or deductive approaches (where there is more information).

For this reason the achievement of the dynamic equilibrium condition is based on probabilistic assessments rather than on certainty, as in the case of linear cause-effect approaches (see fig.3).

**Fig.3**




As shown in the figure above, in the phase of restructuring their capabilities and skills the decision makers of the territory dissipate energy flows at the expense of the three variables of sustainability (environment, economic and social).

Management is forced to make efforts to create equilibrium conditions/dynamic order which causes a smaller amount of energy to be lost in the context of long periods of time.

**Italian Cases**

In this regard we present two Italian cases:

**Case 1: ILVA of Taranto**

ILVA is a corporation of the Riva Group which is engaged in production and processing of steel in Taranto, and is the largest industrial steel- processing complex in Europe.
In recent years ILVA has been at the centre of a major public debate about the specific environmental impact that it has on the city of Taranto.
Its emissions have been the subject of several prosecutions for pollution.
In the past year two reports have been filed with the Prosecutor's Office of Taranto bringing charges of "culpable and malicious disaster, poisoning of food substances, intentional omission of precautions against accidents at work, aggravated damage to public property, disposal and spillage of hazardous substances and pollution, against company executives. "
Specifically, one is a chemical charge and the other epidemiological.

"In the report on emissions we read that in 2010 ILVA issued significant amounts of substances into the air harmful to the body and the environment among which, without wishing to include all substances dispersed in an uncontrolled manner, dust, dioxide nitrogen dioxide, sulfur dioxide, hydrochloric acid, benzene and dioxins; the latter belonging to a class of compounds recognized as carcinogenic to humans and among the most powerful toxic compounds known.
Dioxin has also made it impossible to pasture on land within 20 km of the plant, which is a serious obstacle to agricultural growth in the area. In the epidemiological report, in the seven-year period taken into consideration, we see a total of 11,550 deaths from cardiovascular and respiratory diseases and a total of 26,999 hospitalizations for cardiac, respiratory, and cerebrovascular disease.
The report concludes: *"the continued exposure to air pollutants emitted from the steel plant has caused and causes degenerative phenomena in the population to different organs of the human body that lead to disease and death.* '"
For the analysis of this case, what interests us is to understand why this company was born, where inputs have come from and for what reason.
Risins from the ashes of the preceding business in '61, the company was born in a period of economic boom when industrialization, trade, innovation and the economic system in general was passing through a prosperous phase accompanied by an increase in employment and consequently an improvement of the living conditions of citizens, so it was intelligent and easy to meet the needs of the time.
Fifty years ago it mattered little, or maybe few asked themselves, what consequences this company behaviour could have caused to the population and the environment in the years to come.
Probably what seemed most necessary was to ensure the development of post-war Italy, and it probably mattered little how and what was done in the name of development and welfare, which proved ephemeral.
Unfortunately, part of the population, workers and administrators, local and otherwise, are living with the consequences although they were not protagonists at the birth of the industrial area of Taranto in the sixties, merely victims of their predecessors.
ILVA guaranteed employment and exports and contributed to the country's GDP, that was what mattered until people started to see things from another point of view.
In the first place the citizens started to rebel, after realizing that the plant was ruining their lives and their environment.
ILVA is a classic example of unsustainable development, a profit-oriented project that did not take into account the impact it could have on the social and environmental system.
The governing body, consciously or unconsciously, has not complied with or enforced the rules and regulations that would have ensured a truly healthy, long-lasting development,.
The costs we are paying today are pollution, disease, deaths, environmental and social malaise and unemployment, the latter because of judicial investigations that have blocked some of the work at the plant.
It is clear that the social costs are greater without shadow of doubt than the profits of today and yesterday.

**Case 2: Amalfi: re-design of the coat of arms**

The management of Amalfi, one of the most famous municipalities in the province of Salerno and the Amalfi Coast, has incorporated the need to develop new tourist and cultural activities, enriching the old program. To achieve these objectives it was necessary to interact with public and private investors.

Despite Amalfi's strong reputation for tourism, management has identified fundamental input from the relevant stakeholders. In fact, neither public and private institutions nor the local community represent a clear idea of Amalfi.
The councillor for culture and youth policy tells us:
*"The reasons that led the council to redesign the logo of the municipality are to be found in a symbolic distortion of the historical coat of arms, which has led over the years to non-conformity between it and its institutional role.*
*The absence of a vector file to establish the size and colour of the coat of arms has led to the customized redesign of the logo.*
*Basically, there were two requirements: to ensure a consistent visual identity to the region and to correct the mistakes of the past. "*
It should be noted that, over the years, the customized reproduction of the emblem has led to lack of perception or recognition of the territory, in fact, all the emblems being different from each other gave the region no recognition internally or externally, even seeing their requests for funding rejected requests due to the questionable veracity of documents.
In order to recreate the brand it was therefore necessary to make a careful and painstaking study of the historical and cultural heritage of the area, because the need was to create a new logo based on the previous emblems, but at the same time loaded with historical and cultural significance.
To give an idea of how the Amalfi coat of arms has been reinterpreted, altered and distorted, perhaps even unintentionally, the following are some of the logo images we used as a starting point to begin the work, from different contexts and years.

**Fig. 4**

From the different representations of the coat of arms of Amalfi shown here, it is clear to see there was no single town coat of arms that would ensure identification and recognition to the territory, citizens and users.
The process of the branding of Amalfi, for the reasons described above, focused first and foremost on the rediscovery of the personality of the territory, in order to use aspects, features and the vocation of the town and how they contribute to the creation of its identity.
The personality affects its identity which in turn affects the brand and the image of the area, and between these there is a two-way relationship.
Potential identification with the values conveyed by the brand, on the part of various stakeholders, provides possible customer/user loyalty which is expressed in an emotional/psychological and behavioural attachment.
Indeed, a strong brand helps to strengthen the company, the product or the territory to which it refers, but at the same time allows a strong image to develop that is able to engage and retain its segment/target audience.
In the case of Amalfi this was not to create a brand that would draw tourists' attention, this being a predominantly tourist place, but to try to give an identity to the institutional

area, dusting off the history and culture, which were to be incorporated into the final coat of arms.
The goal, then, was to create a brand that would strengthen the reputation of the territory and at the same time express its personality, in order to eliminate dissipative phenomena.
The management has also clarified the importance of this strong recovery of identity in order "to give visibility to the area, providing a "good" image of the area, and giving an institutional image that, before such intervention, did not correspond to what the city deserved."
The work of redesigning the Amalfi coat of arms concluded with the creation of a visual identity manual, the purpose of which is to explain the route taken in order to realize a coordinated image, followed by the planning of a series of cultural/economic events to be implemented over three years, in line with the identity of the territory of Amalfi.
The effort to build a strong and recognizable territorial brand guarantees the development of *sustainable relationships*.
The benefits that the Commissioner for culture and youth policies hopes for are to ensure *"for the population to identify with messages conveyed by the authorities, and therefore for recognizability with regard to town communications and a redevelopment of the city with regard to its external surroundings "* (Fig.5).


**Conclusion**

The reading of the place/territory as a viable system, and the similarity of behavioral dynamics to the second law of thermodynamics are concepts that tend to contribute not only to scientific literature but also to the methodology used by decision makers.

Thinking of the territory no longer in terms of a product/service to be exchanged or consumed, but as a complex system that, in order to survive, must be able to react to disordered information by rethinking its capacity to meet the needs of important relational stakeholders, shows up the absolute inexistence of a *one best way* valid for any time and place.

Of course, the work presented expresses theoretical prevalence but at the same time seeks to bring out consideration relating to the decision makers in the territory.

Sustainability, understood as a dynamic state, is ensured thanks to the ability to govern a system that produces less dissipative flow in the long run.

This conclusion, therefore, requires management to make a paradigm shift in order to develop an appropriate approach both in the input analysis phase and the strategic and operational planning phase.

The new management approach will be characterized by the ability to plan strategies and tactics whose final results will not be a "certainty" but rather an expression of the stochastic dynamics.

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# Historical Villages of Portugal: social acknowledgement of a tourism visitation phenomenon

**António Costa Gonçalves**

Abstract
The Historical Villages of Portugal network, established by the Portuguese government in 1994, includes twelve villages located in the country's Centro Region. This network, in which heritage and the rural environment constitute an ineluctable binomial, positions itself in the thematic touring segment. An estimated €45 million, financed by the European Regional Development Fund (ERDF), have hitherto been invested (in the enhancement of classified heritage, means of access and restoring public spaces and private properties).

Within the scope of the national tourism range, the Historical Villages of Portugal may be perceived as a tourism visitation phenomenon, due both to the number of visitors and tourists they host and to the media coverage they have generated.

This paper stems from examining 41 responses to a survey carried out of a representative sample of social actors (travel agencies, tour guides, directors of tourism magazines, radio/television broadcasters, journalists, university professors, actors and lawyers/judges) aimed at validating a group of reflections about this tourism field. Analysis of the data collected, resulting from the reliable views of a privileged social panel, enables the proposition of an analytical framework for the Historical Villages of Portugal, which remains a still evolving tourism product.

**Keywords**: historical village, network, social actors

## The Historical Villages of Portugal Restoration Program

On the initiative of the Portuguese state, June 1994 saw the launch of the Historical Villages of Portugal Restoration Program under the auspices of the entities responsible for Culture, Regional Development, Finances and Tourism. Financed by ERDF – the European Regional Development Fund within the scope of PPDR – the Regional Development Potential Promotion Program and the EU Operational Framework Support 1 Program.

An initial ten village clusters were selected (Almeida, Castelo Mendo, Castelo Novo, Castelo Rodrigo, Idanha-a-Velha, Linhares da Beira, Marialva, Monsanto, Piódão and Sortelha) to join the initial phase of the program running from 1994 to 1996, constituting a pilot action project in Portugal's Centro Region. In 2003, Belmonte and Trancoso also joined the program. The underlying selection criteria are set out in the following parameters:

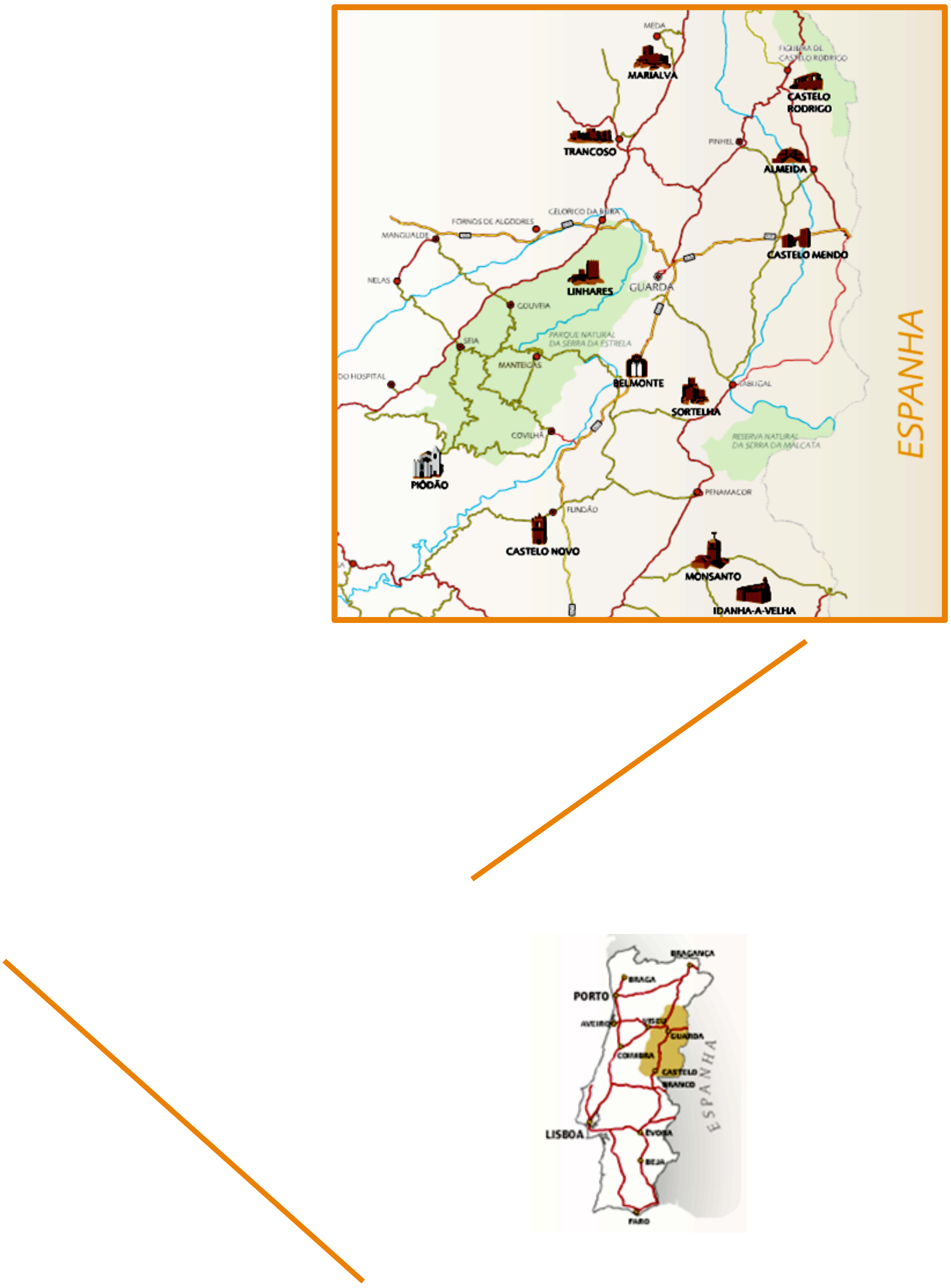
- the existence of classified architectonic, archaeological or environmental heritage;
- formal unity in the urban and built environment;
- integration into tourism routes or cultural themes;
- level of desertification;
- shortcomings in tourism based infrastructures.

This positive discrimination, targeting the inland areas of the Centro Region, incorporate a range of endogenous resources (heritage, natural and cultural landscapes) and proposed the launch of new and high potential products (handicrafts, gastronomy and tourism). The objectives may also be perceived within the framework of relieving the pressure on certain destinations given that their load capacities had already been exceeded and correspondingly diversifying the national tourism portfolio quantitatively and qualitatively.

This program seeks to strengthen economic and social cohesion through offsetting the following restraints:

- gradual weakening of the productive capacity;
- ageing population and desertification.

**Figure 1** – The Layout of the Historical Villages of Portugal




Source: http://www.aldeiashistoricasdeportugal.com/ahp.htm

**Historical Villages – precedents and classification parameters**

“To all of these old towns, more than just stagnating, decaying and rundown at the level of simple rural settlements, we may attribute the joint designation of *historical villages*: each one carries its own «biography», sometimes humble and faded with others rich in heroic vicissitudes.” Orlando Ribeiro *in* Opúsculos Geográficos, IV Volume , O Mundo Rural /The Rural World

In his extensive and deep reaching work dedicated to the rural environment, Professor Orlando Ribeiro diagnosed the evolution that would take place in some of the Centro Region villages of Portugal. Circumscribing his analysis to what he termed the *dry belt* running through Beira and Alentejo, he identified dozens of historically established and fortified towns that once played crucial roles in the definition and maintenance of Portugal’s borders. He characterised them as authentic Rural Villages, governed by their own paces set by working the fields and where there ruled an apparent immobility in the structures. He furthermore highlighted the “strongly evocative sense that irradiates from a past *conclusion* that only ingenuity and art might restore to that remaining in these ancient stones and in the pulse of their daily livelihoods” (Ribeiro: 1991; 359).

The Centro Region hosts some of the greatest contrasts in the geographies of Portugal (Serra da Estrela – at 1993 metres the highest point on mainland Portugal), spanning the lands of Viriatus and his legendary warriors and, subsequently, the Templar Militia that played a determining role in settling and affirming the borders that would result in the founding of the County of Portugal, the precursor of the contemporary nation-state.

In 1939, the Estado Novo’s National Propaganda Secretariat, led by António Ferro, awarded the Silver Cockerel to the village of Monsanto with the latter tagged ever since with the title of “*the most Portuguese Village of Portugal*”. This initiative took place within the framework of a broader set of initiatives surrounding multi-centenary commemorations of two dates (the foundation of the nation in 1143 and the restoration of its sovereignty in 1640) with its corollary found in the staging of the Portuguese World Exhibition in 1940.

The National Tourism Plan: 1985-88, within a framework of defining the development objectives and strategies for the sector as well as the scope for public sector intervention within the tourism sector, recognised the importance of cultural heritage as a factor of both affirmation and differentiation especially in the most fragile and challenged areas of the country. This plan classified those tourism resources deemed strategic in accordance with their objectives and their respective types. The classification category attributed to cultural, natural and leisure resources furthermore duly accepted the need to protect and restore some traditional villages as a priority task. This objective was to be put into practice through a prior inventory, also deemed priority, of those villages representing cultural heritage of unquestionable tourism interest in close coordination between the entity then entitled the IPPC – the Portuguese Institute for Cultural Heritage and the Ministry of Culture (National Tourism Plan 1985 – 1988).

Within this framework, the main strategy required identifying and defining broad areas across inland Portugal resulting in three main clusters:

- Montesinho Park, in the Norte Region, based on its landscape and environmental resources;

- Villages in the inland section of the Centro Region on the grounds of leveraging their historical-cultural heritage value;
- Megalithic Remains in the Alentejo that spanned a set of initiatives that would prove to be highly important – the Cultural Valuation and Tourism Promotion Program, Archaeological Itineraries in the Alentejo and the Algarve and the Pilot Operation for Socio-Cultural and Tourism Valuation – the Integrated Mértola Project.
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In parallel, at the beginning of the 1990s, Portugal underwent the consolidation of local power also reflected in the completion of core infrastructures and endowing populations even in the more remote locations with highly satisfactory levels of service at the European standard. Furthermore, the advance of globalisation has imposed standardised patterns of culture that risked obscuring and where not jeopardising the identity and cultural characteristics of local communities. These, representing the most genuine factors of differentiation, proved fundamental to the subsequent process of requalification and the establishing of new cultural and tourism products.

The launch of the "*Historical Villages of Portugal Restoration Program*", in June 1994 and thereby also preceding Lisbon's hosting of the "*Expo 98"* Universal Exposition, once again reflected the desire to reaffirm the national identity. This incorporated two different initiatives implemented over the course of the 1990s and proved the means of ensuring two fundamental facets of Portuguese history and culture for the future memory: "*The Atlantic shall always attract out of its magic of the dreamlike and the vagaries of coastal populations while those of the interior closely cling onto the solidity of the soils conquered*" (Dias: 1985; 40).

The recognition implied of the "Historical" facet attributed in the form of an actual title to the initial ten Centro Region villages represented the culmination of a sustained process of academic research work and field studies, expressly referenced in the strategic sectorial documents and initiatives of a governmental type taking place in distinct periods over the course of the 20th century. The political and socioeconomic conjuncture, at both the international and national levels, proved equally decisive to the definition and the opportunity to launch this program and alongside the provision of the European Union funding channelled into the diverse interventions.

In terms of the classification parameters set out for the "*Historical Villages of Portugal Restoration Program*", a historical village may be defined in the context prevailing by:

- <u>site and location</u>: strategic position along the border line of the Centro Region;
- <u>historical profile</u>: conquest, settlement, defence and stabilisation of the national borders;
- <u>patrimonial value and formal unity of the site</u>: architectonic and archaeological heritage or environmental classification;
- <u>population density</u>: defining features of desertification and abandoning of the fields;
- <u>tourism activities</u>: incipient with infrastructural shortcomings but with the scope for integration into a network.

**The rise of sustained tourism visits within a renewed "cultural landscape"**

Over the course of the last two decades, the territory spanning the Historical Villages of Portugal, within the scope of the prevailing reality of declining rural communities, managed to affirm its role as a touristic resource. To this end, the socioeconomic development of the country played a decisive role whether in terms of the better transport and communication infrastructures, the advance in purchasing power or the higher levels of academic qualifications generally attained by the Portuguese population.

**Table 1** – Historical Village of Portugal: tourism service components

| Accommodation | | | | | |
|---|---|---|---|---|---|
| Hotel | Pousada | Hostel | Residential | TER | Total |
| 4 | 2 | 1 | 3 | 32 | **42** |
| Restaurants and Similar | | | | | |
| Restaurants | | Cafés/Snack-Bars | | | Total |
| 31 | | 15 | | | **46** |

| | |
|---|---|
| Museological facilities | **14** |
| Handicraft Stores /Traditional Products | **19** |
| Travel Agency /Tourism Activities | **1** |

Source: http://www.aldeiashistoricasdeportugal.com/ahp.htm

Historical Villages of Portugal – Tourism Guide

Of equal importance were the interventions targeting the functional regeneration of built heritage (military, religious, erudite, traditional and productive architecture) enabling the setting up of new units accommodating restaurants, cafes and “traditional stores”. Estimates of the investment in such projects thus far amounts to €45 million whether consolidating the classified heritage, providing means of access, upgrading public spaces and private properties and drawing upon ERDF – the European Regional Development Fund.

This basic step, involving the structuring of the tourism service range, was attained by a proposal that incorporated heritage as the main leitmotiv with business opportunities having emerged out of the binomial of innovation-tradition. Within this scope, we may stress the traditional foodstuffs (cheeses, smoked sausages, olive oil, honey, jams, wines, *aguardentes*, liquors, cakes and biscuits) contributing to a rich, Mediterranean based gastronomy with the overwhelming majority attaining gourmet quality. Ancestral manual techniques were also recovered and with highlights including items of clothing and decoration.

The Historical Villages of Portugal concept proved able to capture a range of different publics from the tourism perspective and has become a first choice stage for hosting a diverse range of events. Furthermore, another crucial component came with the programming of activities by the municipalities including historical re-enactments, musical, sporting and gastronomic festivals, representing a year-round tourism recreational dimension that generates new and appealing motives for visiting and conceptualising a service range able to provide the best of experiences. The media profile and public participation encourage private sector actors to select such territories as priority scenarios for their marketing strategies. Within this scope, we may point out the multinational advertising campaigns in the meanwhile hosted, whether targeting the food sector, car vehicle launch campaigns or fashion events.

Considering the specific characteristics of this region within the broader scope of the rural environments of mainland inner Portugal, there was significant progress in the Centro Region whether in terms of the rehabilitation and installation of new equipment and facilities (tourism posts and museological units) or the holding of various cultural activities such as workshops, poetry recitals and book launches.

The growing demand for the Historical Villages of Portugal, sustained by the dynamic program of events, has contributed decisively to the renovation of the aforementioned region's «cultural landscape».

**Panel of Social Actors – an assertive reading**

The studies on this territory, the precursors of its tourism vocation, featured various different works based on the direct research methodology and surveying the opinions of both Historical Village visitors /tourists and their respective resident communities. As a corollary to this sounding of opinions and within the framework of obtaining the subsequent validation, equally impartial and differentiated in terms of its analytical rigour, alongside a better informed and more demanding public, another inquiry took place on the Historical Villages and focusing on a Panel of Social Actors. This instrument, based on the Delphi Method, was tailored to the needs of this study and based upon a set of questions interrelating with the Historical Villages of Portugal striving to identify the endogenous and exogenous factors. Anonymity was ensured to participants and thereby minimising the likelihood of any eventual risk of influence (Moraes: 2013).

In conceptual and methodological terms, the construct of this panel universe was based upon the following core assumptions:

- holding a professional position and preferably interlinked with tourism sector activities;
- having published works whether of a journalistic, academic or specialist tourism type;
- holding a public role with assumed personal interests within this area as a citizen;
- having available an email address or an institutional site as the means of contact.

Out of a total of around sixty exploratory contacts, we obtained 41 valid responses. Representing a relevant response rate, the contributions made also exceeded all expectations as regards the quality of the objective and critical interpretation carried out in a prospective sense.

The methodological commitment to frame this statistical universe comes along with the responsibility to present the main highlight of the information essential to this analysis.

There is a significant gender division in our respondents – 25 men and 16 women – with the 25 – 44 age range proving most significant. The nationality is Portuguese apart from two exceptions (an Argentinean and an Italian).

As regards the positions and occupations of the respondents, we find that the largest weighting goes to higher education lecturers and researchers, followed by the management level of public institutions and private companies with national guides the next group. Also deserving of mention are the remaining professional groups represented: actors, tourism magazine editors, journalists radio/television presenters, musicians and magistrates/lawyers.

**Table 2** – Position /Occupation of Interviewees

| | |
|---|---|
| Higher Education Professor / Researcher | 14 |
| President/General Director /Managing Partner /Lead Consultant /Coordinator | 8 |
| National Tourism Guide | 6 |
| Radio/Television Presenter | 3 |
| Magazine Editor | 2 |
| Actor | 2 |
| Magistrate/Lawyer | 2 |
| Senior Technician /Operational Manager | 2 |
| Journalist | 1 |
| Musician | 1 |
| Total | **41** |

Source: Author

The academic qualifications of respondents are, in descending order, primarily undergraduates, Master's and Doctoral degree holders.

As regards the sources of information on the Historical Villages, they were above all sourced from newspapers and magazines (23.7%) and the Internet (22.1%).

**Table 3 – Means of obtaining information regarding Historical Villages**

| | | |
|---|---|---|
| Promotional Brochures /Pamphlets | 20 | 15.3 |
| Newspaper /Magazine Articles | 31 | 23.7 |
| Books | 13 | 9.9 |
| The Internet | 29 | 22.1 |
| Television Programs | 16 | 12.2 |
| Families /Friends /Colleagues | 20 | 15.3 |
| Other: Direct Contact: population, local and sub-regional business owners | 1 | 1.5 |
| Total | 131 | **100** |

Source: Author

The respondents demonstrated precise knowledge on a significant number of Historical Villages and testimony to the quality of the witness content presented here.

**Table 4** – **-** How many Historical Villages do you know in person?

| | |
|---|---|
| [1.3] | 9 |
| [4.6] | 10 |
| [7.9] | 10 |
| [10.12] | 10 |
| None | 1 |
| Did not answer | 1 |
| | **41** |

Source: Author

The questionnaire called for opinions on a range of the different attributes that make up the tourism service range of those Historical Villages that they know personally and graded on a scale of one to four (1 – Highly unsatisfactory; 2 – Unsatisfactory; 3 – Satisfactory; 4 – Very satisfactory), with three the grade most commonly attributed (47.1%). In terms of the positive classification, the cleanliness and the built heritage were prominent. However, gaining the maximum ranking was the hospitality and charm of the host communities in the different Historical Villages. In contrast, there was a level two negative evaluation of restaurants and similar establishments while the signposting was ranked as bad as level 1.

**Table 5** – Evaluation of Historical Villages – Tourism Services

| | **DNA** | | **1** | | **2** | | **3** | | **4** | |
|---|---|---|---|---|---|---|---|---|---|---|
| Tourism Information | 4 | | 2 | | 15 | | 18 | | 2 | |
| Signposting | 4 | | 4 | | 15 | | 17 | | 1 | |
| Restaurants /Similar | 4 | | 3 | | 19 | | 14 | | 1 | |
| Local /Regional Handicrafts | 3 | | | | 16 | | 19 | | 3 | |
| Built Heritage | 3 | | 1 | | 4 | | 22 | | 11 | |
| Urban Infrastructures | 3 | | 3 | | 13 | | 21 | | 1 | |
| Hospitality /charm | 3 | | | | 3 | | 22 | | 13 | |
| Cleanliness | 3 | | | | 7 | | 23 | | 8 | |
| Interactions / Ambience | 3 | | 1 | | 11 | | 18 | | 8 | |
| | | % | | % | | % | | % | | % |
| | 30 | 8.1 | 14 | 3.8 | 103 | 28 | 174 | 47.1 | 48 | 13 |

Source: Author

In order to underline this consultation process, we requested respondents provide three positive and three negative aspects along with three threats and opportunities inherent to the Historical Village territory. We conceptually made recourse to SWOT analysis, a core management and strategic planning tool within duly circumscribed scenarios in which the prospective scope takes on a vital relevance.

The respondents did recognise the efforts put in by the different stakeholders and as positive aspects highlighted “the preservation of heritage, history and culture” along with the “efforts to promote local development, job creation and increasing the quality of life of inhabitants”. Within this field, there was a consensual opinion around how valuing the heritage was strategically legitimated by the historical and cultural values built up based upon a powerful tourism image. Within this scope, the development of small micro-companies might prove a means of nurturing sustainable economic growth and generating both opportunities for young persons and further tourism demand that, ideally, would become loyal regulars. In summary of these statements, we may state that respondents consider that this dynamic of territorial affirmation restored a lost sense of self-esteem to its populations.

As regards the negative points, the surveys findings emphasise the “low level of marketing and promotion”, the “scarcity of tourism recreational events” and the “nonexistence of a management logic (infrastructural management, merchandising and traditional stores)”. These aspects necessarily require greater attention as the network logic represents a *cine qua non* condition for consolidating the Historical Villages of Portugal. Within this domain, we understand that there is still much to be done with the existence of two associations with vocations for management and network promotion not representing a particularly good omen for the future. We may also refer to examples such as the lack of any normative framework validating certification whether as a Historical Village or the commercial range therein associated. There is also still no central reservations service focused on accommodation and with the most serious shortcomings stemming from the lack of coordination over the organisation and implementation of the Historical Village promotional efforts.

The external competitiveness component details threats including the “ageing population, urban flight and desertification”, the “loss of local characteristics” and “degradation due to a lack of investment and dynamism”. Within this scope, considering a broader territorial scope that extends beyond the Historical Villages, there is an urgent need, both politically and socioeconomically, to stem the dual issues of the ageing Portuguese population reflected in rural communities by desertification that may in the short term become irreversible. Within a broad ranging framework of challenges, with the economic recession especially standing out, there are also opportunities that may generate a resilience even in the most negative scenarios.

Among the opportunities present in the Historical Villages of Portugal concept, the Panel of Actors recognises the “development of rural, cultural and sustainable tourism”, backed up by the “development of handicrafts, gastronomy and entrepreneurialism” in sum, “integrated tourism development” interweaving cultural and nature tourism services.

**Final Notes**

From this analysis, we may deduce that the Historical Village of Portugal Restoration Program and the different initiatives taking place *a posteriori* in this territory raised the tourism visitation positioning.

The objective of structuring the culture and tourism service range based upon a solid image and thus establishing a brand has proven broadly successful. We may also report that the dynamic of territorial affirmation resulting restored a lost sense of self-esteem to the resident populations.

The setting up of small companies may also help in contributing towards economic growth, where tourism activities are prevalent and fostering not only the retention of young persons but also demand side loyalty.

Within a logic of continuity and deepening the present study, we should proceed to consider the various stages in the consolidation and valuation still to be attained and conceptually ranked as fulcral within a framework of territorial and regional development. The nonexistence of any Strategic Plan for Valuing and Developing Tourism for these villages simultaneously proves a challenge and a threat.

Whilst the existence of two development associations for the Historical Villages does not *a priori* represent a problem, the lack of any common denominator – the aforementioned Strategic Plan –, enabling the action priorities of each association, does then take on an undesirable dimension and an error when considering the field from the strategic planning perspective. How, for example, may we consider the various initiatives developed in the meanwhile, of unquestionable merit certainly, but which have not internalised any "network logic" or the dissonance encountered in tourism promotion campaigns, generating unnecessary "noises" in a context when tourism messages need great clarity and appeal?
Finally, we would highlight how in the midst of European Union integration, those regions, the foundations of the so greatly sought after competitiveness, taking leading roles shall always be those best able to allocate and deploy the different resources through recourse to innovative and concerted strategies whether at the national or the cross-border levels.

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