International Journal of

Contemporary Hospitality Management

Advances in hospitality management research

Guest Editors: Stephen Ball and Stephanie Jameson

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Abstracts & keywords

the changing demographic and psychographic profile of consumers in the UK, it is proposed that a multitude of theoretical paradigms may be necessary to explain different aspects of consumer behaviour in different contexts. Post-modern concepts of hyper-reality and simulation have particular but limited application to understanding of the hospitality or tourism consumer. It is concluded that ideas derived from relationship marketing offer the most potential for producers of hospitality and tourism products and services. These include continuous re-invention of the product, and the development of lasting and trusting relationships between supplier and consumer. Technological innovations can support relationship building.

Trends in food safety management in Victoria, Australia

Linda Margaret Roberts and Margaret Deery

This paper examines the implementation of recent changes to Victorian food safety legislation with particular reference to the implications for the foodservice industry. The research findings reported in this paper are based on a major food safety management audit undertaken for the Victorian Auditor General's Office. The components of the audit, on which this paper is based, involved a quantitative survey of all 79 of the Victorian local councils, in-depth qualitative audits of 12 of these councils selected across the range of councils, from central business district to urban, suburban and rural locations, and a telephone survey of 219 food businesses within these 12 councils. Concludes that, to improve food safety awareness among operators, local councils need to pay attention to the provision of effective education and training programs, to the timely review of food safety programs, and to have a risk-based approach to inspections.

Can consumers be predicted or are they unmanageable?

Jonathan Richardson Bareham

This paper examines how well theories of consumer behaviour allow prediction of the consumption of tourism and hospitality products and services. Given

Travel Inn: everything you want for a good night's sleep – 100 per cent satisfaction guarantee or your money back

David McCaskey and Stuart Symes

In the UK, following a period of exponential growth, the budget hotel market is maturing. In the classic product/service lifecycle model, this phase of development in a market is usually associated with strategies which engender strong brand loyalty; which strengthen and underpin market share; which develop competitive relative positioning and which serve to emphasize, via differentiation, unique brand benefits or propositions. This paper considers the strategies of Whitbread Travel Inn who, as the market leader, launched their 100 per cent Good Night satisfaction guarantee (or your money back) across the brand in 2001. To begin with a review of the budget hotel market is undertaken. This is followed by an analysis of the achievements of the guarantee over its first 18 months of operation, and consideration of the training approach that inculcated a new mind-set within the organization. The paper concludes by reiterating the successes achieved and celebrates an award winning performance.

What makes hotel values in the UK? A hedonic valuation model

Sherif Roubi and David Litteljohn

The purpose of this paper is to develop a hedonic valuation model for hotel properties in the UK. Regression and hotel property transactions in the UK between 1996 and 2002 are used to estimate a value equation that predicts property values and reveals value drivers in the UK. Results are compared to a

US study and are found to be similar. It was confirmed in both studies that physical facilities and local economic conditions are significant in explaining value and they both had positive relationship with sale prices. The size of the property, economic conditions, recreational facilities and year of sale explained 73 percent of hotel values where meeting and banqueting facilities, chain affiliation, food and beverage operations and location only explained 27 percent of total value.

Who's kicking whom? Employees' orientations to work

Emma Martin

Despite the renowned poor employment practices across the hospitality industry recent analysis of the Workplace Industrial Relations Survey reported higher levels of job satisfaction among hospitality employees than those in other industries. This paper presents a collective case study of hospitality employees across four small independent restaurants to shed light onto why this situation might exist. The paper discusses the influence an employee's orientation to work has and demonstrates how orientations underpin individual attitudes and behaviour. In presenting four different orientations to work, how individuals manage work and life for personal satisfaction and gain, is illustrated. Indeed, this individualistic ideology contributes to the levels of job satisfaction reported.

Questioning the myth of the Chinese learner

Kevin Nield

This paper considers the learning, teaching and assessment preferences of the Chinese learner in the context of distance learning. To do this a literature search of the teaching, learning and assessment preferences of Chinese students was conducted. The search indicated that there are several possible differences. These are that Chinese students are rote learners who have distinct preferences for certain methods of teaching, learning and assessment, and have a different view of the role of the teacher. In order to test this, a qualitative questionnaire covering these issues was completed by 25 Hong Kong Chinese students who are studying distance learning courses offered at the School of Sport and Leisure Management, Sheffield Hallam University. From the research the paper concludes that there are educational differences that must be addressed if Chinese students are to reach their full potential on distance learning courses offered by UK universities.

International tourism networks

Alison Morrison, Paul Lynch and Nick Johns

Much of tourism development is predicated on the successful working of organisations alignment in the form of partnerships or "networks". However, tourism networks have been relatively neglected as an area of academic study. This paper presents findings of research focusing on international tourism networks and draws out learning points from the examination of relatively successful examples. A review of relevant literature considers the definition and description of networks, their benefits, and identifiable success factors, and the research methodology applied is described. Discussion follows as to the main functions and benefits of tourism networks in relation to learning and exchange, business activity, and community. Key issues that emerge include: structure and leadership, resourcing, engagement of participants, inter-organisational learning, and sustainability. The paper concludes by identifying significant success factors and consequential management implications with specific references to tourism destinations as learning communities.

Guest editorial

About the Guest Editors

Stephen Ball is a Reader in Hospitality Management and leads hospitality management research at Sheffield Hallam University. He is Vice Chair of the Council for Hospitality Management Education (CHME) and Visiting Fellow at two universities. Stephen has been an academic in higher education for over 22 years and is experienced in hospitality subject group and course leadership, external examining and in hospitality teaching from HND to postgraduate level in the UK and abroad. He has authored or edited four books, co-researched three editions of the British Hospitality Association's annual *British Hospitality: Trends and Statistics* and produced numerous other publications. His research interests relate to hospitality business development and entrepreneurship, productivity management and academic research leadership. Stephen organised the 12th annual CHME research conference and edited the proceedings.

Stephanie Jameson is a Principal Lecturer in hospitality management at Leeds Metropolitan University. She had taught human resource management in the hospitality sector for 22 years. Stephanie was an undergraduate and a post-graduate in the department of hotel and catering management at Huddersfield Polytechnic and was a member of the Hotel and Catering Research Centre at Huddersfield. She has conducted research in hospitality management, specifically in the area of human resource management, and was a Director of the Low Pay Unit and was appointed as an additional Commissioner for the Commission for Racial Equality by the Home Office for a specialist project on the hotel industry. She is currently Chair of the Research Group for the Council for Hospitality Management Education and Book Review Editor for the *International Journal of Hospitality Management*.

This issue on "Advances in hospitality management research" contains selected articles based on papers presented at the hospitality management research conference hosted by Sheffield Hallam University, UK in 2003. I should like to thank our Guest Editors Stephen Ball and Stephanie Jameson, the authors and the reviewers for their insights on applied research across a broad range of topics.

Richard Teare
Editor

It is with great delight that we invite you to read this special issue of the *International Journal of Contemporary Hospitality Management* on advances in hospitality management research. The issue features a specially selected set of papers originally presented at the 12th annual Council for Hospitality Management Education (CHME) Hospitality Research Conference organised and hosted by Sheffield Hallam University in April 2003.

CHME is a voluntary non profit-making body which represents those UK universities and colleges offering courses in the management of hospitality businesses. It represents the majority of universities and colleges running such courses. Research continues to fulfil a central role in CHME's activities and work. This is demonstrated in its priorities for action accessed on the recently launched CHME website available at: www.chme.co.uk/index.html. The annual Hospitality Research Conference goes a long way to meeting some of these priorities which include:

(1) The promotion and dissemination of research and scholarship, which informs and enhances curriculum development and approaches to learning, teaching and assessment.
(2) The promotion and dissemination of research and scholarship, which informs practice in the hospitality industry.
(3) The promotion of effective and beneficial links between industry and education.

Within hospitality management education much progress in research has been made over the last 30 years and the desire to research and publish seems to be undiminished. This is evident from the many research papers presented at the event. The conference was attended by a range of people: academic colleagues, either directly or indirectly involved in hospitality management education, postgraduate researchers and students, representatives from publishing companies specialising in the hospitality field, and practitioners from the hospitality industry. Over 45 research submissions and three keynote addresses

written by 70 authors were received, and the conference attracted a significant interest from international authors in Australia, Brazil, Cyprus, Denmark, Egypt, Greece, Hong Kong, India, Ireland, Japan, New Zealand, Portugal, Sweden, Switzerland and Taiwan. It was also pleasing to note industry's support of the event and especially the number of industrial practitioners who authored or co-authored papers. CHME looks forward to welcoming our international and industrial colleagues to forthcoming conferences.

The diverse nature of our industry and the varied academic interests were reflected in the papers themselves. The conference programme centred on trends and developments in hospitality research and was divided into seven largely coherent strands: service and service quality; marketing, customers and guests; strategy, structures and performance including finance; human resource management; food, food safety, food service and dining; education; and tourism.

The papers in this issue represent one of the best papers from each of these strands as determined by the experienced strand chairs and ourselves as the editors of this issue. The papers, authors and strands are as follows:

Food, food safety, food service and dining:
Trends in food safety management in Victoria, Australia
Linda M. Roberts and Margaret Deery

Marketing, customers and guests:
Can consumers be predicted or are they unmanageable?
Jon Bareham
Service and service quality:
Travel Inn: everything you want for a good night's sleep – 100 per cent satisfaction guarantee or your money back
David McCaskey and Stuart Symes
Strategy, structure and performance including finance:
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Sherif Roubi and David Litteljohn
Human resource management:
Who's kicking whom? Employees' orientations to work
Emma Martin
Education:
Questioning the myth of the Chinese learner
Kevin Nield
Tourism:
International tourism networks
Alison Morrison, Paul A. Lynch and Nick Johns

We hope that you enjoy all these papers as much as we have.

Stephen Ball and Stephanie Jameson
Guest Editors

Trends in food safety management in Victoria, Australia

Linda Margaret Roberts and Margaret Deery

The authors

Linda Margaret Roberts and **Margaret Deery** are both Associate Professors at the Victoria University, Melbourne, Australia.

Keywords

Food safety, Environmental health and safety, Laws and legislation, Australia

Abstract

This paper examines the implementation of recent changes to Victorian food safety legislation with particular reference to the implications for the foodservice industry. The research findings reported in this paper are based on a major food safety management audit undertaken for the Victorian Auditor General's Office. The components of the audit, on which this paper is based, involved a quantitative survey of all 79 of the Victorian local councils, in-depth qualitative audits of 12 of these councils selected across the range of councils, from central business district to urban, suburban and rural locations, and a telephone survey of 219 food businesses within these 12 councils. Concludes that, to improve food safety awareness among operators, local councils need to pay attention to the provision of effective education and training programs, to the timely review of food safety programs, and to have a risk-based approach to inspections.

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Background and rationale

Over the past two decades we have seen major changes to food safety legislation in many countries including Australia. This has followed in the wake of an increasing number of outbreaks of food borne illness around the world and many of these have been on an unprecedented scale.

Australia has six States and two Territories and each has its own Food Act. With varying legislation in place the management of food safety, in a consistent manner, across Australia has been difficult.

It was partly to overcome this difficulty that the Australia New Zealand Food Authority[1] (ANZFA) began work on the development of a national food regulatory system in 1994 (Souness, 1999). Subsequently, ANZFA produced a set of national food standards that covered food safety through every stage in the food chain from the farm to the plate. Thus, in a single system, all aspects of the food industry were accounted for, from agriculture to food service. The resulting system is Hazard Analysis and Critical Control Points (HACCP) based and there is "a strong emphasis on practical, effective implementation compliance, and monitoring in the interests of consumers, industry and governments" (Williams, 2001, p. 31). In developing these standards, scientific risk assessment was the base and the costs and benefits of risk management measures were taken into consideration. The new *Joint Food Standards Code* contains *General Standards* and *Commodity Standards* that apply in both Australia and New Zealand, as well as *Food Safety Standards*, which apply only in Australia.

In November 2000 the final draft of the new Food Bill was ready and the heads of government (COAG) set about implementing it in each State and Territory through changes to their own Food Acts.

Since 1997 Victoria has made considerable efforts to lead the way in food safety management at the State and Territory level within Australia. The *Food (Amendment) Act 1997* introduced provisions for implementation of some of the new national food safety standards developed by ANZFA including the requirement for every food business to have a food safety program (State of Victoria, 1997). Since then, over the past five years, much experience has been gained by stakeholders at all levels, from State authorities to foodservice operators, in the management of food safety.

Both the federal government, through ANZFA, and the Victorian State government, through Food Safety Victoria under the aegis of the Victorian Department of Human Services (DHS), have

provided support services for the effective implementation of the Food Safety Standards and State food safety legislation.

ANZFA has undertaken a series of projects in order to develop the necessary supporting infrastructure and material resources. Examples of these, relevant to foodservice operators, include a comprehensive *Guide to the Food Safety Standards* entitled *Safe Food Australia* (ANZFA, 2001) and a series of fact sheets providing information and advice on a range of topics from skills and knowledge to temperature requirements for potentially hazardous food and the use of thermometers to assist food businesses (ANZFA, 2002).

Food Safety Victoria was set up as a DHS Food Safety Unit to oversee food safety in Victoria. The Unit has a wide range of responsibilities encompassing surveillance and research, monitoring implementation of, and compliance with, legislation and food safety standards, prevention and education, policy formulation and emergency response co-ordination. As part of its education responsibility it has not only developed resource materials including brochures and posters, but has also provided a series of guides for the development of food safety programs (DHS, 1997, 1999, 2001). The most comprehensive of these is the *Food Safety Program Template for Retail and Food Service Businesses* (DHS, 2001), developed for food businesses classified as "moderate risk".

Following the latest amendments to the Victorian Food Act in 2001 and 2002 food businesses were reclassified into three groups; "high risk" requiring a compulsory audit, "moderate risk" which could use the FSP template or other DHS registered template, and "minimal risk" which would be exempt from having a food safety program in place. The majority of food service businesses fall into the "moderate risk" category and can use a DHS registered template including the FSP template, although, if they choose, they can write their own food safety program. However, in the latter case the food business would be subject to third party audits, which are not required if a DHS registered template is used.

Since the introduction, in 1997, of the requirement for food businesses to have a food safety program in Victoria (State of Victoria, 1997) there has been concern that the requirements were too complex and burdensome for food businesses. This was particularly applicable to operators of small businesses; and the majority of foodservice operations fall into this category. However, amendments to the legislation in 2001 (State of Victoria, 2001) modified these requirements and made provision for the use of food safety program templates. This was the driving force behind the development of *the DHS Food Safety Program Template*; the objective being to enable small food businesses to have access to a generic template that would be easy to use and not expensive.

Thus, for the management of food safety in Victoria, a preventative approach is taken where co-regulation is the underlying principle, where food businesses have food safety programs and the monitoring process is managed by local government. As the introduction of food safety programs, at the time of this research, was well underway and food safety programs were being lodged with local councils to meet the deadline of 1 January 2003, it was an opportune time, during 2002, to carry out an audit of the management of food safety in Victoria.

Aims and objectives

The research reported in this paper was carried out as part of the Victorian Auditor General's performance audit of Management of Food Safety in Victoria. The audit was undertaken to:

> … determine whether the regulatory framework for the management of food safety in Victoria efficiently and effectively minimises the risks of food-related illness (Auditor General Victoria, 2002, p. 3).

The focus of the audit was on the implementation of the Food Act 1984 for food sold at the retail level. There were four broad audit objectives to assess whether:

(1) Registration and compliance processes efficiently and effectively achieved improved food safety outcomes.
(2) The framework, including organisational roles, responsibilities, relationships and strategic planning processes supported achievement of the objectives of the Food Act 1984.
(3) Food safety community education and promotion activities achieved their aims.
(4) An adequate performance measurement, monitoring and reporting framework was in place at a Statewide and local government level (Auditor General Victoria, 2002, p. 111).

In this paper the focus is on the aspects of these objectives from the perspective of the issues and trends, in the management of food safety in Victoria, that are relevant to foodservice operations.

Literature review

The key focus for any food safety legislation is the minimisation of risk for users. The high profile of food contamination cases, both in Australia (Food Regulation Review Committee, 1998) and in the UK (Adams, 1995) has provided a platform for reform in this area and various issues are perceived as contributing to the successful carriage of such legislation. In much of the legislation and the literature that surrounds the legislation, key issues evolve and these formed the focus for the review of the Victorian Food Act of 1984 (VAGO, 2002).

The first key issue is that of the management of food safety and the role of environmental health officers (EHOs). Managing food safety has become the domain of local councils, although North (1994) argues that a level of self-assessment and regulation would work better than the use of council inspectors. He suggests that there should be incentives to comply with food handling regulations, such as a lowering of insurance for food premises where no adverse reports were made. However, the majority of governing bodies tend to use inspectors and it is acknowledged that frequent inspections offer an incentive to be law-abiding. What is also acknowledged is that most councils are under-resourced with inspectors or EHOs and it is difficult to systematically and rigorously enforce food handling regulations (North, 1994; Adams, 1995) with such limited resources.

The second key issue within the literature is that of compliance. While linked to the role of the EHO, the level of compliance is also related to the amount of understanding of the legislation. Adams (1995) argues that, although training is very important in understanding the rules within the food safety management legislation, such training should be left to food business management, rather than either the EHOs or local councils. High profile Australian cases in the 1990s, highlighted the need for greater understanding and compliance with safe food handling (Polya, 2001). Similar outbreaks in the UK provided an impetus for improving the laws in this area (Adams, 1995). However, the issue of the cost of this also enters the debate. The Blair Report (Department of Health and Aged Care, 1998) noted the significant costs associated with compliance with regulation, particularly if there are inconsistent requirements and multiplicity of functions across food agencies. The issue of compliance is fraught with the problem of understanding the legislation, on one hand, and of enforcing the legislation on the other (Australian Food and Grocery Council, 1999).

A third issue is that of inspections of food businesses. Monitoring food handling is a time consuming and resource intensive activity (Tambling, 2001). The Parliamentary debate over the Australia New Zealand Food Authority Amendment Bill 2001 noted that the lack of clarity and consistency in agency roles and responsibilities, inefficient and inappropriate food standards processes and insufficient consultation with industry had made the enforcement of food safety legislation quite difficult.

Linked with the issue of food premises inspections, is the collection and transportation of food samples. Again, this area is fraught with the lack of resources and understanding of the correct way of handling food samples. Mortimer (2000) explains the difficulties involved in re-examining food samples by food microbiologists. He also argues that it is important to continue to identify more "emerging pathogens" (Mortimore, 2000, p. 490) and to continue the campaign to educate people in the handling of food samples. North (1994) argues that the over-burdening of EHOs in relation to the surveillance of food quality has led to a diminution in the rate and effectiveness of prosecution for non-compliance.

Finally, the issue of training and educating the councils and the community is perceived as important in management of food safety. Adams (1995) questions who should do this training and bear the cost of educating councils and food business proprietors. Vogel (1998) argues that to educate properly, there needs to be a cultural change in thinking. Tied with this is the need for a system for the public documentation of non-compliance and ways of avoiding the repetition of such occurrences of food-borne illness.

Methodology

This research project undertook a rigorous methodology to ensure that all stakeholders were included in the data collection. The methodology included the following components:

(1) A comprehensive examination of relevant policy and procedural documents developed by the Food Safety Unit.
(2) The development of a questionnaire which was pilot tested on two of the 79 local councils to refine the questionnaire for wording and interpretation. The key aims of the questionnaire were:
   - to determine whether the framework, including organisational roles, responsibilities, relationships and strategic planning processes, support achievement of the objectives of the Food Act 1984.
   - to determine whether registration and compliance processes are efficient and

effective in achieving improved safety outcomes.

- to determine if food safety community education and promotion activities achieve their aims.
- to determine whether an adequate performance measurement, monitoring and reporting framework is in place at a Statewide and local government level.

The resulting questionnaire was sent electronically to each of the Chief Executive Officers (CEOs) of the Victorian councils. The covering letter attached to the questionnaire suggested to the CEO that the most appropriate person to complete the questionnaire was the most senior Environmental Health Officer (EHO) within their council. Response rates to individual questions ranged from 14.5 per cent to 100 per cent.

- Detailed examination of 12 councils which involved interviews with environmental health officers, their team leaders and departmental managers; examination of relevant policy and procedural documents supporting the councils' food safety management activities; and a review of a selection of food business files.

(3) A telephone survey of 219 food businesses within the selected 12 local councils.

(4) Samples of businesses, based on the total number of food businesses located within each of the local councils, were provided using a random number generator applied to the selected councils' databases. The Environmental Health Officers (EHOs) in each of the local councils were then asked to identify approximately 30 food businesses within their municipality that fell, according to their expert opinion, into the following categories:

- "high performers";
- "low performers";
- "special needs" – based on levels of cultural and/or language diversity (CALD) of business operators; and
- businesses which had made official complaints to council about food safety management.

A census of each of the samples was the ideal target; however, it was expected that, for whatever reasons, some food business operators would decline to participate in the survey. A realistic target of a 50 per cent response rate was deemed adequate for this research.

Food businesses were then contacted randomly from the resulting list and interviews were conducted by a market research company using the Computer Assisted Telephone Interview (CATI) process.

Figure 1 provides a graphical representation of the stratification process used to sample the food businesses.

A total of 459 small businesses were included in the pool of food businesses that could potentially be contacted. A total of 219 food businesses participated in the survey resulting in a response rate to the survey of 47.7 per cent.

While the authors of this paper undertook primary research in this project, the information that can be used is somewhat restricted. Owing to the confidentiality of the underlying data for the Management of Food Safety in Victoria report (Auditor General Victoria, 2002) details of the research instruments and the results reported here are limited to what is available in the public domain. Although there is a large amount of information that was collected, the material that is in the public domain is quite rich for the purposes of this paper.

Results and discussion

It was first necessary to understand the way in which the management of food safety is coordinated in Victoria. A comprehensive examination of the management practices and the activities of the Food Safety Unit, Food Safety Victoria, enabled a clear picture of the coordination of food safety both across the State and in conjunction with the Commonwealth Government of Australia, to be assembled. An account of these findings is presented in this section and the role of the Food Safety Unit is defined together with an account of the most significant contribution that the Unit makes to assist food businesses in developing their food safety programs.

Figure 1 Sampling process
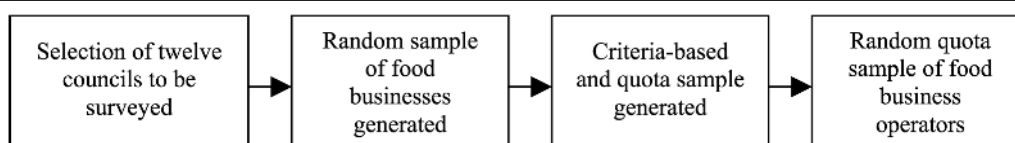
Registration and compliance procedures were investigated in both the detailed qualitative research conducted with 12 local councils and in the quantitative survey of all 79 of the local councils in Victoria. The results of the in-depth interviews of EHOs, team leaders and department managers, together with the examination of council food safety management documents, including the files on food businesses, provided in-depth information which enhanced the quantitative results of the major survey of the 79 local councils. The findings provide a comprehensive overview of the state of registration procedures and general levels of compliance among food businesses in Victoria.

As an important means of assessing effectiveness and efficiency of the local councils with respect to food safety management, the performance measures utilised and the recording and reporting of these data to the local councils were examined. In addition, the findings relating to the local councils' educational activities to raise the food safety awareness of food businesses and the community were assessed, and the results are reported.

That all stakeholders should continue to have confidence in the Victorian food safety management system is of prime importance. The balance between keeping the public informed of food safety "issues and dangers" and maintenance of public confidence in the food safety management system is a delicate one. Collaboration of key stakeholders can assist in this process. Thus, the focus of the results reported here will be on the role played by the Food Safety Unit and the local councils, particularly in relation to foodservice operations and their customers.

In the following four sections the results reported constitute a concise summary of the key data available in the public domain (Auditor General of Victoria, 2002).

Statewide co-ordination

As already explained in the background to this paper, in Victoria the DHS operates a Food Safety Unit known as Food Safety Victoria. This unit has a number of key responsibilities. At the national level the unit acts as a bridge to ensure that the approach to food safety in Victoria is compatible with the national approach. At the State level it acts to ensure that there is a consistent approach to food safety across Victoria and co-ordinates responses to public health emergencies. At the local level it is responsible for surveillance of food products and premises, assisted by the local councils and the laboratory testing services. At the "front line", for foodservice operators, the unit also fosters a preventative approach through its

educational role. It liaises with training providers for the education and training of food safety supervisors, which every food business must nominate as prescribed in the Victorian Food Act 1984 (State of Victoria, 2002). The unit also approves food safety auditors who are needed for third party auditing when food businesses have not used a DHS registered template but have their own food safety programs in place. Finally, at the consumer-foodservice interface, the unit is charged with maximising the awareness of safe food handling practices both in food premises and also by consumers in their homes. Thus, a key responsibility of the unit is to "enhance consumer confidence in food safety" (Auditor General Victoria, 2002, p. 73).

Food Safety Victoria, therefore, has a central role in the co-ordination of food safety within Victoria, communicating directly with foodservice operators about their food safety responsibilities and also indirectly through the local councils.

As already noted a very significant contribution made by the unit to the introduction of food safety programs into food businesses has been the FSP template. An outline of the components of the template is shown in Table I.

The template is divided into four parts. The first part provides for the inclusion of business details and also includes a checklist for identification of the activities/processes used by the business. The second part provides hazard sections, one for each activity/process on the checklist, in which hazards are generalised, preventative/control measures are explained, monitoring procedures outlined, general control limits provided and corrective action suggested. The third part includes support programs, each of which provides justification, information and advice. Finally, the records section outlines what records must be kept, provides a set of templates for use in recording data and, where relevant, they are linked to the appropriate hazard sections.

While the FSP template is based on the HACCP system it does not use any technical terms specific to the HACCP system like critical control points. The activities checklist takes the place of the process flow chart and, for each activity/process there is a hazard section. There is no HACCP control chart; the information is presented in a simplified manner in a question and answer form in each hazard section.

The FSP template is easy to follow. Once the business details have been recorded and activities/processes identified the relevant hazard sections with their linked record templates are gathered together with the support programs, and the hazard sections and record templates not needed are stored separately. There is provision to add

Table I Components of the Victorian DHS food safety program template

DHS FSP template components	Equivalent HACCP plan components
Part 1	*Product description*
Business details	Terms of reference, catering system, menu, dishes, and recipes
Contact details	Intended use
Type of business	Final consumers described
Name of food safety supervisor	Shelf life
Activities	*Process flow chart*
Identifies activities (processes)	Flow diagram of all processes
	Shows relationships
	Includes temperatures/times
	Shows critical control points (CCPs)
Part 2	*HACCP control chart*
Hazard sections	Specific hazards identified
Generalised hazards	Control measures specific to hazards
Control (preventative) measures	CCPs identified
Monitoring (checks)	Critical limits specific for identified hazards
General control limits	Monitoring procedures (what, how, where, when, by whom)
Corrective action (limited in scope)	Corrective action for every possible event of loss of control
	with person responsible
Part 3	*Support (pre-requisite) programs*
Support programs	In place to support CCPs
Provides advice and information	Comprehensive including GMP (includes cleaning and sanitation,
Gives reasons for inclusion	pest control and other aspects of building, equipment, people and
Indicates schedules when appropriate	materials), training, quality management systems, preventative
Lists 7: cleaning and sanitising,	maintenance, calibration, supplier quality assurance and other programs
food handling skills and knowledge,	intended for manufacturing
health of food handlers, equipment	Document control system
maintenance and calibration, use of	
thermometers, pest control,	
food recalls	
Part 4	*Records and supporting documentation*
Records	Templates for recording data with links to HACCP control chart
What records to keep	Minutes of meetings
Templates for recording data	Audits and verification documentation
Links to hazard sections	Justification of CCPs
Links to control limits	Hazard analysis
	Corrective actions
	Personnel illness records

extra activities if required. The FSP template can be down-loaded from the Food Safety Victoria Web site, a hard copy purchased or an interactive version of the template (Foodsmart) can be completed on the Web site.

During the audit, feedback from stakeholders regarding the FSP template was very positive. It indicated "the template development and management process oversighted by the Food Safety Unit to be streamlined, well organised and responsive to the various industry groups" (Auditor General Victoria, 2002, p. 79).

For third party auditing, while a system was in place it was found that a process was needed for maintaining a register of auditors, for monitoring the quality of their work and for evaluating the audit system. Without this in place food businesses cannot be sure of a consistent standard of third party audits. Thus, there has been positive encouragement for food businesses, including foodservice operations, to use one of the DHS registered FSP templates.

Registration and compliance

The audit found that registration procedures were not always documented and that surveillance activities for the identification of unregistered businesses were performed in an irregular fashion or not at all. It was also found that assessment of food safety programs had not been undertaken in a "timely or appropriate manner" and that not all registered businesses had undergone annual inspections. Finally, the results of the research showed that non-compliant food businesses had received poor follow-up and the legislated sampling requirements had not been strictly followed.

The research identified examples of both good and poor practice in the area of registration and compliance. There were also examples of collaborative sampling procedures within council regions and sampling plans that were informed by regional trend information. However, this area of registration and follow-up of compliance was one of the areas in most need of reform.

Performance measurement

The research found that the performance measurement and reporting by councils to be adequate. In particular, the survey found that almost three-quarters of the councils had vision statements to support the management of food safety. Similarly, most councils had a broad range of short-term and long-term goals for the management of food safety with 73 per cent of councils having developed specific performance indicators and targets. There were, however, some limitations in the councils' performance management systems and specifically the maintenance of appropriate data, such as the full range of compliance work undertaken, was not addressed by some local councils.

Education and food safety awareness

It is the responsibility of the Food Safety Unit to facilitate and develop collaboration with local government, food industry organisations and other networks in order to communicate food safety information, to educate, to build awareness and to change behaviours in a positive way. It has involved the provision of resource materials, building of a food information database and the dissemination of information to local government as well as to food businesses and to the public. In addition, businesses with special needs, for example those involving culturally and linguistically diverse (CALD) groups, have required special attention. In Victoria, it has been reported that, in 1996, 21 per cent of the people working in the food industry did not speak English at home (Auditor General Victoria, 2002). Thus, the Food Safety Unit publishes food hygiene pamphlets in ten languages in addition to English on "personal hygiene for people working with food, safe food storage and display, food poisoning and how to prevent it and hygienic food preparation and handling". These have been widely distributed across food businesses in Victoria.

Further, the need to ensure that food businesses can understand and comply with food safety legislation has led the Food Safety Unit to undertake a range of research projects to address the needs of people with non-English speaking backgrounds and with low levels of literacy and numeracy. In addition, funding has been provided

for Melbourne City Council to develop a training program and to translate this and the "Foodsmart" food safety program into Cantonese.

Both local councils and food businesses depend on the Food Safety Unit for the provision of up-to-date information that may be obtained through the Food Safety Unit's website from "regular information bulletins", through road shows on changes to the legislation, from a Food Safety Unit guide for local councils on "Administering the Food Act – A Guide for Local Government 2002", through Food Safety Unit representation at Regional Environmental Health Network meetings and from information and support provided by the Food Safety Unit on request.

Education activities

Like the Food Safety Unit, local councils have the responsibility to "educate businesses, community organisations and special needs groups about food safety management" (Auditor General Victoria, 2002, p. 96). Their task is to raise awareness of good food practices and a wide range of media is used for this purpose including brochures, information kits, regular contact, random inspections, seminars and workshops, videos, their own internet sites, the print media and newsletters.

Formal education programs that had been specifically designed for food businesses were used by only 39 per cent of the local councils and some viewed the education role as one demanding the allocation of at least one full time Environmental Health Officer. Across the councils that were audited in detail there was a range of education programs of varying quality.

Business awareness of food safety

From the telephone survey of 219 food businesses in the 12 councils that underwent the detailed audit it was found that there was a positive attitude to EHOs. However, service made available by the EHOs varied considerably in terms of the usefulness and quantity of information provided and there was found to be poor knowledge of the legislation among food businesses. Thus, it was clear that more attention needs to be paid to make sure that food business proprietors are aware of their legislative responsibilities.

Businesses with special needs

In addition to the CALD groups already mentioned, other businesses with special needs include those that are rurally isolated and those with poor literacy skills. Many councils (47 per cent) did not consider it necessary to identify special needs groups for special education and food safety awareness programs, as they did not believe there was a "demand for these services". They estimated that fewer than 5 per cent of food

business proprietors had difficulty understanding and speaking English and 84 per cent of the councils had not used interpreter services, largely because they felt that the English skills of proprietors were adequate. Thus, the councils had no formal processes in place to identify special needs groups and, as a result, they were not aware of the number of food businesses with workers with special needs. Generally, the focus has been on the needs of non-English speaking groups to the exclusion of other special needs groups like those with literacy problems. Even those programs that were in place had no formal assessment so there was no means of checking whether they had resulted in an increase in food safety awareness.

Conclusions and recommendations

This major audit has highlighted the difficulties many of the stakeholders in the management of food safety in Victoria have had in coping with the series of legislative changes that have taken place over the past six years. Foodservice operators have had five years to come to terms with the requirement for them to submit a food safety program to their local councils and the deadline was 1 January 2003. The audit has shown that the supporting infrastructure, provided by the Food Safety Unit, Food Safety Victoria, still requires further development, both at the State wide level and through the local councils at the local level. The introduction, in 2001, of the DHS FSP template has greatly assisted small foodservice businesses in putting together food safety programs. However, the continuing low level of knowledge about safe food practices still has to be addressed through the provision of more educational programs by local councils. There is a need for better coordination between the activities of Food Safety Victoria and the local councils in the provision of information and for the formal identification of special needs groups who will require specially designed educational programs.

Recommendations arising from the audit, regarding the responsibilities and activities of the Food Safety Unit, which will have particular impact on foodservice operations, include:

- the need for local councils to re-assess their resources for the review of food safety programs;
- the introduction of a risk-based approach for annual inspections of food businesses;
- setting up a quality assurance system to assess third party auditors;
- development of a "strategic approach to community education, awareness and health

promotion", by the Food Safety Unit through consultation with key stakeholders; and
- addressing the needs of special needs groups more effectively.

Food safety programs must be reviewed in a timely fashion. Follow-up of these recommendations will, therefore, facilitate the process so that operators can move forward with their implementation. In addition, the use of a risk-based approach to inspections will also ensure that food businesses that are most in need of inspections, whether follow-up for non-compliance or annual, will have a high priority. Further, with the setting up of a quality assurance system for the assessment of third party auditors, operators will be better assured third party audits will be of a professional standard.

On the education front it is expected that there will be a greater understanding of food safety for employees and consumers alike and that, where special needs have been identified, there will be appropriately designed information to increase the boundaries of food safety awareness for all groups.

In conclusion, while there is still some way to go for foodservice operators to achieve the necessary level of awareness, knowledge and skills, more emphasis by local councils on:

- the conduct of effective education and training programs;
- the provision of information, as well as;
- timely review of food safety programs; and
- risk-based inspections.

will speed this process up.

Notes

1 In July 2002 the Australia's food regulatory system was changed and ANZFA was replaced by a new food authority, Food Standards Australia and New Zealand (FSANZ) within a new system structure (ANZFA, 2002).

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Can consumers be predicted or are they unmanageable?

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Abstract

This paper examines how well theories of consumer behaviour allow prediction of the consumption of tourism and hospitality products and services. Given the changing demographic and psychographic profile of consumers in the UK, it is proposed that a multitude of theoretical paradigms may be necessary to explain different aspects of consumer behaviour in different contexts. Post-modern concepts of hyper-reality and simulation have particular but limited application to understanding of the hospitality or tourism consumer. It is concluded that ideas derived from relationship marketing offer the most potential for producers of hospitality and tourism products and services. These include continuous re-invention of the product, and the development of lasting and trusting relationships between supplier and consumer. Technological innovations can support relationship building.

Introduction

The broad purpose of this paper is to examine how well theories of consumer behaviour enable prediction of the behaviour of consumers with respect to tourism and hospitality products and services. It is set against the background of some fundamental changes in the demographic and psychographic profile of consumers in the UK. In particular the population is ageing and has adopted a changed value set as a result of war, economic crisis, terrorism, and increased antagonism to governments, global businesses and organisations. At the same time, and with the help of technological innovations such as data warehousing and data mining, companies have attempted to gain greater insight into the prediction of consumer purchase behaviour, but with only limited success. It is argued this may be because the theories on which an understanding of consumer behaviour is based may themselves be inadequate or the basic assumption that consumer behaviour is constant and so can be predicted may be unsound. A brief overview is given of post-modern approaches to consumer behaviour and the application of ideas such as hyper-reality and simulation to the experience of the hospitality or tourism consumer (Williams, 2002). In conclusion, it is proposed that a multitude of paradigms is necessary to explain different aspects of consumer behaviour in different contexts.

Demography

The latest census shows the UK now has more people aged over 60 than under 16 (Census, 2003). There are five times more people aged over 85 than in 1951. The population aged over 50 is set to rise from 20 million to 27 million by 2025. One analysis suggests the over 50s have 80 per cent of UK wealth and 40 per cent of spending; approximately £240 billion in 2001(Edwards, 2002).

Growth in the ageing population has helped to fuel a rise in the number of one-person households. Average household size has fallen to 2.36; 30 per cent are one person households and 30 per cent of the adult population are single, reaching 50 per cent in London. One quarter of households are pensioners only (Census, 2003). Partly because of the ageing of the population, and partly because of an increase in younger people living alone, the number of single people living alone will rise from 11 million currently to 16 million by 2010, so that by that time the number of single households will predominate (*The Guardian*, 2003).

The consequence of more older and single people in the population is that many of the ideas about consumer behaviour will be irrelevant since they are based primarily on populations of young to middle-aged people living in family units. However, although the population over 50 is 20 million this does not mean it is one segment. As we age we individualise and become less of a clone of our peers, hence, there are a mass of ways to segment the mature market (Starkey, 2002).

Changing values

In the last 18 months consumers have developed a changed value set. The economic crisis, corporate scandals such as Enron, the war in Iraq, and terrorist incidents in America and Bali have made people concerned about security, survival, and their family. This is coupled with increased scepticism about government, big business and celebrities, together with growing concerns about health. To Faith Popcorn, America's trend expert, 2003 is the year when some of the basic human needs will impact most on the consumer marketplace, including love, family, food and vanity (www.faithpopcorn.com). She argues that in countries such as America and Australia, where obesity is a growing problem (sic!), people will become sufficiently concerned to hire food coaches to develop individualised and customised healthy eating lifestyles. Antagonism against big business, particularly global companies, (which Faith Popcorn calls econtoppling) and concern with healthy eating will put further pressure on big companies such as McDonalds which have seen falling profits for the last two years and the possible closure of 175 restaurants in ten countries.

A world-wide community has emerged as a result of the McLibel trial in the UK. A site was created on the Web – www.mcspotlight.org – which had 1.75 million hits per month, a total of 65 million hits by March 1999. It has become the heart of a world-wide movement in opposition to McDonalds, as well as other global enterprises like the World Trade Organisation (Ritzer and Ovadia, 2000).

Fast food has become associated with health scares and obesity with the result that it has been superseded by fast casual with chains such as Prêt a Manager doing particularly well in the US, with fast service of healthy food in a casual environment (despite McDonalds having acquired a stake in it!).

Another prediction is that the pressure of war, the desire to "live now" prompted by September 11, and the perceived tainting of the single minded pursuit of money will all combine to mean people will put more value on family and friends at the expense of work. Evidence quoted by Mullins (1996) showed that of 7,000 managers surveyed, 36 per cent worked more than 50 hours per week but most wanted to be able to work a four-day week and wanted increased commitment from their company to their personal life. This would be good news for restaurants, hotels and travel organisations with the implication people will spend more time and money on leisure activities.

The impact of war and terrorism on travel and staying away from home is significant. The number of visitors to Bali dropped 60 per cent between October and November 2002, following the terrorist attack on a night club, and is predicted not to recover for several years. In February 2003 holiday bookings in the UK were down 20 per cent on the previous year and as a consequence British Airlines planned to shed 13,000 jobs by March 2004, later revised to September 2003. People are conscious of the fact that terrorists attack the tourist trade as a major objective. Disruption of the tourist trade in mainland UK was a major objective of the IRA campaign in the 1980s and 1990s. They attacked Heathrow airport, mainland railway stations, Harrods department store and other tourist attractions (Rojek, 2000). In 1997 an Islamic terrorist group killed 58 foreign tourists and four Egyptians at Luxor in Egypt, which still has an impact on the tourism trade in that country.

Within particular segments of the population, consumers appear suspicious of the whole paraphernalia of marketing, advertising and attempts to manipulate their behaviour, which is part of a reaction against spin by politicians, and the power of big business. For example, recent research shows that people over 50 dismiss manipulative promotions which are full of hype and emphasise age related benefits in a patronising way, just as older people find the stooping "elderly people" road sign offensive. A study by Millenium, an ad agency which specialises in campaigns aimed at the older generation, showed 86 per cent of 350,000 respondents over 50 found current adverts irrelevant to them (Starkey, 2002). Instead, they respond to value for money and product features. Brands which capitalise on 1960s attitudes are especially preferred (Silvester, 2003) and brand loyalty prevalent. However, there is also a body of evidence from both the UK and US that older consumers are just as likely as young to try new products and they are the fastest growing group of internet users (Starkey, 2002).

Similarly, much younger consumers, the so called generation X and millennium consumers born since 1982, have an equal antagonism to manipulative promotion (Soloman et al., 2002). In fact, there is some suggestion this generation (Y?) expect to be able to tell the business what to do.

Contrary to most predictions of consumer behaviour, the more information there is about something wrong with a product, the more this generation will buy it; sometimes referred to as paradoxical juxtaposition. This group engage in a mass of two way communications via e mail and mobile phone, so they expect to be able to interact with a company and interrogate a product before purchase (Rach, 2000.)

New approaches to information

People are not only becoming increasingly unconvinced by the spin of politicians and other sources of official information but they have the same view about promotional messages from those selling products or services. Unofficial or independent sources of information, so called garage influentials, are now seen as more important and trustworthy in enabling consumers to reach a view before a purchase decision and then giving the opportunity for the consumer to add their own view after the purchase. Examples of complaints procedures and running reviews of restaurants are provided by Stewart (2002) and fat-guy.com. Fiona Stewart set up a Web site in Australia which collects customer complaints. This generated 135,000 in the first six months and now has 10,000 regular users. Fast food and education are among the most complained of topics. Companies are told the complaints and given five days to respond.

The fat-guy Web site contains reviews of restaurants and fast food operations from around the world. Here are a couple of examples of reviews, the first an article about eating out in England:

> The cramped design of most modern dining rooms makes the fact the owners want you in and out in the least time possible screamingly obvious. The only way they could make it plainer would be to install remote controlled cattle prods in the seats and get the waiters to shout obscenities two inches from your face when your time is up.

In another case there are a series of reviews of a new hamburger joint in New York which serves the most expensive at $41 dollars, which is claimed to be:

> The world's most decadent hamburger, hand massaged on beer fed kobe beef, lobster mushrooms and micro greens on a parmesan twist roll.

The reviews, for example, describe it as "genuinely lousy, mushy, grey thing of loose consistency and little flavour" or "a press release masquerading as a meal".

Word of mouth spread of information also has a new meaning. Shops in Tokyo, already hit with a depressed economy, have another problem to contend with, business running out of their doors. They are victims of "keitai clubs" – professionally run mobile phone chat line groups that inform members the instant there is a bargain in the town. The club might send a text message saying a particular food outlet will be selling rice balsa at half price in the next half hour; the shop will be mobbed in a few minutes and empty in a few seconds. Groups such as 7-eleven have started to use the keitai groups to shift stock as it nears its sell by date; they are therefore able to undercut outlets like McDonalds or KFC (Lewis, 2003).

Technology

The latest approach to understanding customers is through creating customer insight (CCI). This allows segmentation of customers in relation to what technology they use and how they use it. Copious quantities of data can be collected about consumers from requests or purchases made via the internet, e mail, text messages, and mobile phones and from checkout information. Data warehousing makes it possible to get a range of consumer data all in one place including the tracking of customer purchases and behaviour over several years. Data mining makes it potentially possible to predict future response to a promotion or a new product by analysis of past behaviour and hence to create focussed and tailored marketing activity (Hirschowitz, 2002). In addition to conventional ways of segmenting customers in the marketplace, it also makes it possible to personalise a campaign for each person in the segment. Really intelligent websites may make it possible to vary a campaign for each customer, depending on data gathered during an interaction.

A second technology can be called pervasive computing, which links WAP (wireless application protocol) technology, palm pilots and interactive TV (Miles, 2000).

At the moment most internet transactions are from desk-top devices but in future this will be replaced by transactions made by a customer from mobile devices at any time of day or night and from any country. At present, most Web-based transactions with retailers are between 10 pm and 1 am, which extends the time for selling but also the demands on reacting to the consumer.

However, at present despite all these technological innovations and millions of dollars spent on software to create customer relationship management (CRM) there is evidence that the snazzy technology has simply disappointed

customers faster and more efficiently anytime, anywhere (Sandberg, 2002). This may be because the companies which use these approaches do not understand sufficiently what the technology can do (Miles, 2000), or because the understanding of consumers given by the data explosion may give no great insight. What might be needed is a more extensive insight into consumers from looking at consumer behaviour by use of video, tracking purchase behaviour and observing how Web sites are used (Miles, 2000). It is also the case that very little research has tried to find out what customers think of CRM and other related technologies. What there is suggests that customers who do business with one company over a time do not necessarily see themselves as being in a relationship, or certainly not a positive one. People saw themselves to be on an unequal footing with companies, and felt the need to be on their guard or take the offensive at times (Harker, 2002).

Technology generally may also serve to distance the consumer from the service which the company is trying to provide. For instance, recent research by Mintel shows call centres are dramatically failing to meet customer expectations. Of 2,020 adults questioned in recent research just 5 per cent never experienced a problem with call centres. The biggest complaint (60 per cent of adults) is the time spent waiting on hold. Callers were frustrated by various aspects of service related to automated phone systems (IVR – interactive voice response) where the synthetic voice does not provide effective routing of the call. Waiting on hold can be over 15 minutes before connection to a live service agent, which can then lead to call abortion and frustration; 33 per cent of callers have hung up while in a queue (Mintel, 2002).

Theories of consumption or consumer behaviour

The finding that despite technological advances and increasingly sophisticated methods of market research we are often unable to predict or define consumer purchases or behaviour implies the ideas or premises on which the understanding of consumers is based may be suspect. It may also be the case that some of the emergent consumer groups in society, the grey market and the youth market, may not behave in the same way as the traditional groups perceived to make up society. Marketing and advertising agencies often base their views of consumer trends on those of 18-45 year olds living in multiple occupancy groups, because that is the age group employed by such agencies (Edwards, 2002).

Theories of consumer behaviour can be broadly divided into three areas:
(1) Those that assume the consumer is an information processor who engages in a rational, scientific, deliberate and cognitive process leading to a purchase choice (Nicosia, 1966; Howard and Seth, 1969; Arnould et al., 2002; Peter et al., 1999; Soloman et al., 2002).
(2) Those that assume that a lot of consumer behaviour is learned and as a result much is a result of habit (Foxall et al., 1998; Foxall, 1992; East, 1997; Ehrenberg, 1988).
(3) Those which take a post-modern perspective and assume the consumer does not follow rules, is unlikely to be predictable, and may change their purchase strategy from occasion to occasion (Williams, 2002; Gottdiener, 2000).

The American approach to consumer behaviour is to assume someone assembles all the alternatives, applies logical rules of self interest, uses careful cognitive processing, and gives equal attention to each option, before making a purchase. The most well known example of this model is in the book by Blackwell et al. (2001), now in its ninth edition.

This obviously applies to many purchase decisions, especially those taken infrequently or involving high value products, such as buying a house or a holiday. Although I go to the same part of Spain for many holidays the choice of which airline to take depends on price, availability and flight times, and hence on a logically thought through decision.

In contrast, British authors, who come from an economics or psychology background, show that a lot of consumption depends on habit or follows the laws of learning. When consumers do consider alternatives they usually consider only one at a time and usually take the first alternative which is adequate; thought processes are often better explained as heuristic mechanisms rather than logical processes and behaviour is often a response to the consumer's environment which initiates many of the cognitive processes which may occur (East, 1997). Most days where I purchase my lunch is a matter of convenience and habit but is also crucially affected by who else is eating lunch and what they choose.

Post-modern perspectives on consumption accept that consumers are much more fickle and changeable than either of these first two perspectives:

Consumers have never been so unpredictable; hence consumer research is incapable of providing insights required by market decision makers (Thomas, 1997).

Buyers use a variety of decision strategies to choose among alternatives and the strategies are context dependent. Buyers use different rules for different occasions (Carpenter et al., 1997).

A consumer no longer represents a centred, unified, consistent self image, but a fragmented and fluid set of self images. Conceptualizing the consumer as a member of a relatively static market segment is increasingly difficult (Firat and Shultz, 1997).

As an example, I can make the decision to act like a backpacker and travel from Saigon to Nha Trang on a cramped overnight train which takes 12 hours, but a few days later act like an executive and fly back to Saigon in luxury, in one hour, at ten times the cost of the train.

Sociological and anthropological interpretations of consumption argue that a prime purpose of it is for people to differentiate themselves. Veblen (1899) first introduced the idea that consumers are conscious and empowered agents who use the symbolic system of consumption as a way to establish class differences and personal identities. Bourdieu (1984) has introduced the notion of habitus; that individuals and social classes utilize unconscious dispositions and classificatory systems to differentiate themselves from others.

In the case of tourism Mullins (2000) describes the emergence of a new breed of traveller, a "new middle class" interested in the search for authentic holidays in developing countries. Many third world destinations are still viewed as untouched and off the beaten track and appreciated by the few. As such, travel to them confers on the traveller a certain distinction, "of social position by virtue of the symbolic meanings attached to the certain types of activities in particular third world places".

In other words, the signs or signals attached to products or services become more important than the things themselves. This is a view first suggested by the French sociologist Baudrillard (1998) who argued that people buy signs or symbols which accord with their self image or their aspiration in terms of self image.

Taking this to an extreme Ritzer (1999) has argued that cruise ships, themed restaurants or theme parks become the "cathedrals of consumption" which have a quasi-religious nature. By being in those places people take on the signs and symbols of what they buy in the form of food or leisure.

Williams (2002) has recently chronicled how the significance of simulations and hyper-reality are a key attraction to the consumer and how there are plenty of examples to illustrate this in the world of tourism and hospitality. For instance, the Yorvik Centre at York is a mix of a museum and theatre which is meant to suggest authenticity, but in fact, nothing is. Las Vegas is full of simulation, such as the Luxor casino and hotel which replicates ancient Egypt. The food courts in Sheffield

Meadowhall simulate a Mediterranean setting. Many themed restaurants attempt to recreate foreign locations or simulate theatrical events with the waiters following a set script.

However, it can also be argued that a second rationale to explain the same phenomenon is that companies in the hospitality and tourism industry have simply provided more products to sustain profitability. They have created more customised products for consumption and in so doing have commodified people and places. Quoting Mowforth and Munt (1997), Mullins (2000) argues that despite the seemingly softer nature of new ecologically-aware forms of tourism, individual representatives of the new middle classes, such as backpackers and independent middle class travellers, are just as culpable in the commodification of tourism as those who go on package tours.

In the view of postmodernists there is no surprise that the consumer is not consistent in their behaviour and does not fit the stereotypes that segmentation strategies would have us believe.

Gabriel and Lang (1995) make the fundamental point that there are different types of consumer, not in the sense of different segments, but rather that one consumer can vary their type from time to time or even within one act of consumption. They list a catalogue of consumer types with the consumer as chooser, communicator, explorer, identity seeker, hedonist, artist, victim, rebel, activist, and citizen. They foresee the consumer as more of a mercurial character such that attempts by marketers, producers, and social scientists to define the consumer will become untenable. Consumption is more of an opportunistic act, and the providers of market goods are increasingly unable to target their products to consumers in rational and systematic ways.

Part of the problem for organisations which seek to control or predict the consumer is that the consumer refuses to be reduced to a singular and predictable figure. McDonaldized organisations seek to control the consumer whether the consumer wants it or not. Fast food restaurants and many other highly rationalised systems have strict codes and practices and constrain the options of the consumer. Such rationalized organisations assume the consumer will behave in predictable ways and have set up their systems on this assumption; an unmanageable consumer is therefore an anathema (Ritzer and Ovadia, 2000).

It may be that both the older and very young consumer may for different reasons be less susceptible to McDonaldization. The cultural capital and greater assets of older people may lead

them away from standardised products and services, to restaurants with fine cuisine, holidays which are tailor made, or hotels which emphasise personal attention and service. The very young may react against McDonaldization because of the semiotics it represents; certainly in recent demonstrations against capitalism and corporate enterprise McDonalds itself has often been the subject of attack.

Williams (2002) argues from a postmodernist analysis that what hospitality organisations have to do is forget market segmentation and aspects of traditional marketing theory. They need, instead, to provide enough variety, change, and updating of their offering, so that individuals can consume in whatever way they wish and without reference to a standardised expectation.

Conclusion

This paper attempts an overview of changes in the consumer population. It argues the structure of the population is changing with a dramatic increase, in particular, of people over 50. Values in society have also changed with some rejection of politicians, global business and manipulation by the media or advertiser, so that, for instance unofficial sources of information become of greater significance. Attempts to use technology to track consumer purchases and hence predict future behaviour, appear to have been less successful than hoped. For all these reasons we appear to have less grip on why people buy particular goods or services than might have been expected after 40 years of research.

What is explored in this paper is whether this is because inadequate theories of consumer behaviour have been used to try and predict future behaviour. Although complex decision making or merely habit are involved in many purchase decisions, it appears that increasingly the consumer is less predictable and less of a machine than some existing theories would imply. As a further complication, both the older and younger consumer fit less with what existing theory is useful. Post-modern views of consumer behaviour suggest the lack of prediction in consumer behaviour models may be simply because the consumer is unpredictable and may change their decision strategies from occasion to occasion and within one purchase sequence. This knocks on the head much of current marketing theory and in particular the assumption consumers will behave like other consumers within a particular market segment.

In the world of hospitality also raised is the issue, derived from anthropological and sociological theory, as to whether consumers respond to a product or service itself, or to the signs and symbols derived from the object. The tourism and hospitality industry provides many examples where hyper-reality or simulation is provided as the consumer experience, ranging from themed restaurants to historical simulations in attractions management. As yet it appears we have cursory understanding of what models of consumer behaviour best describe consumer response to such things.

This uncertainty about the predictive power of current methods and models of consumer behaviour also leads to uncertainty about how to improve on and research better predictive ideas. However, there is some hope.

Relationship marketing (RM) has replaced CRM, which rather than push the product or service at the consumer attempts to create temptation, continuously reinvent the offering, and build a lasting and trusting relationship (Batterley, 2002). New methods of ethnographic market research involve watching consumers and then the provision of anthropological interpretations of their consumption patterns (James, 2002). Williams (2002) lists a whole range of possible research strategies which might be employed in this area of work.

The final conclusion is that consumers are less predictable than we thought; a range of paradigms or models may be necessary to understand the variety of behaviours engaged in by individuals in different contexts.

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Travel Inn: everything you want for a good night's sleep – 100 per cent satisfaction guarantee or your money back

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Abstract

In the UK, following a period of exponential growth, the budget hotel market is maturing. In the classic product/service lifecycle model, this phase of development in a market is usually associated with strategies which engender strong brand loyalty; which strengthen and underpin market share; which develop competitive relative positioning and which serve to emphasize, via differentiation, unique brand benefits or propositions. This paper considers the strategies of Whitbread Travel Inn who, as the market leader, launched their 100 per cent Good Night satisfaction guarantee (or your money back) across the brand in 2001. To begin with a review of the budget hotel market is undertaken. This is followed by an analysis of the achievements of the guarantee over its first 18 months of operation, and consideration of the training approach that inculcated a new mind-set within the organization. The paper concludes by reiterating the successes achieved and celebrates an award winning performance.

Introduction

In the UK, following a period of exponential growth, the budget hotel market is maturing. In the classic product/service lifecycle model, this phase of development in a market is usually associated with strategies which engender strong brand loyalty; which strengthen and underpin market share; which develop competitive relative positioning and which serve to emphasise, via differentiation, unique brand benefits or propositions.

Following extensive piloting, Whitbread Travel Inn (the market leader) launched their 100 per cent satisfaction guarantee (or your money back) across the brand (now incorporating almost 300 outlets) on 8 January 2001 on national television and via other media. It was stated that this innovative and path breaking (as opposed to benchmarking) strategy would not only serve to differentiate the brand but would through first mover status, maintain its proposition as "The UK's favourite place to stay" (over 17,000 sleepers every night). In turn, this would support its mission "To be the biggest (brand in the sector) and the best (as in customer's preferred choice) in the budget hotel market".

This paper supports the proposition that Travel Inn fulfils all the criteria to be considered as a leadership brand and that this mould-breaking introduction clearly demonstrates that their leadership has been earned. That this guarantee scheme is about the long-term resolution of their standards will be clearly illustrated, e.g. how guarantee invocations can both influence daily working practice and inform all future new builds and refurbishments. In setting this super-ordinate goal it may be observed that they have succeeded in energizing and focusing the whole company towards one shared vision. Combined with a reward and recognition system, their empowered, indeed, enabled staff, has witnessed a downturn in turnover of over 30 per cent in the last two years (an estimated saving of c. £1m).

In marketing terms the guarantee will be shown to encourage new customers to buy as it reduces the risk element in the purchase decision while for existing customers, it enriches their long-term relationship and loyalty. However, this is not simply some form of marketing gimmick, it has captured the total company ethos and is playing a key role in building competitive advantage. Providing this unequivocal guarantee is not easy, which is precisely why this competitive advantage exists. Its intention was to give Travel Inn a couple of years head start and all the benefits of first mover

status before the "me-toos" and fast-followers adopted similar, though often diluted, guarantees.

This paper will:

(1) Briefly review the budget hotel market.
(2) Analyse (drawing from Whitbread Hotel Co. commissioned quantitative and qualitative research) the achievements of the guarantee over its first 18 months of operation.
(3) Consider identifiable performance improvements – the quantifiable rewards to date.
(4) Demonstrate the training approach that inculcated a new mind-set.
(5) Reflect on guarantee issues and draw support from contemporary marketing theory.
(6) Conclude, reiterating the successes achieved and celebrating an award winning performance.

A review of the UK budget hotel market

Budget hotels were first introduced into the UK market in 1985 with the opening of the Ibis at Heathrow and the first Little Chef Travel Lodge. By September 2002 there were almost 900 hotels and 60,000 rooms (average 62 rooms per hotel). Indeed, the market leader, Travel Inn with 16,571 rooms across its 290 sites, has become Britain's largest hotel brand. Holiday Inn with 16,163 rooms is in 2nd place since it has fully integrated the Posthouse estate which it bought from Compass in 2001.

During the 1990s the growth rate in the lodge or budget hotel market was truly exponential. The growth rate has slowed in the first two years of this new millennium and there is evidence that the market has reached the mature stage, although saturation is only a feature at some locations. With under 20 per cent of the hotel market, there is still growth opportunity if compared to France where lodges represent almost 25 per cent of hotel stock or to the US where with a 30 per cent share, the market is truly saturated. Deloitte Touche (2002) report that:

> For the UK hotel industry as a whole, 2001 was a turbulent and difficult year, hit by the foot and mouth crisis, the terrible events of September 11 and the general uncertainty surrounding the UK, US and other world economies. Throughout this all the budget hotel sector in the UK seemed fairly resilient. While other segments witnessed falling occupancies and lower achieved average room rates (AARR), a number of brands in the budget sector announced consistent, if not improved, performance.

The nature of the budget hotel market is going through transition in a variety of ways. The original race was to maximise the roadside network. However, the majority of growth now, and for the future, is within suburbia, in inner cities and in London. Furthermore, often built with 20-40 rooms at the start of the growth curve, average rooms per unit have now stabilised at around 62. However, in lodges in London 400-500 rooms is nearer the norm. Many early builds are also being extended. Another change relates to the market which is becoming more clearly defined in terms of price/ quality, positioning clusters – from super economy (back-packers) to upper market economy.

The market has significantly polarised with the top three players holding over 67 per cent market share. Market share is seen as a key issue in this highly combative and maturing market (see Table I).

In June 2002, Michael Bailey CEO of Compass, the world's largest catering company, was widely quoted in the financial press when he announced that the Little Chef and Travel Lodge were being put up for sale as they no longer fitted into the group's core activities. He stated "We are into the business of feeding large numbers of people in semi-captive environments, we live in other people's premises and provide food".

Inevitably, Travel Lodge coming into play has been the subject of much analysis as to the potential benefits its purchase might bring to both the incumbents as well as possible new entrants. On 18 December 2002 (during the production of this paper) Compass sold Travel Lodge/Little Chef to Permira, one of Europe's largest private equity specialists for £712 million. Carl Parker, a Permira Partner, confirmed in a press release that Permira, as a new entrant, would continue to operate and develop both brands:

> We are delighted to acquire two brand leading businesses in one transaction. Travel Lodge is the most highly recognized brand in the budget hotel sector and Little Chef has a unique position in the roadside catering market and has a loyal company base, which provides a solid platform for future development.

Permira's intention to operate both brands was further underlined in their widely reported release of 22 January 2003 where they confirmed that they had successfully headhunted the services of Grant Hearn as their new Chief Executive. Currently President of Hilton Hotels UK and Ireland, Hearn had been bought for his wealth of experience as Managing Director of Travel Inn during its major growth years. Industry observers have viewed Travel Lodge as a somewhat lackluster brand and expect a significant improvement in brand standards and performance from this new team.

What is certain is, to adopt an earlier quote by Robert C. Hazard (then President of Choice Hotels)

> The period 2000-2010 will be the most competitive in the history of the UK Lodging industry...every

Table I The top six operators (as of 31 October 2002)

Operator	Budget brand	No. of hotels	No. of rooms	Market share (%)
Whitbread	Travel Inn	290	16,571	31
Compass Road	Travel Lodge	214	11,666	22
S+N	Premier Lodge	124	7,547	14
Six Continents	Express by H.I.	66	6,115	12
Six Continents	Innkprs Lodge	50	1,401	3
Accord	Ibis	36	4,062	7
Sector total		858	52,945	100

lodge must become more market driven, improving its product to create a unique, sustainable competitive advantage and a perception of greatest value among its guests (Crawford-Weish, 1994).

In his vigorous reassertion of how strategic advantage may be gained through true differentiation, Michael Porter (1996) affirmed that:

> A company can only outperform rivals if it can establish a difference that it can preserve. It must deliver greater value to customers or create comparable value at lower cost, or do both.

Through this process of differentiation, Porter concludes that:

> The arithmetic of superior profitability then follows: delivering greater value allows the company to charge higher average unit prices, greater efficiency results in lower average unit costs.

Thus, we achieve a virtuous circle. Here, we contend that this has been achieved by Travel Inn through its introduction of the 100 per cent guarantee good night.

Performance improvements

Some of the quantifiable rewards are:
- The 100 per cent satisfaction guarantee is estimated to drive 19,000 incremental loyal customers per annum. For this purpose "loyal customers" are defined as customers who stay more than one night per year. On average "loyal customers" stay 6.2 nights per year.
- Return on investment of the 100 per cent satisfaction guarantee is estimated at 238 per cent, this is an additional £1.1 million revenue in the first year of the guarantee. This calculation is based on 19,000 incremental loyal customers, based on them staying an incremental two nights per year, at the average room rate of £45.52. This is forecast to increase to £3 million additional revenue a year, 10 (real).
- Rooms occupancy has increased by 2 per cent over the past year and the 100 per cent satisfaction guarantee is considered to be a major contributory factor to this increase.

- Staff turnover of Travel Inn team members in 2001/2002 has fallen by 29 per cent, which equates to a saving of £956,000 and this can be mostly accredited to the success of 100 per cent satisfaction guarantee in improving team member satisfaction.
- Refunds (money paid back to customers when they have invoked the 100 per cent satisfaction guarantee) equate to just 0.39 per cent of total room revenue, this is against a budget set at the launch of 0.5 per cent maximum. As the largest brand within the budget sector with the highest occupancies, on average, Travel Inn sells 13,000 rooms per night, of which fewer than 50 are refunded. This amounts to approximately £700,000 a year.
- In 2001/2002, escalated complaints have reduced by 53 per cent compared with the same time last year. This is the equivalent of reducing escalated complaints from 38 per week to 16 per week. The estimated total cost per escalated complaint is £100, which equates to a saving per annum of £114,000.
- Travel Inn has improved its trading position with its key suppliers as a result of the 100 per cent satisfaction guarantee – these key suppliers (laundry, refuse, environmental services, etc.) have now put in place their own "guarantee" to pay for any refund that Travel Inn has had to pay out due to a problem that they have caused. This also now means that these key suppliers work harder to get it right first time when working with Travel Inn.

The estimate of 19,000 incremental loyal customers was reached by conducting a customer satisfaction and loyalty study of 10,000 Travel Inn customers in September 2001. The findings include:
- a 13 per cent decline in customers experiencing problems;
- of our customers, 19 per cent that did experience a problem told us about it to enable us to fix it;
- of the customers who did experience a problem, a total of 18 per cent are satisfied with the action taken; and
- there has been a 5 per cent increase in customer compliments.

The Travel Inn Vision is "Trusted for great value and a good night's sleep wherever our customers want to be. The UKs No. 1 hotel network". The key word in the Travel Inn Vision is "trust". Travel Inn already delivers the other elements of its Vision – it is one of the best value for money brands in the budget sector, it has a good quality product (high spec bedrooms and facilities) that provide a good night's sleep and it is officially the biggest and most-widespread network in the UK. The customer service strategy, 100 per cent satisfaction guarantee, provides the "trust" element of the Travel Inn Vision. Customers know, through the 100 per cent satisfaction guarantee, that Travel Inn "puts its money where its mouth is" and is committed to listening to and responding to any complaints in order to continuously and consistently improve its product and service. As a brand Travel Inn believes implicitly that it does provide a value for money service and product to its customers so much so that if it fails in this task at anytime it guarantees to resolve the issue and is prepared to give customers their money back unconditionally.

Training – the approach which inculcated a totally new mind-set

Common and specific course objectives were identified across the three target groups to be trained (Table II). A number of measurements were used to ensure these objectives were met. These consisted of:
- post course reviews;
- post training, pre-launch visit by project group;
- operational quality manager audit;

- customer comment cards, feedback and complaints;
- managers tracking own trend analysis of invocations and customer comments via "Cristol System" (a real time intranet-based customer comment tracking system); and
- feedback by management teams, as appropriate, through observation/discussion with their team members.

Rather than the HR team deciding how the training should be designed and delivered they worked with a development group of line managers and team members who fed back how they would like to see the materials designed. Their requirements were that training should be:
- focussed – short bursts of memorable learning;
- fun – it should be enjoyed;
- realistic and practical exercises which could be used immediately;
- helpful such that it took account of different learning styles; and
- repeatable and manageable – that would have more than one application and that took account of the trainers limited skill.

Working with "Merlin Development Group Consultancy", Travel Inn designed and piloted a "ten-step" training programme delivered in 3 x 2 hour slots. The steps were designed to explain the vision behind the guarantee, and included topics such as understanding the guarantee, identifying barriers, taking preventative action, service quality behaviours, actioning service recovery, and applying the refund process.

Every step used accelerated learning methodologies incorporating videos, role-play, board games, quizzes and group discussions and most "steps" were supported by a relevant poster

Table II Course objectives for regional trainers, unit trainers and team members

Course objectives	Regional trainer	Unit trainer	Team member
Identify the business case for 100 per cent satisfaction guarantee	4	4	4
Describe the different types of messages relating to the training	4	4	
Explain the different learning methods associated with 100 per cent guarantee	4	4	
List the ten steps of 100 per cent guarantee training	4	4	4
Train in the 100 per cent guarantee training	4	4	
Manage the different activities in each step	4	4	
Explain their roles and responsibilities	4	4	4
Describe real world issues	4	4	4
Explain how they will evaluate their training	4	4	
Co-ordinate and manage the roll out of the training	4	4	

designed to remind/focus the team members on the outcomes of the training.

Part of the training included training the Unit Trainer which was a programme (Table III) repeated some 38 times. This consisted of a two-day event with the above population of facilitators across the country. This covered the headline thinking behind the design, the "ten steps" and how to conduct the training back in the Travel Inns. The success of this programme was dependent on the learning achieved from the programme outlined above. Quality visits confirmed that this was successful for all facilitators and evaluation data confirms participants achieved their goals.

A number of barriers were identified which were overcome. These included people's fear of cheats raised in the presentation at road-shows. This was overcome by focussing on the "WOW" that can be given to satisfied customers rather than the damage that can be done by not trusting a customer who has a real complaint. Another barrier involved changing the mind-set of team members that managers would not "tell them off" or "discipline them". As well as including role-plays and group discussion about the lifetime value of customers an incentive scheme was introduced for having the fewest "Escalated complaints" to HQ. League tables or penalties for having complaints properly resolved on site were deliberately avoided but team members were celebrated/recognised for good complaint resolution. In September 2000, when the 100 per cent guarantee was signed off by the Whitbread

Board, it was rumoured that a few middle and senior managers who had left and joined the competition were planning to launch their own guarantee before the Travel Inn CEO decided to fast-track. The original launch date of April 2001 was brought forward to January 2001. The scheduled training timetable, of 520 managers (30 x 2 day courses) across the country, was changed from a time scale of three months to six weeks. The 3 x 2-hour sessions for 7,000 team members were maintained.

The original team member and business objectives are set out in Tables IV and V.

CRISTOL (Customer Reporting Information System Tracking On Line), is the logging system which Travel Inns and the Head Office Customer Service Team use to log complaints. This enables reporting and tracking of issues and/or causes, it allows fixes to be identified and focus to be given to sharing best practice.

Other key outcomes are:

- This is the first "Unconditional guarantee" offered in the industry which has focussed empowerment right to the grass roots of the organisation, and facilitated a "culture change" while training the systems and processes. The training broke with tradition and used practical applications of accelerated learning methodologies (chosen by the employees), and it has become the model by which all other parts of Whitbread will approach learning.

Table III Training the team member – a six-hour programme for every Travel Inn

Step	Title	Style	Why this style of delivery
1	What is the 100 per cent satisfaction guarantee	Video	Consistent message and need to position what the Guarantee was before embarking on the training
2	Barriers to delivering the guarantee	Group discussion	Allow team members to air their concerns, and gain realisation that many barriers are only psychological or perceived
3	Brand standards and managing customers expectations	Board game, followed by group discussion	Get the team to realise that most of the customer's expectations fit with the offering and brand standards
4	Preventative action	Presentation of the customer service journey, followed by a "physical" walk about	Identify the potential issues and agree the preventative action to be taken as a team
5	Service quality behaviour	"Just a minute" team quiz game, asking questions for one minute to identify problems without asking closed questions	Highlighting – everyone's responsibility to talk to customers and ensure they are having a good stay
6	Service recoveries	"Snakes and ladders" board game with situational cards and role plays	Proving that most customers with minor issues just want things put right
7	Corrective action	"Run-a-round" team quiz game followed by group discussion	Fun session, also acted as an energiser, gets team members to decide what would be the best route of action
8	The refund process	"Blind vision" hearing a role play and making a judgement	Get them to recognise the effects of both the customers, and their own tone of voice, body language, and behaviour
9	Service quality behaviour (Part II)	Presentation of the "Support and challenge matrix" used to highlight the need for high support and high challenge; followed by fun quiz	Demonstrate that a team is only as strong as its weakest link
10	Keeping it alive	Group discussion and "Blockbuster" quiz game	Group discussion about where do they go from here – ending the training on a fun team quiz challenge

Table IV The original team member objectives

Objectives	Key outcomes
Engage team members in the "continuous improvement process" and the benefits of the guarantee	Of the employees, 90 per cent know what is causing problems in their Travel Inns
	95 per cent of line managers are positive about guarantee
	95 per cent of new team members are inducted using guarantee "ten steps" training
	83 per cent of employees have implemented fixes to problems
	98 per cent of employees feel guarantee is right thing for Travel Inn to do
	66 per cent of guarantee refunds offered by team members
	98 per cent of employees feel empowered to deliver the guarantee
	98 per cent of employees feel guarantee has made Travel Inn a better place to work
	Employees feedback survey (VIEWS) says "overall satisfaction" increased to 87 per cent highest in Whitbread, and above high performing UK norm group
Retain quality engaged employees	Labour turnover reduced by 29 per cent = £956,000

Table V The original business objectives

Objectives	Key outcomes
Produce a framework for "continuous improvement"	Local fixes implemented across brand, new brand fixes in place: new fire alarm system implemented, signage improved, door closures improved, in-room instructions improved, reception manned between 7-9 am
	Internet based "real time" logging system developed (CRISTOL) – bespoke to the guarantee enables brand wide best practice sharing/fixes to be implemented
Generate 100 per cent return on investment (ROI)	Invocations are tracking at 0.39 per cent of total room revenue – expected 0.5 per cent
	ROI 238 per cent, which is shown by incremental loyalty of £1.1 million
Create a "First mover" advantage over competitors	Travel Inn still only budget hotel operator to offer unconditional satisfaction guarantee
	Market research "Unprompted awareness" increased from 18-29 per cent

- The training and development changes derived from the 18 months experience include the way Travel Inns are built, the way they are run, the recognition process, the incentive scheme and their operational standards.
- There are a number of communication vehicles that are used within Travel Inn to communicate its vision, mission and values to its team members.

These include:

(1) Regional road-shows for the launch of 100 per cent satisfaction guarantee. In January 2001 four one-day regional "Train the Trainer" programmes were held so that attendees could then go back to their hotels and train all the team members on site on the 100 per cent satisfaction guarantee. To assist them in this process a ten-step guide to training the guarantee was produced.

(2) Check Inn newsletter. A quarterly newsletter that is distributed to all 7,000 team members that regularly refers to Values, Mission and Vision.

(3) Business Quality Newsletter. The department that operates the 100 per cent satisfaction guarantee issue a monthly newsletter.

(4) SMARTI intranet site. Although the focus tends to be on written material to communicate with team members as the vast majority of Travel Inn team members do not have regular access to a PC at work.

(5) Annual conferences. These are attended by approximately 650 Travel Inn general managers and front-of-house managers who are then given the conference material to share with their site teams.

(6) Team member question and answer sessions with the Travel Inn Executive team held on a regular basis. In terms of measurement, Travel Inn uses a method known as the balanced scorecard, which is used at each of its 285 sites and also overall on a company level. The balanced scorecard is developed for each unit and the general manager at each Travel Inn is incentivised on their individual site's balanced scorecard performance.

Reflections on guarantee issues and support drawn from contemporary marketing theory

A similar scheme was introduced in the 1980s in the US by Hampton Inns. Their scheme initiator was Christopher Hart, now a Professor at Harvard.

Christopher Hart, the guarantee guru, was brought over by Travel Inn to help develop and assist with the launch of their scheme. Should a customer wish to invoke the guarantee, all staff are empowered to do so unequivocally. All that is required is that the nature of the complaint is registered both at the hotel and head office to help iron out the problem and to aid the learning of all. An account of the application of the Hampton Inn scheme and Hart's treatise on "The Power of Unconditional Guarantees" may both be found in Hart (1992). Extracted and abridged are some of the issues Hart (1992) identified for developing guarantees, against which the Travel Inn data disclosed so far may be considered:

· Service guarantees can help companies institutionalize good performance. Committing to provide an error free service can help a company provide it.
· A strong service guarantee enables managers to control organizations, setting the goals and providing the necessary data to improve performance.
· A guarantee should be written in concise language that pinpoints the promise.
· A service guarantee loses power in direct proportion to the number of conditions it contains.
· The best service guarantee promises customer satisfaction unconditionally.
· A customer who is dissatisfied should not have to go to excessive lengths to invoke a guarantee, as this lengthy process will only increase dissatisfaction.
· Similarly, a customer should not be made to feel guilty about invoking the guarantee, with pay-outs being quick and easy.
· When writing the guarantee it should not be shrouded in conditions.
· A service guarantee which is risk free to the company will be of little value.
· A service guarantee forces a company to understand the where, when and how of its failures.

In a recorded interview (McCaskey, 2001) Ruth Hutchison, previous Business Quality Manager for Travel Inn who was champion for the 100 per cent guarantee scheme and who drove through its introduction said:

> This is about the long term resolution of our standards. In setting this super-ordinate goal we

have succeeded in energizing and focusing the whole company towards one vision.

This "Single Vision" is best illustrated via the Ashridge Mission Model (Campbell and Tawady, 1990). The four components of this are, on evidence presented, met by Travel Inn. They are:

(1) An inspirational definition as to what an organization is there for. "The UKs favourite place to stay". Unlike British Airway's now discredited claim to be "The World's Favourite Airline", this claim is sustainable. On an average night, some 17,000 people are sleeping in Travel Inns.
(2) The organization strategy in terms of its commercial logic, its distinctive competence, its positioning and its source of competitive advantage are seen as coherent and achievable.
(3) The policies and behavioural standards defining how managers and employees should behave are explicit, transparent and upheld via training and example.
(4) The beliefs that constitute an organisation's culture and underpin its management style inculcate a strategic logic for doing things, which are based on moral, and value-based reasons.

A strong sense of mission comes about when personal and organizational values match and when the four elements are closely knitted together, i.e. when they support and reinforce one another.

Hutchinson continued:

> "this is not about refunds; it is about a promise to deliver total satisfaction. This has been a real hearts and minds operation to be shared and won over at every level".

Support from contemporary marketing theory

de Chernatony (2001) proposed a move away from the traditional role of brand management with its inevitable tunnel vision towards the customer and his behaviour to one which fully recognizes the potential to be unlocked through staff teams brought on side through shared goals. He determines that today's business environment is one where marketing and brand management are more critical than ever before. He widens the argument calling for a more balanced perspective where the brand needs to be managed internally, to ensure that staff (the team) are energized and, through discussion, share a consensus on all issues pertaining to the brand and its values and are thus more able to support the promise made to the customer and to ensure the delivery of that

promise. The approach and findings illustrated here in this Travel Inn initiative would entirely endorse this.

Tilley (1999) developed a model for leadership brands establishing seven common factors or characteristics for these brands as the means by which they consistently and coherently deliver their promise. In an earlier paper McCaskey (2000) fully analysed Travel Inn against these criteria and found them to meet each. Listed are the seven factors against which Travel inns still pass muster.

(1) They influence the behaviour of their customers. Rather than follow rules and markets, they create them.
(2) They effectively create a meaning that is more than just a function of the product or service.
(3) Leadership brands embody meaning in all that they do.
(4) They are consistent and eloquent in every aspect of their communication, ensuring understanding.
(5) They are dynamic, constantly changing to meet new needs and remain relevant.
(6) Leadership brands have societal responsibilities... they hold beliefs, attitudes and behaviours which earn the respect of those outside.
(7) Their leadership is earned, not given.

Leadership branding permeates the whole organization; they are not just its label. They provide a living template of how to act, what to do for the best and how to move into the future. One has come to expect pathbreaking strategies from Whitbread, most of the rest are followers.

Conclusion

The results from the first 20-plus months of trading since the launch of the strategy have proved beyond doubt that this is the single-most successful strategy that the brand has implemented. As a result of introducing this strategy Travel Inn has reached new levels of customer satisfaction in the UK hotel industry, specifically but not exclusively within the budget sector of the market. It has also given Travel Inn a sustained competitive advantage with improvements across a number of specific commercial measures including profitability, occupancy levels and labour turnover. To date the results have been impressive and these include:

(1) In terms of customer satisfaction:
   • 19,000 incremental "loyal customers" per annum;
   • a 13 per cent decline in customers having problems;

   • when customers do encounter a problem more are now likely to bring it to Travel Inn's attention with over 50 per cent of customers who have a problem now telling us about it compared to just over 30 per cent before the launch of the guarantee; and
   • there has been a huge improvement in customer satisfaction with our complaint resolution processes, from 26 per cent satisfied to 44 per cent.

(2) In terms of product quality:
   • a number of brand fixes in the product that have led to fewer complaints; and
   • a £13 million investment in refurbishment for 2002/2003.

(3) In terms of commercial measures:
   • ROI of 238 per cent!
   • incremental PBIT in year one of £1.1 million, which is forecast to build to £3 million in year ten;
   • escalated complaints have reduced by 53 per cent in 2001/2002 like-for-like. This is the equivalent of reducing escalated complaints from 38 per week to 16 per week;
   • reduction in labour turnover from 76.5 per cent to 49.8 per cent in 2001/2002; and
   • occupancy operates at 92 per cent mid-week, at 77 per cent at the weekend (Sunday nights at best 50 per cent) giving a sector beating overall performance of 86 per cent. Average Achieved Room Rate (AARR) is as per the net rack-rate, as no discounts are contemplated.

During the preparation of this paper Travel Inn were immensely proud to win the prestigious "National Training Special Award for a Large Organisation". The award sponsored by Investors in People recognised that the communication skills and attitudes learnt and developed via the 100 per cent satisfaction guarantee were outstanding. A full copy of their press release is appended.

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Appendix. A Whitbread press release

Travel Inn scoop national training award

Travel Inn, the UKs No. 1 hotel chain scooped the prestigious "National Training Special Award for a Large Organisation" at a high-profile ceremony at London's Guildhall last night (3 December 2002).

The award, sponsored by Investors in People was presented by Rory Bremner and recognized the success of Travel Inns 100 per cent satisfaction guarantee. Travel Inn was the only company from the hospitality industry to be nominated for an award and beat off fierce competition from the likes of retail giants Safeway and Debenhams.

Travel Inn won the award for developing and implementing an excellent learning and training programme to support their 100 per cent satisfaction guarantee, ensuring that the pledge was deliverable to Travel Inn's annual 8 million customers. All of Travel Inn's 7,000 team members have participated in the learning and training programme.

With over 290 Travel Inns nationwide, the judges were impressed with Travel Inn's commitment to first class training methods to improve staff morale. Chris Humphries, Chairman of UK Skills commented when presenting the award that "Travel Inn demonstrated how important communication skills were in their business and what kind of attitude was needed to ensure high quality service" and added that the programme had "achieved outstanding results for Travel Inn".

The award was shared with the Merlin Development Company who worked in partnership with Travel Inn to implement the 100 per cent satisfaction guarantee learning and training programme.

Stuart Branch, Business Services Manager for Travel Inn, who was responsible for the training programme says: "we are absolutely over the moon to have won this award. We put together a fantastic learning and development programme and it has delivered outstanding results for our team members and our customers. To gain such prestigious external recognition for what we have done is the icing on the cake".

The 100 per cent satisfaction guarantee was launched in 2001 and is a first for the UK hotel industry.

Under the guarantee, if a customer staying at a Travel Inn is not 100 per cent satisfied with his or her stay then Travel Inn will refund the cost of their stay. The unique part of the guarantee is that there are no terms and conditions and customers are able to invoke the guarantee and receive their refund at the front desk.

Travel Inn previously won the regional final of the National Training Awards in Cambridge, held in November.

What makes hotel values in the UK? A hedonic valuation model

Sherif Roubi and
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The authors

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Abstract

The purpose of this paper is to develop a hedonic valuation model for hotel properties in the UK. Regression and hotel property transactions in the UK between 1996 and 2002 are used to estimate a value equation that predicts property values and reveals value drivers in the UK. Results are compared to a US study and are found to be similar. It was confirmed in both studies that physical facilities and local economic conditions are significant in explaining value and they both had positive relationship with sale prices. The size of the property, economic conditions, recreational facilities and year of sale explained 73 percent of hotel values where meeting and banqueting facilities, chain affiliation, food and beverage operations and location only explained 27 percent of total value.

Purpose and structure

This study looks at hotel property values in the UK. Its purpose is twofold. First, a hedonic valuation model for hotels is derived using a number of factors and, following, factors are ranked in terms of their relative value importance in explaining hotel values. A regression model will be used to estimate the hedonic value equation and beta coefficients will be used to determine the relative importance of the different value factors.

The study begins with a review of the different economic asset valuation models, problems and applications. Data collection methods and the sample characteristics for a UK hotel property database are examined. Then the hedonic valuation model and beta coefficients will be derived. The results of the analysis are then discussed comparing, where possible, UK and US trends of valuation models.

Review of valuation models

Valuation models exist to explain the relationship between tangible (e.g. size of the property and facilities) and intangible (e.g. chain affiliation) property characteristics to property asset values. At a general level, Corgel and deRoos (1993) classify economic asset valuation models into *ex-ante* (income-based) and *ex-post* (transaction-based) models.

Ex-ante models are based on the concept that buyers and sellers make decisions from forecasts about future incomes. Rule-of-thumb forms of these models are ratio-based and include income multipliers and capitalisation rates. Advanced forms of these models attempt to capture greater economic detail through "precise estimates" of future incomes and explicit recognition of buyer/seller behaviour (see, for example, Mellen, 1983; Rushmore, 1992a; deRoos and Rushmore, 1995, 1996). Discounted cash flows and simultaneous value equations are examples of these forms. *Ex-ante* models are particularly popular for hotel real estate valuation (Rushmore, 1984, 1992b; BAHA, 1993; deRoos and Rushmore, 1995; Rushmore and deRoos, 1999; Nilsson *et al.*, 2001) because the approach reflects an investment rationale and incorporates the strategies of typical buyers (Rushmore, 1984). Further, the approach gains support because historical financial data for a subject property or similar properties is available to facilitate cash flow predictions (Rushmore, 1984; deRoos and Rushmore, 1995). However, *ex-ante* models are not problem-free. For example, there exist technical problems when applying the same rates

of discount on positive and negative cash flows (Harti, 1990; Handorf and Sachlis, 1991) such as might be the case with new properties or distressed hotels. Further, discount rates should vary in relation to the amount of amortised debt as the less the outstanding debt the lower the risk and therefore the lower the discount rate (Clendenin, 1957; Gordon, 1962; Idem, 1962; Bauman, 1963; Chen, 1967; Ling, 1992; Skolnik, 1993).

Ex-post models are based on the idea that buyers and sellers make decisions from knowledge of recent transactions in the space and asset markets. Values for properties are derived through analysis of sale prices for similar properties. Prices of comparable properties are adjusted to reflect property characteristics, e.g. physical and location. The adjustment process is iterative and geared to answer the question: what would a comparable property have sold for if it had possessed identical characteristics with a subject property (Kinnard, 1971, p. 116)? The comparable property price can be adjusted downward or upward depending on its characteristics. Adjustments will depend on more than the physical characteristics but also include, for example, economic conditions and deal level details (e.g. type of financing). The literature distinguishes between "prices" market-based realised transactions and "value" which derives from valuation models. For the purpose of this article, however, the terms "price" and "value" are used interchangeably.

Originally developed by Rosen (1974) for commodities in general, Hedonic Valuation Models (HVMs) are advanced forms of *ex-post* models that estimate the marginal contributions or implicit prices of property characteristics to their total value by comparative analysis using past sale transactions. Individual property characteristics cannot be traded separately from the whole, hence the term "implicit prices" or as Rosen labelled them "interchangeably hedonic prices". "Econometrically, implicit prices are estimated by the first-step regression analysis (product price regressed on characteristics) in the construction of hedonic price indexes" (Rosen, 1974, p. 43). HVMs introduce a broad spectrum of physical and other asset characteristics and bring objectivity to transaction-based valuation methods (see, for example, Corgel and deRoos, 1992, 1993, 1994,1996). Problems in utilising *ex-post* models relate mainly to data availability. Imperfect comparative data sets merely obscure relationships between value and property characteristics (Barlowe, 1978). BAHA (1993) cautioned that this technique only has relevance as a benchmark value. It emphasised lack of data as a major

disadvantage. It also pointed out the need for information on knowledge of the volume of transactions and the need to include corporate deals to gain a full appreciation to property market value trends.

Corgel and deRoos (1993) constructed one example of an HVM for hotels. They utilised a database of 513 hotel sales data over the period 1985-1991. To obtain a value equation they regressed property cash equivalent sale prices i.e. sale prices were adjusted for non-market financing on a set of hotel property physical, locational, economic and time characteristics in order to arrive at the value equation. An innovation in this model was that the researchers derived and incorporated a proxy variable for the hotel intangible qualities. While the literature is rich with similar studies for many other real estate asset classes there appear to be no other published studies that explicitly incorporate an HVM for hotels.

However, there have been other studies that implicitly used HVMs for hotels in a variety of applications. For example, in an earlier work Corgel and deRoos (1992) used the HVM to construct an US Lodging Property Index (LPI) to examine changes in the prices of hotel properties over time. Corgel and deRoos (1994) also used HVM to examine buyers and sellers influence on sale prices. They revealed that individual investors regularly overpaid for the properties they bought and were particularly influenced by average daily rate (ADR) for hotel rooms. Further, that some vendors created considerable market distortion by ignoring the full value derived from a property's proximity to city centres and ADRs.

Corgel (1997) made an important step when he established the relationship between share prices and net asset values employing HVM. Applying the property valuation methods previously developed to the portfolio of publicly traded hotel real estate investment trusts (Felcor Suite Hotels and Jameson Inns) a comparison was made to their stock market valuation. This research showed that stock valuation exceeded property values.

Quan and Sehgal (2001) used the LPI developed by the American Hotel and Lodging Association and the Cornell University School of Hotel Administration's to compare performance across different property sectors. They compared lodging property investment return characteristics with other asset classes. This found that the lodging sector has respectable financial returns with relatively low volatility in comparison to US stock and bond markets. The rate of return for the US lodging sector has low correlations with other asset classes but also has small positive correlation with inflation. Hence, lodging properties provide

an opportunity for investment diversification and inflation hedging. Although LPI is appraisal-based, a transaction-based hedonic index constructed using HVM could also be used. In addition Corgel (2002a) used HVM parameters for to test whether hotel real estate has been adversely affected by the extraordinary events of September 11, 2001.

This review brings up a number of key points:

- HVM seems to be a very significant valuation approach and one worth developing for the UK hotel properties.
- HVM can be used for valuing single properties or for an entire portfolio.
- HVM can be used to establish the relationship between share prices and net asset values for investment purposes.
- HVM can be used in the construction of transaction-based property indices. So far, no hotel property index has been constructed for the UK. The tendency is to construct an appraisal-based index versus a hedonic transaction-based index. Given the benefits of the latter over the former as documented in the literature, would a hedonic hotel property index considered for the UK?
- A hedonic index has many applications in portfolio management and property cycle modelling.

The focus of this paper addresses the general issue of whether HVM can be applied to the UK hotel property market and, more specifically, if similar characteristics drive property values in the UK hotels to those in the US.

The data: the UK hotel property database

Over the period between 1996 to 2002 there were 332 extracted from the Caledonian Business School UK Hotel Property Database (HPD). The final sample size utilised in the analysis was 211. Of the transactions, 121 were omitted from consideration because either they had some missing data or the property had extraordinary characteristics (e.g. a golf course) to the rest of the sample. HPD data was collected from multiple sources and contains hotel property sales data in the UK from 1996 to 2002. Data include the property name, sale price, time of sale, location, buyers and sellers and their agents.

HPD contains data on property characteristics and economic indicators. For property characteristics, data was collected from tourist boards, individual property and hotel association registers and Websites. For economic data, the Office for National Statistics economic data was used and locations classified according to the Nomenclature of Units for Territorial Statistics (NUTS) hierarchical classification system. To make full use of NUTS, the database used NUTS2 (37 regions) Gross Domestic Product and Population data, while employment data was available at NUTS3 (133 regions). To combine these data sets and account for small towns/cities locations, property locations were digitised and superimposed onto NUTS maps using Geographic Information Systems software.

A major problem with HPD is that financing information for each deal is not available. This presents a major limitation on the analysis because the sale price used in modelling was not cash equivalent one: i.e. a sale price adjusted for non-market financing. Also, information about buyers and sellers is not available for all transactions. This presents another limitation since the inclusion of a measure of the influence of buyers and sellers was not possible. An assumption we had to make here is that these properties have not experienced major changes since they were sold.

Sample property characteristics

Tables I and II describe the major characteristics of the sample of the properties.

The average transaction price of the sample was £5 million. The largest deal in the sample was a property sold at £100 million. The total market capitalisation of the sample was £1 billion.

Of the propertys, 41 percent was within a mile from the city centre, 67 percent had substantial meeting and banqueting facilities and 69 percent had two restaurants. Over half of the property transactions recorded took place in 2000-2001, and over 80 percent from the beginning of January 1998.

There is a wide geographic spread of properties with representation from the north west of Scotland to the south east of England. The data set is large enough to develop an HVM application. However, its wide geographic spread, while allowing for a national overview may suffer when trying to establish variation either by region or by type of location. A further limitation is that it concentrates on smaller, independent properties. Another possible weakness is that the location spread does not conform to the Kleinwort Benson Research (KBR, 1995) categories. KBR (1995) has classified UK hotel locations into one major location (the city of London) and primary,

Table I Sample transaction prices and property sizes

	Mean	Median	Standard deviation	Percentiles 25	Percentiles 50	Percentiles 75
Transaction price (£)	4,970,066	750,000	13,665,514	425,000	750,000	1,750,000
Rooms (number)	51	21	75	12	21	50

Table II Overall statistical profile of the sample

	Frequency	(%)
Properties within one mile from nearest city centre	86	40.8
Properties within ten miles from the nearest airport	41	19.4
Chain affiliated properties	52	24.6
Properties with a health & fitness facilities	26	12.3
Properties with meeting and banquet facilities	141	66.8
Properties with at least one swimming pool	34	16.1
Properties with tennis as an amenity	10	4.7
Number of restaurants		
0	7	3.3
1	23	10.9
2	145	68.7
3	29	13.7
4	7	3.3
Year of sale		
1996	13	6.2
1997	26	12.3
1998	47	22.3
1999	51	24.2
2000	43	20.4
2001	31	14.7

secondary and tertiary locations depending on the levels of hotel concentration of quoted hotel companies. Properties in HPD tend to be small and located in secondary and tertiary locations. Another locational feature is that the majority of properties are located outside a 20-mile radius from the nearest airport. However, most of the properties are located within a ten-mile radius from the nearest city centre.

Developing the model

The HVM model is developed using regression where the transaction price is regressed on the different characteristics. The general form of the model can be expressed as:

$$S_i = s(P_i, L_i, E_i, T_i, u)$$

where, for a property "i":

P_i is a vector/set of property characteristics at the time of sale;

L_i is a vector of locational characteristics of the property;

E_i is a vector of economic characteristics, at the time of sale, of the local area where the property is situated;

T_i time of sale; and

u   error term.

Experiments with various functional forms revealed that the semi-log form provides the best fit of the data (Table III). Variances are adjusted using a heteroscedasticity consistent covariance matrix following White (1980). An examination of eigenvalues and the regression coefficient variance-decomposition matrix following Hair *et al.* (1995) revealed no adverse effects of multicollinearity on the model estimation.

Due to the small size of, and the variation in the sample it was difficult to adopt one of the traditional validation procedures such as the split-half or the *k*-fold. Instead, the bootstrap non-parametric regression was used following Effron and Tibshirani (1993). The sample was bootstrapped 500, 1,000 and 2,000 times using the same sample size of 211 each time. The results were similar to those of the original parametric regression. The bootstrap result demonstrated the stability of the parameter estimates over the different bootstrap simulated populations.

The estimated sale price equation is (*t*-statistics are calculated using heteroscedasticity standard errors):

LOG(S) = 5.0008 + 0.1692 CHN + 0.2034 MEET

     (29.25)**   (2.53)**   (4.61)**

+ 0.1668 TEN + 0.1561 POOL + 0.2350 HEALTH

    (1.43)   (2.47)**   (2.67)**

+ 0.0637 REST1 + 0.0644 REST2 + 0.0756 REST3

    (0.45)   (0.46)   (0.49)

− 0.0379 REST4 + 0.0038 ROOM + 1E − 7EMP

    (0.17)   (5.92)**   (0.32)

+ 1.2E − 5GDPC − 0.0256 AIR + 0.1133 CITY

    (2.66)**   (0.44)   (2.28)*

+ 0.1159 Y97 + 0.2306 Y98 + 0.3104 Y99

    (1.09)**   (2.21)*   (2.93)**

+ 0.2389 Y00 + 0.4350 Y01

    (2.19)*   (3.48)

N = 211, R^2ADJ = 0.794, SEE = 0.2812,

Mean LOG(S) = 6.03, F = 43.68**, d = 2.184;

* Significant at 0.05 level; ** Significant at 0.01 level.

See Table III for explanation of terms.

Table III Codes and description of variables

Variable code	Description
EMP	Number of employed persons in the area (NUTS3) during the year of sale
GDPC	Gross domestic product per capita in the area (NUTS2) during the year of sale
AIR[a]	Properties located within ten miles from the nearest airport
CITY[a]	Properties located within one mile from the nearest city centre
S	Transaction price
MEET[a]	Properties with meeting and banquet facilities
REST1-N[a]	Properties with one or more food and beverage operations
CHN[a]	Affiliation with a major hotel chain
HEALTH[a]	Properties with a health and fitness facilities
POOL[a]	Properties with at least one swimming pool
ROOM	Number of rooms
TEN[a]	Properties with tennis as an amenity
Y96-01[a]	Year of sale

Note: [a]=Dummy variable

Discussion

The initial expectation about the estimated equation parameters for the physical characteristics of the properties is that they are significant and bare positive signs. That proved to be true for the size of the property as expressed by the number of rooms, and the availability of meeting and banquet facilities, swimming pool as an amenity, and health and fitness facilities. A tennis court as an amenity and the number of restaurant up to three although they had positive signs, were insignificant. The provision of a fourth restaurant was both insignificant and had a negative sign.

It was expected that similar significant positive relations for the locational characteristics would exist. That proved to be true for proximity to the city centre. This finding supports Corgel and deRoos (1993) results for the US. However, airport proximity was unimportant in both this study and Corgel and deRoos (1993).

It is vital to realise the importance of local economic conditions. The variables gross domestic product *per capita* and the number of the employed persons in the area were both positive and significant. Corgel and deRoos (1993) found the same results although their economic variables were slightly different.
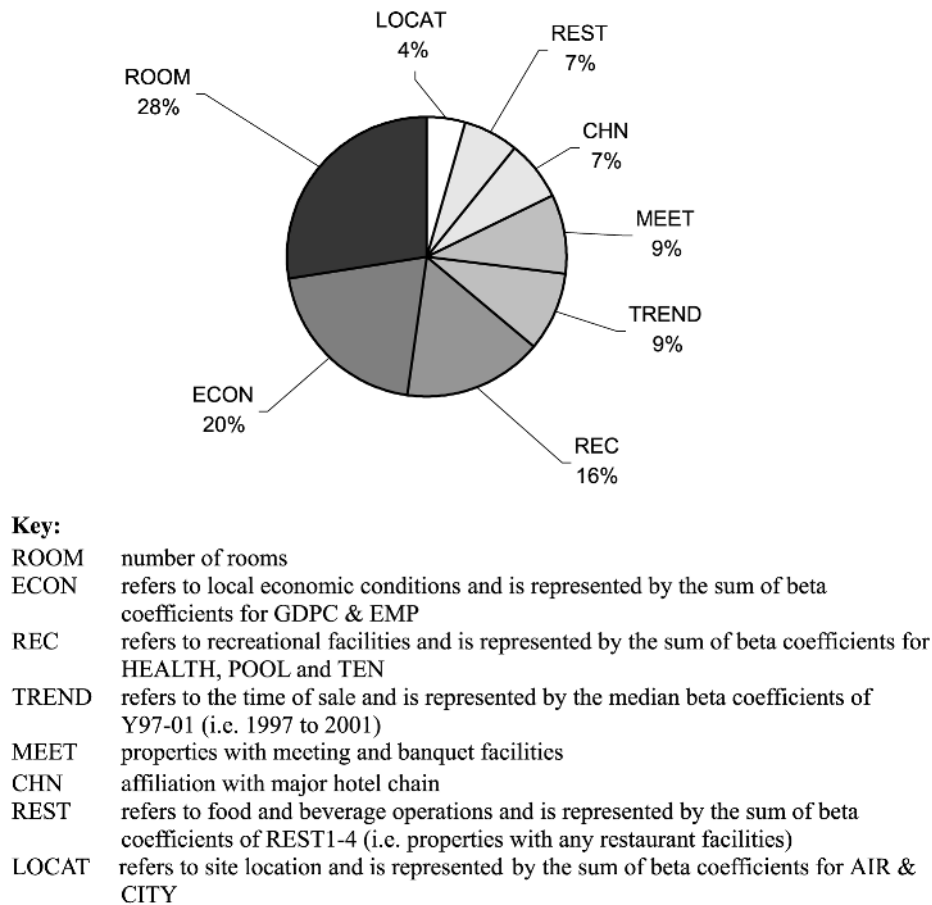
Affiliation of property was also significant and bore a positive sign. This result was entirely the opposite of what Corgel and deRoos (1993) obtained in their US research.

Timing of sales showed some interesting results. All years bore positive signs. They were all significant, apart from 2001. On the one hand results could be reasonably explained for the period 1996-1999 which was marked by expansion in the property cycle (Dewbury, 2000). Negative and significant signs could be expected that for the period between 2000-2001 due to the declining economic conditions exacerbated by effects of the foot-and-mouth disease and the consequences of September 11. The fact that values did not slump full bore out Corgel's (2002) post September 11, 2001 analysis on the effects of recession and New York terrorism on US hotel property values. Corgel suggested that declines of revenues in the space market (i.e. average room rates and occupancies) do not immediately and proportionally affect property values.

In order to rank the different factors according to their relative contribution to value, unstandardised coefficients cannot be used, or in other words like-with-like comparisons cannot be done. Standardised coefficients or beta coefficients can be used instead. Beta coefficients measure the change in the dependent variable (measured in standard deviations) that results from a one-standard-deviation change in the independent variables. This eliminates the non-scaling uniformity problem between the different unstandardised coefficients/implicit prices. Further, betas were normalised to add up to one. Reported beta coefficients are illustrated in Figure 1.

The results of the analysis first highlight the importance of accommodation capacity (rooms) as a determinant of property value. The importance of local economic conditions cannot be minimised in determining property value. Within the factors shown in Figure 1 local economic conditions score as second most important as they reflect on the performance of hotel properties. This result supports Corgel's (2002b) proposition and findings regarding hotel investments being only as good as their local markets. This can be compared to the sixth most important factor: the site location factor (here taken as proximity to city centres and airports) which are given considerable weight in less rigorous analysis of the industry trends. Perhaps the oft quoted notion of "location, location and location" for hotel success could be expanded into: location (prosperity of the area); location (general access to tourism business/commerce and travel infrastructure) and location (immediate proximity

Figure 1 Factors relative contribution to value

Key:

ROOM	number of rooms
ECON	refers to local economic conditions and is represented by the sum of beta coefficients for GDPC & EMP
REC	refers to recreational facilities and is represented by the sum of beta coefficients for HEALTH, POOL and TEN
TREND	refers to the time of sale and is represented by the median beta coefficients of Y97-01 (i.e. 1997 to 2001)
MEET	properties with meeting and banquet facilities
CHN	affiliation with major hotel chain
REST	refers to food and beverage operations and is represented by the sum of beta coefficients of REST1-4 (i.e. properties with any restaurant facilities)
LOCAT	refers to site location and is represented by the sum of beta coefficients for AIR & CITY

to facilities and positioning in the local environment) for hotel property valuation. Recreational facilities rank third.

The year sold was the fourth most important factor. This is both interesting in itself, and when taken in relation to its predecessor in the ranking (local economic conditions expressed in GDP *per capita* and employment). For, taken together, these weightings lend substance to the view that the timing of property purchases/sales has significant influence on the deal price achieved. While conventional wisdom often emphasises the importance of national factors driving property values (e.g. inflation, employment and interest rates) these rankings again stress the need to bear local/regional trends into account. Meeting rooms ranks as fourth equal in importance. This indicates the importance of hotels as locations for business activity.

Chain affiliation ranks fifth. Hanson's (1991) cited Corgel (2002b) empirical research showed no relationship between returns [hence hotel values] and combinations of affiliation and management. The results indicate that the power of chains and brands – however strong or weak – in adding value to property assets. Restaurant provision ranks fifth equal. The lower emphasis given to this element advises of the folly of providing highly sophisticated food and beverage facilities as a means of adding to property value. This could be related to the perceived poor profitability of these operations. It is worth noting here that the contribution of the fourth restaurant to this factor was minimal (less than 1 percent).

Conclusion

This work has successfully developed an HVM for hotel property in the UK. It has managed to achieve this with a relatively small sample. Moreover, through the use of beta coefficients, a ranking of eight significant factors has been developed. While this represents a significant development in analysis of the UK hotel sector, there are limitations to the research.

Sample size is still small and needs to be developed. This will occur as the HPD grows over the future. There will also be desire to include data by locational types. More chain property transactions will also be added to the database.

The study revealed many similarities between the UK and the US in the direction and the significance of the relationship between hotel property prices and a multiplicity of value drivers. Only the provision of a third and fourth restaurant, and chain affiliation were the source of disagreement. Apparently, the larger scale of the US consumer market supported the provision of a third and fourth restaurant. Another possible explanation may be attributed to the differences in the sample profiles used in the two studies. The differences in the sample profiles may have led to the chain affiliation becoming positive and significant for the UK but not for the US. For example, independent hotels in the US sample could have been larger and more powerful than those included in the UK sample.

Finally, much work remains determining hotel property value cycles. The database will be expanded to allow models in this area to be formulated.

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Who's kicking whom? Employees' orientations to work

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Abstract

Despite the renowned poor employment practices across the hospitality industry recent analysis of the Workplace Industrial Relations Survey reported higher levels of job satisfaction among hospitality employees than those in other industries. This paper presents a collective case study of hospitality employees across four small independent restaurants to shed light onto why this situation might exist. The paper discusses the influence an employee's orientation to work has and demonstrates how orientations underpin individual attitudes and behaviour. In presenting four different orientations to work, how individuals manage work and life for personal satisfaction and gain, is illustrated. Indeed, this individualistic ideology contributes to the levels of job satisfaction reported.

Introduction

The employment relationship in the hospitality industry (HI) is renowned for direct control and a cost focused approach to management (see, for example, Kelliher and Johnson, 1997; Lucas, 1996; Price, 1994; Wood, 1992). This scenario was recently confirmed by Lucas's (2002) analysis of the Workplace Employment Relations Survey (WERS98) (Cully *et al.*, 1999). However, when comparing the "fragments of HRM" (Human Resource Management) within the HI with all other industries and services (AIS) her analysis revealed that HI employees rated employment relations more favourably than their AIS counterparts. Higher levels of job satisfaction were also reported. These surprising results led Lucas to ask why "Put crudely, HI employees are kicked harder than their AIS counterparts, but actually enjoy being kicked hard". The objective of this paper is to address the question Lucas attached to this statement. Do HI employees enjoy being kicked? And if so why?

In addressing the questions, the paper presents a collective case study of hospitality employees across four small independent restaurants. The research addressed the personal nature of employment in these firms from a social action perspective. It considered that the methodological constraints of previous studies had not been able to show the diverse picture of the employment relationship in hospitality, as survey data and works underpinned by labour process analysis focus on management and control within the workplace, ignoring the personal life influences of individuals. The social action approach allows the personal element to emerge by questioning who the principle actors are, what they are trying to achieve, what involvement or attachments they bring to the organization, and what strategies they use to achieve their goals or ends (Silverman, 1994). As Silverman's earlier work suggested we cannot understand the behaviour and attitudes of organisational members unless we understand the nature of their involvement with the firm (Silverman, 1970). By discussing employment from the starting point of the employee's orientation to work, this paper presents the reality of multiple goals and competing groups, hence giving meaning to Lucas's surprising, and somewhat irrational, findings.

To achieve this, the paper is structured into four sections. First, the employment relationship in the small hospitality firm is explored followed by a discussion on orientations to work. Next, we introduce the reader to the case study material and the methods used in the study. Then, four alternate orientations to work are presented,

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instrumental, craft, solidaristic and professional, highlighting the influence an employee's orientation has and exploring why they rate employment relations favourably and report higher levels of job satisfaction. Finally, the paper questions whether the management and owners of hospitality organisations are the only ones doing the kicking.

The employment relationship in the small hospitality firm

Although a number of recent works have highlighted the possibility of more progressive practices within larger and quality focused establishments (see Hoque, 2000; Kelliher and Perrett, 2001) the hospitality sector is regularly considered a "Black Hole" (Guest and Conway, 1999) or "Bleak House" (Sissons, 1993) employer, where a lack of progressive HRM practices and limited Trade Union recognition leads to a situation of employees being treated in an unfair and arbitrary way (Guest and Conway, 1999). The predominance of small firms within the sector only heightens the emphasis on management control, as the concept of proprietorial prerogative has become a common feature in the small firm literature (for example, see Lucas, 1996; Marlow, 1997). Indeed, Rainnie (1989, p. 7) highlighted that "small isn't beautiful" in terms of industrial relations when stating, "We have then a mounting body of evidence pointing to the fact small is brutal, not beautiful". Hence, Lucas's (2002) questions echo those raised across the small firm and general management literature (see Barrett and Rainnie, 2002; Goss, 1991; Guest and Conway, 1999; Rainnie, 1989; Sisson, 1993). Questioning the satisfaction reported by employees in these firms is not new. However, the generalisations made across "black hole" firms, along with an absence of research in this area, has led to an ignorance of what actually goes on in these firms (Guest and Conway, 1999; Sisson, 1993).

The answer to why employees within the hospitality sector, or other black hole workplaces, express satisfaction at work has been hypothesized by a number of studies; Lucas (1995) and Kitching (1997) discussed the importance of the social aspects of hospitality work, whereas the constraints of the labour market provided the focus for Ram *et al.* (2001). However, these works fail to adequately capture the variety of behaviours described within the current case study. The strategies and reasons presented here are highly personal, suggesting diversity, rather than a homogenous workforce. The concept of

orientation to work is thus considered useful. Orientation, incorporating the individual's priorities, motivations and context, allows for the totality of an individual's situation to be considered and allows influential personal factors a voice. The following section explores the concept of orientation to work further. Presented in the 1960s to explain the attitudes and behaviours of employees, the concept formed the basis for the harmonious view of industrial relations in the small firm as orientation to work was said to cause individual self-selection to the small firm sector (see Ingham, 1970). Subsequently, the concept has been the subject of much debate and discussion, particularly surrounding its limitations.

An employee's orientation to work

Goldthorpe *et al.*'s (1968, p. 1) Affluent Worker study reported an account of the attitudes and behaviours of a sample of manual workers, to explain "a particular orientation to work". The orientation relied on the meaning work had to an individual based on the expectations they brought to the workplace. The "instrumental" orientation of the manual workers was reflected through other aspects at work, for example low involvement with co-workers and the lack of importance attributed to group membership. In total Goldthorpe *et al.* (1968) presented three orientations to work; instrumental, solidaristic and bureaucratic. Instrumental employees viewed work as a means to an end, external to the work situation, whereas the bureaucratically orientated employees saw service to an organization in return for steadily increasing income and social status, along with long-term security. The solidaristically orientated employee experienced work not simply as a means to an end but also as a group activity, where economic returns from work were likely to be sacrificed when maximising behaviour would offend group norms and threaten group solidarity.

The orientation to work thesis and the small firm has had a tempestuous relationship since Ingham's (1970) work on the size of industrial organization and worker behaviour. The work formed a basis for the harmonious view of industrial relations presented by the Bolton Report (1971) as employees were said to trade off economic rewards for the intrinsic factors gained through employment in the smaller enterprise. Subsequent debates followed the line of use, or abuse of the term "orientation to work" (Brown, 1992). Orientation was said to give direction to an individual's life though this was not just within the workplace as "Orientations relate to all aspects of peoples lives...orientations to work are enmeshed

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in the totality of social experience, both at work and outside" (Blackburn and Mann, 1979, p. 242).

The concept of orientation to work has been strongly critiqued, as to whether it was a fixed or variable concept, based within the workplace or wider social structures. However, its main weakness is considered to be its neglect of structure (Brown, 1992). Indeed, Silverman (1970), whose work "The Theory of Organizations" highlighted the importance of social action, reviewed the approach in 1994 as individualistic and romantic (Silverman, 1994). The neglect of the network of social relations in which the actor is involved, and wider structural constraints have, however, been addressed in later works and it is from these that the construct is developed within this paper. Here, an orientation to work "Arises from the interplay of their (the persons) personal priorities or meanings and the structural contexts in which they find themselves" (Watson, 1994, p. 72). Hence, an employees orientation is not static, employees "life circumstances and the specific circumstances prevailing in the work situation influence what they are looking for and what they expect to get" (Watson, 1994, p. 62).

A case study of hospitality employees

With the exception of multiples and brewery managed outlets The Bolton Report (1971) categorized all firms in the hospitality sector as "small" and this definition has been supported more recently by Curran and Blackburn (2001). Indeed, 99.8 per cent of businesses within the industry are included under the DTI definition of small or medium sized enterprise (SME)[1]. The firms from which the case study of hospitality employees is drawn reflect this, being single site restaurants, varying from six to 22 employees.

The work from which this paper is developed focused on the link between orientation to work, business strategy, the employment relationship, and firm performance. Four firms were followed from October 1999 for a period of four to 15 months. Interviews took place every eight to 12 weeks with owners and employees. In-depth interviews were the main research method, however, participant observation also took place and the firm's owners completed diaries tracking arising employment issues. Semi-structured in nature, the initial interview questions focused on the background of the participants, their work, and lives. Critical incidents from the owners diaries were then discussed along with common themes from across the firms. This structure, or lack of it, allowed subjects to be explored in depth and

provided the flexibility to cover more unexpected areas, along with issues relevant only to a specific participant.

The research participants: a brief introduction

In total 24 formal interviews took place, lasting 40 minutes to three-and-a-half hours, with employees between the ages of 18 and 47 years. The sample covered a wide range of roles including full-time and part-time, kitchen and restaurant staff and length of service varied from three weeks to eight years. Some individuals were interviewed only once, whereas others on more than one occasion. The employees' backgrounds varied from students to career individuals; some worked part time to fit in with family arrangements, others were friends or family of the firm's owners. This range of employees was important as it allowed the study to consider all employees that worked within these firms, not just a specific group of individuals. It also led to the identification of a number of different orientations to work held by hospitality employees.

The instrumentally orientated employee

The instrumentally orientated employees viewed work as a means to an end; they worked to support a specific lifestyle outside of the workplace. A large percentage of the front-of-house staff were instrumentally orientated, however, the lifestyle they looked to support varied with the nature of their instrumentality. Jenny, a part-time waitress, presented the difference well when she stated there were "long term people and short term people, mainly depending on what they are doing with the rest of their lives really". Short-term instrumentally orientated staff were looking to supplement an existing income or save for a specific event, for example a wedding. Once the event had happened or the situation resolved itself these employees left the firm. A good example of this type of employee was Hillary, a full-time estate agent who had found herself in a tight financial situation. She'd, "Got divorced, still stayed in the cottage, bills etc. needed to supplement my income, so just saw an advert and came along and started in a couple of days" she'd work at the restaurant "until I sell my house or my partner sells his and we move west".

The long-term instrumentally orientated staff were divided into two groups. First, there were the part-time employees for whom this was their sole employment, usually women with young children such as Sharon who had needed a flexible solution.

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Having left her full-time job due to her daughter's illness she'd looked to "find something to fit in at weekends when my husband's at home". However, flexible work had not been easy to find:

> It was three months before I found this job, it took a lot of looking for as well, cause I had to have somewhere local where I could get to easy, and it had to be weekend work and not week work with my husband working fortnightly days and then nights.

The second group of long-term instrumental employees were well represented by students working part-time for an income. Here, convenience and flexibility were important as Claire mentioned, "It's relaxed and easy and it's just up the road from where I live". This group of employees were highly motivated by extrinsic rewards, indeed many emphasised, "The way the tips work makes it all worthwhile money wise", or "You wouldn't be doing this if you weren't getting the tips". As Claire commented, "a similar paid job" could be obtained elsewhere however, "the main reason I do work here is because tips are so good". For these instrumental employees exit decisions were taken when the specific reason for working had resolved itself, more profitable work was found, or the effort required from the workplace was seen as too much.

The craft orientated employee
The craft orientated employees viewed work as an end in itself; they attached importance to preserving craft skills and maintaining prestige and reputation. Individual identity was intimately bound with the workplace, hence, work formed the basis of the employees existence. A number of employees fell within this category, both chefs and front-of-house staff. Simon, a full time waiter, represents the group well. Previously employed as a restaurant manager in an independent four-star hotel, the business was subject to a take over. As he mentioned in our first interview, "it was a bit worrying whether they would turn it into a Tavern Table type of place, which is not what I'm interested in really". The focus on cost and bottom line profits at the expense of craft was not appealing. Thinking about "moving on" he approached a senior manager:

> I told him that I was thinking of moving on and the week after he came and said; "actually I've not told anybody but I've been looking at a place that I want to buy…would you be interested in coming to work for me?"

Although no longer a restaurant manager Simon mentioned, "It's going back almost to how we were… very friendly and personal, looking after the customers". Others commented on a similar scenario for example, Lee's previous workplace

had been sold to a new family who had no prior catering experience and viewed the enterprise instrumentally. He commented on the negative impact of subsequent changes on his reputation and self-esteem:

> There are plenty of customers that don't particularly like the changes. So when the customers start noticing, I worked there so you start getting brought down with it. If it's going down, you're going with it. Well, let's jump off the boat before it sinks. So you don't want to take yourself with it.

For these craft orientated employees identity and work were clearly entwined.

The solidaristically orientated employee
"It's a really good buzz" was how Tom, a solidaristically orientated employee, viewed working. Work was not simply a means to an end, group activity and social relationships were emotionally rewarding. These employee's lives and work were so tightly bound that their out of work existence was based on work relationships. Reflecting Lucas (1995) and Kitching (1997) discussions of hospitality employees, for these employees it was the social side of work that kept them employed at specific establishments. As Tom, highlighted his "social life" was "attached to work", living on the premises enhanced this with regular "beers", "takeaways" and "computer games" after work. The social element between staff was not the only attraction as often workplace romances were established (across the four firms three such relationships existed) and the social interaction of work itself was important.

This social orientation to work often extended to a particular group of part time employees, as Lindsay mentioned "getting on really well" with the group was important, work was "good fun", even on their day off staff met and went out together. Indeed, the owner of one establishment commented that nearly all of the waitresses knew one another outside of work as they attended the same college, and a Friday or Saturday night was like a "mothers meeting" or "gossiptastic", as he commented, "I know all about fashion and haircuts and what they did on Friday night. I'm like shut up, you see one another every day".

The professionally orientated employee
The professionally orientated employees viewed work as a mechanism for self-development and part of a career path. Each job was under constant revision in line with progressive economic and status advancement. This view is quite commonly associated with chefs and their careers in the industry. Change and self-development are central to this orientation in line with developing work-

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based skills for career development. This was emphasised when Nick and I discussed his employment history, he presented it as the acquisition of a portfolio of skills. When he had "done everything", "knew everything" he "got itchy feet" and moved on:

> Started off at (place 1) then I went on to a place up the road which was a health hydro called (place 2). I just thought it was a different side of looking at things, learn a bit about health foods…Then from there, I was working there for six months and a boss from a bigger company which ran the same company, they ran (place 2) as well but they've got a place called (place 3), he saw me and said that he wanted me to go up and work for him, quite a famous chef. I went and worked for him for nine months, got itchy feet, thought I'd done everything, thought I knew everything. Then went to a four star hotel in (place name) got two rosettes as well. Worked there for a year, from there, moved then to a little country pub called the (place 5) and then I didn't know what I wanted to do so I did a bit of agency work, didn't like that at all, and then I found here, I've been here since.

In considering his next move, it would need to be somewhere better, ideally "somewhere with a Michelin star, or a couple of Michelin stars maybe".

The influence of orientations to work

This paper has so far presented four orientations to work held by employees within small hospitality firms. The orientations to work held by employees have not been firm exclusive, although, as Curran and Stanworth (1979) discuss, the owners were not indifferent to the type of worker they employed through the recruitment and selection process. However, it was through the recruitment and selection process that individuals were able to access the fit between their orientation to work and the establishment.

Orientations to work and organisational fit

Informal recruitment practices are common within the HI (Carroll et al., 1999; Price, 1994) and the employees within this study made use of the informality as the discussion below highlights. The professionally orientated employees were keen to target specific firms that could enhance their CV's or skills. As Nick emphasised when we discussed how he obtained his current position:

> I was reading a magazine to do with catering, not the *Hotel and Caterer*, but I was reading a, it was the *Hampshire Life Magazine* I think, this place was in there, it showed what sort of style of food they did, so I rang up and asked.

The solidaristic and instrumental employees also used informal channels to obtain work. Working at

an establishment with friends and family was important to the solidaristic employees hence recommendations for new staff members were common. As Tom mentioned about the establishment in which he worked, "Trish is his [the owner's] half sister and Kim lives in the village. There's Hannah who's Trish's friend, Jessica is Trish's friend". Other employees were long-term friends of the owners, such as Lindsay who had "popped on down" when the business opened. Having been asked, "can you work?" she'd said; "'yes, it's been like that ever since". The instrumental employees interested in economic gain for minimum effort found certain local establishments had reputations among their peers for being flexible, well paying employers. These employees tended to be self-recruiting in securing work, as Jenny mentioned:

> I needed a new job with better hours cause I was working at the weekend. Although that has its benefits it's blocking up my evenings and stuff. I had a couple of friends who worked here, they said just go and see [owner's name] and that was it, really easy actually.

Employees soon found out if they had taken employment in unsuitable establishments, those that did not fit with the expectations of their orientation. When this happened early exit decisions were taken.

Often employees' exit decisions left the owners questioning the individuals' reasoning. As one owner told me, it was "not as if they are moving on to something better":

> It doesn't matter what they do, you know, like the barman who was here. He was working, doing the bar, doing the orders, learning how to, you know, liaising with customers and all that sort of thing. He now does, I think he does teas and coffees in a canteen. It doesn't bother him that he's doing that. The fact he finished work at four.

Orientation and commitment to the self

Across all four orientations commonality between the employees could be identified. Commitment was not towards the business, but to the self, influencing the decisions they made, as well as their responses to working practices. An individualistic ideology guided behaviour, attitudes, and decision-making. Indeed, unlike Lucas (1996) who attributes poor practices to "unbridled individualism" this paper contends that this individualistic ideology contributes to the reported levels of satisfaction reported by her study.

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The employment relationship was about managing work and life for personal satisfaction and gain. For example, for the instrumental employees work was not perceived as something you had to do but something you did when it suited you. This was highlighted across the firms and illustrated well by Jenny when she mentioned she worked "when [the owner] needs me or I need [the owner]". Instrumental employees often chose when to work, when other aspects of life or social activity increased part-time work at the restaurant was put on hold.

This individualistic nature, although not immediately associated with the craft or solidaristically orientated employees, became apparent over the research period as factors such as life cycle, family, social systems, as well as the orientation and behaviour of others influenced individuals attitudes and behaviours. The dynamic nature of orientations was seen on a number of occasions. For example, in our first interview Simon had emphasised his craft orientation, work for him was about "going back... to how we were" and focusing on craft skills and a quality service. Over a ten-month period his hours of work rose in line with business growth from 50 to approximately 70 hours a week. However, this interfered with personal relationships: "It's just got too much for me and my girlfriend we never see one another, we live together, but it's just six days, twelve hours a day, it's coming between us". The personal situation created a trade off and Simon became more instrumentally orientated towards work, eventually taking alternative employment. This re-orientation, seen a number of times with employees, highlighted the importance of personal priorities and their influence in the workplace.
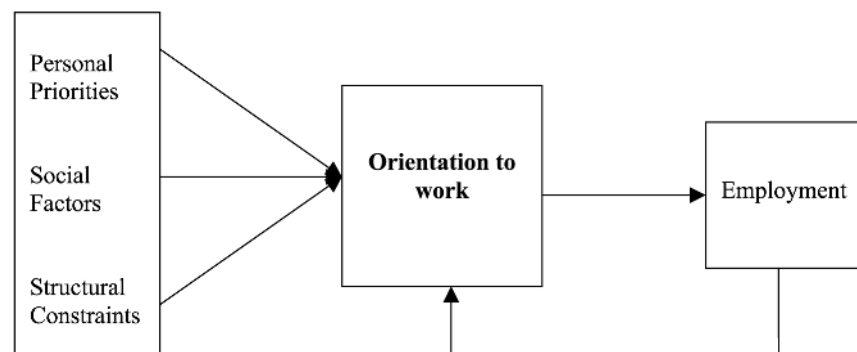
Who's doing the kicking?

The objective of this paper was to address why hospitality employees rated their employment relations situation favourably, given that the sector is renowned for its lack of good employment practice (Price, 1994). The concept of orientation to work has shed light on why employees, situated in "black hole" workplaces, express surprising levels of job satisfaction. The nature of these individuals' involvement with the organisation is highly personal, as Figure 1 shows, their personal priorities, social factors and the structural constraint in which they find themselves lead to a certain orientation to work. Orientation acts as a driver to an individuals attitudes and behaviour.

Employees within this study held varied reasons as to why they chose to work in these particular small enterprises, each holding their own implications for management. Clear patterns of behaviour emerged which were underpinned by the individuals' orientation to work. However, the dominant factor across all the employees' orientations was an individualistic ideology. These small firm employees exhibited high levels of control over their employment relationship, hence producing satisfaction with their situation.

This paper has presented work on the small firm employee yet the orientations to work held by these individuals show a close alignment to the orientations of Goldthorpe et al. (1968, pp. 38-41) and those discussed in other studies, for example Watson's (1994, chapters 2 and 3) "In Search of Management". Hence, it could be concluded that the orientations to work witnessed within this study are not exclusive to small firm employees. Orientation to work, as a concept, is applicable to any individual, whether a member of a large or small organization, based in manufacturing or the service sector, yet this work is based in the small restaurant sector and further work should be done to consider other contexts. However, what we do need to recognise and accept, is that individuals are seeking something from work which may not be to the organisations benefit, hence to enhance our knowledge of the employment issues we need to explore the employees' perspective more often.

Figure 1 An employees orientation to work

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Indeed, what this paper clearly shows is that the hospitality sector is used by employees to their advantage, both in terms of their personal priorities and the structural contexts in which they find themselves.

Note

1 The DTI definition of SME relates to the number of employees. Small firms have up to 25 employees whereas medium sized firms have 25 to 250 employees.

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Questioning the myth of the Chinese learner

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Abstract

This paper considers the learning, teaching and assessment preferences of the Chinese learner in the context of distance learning. To do this a literature search of the teaching, learning and assessment preferences of Chinese students was conducted. The search indicated that there are several possible differences. These are that Chinese students are rote learners who have distinct preferences for certain methods of teaching, learning and assessment, and have a different view of the role of the teacher. In order to test this, a qualitative questionnaire covering these issues was completed by 25 Hong Kong Chinese students who are studying distance learning courses offered at the School of Sport and Leisure Management, Sheffield Hallam University. From the research the paper concludes that there are educational differences that must be addressed if Chinese students are to reach their full potential on distance learning courses offered by UK universities.

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Introduction

It is the aim of the paper to investigate the influence of Chinese national culture on preferences for teaching, learning and assessment in the specific context of distance learning courses offered in Hong Kong by the School of Sport and Leisure Management. Teaching and learning takes place through the use of self-directed study packs and study schools that are held in Hong Kong. The purpose of the study schools is to introduce students to studying at University, the individual units and to the assessment package for the taught units. Away from the study schools contact between students and tutors takes place by e-mail, fax and telephone on a needs basis.

To achieve its aim, the paper has two broad objectives. The first is to determine possible differences in teaching, learning and assessment preferences within the Chinese culture. The second is to consider the impact of Chinese culture on teaching, learning and assessment strategies operated within the course.

The main sources of information used in the paper are the literature and a questionnaire that produced both quantitative and qualitative information concerning the teaching, assessment and learning preferences of Chinese students undertaking Sheffield Hallam University's courses in Hong Kong.

Chinese culture

In the literature, Chinese culture is used as a term to encompass all cultural values held by Chinese people regardless of where they live, that is, people from Hong Kong, Taiwan, Singapore and Mainland China all share the same culture (Fan, 2000). Fan (2000) acknowledges that there are great social, political and economic differences between the Chinese nations but also states that there are core values that are unique and consistent that have been shaped by years of history. It is these core values that determine Chinese national culture. This view is fairly consistent throughout the literature; little or no attempt is made to differentiate the different Chinese nationalities.

At the heart of these core values is Confucianism. Confucianism is a behavioural and moral doctrine that is based on the teachings of Confucius. Confucianism spells out rules for each level of the human interaction. It is argued that these rules of behaviour are instilled into Chinese children even though there may be no direct reference to a Confucian texts (Crookes and Thomas, 1998). These rules impact on education and the learning, teaching and assessment

preferences of Chinese students. From this it may be reasonable to suggest that a "purely" western course such as that offered by the School of Sport and Leisure Management that is transplanted into a Chinese setting without modification may be troubled with cultural problems.

Possible differences in Chinese educational preferences

In this section the paper will deal with possible cultural differences in preferred forms of teaching, learning, and assessment.

The following are some of the main differences that have been identified. These areas are specifically covered by the Hong Kong student questionnaire, the results of this will be dealt with separately using the same headings in the research section of the paper.

Curriculum content

Different academic disciplines in the Chinese culture have been categorised as "hard" or "soft" (Corder, 1990). Hard subjects emphasise rigorous scientific thinking; soft subjects are intuitive and subjective. Asian management education tends to concentrate on hard subjects, for example Finance and Operational Management. Soft subjects such as Human Resource Management and Organisational Behaviour are regarded as much less relevant. They are common sense and down market from "useful" subjects such as Accounting and Marketing. Chow (1995) corroborates this, she states that Chinese students prefer practical subjects.

The outcome of this may be that some aspects of Western curriculum content do not fit Chinese needs and culture. An example of the difficulty that subjects such as organisational behaviour may cause would be in the area of assertiveness training that would conflict with concepts of power distance, i.e. the extent to which society will accept differences between the lowest and the highest, and face. Chinese learners may also reject Western management ideas on topics such as leadership attributes. The Chinese would be expected to respect legitimate authority based on age and position and may discount concepts regarding attributes of leaders (Berrell et al., 2001).

There is no view within the literature that is contrary to this.

Teaching and learning strategies

The predominant view in the literature is that Chinese students prefer passive teaching methods such as lectures, demonstrations, handouts, displays, films and videos. Experiential exercises, case studies, role-play and simulations belong to participative teaching methods and are least preferred (Chow, 1995). Problem solving, explorative teaching methods employed in the West would not fit with the Confucian derived preference for rote learning (Thompson and Gui, 2000). Maxwell et al. (2000) when researching the previous learning experiences of Chinese students found that this experience had been that of mainly passive and content based teaching.

While most of the literature supports the conventional view of Chinese preferred learning, it is highly contradictory in parts. For example, Berrell et al. (2001) state that case studies may be adapted for use in high context cultures, i.e. those cultures that are thought to obtain information from personal networks such as Hong Kong. While it is generally agreed that more active learning may be difficult to employ, there are papers that explain how these learning strategies may be used. Crookes and Thomas (1998) state how problem-solving techniques may be adapted for use with Chinese students. Similarly, group work can work well with Chinese students but may need to be structured differently than it would be with British students. Normally, Chinese students would work in groups of two and would come to the front of the class to explain what they have learnt. Tang (1996) says that Chinese students will work collaboratively but may prefer to do it informally outside of class as part of their learning process.

The role of the teacher/lecturer

The teacher is regarded as all knowing and is the sole provider of knowledge. Chinese learners have been brought up to respect knowledge and wisdom, as part of their cultural upbringing they have been socialised to respect teachers and those who provide them with knowledge (Chan, 1999). Due to high power distance the teacher is held in great respect, students would regard it as disrespectful to ask questions in class. These authority relationships between students and lecturers reflect Confucianism and the high power distance in Chinese culture (Chan, 1999; Dimmock and Walker, 1998).

The general view is that in Asia the teacher's role is to teach, teachers are expected to set rules. Students rely heavily on the teacher and seek specific instructions. The teacher must lay down clear directions that the student must follow. In Hong Kong the teaching style is the didactic and teacher-centred. Lectures, tutorials and seminars are far more popular than any other teaching style.

Assignments

The conventional view is that Chinese students prefer examinations and questions that require a definite answer. Assignments that are structured and with a prescribed answer are preferred. Subjects such as finance that require a precise answer fit the preference for a structured solution. Similarly, there is said to be a preference for examinations that possibly stems from the old Chinese public examination system (Maxwell et al., 2000)

Notwithstanding this, again there is a contradiction. Some literature suggests that Chinese students do achieve higher level cognitive leaning outcomes and outperform their Western counterparts (Biggs, 1996). Unfortunately, nothing was said as to how these outcomes are assessed although it was said that Chinese classrooms are different places when not seen through Western eyes (Biggs, 1996; Marton et al., 1996; Tang, 1996).

The Chinese as rote learners

Chinese people are generally regarded to be rote learners, they learn by rote and memory (Chow, 1995). Typically in the Western literature Chinese learners are regarded as "tape recorders" (Biggs, 1996). This rote learning is seen by some as a result of the desire to do well and to excel academically, leaves the students with very little choice than to learn by rote (Yee, 1989). As rote learning is known to lead to poor learning outcomes and learning at a superficial level it should not produce the higher level outcomes that university courses require and Chinese students should perform badly. However, there is evidence to the contrary and it is apparent that Chinese students outperform their Western counterparts. It is also true that when responding to questionnaires about their educational preferences Chinese students do not appear to be rote learners (Watkins, 2000).

Other research indicates that it is a mistake to assume that Chinese students are rote learners. Memorising and understanding are not separate parts but are one connected and interlocking procedure. Chinese students rely on memorisation as a part of the learning process (Kontoulis and Williams, 2000; Watkins, 2000). The Chinese system of learning is to become familiar with the text, to understand it, to reflect on it and then to question it (On, 1996). This argues that there is a cross cultural difference in learning in that Western students see understanding as a sudden insight, while Chinese students see understanding as a long process that requires considerable mental effort.

Research method

To test the five possible differences in Chinese preferences for teaching, learning and assessment, a questionnaire was devised that was based on the issues that have been discussed. The intention of the questionnaire was that it would give a combination of qualitative and partly quantitative information concerning the five possible issues. The purpose of the research with the students was to establish their opinions to establish the teaching, learning and assessment strategies that are best suited to the Chinese culture. In January 2003 25 students completed the questionnaire at a study school held in Hong Kong. This is 90 per cent of the students that enrolled on the programme.

Where students" opinions are quoted the student is given a number that corresponds to the order in which the questionnaires were collated.

Research findings

Curriculum content

The Hong Kong students were asked to rank five subjects: Operational management (OM), finance, marketing, human resource management (HRM) and practical food and beverage management (F&B) in order from one to five. Where one was the most preferred subject and five was the least preferred subject. Table I shows the results. Finance and marketing were included as examples of "hard" subjects, human resource was used as an example of a soft subject, operational management and practical food and beverage management are examples of practical subjects.

Table I demonstrates that the two practical subjects operational management and food and beverage management are the most preferred of the five subjects while the "hard" subject marketing is preferred to the "soft subject" human resource management. Possibly surprising, is that the second "hard" subject Finance was by far the least preferred subject. Of the 25 students who completed the questionnaire, 21 rated finance as either a four or a five.

In addition to ranking the subjects in terms of most and least preferred, the students were asked to give the reasons for their top and bottom choices. The reasoning for these choices was interesting. Operational management and food and beverage management were both preferred because they were job/work related, interesting

Table I Students" perceptions of selected academic subjects

Subject	OM	Marketing	Finance	HRM	F&B
Mean score	2.24	2.64	4.40	3.16	2.56
Ranking	1	3	5	4	2

and could be used to further a career. Student 22 said that operational management was the "subject most related to my job", while Student 11 reported that "if you want to get to a higher level (management) you need to understand the basic operation of the industry first". Students who disliked food and beverage management did so because the subject was not directly related to their job, i.e. they did not work in either restaurants or kitchens.

Finance was disliked for four main reasons. The most frequently quoted reason was that the students were themselves weak at calculations and mathematics. Comments such as that made by student two that she or he was "weak in finance or subjects related to figures" were common. Several students saw finance as plainly boring. Others thought that it was not relevant to their employment or at its simplest found it to be difficult to understand. At first sight the figures may indicate that finance is not a "hard" subject, however, the students were not questioned about the usefulness of the subject merely whether they liked it. As student 19 said "Finance is too boring – but it is also a very important subject".

Only three students cited human resource management (the "soft subject") as the subject that they liked the least. In giving their reasons for their answer none of the students quoted any rejection of western ideas, instead they quoted a dislike of theory. Student four stated that "Human resource is a very complex subject. There is a lot of theory to study". Student 15 found it to be quite simply "theoretical".

Summary
This evidence gives a degree of credibility to the view that Chinese students prefer practical subjects but gives no strong evidence either for or against the concept of hard and soft subjects. The main point, at present, is that the evidence that the research is presenting would give no reason to change the curriculum. It does indicate that we may need to consider how we teach the curriculum, especially with regard to Finance. Further, the cultural issues surrounding human resource management and finance are in need of further exploration.

Teaching and learning strategies
Table II compares students" preferences for five selected teaching and learning strategies. The five strategies were selected as they represented examples of the supposedly least preferred experiential methods and the more preferred (passive) methods (Chow, 1995). Students were again asked to give a numerical ranking to the different strategies, where one was the most

preferred and five was the least preferred strategy. Additionally, the students were asked to demonstrate their exposure to the methods at their secondary schools by numerical ranking. In this case 1 was the strategy that was most used and five was awarded to the strategy that was least used at the students" secondary schools.

The table backs up the view of Maxwell et al. (2000) that the Chinese students" previous educational experience had been mainly passive. The students indicated that the main method by which they were taught was by the medium of formal lectures where notes were made. Student two said that "It's the usual practice that I had and I have made it the best way to learn". This teaching method was followed by other passive methods of observing practicals and watching videos and listening to audio tapes. More experiential and active methods such as seminars that included role-play were infrequently used as was working on one's own from study materials provided.

The ranking of student likes and dislikes indicate that although the students had been exposed to formal lectures and note taking it was the second least preferred method of learning. Only one reason was given for this – quite simply the students found it "boring". This agrees to some extent with the view of Ladd and Ruby (1999) that although the students had been taught mainly by lecture, their actual preference was for direct experience.

The two remaining passive methods of learning were the most preferred first and second choices. The reasons given for the choice of observing practicals were pedagogic and can be placed in to four broad categories. These are that the students thought that this method of teaching promoted understanding; kept their attention; helped to put theory in to practice and was interactive. Student four best sums up the students" perceptions of this teaching method when she or he said "The study is active and practical demonstration is easy to understand and remember. As I encounter problems and questions I can ask immediately".

In a separate question on the questionnaire students were asked to give their opinions of group working. The answers contradicted the view held in the literature that there is a "cultural dislike" of group work. The majority (64 per cent) of students liked group work for sound practical reasons. These reasons were that students are able to share the work; share ideas and learn from one another; work co-operatively and can motivate one another. As student 16 said "we can share different points of view from different people. Team work is important in group working". Student 1 reported that she or he liked this method of working as "not only does it enable students to share efforts to do

Table II Comparison of students' perceptions of selected teaching and learning strategies and exposure to teaching and learning strategies at secondary school

Subject	Videos etc	Observing practicals	Formal lecture and notes	Working on own	Seminar and role play
Mean score like	2.72	1.96	3.16	4.16	2.96
Ranking	2	1	4	5	3
Mean score previous exposure	3.13	3.00	1.04	4.00	3.57
Ranking	3	2	1	5	4

the project but also gives them opportunities to establish friendship". Where group working was disliked by students not one of them gave a cultural reason. The reasons were to do with group dynamics and past problems that students have encountered and may be summarised as difficulties in terms of time and meeting place, some members may be lazy while others may have their ideas discounted.

As with group work, role-play goes against the cultural stereotype for some of the students. Although seminars including role-play was only the middle ranked method of learning, some students thought highly of it and were aware of the learning benefits that it could bring. Students in favour of role-play felt that it promoted both their personal understanding and helped them to generate ideas and made their educational time more interesting. Those against did not give any reason that could be said to relate directly to culture, they found role-play as a method that was time-consuming and dull.

The worrying finding from the point of view of distance education is that these students rate working on their own from the study materials as their least favourite method of learning. Three reasons emerge from this. First, students find this to be boring, second, the lack of self-discipline that this type of study requires and finally, the lack of interaction with the teacher. Student 16 adequately sums up the feelings of the cohort when he or she said "it (working on one's own from the study materials) is quite boring, sometimes difficult to concentrate for a long period. Making notes only, without discussion, is one-way communication".

Summary
The answers given by students at first sight give some credence to the view that Chinese students prefer passive learning. However, there is some evidence to support Gilleard's (1998) view that more unusual method may be successfully employed. There was no rejection of role-play and group working and group projects (see later) were regarded by many students to be a good way to learn. Similarly, although all of the students had been taught in large groups and the main method that they had experienced was formal lectures and

note taking. This is not the method by which this case study group would wish to be taught. Worryingly, from the point of view of distance learning, the students were not accustomed to working on their own from the study materials provided and neither did they like this as a method of learning. What they appear to desire is a more interactive method of learning and teaching where the tutor is more immediately accessible to answer questions. This does seem to indicate that the present distance learning teaching and learning strategy of study schools delivered by a variety of methods, backed up with expensive study materials where students are required to work on their own, may be in need of rethinking.

The role of the teacher/lecturer
To test the perception of the role of the teacher, the students were asked to think of the best teacher that they had ever had. They were to describe him or her and were told to say whether they perceived that individual as a friend.

The qualities that the students saw in their best ever teacher may be captured under themes of pedagogic practice, student-teacher relationship and empathy. With regard to practice students expect teachers to have "professional knowledge", "to use innovative teaching methods", "to always provide useful and effective notes and materials" and " to put a lot of effort in his teaching materials". While none of the students said that their best teacher was all knowing, they did see her or him as a guide who helped them "to understand the topic". These findings agree with the view that students are socialised to be provided with knowledge by the teacher (Chan, 1999).

Almost half of the students specifically stated that they expected the teacher to be a friend. The relationship with a good teacher would be expected to be good and the teacher would be "helpful" and "patient". Where the question concerning friendship was directly answered, it was met by an answer that indicated that there might be a distance in the relationship, e.g. student 22 said "Our relationship is good, like a friend". And student ten said that the status of the teacher was different "I have to respect them". This does go some way to indicating the impact of Confucianism and power distance in the student-

teacher relationship (Chan, 1999) and to the good teacher references of Jin and Cortazzi (1998).

In the student-teacher relationship, one significant theme stood out as significantly different. This theme is empathy. Several students stated that the teacher must understand them as people, must be aware of their problems must be sincere and care about them. Student eight who stated that the good teacher must have "heart" summed up this theme.

Summary

The literature view of the teacher and the student-teacher relationship are in part upheld by the views of the case study group. While the case study group does not directly confirm the typical view of the student-teacher relationship, neither does it contradict it. From the answers given it would appear that the student-teacher relationship is especially important to Chinese students and that the qualities of friendship and empathy are cherished. The problems of building up such a relationship at such distances are obvious but may be worked on especially at the study schools and through other methods of communication away from the study schools.

Assessments

Again, students were asked to rank methods of assessment in order, where one is the most preferred and five the least preferred. Additionally, the students were asked to state which assessment methods they were most commonly exposed to at their secondary school. Table III indicates that written examinations were the method of assessment that the case study group was most frequently exposed to in their secondary schools. However, this most used method was the least preferred method of assessment. The case study group was almost unanimous in its dislike of examinations. The reasons given for this were that written examinations were perceived to be boring, a test of memory, not intellect and that students may underperform on the day. Neither the mean scores of preferences or the majority of the students' views uphold the conventional view of a preference for examinations. Only one student placed examination as his or her preferred method of assessment. The overwhelming majority of the students had examinations as their most disliked form of assessment. Examinations were disliked because they were seen to cause pressure and stress on the students; they were hard, they were simply a test of memory; the outcome of them is unreliable and they are boring. Student 14 gave an excellent summary of the group's feelings when she or he said that examinations "[are] tough and sometimes examinations test how much the student

remembers at that moment. The outcome of the assessment may not be accurate". It may be the case that examinations are not a preferred method of assessment but that if a student does well in examinations that he or she gains esteem.

The conventional belief that group work is disliked because it may cause cultural problems was partly dealt with and rejected earlier in this paper. Further to this, in this part of the research, the students rated group projects as their most preferred method of assessment. Group work was preferred because the students were able to share pressure, ideas and workloads and learn from one another. Additionally, group work was thought to promote teamwork and is fun. Students one and 22 give an elegant summary when they said "It helps to share the assessment and/or the burden as well as the stress that the course may bring" and "You can learn from other group members. Also, you can learn how to plan and organise. It's more interesting".

Those students who disliked group work did not give any reason that could be described as cultural. The reasons that they gave were pragmatic and simply concerned group dynamics. These dynamics were that groups are hard to arrange and not everyone may put in equal effort.

As with teaching and learning the previous exposure figures in Table III indicate that students were not used to more active methods of assessment such as presentations. Essays and reports were a more usual method of assessment but were not well liked by students.

Summary

The conventional view in the literature is that Chinese students prefer examinations and questions that require a definite answer cannot be upheld by these findings. There is not a preference for examinations as stated by Maxwell et al. (2000) and subjects that require definite answers such as finance appear to be as equally disliked as examinations. The unexpected finding here is that group working is the most preferred method and is liked for sound pedagogic reasons. This is a problem for both the teaching and learning and assessment strategies of the distance learning courses. At present group work has only a minor part to play at the study schools. What must be explored is how group work may be incorporated into the assessment strategy.

Rote learning

To test the concept of the Chinese as rote learners the students were asked to describe in their own words how they would revise for an examination. This would give them the opportunity to

Table III Students' perceptions of selected assessment strategies

Subject	Essays and reports	Presentations	Written examinations	Individual projects	Group projects
Mean score	3.12	2.84	4.34	2.44	2.28
Ranking	4	3	5	2	1
Mean score previous exposure	2.43	4.00	1.58	3.39	3.13
Ranking	2	5	1	4	3

demonstrate if the technique was purely memorisation and regurgitation of notes.

From the resulting narrative two themes emerged. The first was that the students would expect to study hard, they would study all of the materials usually in a highly methodical manner. Student 19 said that she or he would "Read all the text book, do some easy study of past exam papers. Make a schedule in advance and plan a timetable". Similarly, student 23 would "study materials by sequence", while students 15 would "revise the key theoretical concept. Do mock exam questions, essay plans etc". Above all, the students intended to study hard and read the materials that they had been given. Notwithstanding this, some students intended to be tactical in their approach in that they would follow the hints of their teachers or would attempt to guess which topics would be on the paper.

The second theme that shone through the narrative and that has already been alluded to is that the students would seek to learn from past papers and would wish to "simulate exam questions". As mentioned previously, they appear to be methodical in what they do.

The use of memory and memorisation was mentioned directly by three students. However, when memory was mentioned it was usually in the context of some other study method, e.g. student 24 would "spend time to read and memorise the main points for the examination" and student seven revises by "study(ing) notes to memorise the main points". Similarly, student 11 would "first study all the handouts and then my own notes. If I don't understand, I'll refer to my textbook. Usually, I'll memorise all the definitions and key points which I think are important".

Summary

While no definite conclusion may be made the case study group of students do not appear to be merely rote learners who commit everything to memory and then repeat it. When memory is mentioned it is alongside what appears to be an attempt to understand the notes. Some of the students make mention of revision techniques that are patently beyond mere memory. Examples of this are students who will "highlight keywords and then write down their explanation". Others who would "assume examination papers and answer them by using own words" and "think of examples of theory".

It is also possible that committing notes to memory does not mean that the method of learning is rote. Memorising notes for examinations may simply be a necessary tactic for examinations.

Conclusions

It is evident that Chinese national culture is different to that of other countries. The root of these differences lies in Confucianism. This difference in national culture is reflected in education. Chinese learners are different in that they think differently and as a result have different preferences in terms of learning, teaching and assessment. Some of these we must take account of in our teaching, learning and assessment strategies.

From the literature and the research there is some evidence to suggest that the concept of Chinese as rote and superficial learners is stereotypical. Although some literature suggests that "soft" subjects are disliked there is no evidence in this study to support this view. Where the evidence goes with or against the conventional views, the reasons tend to be cultural.

The differences that we should recognise and that will impact on future course design are as follows. First, there is some evidence from the literature and the research that supports the general view that Chinese students prefer passive learning. However, students did indicate a preference for group projects and role-play was not universally disliked. If other active forms of learning are used then they may need adapting to meet Chinese expectations. What was disturbing from the point of distance learning was that students dislike working on their own from the study materials provided and that they desired contact with the tutor. This is a problem that as a result of this research is being addressed through e-learning. Next, it would appear that contrary to the myth, Chinese students do not have a preference for examinations. On the contrary, they dislike examinations and have a preference for group projects for sound pedagogic reasons. Finally,

although it has not lead to any known problems with past students, the perception of the role of the lecturer is different from that in the West.

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International tourism networks

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Abstract

Much of tourism development is predicated on the successful working of organisations alignment in the form of partnerships or "networks". However, tourism networks have been relatively neglected as an area of academic study. This paper presents findings of research focusing on international tourism networks and draws out learning points from the examination of relatively successful examples. A review of relevant literature considers the definition and description of networks, their benefits, and identifiable success factors, and the research methodology applied is described. Discussion follows as to the main functions and benefits of tourism networks in relation to learning and exchange, business activity, and community. Key issues that emerge include: structure and leadership, resourcing, engagement of participants, inter-organisational learning, and sustainability. The paper concludes by identifying significant success factors and consequential management implications with specific references to tourism destinations as learning communities.

Introduction

Globally, tourism in developed countries is making greater use of partnership arrangements in order to develop sustainable economic tourism. Many of these partnership arrangements are formalised through the concept of the "network". Recognition of the importance of networks was highlighted in the now classical text of Michael Porter (1990) *The Competitive Advantage of Nations*, in which he drew attention within a manufacturing context to competitive advantage being achieved through industry clusters. This cluster, partnership, or network, concept has been adopted by some national economic organisations as part of their development strategies with the aim of establishing or building on strategic areas of strength, including within the tourism sector. However, to date tourism networks have been a relatively neglected area of academic study. In this respect, this paper makes one contribution in presenting findings from research that focused on international tourism networks and drew learning points from the examination of relatively successful examples. The aim is to develop a strengthened understanding and knowledge of the phenomenon, success contributors, and management implications therein. Consequently, the paper commences with a review of relevant literature concerned with the definition and description of networks, their benefits, and identifiable success factors, and the research methodology applied is outlined. Discussion follows as to the main functions and benefits of tourism business networks and significant success factors. Conclusions are drawn relative to management implications.

Networks

The term "network" is acknowledged to be complex. While there is growing interest in networks and partnerships, relatively little has been published with a specific tourism focus, and most of which does exist is of recent origin (for example, Morrison, 1996, 1998; Augustyn and Knowles, 2000). Drawing on generic network literature, it is possible to identify a range of different types of networks, and these may be classified in various ways. For example, classifications could include: network membership; nature of linkages between members; type of exchange or attraction; network function or role; and geographical distribution of the network. Furthermore, they may be described as informal, semi-formal or formal in nature (Conway, 1998; Shaw and Conway, 2000). Halme (2001) adds

that networks may vary according to organisational type configuration, as is supported by Smith-Ring (1999) who recognises that a key element is that of co-operation among business firms, governmental bodies or organizations, persons or other entities that are interconnected in various ways.

Lynch *et al.* (2000) summarise benefits of networks to building profitable tourism destinations identified from a comprehensive review of literature (Table I). The benefits are classified into three categories of: learning and exchange; business activity; and community. Through learning and exchange between network participants benefits are leveraged that have the potential to be translated into positive business activity and community outcomes. In each of the categories it can be observed that there is a strong bias towards those benefits of a largely qualitative nature. This highlights a key issue in relation to the value of networks; there exists a lack of measured benefits from networks, and many associated are qualitative and not easily quantified (Nilsson *et al.*, 2003). Significant factors that have been attributed to the success of tourism networks have been identified as: structure and leadership; an established trust culture; resourcing; member engagement; inter-organisational learning; underlying objectives; sustainable nature and lifecycle (Augustyn and Knowles, 2000; Halme, 2001; Litteljohn *et al.*, 1996; Morrison, 1994, 1996).

Thus, it can be observed that the network form of organisation is complex and multi-dimensional in nature, central to which are degrees of co-operation as appropriate among individual and organisational entities. Benefits arising tend to be qualitative, somewhat elusive of quantitative measurement, and their evaluation will be dependent on the respective perspectives of those involved in active participation and/or support. While it has been possible to summarise a range of associated success factors, analysis of literature has failed to identify real sense of a managerial understanding of how tourism networks should be organised to best advantage. Therefore, a deeper understanding is required of the specifics of international tourism networks towards an increased understanding of success factors and management implications.

Table I Benefits of networks to building profitable tourism destinations

Learning and exchange	Knowledge transfer
	Tourism education process
	Communication
	Development of new cultural values
	Accelerating speed of implementation of support agency initiatives
	Facilitation of development stage of small enterprises
Business activity	Co-operative activities, for example, marketing, purchasing, production
	Enhanced cross-referral
	Encouraging needs-based approaches, for example, staff development, policies
	Increased visitor numbers
	Best use of small
	enterprise and support agency resources
	Extension to visitor season
	Increased entrepreneurial activity
	Inter-trading within network
	Enhanced product quality and visitor experience
	Opportunities for business development interventions
	More repeat business
Community	Fostering common purpose and focus
	Community support for destination development
	Increases or reinvents a sense of community
	Engagement of small enterprises
	in destination development
	More income staying locally

Source: Adapted from Lynch *et al.* (2000) based on a review of Adam (1994); Buhalis (1994); Buhalis and Main (1996); Evans (1999); Hankinson (1989); Houghton and Tremblay (1995); Huang and Stewart (1996); Litteljohn *et al.* (1996); Lowe (1988); Lynch (2000); Morrison (1994), 1996.

Research methodology

The research methodology was designed to address the knowledge gap identified in the previous section, specifically related to tourism network functions, benefits, success factors and management. Thus, the research focus was on formal networks located internationally and/or nationally that appeared to achieve benefits as identified in Table I. Furthermore, the sample required to provide evidence of the following generic characteristics: exhibit articulated membership criteria; have clearly stated aims and objectives; and be able to demonstrate tangible outcomes. In addition, a working definition of a tourism network was employed to guide the research as follows:

> A set of formal, co-operative relationships between organisations and individuals to achieve a particular purpose within the tourism sector that may result in qualitative and/or quantitative benefits of a learning and exchange, business activity, and/or community nature relative to building profitable tourism destinations.

Research methods were primarily of a secondary nature including desk-based, survey audit, Internet search, and a general comprehensive search and analysis of all relevant information in hard and electronic published formats. The search was augmented through the use of extensive national, European and international networks of

expert informants in academia, industry and public agencies known to the research team. This proved to be a valuable and efficient means of uncovering those examples that might be considered as representing "best practice" in networks at an early stage in the research process (Goulding, 2002). This resulted in the identification of 23 networks, which were then evaluated against the sampling criteria outlined above, narrowing the sample to ten as listed in Table II, categorised according to the dominant organisational type and configuration in their creation and management. Of the ten, five were instigated by an academic organisation, two represent examples of private sector initiatives, and three where originated by public sector organisations as a vehicle for securing involvement from private sector partners. More information on each of these can be accessed at the website addresses provided in Table II.

These ten networks were taken forward for case study development, employing multiple sources of information to study international tourism networks through one contemporary period of time (Johns and Lee-Ross, 1998), drawing on documented accounts of their respective lifecycles and achievements to date. The aim of this approach was exploratory to provide the ability to compare and contrast findings (Gummesson, 1991). Each was analysed within the framework presented in Table I to identify the benefits arising and their contribution towards building profitable tourism destinations. In addition, they were analysed against the success factors gleaned through the literature review outlined previously. This represents a purposive, or non-probability, sampling (Clark *et al.*, 1998) approach to define examples of relatively successful or "best practice"

tourism networks. While such a degree of selectivity could be criticised, it did represent a calculated decision to sample based on a preconceived set of criteria.

International tourism network

The research undertaken served to establish a clearer focus and understanding of international tourism network functions, benefits, and success factors as is now demonstrated.

Functions and benefits

Table III summarises the network functions, employing the learning exchange, business activity, and community framework introduced in Table I relative to the benefits of networks to building profitable tourism destinations. Furthermore, Table III expands this through analysis within the three categories of academic, private and public/private represented through the case studies with respect to the dominant organisational type and configuration in their creation and management. In their own way, these formal networks are all concerned with tourism destination development through the adoption of co-operative relationships between organisations and individuals albeit working from a different set of objectives.

At its core each organisational type of network has learning and exchange of knowledge as a function, however, they differ in terms of where the knowledge creation base resides, and mechanisms utilised for dissemination, sharing and transfer. Flowing onward from this function should be the stimulation of tourism business activity based on a

Table II Case studies meeting sampling criteria

Category	Network	Reference
Academic	TourMIS, Austria	http://tourmis.wu-wein.ac.at
	Co-operative research centre, Australia	www.crctourism.com.au
	The foundation for research, science and technology, New Zealand	www.frst.govt.nz
	University of Wales Institute Cardiff academic network proposal	www.uwic.ac.uk
	The Tumen development programme, areas bordering China, Eastern Mongolia, South Korea and the former USSR	www.tumenprogramme.org
Private sector	Highlands meander project, South Africa	www.nbi.org.za/
	Strategic alliances along the Niagara wine route	Telfer (2001)
Public/private sector	United Nations educational, scientific and cultural Organisation (UNESCO): Outreach to new partners in the business community programme	www.unesco.org
	The Ontario tourism marketing partnership	www.tourismpartners.com
	European network of culinary heritage	www.culinary-heritage.com

Table III Tourism networks' functions and benefits

	Academic	Private	Public/private
Learning and exchange	Collaboration for the creation and dissemination of new knowledge	Peer learning and knowledge sharing	Peer and partner learning and transfer of knowledge
Business activity	Through more increased understanding and "perfect" knowledge, impacts at policy, agency, business and societal levels	Effective use of pooled resources and resource leverage contributes to enhanced innovation and market development	Support of an umbrella organisations contributes to the stimulation of co-operative practices to enhance innovation and market development
Community	Provides for a sustainable sense of community and active engagement in tourism destination development	Facilitates engagement of micro and small enterprises in sustainable tourism destination development at community level	Foster a private/public sector community including SMEs with a common purpose in terms of tourism destination development

stronger knowledge base, informed policy, and the distribution, pooling and leverage of resources to enhance innovation and market development. The rationale is to achieve a sustainable community of tourism destination development with private and public sectors working in harmony to a commonly accepted function.

Success factors

From the research, it was found that the functions and benefits of the international tourism networks investigated were only successful and sustainable over their lifecycle provided certain factors were incorporated into the organisation. The list below provides an overview of these factors relative to international tourism networks, which is now used to frame reporting of the findings:

(1) *Objectives and purpose.* Clearly identified networking goals, geographic scope and remit, including knowledge dissemination, linking of aims to local, regional, national, international priorities and able to transcend issues that may deflect the driving purpose of the network.

(2) *Organisational structure and leadership.* Organisational structure and leadership is fit for purpose, recognises the benefits of the creation of communities of learning involving inter-connecting of multi-tiered horizontal and vertical networks as appropriate, is supported by key public sector organisations and network leaders champion the start-up of a network playing a vital catalytic role.

(3) *Resourcing.* Continuity of adequate financial, human and physical resources is critical to a networks success and sustainable generation of desired benefits.

(4) *Member engagement.* This is achieved through a comprehensive understanding, manipulation and management of a diverse set of member motivations including economic, social and psychological.

(5) *Benefits and inter-organisational learning.* A hub organisation and network members connect in a supportive infrastructure of formal and informal mechanisms facilitating inter-organisational learning and exchange that has the potential to translate into qualitative and/or quantitative benefits.

For a network to be successful it has been found that the underlying objectives and purpose should be informed, commonly accepted by all members and strike a balance between the inevitable diverse and similar interests. Within the case studies, it was possible to identify differing underlying objectives and purpose according to the organisational type and configuration driving the network as follows:

- Academic networks may be perceived as a means of feeding back research directly to relevant stakeholders as well as seeking to shape the environment that is the focus of the research. Networks may also be seen as a mechanism for leveraging resources for purposes such as tourism research funding.
- Private networks may be perceived as an opportunity to influence the environmental conditions in which the sector operates. The opportunity to meet a range of representatives from other types of organisations, and gain some form of commercial advantage may be perceived as a key attraction. Networks may also be perceived as a mechanism for leveraging resources to facilitate the likes of marketing and business development activities, and/or public sector grant funding.
- Public/private networks may be perceived as a tool of regional, national or international economic development, which can facilitate the attainment of agency goals. A difficulty for a public agency is to determine its optimum level of involvement. Networks may also be

perceived as a means of distributing public sector resources directed at tourism destination development.

In terms of organisational structure, the networks identified in the case studies can be seen as freestanding organisational entities, operating at an international, national or regional level. However, there is evidence of a composite or "pyramid" network organisational structure within five cases. In these cases their membership includes other formal networks at a similar or lower tier, which serve to coordinate and reinforce existing but separate networks. In all the cases there is reference to the catalytic role of a hub organisation in the initiation and organisational structuring of the network. In respect of academic networks, the hub organisation has been drawn from a national tourist board, national government(s), or a lead university. For the private networks, it has come from industry supported by local agencies and/or professional associations, and in the case of private/public networks, the hub organisation has been government at state, European or international levels. This emphasises the aspect of organisational leadership or championing.

Financial, human and physical resourcing of the networks was varied. Five types of network financial funding mechanisms feature in the case studies as follows:

(1) Public funds and industry sponsorship.
(2) Public funds and through its members.
(3) Public funds.
(4) Members and sponsorship funding.
(5) Membership, sponsorship and voluntary contributions in kind.

It is noteworthy that (4) funding mechanisms necessarily operate on a quite commercial basis; while the precarious nature of (5) funding may at least in part explain the limited success of the network. From the analysis conducted, it would seem that adequate resourcing of a network is critical to its success and sustainable generation of desired benefits. Understated in the case studies is the resourcing of networks through the provision of physical and "in kind" resources, which may well be critical, particularly at the early stages of a network's development.

The effective and active engagement of members in a trust culture with associated values and attitudes has been identified as a success factor. From the case studies it has been found that this was motivated in a number of ways as follows. The payment of membership fees formally expresses organisational engagement, signalling both a psychological and financial commitment to the achievement of network purpose. A specific

geographical focus is common to all but one of the networks. This may indicate a sense of community, addressing issues of regional, national or international identity, as well as being significant in setting a boundary on the network's membership and remit. Perceptions of potential value at inauguration stage, actual benefits over the lifecycle of the network, and the extent to which they are meaningful individually and collectively to members play an important role in the sustenance of engagement. The importance assigned by members through the psychological importance associated with belonging to a network, along with the sense of community and collective common purpose may represent a certain "glue" to sustain network engagement.

In the case studies the networks generating the greatest range of benefits were those that had embedded a systems and a culture to sustain inter-organisational learning and knowledge exchange. Indeed, this is considered to be a defining feature of successful tourism networks, from which benefits emerge. The achievement and sustainability of this feature represents a culmination of the objective and purpose, organisational structure, resourcing and membership engagement as discussed above, and will evolve or degenerate over a networks lifecycle. Measurement of benefits arising within the case studies remained elusive.

Conclusions

This paper has focused on international tourism networks and has resulted in learning points emerging from the analysis of associated literature and successful examples. Conclusions are now drawn as to the implications for management based on a strengthened understanding of how tourism networks should be organised to best advantage.

Within the tourism context, the research has revealed that multiple ranges of network types exist. These can be classified according to organisational type, inter-organisational configuration, degrees of formality, and extent of intensity of co-operative relationships between members, functions and aspired benefits. Once established their success is predicated on a range of factors including: objectives and purpose; organisational structure and leadership; human, financial and physical resourcing; member engagement; and inter-organisational learning. Benefits arising may be of a business activity and/or wider community nature and the elusiveness of their quantification due to their largely qualitative nature remains a research challenge.

Crucially, the core of the network has been established as inter-organisational learning and knowledge exchange, and the "glue" a sense of community and collective common purpose. This may lead to the concept of a "learning community". For those professionals and agencies concerned with the management of the sustainable and profitable development of tourism destinations a key finding is that of the concept of configuring them as "learning communities". This aspect has been clearly illuminated through the research and illustrated as a workable and effective practice. A learning community is concerned with the concept of networks of networks, meshing and interconnecting diagonal, horizontal and vertical organisational types and configurations as appropriate.

A key management implication is that resources should be targeted at the careful formulation of networks guided by the identified success factors, thereafter management focus should be primarily directed at learning and knowledge exchange function, alongside the "softer" development of an appropriate organisational culture to support the underlying goals and purpose of the tourism network. Therefore, it is concluded that working definition presented previously in this paper should be modified to reflect this important finding as follows:

> A set of formal, co-operative relationships between appropriate organisational types and configurations, stimulating inter-organisational learning and knowledge exchange, and a sense of community and collective common purpose that may result in qualitative and/or quantitative benefits of a business activity, and/or community nature relative to building profitable and sustainable tourism destinations.

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