A Critical Evaluation of Tourism Product Diversification: The case of Cyprus

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Abstract

This research aims to evaluate the diversification strategy of the Cyprus coastal tourism product by investigating the degree of success of the strategy in fulfilling its goals of economic improvement, tourist satisfaction increase and image enhancement. The evaluation of the strategy's success is performed through an examination of statistics whereby tourism revenue, tourist arrivals, seasonality and the competitive position of the Cyprus tourism product are assessed through secondary research. Primary research is performed to explore the degree of destination image enhancement and tourist satisfaction improvement. In particular, a comparison of the projected and the perceived image of the destination is performed to explore any similarities and/or dissimilarities whereas the satisfaction of tourists is measured across several destination attributes. In tourism studies the diversification concept has not been extensively examined as little attention has been given to the repositioning strategy of coastal resorts. Hence, the conditions under which the application of the strategy becomes imperative are examined to increase the understanding of tourism product diversification. The research focuses on Cyprus which was selected as a case study for the following reasons: a) it is a popular Mediterranean 'sea and sun' destination and b) it has been trying to reposition itself through diversification of its tourism product. The research adopts a pluralist methodological stance whereby both an interpretative analysis of supply-side qualitative data and a positivist analysis of demand-side quantitative data are performed. Data collection methods include semi-structured interviews with professionals of the Cyprus tourism industry and a questionnaire survey with British tourists with experience at the destination. The multilateral approach followed overcame any methodological weaknesses and provided a comprehensive picture of the situation. The research found that the diversification strategy of the Cyprus coastal tourism product has been unsuccessful in achieving its target goals. The lack of success stems primarily from internal industry problems and product weaknesses whereas a dominance of the 'sea and sun' attributes was identified in terms of destination image. In conclusion, this research makes a significant contribution to existing literature through its originality in terms of the diversification concept. It also contributes practically to the field of tourism planning and destination promotion.

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LIST OF ABBREVIATIONS

ANOVA	Analysis of Variance
ATM	Automated Teller Machine
B&B	Bed and Breakfast
CRS	Computer Reservation System
CTO	Cyprus Tourism Organisation
EEA	European Environment Agency
EU	European Union
FB	Full Board (accommodation)
GDP	Gross Domestic Product
GNP	Gross National Product
HF	Half Board (accommodation)
MA/MBA	Masters/ Master in Business Administration
MANOVA	Multivariate analysis of variance
NTO	National Tourism Organisation
PhD	Doctor of Philosophy
PR	Public Relations
SIT	Special Interest Tourism
TALC	Tourism Area Lifecycle
TRNC	Turkish Republic of Northern Cyprus
UK	United Kingdom
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organisation
VAT	Value added tax
WTO	World Tourism Organisation
WWII	World War II

CHAPTER 1 INTRODUCTION

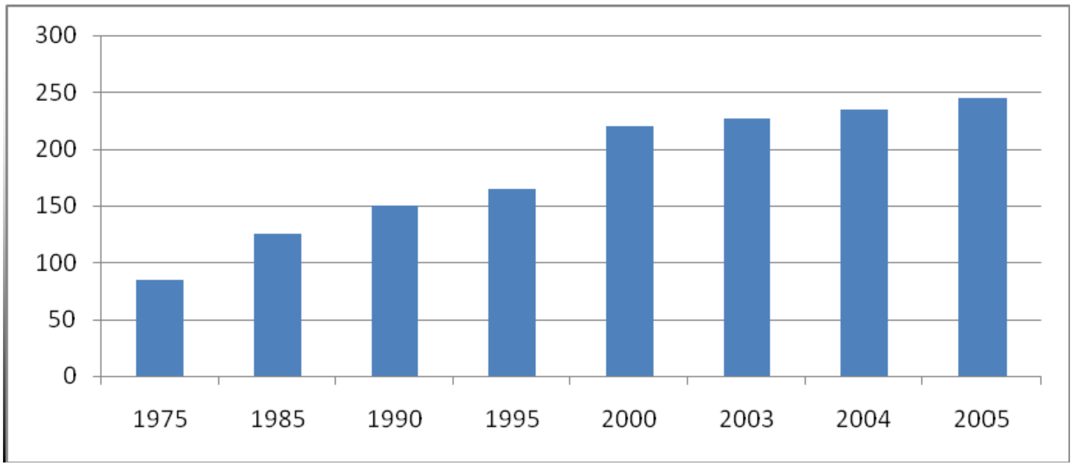
This chapter provides a background of the research emphasising the research aims and methodology followed. The contribution of the research to existing literature is also provided. The structure of the thesis is then presented by reviewing the main themes discussed in each chapter.

1.1 RESEARCH BACKGROUND

Much of the popularity of the Mediterranean coastal destinations is owed to mass tourism development that flourished in the region after WWII due to the richness of the environment, the mild climate and the impressive cultural heritage (Apostolopoulos et al, 2001). The area had been attracting travellers since the ancient times, mostly for trade and cultural exchange purposes. During the 20th century, industrialisation and technology advances transformed the Mediterranean region from a commercial centre to a tourist destination and remote stretches of coastal areas have been transformed into popular mass-tourist resorts (Ioannides, 2002). According to Minca (1998) international tourism gained a mass character based on widening social access and the attractions of warm seas, secure summer sunshine and often stereotypes or myths about the Mediterranean. Although mass tourism dates back to 1841, when Thomas Cook chartered a train from Leicester to Loughborough for a group of 570 temperance campaigners (Brendon, 1991), it exploded in the 1950s. The standardised type of holiday package grew in popularity because of two main factors: firstly, the advances in transportation as the growing use of coach and air transport allowed the move of large numbers of people from one place to another (Urry, 2002) and secondly, the growth of the holiday-with-pay movement originally culminated in the Holidays Act in 1938 where trade unions signed agreements that guaranteed paid holidays (Walvin, 1978). Higher standards of living, better income distribution, longer paid holidays, improvements in information technology and transportation systems and a decline in travel costs made travelling for leisure possible (Berno and Bricker, 2001).

Mass tourism grew initially in the 1950s in Spain, the early market leader, and on the Italian Adriatic. By the early 1970s tourism was expanding in parts of former Yugoslavia, the Greek islands, Malta and Cyprus and by the late 1980s it had reached Turkey (Williams, 1998) whereas new destinations arise continuously with Algeria and Syria experiencing an increase in market share by the early 2000s. Today, the Mediterranean is considered to be the most popular destination worldwide. In 2005 the Mediterranean region received approximately 245 million international tourists, representing approximately 30% of the worldwide tourist flow, whereas tourism receipts exceeded €152 million, accounting for 30% of global tourism receipts (WTO, 2006). The EEA (2003) forecasted that by 2020 international tourist arrivals could reach up to 350 million. The following chart shows international tourist arrivals from 1975-2005:

Figure 1.1: International arrivals in the Mediterranean (1975-2005)



Source: WTO (2006) – Tourism Market Trends

Undoubtedly, mass tourism had been responsible for the economic development of many destinations in the Mediterranean as the increasing tourist arrivals in the region created two important benefits: a) an increase in direct and indirect incomes for the local population and b) the creation of employment (Vanhove, 1997). However, the seasonal nature of mass tourism, the dependence on the northern European market and the concentration of development on the coast resulted in significant costs as great pressures were placed on the physical and natural environment of Mediterranean destinations. Also, changing tourist motivations, technological innovations that made exotic destinations more accessible and increased competition led to a decline in Mediterranean destinations' tourist arrivals. In an attempt, to retaliate Mediterranean resorts have been attempting to diversify their coastal tourism products by adopting more sustainable tourism forms and reposition themselves as 'quality' destinations.

Although an increasing number of destinations are adopting diversification strategy as a means of repositioning and restructuring their tourism industries, little research has been performed on this field. Therefore, there is an imperative need to investigate the tourism product diversification concept, the reasons that lead to the adoption of diversification as a strategy and the potential consequences its implementation may have on tourism destinations. This research attempts to determine the success of the Cyprus tourism product diversification. Cyprus was selected as the case for this research for two reasons: a) it is an established popular destination in the Mediterranean basin and b) it has been trying to reposition its main tourism product offering for over a decade. Cyprus has been facing the same problems that many Mediterranean coastal destinations have been experiencing in the past two decades as a result of increased competition, market changes and the emergence of new tourism (Gomez and Rebollo, 1995).

The evaluation of tourism product diversification is performed through the exploration of the degree of strategy success. Thus, the research concentrates on the success of the CTO to fulfil the proposed goals that diversification aims to achieve within the Cyprus tourism context; these include the increase of tourist satisfaction, the improvement of the seasonality of the tourism product, the maximisation of tourism revenue and arrivals and the enhancement of the destination image. In order to achieve this, an examination of statistics has been performed whereby tourism revenue, tourist arrivals, seasonality and the competitive position of the Cyprus tourism product have been assessed through secondary research. Simultaneously, the destination image and tourist satisfaction have been measured through primary research. In particular, the destination image has been thoroughly analysed in terms of the way it is projected by tourism authorities and other sources, such as tour operators and media, and the way it is perceived by tourists whereas the satisfaction level across several destination attributes has been investigated. In addition, primary research with the supply-side sector of the industry revealed the problems of the Cyprus tourism product as well as the causes of its weaknesses whereas the diversification measures undertaken by the tourism industry suppliers and authorities have also been identified.

This research also investigates the reasons that led to diversification adoption by focusing on the TALC model and the restructuring thesis; these models have been previously used to explain the changes occurring in coastal tourism destinations and have been applied in this research to Cyprus tourism in order to enable a better understanding of how and why diversification within the tourism context occurred.

1.2 RESEARCH AIM

The aim of this research is to determine the success of the Cyprus tourism product diversification. In order to achieve this, a holistic approach towards diversification strategy evaluation is undertaken whereby economic target goals are measured through secondary research and primary research focuses on destination image and tourist satisfaction enhancement. More specifically, the research objectives are as follows:

1) To determine the projected image of Cyprus as a tourist destination.
2) To identify the diversification measures undertaken.
3) To identify the perceived image of Cyprus as a tourist destination across various variables.
4) To determine the relationship between the perceived image and the variables affecting its formation.

1.3 CONTRIBUTION OF THE RESEARCH

The research intents to make both theoretical and practical contributions: theoretically it will contribute to existing knowledge by providing information on the concept of tourism diversification. Surprisingly, few books have been published that focus on the development of coastal mass tourism and there has been limited research and critical evaluation of the tourism product diversification strategy used in coastal resorts (Bramwell, 2004). Indeed, few studies have been performed on diversification within the tourism context, resulting in limited available literature on the topic and little understanding of the reasons that constitute diversification necessary and the possible consequences that may arise. The discussion of the various concepts raised in this research follows a unique approach as the projected and perceived image of Cyprus as a tourist destination is compared to determine the success of the CTO's diversification strategy in enhancing destination image and increasing tourist satisfaction. The fit between the projected and perceived image is considered important as it reveals whether tourist expectations have been met; such comparison enables the investigation of the degree of success of the Cyprus tourism product diversification strategy. The triangulation method followed in this research - whereby both qualitative research methods with the supply-side of the tourism industry and quantitative research methods with the demand-side of the tourism industry have been adopted and combined - encourages the combination of approaches resulting in enriched findings whilst maintaining a high level of reliability and validity. This implies that the replication of the measurement scales used can be repeated and applied to similar cases. Hence, this study aims to makes an original contribution to knowledge. The findings of the research will not only add to the limited existing literature on diversification but also encourage further research on related aspects. Practically, the research will provide useful insight on tourism strategic planning, with particular focus on tourism development policy and promotion. The information resulting from this research can assist both the public and private sector of the Cyprus tourism industry by encouraging understanding on the perceived image of Cyprus and the shortcomings and possibilities of the Cyprus tourism product. Specifically, the problems of the destination as identified by both the public and private sector allow for a clearer picture of the situation as professionals from all the sectors involved were interviewed. Also, the questionnaire survey reveals important demographic factors, attitudes and perceptions of tourists which could assist in improving tourism product development and promotion.

1.4 STRUCTURE OF THE THESIS

This thesis consists of 8 chapters while the appendices attached provide supplementary information to the concepts discussed in this research.

1.4.1 Chapter 1

Chapter 1 presents the research background, the aims of the research as well as the main contribution of this research to existing literature whereas the structure of the thesis as divided by chapters is also presented.

1.4.2 Chapters 2 and 3

The second chapter is devoted to the review of the literature and provides the conceptual framework of this research. Chapter 2 discusses the concept of diversification and attempts to situate it within the tourism context. Reference is made to the reasons for diversification, the types of tourism product diversification, the motives behind diversification and the associated risks. Also, a synopsis of several destination cases that have adopted diversification as a tourism strategy is provided. Chapter 3 is based on the case study of this research. The evolution of Cyprus tourism is explained in relation to the destination lifecycle model and the restructuring thesis, clearly identifying the various stages and tourism phases the industry underwent. The challenges of the tourism product as well as the responses taken are identified and discussed with particular attention to the diversification strategy followed by the CTO.

1.4.3 Chapter 4

This chapter discusses the methodology followed throughout the research. The research question is stated whilst the research aims are outlined and the rationale of the research is discussed. The research approach followed is explained and justified with particular attention on the primary research design. Rationalisation of the choice of research participants, list of questions asked and data collection procedure is thoroughly provided. Also, an explanation of the research analysis is presented with justification where appropriate. Finally, the limitations faced by the researcher are identified in order to assess the reliability and validity of the findings.

1.4.4 Chapters 5, 6 and 7

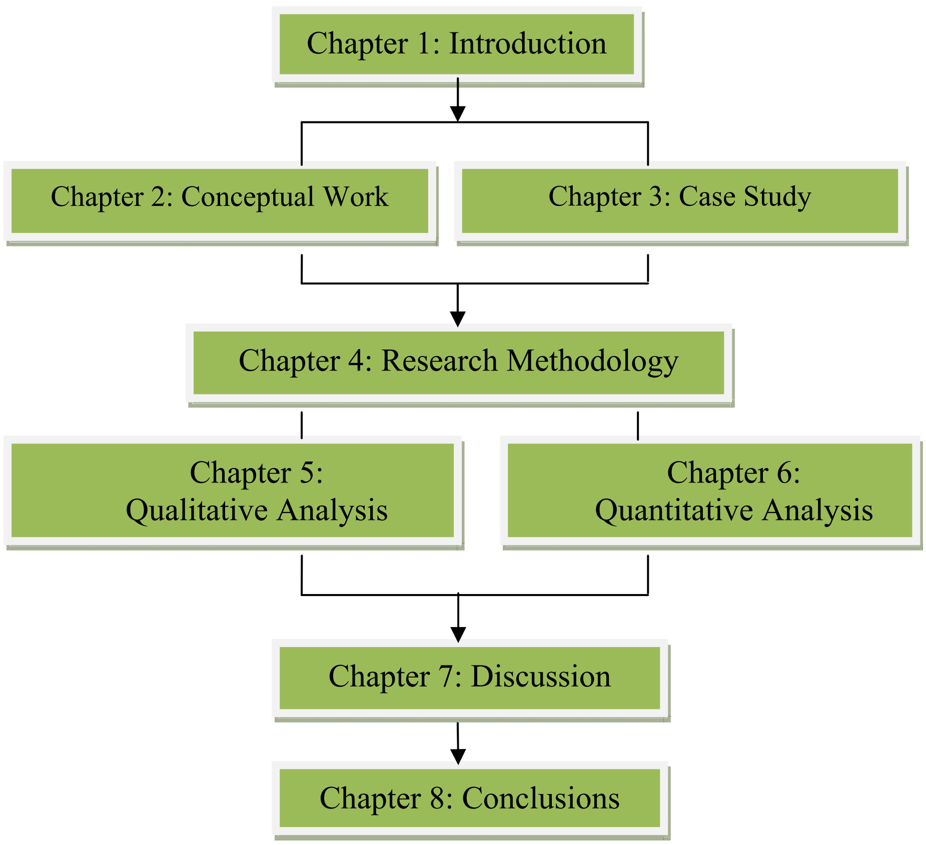
Chapters 5, 6 and 7 provide a detailed explanation of the qualitative and quantitative analysis performed as well as a discussion of the research findings. Chapter 5 discusses qualitative data analysis with particular reference and justification as to the analysis method chosen and research findings. Chapter 6 discusses the quantitative data analysis on SPSS with reference to the data entry, data analysis findings and relationship exploration. Finally, chapter 7 attempts to link the qualitative and quantitative data analysis findings to achieve the research aim. Particular reference is made to the comparison of the projected and perceived images of Cyprus and the risks carried by diversification strategy.

1.4.5 Chapter 8

Chapter 8 provides a summary of the findings discussed in chapters 5, 6 and 7 and attempts to offer recommendations as to the improvement of the Cyprus tourism product. In addition, the limitations of the research are identified and recommendations for future research are provided.

The following figure illustrates the structure of the thesis:

Figure 1.2 Structure of Thesis



Source: Author

CHAPTER 2 DIVERSIFICATION AND TOURISM

This chapter discusses the concept of diversification within the context of tourism. The chapter commences with a definition of diversification and provides a theoretical background of the concept. The chapter then presents an overview of the tourism industry with particular reference to the mass tourism phenomenon and its impact on small islands. The diversification concept is then applied to tourism where the reasons for diversification, the types, the motives and risks of diversification are explained. The chapter ends with a review of destinations that have attempted to diversify their coastal tourism products.

2.1 INTRODUCTION

Although diversification strategy has been applied mainly to a company environment it has also been used to explain the rejuvenation of destinations (Godfrey and Clarke, 2000). Nevertheless, the concept of diversification has been mostly explored by researchers from an economic and strategic management point of view, with little connection being made to tourist destinations. In this chapter the concept of diversification is examined within the context of tourism. Attention is given to the reasons for diversification, the types of tourism diversification adopted, the related motives and potential risks of diversification.

2.2 DIVERSIFICATION

"It is the part of a wise man to keep himself today for tomorrow, and not venture all his eggs in one basket"

(Miguel de Cervantes)

Diversification can be defined as the act of introducing variety by extending business activities into related or disparate fields. Johnson and Scholes (2002:297) defined diversification as "a strategy that takes the organisation away from its current markets or products or competences". This definition implies that a company is addressing a new clientele, using a new product and entering a new competitive environment. Diversification grew in popularity after the WWII, when industrial countries were entering into a prosperous economic phase characterised by technological innovation and growing internationalisation. At the time, companies were facing high competition due to rising demand and economic affluence and diversification was considered a sensible strategy for potential growth. Diversification has been used extensively in the business context as a growth strategy in an attempt to utilise previously unexploited resources. It has been widely used to explain the growth direction of organisations through their existing or potential products. According to Markides (1995) the use of diversification was intensified in the 1960s; however, it was recently that the strategy was considered within the context of tourism.

2.2.1 The Ansoff Matrix

Despite its popularity, there is no general approved definition or concept of diversification in literature. Yet it has been linked to the Ansoff Matrix, a model which is used to analyse an organisation's potential growth strategies. The model was developed by Igor Ansoff (1965) and distinguishes a company's existing products from new products and markets by proposing four strategies: market penetration, market development, product development and diversification. These strategies can be seen in the figure below:

Figure 2.1: The Ansoff Matrix

Product / Market	Present	New
Present	Market Penetration	Product Development
New	Market Development	Diversification

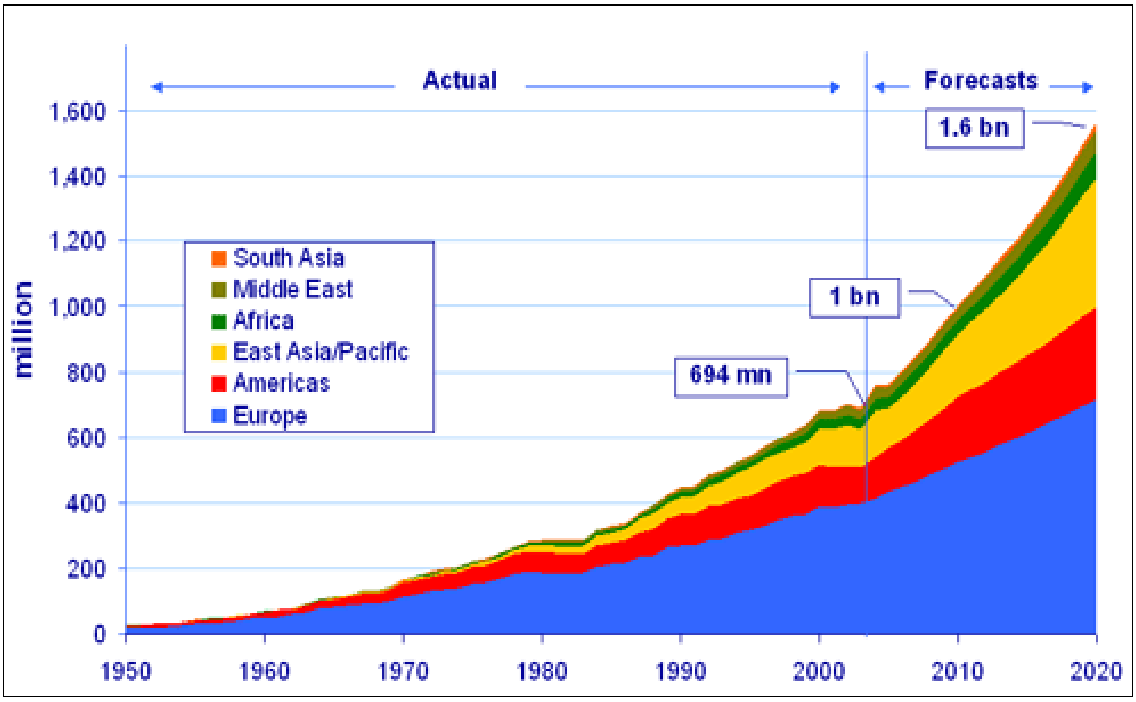
Source: Johnston and Scholes (2002)

An organisation which desires to increase market share by using existing products within existing markets follows a *market penetration* strategy. This strategy is appropriate when a company has a high knowledge and experience of the market but no ability to enter new markets. On the other hand, a *market development* strategy is used by a company that wants to enter new markets and acquire new segments with its existing products. This strategy is suitable when a company's existing products can be transferred easily to other markets or segments which promise better potential growth. *Product development* is followed when a company develops new products or improved versions of an existing product to offer to an existing market. This strategy is appropriate when customer demand changes or when the new products can enhance an organisation's economic returns in an existing market. Finally, *diversification* strategy involves the entry to new markets with new products. This strategy becomes necessary in three situations: a) when existing products or markets fail to yield profits, b) when an organisation wishes to attract new markets or segments with a variety of products and c) when an organisation's resources and competences remain unexploited. These strategies are often difficult to differentiate as the transition point from one product or market to another is not clear. Hence, it can be argued that they follow a continuum, with the new activity often resembling the existing one. This is mostly true within the tourism context where the attempt to revitalise and reposition the destination incorporates both market and product development.

2.3 TOURISM

Travel and tourism is the fastest growing industry in the world, with an estimated growth of up to 4% per year (WTO, 2006). Being the largest industry in terms of employment, employing 160 million people worldwide and generating $700 billion in fiscal incomes (Cortes et al, 2007), the travel and tourism industry contributes about 10% to the global GDP (WTTC, 2008) with international tourism receipts representing approximately 6% of worldwide export of goods and services. In addition, the tourism industry is supported and supports related industries including agriculture, construction and transport. It is thus obvious that travel and tourism has become a primary economic driver for all countries (Middleton and Clarke, 2001). Moreover, it is estimated that by 2017 economic activity will increase to $1323 billion while 262 million people will be employed in the tourism industry (WTO, 2006). The WTO (2006) has forecasted that international tourism arrivals will reach 1.6 billion by 2020. This can be seen in the figure below:

Figure 2.2: International arrivals by region



Source: WTO, 2007 – Tourist 2020 Vision

2.3.1 The Phenomenon of Mass Tourism

One of the phenomena that had an enormous impact on the growth of the tourism industry has been mass tourism development. Burkhart and Medlik (1976:42) have defined mass tourism as "the participation of large numbers of people in tourism, a general characteristic of developed countries in the 20th century. Hence, mass tourism is essentially a quantitative notion, based on the proportion of the population participating in tourism or on the volume of tourist activity. On the other hand, Poon (1993) placed an emphasis on the large-scale packaging of standardised leisure activities and argues that mass tourism exists when:

- the holiday is standardised, rigidly packaged and inflexible
- the holiday is produced through the mass replication of identical units with economies of scale being the driving force
- the holiday is mass marketed to an undifferentiated clientele
- the holiday is consumed *en masse* with a lack of consideration by tourists for the local people, culture and environment

Therefore, mass tourism has two characteristics: a) it involves the participation of large numbers of people and b) it refers to standardised holidays which are rigidly packaged (Vanhove, 1997). Mass tourism is responsible for the economic development of several destinations, especially developing countries and small islands that have no manufacturing industry to rely on. The impact of mass tourism development within a small island context is explained in the following section.

2.3.1.1 Mass Tourism Development in Small Islands

According to Eadington and Smith (1992) small islands experienced a shift from an agrarian economy to a touristic-based economy, bypassing an industrial phase altogether. Indeed, for many small island states, tourism was regarded as an easy, low cost/high profit option offering limitless scope for economic and social improvement (OECD, 1967). Firstly, it resulted in a boost in the local economy which in turn was able to finance the import of manufactured goods by yielding important amounts of foreign exchange (Mosse, 1973). Similarly, mass tourism provided employment to many skilled and unskilled workers on both a full-time and a part-time basis. In particular, the tourism industry has especially attracted a high share of female workers and young people (Wood, 1992). Other benefits of mass tourism include improvements on the transport system, water quality and sanitation facilities and the generation of entrepreneurial activity (Vanhove, 1997). Tourism development in islands increased substantially the per capita income and the overall standard of living (Briguglio and Briguglio, 1996). In addition, the creation of job opportunities in the tourism industry prevented the depopulation of small islands (Briassoulis, 1993) whereas several families engaged in tourism as a secondary activity to complement their main income from agriculture (Buhalis, 1998).

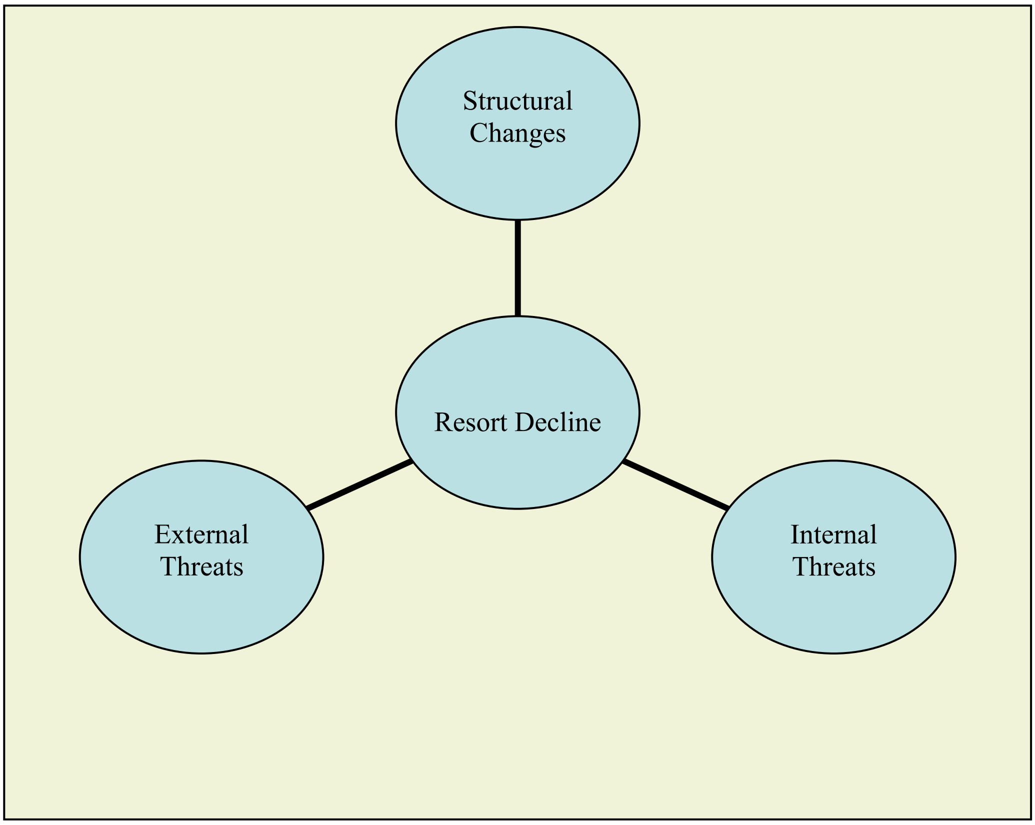
Despite its economic and social benefits mass tourism has been accompanied with several costs. The use of land for mass tourism development led to the reduction of available land for other purposes such as agriculture (Andriotis, 2004). This created overdependence on tourism; indeed much discussion has been devoted on the dependency spiral developing destinations have entered as many tourist destinations exhibited dependency on foreign tour operators and consequently an inability to control prices, threatening their economy's stable development. In addition, the large inflow of tourists involved in mass tourism led to increases in the price of goods and land in tourist regions which consequently raised inflation rates (Mathieson and Wall, 1982). The seasonality characteristics of mass tourism further aggravated the situation by resulting in seasonal demand, inelastic supply, insufficient reaction and imported inflation due to international arrivals (Vanhove, 1997). Similarly, mass tourism has caused crime, air, water and noise pollution, degradation of the environment and of cultural heritage, traffic congestion, deterioration of infrastructure and seasonal unemployment (Frechtling, 1994; Davies, 1996).

2.3.1.2 Mass Tourism in the Mediterranean

The costs of mass tourism have been particularly evident in Mediterranean island destinations, which due to their physical and natural attributes are in a disadvantaged position in comparison to continental destinations. For instance, the fast growth of some resorts has at times outstripped the capacity of local infrastructure (Sharpley, 2000). This results in deficiencies from the part of the local government to provide a mechanism for the effective treatment of sewage collection, road provision and garbage disposal, as often it tends to be unfunded and/or powerless (Priestley and Mundet, 1998). In addition, tourism facilities in islands such as the Balearics, the Canary Islands and the Greek islands have been spatially located along the coastal area (Priestley, 1995). The usual pattern of development has been along the coastal strip to ensure sea views and easy access to the beach for sunbathing and the sea (Mullins, 1991). For example, in Crete the majority of tourism development is located in the northern coast of the island (Briassoulis, 2004). This spatial concentration of tourism has further enhanced the image of Mediterranean island destinations for sun-seeking mass tourists, leading to overdevelopment and overcrowding that impacts negatively their already fragile environment. The concentration of tourism development in the coastal areas of Mediterranean destinations creates an unbalance in terms of economic activity and urban development whereas pressures on an already fragile environment were increased (Sapelli, 1995). A seaside tourism monoculture arose and took the leading role in the tourism productive system (Conti and Perelli, 2004). Furthermore, the uncontrolled and extensive use of environmental resources and the pollution of the ecosystem through illegal construction practices as well as urban land use conflicts (Montanari, 1995) further deteriorated the environment. The lack of development law and environmental regulations resulted in environmental and sea pollution, landscape degradation and the loss of agricultural land (Briassoulis, 2004) in several islands including Cyprus and the Greek islands. Additionally, mass tourism has been stubbornly seasonal as it is based on a summer holiday prototype. This creates periods of intense congestion when demand is at its peak with low economic returns and unemployment during the low season (Bramwell, 2004). Inequalities in the tourism income distribution can also exist between large foreign tour operators and small local tourism business. For instance, in Cyprus large-scale tour operators often force down accommodation prices through threats to cut capacity levels (Sharpley, 2003) resulting in lower profits for the local accommodation sector. Moreover, tourism development influences the culture and society of a destination, as fears over the deterioration of the society often creates tension between the local community and tourists. In an extreme case in Mallia in Crete, locals protested against noise pollution and criminality increase resulting from excessive tourist numbers during the summer period (www.reuters.com). Similarly, in Malta locals protested against historical pageantry events taking place in Mdina (Boissevain, 1996a).

As a result, Mediterranean destinations have been trying to reposition themselves and diversify their coastal tourism products by investing in new, more sustainable tourism forms. Although it is believed that new tourism forms have been developed as a reaction against the drawbacks of mass tourism, many authors believe that new tourism has been the consequence of a natural evolution rather than a revolution. Mowforth and Munt (1998) question the association of the growth of new tourism forms with the problems arising from mass tourism. Instead they argue that this growth resulted as a natural continuation of capitalism and postmodernism. Indeed, the shift away from mass tourism development in Southern Europe towards more sustainable tourism forms has coincided with the unprecedented pace and scale of capital restructuring and market integration witnessed in Europe in the late 1980s (Hudson, 2003). The tourism industry has been undergoing restructuring in terms of production and consumption patterns, with emphasis being placed on greater variety, flexibility and differentiation whereas changing tourist motivations have been causing a dramatic transformation to the international tourism industry. As the following figure depicts structural changes together with external and internal threats like competition from emerging destinations, resource depletion and politics have been argued to cause resort decline.

Figure 2.3: The association between resort decline symptoms/causes



Source: Gale (2007)

In order to understand the conditions under which diversification has been selected as a strategy it is important to study the structural changes that occurred in the tourism industry. These changes have been largely explained using two developmental models: the TALC model and the restructuring thesis. The following section provides a detailed discussion on the background of these models.

2.4 REASONS FOR DIVERSIFICATION

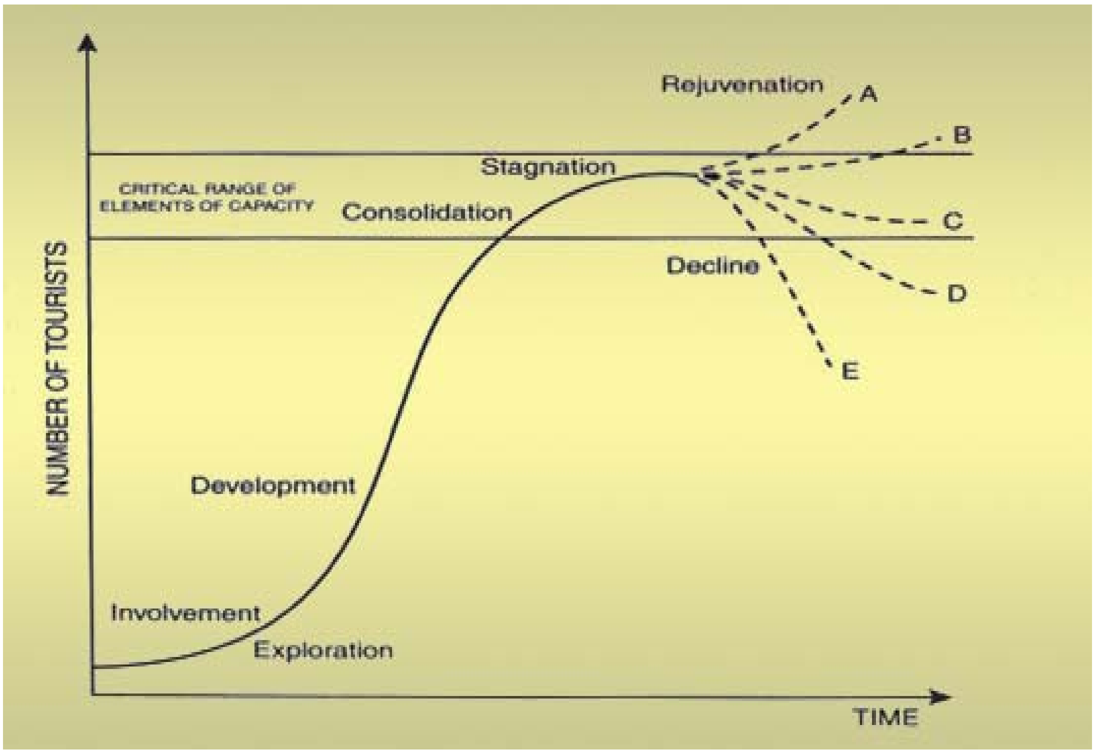
2.4.1 TALC Model

One of the most widely discussed models in tourism is the Tourism Area Life Cycle (TALC), also known as the destination life cycle. Based on the product lifecycle model, the destination lifecycle is the evolution of a synthesis of ideas by several authors (Gillbert, 1939; Christaller, 1963; Plog, 1973; Miossec, 1976) on tourist types and destination evolution [see appendix 2]. The model was presented in academia by Butler in 1980 when he published an article introducing the model of a product lifecycle for tourism resorts.

2.4.1.1 Stages of TALC Model

According to Butler (1980) the destination lifecycle is a universal evolutionary model, which charts the hypothetical development of destinations over time in terms of a series of stages defined by tourist numbers and infrastructure. Butler added a sales curve in the product lifecycle model and proposed that tourist numbers rose and fell in a similar way to sales, therefore argued that a destination was similar to a product (Johnston, 2001). The model attempts to describe the development of tourist destinations through a six-stage evolutionary pattern, starting from the exploration stage, where visitors arrive at the destination in small numbers:

Figure 2.4: The Tourism Area Lifecycle



Source: Butler (2006)

As awareness grows locals begin to get involved by providing more facilities until a tourism market is fully developed and consolidated. However, at some point the destination is bound to go into a maturity stage where tourist arrivals begin to fall.

At this point tourism authorities are faced with two alternatives: decline or rejuvenation of the destination. The stages are described analytically in the table below:

Table 2.1: Stages of TALC Model

Exploration	• Characterised by small numbers of tourists which make their own individual travel arrangements on an irregular visitation basis. • Visitors have been attracted to the destination because of its unique cultural and natural features and are highly involved with the locals as there are no specific tourist facilities provided for them. • The arrival and departure of visitors does not affect the economy or social life of the destination whereas the physical landscape remains unchanged.
Involvement	• As the number of visitors increases the locals begin to provide accommodation and catering facilities to them. • Contact between the locals and the tourists remains high and as some advertising begins to take place an initial target market is defined. • Because of the regularity in visitation a tourism season is established whereas governments are pressurised to provide public transport and other tourism facilities. • At this stage the first signs of travel organisation emerge.
Development	• A well defined tourist market is targeted using heavy advertising whereas local involvement and control gradually declines. • Small local enterprises disappear in favour of larger, branded facilities such as international hotel chains. • The number of tourists at peak periods equals or exceeds permanent local population making the import of labour necessary whereas the physical appearance of the destination changes at the resentment of the locals. • As the market widens and becomes better-served, the type of tourists begins to approach a mass tourism structure.

Consolidation	• The rate of increase in tourist arrivals declines although the total numbers of tourists keeps increasing and exceeds the number of permanent residents. • At this stage tourism is important for the economic viability of the destination and advertising is used widely to extend the season and the market. • Large franchises in the tourism industry continue to be present but few new ones enter the market. • Local opposition emerges against the large numbers of visitors, pressurising for the imposition of restrictions on tourist activities. Also, deterioration of facilities is noted.
Stagnation	• The maximum number of tourists has been reached as capacity levels have been exceeded leading to environmental, social and economic problems. • The destination's image is well-established but out-dated. • Destination image is not necessarily related to its geographical environment and the destination relies heavily on repeat visitation. • Surplus bed capacity exists whilst natural and cultural attractions are overlooked in favour of external man-made facilities. • Similarly, property turnover is high as development is restricted around the tourist area. • The type of tourists changes towards organised mass tourism types.
Decline	• The destination is unable to compete with new destinations and is preferred for short trips. • Tourist arrivals begin to fall whereas tourist facilities are replaced by non-tourist facilities as they lose their attractiveness in the market. • Local involvement increases at this stage as residents purchase facilities at lower prices probably to convert them into non-tourist related facilities. • Overall the destination moves away from tourism.
Rejuvenation	• Recognised as an alternative to decline and will require a complete change in tourist attractions either by adding man-made attractions to the destination or by exploiting previously unused natural resources. • As a result new forms of tourism appear that aim to boost the existing market and increase economic feasibility through new development. • The new market arising does not suggest the commencement of another life cycle but is rather represented in the form of a special interest group.

Source: adapted from Butler (2006)

Realistically, an outcome anywhere between these two extremes (decline or rejuvenation) is possible as new efforts may not be totally successful or the decline may not be totally irrevocable (Tooman, 1997). As can be seen from the diagram a period of stabilisation occurs after the new development attempts, and which can lead to different possibilities. Curve A suggests that successful redevelopment resulted in growth and expansion of the market. Curve B represents continued growth at a lower rate following minor modifications and adjustments. Curve C indicates a readjustment in capacity to achieve more stable visitation levels whereas curve D represents a decline as resources continue to be overused. Finally, curve E represents an immediate decline in visitors' numbers due to catastrophic events. Eventually, internal and external factors will have the greatest impact on destination development.

2.4.1.2 TALC Model: Critical Discussion

Several authors (Lundgren, 1984; Cooper and Jackson, 1989; Hall, 2006) agree that the destination lifecycle model is one of the most significant contributions to tourism development literature as it provides a profoundly rich discussion of the process of destination change. Despite the popularity of the destination lifecycle model numerous arguments have been proposed against its application (Oppermann, 1998). These include:

a) The possibility that a destination's tourism industry will not follow the propose stages (Tooman, 1997). It is not unlikely that the first stages of the model have been skipped as in the case of Cancun in Mexico (Torres, 2002) and the Cayman Islands in the Caribbean (Tooman, 1997), where a previously remote area experienced enclave resort development (Ioannides, 1992). Likewise, there are destinations such as Crete, Mallorca, Sardinia and Cyprus that as a whole may display characteristics of consolidation, stagnation or rejuvenation (Ioannides, 1994; Loukissas and Triantafyllopoulos, 1997). Similarly, there are some attractions that seem to preserve their interest and avoid the decline stage such as the Eiffel Tower.
b) The difficulty to identify the post-stagnation phase and other lifecycle stages. Many studies performed by Haywood (1986), Strapp (1988), Cooper and

Jackson (1989) and Agarwal (1997) found that the lifecycle phases can be identified after their characteristics have arisen, therefore are evident post-facto. Hence, Choy (1992) argued that at best the destination lifecycle is a diagnostic tool after the fact. It is difficult to identify between stagnation and post-stagnation phases because the characteristics of decline and the counter-measures taken are evident in both stages. Thus, because of the similarities between the two phases it is difficult to identify the exact stage a resort is experiencing.

c) The multiple components and different capacities a destination has that make it difficult to decide on the direction a resort must follow once it has reached the post-stagnation phase (Martin & Uysal, 1990). Some components are easier to manipulate as others may not be able to carry the desired capacity.

d) The fact that tourism markets can produce different demand patterns and hence differing curves (Brownlie, 1985; Haywood, 1986). For instance, in Cyprus Limassol and Pafos may show stagnation characteristics but the Akamas region is still in infancy in terms of tourism development (Ioannides, 2001).

e) The failure to recognise the contribution of seasonality and the different types of tourists visiting the destination at different times of the year. Debbage (1990) argued that Butler's model underemphasises the role of long-term structural change in favour of a more detailed discussion of the internal dynamics of resort areas; hence ignoring the external factors that influence tourism.

2.4.2 The Restructuring Thesis

The restructuring thesis is a vague and complex body of theory which consists of a set of theoretical propositions about the widespread economic and social changes taking place in society and which involve deep changes in the geography of production and consumption (Agarwal, 2002). The restructuring thesis primarily examines the changes occurring within the economic and social context of a society (Bagguley et al, 1990). Several authors have argued that these changes resulted from the transition from one capitalist stage of development, known as Fordism, where emphasis is on the mass production of standardised goods to a more advanced capitalist stage, known as post-Fordism, where flexible production techniques and product differentiation prevail (Piore and Sabel, 1984; Harvey, 1989; Dicken, 1998) [see appendix 3]. Mostly applied in the manufacturing sector, the restructuring thesis has been recently related to the service sector in an attempt to explain the nature of structural processes of change and the impact of these on the society and economy (Agarwal, 2002). Tourism, being an important part of the global capitalist order, has not remained immune to the changes taking place in production and consumption patterns (Torres, 2002). These developmental stages as applied within the tourism context are discussed below.

2.4.2.1 Application to tourism

Restructuring has been used initially to explain the process of change occurring in the manufacturing industry (Massey and Meegan, 1982); however, recently several restructuring strategies have been identified in sectors of the tourism industry particularly in relation to the post-stagnation phase of mass coastal resorts. Tourism researchers including Poon (1989), Urry (1990), Mullins (1991) and Page (1995) believed that the transition from Fordism to Post-Fordism can be applied to tourism. Several researchers have suggested a shift to more flexible production and consumption modes, represented in a movement away from the mass tourism ‘sun and sand’ or ‘ski’ resorts to more diversified tourism commodities that fix the ‘tourist gaze’ upon unique environmental, cultural and social landscapes (Torres, 2002). The shift to post-Fordism embraces changes in both the production and consumption modes of the travel industry. According to Poon (1993) the transition to post-Fordism in tourism demonstrates similar shifts as those in the manufacturing sector, where mass-oriented, standardised packages are replaced by flexible travel forms which emphasise individuality and autonomy (Ioannides and Debbage, 1997). For instance, an increasing number of hotels create niche brands, each catering to the needs of each market segment while direct ownership transfers to more flexible franchise agreements (Ioannides and Debbage, 1997). Similarly, computer reservation systems allowed the creation of small and medium-sized networks whereas many airlines and hotels undertook agreements with external contractors to externalise their maintenance services and laundry services. In addition, the travel market has experienced labour flexibility; in order to counter the seasonality problem the travel industry faces, many sectors in the industry such as the hotel and restaurant sector depend on part-time, semi-skilled workers whereas others working in small independently-owned establishments are responsible for several tasks (Ioannides and

Debbage, 1997). According to Urry (2002:79) "part of postmodernism's hostility to authority is the opposition felt by many people to being seen as part of a mass". New trends in consumer behaviour resulted in the transition in consumption processes; the new tourist is more educated and sophisticated and demands greater autonomy and individuality than mass tourism can offer [see appendix 4]. Tourists seek authentic experiences by interacting with the local community and culture whilst protecting the surrounding environment. In order to understand the transition from Fordism to Post-Fordism it is necessary to identify the various phases of tourism as proposed by researchers.

2.4.2.2 Phases of Tourism

According to Conti and Perelli (2005) the shift from an organised capitalism regime to a disorganised capitalism (Lush and Urry, 1994) and the idea of flexible accumulation (Harvey, 1990) meaning an increased flexible working market and new production geographies have been introduced in the reflections on tourism industry evolution. Hence, a distinction between the phases of tourism evolution has been distinguished by several authors, which also include a pre-Fordism phase. The following table illustrates the characteristics of the various phases of tourism evolution:

Table 2.2: Characteristics of Phases of Tourism

Fordist tourism	Post-Fordist tourism	Neo-Fordist tourism
Mass Tourism	Specialised/Individualised/ Customised Niche Market	Niche Market Mass Tourism
Inflexible/Rigidity	Tourism Flexibility	Flexible Specialisation
Spatially Concentrated	Shorter Product Life Cycle	
Undifferentiated Products Small Number of Products Discounted Product Economies of Scale	Product Differentiation	Product Differentiation Continuity of Fordist Structures/Institutions
Large # of Consumers Collective Consumption Undifferentiated Consumers	Small Case or 'Small Batch' Consumer Controlled Individualised Consumption 'Better Tourists'	Mass Customisation Consumer Choice
Seasonally Polarised Demand Western Amenities	Rapidly Changing Consumer Tastes	
Staged Authenticity	Desire Authenticity	Desire Reality While Revelling in Kitsch
Environmental Pressures 'McDonaldisation' or 'Disneyfication'	'Green Tourism' 'De-McDonaldisation'	Specialised 'McDonaldised' Product

Source: Torres, 2002

Pre-Fordism:

Pre-Fordism can be identified as the artisan stage of the travel industry (Conti and Perelli, 2004), which is characterised by a non-institutional nature. The industry is mainly dominated by small-scale, family-owned inns and restaurant establishments. At the pre-Fordism stage the small, independently-owned establishments rely heavily on family labour, low capital investment and are economically marginal with low survival duration (Ioannides and Debbage, 1997). Many people who engage in the travel industry by operating small units are occupied in agriculture and hence are in travelling as a side-business (Ioannides and Debbage, 1997). At this level technological innovation is virtually absent, even though the Internet has offered great opportunities to lodgings and small enterprises to market their products directly to consumers.

Fordism:

Fordism has been related by many tourism researchers to mass tourism due to the common characteristics they share including inflexibility, economies of scale, mass replication, small number of dominant producers, product standardisation and mass marketing to an undifferentiated clientele (Shaw and Williams, 1994). According to Conti and Perelli (2004:4) "the Fordism production organisation was established to support the mass tourism demand". At this stage the market is run by a few powerful companies which emphasise globalisation strategies. This mass tourism consumption process has been linked to the idea of McDonaldisation or Disneyfication (Ritzer, 1998), where a global standardisation of culture takes place. The key feature of the market is market concentration with hotel chains expanding their operations abroad and tour operators horizontally integrating leading to an oligopolistic market. Also, vertical concentration is a characteristic of the Fordism tourism market with major tour operators establishing their own charter airlines and travel agencies. The focus is to attain economies of scale by offering a single standardised product at affordable prices with the aim to increase sales volume. This gives rise to a mass production market which is largely aided by computer reservation systems and information technology that allow transnational firms to respond to the requirements of travellers.

Post-Fordism:

Post-Fordism occurs when the productive organisation of the industry is based on a new flexible principle (Harvey, 1990). One of the key features of the Post-Fordism phase is the rapid increase of online bookings which reduced the role of tour operators as more and more people travel independently. According to Poon (1993) a new tourism is emerging where people travel alone or in small groups, show interest in local communities and culture and choose individualised, green tourism products (Conti and Perelli, 2004). The Post-Fordism phase of the industry is characterised by outsourcing in an attempt to reduce costs and increase profitability by allowing specialists firms to undertake services. Many airlines rely on external catering services and aircraft maintenance and hotels rely on contracting companies which undertake laundry services and car parking.

The concept of Fordism and Post-Fordism representing two different production systems has been questioned by several authors including Torres (2002) and Ioannides and Debbage (1998). The basis of this criticism is the social, geographical and temporal variables which influence the transition as well as the classification of flexibility as synonymous with Post-Fordism (Conti and Perelli, 2004). Indeed, there seems to be a weakness in explaining how the travel industry extends its production system within a flexibility framework (Ioannides and Debbage, 1997). At the Fordism phase some features of the tourism industry demonstrate high flexibility, particularly those based on information technologies; however, other components follow mass-market, standardised production processes. Yet the industry endorses efforts to achieve flexibility through market segmentation whereas pre-Fordist enterprises have the ability to use information technologies to create small networks and hence become increasingly flexible (Ioannides and Debbage, 1997). Overall, it can be argued that various parts of the travel industry place emphasis on flexibility to balance against the large-scale, impersonal capitalist production process that exists in tourism (Ioannides and Debbage, 1997). The tendency of the travel industry to respond to customers' demand for more individualised and customised products is defined as mass customisation and is evident through the recent development of niche products which are sold on a mass basis to a large number of tourists. This process of continuation between Fordism and flexible productive forms was termed by some authors as Neo-Fordism (Conti and Perelli, 2004).

Neo-Fordism:

Neo-Fordism occurs when the Fordism productive model is capable in innovating some of its elements; hence, mass tourism is characterised by increased individualisation, flexible specialisation, niche market segmentation and mass customisation (Ioannides and Debbage, 1998). Strategies undertaken to increase flexibility and respond to increased competition include product differentiation and brand segmentation in the hotel sector to target various niche segments. For example, the Marriot chain attempts to target the mid-priced segment through the Courtyard, Fairfield Inn and Residence Inn (Ioannides and Debbage, 1997).

2.4.2.3 Restructuring Strategies

As Williams and Montanari (1995:2) stated "the empirical and theoretical neglect of tourism within this area of study is surprising since the tourism industry displays many features that have been central to debates on restructuring. These features include tourism as a dominant mode of production, the reorganisation of the labour process in response to rising levels of costs and competition, a shift in the regime of accumulation and the coexistence of diverse models of production". Indeed, various studies including Urry (1987), Buck et al (1989), Bywater (1992) and Bagguley et al (1990) identified restructuring forms and strategies within tourism. The application of the restructuring forms and strategies in tourism can be seen in the table below:

Table 2.3: Restructuring Forms and Strategies within Tourism

Examples of Restructuring
Product Reorganisation Intensification: increased cabin crew workloads with the development of larger jets, deregulation, cheaper air travel and shortening of flights Rationalisation: the rationalisation of some hotels' portfolios to focus on niche markets in key commercial and tourism centres (Tarrant, 1989) Investment and technical change: hotel and airline investment in global distribution systems Consolidation: Thomson Tour Operations consists of two travel agencies, an outbound tour operator and Britannia airlines Internalisation: Accor's ownership of an extensive portfolio of tourism products enables business transactions to be kept within the company Centralisation: the formation and operation of the 'Best Western' hotel marketing consortium (Urry, 1987)
Labour Reorganisation Labour flexibility (specialisation): Numerical flexibility: marked seasonal variation in employment in British seaside resorts; low unemployment in summer and high unemployment in winter Functional flexibility: hotel workers 'float' within and between different departments and they are required to perform a variety of tasks Subcontracting: certain tour companies and hotels are increasingly reliant on informal labour, thereby reducing costs and pressuring prices downwards in the formal labour market (Williams, 1995) Replacement of existing labour input: in some central London hotels, 45% of those employed are from black racial groups (Bagguley, 1987)
Spatial Relocation Concentration: Granada's takeover of Fort PLC has led to the company acquiring greater geographical representation in Britain Decentralisation: outsourcing of the baggage handling and accounting components of British Airways to the Indian subcontinent

Product Transformation
Partial self-provisioning: the provision of self-catering accommodation and the innovation of self-service restaurants (Bagguley et al, 1990)
Service product quality enhancement: UK local authority provision of customer care training programmes to tourism operators in order to improve the quality of service offered
Environmental quality enhancement: the implementation of FUTURE, a Spanish pilot plan which focuses on the environmental redesign and preservation of tourism areas (Marchena and Rebollo, 1995)
Repositioning: The promotion of Mallorca's historical and cultural resources to identified high–spend target markets, whilst at the same time consolidating its role as a sun and sand destination
Diversification: the development of conference and business tourism and/or heritage tourism and/or water-sports tourism in many of Britain's seaside resorts

Source: Agarwal (2002)

In a study of hotels and restaurants in Morecambe on the northwest coast of England, Bagguley et al (1990) identified the restructuring strategies of investment and technical change, rationalisation, labour flexibility, partial self-provisioning and quality enhancement of the service product (Agarwal, 2002). In addition, Bagguley (1990) recognised labour flexibility as a restructuring strategy employed by the hotel and restaurant sector, whereas Tarrant (1989) argued that consolidation has become an important restructuring strategy for hotels (Agarwal, 2002). Similarly, in an attempt to differentiate their products from competitors, internalisation is intensely used in tourism amongst airlines, hotels and tour operators. Other restructuring strategies applied in the tourism industry include centralisation which is used as a cost-saving strategy through the creation of market groups (Urry, 1987) and the replacement of the existing labour with cheaper, younger, female, non-white personnel (Bagguley, 1987). Also, environmental quality enhancement is identified by Marchena Gomez and Vera Rebollo (1995) as part of a redesign strategy followed by several Mediterranean mass tourism coastal resorts in order to preserve the environment (Agarwal, 2002). Finally, two important product transformation strategies are identified by several researchers as taking place in tourism: firstly, repositioning which involves the strengthening of a destination's image towards potential target markets and existing markets and secondly, diversification which is concerned with the development of a destination's product range (Agarwal, 2002).

2.4.2.4 Restructuring Thesis: Critical Discussion

The restructuring thesis provides a rationale for resort decline and has been a valuable model for resort developmental strategy formulation. Nevertheless, the use of the restructuring thesis in explaining decline has been accused of being problematic as the causes of the transition to post-Fordism are questioned. Several researchers argue that the shift to post-Fordism is not as clear as assumed. The application of post-Fordism is questioned within tourism as niche marketing, design variations and advertising often disguise mass produced and standardise tourism products (Britton, 1991). According to Sharpley (2003) the original Fordism type of the packaged tourism product remains as popular as ever. Therefore, the shift from Fordism to post-Fordism tends to be gradual and involves different production modes (Agarwal, 2002). Also, the high fragmentation of the tourism industry reveals that responses to decline are not uniform. Responses are likely to differ among resorts depending on the seriousness of the resort's problems and the importance of tourism to the resort. In addition, Leontidou (2006) argues that Mediterranean urban tourism has never been Fordist and the acceptance of a Fordism regime is not appropriate for Mediterranean societies. She maintains that the decision to travel is related to the hedonistic spirit of modern consumerism, which is acknowledged as a characteristic of post-Fordism.

The integration of the two theoretical models suggests that destination decline results from the interaction of internal and external forces and, hence, the responses to decline are responses to external changes (Lagiewski, 2006). Through the integration of these models a long-term structural change is emphasised; hence, resort decline should be conceptualised as the complex interaction of internal-external forces (Agarwal, 2006). Despite the limitations of each model it is unanimously agreed among authors that both constructs are useful in providing insight to the causes and consequences of resort decline as well as the responses to Mediterranean coastal resort decline. In the following section a detailed explanation of rejuvenation attempts is provided.

2.5 TOURISM PRODUCT DIVERSIFICATION

Although it is universally evident that tourism is currently under a state of metamorphosis little has been written about the diversified tourism products that have arisen opposite mass conventional tourism and as a response to market changes. In this section new tourism forms are identified and explained.

2.5.1 Types of Tourism Product Diversification

According to Bramwell (2004:2) "over the past 20 years the anxiety in southern Europe's coastlands about mass tourism's future economic health has encouraged policy-makers to advocate greater product diversification". New forms of tourism have emerged as a result of the diversification effort of NTOs to reposition their destinations and minimise mass tourism impacts. Since the late 1980s focus has been directed towards more sustainable tourism development which places local interests and needs on a higher stand. Yunis (2000:66) stated that "in diversifying their tourism supply with a sort of 'inward-looking' perspective, destinations directly contribute to making their entire development process, and of course their tourism industry too, more sustainable". Although a plethora of studies have been published on new tourism forms, an overview of the literature reveals that confusion remains as to the concept of new tourism. The following table illustrates the main differences between conventional tourism and new forms of tourism:

Table 2.4: New Forms of Tourism

Approach	Conventional Tourism	New forms of Tourism
Forms of Tourism	Sea, sun and sand tourism (3S)	Alternative forms of tourism Agrotourism Ecotourism Cultural Trekking Nature
	Mountain (winter) tourism	Special interest tourism Conference Business trips Maritime Health/spa Religious Educational Sport Adventure
Mode of organisation	Mass tourism Individuals Social tourism Second residence	Small groups of tourists Individuals Social tourism
Tourist Behaviour	Indifference High consumption	Responsibility Use of resources
State of Tourist Activity	Non-sustainable tourism	Green tourism Economically sustainable tourism Sustainable tourism

Source: Spilanis and Vayanni (2004)

The table above identifies two main types of new tourism: alternative tourism and special interest tourism:

2.5.1.1 Alternative Tourism

According to Pearce (1992) there is no universally agreed or widely adopted definition of alternative tourism, even though several attempts have been made to define the term by both individuals (Cohen, 1987; Cazes, 1987) and groups at conferences (Holden, 1984). The use of the term 'alternative' implies an antithesis (Wearing, 2001); however although the term 'alternative' incorporates a contrast in its meaning, Butler (1992) questions to what is alternative tourism developed. In most cases, new forms of tourism were presented as an alternative to the ill-defined mass tourism (Pearce, 1992). Hence, alternative tourism exists in opposition to mass tourism by attempting to minimise the perceived negative socio-cultural and environmental impacts of the latter. According to Mieczkowski (1995) alternative tourism and mass tourism are presented on the opposite poles of a spectrum. This classification implies that alternative tourism forms are small-scale, low-density, dispersed in non-urban areas and they cater to special interest groups of people with mainly above-average education and high incomes (Wearing, 2001). Indeed, Eadington and Smith (1992) defined alternative tourism as the forms of tourism that are consistent with natural, social and community values and which allow both hosts and guests to enjoy positive and worthwhile interaction and shared experiences. Opposite to mass tourism, alternative tourism involves small-scale development that embraces environmental preservation and cultural identity protection; it has therefore developed on two axes: the environment and the culture.

According to Wearing (2001) different forms of alternative tourism tend to overlap between them; for example, ecotourism is nature-based but does not always take place in wilderness settings. Similarly, Ceballos-Lascurain (1993) has associated ecotourism with cultural attributes as well as nature-based activities such as bird watching and trekking. Hence, environmentally-related activities cannot be separated from culture and tradition whereas cultural activities may take place in rural areas. It is therefore difficult to distinguish precisely between the various tourism forms; for example, some environmentally-related activities are presented separately from ecotourism. Similarly, several forms of tourism that might appear under the heading 'alternative tourism' may not necessarily involve small-scale development or serve local interests. For example, agrotourist establishments may be managed by a large tourist organisation, which will benefit economically at the expense of the rural community. Likewise, although nature-based products such as trekking and nature trails are consistent within the framework of ecotourism, they may be offered on a mass scale. Also, heritage tourism involves large numbers of visitors and therefore more 'mass' tourism than 'alternative' tourism characteristics (Bramwell, 2004). This suggests that a clarification is required between small-scale, local-oriented 'alternative tourism' and forms of tourism that although alternative to conventional tourism are offered on a mass-scale. Poon (1997:47) suggested that "new tourism is a phenomenon of large-scale packaging of non-standardised leisure services at competitive prices to suit the demands of tourists as well as the economical and socio-environmental needs of destinations". These mass-produced tourism activities are known as SIT.

2.5.1.2 Special Interest Tourism

SIT is defined as "the provision of customised leisure and recreational experiences driven by the specific expressed interests of individuals/groups. It is tourism undertaken for a specific reason" (Derret, 2001:3). SIT involves tourist packages targeted to groups of people that share a common interest/motive such as fishing, trekking, photography etc (Doswell, 1997) and evolved as a response to the diversity existing in tourist types and motivations [see appendix 1]. SIT involves exploring customised tourist experiences that satisfy specific individual interests. Hence, they are based on the notion of 'travel with a purpose' (Derret, 2001). According to Jayawardena (2002) SIT is a fast growing sub-sector in the tourism industry which is divided into limitless categories. The following table illustrates various activities that fall under the category of SIT:

Table 2.5: Special Interest Tourism

Special Interest Activities	Related Motivations
Urban	
Museums	Novelty, diversity, discovery, authenticity, uniqueness, education
Art galleries	Emotion, beauty, exclusiveness, uniqueness, authenticity, education
Heritage	Atmosphere, ambience, perceived authenticity, discovery, education
Arts and community festivals	Authenticity, emotion, escape
Performing arts	Emotion, escape
Cultural travel	Authenticity, uniqueness, education, social contact, novelty
Sports tourism	Spectating, improved physical well-being, social contact
Rural	
Cultural travel	Authenticity, uniqueness, education, social contact, novelty
Arts and community festivals	Authenticity, emotion, escape
Heritage	Atmosphere, ambience, perceived authenticity, discovery, education
Adventure travel	Risk-seeking, self-discovery, self-actualisation, contact with nature, social contact
Health tourism	Improved physical well-being
Sports tourism	Improved physical well-being, social contact
Farm tourism	Contact with nature and the rural environment, social contact, discovery
Natural	
Nature-based tourism	Contact with nature, discovery, knowledge, education, scientific curiosity
Adventure tourism	Risk-seeking, self-discovery, self-actualisation, social contact, contact with nature

Source: Hall and Weiler (1992)

According to Spilanis and Vayanni (2004) special forms of tourism are defined by the special motives that induce travel; on the contrary alternative forms of tourism are related to the way the travel is organised and to tourists' willingness to learn about the host area and to consume environmentally friendly products. Spilanis and Vayanni (2004) argued that mass tourism can coexist more easily with SIT forms than alternative ones as SIT complements the traditional mass tourism product. This is because SIT products are produced and consumed on a large-scale basis; yet SIT has been related to Neo-fordism as it incorporates flexibility, customisation and niche marketing. Wearing (2002:243) argued that new tourists "search for new and exciting forms of travel in defiance of a mass produced product yet without "actually having to involve themselves in any way".

Whatever new tourism form destinations select to develop, the reasons for such strategy adoption vary between destinations as some may want to expand their tourism industries and strengthen their position whilst others may have no other choice but to diversify. In the following sections the purpose of diversification adoption is outlined in relation to the benefits it offers to destinations whereas the risks of the strategy are identified. Also, a synopsis of rejuvenation cases is provided to enable the examination of tourism product diversification in practical terms.

2.5.2 Diversification Motives

Diversification strategy allows further growth when economic conditions are prosperous and improves the economic situation when difficulties are present. In general, diversification has been used extensively for a variety of reasons: to increase profits, reduce costs, decrease risks, growth and development of new competences and markets, exploitation of unused resources, competitive advantage achievement and increased strategic flexibility (Bacher, 2005). Diversification has been used by destinations to maximise profits by developing new products to complement their traditional mass product. Similarly, diversification reduces costs due to the productivity achieved through the synergy of activities whereas the seasonal risks associated with operating in one product area can be reduced as product diversification extents the tourism season (de Villiers, 2000). In addition, the variety of different products offered to tourists allows destinations to gain an advantage over competitors. Diversification seems an appropriate strategy to increase tourist arrivals through the offering of multiple activities and enhances destination image by promoting new or distinctive competences. Also, the over-dependence of many mature destinations on international tour operators can be reduced as a variety of products is offered to different segments (Cortes et al, 2007). One of the greatest benefits of diversification is the exploitation of surplus resources such as technological innovations, brand name and management skills in imperfect markets where transaction costs are high. By transferring these assets in other markets the destination is able to make excess use of assets and competences (Montgomery and Wernerfelt, 1988). Hence, diversification allows the spreading of the tourism activity, which results in socio-economic benefits for several layers of the local society. In particular, the utilisation of unexploited resources can create employment.

2.5.3 Diversification Risks

According to Very (1991) approximately 50% of diversification attempts fail. Similarly, Porter (1987) argued that diversification can dissipate value rather than create value. Diversification is an extremely risky strategy as it places emphasis on new products and new markets. The risks and costs are considerable, especially when a possible failure can have an impact on the brand name and on the existing product. Various academic researchers including Ramanujam and Varadarajan (1989) and Dess et al (1995) argue that extensive diversification tends to depress profitability. Such a strategy creates high investment costs, diffusion of resources and loss of identity and management problems.

2.5.3.1 High Investment Cost

According to Glaesser (2003) the downside of diversification is that the resources are not used effectively in a normal situation. Diversification involves high investment and a wider allocation of resources which carries a certain level of risk, as capital is not invested on one promising product but it is divided into several segments leading to poorer investment. As a result the destination may fail to capitalise the new market segment and fully enjoy the benefits offered by a new product. This is particularly true of SIT products where infrastructure is essential in providing and supporting the product and where knowledge, planning and control are vital in determining success.

2.5.3.2 Confused Image

Moreover, a destination carries a certain image which is largely influenced by external factors; the received image may very well differ from the image a tourist organisation is trying to project (Tasci and Kozak, 2006). Destinations that have solid images run the risk of losing their distinctiveness when trying to reposition themselves, especially when their repositioning attempt involves the promotion of a diverse portfolio of tourist products, as it can lead to confusion of the destination's image, personality and brand. There is a danger that a distinctive personal image achieved through specialisation will be watered down (Glaesser, 2003).

2.5.3.3 Threat of Standardisation

Similarly, Bianchi (2004) argued that the decision of tourism authorities in the Canary islands to diversify their 'sea and sun' product may lead to the possibility of reproducing another form of standardisation, which will intensify the struggle over territory and resource allocation. This opinion is shared with Agarwal (2006) who argues that mature destinations attempting to rejuvenation and create place distinctiveness may become more standardised as destinations restructure in similar ways. She continues stating that many tourist destinations attempt to capitalise on their 'symbolic capital' or 'cultural capital' leading to the same components, such as culture, becoming catalyst tools for restructuring (Smith, 2002).

2.5.3.4 Limited Profitability

In addition, the provision of the SIT products depends on the ability to provide the basic tourist product; consequently their profitability depends on the profitability of the basic product (Bacher, 2005). According to Bacher (2005:36) "the influence of diversification on people's decision to go on holiday and on their destination choice is marginal". Hence, the profits made from the diversified products are insignificant and SIT products are unlikely to make an important contribution to tourist arrivals and receipts. This is true of rural tourism development in Cyprus. According to Sharpley (2002) returns have been insufficient to cover the initial investment as rural tourism does not generate high income levels, making the financial subsidy necessary for the sustainability of rural tourism enterprises.

2.5.3.5 Overstretching

Similarly, Webster (1998) cautioned that diversification can present problems for small business operators and recognised that it might be better to concentrate on the core business if diversification stretches one's financial resources, time and skills. Research carried out by Poza (1988) shows that most diversification outside the products, the manufacturing processes and markets that firms know well fails. This suggests that in order to diversify successfully one must do so from a strong base, building on existing strengths and making sure that base activities run efficiently, profitably and productively. This raises the question on whether it might be more appropriate to enhance the basic tourist product by investing on the existing infrastructure (Sharpley, 2003) rather than allocating resources on the development of new products.

2.5.4 Overview of Rejuvenation Cases

Mallorca was the first Mediterranean destination to realise the threat of continuing exploitation of scarce natural resources (Ioannnides, 2002). It undertook a rejuvenation strategy by changing its customer mix, the position of the brand and the marketing mix. Mallorca widened its customer base by targeting the European and the American markets through PR campaigns and trade selling, implemented restrictions on construction whereas more traditional forms of tourism were marketed to alternate its image as a mass tourism destination (Morgan, 1991; Ioannides, 2002). Gradually other Mediterranean destinations whose competitiveness was declining attempted to adopt a quality-oriented, diversified tourist product. Torremolinos in Spain redesigned and beautified its tourism surroundings (Pollard and Rodriguez, 1993). Benidorm constructed a large public park, two theme parks and a golf course to allow the development of special interest products to be used complementary to the traditional 'sea and sun' product (Curtis, 1997; Cortes et al, 2007). Also, Malta and Cyprus following an UNESCO report on the need for sustainable tourism development in small islands attempted to diversify their tourist product to target high-spending segments in the market (Ioannides, 2002). Malta directed investment towards the construction of luxury hotels and large-scale projects such as golf courses as well as the improvement of its archaeological sites in order to promote cultural tourism whereas Cyprus invested on the development of large-scale, luxury-oriented tourist enclaves (Inskeep, 1994). Similarly, in the Balearic islands (Middleton and Clarke, 2001) efforts have been directed towards the promotion of the region as a quality destination. The focus has been on sustainable tourism development through tourism product diversification with efforts concentrating on improving infrastructure, updating existing accommodation facilities, developing a sanitation system to reduce sea pollution and establishing green belts around resorts to prevent sprawl (Ioannides, 2002).

Although these efforts have been coined as a success story (Ioannides, 2002), Aguilo et al (2005) found in their study of Balearic islands that rejuvenation attempts increased the price of tourist packages leaving tourists dissatisfied and unwilling to pay for the complementary facilities. Similarly, Chapman and Speake (2010) found that the Bugibba resort in Malta has failed to rejuvenate. Although tourism product diversification has been dubbed in literature as a sensible strategic choice, many have criticised the strategy as it places pressure on existing natural resources and allows for leakages of tourist income (Holcomb and Balm, 1996). This raises questions as to the appropriateness of diversification as each resort is different. According to Cooper (2006) rejuvenation should be adapted to the needs of each destination.

2.6 SUMMARY

The economic contribution of tourism makes it a desirable activity worldwide, often a vicious necessity, especially within the context of small islands that grow to become dependent on tourism. On the other hand, the large growing structure of the tourism industry makes it impossible for destinations to remain unaffected by the impacts it carries. The new millennium saw several Mediterranean destinations attempting to minimise the costs of mass tourism and respond accordingly to changing societal structures, technological innovation and a growing environmental awareness. Part of such efforts has been the adoption of diversification of destinations' coastal tourism product and the rejuvenation of their markets. This chapter identified the reasons for diversification, the types of diversification as applied within tourism, the motives behind the concept and the related risks. A review of cases was provided in this chapter revealing that while some destinations have been successful in implementing diversification others have not. It is therefore essential to measure the impact of the strategy on destinations and acknowledge the potential risks that might arise. This research aims to fill this gap and so an overview of Cyprus tourism is provided in the next chapter whereby the tourism development of Cyprus is thoroughly examined, the challenges faced by the destination are identified and the diversification measures as outlined in the CTO's strategic plan analysed.

CHAPTER 3 CYPRUS TOURISM

This chapter reviews the development of tourism in Cyprus using the TALC model and the restructuring thesis. The chapter then moves on to outline the various internal and external challenges faced by the Cyprus tourism industry. The chapter ends with a review of the strategies undertaken by the CTO to diversify its coastal tourism product.

3.1 INTRODUCTION

Cyprus sits at the crossroads of three continents: Europe, Asia and Africa on the north eastern end of the Mediterranean basin. It is the third largest island in the Mediterranean Sea with a population of just 778,700 and an area of 9.251 sq km (CYSTAT, 2007). Cyprus, which is one of the two island-states in the region, is a former British protectorate that gained its independence in 1960. The physical beauty and cultural heritage of Cyprus provided the resources for the development of tourism on the island. Hence, following its independence which coincided with the flood of mass tourism in Europe in the 1960s (Ayres, 2000), Cyprus was transformed into a mass tourism centre.

At first tourism development in Cyprus has been a remarkable success story (Sharpley, 2001). In 1960, tourist arrivals recorded accounted for just 25,000 visitors; by 1973 this number increased to 260,000 representing an annual growth rate of more than 20%, compared to global arrivals which accounted for 8% (Sharpley, 2001). In 1974, however, tourism development in Cyprus was brought to a standstill following the Turkish invasion and subsequent occupation of the northern part of the island (Andronikou, 1979). However, the Greek-Cypriot controlled area is recognised internationally as the Republic of Cyprus whereas the so-called 'Turkish Republic of Northern Cyprus' established in 1983, is recognised only by Turkey. The map below illustrates the regions of Cyprus:

Figure 3.1: Map of Cyprus

Source: http://blog.overseaspropertyonline.com

Despite the collapse of its economy following the Turkish invasion in 1974, Cyprus managed to revitalise the tourism industry by developing new resorts in the southern part of the island. Between 1977 and 1978 Cyprus became the fastest growing Mediterranean destination with an annual growth rate of approximately 18% (Gillmor, 1989), a performance presented by many tourist researchers as an 'economic miracle'. In order to understand the evolution of Cyprus tourism and the various stages it went through it is important to examine the industry's development thoroughly. In the following section the tourism development of Cyprus is examined using the TALC model and the restructuring thesis.

3.1.1 TALC Model & Restructuring Thesis: Application to Cyprus

An observation of tourist arrivals to Cyprus since 1960 demonstrates that a growth pattern as the one described in the TALC model is evident. It appears that the tourism industry in Cyprus has gone through a clear evolutionary pattern in which the stages proposed by the TALC model and the restructuring thesis can be identified.

3.1.1.1 Exploration and Involvement Stages/Pre-Fordism

Tourism development in Cyprus commenced in 1960 when the island gained its independence from the British rule. Until then, the tourism industry was virtually non-existent and the island displayed many symptoms of underdevelopment (Witt, 1991). At the time agriculture accounted for nearly half of all employment (contributing 16% to GDP) whereas manufacturing, which contributed only 10% to GDP, was restricted to the processing of local agricultural raw materials (Andronikou, 1987). In 1960, when the island gained its independence from the United Kingdom, about 25700 tourist arrivals were recorded and less than 4000 beds were offered for accommodation (Andronikou, 1979). Of these, approximately 45% were located in the hill resorts, less than one third of bed capacity was accounted by the five coastal towns while Nicosia, the island's capital, accounted for the remaining 26% (Ioannides, 1992). According to Christodoulou (1992) tourism was confined to small-scale, family-run enterprises with only a few recognised high class hotels. The majority of visitors was from the UK and consisted of relatives of troops and colonial government officials, whereas most of the visitors in the seaside were local residents. During 1962-1966 the government of the newly established republic acknowledged the importance of tourism and established a Five-Year Development Plan in an attempt to boost foreign exchange earnings whilst diversifying from a primarily agrarian economy (Andronikou, 1987). According to Kammas (1993:71) "one of the major goals of the island's first development plan called for an import substitution policy as a tool to achieve industrialisation and greater economic development….taking advantage of the island's natural resources". This interest in the development of the tourism industry was the result of external influences including the United Nation. One important issue that fuelled the growth of tourism was the conclusions of the Checchi Report, which underlined the benefits of tourism on employment and income. Thus, in the UN Conference on International Travel and Tourism in 1963 it was recommended that governments promote the tourism industry at all costs (Ioannides, 1992). By the end of the Five Year Development Plan in 1966 over 56000 tourist arrivals were recorded whereas bed capacity increased to more than 5600, primarily in the hill resorts. The coastal towns of Famagusta, Kyrenia and Limassol also experienced an increase in accommodation mostly in the form of small, family-run hotels. The following table illustrates the growth in bed capacity by district from 1960 to 1973:

Table 3.1: Bed Capacity by District 1960-1973

	1960		1966		1971		1972		1973	
District	**No. of beds**	**% of beds**	**No. of beds**	**% of beds**	**No. of beds**	**% of beds**	**No. of beds**	**% of beds**	**No. of beds**	**% of beds**
Nicosia	993	26.1	1434	25.5	1611	22.5	1664	19.8	1735	16.1
Limassol	200	5.3	544	9.7	890	12.5	870	10.3	1212	11.2
Larnaka	44	1.2	71	1.3	91	1.3	56	0.7	283	2.6
Famagusta	457	12.0	859	15.3	2275	31.8	3533	42.0	4859	45.0
Kyrenia	292	7.7	568	10.1	1103	15.4	1250	14.8	1369	12.7
Pafos	116	3.0	120	2.1	45	0.6	45	0.5	280	2.6
Hills	1704	44.8	2020	36.0	1132	15.8	1002	11.9	1058	9,8
Total	3806	100	5616	100	7147	100	8420	100	10796	100
Coastal Areas Total	1109	29.1	2162	38.5	4404	61.6	5754	68.3	8003	74.1

Source: Ioannides (1992)

The government helped in the development and promotion of tourism by allocating funds and providing low-interest loans. Despite this attempt the private sector, namely banks and other financial institutions were reluctant to invest in tourism. However, in 1967 the UN nominated the Year of the Tourist which gave confidence to both the public and the private sector to cooperate and invest in this promising industry (Ioannides, 1992). As a result, foreign firms joined with Cypriot development companies in order to built large hotels, primarily in Kyrenia and Famagusta. As part of the government’s efforts to promote tourism, the Cyprus Tourism Organisation was established in 1969 with the responsibility to develop tourism and implement legislation on the classification of tourist accommodation according to international standards in order to make the destination competitive with other Mediterranean destinations (Ioannides, 1992). Simultaneously, a terminal for the Nicosia International Airport was built whereas the national airline, Cyprus Airways, updated its aircrafts and launched flights to Athens, Frankfurt and London

(Ioannides, 1992). Similarly, it established a subsidiary charter company, which enlarged the tourism industry even further (Ioannides, 1992).

3.1.1.2 Development Stage/Fordism

From the 1970s onwards the districts of Kyrenia and Famagusta accounted for almost half of the island's total bed capacity. Similarly, tourist arrivals to Cyprus had doubled. By 1973, over 260000 tourist arrivals were recorded representing an annual growth rate in excess of 20% (Sharpley, 2001). The growth of tourism in Cyprus from 1960 to 1973 can be seen in the table below:

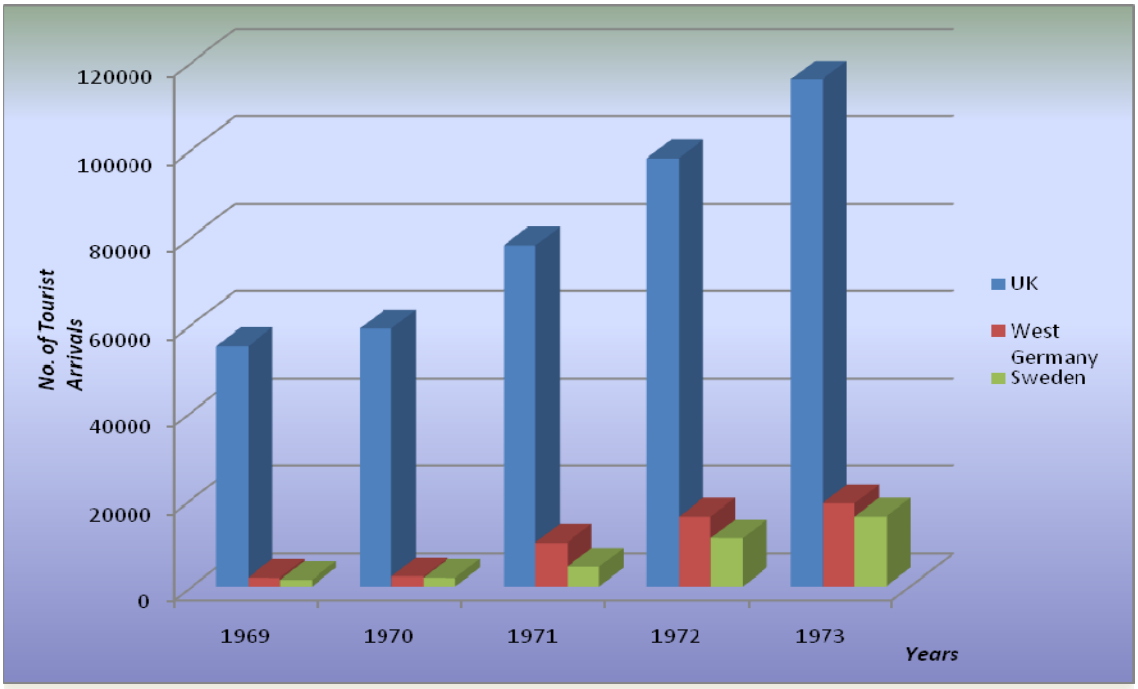
Table 3.2: Tourism growth rates (1960-1973)

	Arrivals/earnings				**Rates of growth (%)**		
	1960	**1966**	**1971**	**1973**	**1960-1966**	**1966-1973**	**1960-1973**
Tourist arrivals (000s)	25.4	54.1	178.6	264.1	13	25	20
Foreign exchange earnings (CY£m)	1.8	3.6	13.6	23.8	12	31	22
Contribution of earnings to GDP (%)	2.0	2.5	5.2	7.2			

Source: Sharpley (2003)

The majority of arrivals came from the United Kingdom, followed by Swedish and German visitors respectively. This can be seen in the figure below:

Figure 3.2: Main Tourist Arrivals

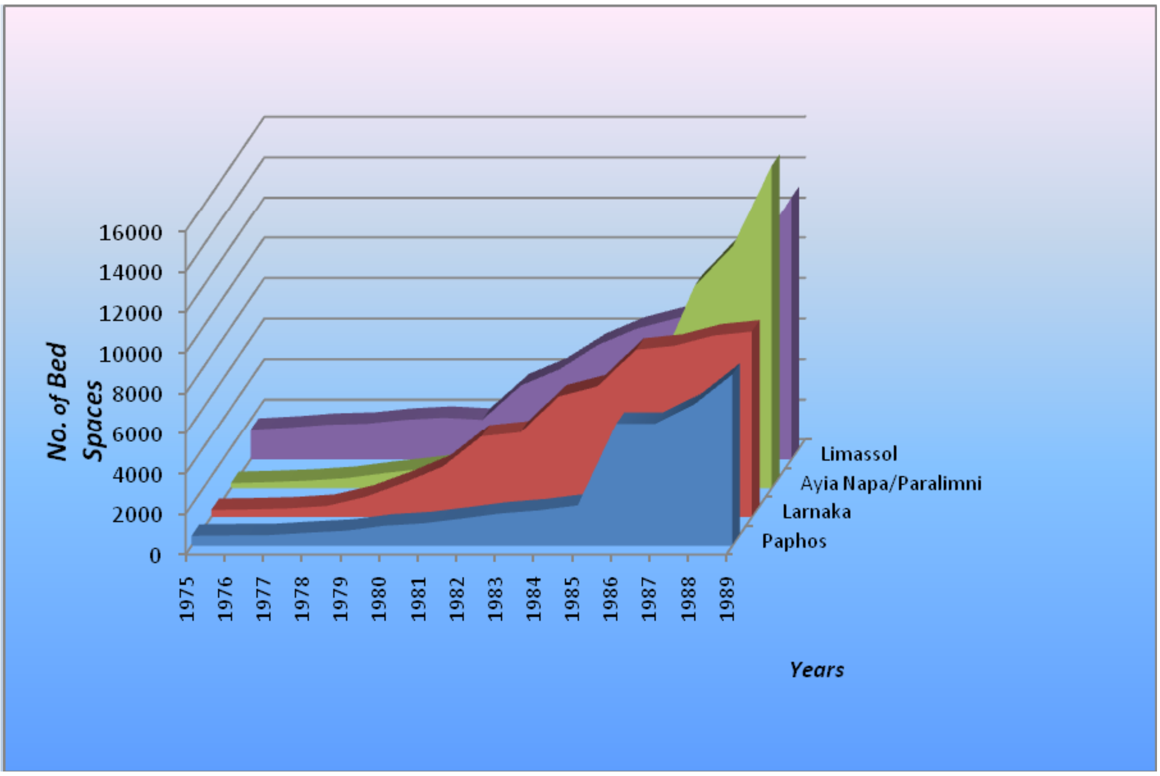


Source: Ioannides (1992)

As tourism was developing Cyprus was moving towards industrialisation, whereby a Fordism pattern of production and consumption was adopted. This increase in tourist arrivals resulted from the emergence of large tour operators and the growth of the all-inclusive package trend that offered lower prices for holidays abroad (Pearce, 1987). In addition, technological advances in transportation and in the aircraft industry specifically, together with the increasing affluence of people made previously distant destinations accessible to Europeans (Ioannides, 1992). As a result Cyprus, which was until then at a greater distance from its competitors in the Mediterranean region, became an attractive, accessible new destination to people in search of a new experience (Gillmor, 1989). According to several tourism scholars, such as Urry (1990) and Shaw and Williams (1994), mass tourism and Fordism moved towards parallel directions; hence, Fordism tourism had become synonymous with mass tourism development in Cyprus. The prosperity, however, came to a halt in 1974 following the Turkish invasion, which left the island divided into two parts - frequently referred to in academic research as northern and southern Cyprus - and led to the displacement of approximately 265000 Greek-Cypriots and Turkish-Cypriots. The invasion had a crippling effect on the whole economy but the tourism sector in particular suffered disproportionately because of its concentration in the occupied areas and the fall in tourist arrivals (Ayres, 2000). According to Photiou (2004) nearly 70% of tourist accommodation and facilities were lost whereas the only international airport of Cyprus became non-operational. As a result, in 1975 tourist arrivals made up only 18% of the 1973 figures.

Despite enormous problems Cyprus tourism entered into a second phase of development by reinventing itself. The government had played a key role in the development and promotion of the tourism industry after the war. It initiated a series of Emergency Economic Action Plans; the 1975-1976 Emergency Plan recommended the continuation of cooperation with key players in international tourism including large tour operators and airlines, mainly from the UK and Scandinavian countries (Ioannides, 1992). The following Emergency Plan aimed at re-establishing Cyprus' role as a tourism destination. As a result, from 1975 onwards the tourism industry witnessed a remarkable growth with Fordism production and consumption patterns being clearly evident. A series of economic action plans were instigated to establish the southern part of Cyprus as a major tourist destination. A new airport was built in Larnaka on a deserted airfield and incentives were given to the private sector, in the form of free land or low-interest loans, to develop tourist accommodation in coastal areas. The most intensive tourist-related development took place in the eastern part of Limassol, where existing urban infrastructure could be capitalised (Ioannides, 2001). By the late 1970s incentives were given by the government to refugee hoteliers to construct tourist accommodation in Ayia Napa and Paralimni (Ioannides, 1992). Between 1976 and 1989 annual arrivals increased by 700% (Witt, 1991) whereas the 1973 figure of CY£23.8 million in tourism receipts was recovered by 1977 (CTO, 1990). During the 1980s tourism receipts increased by an annual average rate of 23% whereas tourist arrivals represented an annual average growth of 16%, compared to the global rate of 4.2% (CTO, 1990). By 1989 Cyprus accepted over 1 million tourists with tourism receipt reaching $1 billion. The supply of accommodation had increased simultaneously, particularly in the coastal areas. The following chart shows the growth in accommodation in the coastal areas for the period 1975-1989:

Figure 3.3: Tourism Accommodation Growth in Coastal Areas



Source: Ioannides (1992)

<u>3.1.1.3 Consolidation Stage</u>

By the early 1990s, the economy was dependent on the tourism industry. By 1995 arrivals reached 2.1 million with tourism representing approximately 20% of the country's GNP and tourism receipts accounting for 44% of all foreign receipts transforming Cyprus from, primarily, a producer and an exporter to a services and tourism leader. Tourism, thus, became the primary source of employment on the island (Sharpley, 2003). In addition, tourism directly or indirectly influenced related industries including the construction industry, agriculture, manufacturing, financial services, communications and transport (Hoti et al, 2006); hence, tourism growth resulted in the destination enjoying a high standard of living, education, real incomes and healthcare access. However, as a result of the rapid growth of Cyprus tourism and the influence of external factors on the industry, a series of problems emerged including environmental pressures, infrastructure erosion and social tensions between locals and tourists. The growth in the self-catering accommodation type inevitably influenced the nature and scale of tourism and strengthened Cyprus' position as a mass market, sea and sun destination (Sharpley, 2000b). The following table illustrates the bed capacity from 1978 to 1995 per type of accommodation:

Table 3.3: Total Bed Capacity for years 1978-1995

	1978		1984		1992		1994		1995	
	No. of Beds	Share (%)	No. of Beds	Share (%)	No. of Beds	Share (%)	No. of Beds	Share (%)	No. of Beds	Share (%)
Star hotels										
4 and 5 star	6,032	72.2	16,244	60.0	37,613	53.9	42,983	56.5	44,620	56.9
3 star	2,213	26.5	6,679	24.7	18,371	26.3	21,576	28.3	22,638	28.9
1 and 2 star	1,916	22.9	6,073	22.4	13,734	19.7	16,118	21.2	16,329	20.8
Hotel apartments	1,903	22.8	3,492	12.9	5,508	7.9	5,289	6.9	5,653	7.2
Deluxe	751	9.0	9,426	34.8	24,371	34.9	26,171	34.4	26,854	34.2
A Class	-	-	-	-	-	-	149	0.2	149	0.2
B /C Class	-	-	-	-	10,885	15.6	12,115	15.9	12,583	16.0
Tourist	-	-	-	-	3,3486	19.3	13,907	18.3	14,122	18.0
Village	-	-	-	-	-	-	-	-	222	0.3
Other*	1,575	18.8	1,415	5.2	7,775	11.2	6,963	9.1	6461	8.2

* Tourist apartments, furnished apartments, tourist villas, traditional houses, guesthouses

Source: Ayres (2000)

The unregulated construction of hotels at a close proximity to the beach resulted in coastal pollution and the change of the natural landscape. Local inhabitants have resisted this immense tourism growth and have often blamed tourists for the deterioration of the Cypriot culture and nature. This is particularly true of popular resorts like Ayia Napa, where locals were so outraged with the flood of tourists who took over their village, that they abandoned the area to build a new village (Jensen, 1989). In addition, almost two-thirds of all arrivals travel on all-inclusive arrangements (Sharpley, 2003). The trend towards inclusive holiday packages, as well as the dependency on the British and the Scandinavian market, resulted in overdependence on foreign tour operators, whose increasing power allowed them to negotiate accommodation discounts in an over-supplied market (Sharpley, 2003). The following table shows the arrivals to Cyprus from 1990s to 2000s from the major target markets:

Table 3.4: Arrivals from major markets (%)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
United Kingdom	44.3	49	54.6	51.6	46.9	40.5	36.9	38.3	45.7	47.6	50.7
Scandinavia	17.6	14.1	12.1	8.6	9.9	10.9	12.1	10.8	10.9	10.9	9.8
Germany	6.4	4.8	5.1	6.5	8.4	11.2	12.3	11.9	9.4	9.8	8.7
Greece	4.5	4.3	3.3	3.0	2.7	3.1	4.5	3.2	3.2	3.4	3.7
Switzerland	2.9	2.8	2.6	4.1	4.7	5.2	5.4	4.6	3.8	3.6	2.9
Russia/ ex-USSR	-	-	-	-	2.9	4.5	6.7	10.6	8.9	5.5	5.4

Source: Sharpley (2003)

This overdependence was aggravated by the horizontal and vertical integration of the international tourism market (Fordism characteristic), whereby hotels chains and airlines following globalisation strategies integrated and tour operators took over travel agencies and/or established their own charter airlines (Ioannides and Debbage, 1997). In particular, Cyprus Airways accounted for only 29% of all flights to and from Cyprus in 1990, with the remaining flights being executed by other companies and 32 charter airlines (Ioannides, 1992). As a result of these mergers and acquisitions the tourism industry had been characterised by an oligopolistic nature and structure. In the UK alone, 80% of the distribution network of packaged tourism products is controlled by four large companies – Thomson, Airtours, First Choice and Thomas Cook (Casey and Gountas, 1999). The industry and the product type is thus controlled by a few tour operators. Also, the seasonality of the all-inclusive tourist product translated in low occupancy rates during the winter months (CTO, 2003). Most importantly, Cyprus found itself with fluctuating tourist arrivals for the majority of the 1990s. Small decreases in 1991, 1993 and 1996 were recorded but were attributed to exogenous and endogenous factors such as the Gulf War and internal political tension. From 1994 to 1998, however, annual arrivals grew by only 7% indicating that the rate of growth in tourist arrivals had began to decline and the Cyprus tourism market had began to mature. The pattern of tourism growth from 1975 to 2000 can be seen in the table below:

Table 3.5: Tourism key indicators (1975-2000)

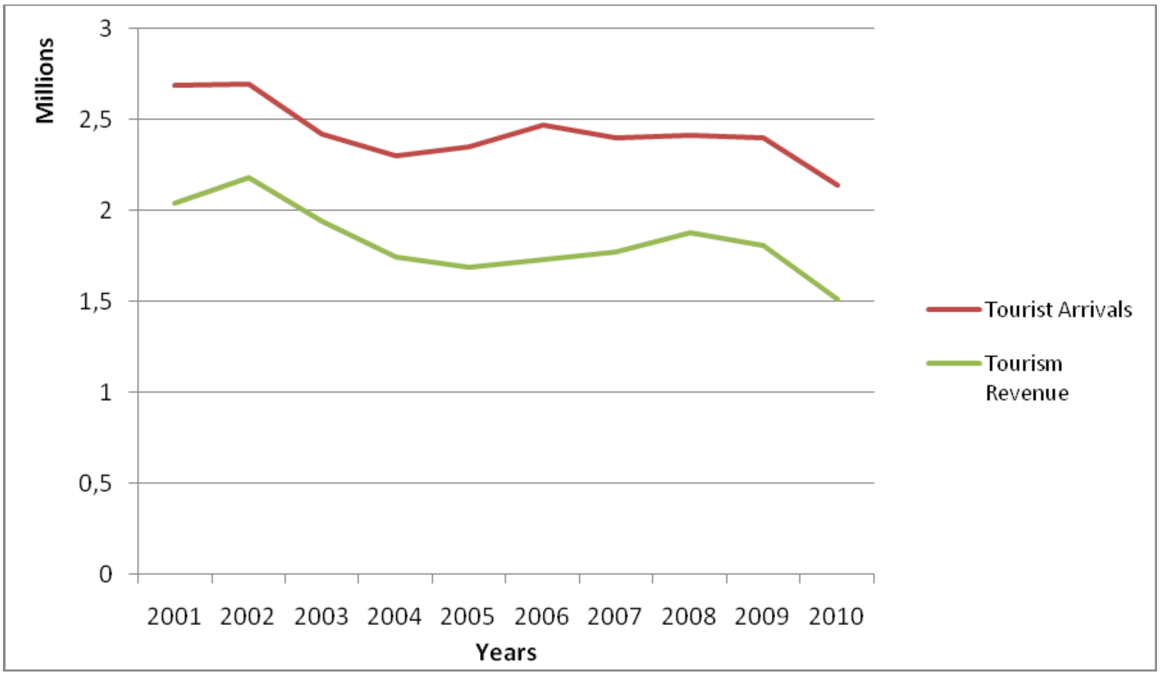
Year	Arrivals (000s)	Receipts (CY£m)	Average tourist spending (CY£)	Tourism receipts as % of GDP	Total licensed bed spaces
1975	47	5	n.a.	2.1	5,685
1980	349	72	200	9.4	12,830
1985	770	232	299	15.7	30,375
1986	828	256	308	16.0	33,301
1987	949	320	334	18.0	45,855
1988	1,112	386	350	19.4	48,518
1989	1,379	490	364	21.7	54,857
1990	1,561	573	343	23.4	59,574
1991	1,385	476	351	18.4	63,564
1992	1,991	694	351	23.8	69,759
1993	1,841	696	379	21.4	73,657
1994	2,069	810	389	22.3	76,117
1995	2,100	810	383	20.5	78,427
1996	1,950	780	382	19.0	78,427
1997	2,088	843	393	20.4	84,368
1998	2,222	878	380	20.2	86,151
1999	2,434	1,025	400	22.0	84,173
2000	2,686	1,194	n.a.	21.7	85,303

Source: Sharpley (2003)

3.1.1.4 Stagnation Stage

By the end of 1990s, it was obvious that Cyprus tourism had entered into stagnation. The maximum number of tourist arrivals that could be accepted has been reached as capacity levels had been exceeded. Although nearly 25% of the working population was working in tourism, either directly or indirectly, it became necessary to import foreigners to make up for the shortage in labour as few Cypriots were willing to take lower-grade jobs in hotels. Also, the power of trade unions led to increases in salaries, which in turn increased labour costs in hotels, leading to a preference towards cheaper overseas staff (Sharpley, 2003). In 2000, over 2.6 million arrivals were recorded generating CY£1,194 million in tourism receipts whereas the following year almost 270 million arrivals were recorded (CTO, 2002). Despite this increase in arrivals, tourist arrivals for most of the 2000s have been erratic. Between 2000 and 2005 tourist arrivals have dropped by 8% and incoming tourism revenue fell by 16% (Euromonitor, 2007). The declining trend continued until 2009 with tourist arrivals falling from 2.41 million in 2007 to 2.14 million in 2009. Similarly, tourism receipts fell from €1,878m in 2007 to €1,510m in 2009. The following figure shows tourist arrivals and revenue for the period of 2000-2009:

Figure 3.4: Tourist Arrivals & Revenue for 2000-2009



*Figures were converted from Cyprus Pounds into Euros using the rate €1= CYP£ 0.585274

Source: CTO (2009)

The above figures indicate that Cyprus tourism is facing many of the same problems that other Mediterranean destinations are experiencing as its tourism market entered into a downward spiral. It is thus important to identify the problems of the tourism industry in general and of the tourism product in particular to critically evaluate diversification as a strategic option. In the following section the challenges of the Cyprus tourism product are discussed.

3.2 CYPRUS TOURISM: CHALLENGES

The challenges faced by the Cyprus tourism industry are attributed to external and internal factors and are identified in this section as exogenous and endogenous factors.

3.2.1 Exogenous Factors

3.2.1.1 Political Factors

External crises such as terrorist attacks, the SARS epidemic and the tsunami tragedy in South East Asia inevitably influence Cyprus tourism. However, Cyprus' tourism industry is more susceptible to political factors occurring in the Middle East such as the war in Iraq due to its proximity to the region. Nevertheless, the effect of such events has been short-lived and minor resulting in small decreases in tourist arrivals. Similarly, internal political instability following the Turkish invasion which led to a decline in arrivals at times has been short-term. A greater political influence was exerted by the accession of Cyprus to the EU as it had required an adjustment of the tourism industry. Entry to the EU resulted in several advantages such as increased mobility, reduced trade costs, expanded possibilities for development, increased funding and improved air connections (Michael, 2006). On the other hand, the adoption of the Euro increased prices significantly worsening Cyprus' attractiveness.

3.2.1.2 Changing Tourist Behaviour

The total number of world tourists continues to grow but the tourism industry is changing in form and composition (Ayres, 2000). According to Leighton (1995) the sophistication of tourists who nowadays are more travel experienced entails that they demand higher standards of quality and greater variety of activities. Tourists require efficient use of their leisure time in terms of travel and prefer less crowded environments. Also, people are turning more environmentally aware whilst they seek more individualistic ways of travelling within authentic environments. Similarly, technological advances facilitated the information needs of consumers who have greater ability in making their own travel arrangements whereas changes in work environment and technology increased demand for frequent shorter trips during the year. This implies that a shift away from the mass tourism all-inclusive holiday form that Cyprus is renowned for is evident.

3.2.1.3 Competition

Arrivals have been erratic throughout the 2000s with the Cyprus tourism product showing signs of weakness and inability to withstand fierce competition. Fears have been raised in the tourism industry, which seems to have succumbed to increasing competition levels. Cyprus not only had to compete against its traditional Mediterranean competitors that provide a more enhanced tourist product but also deal with cheaper, emerging Mediterranean destinations such as Turkey, Egypt and Croatia. What is more surprising is that Cyprus tourism has to compete against the rising tourism industry of Northern Cyprus, which has been strengthened following the opening of the borders as it allowed tourists as well as locals to pass from one side to another despite restrictions. Compared to some of its competitors Cyprus has performed poorly in the past few years. The following table illustrates tourist arrivals and tourism receipts for Mediterranean countries:

Table 3.6: Tourist arrivals and tourism receipts for Mediterranean countries

	Arrivals			Receipts		
Country	**2007 (000s)**	**% change 2006-2007**	**% change 2005-2006**	**2007 US$m**	**% change 2006-2007**	**% change 2005-2006**
Croatia	9307	7.5	2.3	9254	7.3	4.9
Cyprus	2416	0.6	-2.8	2685	3.8	1.8
Greece	17518	9.2	8.6	15513	-0.3	2.9
Italy	43654	6.3	12.4	42651	2.5	6.7
Malta	1244	10.6	-4.0	913	9.1	0.7
Portugal	12321	9.2	6.3	10132	10.8	7.6
Slovenia	1751	8.3	4.0	2483	16.5	7.2
Spain	58973	1.3	4.1	57795	3.6	5.6
Turkey	22248	17.6	-6.7	18487	9.7	-7.2
Egypt	10610	22.7	4.9	9303	22.6	10.8

Source: WTO (2009)

As can be seen from the table above Cyprus and other mature destinations like Spain, Italy and Croatia exhibited lower growth rates in terms of arrivals for the period 2006-2007 whereas Turkey and Egypt exhibited the highest growth rate. Despite experiencing negative growth rates in 2005-2006 Turkey has managed to increase both its tourist arrivals and receipts by 2007 whereas Egypt increased its tourism receipts from 2005 to 2007 by more than 47% and its arrivals by almost 22%. In terms of tourism receipts growth Greece was the worst performer between 2006-2007 followed by Italy, Spain and Cyprus. This demonstrates that cheaper, emerging destinations have higher growth rates in terms of tourist arrivals and receipts while the growth of established destinations like Cyprus remains at stagnant rates.

3.2.1.4 Market Structure

The Cyprus tourism industry is largely dependent on a few large tour companies. This has been the result of market consolidation whereby several companies acquired others and/or established their own charter airlines. According to O'Connor (2000) about 30% of all arrivals to Cyprus are controlled by one company, the German group Preussag (renamed TUI AG in 2002), followed by First Choice and Thomas Cook. This entails that a large proportion of profits remains in the hands of foreign tour operators whereas they have the power to demand large discounts from hotels by threatening to cut capacity (Sharpley, 2003). As foreign large tour operators promote the all-inclusive holiday package Cyprus has become dependent on it. This can be seen from the table below whereby a large number of tourists from Northern European markets arrive to Cyprus on an all-inclusive package.

Table 3.7: Tourism Indicators by Country in 2009

Country	Tourist Arrivals (%)	Package Tourists (%)	Average Length of Stay (days)	Stayed in paid accommodation (%)	Average expenditure/ person (€)
UK	49.9	55.6	10.89	72.6	645
Germany	6.1	78	9.79	89.4	732
Switzerland	1.8	85.5	8.56	89.1	836
France	1.2	48.5	8.53	67.3	708
Netherlands	1.4	75	9.14	88.8	754
Belgium	1.1	56.9	7.86	88.6	809
Austria	1.3	74.1	9.11	87.9	804
Italy	0.7	42.9	8.3	76	838
Ireland	0.9	73.6	9.7	84.8	837
Greece	6.2	64.6	7.85	44.2	507
Sweden	5.1	89.1	8.65	90.7	569
Denmark	1.4	84.6	8.47	95.7	688
Finland	1.5	90.6	8.09	95.4	573
Norway	2.8	84.6	9.66	91.9	697
Russia	6.9	70.7	10.6	76.2	985
Israel	1.5	51.5	4.65	78.4	563
USA	0.8	4.6	12.51	43.2	750

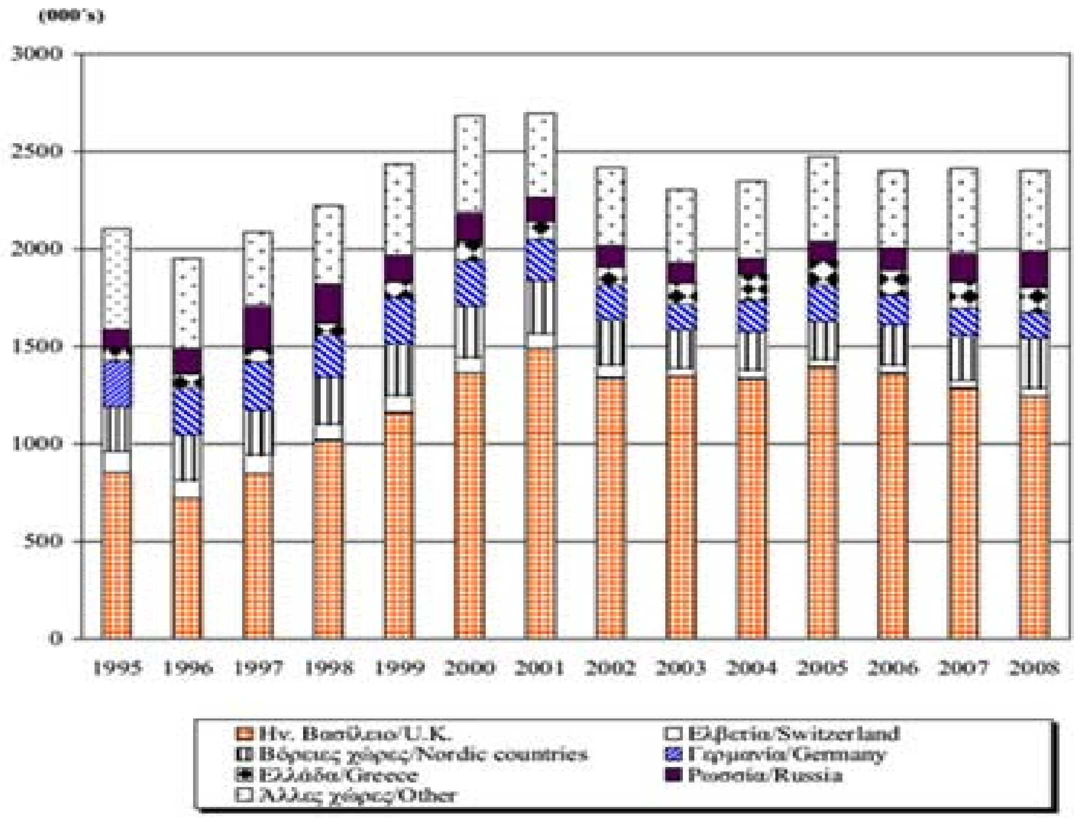
Source: CTO (2009)

3.2.2 Endogenous Factors:

3.2.2.1 Dependency

According to Sharpley (2003:255) "the challenges of Cyprus tourism collectively point to dependency both on and within tourism, proposing a lack of long-term sustainability". As an island state, Cyprus depends on tourism for economic survival; however, this over-dependence can be risky considering the volatility of the tourism industry. Also, Cyprus is heavily dependent on the UK market and other Northern European markets. European countries provided 94.3% of the total tourist arrivals in 2008 whereas countries belonging to the EU accounted for 85% (CYSTAT, 2009). The following diagram illustrates tourist arrivals by country of usual residence for the period 1995-2008:

Figure 3.5: Tourist Arrivals by Country of Residence (1995-2008)



Source: Statistical Service of Cyprus (2009)

As can be seen from the figure above the UK has been the main market for tourism in Cyprus from 1995 onwards with a share of 51.7% of total arrivals, followed by Russia (7.5%), Greece (5.5%) and Germany (5.5%). Sweden, Norway, Denmark and Switzerland rank next with an accumulated 11%. It is evident that there has been an increase in tourist arrivals from Russia, however, the traditional markets of the UK, Germany and Scandinavia on which Cyprus had been depending have been experiencing a decline.

3.2.2.2 Expensiveness

Cyprus is considered as an expensive destination compared to competitors and fails to compete against cheaper established destinations that, due to closer proximity with the target markets of potential tourists from Northern Europe, can offer more appealing packages. Similarly, as a developed country Cyprus can no longer offer services at a low-cost, which places the destination at a disadvantaged position against emerging, cheaper competitors. Following accession to the EU, an air liberalisation policy was implemented although the government's decision to privatise both airports in Cyprus created tension regarding fears that such a measure would further increase airline costs. This worsened the position of Cyprus in the competitive arena by limiting its ability to compete effectively on price even further. In addition, the adoption of the Euro has increased prices further worsening its competitive position.

3.2.2.3 Seasonality

The tourism product of Cyprus has been and remains stubbornly seasonal, as the best performing months with the highest number of arrivals are from July to September, which account for approximately 50% of total arrivals. According to Clerides and Pashourtidou (2007) travellers expressed dissatisfaction with Cyprus in terms of value for money when visiting the island during October and November. The problem of seasonality leads to limited qualified human resources as tourism enterprises in the accommodation and restaurant sector employee cheap unskilled foreign workers to meet demand during the peak period; however, the substitution of the workforce with unskilled foreign workers has deteriorated the quality levels of services offered.

3.2.2.4 Environmental challenges

Cyprus tourism has evolved in an uncontrolled way posing unprecedented pressure on the natural environment of the island (Kammas, 1993). Similarly mass tourism, which has been and still is the backbone of Cyprus tourism, created environmental as well as social problems including sea pollution, the loss of agricultural land, coastal erosion, land and noise pollution and extensive exploitation of natural resources. The rapid development of the tourism industry did not align with the appropriate infrastructural development leading to infrastructural deficiencies and inadequate transport systems. Also, many areas on the island lack character and distinctiveness. The spatial concentration of tourism accommodation and facilities on the coastal areas of Cyprus has generated a series of problems. In particular, the recommended beach space per tourist has been exceeded in the main tourist resorts in Cyprus during the summer period (Ayres, 2000). Similarly, the guest to host ratio in Famagusta and Pafos is close to 1:1 rather than the recommended 1:6, posing a threat as to the cultural and natural features of the destination. Also, the island faces a water shortage problem largely intensified by the tourism industry. In a study commissioned by CTO and reported by Matsis (1994) positive attitudes towards tourists were revealed amongst local residents; however, concerns were expressed over the negative impact of tourism on society erosion and criminality levels.

The challenges outlined above indicate that the Cyprus tourism product needed restructuring; hence, Cyprus tourism authorities decided to reposition the destination. The rejuvenation efforts of the CTO as presented in the strategic plan are discussed in following section.

3.3 REJUVENATION OF CYPRUS

As part of a rejuvenation strategy of Cyprus tourism, government officials decided to pursue a sustainable tourism development strategy by implementing a plan for 2000–2010 [the plan was modified in 2003 and 2007]. The central focus has been on: a) achieving sustainability by directing tourism development within a sustainability framework, taking into consideration the environment and culture of the island and b) diversifying the traditional tourist product by developing special interest tourism products. The strategic effort for repositioning has been supported by three sub-strategies: the Marketing Strategy, the Quality-Added Strategy and the Product Strategy which are discussed below.

3.3.1 Marketing Strategy

An important aspect of the marketing strategy is the segmentation and targeting of existing and new markets. Segmentation was carried out based on travel motivations whereas the prioritisation of markets was performed according to the objectives of the tourism strategy. The following table illustrates the markets identified according to priority:

Table 3.8: Target Markets as identified in Strategic Plan 2003-2010

High Priority	Medium Priority	Low Priority
United Kingdom	Middle East countries	Poland
Russia	Israel	Finland
Greece	Belgium	Denmark
Germany	Sweden	Czech Republic
Republic of Ireland	Norway	Hungary
France	The Netherlands	USA
	Italy	Ukraine and Belarus
	Switzerland	
	Austria	

Source: CTO (2003)

A fourth category is also included in the plan which includes emerging countries with targeting potential including Spain, Eastern European countries, Canada, China, India and countries of former Yugoslavia. In addition, the CTO initiated a promotional strategy aiming at the creation of a unique image and identity for Cyprus targeted to the international market as well as the domestic market. Domestic tourism could help to alleviate the seasonality pressure and contribute to the economy of local communities. Hence, the CTO intensified its efforts towards the promotion of domestic tourism while imposed a regulation on the accommodation sector forcing hotels to retain 10% of their occupancy rates for local tourists during the high season. Moreover, the CTO initiated collaboration with specialised tour operators whilst invited journalists and travel agencies in Cyprus to experience the new products offered as part of a PR campaign.

3.3.2 Quality-Added Strategy

The aim of the quality-added strategy is to increase the value for money for the tourist by enhancing the quality of the service offered, developing the unique character of Cyprus, protecting the environment and culture, improve infrastructure and ensure a better allocation of investment. Specifically, new accommodation is encouraged to range from 3* to 5* hotels, tourist villages and agrotourist establishments whereas existing airports have been upgraded with a new airport being currently under construction in Larnaka. Emphasis has shifted towards the professionalism of workers whereas a scheme for the implementation of plans at regional level and the monitoring of prices has been acknowledged as a pressing need. In particular, a proposal for the development of an Academy of Tourism has been placed forward to improve the qualifications of workers through training whereas the participation of 15 municipalities in local tourism projects has been promoted.

3.3.3 Product Strategy

The strategic plan suggests the improvement and upgrading of the existing tourism product in terms of infrastructure and facilities as well as the development of special interest tourism products in order to enhance the activities offered and destination image.

3.3.3.1 Mass Conventional Tourism

The dominant product of the Cyprus tourism industry is the traditional 'sea and sun' product. The fact that more than half of total arrivals arrive to Cyprus on a packaged holiday (CTO, 2009) indicates that the mass 'sea and sun' product is the prevailing tourism product. In an attempt to improve the problems associated with mass conventional tourism, the CTO initiated a product improvement strategy hoping to penetrate existing and new markets with an upgraded, 'sea and sun' product by targeting 'quality' tourist segments. As part of this strategy, a series of policy measures have been undertaken to control hotel construction, to either upgrade or withdraw low-grade accommodation from the market, to improve existing infrastructure and service quality provided.

3.3.3.2 Special Interest Tourism

SIT products have been developed to coexist with the main 'sea and sun' product of Cyprus as part of an enriched tourism experience. A review of the literature indicated that SIT products have evolved around two elements: nature and culture, which in turn produced related activities and interests. It must be noted that despite efforts to separate SIT products they often tend to overlap as the segments are not necessarily mutually exclusive (Hall, 1992; Hall, 2003). An attempt has been made below to categorise SIT whilst simultaneously identifying the SIT products developed by the CTO.

<u>Nature-based tourism:</u>

"The developed world has become more aware of 'green' issues since the 1980s, with a resulting increase not only in membership of environmental organisations but in an interest in the natural world" (Shackley, 1996:8). Nature tourism has been defined as tourism based on the enjoyment of natural areas and the observation of nature (Lucas, 1984) and has also been credited with the terms 'environmental-friendly tourism' (Borst, 1990), 'ecotourism' (Wearing, 2001), 'green tourism' and 'sustainable tourism' (Lane, 1990) as it is argued of achieving a symbiosis between the local community and nature conservation (Young, 1986). Similarly, Butler (1991) suggested that it is a form of tourism that supports the ecological balance and its primary aim is the protection of the environment and the ecosystem. Despite nature tourism being seen as a product for sustainable tourism (Cater, 1994), negative effects of wildlife watchers have been well documented throughout the world (Webster, 1980; Henry, 1992) as Grojean (1984) argued that every tourist can be damaging to the environment. Nevertheless, several destinations have been developing nature-based tourism activities as an attempt to expand their current product offering. Ingram and Durst's (1989) study of nature-oriented tour operators revealed trekking and hiking (72%) as the most common activities followed by bird watching, photography, safaris and camping (60%). Similarly, wilderness tours (Valentine, 1992), dolphin and whale watching (Spilanis and Vayanni, 2004) and national parks (Valentine, 1992) are increasingly popular nature-based activities. The degree of involvement in an activity will differ according to the type of tourist participating. Lawton and Weaver (2000) divided ecotourism to 'hard' and 'soft' ecotourism with the first involving specialised trips of small groups of environmentalists to wilderness settings and the latter involving larger groups of less committed tourists whose encounter with nature is an incidental component of a multi-purpose trip.

The development of nature tourism in Cyprus concentrates on two aspects: a) the promotion of environmental awareness through regulations over environmental protection and the introduction of criteria in policy-making and project planning (CTO, 2003) and b) the development of nature-based tourism products in the form of nature trails, thematic routes, camping sites and the preservation of local flora and fauna (CTO, 2003). A cultural route of Aphrodite has been recently completed with two more routes (the wine route and byzantine route) awaiting completion. In addition, the European Trail E4 has been completed as part of nature trails development whereas 32 areas were included in the Nature network for the preservation of the environment (CTO, 2005). Also, cycling routes have been developed to establish Cyprus as a biking destination.

Cultural/heritage tourism:

According to Leo van Nispen (quoted in Groen, 1994:25) "culture and tourism are destined once and for all to be together". Thorburn (1986) argued that cultural motivations for travel have been a significant factor in tourism since the 16th and 17th centuries; in the twentieth century culture is regarded as the second most popular activity in tourism (Zeppel and Hall, 1992). Cultural or heritage tourism has been defined as a form of tourism in which participants seek to learn about and experience the past and present cultures of themselves and of others (Prentice, 1993; Richards, 1996; Ashworth, 1993; 1997) primarily by visiting cultural attractions. In essence it comprises of two subsets of resources: a) the tangible remains of the past in the form of historic buildings, archaeological monuments and sites and artifacts displayed in museums (b) arts resources and activities including paintings, sculpture, theatre and arts festivals (Zeppel and Hall, 1992). Cultural tourism can also include tourism in rural areas showcasing the traditions of indigenous cultural communities and their values and lifestyle. Hence, cultural tourism is primarily concerned with a country or region's culture; it focuses on traditional communities who have diverse unique customs and distinguish the community from others. Cultural tourism has been viewed as a means of diversification from declining destinations. Malta has been trying to diversify its tourism products by utilising the large historical and cultural heritage of the islands (Theuma, 2004). Similarly, Greece has been attempting to direct tourism from archaeological sites to the active exploration of the local contemporary culture (Spilanis and Vayanni, 2004). This policy seems to be aligned with changing tourist motivations which seek to 'experience' rather than merely 'see' (Collins, 1983). In addition, historical sites like the Alamo in America are becoming a popular tourist attraction hosting more than 100 million visitors per years (Makens, 1987) whereas in China cultural attractions are regarded a major asset in the development of international tourism (Tisdell and Wen, 1991). According to Shackley (2001) the quest for religious experience has been part of diversification leading to an increase in the visit of traditional and contemporary pilgrimage sites which are also seen as cultural tourist attractions. Cultural events are also a part of cultural tourism and seen as a solution to seasonality problems in competitive markets (Richards, 1996). Richards (1996) argued that culture has not been used appropriately in the past; tourism marketing strategies nowadays distinguish between general and specific cultural tourists, first-time and repeat visitors and tourists from different countries and respond to their needs accordingly. In addition, visitor flows are now being managed to restrict overall visitor numbers (Shackley, 2003) and minimise physical deterioration of the sites.

The CTO recognised culture as one of the pillars in repositioning Cyprus as it will enhance a traveller's experience for all segments. Hence, by taking advantage of the rich archaeological history of the island and its traditional hospitality and character the CTO is hoping to attract high-spending tourists and extend the tourist season. CTO officials acknowledged that the facilities that are available for tourists around monuments and places of historical importance are limited and inferior, thus, proposed that investment should be made to upgrade facilities, built new museums, develop information centres and workshops and organise International Events such as opera festivals or music concerts (CTO, 2003). Furthermore, a programme for the promotion of Cypriot cuisine has been initiated with traditional taverns being awarded for excellence by the 'Vakhis' programme (CTO, 2005). Another important achievement has been UNESCO's recognition of several archaeological sites of Pafos and 10 byzantine churches as being national heritage treasures.

Rural tourism:

Lane (1994a) defined rural tourism as tourism taking place in the countryside. However, Sharpley and Sharpley (1997) suggest that this definition is ambiguous as the activities types undertaken may often overlap with other tourism forms. Indeed, activities performed in the countryside may include fishing, hiking, horse riding, golf, visit to cultural attractions etc. Hence, rural tourism is best considered in terms of small-scale development, local community involvement and character preservation. Rural tourism, also known as agrotourism, involves the development of tourism in rural areas in order to boost farmers' income, improve the living conditions of rural communities, protect the environment, increase the production of local produce and promote cultural and architectural heritage (Bramwell, 2004). Sharpley (2002) agrees that rural tourism development offers several solutions to problems facing rural areas including employment opportunities and income growth (Fuller, 1990), socio-cultural development, repopulation of rural areas, revitalisation of local crafts and customs and the contribution to the costs of economic and social infrastructure provision (Hall and Jenkins, 1998). Hence, rural tourism presents a valuable and growing sector of the tourism market, representing a significant source of income to rural economies (Hummelbrunner and Miglbauer, 1994). In New Zealand and the UK farms have been transformed into rural tourist establishments in an attempt to boost economic circumstances in rural areas (Butler, 1998). In the Greek islands of the Aegean European funding was used to develop agrotouristic accommodation (Spilanis and Vayanni, 2004). Also, Thailand focused on rural development in northern areas in an attempt to broaden its tourism product (de Villiers, 2000) whilst the Caribbean tourism organisation has acknowledged the importance of rural tourism in emphasising local culture through interaction between locals and tourists (Jayawardena, 2002). Despite the attractiveness of rural tourism several critiques have been brought forward including the difficulty in distinguishing between rural and urban, the capacity of supply which rural areas can accept without the environment being distorted and the use of land for tourist purposes.

The CTO has been promoting rural tourism since the early 1990s in order to diversify its tourism product and minimise depopulation in the countryside (Sharpley and Sharpley, 1997). Initially, the Laona project was initiated in 1989 which aimed at the restoration of 26 buildings in five villages including accommodation units, tavernas and a visitor centre (Sharpley and Sharpley, 1997). In addition, the CTO initiated financial incentive schemes where interest on loans undertaken by owners of traditional properties to restore and convert into tourism establishments were partly subsidised. By 1998, approximately \$4 million were invested by the private sector on restoration of 60 traditional buildings with the government spending about \$500,000 in subsidies. As a result by 1999, a total of 444 bed spaces were created (CTO, 1999). EU accession secured a further €28 million in funds to invest in related infrastructure and projects. Similarly, a multi-faceted promotion programme began including advertising, exhibitions at agricultural consumer shows, travel trade education trips and the production of an agrotourism guide. To complement the Agrotourism programme efforts were directed towards promoting the Cyprus culture by establishing educational programmes for local communities were traditional recipes were collected and compiled for publication by the Ministry of Agriculture, Natural Resources and Environment and training courses were developed to increase interest in Cyprus traditional dance, music and crafts (Sharpley, 2002). Also, the Cyprus Agrotourism Company was established by the CTO in 1995 with the aim to market the agrotourism sector.

<u>Adventure, Sports and Health Tourism:</u>

Adventure, sports and health tourism emphasise an individual's life quality and involve participation in activities often outdoor (Hall, 1992). Hence, they are often discussed together. The growth of outdoor activities coincides with the increase in the need for personal reward (Crompton, 1979; Iso-Ahola, 1980) and the desire for a healthy lifestyle. Adventure-oriented tourism is associated with outdoor activities performed by danger-seeking participants. It therefore takes place in a natural environment and contains elements of risk. Unlike other SIT products in adventure travel the activity attracts the tourist and not the setting (Hall, 1992). Adventure tourism includes activities such as hunting, sailing, trekking, sky-diving and river kayaking. In addition, sports tourism is becoming a popular tourism activity. According to Hall (1992) sports tourism is distinguished in terms of participatory degree as some travel to participate in a sport which is their hobby whereas others travel to observe sporting activities. Skiing is the most well-known sports activity

(Pearce, 1989; Hudson, 2000). Yacht chartering is another popular sport activity which attracts middle to higher income people aged 35-50 who have some sailing experience (Richins, 1992). Other major sports activities include tennis and golfing which are regarded ideal for improving seasonality. Sport events contribute economically to tourism and have a major impact of regional economies as well as the image of destinations (Hall, 1992; Rozin, 2000; Jackson and Weed, 2003) leading to many governments upgrading and/or developing stadiums, arenas and related facilities. Specifically, Malta has attempted to develop sports tourism as part of a diversification strategy (Weed and Bull, 2004) and Spain has invested on golfing (Hall, 1992; Palmer, 2004). Health tourism is becoming increasingly popular in Europe (Ender, 1989; Carone, 1989; Niv, 1989) as a growing number of people desire to participate in healthy activities. Health tourism is divided into two types: wellbeing and medical tourism. The first includes healthy activities and spa treatments (Witt and Witt, 1989) and the second refers to medical treatment whereby people travel to other countries to receive medical care at a cheaper cost (Connell, 2005).

The CTO has been attempting to develop yachting holidays through the development and upgrading of its marinas in the coastal areas. This product has been labelled nautical tourism and involves the development and/or upgrading of marinas as well as the development of marine parks (CTO, 2003). The CTO has also promoted investment on the development of athletic facilities and the organisation of athletic events. For instance, financial subsidies have been given to the private sector for the creation of golf courses and appropriate infrastructure for 21 sports in all regions; also in an attempt to benefit from the Athens Olympics in 2004 and its mild winter weather Cyprus has been widely promoted as an ideal destination for training camps for national teams from Northern Europe. The intense promotion of the island as a sporting destination won its privilege to host of the 'Small Countries Games' in 2009. Also, the development of sports tourism in Cyprus includes the development of golf courses on the island; permission for the development of 14 in total courses has been granted with the completion anticipated in 2010 (CTO, 2003). Similarly, health tourism has been widely promoted, with the Dubai Financial Group expressing investment interest in the island's health tourism sector.

Other Tourism Products:

Conference or business tourism refers to the travel for business purposes and/or attending meetings, conferences and conventions (Rogers, 2003). According to Davidson (1994) business tourism involves a substantial leisure element such as visits to local restaurants and sightseeing tours. This type of tourism has been adopted by several destinations, as it carries numerous advantages such as greater profitability, year-round tourism activity and minimum environmental pressures. In specific, business travellers arrive in smaller groups yet spend three times more than other visitor types (International Passenger Survey, 2002). The CTO has been trying to promote conference tourism intensely; as a result over 500 conferences have been held in Cyprus in 2006 attracting about 37000 participants and yielding revenue of CY£200 million, a figure the CTO aims at tripling by 2010. To promote conference tourism the CTO also plans to establish a Convention Bureau and develop a specialised website. In addition, the CTO has been aiming to establish Cyprus as a cruise destination by promoting organised excursions to nearby destinations including Egypt, Israel and the Greek islands and upgrading the passenger are in the Limassol port (CTO, 2003). Charlier and McCalla (2006) and Dowling (2006) defined cruise ships as floating resorts, which can be moved from one cruise area to another where the climate is more attractive. This seasonality achievement led to cruises becoming one of the most dynamic segments of the tourism industry experiencing dramatic growth with an annual growth in passengers of 11% in 2004 (CLIA, 2005c). Also, the CTO has been trying to promote Cyprus as an ideal wedding/honeymoon destination. Honeymooners are more likely to stay longer at a honeymoon destination and have a higher travel budget available to spend (Chosun Daily Newspaper, 2003). The willingness of honeymooners to enjoy this once-in-a-lifetime experience despite the related costs and/or distance of the destination implies that the honeymoon product is quality-oriented rather than price-sensitive (Kim and Agrusa, 2004). The researchers also found that honeymooners prefer natural environments as their place of honeymoon rather than destinations with cultural or historic resources. Finally, the CTO has been arguing in favour of the development of a casino in Cyprus, a proposition which has been met with criticism and scepticism. Research has indicated that gambling can provide benefits to tourism if developed properly (Israeli and Mehrez, 1999; Bowen, 2009) whereas casino development can support other entertainment options by providing an attraction (Bowen, 2009). Indeed, McLaurin and McLaurin (2003) found that gamblers were more interested in new tourism products such as wine tours and cultural festivals, hence it could be argued that gambling tourism could also provide benefits to non-casino investors.

3.4. SUMMARY

The diversification process adopted by several mature Mediterranean destinations to reinvent themselves as quality destinations has been a conscious choice of NTOs in an attempt to revive a stagnant tourism industry and withstand competition. However, little has been written about the effect such a strategy has on 'sea and sun' tourist destinations. The possibility that a destination's image can be up-scaled, through diversification of its existing tourism market, is unquestionably intriguing; the degree to which SIT product development is achievable and at what cost remains an unanswered question. This research attempts to offer insight on the topic. This chapter considered carefully the factors that led to the stagnation of the Cyprus tourism industry whereas the diversification strategy initiated by the CTO has been reviewed. In the following chapter a detailed explanation of the research methodology followed is provided including an outline of the research aims and an explanation of the research process, with justification where appropriate.

CHAPTER 4 METHODOLOGICAL FRAMEWORK

This chapter provides an analysis of the research methodology used. The chapter begins with a description of the conceptual foundations and presents the research aims and questions. The research process is then thoroughly discussed by presenting the methods used to collect qualitative and quantitative data providing explanation of the sampling method and choice of data collection tool. The chapter then moves on to discuss the analysis of qualitative and quantitative data providing justification for the selected method. Finally, a reflection on methodological concerns is provided with reference to the overall research design, access and response issues, reliability and validity and ethical considerations.

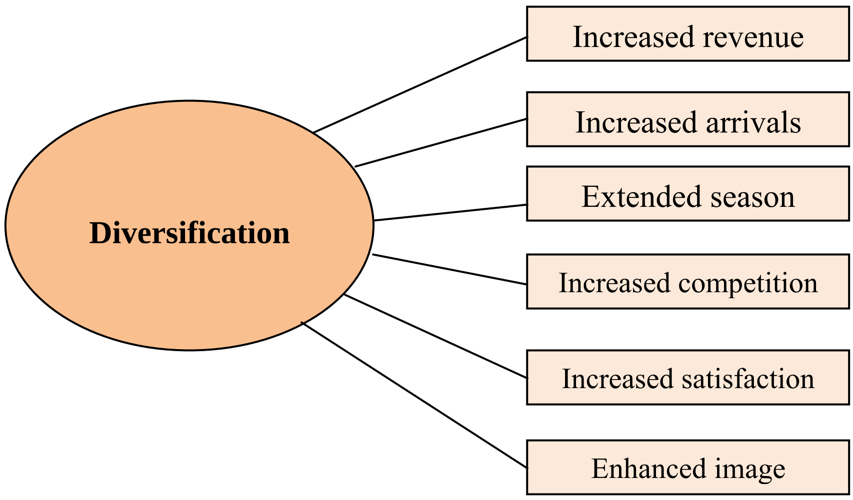
4.1 INTRODUCTION

The purpose of this research is to evaluate the diversification strategy of the Cyprus coastal tourism product. Following an explanation of the factors that constitute diversification a desired strategic option for Cyprus tourism and a review of the various diversification measures undertaken by the industry's supply-sector the research methodology is presented. In this chapter the specific aims of the research are outlined and the research process is explained and justified. Simultaneously, a conceptual background is provided in order to provide a rationalisation of the variables measured.

4.2 RESEARCH RATIONALE

The aim of the research is to determine the success of diversification. In order to determine the degree of diversification success, the strategy's goals as set by the CTO are identified and measured in this section. The target goals of the diversification strategy are depicted in the diagram below which outlines the parameters of success of the diversification strategy. These include an increase in revenue, the maximisation of tourist arrivals by achieving repeat tourism and targeting new markets, the extending of the tourist season into the winter months, increased competition in relation to alternative destinations, enhanced image and maximisation of tourist satisfaction in terms of tourist facilities, value for money and availability of tourist activities and interests.

Figure 4.1: Diversification Success Parameters



Source: Author

The first four parameters are examined numerically through secondary research in order to identify the degree of success of diversification in achieving these targets. Contrary, primary research needs to be performed in order to measure image enhancement and tourist satisfaction. The realisation of the strategy target goals is discussed below.

4.2.1 Diversification: Parameters of Success

In this section the parameters of diversification success as outlined in the CTO's strategic plan are assessed.

4.2.1.1 Improvement of Economic Figures

An observation of statistics reveals that the goal of the CTO to increase tourism revenue and arrivals to CY£1.8 billion and 3.5 million respectively by 2010 is far from being realised. With the exception of 2001 when tourism revenue reached a peak of €2182 million, tourism receipts have been declining only to pick up slightly in 2005 reaching €1733 million. In 2006 tourism revenue increased further by 2.3% reaching €1772 and €1878 million in 2007 (CTO, 2009). However, since 2007 revenues have been declining reaching €1510 million in 2009 (CTO, 2009). Similarly, tourist arrivals have been inconsistent through the 2000s; in 2001 arrivals reached just over 2.6 million only to keep declining for the following couple of years. A slight increase was recorded from 2004 onwards at 2.3 million whereas in 2008 arrivals fell again to approximately 2.4 and 2.1 million in 2009. Also, the number of licensed bed spaces has been falling from 2004 reaching a total of 96,535 in 2006 to 88,803 in 2009 (CTO, 2009). This decline represents an attempt from tourism authorities to restrict low-grade accommodation but is far from the target figure of 131000 additional beds. An important goal set out in the strategy plan was the improvement of seasonality. The development of SIT products aims to extend the summer season and the realisation of this goal should be reflected in the decline of arrivals during the summer season. However, arrivals during the months of July to September increased from 38.9% in 2004 to 39.7% in 2006 to reach 40.7% in 2009. According to the CTO (2003) the length of stay on the island should be extended to maximise the potential expenditure of tourists; however, the average length of stay fell in 2002 from 11.1 days to 10.4 days in 2006 and 9.9 days in 2009. This can be accounted to the international trend in taking shorter, more frequent overseas holidays. Moreover, the CTO's goal to increase the competitiveness of Cyprus is threatened by the emergence of new, cheaper competitive destinations. Cyprus achieved the lowest growth in tourism receipts between 2000 and 2007 with emerging destinations achieving the highest growth compared to mature destinations. Overall, it can be concluded that in terms of improving tourism key figures the CTO has not been successful.

4.2.1.2 Tourist Satisfaction

Another criterion of success is improved tourist satisfaction. Chon (1990), Ryan (1994) and Dmitrovic et al (2007) stated that satisfaction is the result of an evaluation process which can reinforce the destination image whereas Bigne and Zorio (1989) and Gitleson and Kerstetter (1994) highlighted the importance of satisfaction in future visit decisions and image formation as a result of word-of-mouth. Hence, it can be argued that satisfaction can be a measurement of destination image. The goal of the CTO to increase both new and repeat tourists relates greatly to their level of satisfaction in terms of expectations fulfilment. In a survey conducted by Clerides and Pashourtidou (2007) it was found that tourists with higher education levels and disposable income were less satisfied with their overall stay in Cyprus. This indicates that the aim of the CTO to attract a higher-spending, 'quality' clientele has been unsuccessful in meeting the tourists' needs and expectations. The researchers also found that first-comers and people staying in Nicosia, Ayia Napa, Limassol, Larnaka and rural areas were less likely to repeat their visit. Similarly, tourists visiting Cyprus during the off-peak season expressed their dissatisfaction whereas in terms of value for money tourists showed low satisfaction as they believed Cyprus was expensive compared to alternative destinations (Clerides and Pashourtidou, 2007).

4.2.1.3 Enhancement of Destination Image

One of the key reasons for repositioning Cyprus as a quality destination offering a diverse tourist experience is the enhancement of its image. Image as a strategic marketing component plays a critical role in the repositioning process, as it influences a person's perception and directs its purchase behaviour (Echtner and Ritchie, 1991). The intangibility and unpredictability of the tourism product entails that image plays a critical role in providing reassurance to tourists by minimising the risks of purchase. Simultaneously, it helps NTOs build strong brands for their destination. Thus, the image of Cyprus must be analysed; below the projected image of Cyprus is considered through an examination of past research, advertising and promotional strategies. The image projected by tourism authorities has been reviewed in terms of the 'sea and sun' product and SIT products.

Cyprus: A 'sea and sun' destination

Much of the success of tourism development in Cyprus was based on popularity of the island as an ideal 'sea and sun' destination. The rapid mass tourism growth in Cyprus was reinforced by the structure of the tourism industry. The development of 'sea and sun' resorts had revolved around common attributes with little distinguishing factors and weak associations with the local culture. This type of product was supported by the popularity of the all-inclusive product, which allowed its consumption by a homogeneous mass segment with price directing much of the destination selection process. Throughout the 1980s there is a notable lack of integration in communication strategy with emphasis being paid on the ‘sea and sun’ holiday. Much of the CTO’s advertising was directed at reinforcing the island’s mass ‘sea and sun’ image, which encompasses three main characteristics: sea, sun and sand. Mass ‘sea and sun’ destinations are typically characterised by large accommodation complexes (usually owned by international companies), western-style amenities, international restaurants and facilities and a lack of authenticity and contact with locals. Indeed, many tourist establishments in Cyprus tend to employ foreigners, minimising the contact tourists have with locals whereas attractions tend to be visited solely by tourists or primarily by tourists. In the 1990s, in an attempt to project a broader image and strengthen the perceived ‘quality’ of the destination, the CTO promoted the island’s abundant cultural resources. However, research had shown that only 35% of tourists made trips outside their resorts, many of which were not for cultural purposes (CTO, 1993b). According to Sharpley (2003) Cyprus has a clear and firm image of being a ‘sea and sun’ destination. The image of Cyprus as a ‘sea and sun’ destination has been largely influenced by tour operators, which promoted the island as a safe summer, sea and sun destination with an emphasis on fun, relaxation and romance (Sharpley, 1998a) in an attempt to safeguard their economic interests. The promotion of Cyprus as a cultural, quality destination was further impeded by the rise of the Ayia Napa resort, which quickly became a haven for clubbers following tour operators’ promotional efforts.

However, in the late 1990s competition and a deteriorating mass ‘sea and sun’ image highlighted the importance of a distinct image that would distinguish the destination from competitors and communicate to potential markets its authentic character and tradition. Hence, the tourism authorities in Cyprus initiated a repositioning strategy in an attempt to diversify their product offering by enhancing the ‘sea and sun’ product by developing several SIT products.

SIT Product Image

A range of SIT products has been attached to the main ‘sea and sun’ product in order to enrich the tourist experience Cyprus offers as a destination and enhance its image. Their development requires the addition of several functional and psychological attributes, which must be communicated to potential markets effectively. Therefore, the CTO initiated an integrated communication strategy in an attempt to coordinate and consolidate the image of the island. Until the late 1990s the CTO's promotion of the destination lacked a holistic approach; rather a different advertising campaign was launched by different local advertising agencies in each target market, leading to a profusion of messages and images. However, since the late 1990s it was realised that a unified campaign was required and hence the advertising campaign was assigned to one international advertising agency that was responsible for communicating the diverse tourist experience that Cyprus has to offer in an integrated message to all target markets. The following table shows the latest slogans for Cyprus tourism:

Table 4.1: Evolution of Slogans in Cyprus Advertising

Slogan	**Main campaign features**
"*Cyprus: A whole world on a single island*" Adv. Agency: Bates Europe Ltd	• Emphasis on a range of products, including culture and historical tradition, natural richness and a diversity of activities • Tries to shift away from the 'sea and sun' product and image by inviting people to explore the island • Emphasises the small geographical area of the island which allows tourists to travel around easily
"*Cyprus: The island for all seasons*" Adv. Agency: Scholtz & Friends AG	• Attempts to extend the seasonality by emphasising the mild weather of Cyprus year-round • Emphasis was placed on the activities which could be performed in low seasons including rural tourism, sports, sightseeing etc
"*Love Cyprus*" Adv. Agency: Adel Saatchi & Saatchi	• An emotional message which acts as a statement and an invitation (CTO, 2006) • Distinguishes Cyprus by connecting the island with goddess of love Aphrodite • The use of several pictures allows for the promotion of the diverse tourist experience of Cyprus • Is used with the complementary message "the year round island" as a continuance of previous campaigns and as an attempt to extend seasonality

Source: Author

The communication strategy of the CTO includes generic advertising campaigns in the main communication channels and promotional activities such as the hosting of professionals and journalists, which act as secondary information sources and are powerful in influencing image. In addition, PR campaigns have been instigated including workshops in Cyprus for foreign travel agencies, presentations to specialised groups and educational trips for tour operators in an attempt to convince them to promote Cyprus as a quality destination offering diverse activities. The CTO also takes part in international tourism exhibitions; in 2010 the organisation is planning to participate in 130 tourist fairs including specialised fairs. In order to promote special interest tourism the CTO advertises the destination in tourism trade magazines and in special events such as exhibitions, sport and cultural events. A separate advertising campaign was developed for the domestic tourism market. The importance placed by the CTO on communication and promotion is evident in the expenditure invested on advertising campaigns, which tends to increase over the years. The following table shows the total advertising budget spent:

Table 4.2: Advertising Budget

Year	CY£
1998	7155000
1999	6025000
2000	7760000
2003	7847329
2004	8528400
2005	9680450
2006	9400000
2007	9400000
2008	12000000

Source: CTO (2008)

As can be seen from the table above, the budget for advertising has increased between 1998 and 2008 from CY£7,155 million to CY£12 million. A small decline in the budget occurred in 1999 as well as in 2006 and 2007 but overall an increasing trend in advertising expenditure is noticeable with the majority of the budget being allocated in the priority target markets of the UK, Germany and Russia (CTO, 2008).

Therefore, to determine diversification success it is essential to measure tourist satisfaction and their perceived image to establish whether their expectations of tourists have been met and whether their perception of Cyprus incorporates the SIT product attributes the CTO promotes. This is measured through a comparison of the projected and perceived image. The following section outlines the specific objectives of this research and provides an explanation of how the proposed variables were measured.

4.3 RESEARCH OBJECTIVES

In order to achieve the proposition of this research the following objectives have been drawn to guide research design:

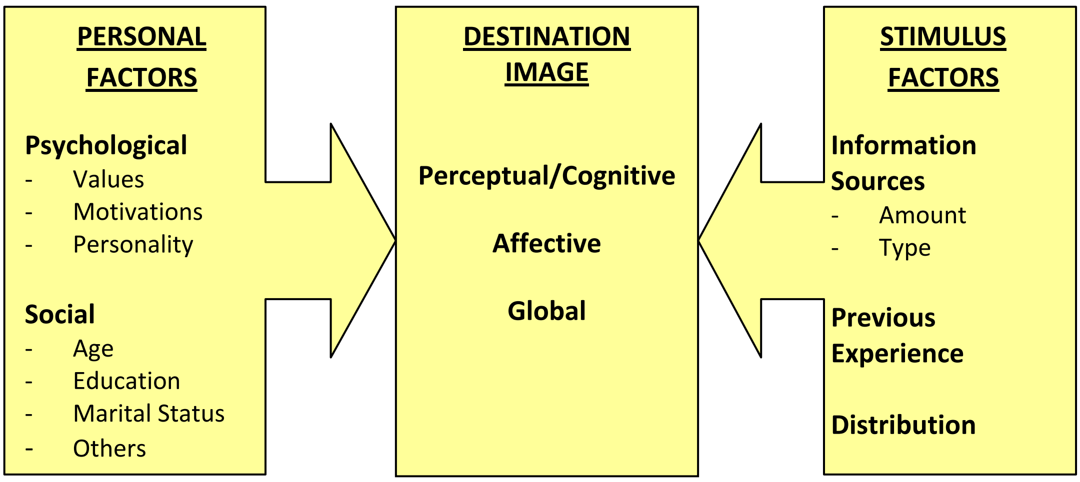
1) To determine the projected image of Cyprus as a tourism destination.
2) To identify the diversification measures undertaken as part of the repositioning strategy.
3) To identify the perceived image of Cyprus as a tourism destination across various variables.
4) To determine the relationship between the perceived image and the variables affecting its formation.

For the examination of objectives 1 and 2 qualitative research was undertaken where interviews with the supply-sector of Cyprus tourism revealed the projected image of the destination and the diversification measures taking place in the tourism industry. The information gained from the interviews complemented the secondary research performed prior and hence, a holistic approach was carried out in terms of determining Cyprus' projected tourism image and diversification strategy. For objectives 3 and 4 quantitative research was performed in the form of a structured questionnaire survey whereby tourists with experience of the destination were asked to rate several attributes of the destination. The following section justifies variable selection and measurement.

4.3.1 Concepts Measured

According to Kotler (2003) customers choose the product that promises the highest value when compared to the costs of purchase. This is known as customer's perceived value and is calculated by subtracting the total customer cost from the total consumer value. Consumer value represents the product or products purchased, the services and the image associated with the offer; if consumer perceived value matches customer expectations then satisfaction with the purchase arises. Hence, it was important to measure tourist satisfaction of their holiday experience to Cyprus in terms of the value offered. Similarly, the repositioning of Cyprus as a quality destination and the enhancement of its product offering with SIT activities mean that the measurement of quality of several destination attributes was essential. Thus, the measurement of satisfaction and destination image was done in relation to value for money and quality perception of various destination attributes. To understand the nature of the perceived image the factors influencing its formation are considered below:

Figure 4.2: Image Formation Process



Source: Baloglu and McCleary (1999)

As can be seen from the above figure, two forces form image: external stimulus factors including variety, amount and type of information sources, previous experience and distribution and internal personal factors such as psychological characteristics (personality, values, motivations etc) and socioeconomic characteristics (age, education, marital status etc). Destination image is also influenced by other factors that act as stimulus in the formation process; these include information about the destination such as brochures, advertising material, information from family/friends and past visitation to the destination. The measurement of these factors is discussed below whereby the exploration of variables' relationship with the cognitive and affective image components is proposed.

Personal Factors

Perceived image is not homogeneous as tourists are different. Several studies (Walmsley and Jenkins, 1993; Stern and Krakover, 1993; Baloglu, 1997) have measured perceived image according to socio-demographic characteristics and found that some differences occur in the perceived image depending on gender, age, education level, occupation, income, household status and country of origin. Hence, the perceived image was measured across a range of demographic factors. Similarly, Um and Crompton (1990), Gartner (1993) and Stabler (1990) argued that motivations influence directly the affective component of the perceived image. Considering that SIT is highly driven by tourists' motives it is important that the influence of the motivations of respondents on their perceived image was measured. Also, according to Beerli and Martin (2004) the perceived image of a destination is influenced partially by the individual's interaction with the destination; some tourists may visit attractions while others may prefer to relax rather than participate in leisure activities. Thus, the relationship between the importance placed on destination attributes by respondents and their perceived image was examined.

Information Sources

Beerli and Martin (2004) suggest that information sources drive the formation of perception whereas studies performed by Gartner (1993) and Mansfield (1992) found that information sources interact to form a single image in peoples' minds [see appendix 5]. On the other hand, Pearce (1982) and Phelps (1986) stated that visitation to the destination makes the image more realistic while Beerli and Martin (2004) stated that experience is a good indicator of satisfaction among other variables. Similarly, Hu and Ritchie (1993), Milman and Pizan (1995) and Baloglu and Mangaloglu (2001) found that familiarity with a destination influences the perceived image of a destination. Therefore, past experience at the destination was measured. Also, given that the CTO is attempting to minimise the number of tourists arriving on an all-inclusive package in order to increase expenditure spent in the destination, it is important to analyse the way tourists' perception of a destination differs according to the way the trip is organised. Clerides and Pashourtidou (2007) found that tourists arriving to Cyprus on a packaged holiday are less likely to return and thus the type of product distribution was measured.

Value for Money/Quality

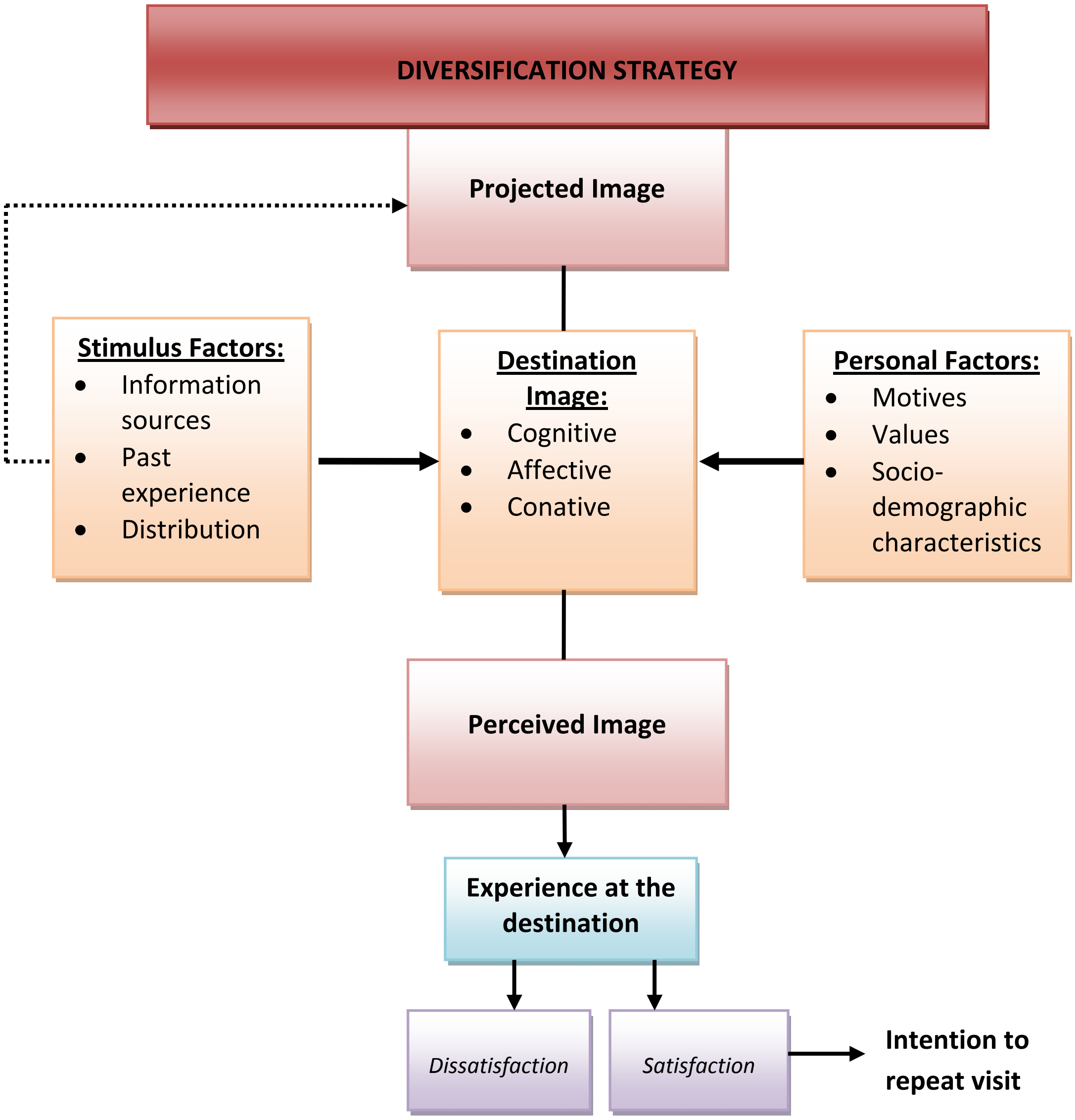
The amount of money spent on the holiday package should reflect the level of quality expected in terms of goods and services. Clerides and Pashourtidou (2007) found that tourists rated Cyprus negatively in terms of value for money indicating dissatisfaction. Therefore, several destination attributes were rated in terms of value for money. As part of the repositioning strategy emphasis has been placed on the island's promotion as a high-quality holiday destination. The assumption that Cyprus is a quality destination, however, should be justified by the appropriate renovation and upgrading of the existing infrastructure and tourism facilities. Clerides and Pashourtidou (2007) found that tourists using public transport in Cyprus expressed greater dissatisfaction with the destination as did tourists staying in A-class apartments rather than hotels, implying that tourism establishments and amenities are of unsatisfactory quality. Hence, various destination attributes were rated in terms of quality.

Destination Image Enhancement

Destination image is evaluated by tourists through a set of attributes (Echtner and Ritchie, 1993). In an effort to escape their mass 'sea and sun' image several mature Mediterranean destinations have incorporated in their projected image attributes other than the typical 'sea, sun and sand' elements, by emphasising in their communication strategies environmental and cultural characteristics (Amor et al, 1994; Andreu et al, 2000). Similarly, Cyprus has been attempting to enhance its image by developing niche tourism products to de-emphasise the prevalence of the coastal mass tourism product. Such a repositioning activity requires the inclusion of additional attributes in the promotional campaign to enrich the destination's image. Hence, the destination image was measured in terms of tourist perception of the destination characteristics/activities offered. In addition, as according to several researchers (Fakeye and Crompton, 1991; Echtner and Ritchie, 1991; Chon and Olsen, 2003; Ross, 1993) image moulds expectations before the actual visit the satisfaction level was measured in relation to the perceived image to establish if a causal relationship between the two exists.

The following diagram links the several hypothetical relations between key variables outlined above:

Figure 4.3: Hypothetical Relations



Source: Author

The above diagram illustrates the relationship between projected and perceived image with regards to diversification and the various factors that influence each concept. On one hand, there is the projected image which is influenced by various information sources. According to Pritchard (1998) the projected image is being largely influenced by tour operators, travel agencies and national tourism organisations; however, a different image of the destination maybe projected between them. For example, in the case of Cyprus large tour operators in the UK project Cyprus as being an ideal and safe 'sea and sun' destination. On the other hand, the CTO is attempting to project a 'quality' destination offering a variety of activities and interests, in order to minimise the emphasis placed on the 'sea and sun' attributes and enrich the overall image of Cyprus. This contrasts with the intentions and profit structure of large tour operators, which continue to include Cyprus in their brochures as a typical 'sea and sun' destination. As a result, the CTO has been initiating cooperation with specialist travel agents to promote Cyprus as a diverse, quality destination. Tour operators, travel agents and national tourism boards are considered extremely important in destination selection as they act as information sources to tourists. Considering that the majority of Northern European arrivals come to Cyprus on an all-inclusive package, tour operators and travel agents are recognised as important information sources. Nevertheless, a destination's image is also projected through media, family and friends and autonomous sources; hence their input in creating the projected image of a destination cannot be undermined. Secondly, the diagram illustrates that way the perceived image is influenced by stimulus factors and tourists' personal characteristics. Tourists' socio-demographic characteristics and motives as well as information sources, past experience and method of product distribution affects the perceived image of a destination. However, it is actual visitation which acts as a decisive point whereby the perceived image will result in either satisfaction or dissatisfaction depending on the fit between the projected image of the destination and the perceived image. Should inconsistencies arise it can be implied that the CTO has failed to carry out successfully the objectives of diversification. If the opposite occurs then satisfaction will arise which increases the likelihood of a repeat visit to the destination.

4.4 RESEARCH DESIGN

The design of a research project provides a framework for the collection and analysis of data (Bryman, 2004). According to Henn et al (2006) research design places the researcher in the empirical world by linking the research questions to data. The choice of a specific research design reflects the importance placed on the measurement of several elements in the research process such as determining causal relationships between variables, generalising findings using samples, understanding behaviour of respondents and evaluating social phenomena over a period of time (Bryman, 2004). To carry out this research a pluralist methodological stance was undertaken mixing both interpretative analysis of supply-side qualitative data and positivist analysis of demand-side quantitative data. Details of the research approach adopted, data collection process and related methodological issues are provided in the following section.

4.4.1 Research Approach

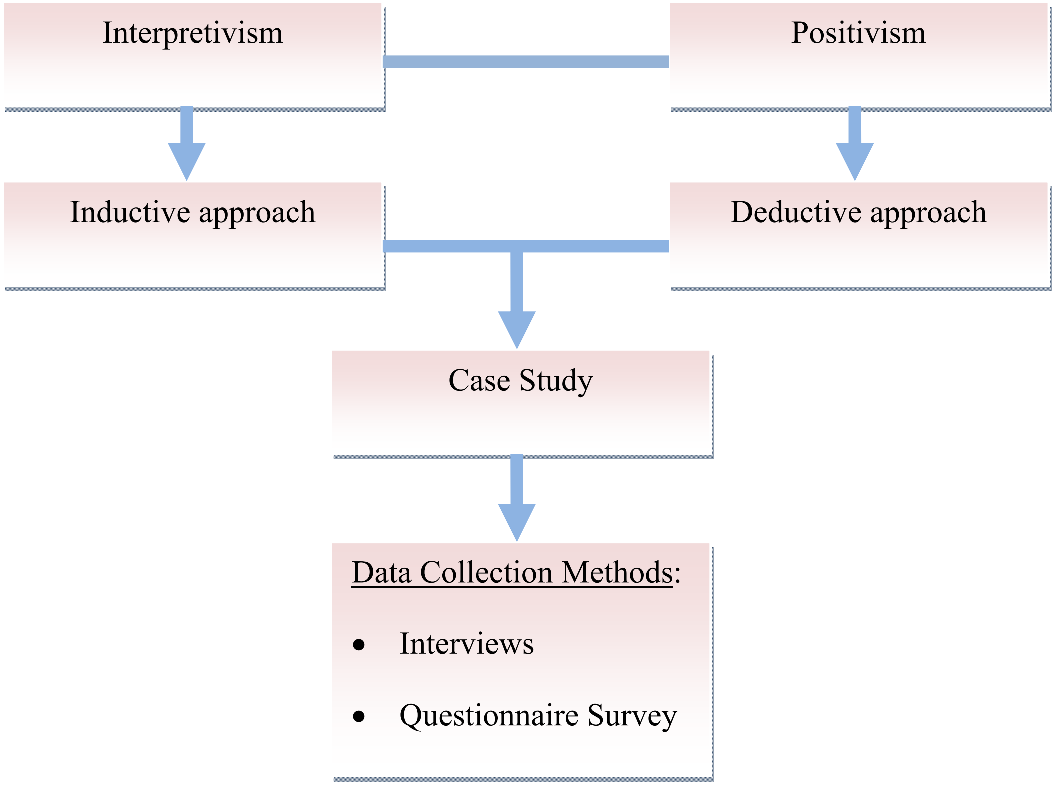
The multiplicity of answers available in social science entails that researchers can choose from alternative research approaches. According to Saunders et al (2000) the research selected approach depends on the way the researcher thinks about the development of knowledge. Henn et al (2006:10) stated that "there are two broadly divergent views about the nature of knowledge, or what we call competing paradigms, which we can group as positivism paradigm (associated with quantitative research strategies) and interpretive paradigm (associated with qualitative research strategies). A dichotomy between these two research philosophies can be observed in literature in terms of the development of knowledge and research management. Positivism is a widely used research approach that adopts the philosophical stance of the natural scientist. According to Neuman (2003:71) "positivism sees social science as an organised method of combining deductive logic with precise empirical observations of individual behaviour in order to discover and confirm a set of probabilistic causal laws that can be used to predict general patterns of human activity". Gill and Johnson (1997) agree that emphasis is placed on a highly structured methodology to facilitate replication and quantifiable observations subject to statistical analysis whereas Myers (1997) states that positivist studies aim at testing theory in order to increase the predictive understanding of phenomena. The researcher assumes a role of an objective analyst and is independent of and neither affects nor is affected by the subject of the research (Remenyi et al, 1998). Thus, the positivist approach follows the principles of natural scientific research by proposing and testing hypotheses in an attempt to make inferences about causal relationships between phenomena (Jupp and Norris, 1993). On the other hand, the interpretative approach emphasises the objects of the research and requires the social scientist to understand the subjective meaning of social action (Bryman, 2004). Interpretivism places emphasis on the people being studied to provide their own explanation of a situation or behaviour (Veal, 1997). According to Myers (1997) the philosophical basis of interpretive research is phenomenology, whereby the purpose is to explore a phenomenon of which we have little knowledge. Hence, a theory is build up gradually. Henn et al (2006:15) argue that "this research design should be flexible and unstructured, methods should be valid and the research design should generate small-scale and intensive data using insider accounts and based on descriptions of what is seen and what is heard". Interpretivists argue that the generalisability of research is not of crucial importance and rather each situation being studied should be regarded as unique to uncover the complexity of social interactions and behaviours. This project integrated both positivism and interpretivism with the deductive approach being the primary method of data collection and the inductive approach acting as a secondary one with the aim of enriching the nature of findings. Hence, this research is undertaken by a combination of quantitative and qualitative research methods. According to Fisher (2007) this is known as methodological pluralism.

A case study was adopted as the strategy for this research project. Case studies are widely used in tourism studies due to the uniqueness of each tourist destination studied; the differences between culture, location, history and degree of tourism development of destinations constitute the intensive examination of each one necessary. According to Yin (2003) a case study is an empirical inquiry investigating a phenomenon within its real-life context. Indeed, Yin (2003) observes that the use of case studies in social science research has increased over the years as it allows researchers to investigate complex issues in-depth. Stake (2000) referred to this approach as the 'study of the particular' whereby a particular case is selected for the reconstruction of case knowledge. Moreover, Stoecker (1991:109) argued that "a case study is the best way by which we can refine general theory and apply effective interventions in complex situations". Hence, a case study was considered a more appropriate strategy in this research as it provided a frame of reference that shaped the discussion involved. Cyprus was chosen as the case of study for the following reasons:

- **Access to Information**: the researcher resides permanently in Cyprus and was therefore able to access the desired information and sample relatively easy. In addition, this allowed the researcher to gain a greater understanding of the country's tourism infrastructure.
- **Successful image:** Cyprus so far has had a successful development in tourism and established itself throughout the years as a popular 'sea and sun' Mediterranean destination, attracting high numbers of tourists mainly from the UK and Scandinavia. The immense growth of tourism allowed the local population to enjoy a stable and prosperous standard of living, establishing Cyprus as a developed country. The strong economy of the island placed it among other developed countries in the Mediterranean basin whereas its experience in the mass tourism 'sea and sun' market gave the destination a firm and established successful image.
- **Diversification:** The past decade tourism arrivals to Cyprus have been erratic, recording a fall in the rate of growth. In other words, the tourism industry of Cyprus has reached saturation whereas the destination's image has been accused of being out-dated. As a response to these problems and in an attempt to minimise the image of Cyprus as a 'sea and sun' destination, a series of special interest tourism products have been developed and extensively promoted. This diversification strategy follows on the steps of several Mediterranean competitors including the Valencian region in Spain, Malta, the Aegean islands in Greece and Croatia.

The following diagram illustrates the relationship between the chosen research methods and data collection tools:

Figure 4.4: Research Process



Source: Author

4.4.2 Data Collection Methods

According to Veal (1997:33) "in planning a research project it is advisable to consider whether it is necessary to go to the expense of collecting new information (primary data) or existing data (secondary data) will do the job". In this research both data are deemed important: secondary data because it introduced the researcher to the topic by providing a complete picture of the situation or case and primary data for exploring the topic in-depth and contributing to existing theory.

4.4.2.1 Secondary Data Collection

"Reviewing previous research or writing on a topic is a vital step in the research process" (Veal, 1997:76). This is particularly true in a multi-disciplinary research area such as tourism where it is necessary to consolidate existing knowledge presented in several literature reviews. This research project used various secondary data sources to derive direction, guidance and insight including journals, books, government statistics, brochures and the Internet.

Relevant books on tourism have been obtained from the following university libraries: Boots library and Clifton library at Nottingham Trent University, the main Library of the University of Cyprus and the libraries of the European University Cyprus and the University of Nicosia. The specific nature of the research and the limited number of English libraries in Cyprus entailed that certain books had to be purchased from abroad. In addition, the relation of tourism to other disciplines forced the researcher to consult books on other fields such as marketing and strategic management. However, the main source of secondary data was academic journals, which were obtained online from Nottingham Trent University as well as the University of Cyprus. According to Bell (1999) the frequency of publication of journals makes them a more up-to-date source of information than books. Certain journals with limited electronic access were requested and obtained in print from the British Library via the Boots library of Nottingham Trent University. The Journals were obtained from a variety of databases including Emerald, EBSCO, Science Direct and Jstor. In addition, data and statistics on tourism in general and Cyprus tourism in particular were obtained from Eurostat, government publications and studies performed by the CTO as well as the Statistical Department of Cyprus. To complement the official and statistical information published on Cyprus tourism background data was obtained from newspaper articles, advertising brochures and the Internet. In particular, the CTO website was extensively accessed (www.visitcyprus.com and www.visitcyprus.biz) as was the search option available for students by Google (www.scholargoogle.com).

4.4.2.2 Primary Data Collection

The search for information beyond the scope of the existing literature requires the collection of new data. According to Veal (1997) there are no good or bad data collection techniques but techniques that are appropriate or inappropriate for a specific task. In order to achieve the aims and objectives of this research a combination of qualitative and quantitative data collection methods has been used. The first method involved 12 personal, semi-structured interviews with managers and policy makers of the tourism industry. The interviewees were drawn from public sector tourism-related organisations, tourism associations and private sector companies engaged in tourism. Qualitative research was considered an appropriate approach for this research as it allowed for greater understanding of the interviewees' decision-making, opinions and attitudes (Saunders et al, 2000). Qualitative research involves the acquisition of deep and detailed information from a limited number of people opposed to limited information from a larger sample (Peterson, 1994). Hence, a qualitative approach was more appropriate in revealing new insights in the area of tourism diversification through the interpretation of phenomena by individuals. Thus, the researcher was more able to identify and combine environmental, political, economic and social factors within the context of tourism industry in terms of diversification measures. However, adopting interviews as a method of data collection of tourists' attitudes and opinions was considered inappropriate in this research. The researcher felt that interviews would limit the generalasibility of findings to a larger population and that it would be timely and expensive to conduct. Although interviews with tourists would allow for deeper information to be collected, this method presented with certain difficulties. Firstly, it would have been hard to find tourists willing to devote time during their holiday to participate in a lengthy interview; rather, the researcher felt that respondents would want to answer questions as quickly as possible. Secondly, the structure provided in a questionnaire would allow for specific information to be collected in a comparable manner, which in turn could allow generalisation. Hence, a questionnaire survey was adopted an additional method of data collection. A structured questionnaire was disseminated to a large sample of tourists who had experience of Cyprus as a holiday destination, including first-time visitors and repeat visitors to Cyprus.

4.4.3 Interviews

Kahn and Cannell (1957) defined interviews as a purposeful discussion between two and more people. Discussions between two people, namely the interviewer and the interviewee, are called one-to-one interviews whereas discussions between an interviewer and a group of people are known as focus groups and fall under the categorisation of one-to-many interviews. According to Mason (2002) and Silverman (2001) interviews are appropriate for qualitative research to get insights on ontological components of social reality. Interviews can take a structured form, which is more associated with survey research, or an open unstructured form. This research used semi-structured interviews as a qualitative method of data collection. This interview form was chosen in order to avoid the rigidity of structured interviews and allow for in-depth information to be collected but at the same time constrain the flow of information to certain core issues. Interviews allowed for investigation and interpretation of economic and political factors that influence the development of tourism and were complemented with published information on the industry. The aim of the interview format was to describe how managers and policy makers of the tourism industry understand and interpret the impact of diversification on their industry in the context of a strategic approach to repositioning.

Peterson (1994) suggested that a successful qualitative research study has to take into account the following:

- Choice of participants: the researcher chose the participants according to their experience level and position in the tourism organisation they work for in order to gain greater insights of the diversification efforts in Cyprus.
- List of questions: the list of questions used aimed to avoid the inclusion of questions that can be answered with a 'yes' and 'no' answer in order to encourage the interviewees to develop their answers in depth and minimise bias. In relation to the research aims and objectives the questions were based mainly on the problems or weaknesses of the Cyprus tourism product, the diversification measures undertaken to reposition Cyprus, the success degree of the diversification efforts in utilising strategic aims and the way they add to its established 'sea and sun' image. In some occasion the questions were adjusted according to the tourism sector the interviewee worked in but a similar topic range was maintained throughout all interviews.
- Training of interviewer: due to time and money constraints the interviews were carried out by the researcher herself. This allowed the researcher to direct the discussion accordingly to achieve the objectives of the research. The researcher concentrated on listening to the interviewees and ensuring that the discussion did not exceed the time specified or over-stretch. Also, she tried to elicit information by making the interviewees feel comfortable and assisted them in expressing

themselves either by rephrasing questions or providing an explanation. Her knowledge of the subject and the tourism industry of Cyprus allowed the exploration of additional issues that arose through discussion.

- Data analysis: the interpretation of data was dependent on the aims of the research and required an examination of the diversification efforts of Cyprus with consideration to the objectives of diversification, the target groups in question and the effects the diversified products have on the tourism industry as a whole. As explained in section 4.5.1 thematic analysis was used to interpret data from interviews.

4.4.3.1 Justification for use of interviews

This research employed personal semi-structured interviews in order to allow the interviewee to provide deep knowledge and expertise about the diversification measures taking place in Cyprus tourism. Also, interaction was not considered an important factor in this research project, minimising the necessity for the use of focus groups. In total 12 individual interviews were completed with professionals from the supply-side sector of the tourism industry. The researcher was not concerned over the number of interviews conducted but rather focused on the quality of data obtained from participants as well as sample variability to cover all tourism industry sectors. The strategy of participant selection is explained below.

4.4.3.2 Choice of Participants

The choice of respondents had been based on two factors: a) they were experts or professionals in tourism and b) their department or organisation corresponds to the five main sectors of the travel and tourism industry, as depicted below:

Table 4.3: The main sectors of the travel and tourism Industry

<table>
<tr><td>Accommodation Sector
Hotels/motels
Guest houses/B&Bs
Farmhouses
Apartments/Villas/Flats/Cottages
Condominiums/Time-share resorts
Vacation villages/holiday centres
Conference/exhibition centres
Static and touring caravan/camping sites
Marinas</td><td>Attraction Sector
Theme parks
Museums and galleries
National parks
Wildlife parks
Gardens
Heritage sites
Sports/activity centres
Themed retail/leisure/entertainment centres
Festivals and events</td></tr>
<tr><td colspan="2">Transport Sector
Airlines
Shipping lines/ferries
Bus/coach
Railways
Car rental operators</td></tr>
<tr><td>Travel Organisers' Sector
Tour Operators
Tour wholesalers
Retail travel agents
Conference organisers
Booking agencies
Incentive travel organisers</td><td>Destination Organisation Sector
National tourist officers
Destination marketing organisations
Regional tourist offices
Local tourist offices
Tourist associations</td></tr>
</table>

Source: Middleton and Clarke (2001)

Therefore, the participants were selected according to theoretical sampling whereby the interviewees were chosen in relevance to the theoretical focus of the research (Mason, 2002). The single requirement for the interviewees was to be familiar with tourism development in their field of expertise and have a direct association with the Cyprus tourism market. All the organisations were either directly or indirectly related to the Cyprus tourism industry and each covers one or more sectors of the tourism industry. For example, one organisation was involved in the accommodation sector as well as transportation and tour operating. In order to arrange the interviews interviewer contacted several organisations she thought were appropriate in providing her with information [see appendix 6]. Some of these were not willing to participate in the interview therefore she had to think of additional ones that could be helpful. Overall, 12 interviews were performed out of which 4 interviews were completed with managers of public sector tourism organisations, 4 with tourism associations and 4 with private companies engaged in tourism, each organisation dealing with one tourism sector such as accommodation, tour operating, transportation, attraction and tourism planning. Most interviewees have a managerial position in the organisation/association in question and significant experience in the tourism industry and hence were able to answer questions thoroughly and consistently while some gave good suggestions as to how the tourism product should be developed and promoted. For the purposes of this research the identity of participants was disclosed [see appendix 8].

4.4.3.3 List of Questions

It was preferred that the interviews were conducted in English to avoid the timely translation from Greek to English and also to ensure that certain words and/or attributes described were caught in the language (English) to be used in the research. It was believed that the use of the English language would not act as a barrier to the interviews as English is widely spoken in Cyprus and the managerial position of the participants suggests ability to exercise the language sufficiently. Indeed, none of the interviewees objected to giving the interview in English. Although the level of English amongst the interviewees varied it was considered of satisfactory standard. Where clarification over words or statements was required the interviewer provided translation in Greek. The interviews covered a range of topics requiring from the interviewees to describe the efforts made to diversify and promote the Cyprus tourism product as related to their field as well as their opinions on the extent of success of diversification overall [see appendix 7]. The format of the interviews was semi-structured in an attempt to allow the interviewee to express themselves freely without diverting too much from the course of the discussion; in other words a structured list of questions was used to direct the interview as in the case of structured interviews, however, greater flexibility was allowed as the order of the questions and the questions themselves varied according to the discussion. According to Jennings (2005) semi-structured interviews contain a qualitative element in that a list of themes guides the discussion but the order of discussion in each interview varies. Hence, the use of semi-structured interviews allowed the researcher to combine minimum guidance and maximum flexibility. The formulation of a list of questions allowed the researcher to obtain the desired information yet the flexibility of the semi-structured interviews allowed the researcher to change the order of questions or adding new questions according to the flow of discussion. Most of the interviewees spoke freely and were critical of the tourism strategies followed in the Cyprus tourism industry, however, the researcher felt on some occasions and especially from respondents working in public-sector organisations, that the interviewees were constrained in answering freely not because of pressures to answer in a specific way but because of a need to protect their position and/or organisation's tactics. For example, the director of a government department was eager to promote the department's non-tourist interests in protecting resources used in the tourism industry and for which the department was responsible. This view was respected and understood and not regarded by the interviewer as being offensive or inconsistent; it merely gave another perspective to the situation.

4.4.3.4 Strategy of Interviews

To find the participants the researcher contacted the organisations in question and after explaining the research intention, aims and nature she asked to be directed to the specific person who could most likely assist her in conducting the interviews. She then sent an email to the organisation of all the relevant information about her research including a participant information sheet, a covering letter and a copy of the question list. The copy of the questions was send to all interviewees as some of them requested it for better understanding of what kind of information was requested from them. Following several communication sessions through telephone or email with the organisations, the interview was arranged either between the interviewer and interviewee himself or his/her secretary at a date and time that was convenient for both parties involved. The researcher overall performed 12 interviews within 2 months, from May to July. The reason for the interviews taking so long to arrange was primarily that the summer period is a busy period for those involved in tourism and it was difficult to arrange a date for the interview. Also, some were unwilling to provide an interview and so the researcher had to consider additional possible respondents. The interviews took place at the office of each interviewee in an attempt to maximise the level of comfort and data privacy. Prior to the conduct of interviews, two signed copies of a consent form were requested and received from the interviewees. As all of the interviews were digitally recorded consent was essential to establish the ethical responsibilities of the researcher regarding maintaining anonymity, storage of data and handling the information during and after the research. A pilot test was undertaken prior to the conduct of interviews with two individuals with past experience in the tourism industry. The pilot interviews took only 25 minutes to complete, however, this was expected as the interviewee were not fully aware of the recent changes in the Cyprus tourism industry. Hence, the maximum time requested from the interview participants was 45 minutes. Some of the interviews were considerably shorter than others with the shortest being approximately 18 minutes and the longest approximately 60 minutes, however, this depended on the amount of information given by the interviewees and the speed with which the interviewees spoke. All topics were covered in the interviewees although not in the same order. Also, some interviewees gave more valuable information than others and elaborated more on topics raised. Nevertheless, it was concluded that most interviewees gave similar information or shared similar opinions on topics discussed, mirroring a common stance shared by those involved in the Cyprus tourism industry.

4.4.4 Questionnaire Survey

The term 'questionnaire' is a general term which includes all techniques of data collection in which each person is asked to respond to the same set of questions in a predetermined order (deVaus, 1991). Nevertheless, the greatest use of questionnaires is made by the survey strategy (Saunders et al, 2000) where a large amount of data is collected from a sizeable population in an economic way. The design of the questionnaire differs according to the way it is being administered; a questionnaire can be *self-administered* via post, online or delivered by hand or *interviewer administered* through telephone or a structured interview. The choice of administration depends upon the nature of respondents, the size of sample required, the types of questions needed and the number of questions asked. In this research a self-completion questionnaire was disseminated by the researcher at the departure lounge in Larnaka airport. According to Bryman (2004) the self-completion questionnaire is quicker and cheaper to administer, more convenient to respondents as it gives them time to think their answer and collects more valid information as interviewer influence or interference is absent. The researcher, however, acknowledged the fact that a self-completion questionnaire limits the possibility of helping the respondent with a question or collecting additional data; thus increasing the risk of missing data or limited data. Therefore, two open-ended questions were included to allow respondents to express their opinions in their own words while the researcher ensured she was close by so that when a respondent had difficulty with a question she could assist.

4.4.4.1 Justification for use of questionnaire

Questionnaires are best fitted for descriptive or explanatory research, rather than exploratory where a large number of open-ended questions is required. This research project tends to be more descriptive and explanatory in nature, as it attempts to examine the relationship between diversification and destination image; hence, the use of questionnaires in this case was reasonable. With relation to the aims of this research, the perceived image of tourists was used to measure the success of diversification in enhancing destination image. Thus, the use of questionnaire in this research allowed the collection of a significant amount of data from a large sample on the image of Cyprus as a tourist destination. This in turn allowed for data to be generalised in order to deduct conclusions about the target population and its attitudes towards Cyprus.

4.4.4.2 Choice of respondents

The respondents of the questionnaire survey had to satisfy the following requirements:

- Nationality: the sample included British citizens; the choice of respondents was primarily based on the fact that more than 50% of tourist arrivals to Cyprus are British nationals and hence, due to time and cost restraints, respondents were clustered according to nationality. To target British tourists the researcher asked them to confirm their nationality prior to the dissemination of the questionnaire. According to Beerli and Martin (2004) the country of origin of respondents determined different cultural factors that affect tourists' perceptions. Hence, it must be acknowledged that bias against non-British tourists was created using this sampling procedure and this was appropriately considered when interpreting data. The questionnaire did not make any further distinction between cultural groups in the UK. In addition, the researcher acknowledged that British citizens living in Cyprus or are residents elsewhere will probably have different perceived images as distance from the destination influences the perceived image of tourists. Research showed that there is a positive correlation between distance from a destination and the image of it (Telisman-Kosuta, 1989); hence the farthest away a destination the more favourable its image will be (Crompton, 1979) as lack of familiarity increases a destination's excitement appeal and decreases the likelihood for actual visitation which may result in negative experience (McKay and Fesenmaier, 1997). In order to overcome this problem a screening question asking for residency was included in the questionnaire.

- Age: determining the age standard for adults can be problematic as there are various standards adopted in deciding adulthood such as the legal age for driving or voting. However, for the purposes of this research 18 was adopted as the minimum age as it is universally accepted as the legal adult age. In addition, it was assumed that at 18 people are more likely to travel independently and make their own travel arrangements. Therefore, this age was adopted as the minimum for this research. The questionnaire was answered by one member of a travelling party whether that was a family, a group of friends or a couple as it was assumed that similar travel arrangements and experiences were shared between people travelling together.
- Experience at destination: the questionnaire distinguished between first-time visitors and repeat visitors, as experience influences image formation (amongst first-timers experience at a destination affects the satisfaction or dissatisfaction level as it represents reality whereas amongst repeaters it allows for greater tolerance as other realities serve as comparison points). Several researchers (Chon, 1990; Ahmed, 1991; Fakeye and Crompton, 1991) agree that past experience of a destination affects a tourist's image of it which in turn can influence satisfaction. Baloglu and McCleary (1999) stated that tourists' perceptions of a destination are modified after visitation and hence differences exist between visitors and non-visitors. Where no experience exists, image is influenced by tourist motivations, information sources and socio-demographics of tourists. However, as the researcher was seeking to analyse the effect of diversification on the perceived image of the destination it was important to measure actual visitation in order to establish the level of satisfaction or

dissatisfaction (Fakeye and Crompton, 1991) and consequently the success of diversification in enhancing image. As the survey took place at the airport upon departure of tourists from the island it was ensured that tourists with experience of Cyprus were targeted.

4.4.4.3 Sampling Method

Easterby-Smith et al (1991) argued that an important element of research design in positivist studies is ensuring that the sample is representative of the target population. Positivism is highly concerned with issues of randomness, adequate sample size and representativeness unlike interpretivist studies which are more concerned with gaining understanding of a situation. Hence, it is essential to use large enough sample in measuring variables concerned with behaviour, attitudes and opinions as well as ensuring that the selection of the sample occurs in a random manner. Probability samples allow a statistical generalisation from the sample to the population and fundamental for quantitative research. Indeed, probability sampling is commonly associated with survey-based research where inferences are made from the sample about a population in order to meet the objectives of the research (Saunders et al, 2000). Therefore, this research followed probability sampling in an attempt to identify the perceived image of Cyprus of the target population though questionnaires to the limited number of respondents included in the survey. Probability sampling was feasible because an exact number of tourist arrivals from the UK is provided by the CTO. Further, systematic random sampling was chosen as the sampling procedure as the most suitable procedure considering the time, budget and labour costs involved. Using this procedure each element in the population had a known and equal probability of selection. This made systematic sampling functionally similar to simple random sampling. It was, however, much more efficient and much less expensive to carry out. Since the list did not contain any hidden order, systematic sampling did not threaten randomness.

4.4.4.4 Sample Size

It is impossible to include the whole population in the survey due to time and budget constraints; hence, a sample was necessary on which the survey could be carried out and findings could be generalised. However, to ensure the generalisability of results it was important that the calculation of the sample size and the selection of the sampling procedure ensured the accuracy of results. According to Saunders et al (2000) most researchers work on a 95% level of certainty, whereas the smaller the sample the greater the margin of error. The criterion of 95% confidence forms the foundation of modern statistics (Field, 2005) while Fisher (1925) stated that only when we are 95% certain that the result is genuine we should accept it being true. In business and management research, researchers normally allow a 3%-5% margin of error; for this research due to time and cost limitations a 5% margin of error was calculated. Out of the total tourist arrivals to Cyprus for year 2006, which were 2400000, the tourist arrivals from the UK were 1,360100; considering that a 95% confidence level was adopted, the minimum sample size required for this research was 384 respondents. This can be seen in the formula below:

$$n = \frac{(z_{a/2})^2 \times \pi \times (1-\pi)}{E^2}$$

where: e = error between sample estimate and population value

$z_{a/2}$ = confidence level

π = the population's proportion of the outcome under investigation

As mentioned earlier, the margin of error set by the researcher was 5%. This means that there is a + or – 5% error which can be tolerated in the research. At 95% confidence level the population mean lies between + or – 1.96 sampling errors from the population mean (Field, 2005). Therefore z corresponds to 1.96. Generally π is presumed based on previous studies, however, in this case there are no suitable studies and the researcher cannot presume π. In such case we assume that the outcomes have an equal probability of occurrence and therefore set the π value to 0.5, giving a standard deviation of $\sqrt{\pi} \times (1-\pi) = \sqrt{0.5} \times 0.5 = 0.5$

Hence,

$$n = \frac{(1.96)^2 \times 0.5 \times (1-0.5)}{(0.05)^2} = \quad n = \frac{3.84 \times 0.25}{0.0025} = 384$$

The calculation reveals that the minimum required sample for this research was 384. Nevertheless, the researcher anticipated that missing data, incomplete questionnaire and wrong answers would occur. Therefore, more questionnaires were printed and handed out. After each data collection session she checked each questionnaire and divided the questionnaires according to usability. Those that were incomplete or non usable were not included in the research. The data collection continued until the minimum required sample of 384 was collected.

4.4.4.5 List of questions

According to Pearce et al (1996) most tourism studies using questionnaires ask respondents to rate a list of tourism impacts, however, few studies develop this list from respondents themselves or give the opportunity to respondents to add to or comment on these lists. As a result a limited view of the peoples' perception is acquired. On the other hand, a questionnaire with only open-ended questions poses serious problems in data collection as it will be time-consuming and intimidating for respondents to complete. Therefore, in this research to allow qualitative and quantitative methods to work complementarily the questionnaire included close-ended questions together with two open-ended questions. For instance, to allow for generalisability of results the questionnaire was based on a structured list of questions. This is necessary for the following reasons: firstly, respondents are not experts and not necessarily aware of the issues raised in the questionnaire and secondly, because the questionnaires were completed by respondents themselves the questions had to be easily understood and in turn easy to decode. Similarly, the questionnaire included open-ended questions to allow respondents to express their feelings more freely. In this way a combination of qualitative and quantitative methods was achieved and the common characteristics of the destination were measured together with the psychological impressions of tourists. According to Dillman (1978) four types of variables can be collected through questionnaires: attitude, belief, behaviour and attribute. In turn, these variables measure the cognitive, the affective and the conative element of respondents' image as well as respondents' characteristics. In particular, the questionnaire consisted of four parts:

a) close-ended and open-ended questions on the demographics of respondents aimed at establishing their profile; these questions allowed for research questions related to the personal factors of respondents to be explored. Specifically, gender, age, educational level, marital status and companionship of children in the travel were asked. A screening question (question 7) was added to identify the place of residency of the respondents.

b) close-ended questions included multiple-response answers to measure the motivations of respondents and establish their travelling behaviour and pattern such as frequency of visit, structure of travel and influence of information source.

c) close-ended questions using multiple-item scales whereby respondents were asked to rate various aspects of the Cyprus tourism product. These questions were particularly useful in obtaining respondents' attitudes towards destination attributes in relation to satisfaction, value for money and quality levels as well as establishing their image of the destination (cognitive image). Three Likert scales were used to measure respondents' attitudes on a variety of characteristics in terms of value for money and quality using a 5-point scale. In addition, four 7-point numerical scales were used to measure respondents' perception over topics including overall value for money, overall quality, satisfaction level and likelihood of recommending the destination to others. A visual graphic was also included to help respondents' interpretation of the scale. In addition, a ranking question and a list question were included whereby certain attributes were selected and ranked accordingly. Also, a semantic differential scale was included to obtain respondents' attitudes (affective image) over a series of bi-polar adjectives concerning the destination.

d) Two open-ended questions allowing respondents to describe Cyprus in their own words and make suggestions as to the improvement of the Cyprus tourism product.

A copy of the questionnaire can be found in appendix 9.

4.4.4.6 Questionnaire Survey Strategy

Prior to the dissemination of the questionnaire a pilot test is essential to evaluate the design of the questionnaire (deVaus, 1986). Three pilot tests were undertaken for this research. The first pilot test took place in February 2009 where the researcher distributed the questionnaire to English-speaking friends that were not part of her target sample, as suggested by Gillham (2000). The first draft of the questionnaire contained 25 questions most of which were close-ended questions in the Likert scale format. Feedback from respondents indicated that some of the questions were not understandable or straightforward. Therefore, the researcher changed the wording of some questions whilst added a 'don't know/don't answer' option in the Likert scale questions as not every respondent had used all variables suggested. A second pilot test was conducted a few days later where the questionnaire was disseminated to about 10 Open University students attending a seminar course at the Hilton Hotel in Nicosia. Although not all of them were British all were English speakers with holiday experience of Cyprus and hence considered a closer match to the proposed sample. The respondents gave their feedback after completing the questionnaire and most suggested some minor points like spelling mistakes and word substitution to enable the respondent to understand the question better. The most important aspect revealed in the second pilot test was that several respondents did not answer the second open-ended question or instead asked the researcher to refer to the previous open-ended question. From this behaviour the researcher understood that the two open-ended questions were similar and hence changed the second question by asking respondents to suggest improvements to the Cyprus tourism product. Following these changes a final pilot test was performed whereby the questionnaire was emailed to 5 colleagues of the researcher who reside in various countries including the UK, Serbia, Hungary and Germany and all of which had visited Cyprus at some point either for holiday or business. The feedback of the respondents was positive in that the questions were easy to understand and to complete and hence this was accepted as a final draft following approval by the supervisors. In all three pilot tests respondents took approximately 7-10 minutes to complete the questionnaire (depending on their English language knowledge) and no one complained that it took too long to complete the questionnaire; hence, no questions were removed. The questionnaire was disseminated at the departure lounge of Larnaka airport in Cyprus. The researcher planned to approach every 10th person waiting at the gate from where a flight to the UK was departing until the desired number of questionnaires was completed. It was assumed that if respondents were approached at the gates in the departure lounge the chances of achieving a higher response rate would increase; if they were approached upon check-in or in the duty free area then they might feel disturbed or annoyed and refuse to answer the questionnaire. It would also have been difficult to distinguish British citizens if approached in other areas. Although the researcher initially planned to approach every 10^{th} person the structure of the departure lounge at Larnaka airport made this difficult and a timely procedure. The gates at the departure lounge were small and there were not enough seats meaning that many people have to remain standing or seat in other gates while boarding. This made the task of the researcher difficult in handing out questionnaires. As a result a small number of questionnaires were given out in each flight; hence the researcher had to change tactic and approached every 5^{th} person in line in a clockwise manner. If one refused to answer the questionnaire or did not fulfill the requirements (i.e. being British) the researcher moved to the next one in line. Also, if tourists were travelling as a group – either a family or group of friends – one questionnaire was given to them and the researcher then moved to the next 5^{th} person in line. After confirming that the travellers were British, the researcher explained the purpose of the research and asked for consent to fill in a questionnaire for a PhD research on Cyprus tourism. The researcher continued this procedure and then returned back to collect the questionnaire. In case, the respondents finished completing the questionnaire and wanted to stand up in line for boarding she advised them beforehand to leave the questionnaire on the seat and she would collect it later.

The questionnaire was completed by the respondents themselves who were given pens by the researcher. This method allowed time for respondents to think about their answers when completing the questionnaire, however, it took more time to complete especially when respondents did not understand a question. Indeed, several questionnaires were returned back incomplete. Many of the respondents did not complete the open-ended questions; however, the researcher included these questionnaires in the analysis as open-ended questions were analysed qualitatively. According to Bryman (2004) because of the greater effort involved in answering open-ended questions respondents are likely to be put off by the idea of writing extensively. Indeed, it is possible that people not completing one or both of the open-ended questions as they were bored or they regarded open-ended questions as optional. For example, in the questionnaire the last question asked respondents to offer suggestions as to the improvement of the Cyprus tourism product. Some may have left this unanswered as they had nothing to suggest or possibly believed that nothing should be improved in the tourism product. Similarly, some respondents did not complete certain close-ended questions. The reasons for this can be numerous: either they were bored, forgot to answer or did not understand the questions (Zaichkowsky, 2006). No problems arose in the pilot tests regarding the nature of questions, however, it must be acknowledged that the people included in the pilot tests were all university educated and accustomed to this type of research. Also, some personal questions like age or educational level of respondents were left incomplete in several cases; it was expected that questions of a personal nature might be disregarded by some who thought the questions were sensitive. Another issue that arose during the survey and was not anticipated beforehand was the fact that some respondents stated in the questionnaire or verbally to the researcher that they stayed in North Cyprus. Indeed, several tourists use the Larnaka airport for entry to Cyprus but stay in Northern Cyprus; hence, it is suggested that in future research a screening question is added to capture this group of tourists. These questionnaires were not included in the analysis but their examination provided some useful insight. Other questionnaires that were deemed non-usable include questionnaires completed by people under the age of 18 and those that although British resided in Cyprus or elsewhere.

To ensure that the sample population was easily targeted the researcher went to the airport when flights to the UK were planned. Since the majority of tourists in Cyprus are from the UK and half of all flights are from the UK, it was not considered a problem to target British tourists. However, as 80% of British arrivals to Cyprus travel on a packaged holiday, it was important to allow the targeting of both tourists arriving on an all-inclusive basis through charter flights and tourists travelling independently through British Airways or the island's national carrier, Cyprus Airways. This is not to suggest that independent tourists do not travel with budget airlines like Thomson or Thomas Cook but usually seats in such flights are pre-booked by tour operators. Therefore, the researcher tried to conduct the survey at different time intervals to ensure a more representative sample was targeted; therefore, she went to the airport in the morning, afternoon and night depending on the number of flights to the UK per day. Overall, travellers using two national carriers (Cyprus Airways and British Airways) and 6 low-cost/charter flights (Monarch, Easyjet, Thomson, Thomas Cook, Eurocypria and Jet2) were included in the survey. It was noted, however, that people flying at night were more willing to answer the questionnaire. These included people that did not travel with children and had free time to spend as many shops in the departure lounge were closed.

Overall, the survey lasted more than expected. The researcher collected 440 questionnaires within 6 weeks starting form the last week of June 2009 and finishing on the first week of August 2009. Hence, the research took place during the summer time when the tourist arrivals are at their peak. The researcher realises that this generates bias and that a more representative sample could be gained if the questionnaire was disseminated in 3 or 4 yearly time intervals. However, this possibility was rejected due to budget and time constraints. Also, the fact that the researcher required permission from the airport authority meant that her research could take place within a constrained period of time rather than an extended one. The following table shows tourist arrivals for years 2004-2009 in percentages:

Table 4.4: Tourist Arrivals by month (%)

	Jan	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
2009	2.2	2.6	4.2	8.5	4.5	12.2	14.2	13.6	12.9	10.8	4.2	3.1
2008	2.1	2.9	4.5	7.6	11.3	12.8	14.3	13.6	12.7	11.1	4.1	3.1
2007	2.1	2.6	4.3	7.8	11.3	11.7	14.6	14.1	13.1	11.4	3.9	3.1
2006	2.3	2.8	4.5	8.6	11.8	11.7	14.2	13.1	12.4	11.8	4	3
2005	2.4	2.9	5.5	7.4	11.5	11.4	13.7	13.6	12.3	11.8	4.2	3.1
2004	2.4	3.2	4.8	8.1	11.1	11.3	13	13	12.9	11.9	4.9	3.4

Source: CTO (2009)

The researcher approached 557 travellers out of which 21% refused to participate in the survey, thus 440 in total were collected. It was considered that refusal rate was increased due to the following factors: a) the excessive number of people travelling in the summer causing many delays and resulting in people being tired or frustrated and b) the swine flu which broke out at the time resulting in many travellers wearing masks and being reluctant to talk to strangers. Out of the 440 questionnaires returned an approximate 10.7% (47) were either returned incomplete or were considered non-usable (due to the respondent being under age, residing in Cyprus or elsewhere except the UK and/or because they visited northern Cyprus). The table below shows the response rate of the survey:

Table 4.5: Response Rate of Survey

	No.	%
No. of questionnaires disseminated	557	100
No. of questionnaire returned	440	78.9
No. of incomplete and/or non-usable questionnaires	47	10.7
No. of usable questionnaires	393	70.6

Source: Author

Hence, a total of 393 answered questionnaires were collected whereby 90 questionnaires lacked one or both completed open-ended questions; nevertheless the total 393 was more than the required minimum.

4.5 RESEARCH ANALYSIS

The interviews were analysed using thematic content analysis where concepts were identified, coded and categorised into thematic groups according to the frequency of occurrence of words and/or phrases. All the data collected through the questionnaire survey was analysed using the Statistical Package for the Social Sciences (SPSS) and Microsoft (MS) Excel. The open ended questions in the questionnaire were analysed using thematic content analysis. Following quantitative and qualitative analysis, both types were combined together for interpretation.

4.5.1 Interview Analysis

The interviews were recorded and transcribed using Microsoft Word. The interviews were conducted in English in order to reduce the need for translation; therefore, the transcripts were in English. Nevertheless, transcription was a time-consuming process as for every hour of interview approximately four to five hours of transcription was required. The end result was a large amount of raw data which needed to be analysed and interpreted appropriately. According to Denzin (1989) this requires a process of coding and retrieving data in order to identify important issues. Thus, the analysis of the transcripts followed a thematic content analysis framework, where certain concepts appearing more frequently within the text were identified, categorised and coded according to the research questions formulated. Thematic analysis is valuable as arising themes are representative of the way interviewees' minds are organised. Bryman (2004) defined content analysis as an approach of document analysis that seeks to quantify content in terms of predetermined categories in a systematic and replicable manner. Similarly, Silverman (2006) argued that content analysis is a method of textual investigation whereby a set of categories is established and the number of instances falling into each category is counted. Dey (1993) suggested that by subdividing or integrating categories analysis of data is refined. By viewing qualitative analysis as a circular process Dey (1993) proposed a way to describe, classify and connect data. The 'quantification' of data through categorisation, however, receives criticism due to the limitations that language can impose on analysis as well as due to the interpretative nature of qualitative research. In specific, content analysis has been accused for being more deductive than inductive as proposed categories are derived from theoretical models (Flick, 1998). According to Seidel (1991) the concern of analytical practices based on quantification results to breadth analysis rather than depth analysis; hence, the analyst becomes more concerned with quantification than the exploration of meaning (Fisher, 1997). Similarly, Atkinson (1992) argued that given categories although helpful in organising data form a powerful conceptual grid from which it is difficult to escape. However, content analysis allows for reliability and validity of findings as different researchers can use them in the way through precise count of word use (Silverman, 2006). Also, Marvasti (2004) points out that content analysis simplifies and reduces large amounts of data while it allows the connection of qualitative data to quantitative data.

This research employed the techniques of Miles and Huberman (1994) for manipulating data. Therefore, a thematic content analysis was adopted whereby themes were identified by the researcher from the whole set of interview transcripts. Owen's criteria (1984) of recurrence, repetition and forcefulness were followed whereby word, phases and concepts appearing more frequently were highlighted in different colour according to the question they were answering. Subsequently, through colour coding categories associated with the questions in the interview schedule were identified to reflect arising themes. A framework was then formed to show the potential relationships between the various concepts by illustrating the causes, results and links between related themes. Microsoft Excel was also used to illustrate the profile of the interviewees.

4.5.2 Questionnaire Analysis

The data collected from the questionnaires was analysed using SPSS as this is considered the most appropriate and widely used tool for statistical analysis of quantitative data. As part of SPSS analysis each question in the questionnaire was treated as a variable measuring data on a nominal, ordinal and interval level. The open-ended questions were analysed using content analysis whereby topics arising more frequently resulted in the creation of categories.

4.5.2.1 Measurement of Variables

Denscombe (2003) argued that there are certain statistical techniques that work with some data types but will not work with others. In statistics it is generally accepted that interval variables allow more powerful statistical methods to be performed as they convey greater information about cases than ordinal or nominal data (deVaus, 2002). However, it is not always possible to control the form of data collected. Therefore, many researchers attempt to maximise the level of measurement of variables by treating ordinal data as interval. This method has been criticised by several statisticians as reckless as it may alter results. Similarly, Kumar (2005) argued that determining the unit of measurement of a variable is an important task as it affects the level of confidence in the findings. Indeed, deVaus (2002:44) argues that "statistics designed specifically for higher levels of measurements should not be used to analyse variables measures at a lower level". However, ordinal data is often measured at higher level in social science to allow for more powerful statistical tests to be performed. According to deVaus (2002) many statisticians believe that some statistical techniques are robust and that ordinal variables treated as interval do not affect results. Similarly, Oppenheim (1992) reports that many researchers frequently ‘bend the rules’ in order to be able to use parametric tests in their analysis. Della Porta and Keating (2008) argue that this changing level of measurement is acceptable provided that the transformation does not violate data and is done properly and skilfully whereas Bryman and Cramer (2009) agree that as long as a large number of categories are present ordinal variables can be treated as interval as they assume similar properties. Labovitz (1970) suggests that almost all ordinal variables can and should be treated as interval variables as the amount of error that can occur is minimal compared to the advantages that will arise from using more powerful techniques of analysis. Kumar (2005) concludes that in social science the precision in measurement varies markedly from one discipline to another. In general, in tourism research it is noted that in a considerable high number of studies ordinal scales are treated as interval; this is justified as most tourism studies aim at measuring attitudes of respondents on various concepts and therefore use Likert-scales. Multiple-item scales such as Likert-scales are typically used by researchers as interval variables as these allow for a number of categories to be stipulated (Bryman and Cramer, 2009). This technique of transformation to a higher measurement level is also supported by Pallant (2001). Also, Hirschleifer and Riley (1992:15) argue that “if any given preference-scaling function in the form of an assignment of cardinal numbers to consequences correctly describes choices under certainty, so will any ordinal transformation of that function”. Hence, in this research for the purposes of more powerful statistical analysis ordinal variables were treated as interval variables.

4.5.2.2 Statistical Tests Used

Analysis of quantitative data involved the use of several parametric tests in order to explore relationship between variables and differences between groups. The first stage of analysis involved single variable analysis whereby variable were described using frequency tables and central tendency measures. Specifically, in order to determine a percentage for people belonging to one category a frequency table was calculated together with the central tendency of each variable. This measured the distribution of values across the population by calculating the mean of the population, the mode and the median; in other words, the average, the frequency and the mid-point of values in a distribution was calculated. The second stage of analysis involved bivariate and multivariate analysis whereby two or more variables were analysed at a time to reveal relationships and differences. By comparing different means through the calculation of t-tests and ANOVA, the researcher was able to identify differences in respondents' perceived image between groups. In addition, relationships between different variables were explored through the calculation of Spearman's Rank and Pearson correlation. The calculation of the correlation coefficient allowed the testing of the strength and direction of linear association between variables (Pallant, 2001). Multiple regression was also used to predict one variable on the basis of several others. To analyse the open-ended questions the researcher used thematic analysis where the number of respondents was categorised according to their answers.

4.5.3 Linking Qualitative and Quantitative Analysis

Most tourism studies have followed a positivist approach to research concentrating on quantitative data collection through structured techniques (Pike, 2002). This prevented the collection of in-depth information about social phenomena and the analysis of opinions. To overcome these limitations this research used both quantitative and qualitative data in an attempt to gain in-depth knowledge and interpret relationships between variables whilst maintaining the generalisability of results. Quantitative research allowed for the collection of data from a large number of people and the exploration of relationships between variables affecting the perceived image of Cyprus whereas qualitative research enabled the researcher to explore the projected image of Cyprus from tourism professionals. The first was achieved by a quantitative research through a structured questionnaire survey and the second by a qualitative research through interviews. Simultaneously, the interviews made use of a semi-structured list of questions whereas the questionnaire included two open-ended questions; in this way the research instruments incorporated both qualitative and quantitative elements making them more efficient in collecting data. Hence, greater objectivity was achieved whilst freedom of expression was preserved.

Although responses to the open-ended questions in the survey and the data obtained from the interviews were manipulated through thematic content analysis, because these responses were not predetermined choices of the researcher but were derived directly from respondents an equal degree of quantitative and qualitative analysis occurred. This combination of qualitative and quantitative data allowed the researcher to support the quality of discussion of findings by making the relationship between projected and perceived image more understandable.

4.6 RESEARCH REFLECTIONS

No research is conducted without limitations. However, by acknowledging the various limitations imposed on the researcher it is possible to understand better the nature of research and the conditions under which data has been collected. The credibility and accuracy of results depends greatly on the way the research has been conducted and on the manner data has been treated and interpreted. Hence, it is important to consider certain issues when conducting research including reliability and validity of results, access problems, response rate achieved and bias.

4.6.1 Reliability and Validity

Reliability refers to the extent to which an experiment, test, or any measuring procedure yields the same result on repeated trials. Hence, it refers to the consistency of a set of measurements. Reliability arises when researchers are able to replicate research procedures or have the ability to use research tools and procedures that yield consistent measurements in order to satisfactorily draw conclusions, formulate theories or make claims about the generalisability of research. Although necessary for validity, reliability is not sufficient by itself (Zikmund, 1996); hence both concepts need to be examined together. Unlike reliability which is concerned with the accuracy of the actual measuring instrument or procedure, validity refers to the degree to which a study accurately reflects the concept measured. Validity can be either external or internal; external validity refers to the extent to which the results of a study are generalisable or transferable whereas internal validity refers to the rigidity with which the study was conducted (in terms of the study's design, measurements etc) and the extent to which the researcher has taken into account alternative explanations for any causal relationships explored (Huitt, 1998). In terms of quantitative research the larger the sample the more reliable the data becomes. The degree of reliability is determined by the researcher and is related to the confidence level set at the beginning of research. Considering the target population used in this research and the budget and time constraints the minimum sample size used was regarded as satisfactory. Furthermore, to ensure the validity of results the researcher conducted the questionnaire survey within a close period of time after the interviews. Finally, since this research was based on a case study it is difficult to accept the transferability of results to other cases. However, the degree to which results are valid ultimately influences the applicability of the findings to similar cases. Hence, the researcher carefully selected the questionnaire respondents by conducting the survey on days where flights to the UK were available and minimised her interference with respondents to avoid influencing their answers. In terms of qualitative research, the profile and content collected was considered more important rather than the number of participants. In this research, tourism experts were interviewed in such a way to ensure that in-depth knowledge and specialist opinions were obtained. Similarly, the information collected was treated with great care not only to protect the participant but also to avoid biased interpretation. In addition, it must be acknowledged that due to the position of the interviewees their answers could have been biased in that they represent an organisation or governmental department and hence cannot express their own personal views. In addition, it was recognised that bias arose from targeting only British citizens as tourists of a different nationality were excluded. Moreover, bias arose by performing the research in the summer time period only as tourists who travel during the winter or spring where excluded from the research.

4.6.2 Response Rate and Access Limitations

The CTO had provided the researcher with great assistance in allowing her access to statistical data and information on the repositioning strategy of the destination. Information was also obtained online from government departments and ministries. However, the researcher found that the CTO did not provide her with specific unpublished information, which she requested repeatedly. The lack of available information on the image building and promotional campaign of Cyprus entailed that much of the information had to be concluded from other sources. In addition, a copy of the questionnaire and interview sheet was emailed to the interviewees and airport authorities prior to the data collection, as this was requested by the airport authorities as well as some of the interview participants. This informed those involved in the data collection process of the nature of the questions asked.

In order to maximise responses the researcher avoided using postal questionnaires and instead opted for a self-completion questionnaire disseminated and collected at the point of data collection. Also, to ensure that easier access to the target population the researcher decided to conduct the survey at the airport on days where there were a great number of flights to the UK. Moreover, to ensure that people were willing or had the time to complete the questionnaire the researcher disseminated it in the departure lounge before boarding; if the questionnaire was given to respondents at another point in time, such as before checking in, then it was anticipated that responses would be lower as people would be too busy to fill-in the questionnaire. To ensure that tourism experts had given their consent to the interviews an information sheet with the Nottingham Trent University logo was sent to them explaining the purpose of the research and ensuring the confidentiality of their replies. In addition, a formal certificate was obtained from the researcher's director of studies confirming that the purpose of the research was academic and that anonymity was to be preserved. This formal letter was rather successful in establishing the credibility of the researcher and authorising the data collection.

4.6.3 Ethical Implications

Before starting research the researcher read the Statement of Ethical Practice to ensure that no ethical implications arose and gained approval to conduct the research by the Research Ethics Committee. Before the interviews the researcher sent an information sheet by email to the interviewees to explain the purpose and nature of research and requested two signed copies of a written consent form. The information sheet contained information about the purpose of the research, the role of the interviewees, the procedure of data collection, storage, analysis and publication as well as potential risks involved. The participants were also informed that the interviews would be digitally recorded. In addition, freedom to withdraw from the research or refusal to answer a question was emphasised while contact details were provided for further queries. No interviewee withdrew from the interviews and all interview questions were answered. Anonymity and confidentiality was guaranteed for the interviewees as the researcher avoided the recording of their names and positions within the specific organisations. Instead the respondents were labelled as Respondent A, Respondent B etc and in presenting quotes in the thesis their own words were presented verbatim. Also, the researcher ensured participants that all the data collected would be used only for academic purposes and that precaution was taken to maintain the personal details of the interviewees in a secure place.

Similarly, anonymity and confidentiality was maintained throughout for the questionnaire respondents who answered the questions anonymously. The researcher also informed the respondents that the data collected were to be used only for academic purposes. This allowed respondents to feel more comfortable in answering freely. When approaching respondents at the questionnaire survey the researcher explained the purpose of research to the target population and obtained their agreement to participate before handing in the questionnaire for completion. The researcher also explained to the respondents about their right to withdraw from the survey or refuse to answer a question. Any data collected from the questionnaire respondents that withdrew during the survey was eliminated and not included in the analysis. Similarly, the respondents who withdrew from the survey were not included in the sample but rather the researcher disseminated questionnaires until the desired sample size was achieved.

4.7 SUMMARY

This chapter described the research process followed in achieving the research aim of determining the success of tourism product diversification strategy. The concepts measured have been thoroughly explained whilst the data collection methods justified. The limitations of the research have also been acknowledged. The next chapters discuss the main findings of both the qualitative and quantitative research by analysing the data derived from the interviews conducted and the information deduced from the questionnaire survey performed. Finally, in chapter 7 the findings of both research methods are combined to provide a critical discussion of Cyprus tourism product diversification.

CHAPTER 5 FINDINGS: QUALITATIVE DATA ANALYSIS

This chapter presents the findings related to the results occurring from the qualitative data analysis. The first section of this chapter presents the main themes identified in the interviews as related to the questions raised and shows that objectives 1 and 2 have been achieved. In addition, attempts to find the links between various themes by identifying patterns of relationship within and between categories are made. The second section of the chapter presents the main themes arising from the open-ended questions of the questionnaire which aim to complement the quantitative data findings.

5.1 IDENTIFICATION OF EACH THEME

According to Saunders et al (2003:378) "the nature of qualitative data…has implications for both its collection and its analysis". Qualitative data is not collected or analysed in a standardised way. A usual method for analysing qualitative data is for the researcher to classify words or sentences into categories through coding or labelling. This section discusses each theme identified from the thematic analysis of the qualitative data collected. The main categories identified can be seen in the table below:

Table 5.1: Categories of Data

Categories/Themes	Question
Profile of respondents	• Can you state your educational background? • Would you say you have experience of the Cyprus tourism industry? • Can you describe the nature of your job here at the organisation? • What role does the organisation play in the Cyprus tourism industry?
Diversification strategy awareness	• Are you aware of the diversification strategy the CTO is undertaking in order to reposition Cyprus as a destination? • Do you think it is necessary to alter Cyprus' position?
Tourism product problems	• Can you identify any problems or weaknesses of the Cyprus tourism product?
Causes of tourism product problems	• What do you think is the cause of these problems?
Diversification measures	• Can you describe the main diversification measures undertaken by the organisation in repositioning Cyprus?
Cyprus destination image	• Would you say that currently Cyprus being projected as a mass tourist destination? • Do you think the provision of a wide variety of SIT products create a confusing image to tourists?
Quality level	• Would you say Cyprus is a high quality destination? • Tourist expectations vary with different markets of tourists. Would you say that Cyprus as a tourism destination offers tourists what they expect in terms of value for money?
Strategy success	• Would you argue that diversification has been successful so far in realising its main strategic goals of increasing revenues, market share, competitiveness, improving seasonality and satisfaction levels?
Economic crisis responses	• How does the organisation respond to the economic crisis affecting the world right now?
Suggestions	• What suggestions would you make to improve the Cyprus tourism product?

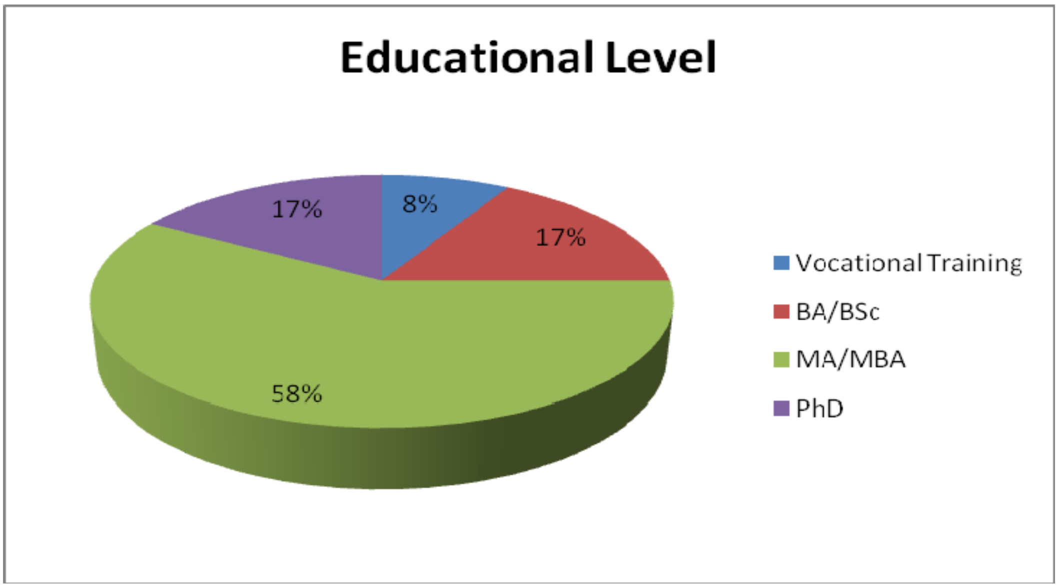
Source: Author

5.1.1 Profiles of Interviewees

The profile of the interviewees was examined and using Microsoft Excel diagrams were created to illustrate the main characteristics considered. As respondent identity was concealed each interviewee is being referred to numerically; quotes of respondents are presented in italics whereas some degree of clarification was performed to ensure normal speech.

Figures 5.1 and 5.2 show the educational level of the interviewees as well as their experience in the tourism industry. From figure 5.1 it can be seen that the education level of 1 interviewee (8%) is at vocational training, 17% of interviewees hold an undergraduate degree, 58% of all respondents hold a MA/MBA whereas 17% of interviewees have a PhD.

Figure 5.1: Educational level of interviewees



Similarly, figure 5.2 shows that 10 interviewees have a direct experience in the tourism industry whereas 2 interviewees have an indirect experience. The experience in tourism was best categorised as either direct or indirect; almost all respondents had several years of experience in the tourism industry but not all were directly related to the industry so this categorisation was deemed more appropriate to show the degree of participation of each interviewee in the industry.

Figure 5.2: Experience of interviewees in tourism

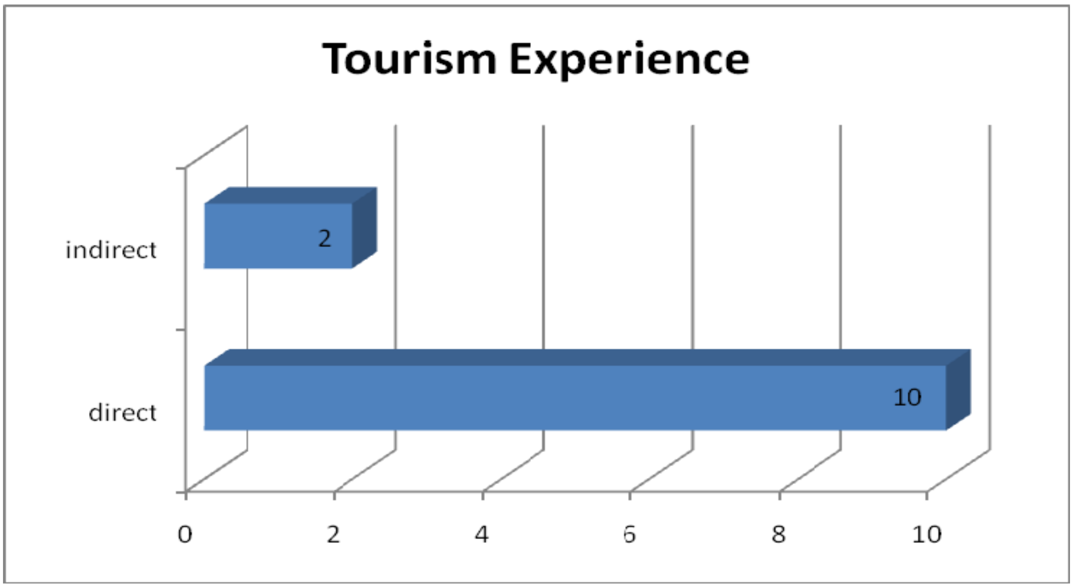


Figure 5.3 shows the position of the interviewees in the organisations they work for. Seven interviewees work at a managerial post whereas 3 hold an executive position; two interviewees hold one administrative and one operational position respectively. Although these terms seem similar executive was understood as dealing with consulting, decision-making and leading whereas managerial as supervising, implementing plans and managing. The terms administrative and operational although interrelated were categorised differently after carefully examining the description of the respondents' work. Administrative was understood as dealing with more office-related tasks such as organising whereas operational was regarded as being more related to daily, physical task achievement.

Figure 5.3: Work Position of interviewees

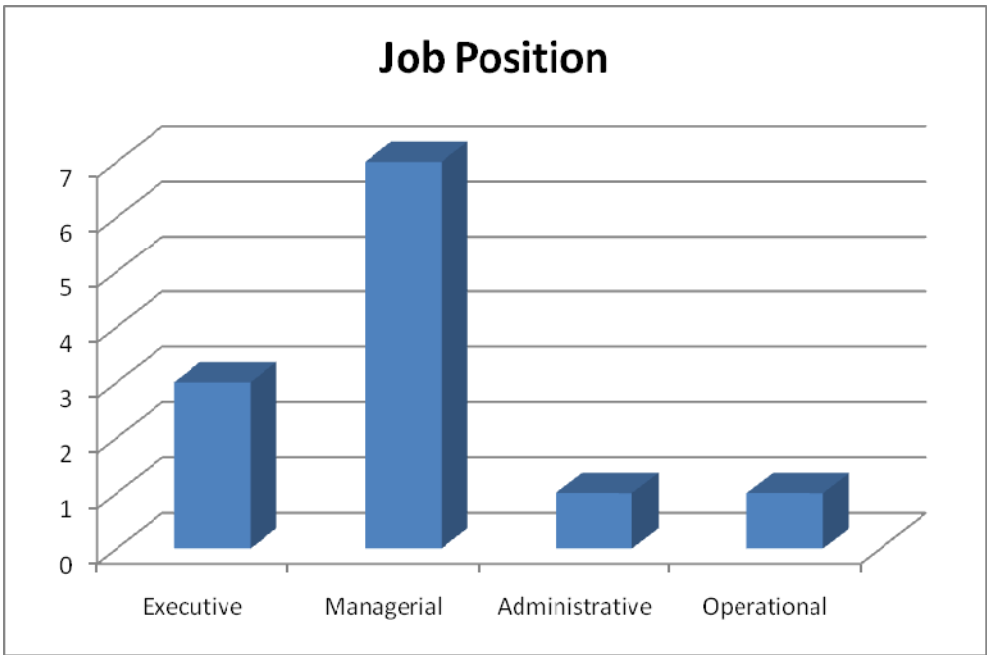


Table 5.1 shows the type of organisation in which interviewees work as explained in section 4.4.3.2. Interviewees where asked about the role of the organisation in the tourism industry and gave a description of what the organisation does depending on its nature. As some of the organisations were dealing with more than one sector of the industry it was decided that it would be better to categorise them according to type: public, private or non-profit making association. Therefore, the original categories were merged to form three new ones.

Table 5.2: Organisational role in tourism

ROLE OF ORGANISATION IN TOURISM		
Code No.	**Role**	**No. of Interviewee**
1	Tour operating	3 (3,9,12)
2	Hotel chain	3 (3, 10, 12)
3	Property developer	1 (12)
4	Transport	2 (3,7)
5	Association	4 (1,2,4,8)
6	Government department	3 (5,6,11)

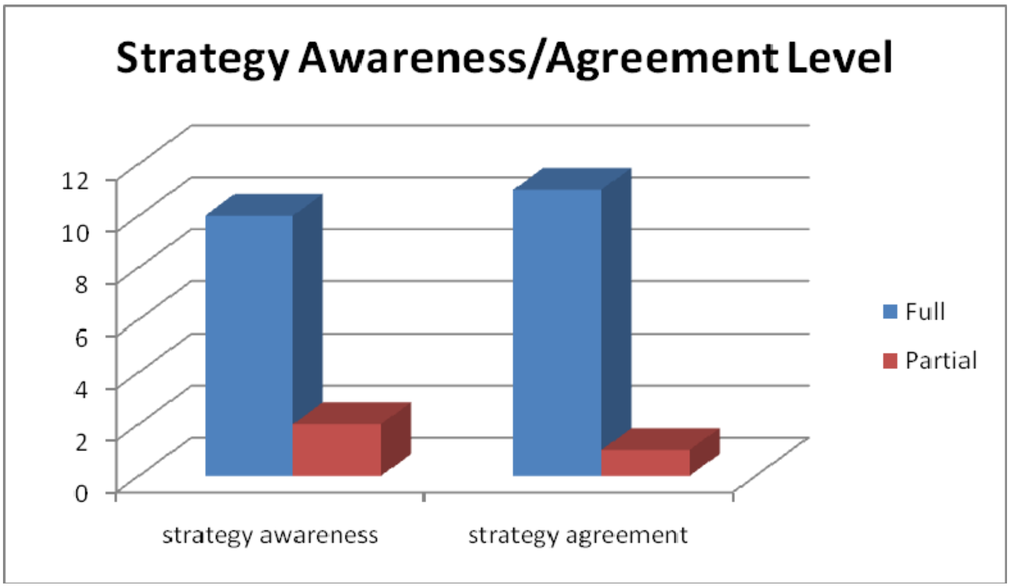
Table 5.3: Organisational role in tourism (merged)

Code No.	Type of Organisation	No. of Interviewee
1	Public	4 (5,6,7,11)
2	Private	4 (3,9,10,12)
3	Association	4 (1,2,4,8)

5.1.2 Diversification Strategy Awareness

Questions 5 and 6 are related to the degree of awareness of the diversification strategy and participation in its implementation of the organisations which the interviewees represent. The purpose of these questions was to confirm that all interviewees were aware to a greater or lesser extent of the strategic plan proposed by the CTO and establish their agreement and support to the plan. The interviewees were initially asked whether they were aware of the diversification strategy and whether they agreed with it and through their replies the third variable of involvement arose. Hence, three variables were identified from the context: strategy awareness, strategy agreement and strategy involvement. The following diagrams illustrate the three variables clearly:

Figure 5.4: Strategy Awareness/Agreement Level

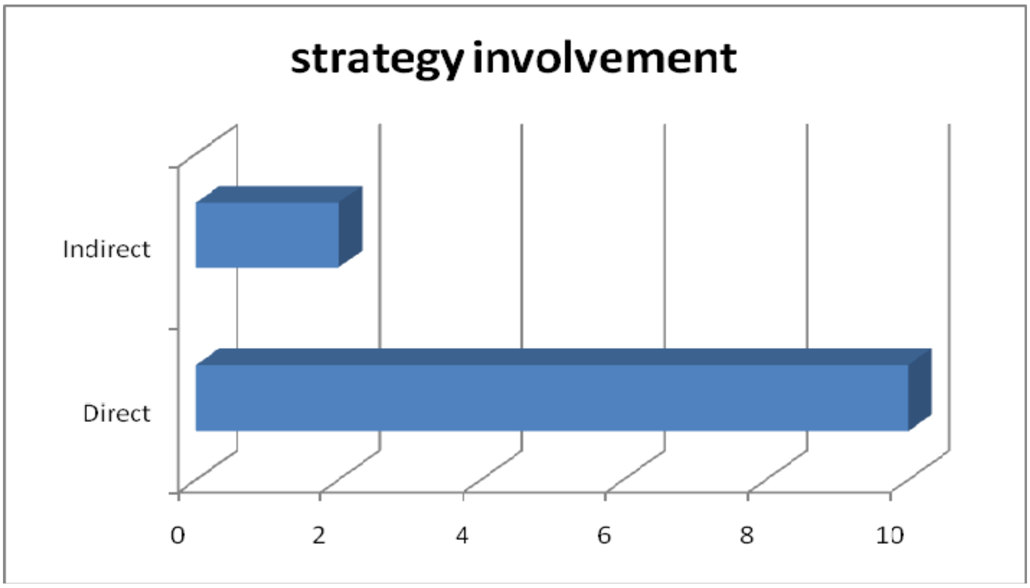


As can be seen in figure 5.4, 10 interviewees were fully aware of the diversification strategy whereas the rest 2 had limited knowledge on the strategy. The reason for this partial awareness was that one interviewee was not directly involved in the tourism industry and hence his level of awareness was not high. Similarly, the other interviewee explained that although his organisation is a key player in the tourism industry he was not fully aware of the strategy details as communication with the CTO is non-existent and therefore it is hard to keep up with recent strategy developments. Also, 11 interviewees expressed their agreement with the diversification strategy suggesting that Cyprus needs to repositioning itself and diversify its tourism product; one interviewee, however, expressed partial agreement with the strategy. He stated that he agrees with the need of Cyprus to repositioning itself but identified a series of weaknesses in terms of the market segments targeted, the range of products introduced and the concept of presenting Cyprus as a high quality destination. Specifically, interviewee 10 stated that "*I believe that they (CTO) made mistakes in the sense of presenting Cyprus as a quality or as a high standard destination. I would agree more into the special interest sector and I would agree if we were trying to differentiate in a different way in the sense of specialise for something...In Cyprus what we try to do is sell everything whether this is honeymoon, whether this is wedding, 5* hotels, mass tourism, nightlife, beach, family and we are losing the point*".

Figure 5.5 shows the degree of involvement of the interviewees' organisations in the formulation or implementation of the strategy. As can be seen, 10 interviewees have a direct involvement in the implementation of the strategy. The activities taken by their organisations in supporting the strategy include the development and promotion of special interest tourism products, advising and consulting on a regular basis the CTO and organisation members and diversifying into new markets. Two interviewees, although expressed the support of their organisation towards the CTO in implementing the diversification strategy, stated that their involvement in the implementation of the strategic plan was not a direct one. The nature of the organisation seems to be the reason for this lack of direct participation as the sixth interviewee's organisation is not related to the tourism industry and the organisation of interviewee 10 is of a private nature. Specifically, interviewee 10 stated that

“*…the private companies were not involved in the strategy apart from the support they can offer by trying to give a better service*”.

Figure 5.5: Strategy Involvement



<u>5.1.3 Tourism Product Problems</u>

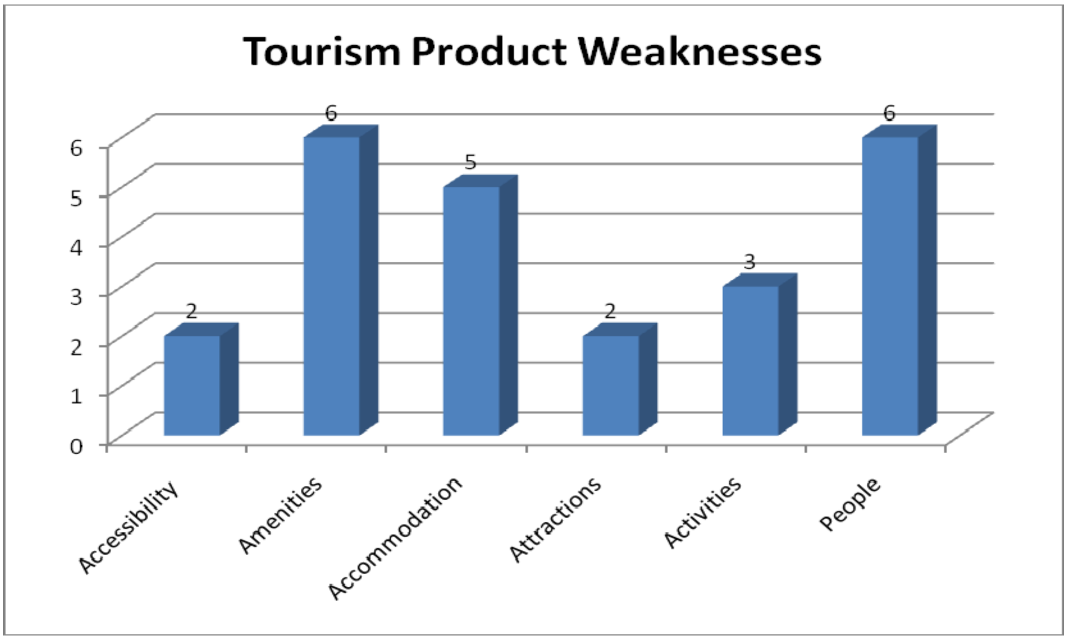
The researcher hoped to obtain some information about the problems or weaknesses of the Cyprus tourism product which would help explain the need for diversification and repositioning. The answers of the interviewees were not straightforward and the distinction between product problems and causes of problems was not clear. Hence, the classification of responses was made on the basis of the proposition of Kandampully et al (2001) that the tourism product components consists of accessibility, amenities, accommodation, attractions and activities. A sixth component was added labelled ‘people’ as the tourism product is a service and depends greatly on the human component.

Table 5.4: Tourism Product Problems

TOURISM PRODUCT PROBLEMS		
Code No.	**Weaknesses**	**No. of Interviewee**
1	Accessibility - Lack of flights	2 (3,9)
2	Amenities - Poor infrastructure - No public transport - Bad road system - Lack of facilities - Dirty/unclean beaches	6 (4,5,7,9,10,11)
3	Accommodation - Poor quality low-class hotels - Outdated hotels - Tourist-owned property	5 (1,4,7,10,12)
4	Attractions - Bad management of cultural sites, museums etc	2 (11,12)
5	Activities - Lack of activities	3 (2,8,11)
6	People - Foreign workers - Shortage of guides - Cypriot mentality (loss of hospitality and character)	6 (1,3,4,6,10,11)

Figure 5.6 illustrates the main categories identified.

Figure 5.6: Tourism product weaknesses



5.1.3.1 Accessibility

This category includes statements of interviewees 3 and 9 about the lack of frequent flights to Cyprus which makes accessibility to the island difficult, especially from certain Scandinavian countries. In particular, interviewee 3 said that there are no daily flights between Germany, which is Cyprus' second most important market, except during the summer period. This further complicates the efforts of the CTO to target new markets. In addition, interviewee 9 stated that "*flights are a major problem for Cyprus because we don't have low-cost (carriers) coming…we only had charter*" which restricts accessibility even further. It must be noted, however, that efforts have been made to increase flights to Cyprus. Interviewee 7 mentioned several partnerships that have been enacted between airlines to gain access to new markets.

5.1.3.2 Amenities

Half of the interviewees identified the poor infrastructure of Cyprus as a product weakness. The lack of public transport and the bad road system was among the factors identified contributing to the diminishing quality of the tourism product. According to interviewee 5 "*there is no public transport and this is very important when you are a tourist destination*". Other contributing factors include the lack of facilities and dirty beaches, toilets and other public amenities. According to interviewee 9 "*the city and country infrastructure do not meet the expectations of hotels*" while interviewee 10 added that the destination resembles a big construction site. Interviewee 1 commented that "*the facilities are there but they are not the right thing*" indicating that higher quality facilities need to be offered. He proceeded to add that the current facilities in the Cyprus resorts are reminiscent of the 1970s era and lack traditionality and atmosphere.

5.1.3.3 Accommodation

About 42% of the interviewees claimed that the existing accommodation on the island is outdated and in need of renovation. Specifically, interviewee 12 stated that "*it (accommodation) needs dramatic upgrading*". This seems to contradict the statements of other interviewees that accommodation in Cyprus is good. Interviewee 5 claimed that "*we have good hotels with good prices" whereas interviewee 9 stated that "...the hotel facilities are great*". Also, interviewee 7 argued that "*we (Cyprus) only have good high quality accommodation, we don't have value for money 3* and 4* hotels*" indicating the lack of good quality low-class hotels. Moreover, interviewee 1 highlighted an emerging problem whereby tourists buy property in Cyprus and rent it out to other tourists for a small amount of money; as he claimed "*they are now hoteliers themselves in Cyprus*". Such movements jeopardise the image of the hotel industry of Cyprus.

5.1.3.4 Attractions

Interviewees 11 and 12 mentioned the bad management of historical sites, museums and other cultural monuments as a weakness of the tourism product. Interviewee 12 stated that "*we treat the archaeological areas…as the property of the antiquities department which is wrongly placed under the Ministry of Communications and Works*". He added that attention needs to be paid on the cleanness, the appearance and hours of operations in the places of cultural interest whether museum, ancient theatres and other places that the tourist visits. Similarly, interviewee 11 argued that thematic museums in rural areas tend to be in a bad condition indicating neglect and/or closed most of the time, making it in difficult for tourists travelling individually to visit attractions in rural areas.

5.1.3.5 Activities

Three interviewees mentioned the lack of activities as a weakness of the tourism product. Interviewee 11 stated that "…*people will not stay all day in the hotel as they would like to go out, spend some time outside but where?*" emphasising the lack of activities available to tourists in rural areas. Similarly, interviewee 8 agreed that "*the major weakness that one can identify with the Cyprus tourism product can be found…in the form of the various activities and projects that are missing*". He highlighted the importance of a large number of different activities, project and offers that could contribute to the satisfaction of tourists. Similarly, interviewee 2 mentioned the need to add other things in the tourist experience that will improve the financial performance of the destination and also minimise the emphasis on the summer period arrivals.

5.1.3.6 People

Half of the interviewees identified the 'people' aspect as an important weakness of the tourism product. This category includes both labour as well as local residents; through interaction with the tourist workers and locals highly influenced the tourist experience. According to interviewee 3 "…*there was natural friendliness…but I think we became arrogant*". Interviewee 6 claimed that this loss of hospitality is due "*the Cyprus people not being what they have been 30 years before but…becoming very similar to Europeans*" whereas as interviewee 3 said over-commercialisation of the industry led to a loss of traditionality. Moreover, interviewee 4 stated that "…*we (Cyprus) were always more expensive than other destinations in the Mediterranean but we were having the highest increases because we had a very good product and very well trained people…now things have changed, we have many non-Cypriots*". This indicates the rising phenomenon of foreign workers which seem to help tourism business improve their competitiveness due to less labour costs, however, as interviewee 1 put it "*we lower the standard of the services and the product is not what it used to be*". He continues by saying that "*we (Cyprus) were obliged to introduce foreign workers to work in the hotels, people that do not speak Greek, people that they are not trained and this is where the whole problem started*". Finally, interviewee 4 identified the shortages of tour guides on certain languages as a tourism product problem.

5.1.4 Causes of Problems

The causes of the tourism product problems were the subject of discussion in question 8. The following table shows the reasons identified by the interviewees for the product problems:

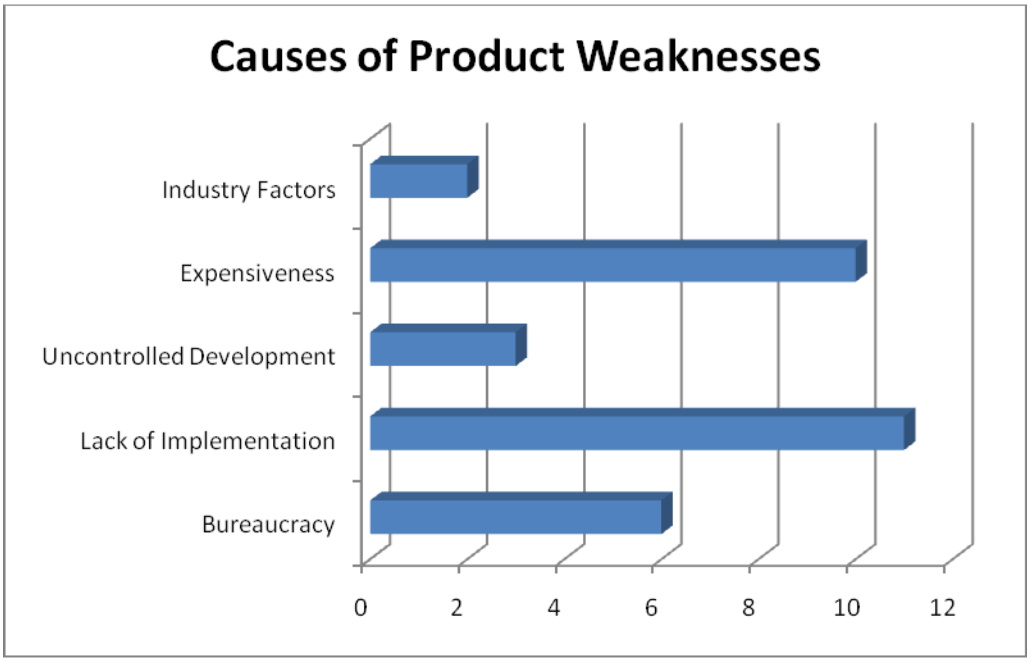
Table 5.5: Causes for Tourism Product Problems

CAUSES OF PROBLEMS		
Code No.	**Reasons For Problems**	**No. of Interviewee**
1	Bureaucracy - Political disputes - Lack of modern mechanism - Different stakeholders involved	6 (4,5,8,9,10,11)
2	Lack of Implementation Ability - Lack of project manager - Lack of investment funds/high investment cost - Lack of CTO power - Lack of regional power - Lack of coordination - Lack of targeted strategy - Sea and sun focus	11 (1,2,4,5,6,7,8,9,10,11,12)
3	Unplanned development - Loss of control - Reliance on UK market - Reliance on mass tourism - Seasonality	3 (1,2,4)
4	Expensiveness/Competitiveness - Lack of price controls - Distance from UK - EU entry - Cheaper competition	10 (2,3,4,5,7,8,9,10,11,12)

5	Industry forces - Tourist need changes - Political factors	2 (5,6)

The following figure shows diagrammatically the number of interviewees who identified the specific factors:

Figure 5.7: Causes of Tourism Product Weaknesses



5.1.4.1 Bureaucracy

The first category formed highlights bureaucracy as a main cause with 50% of all interviewees identifying bureaucracy as a contributing factor to tourism product weaknesses. Indeed, interviewee 4 argued that "*bureaucracy is the number one enemy in Cyprus*" while interviewee 8 said that "*the multi-faceted involvement of the various government departments, local authorities and other institutions that are involved in the implementation of the various projects…is a major drawback in the further enrichment and upgrading of the so-called tourism product of our island*". Similarly, interviewee 1 stated that "*the CTO should be a market-driven organisation and not a bureaucratic one*".

5.1.4.2 Lack of Implementation Ability

Approximately 92% of all interviewees identified the lack of ability to implement the strategic plan as a major cause of the tourism product problems. The interviewees argued that the lack of project manager, targeted vision and regional power contribute to the inability to implement the strategic plan. According to interviewee 12 "*irrespective by what is being said by a number of officials (Cyprus) is even today mainly based on the sun and sea attraction*". Many interviewees argued over the direction of the strategic plan; interviewee 6 claimed that "*if you walk two ways, one is to increase the mass tourism and the other is to bring cultural tourism you'll never succeed" while interviewee 2 stated that "we cannot do without sun and sea model because we are abundant of sun and sea*". It is remarkable that although almost all of the interviewees agreed to the strategy proposed, interviewees 4 and 5 claimed that sea and sun tourism is the bread and butter of the Cyprus economy, indicating confusion over which direction to follow. This statement is supported by interviewee 1 who stated that "*the idea that we do everything and all of us knock on the same door is completely wrong*". However, the belief that the strategy is not based on targeted principles seems to contradict the twelve interviewee's belief that "*we (Cyprus) have moved in the right direction*". Another issue raised was the lack of CTO power over implementation with interviewee 5 stating that "…*from the decision to the planning to the implementation the process is quite long-taking…and this is where CTO has no power over*". What is noticeable is that all four interviewees that work in public-sector organisations identified lack of implementation ability as a cause of product weakness whereas interviewee 12 mentioned the high cost of investment on certain SIT products such as golf courses which require the establishment of desalination units and as a result discourage private investors to invest.

5.1.4.3 Unplanned development

Another factor identified includes unplanned tourism development. Interviewees 1 and 4 commented on the fact that unplanned development of tourism caused several of the current problems by stating that "*the government lost control…we couldn't follow the pace of the private sector*" and "*because of the Turkish invasion we had to put Cyprus back on the tourist map…start from scratch and that's why we made* *many mistakes*" [chapter 3; 3.1.1.2]. Indeed, as interviewee 2 stated this created reliance on the mass tourism model and in turn on the UK market and foreign tour operators.

5.1.4.4 Expensiveness/Competitiveness

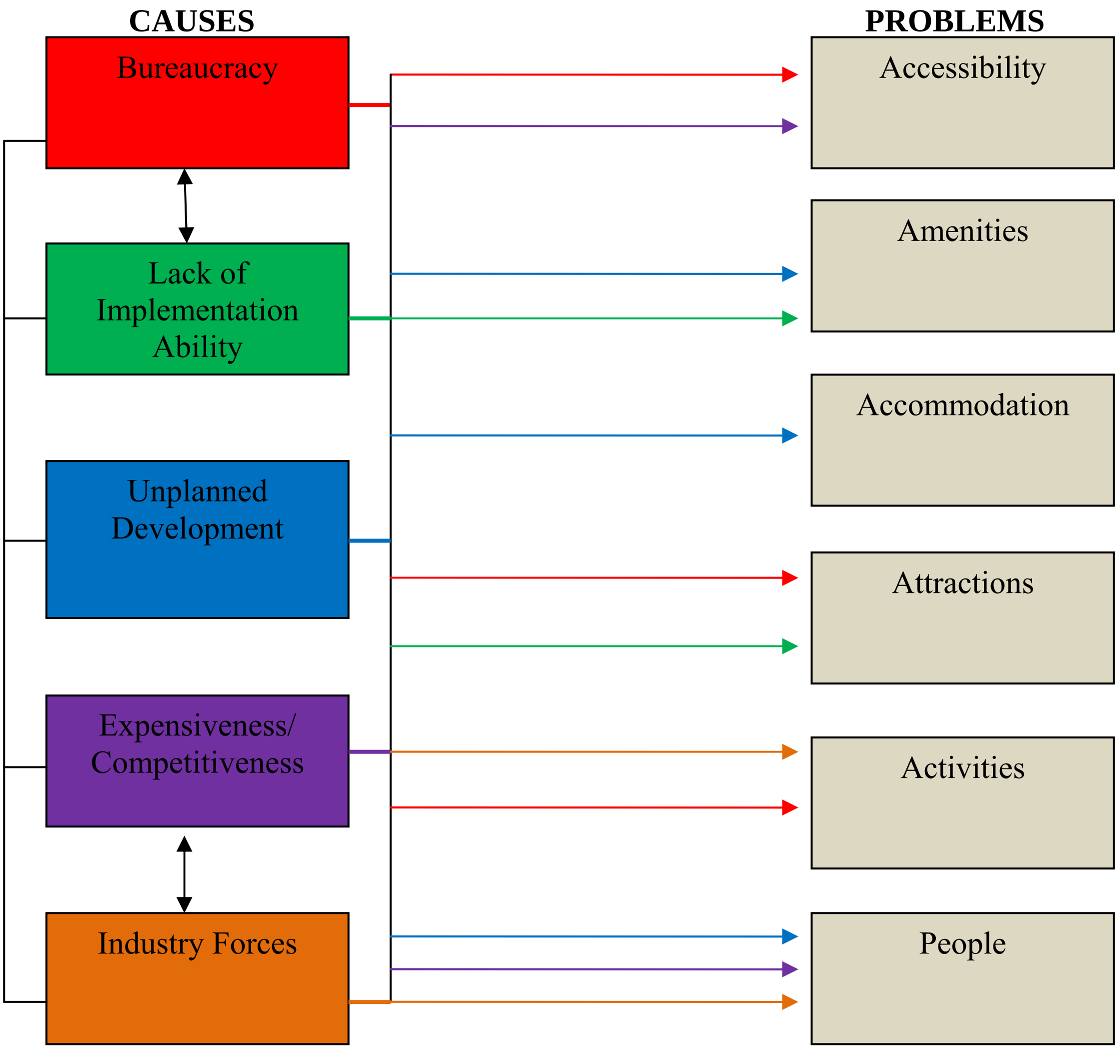
About 83% of interviewees argued that the Cyprus tourism product is expensive and that its expensiveness is a cause for its low competitiveness and performance [chapter 3; 3.2.1.3]. Interviewee 2 stated that "*we are becoming more expensive in the eyes of foreign tourists*" whereas interviewee 5 claimed that "*the feedback we get in the last couple of years is that we became very expensive*". Similarly, interviewee 8 argued that "*Cyprus is relatively more expensive compared to a holiday…in another country*" and interviewee 12 commented that "*we are facing a new competition now in existence…with the competition that we have been facing from established destinations*" indicating that new emerging cheaper destinations are coming to the surface. Other factors contributing to the expensiveness of Cyprus include the distance of Cyprus from its main target market which increases the travel cost as well as entry to the EU which according to interviewee 8 allows the comparability of living costs in their own countries. In addition, interviewee 3 claimed that the side things apart from the holiday package are double-priced due to the lack of control over prices.

5.1.4.5 Industry forces

Two interviewees also identified tourism need changes [chapter 3; 3.2.1.2] as another contributing factor to the product weaknesses as well as political issues which occasionally affect the tourism industry. In particular, interviewee 6 stated that "*the tourism industry is an unstable industry*".

The following diagram shows the relationship between the causes and product weaknesses:

Figure 5.8: Relationship between causes and product problems



Source: Author

The above figure shows the links between the two variables: causes and product problems. The links are depicted in different colours. For example, it can be clearly seen that bureaucracy causes accessibility problems as until recently no low-cost carriers were allowed to travel to Cyprus. Similarly, distance from the UK and from Europe in general increases the travel cost to Cyprus; as interviewee 8 said "*…disadvantage of being geographically at the eastern corner of the Mediterranean…automatically you have additional disadvantage on the portion of the package price*". In addition, the statements of interviewees show that different stakeholder interests causes poor management of cultural sites as well as lack of activities as a delay is evident in implementing the strategic plan; specifically, interviewee 11 stated that the mentality of the government causes problems in the organisation of events and promotion of products. Also, the lack of implementation ability contributed to several factors such as lack of CTO power, of regional power etc leads to lack of facilities, poor infrastructure, lack of adequate public transport and unclean environment. The lack of coordination and proper management causes lack of activities available for tourists as few of the proposed projects have been completed. Moreover, the unplanned development that occurred after the Turkish invasion resulted in Cyprus relying on mass sea and sun tourism; interviewee 2 claimed that this particular model led to the majority of units being located on the coastal areas whereas clearly mass tourism had a negative impact on the facilities of the island as well as the employment sector whereby foreign workers had to be employed to serve the large numbers of tourists. As a result, the quality of the product and service diminished significantly as the competitiveness of the tourism product slacked. Approximately 83% of interviewees stated that the Cyprus tourism product is expensive; its expensiveness has an impact on accessibility to the island as a result of the increased travel costs as well as on the employment sector. Due to the increased competitiveness in the industry and the fact that the Cyprus tourism product is regarded as expensive foreign workers had to be imported at a lower cost than local workers. Finally, industry forces such as political disputes and changing tourist demands create more sophisticated consumers that demand a greater variety of activities which Cyprus is compelled to offer if it is to stay competitive. This in turn reduces the competitiveness of the Cyprus tourism product.

5.1.5 Diversification Measures

Question 9 relates to the diversification measures taken by the organisations of the interviewees. The following table shows the main policies identified by interviewees:

Table 5.6: Diversification Measures

DIVERSIFICATION MEASURES		
Code No.	**Policies**	**No. of Interviewee**
1	Develop SIT - Develop new attractions - Develop new thematic routes - Organise events	4 (3,5,11,12)
2	Lobbying - Pressurise government	3 (2,4,8)
3	Targeting/Segmenting - Enter new markets - Establish cooperations in new markets	3 (7,9,12)
4	Improve existing product - Encourage renovation - Update technology	4 (5,6,8,10)
5	Promotion - Promote SIT products - Print brochures - Participate in exhibitions - Online marketing	4 (1,9,10,11)
6	Other - Communicate with authorities - Advise association members	2 (1,11)

The 6 categories identified initially were later merged to form 4 distinct categories according to the actions taken by the organisation. For instance, the development of SIT products and the improvements on the existing tourism product were categorised together as product development whereas lobbying was regarded a PR activity and therefore placed under the promotion category.

Table 5.7: Diversification Measures (merged)

Code No.	Policies	No. of Interviewee
1	Product Development - Improvement of existing product (Encourage renovation, update technology) - New product development (Develop new attractions, develop new thematic routes, organise events)	7 (3,5,6,8,10,11,12)
2	Targeting/Segmenting - Enter new markets - Establish cooperations in new markets	3 (7,9,12)
3	Promotion - Promote SIT products - Print brochures - Participate in exhibitions - Online marketing - Pressurise government	7 (1,2,4,8,9,10,11)
4	Other - Communicate with authorities - Advise association members	2 (1,11)

5.1.5.1 Product development

Product development consists of two aspects: improvement of the existing product and infrastructure and the development of new tourism products [chapter 3; 3.3.3]. In terms of the first aspect interviewees 6 and 10 stated that their organisations follow an improvement programme by updating technology and renovating hotels whereas the rest interviewees attempted to specialise their offerings in accordance to the strategic plan by offering golf, weddings, sports tourism, agrotourism, gastronomy, nature walks, cultural tourism, pilgrimage and other products. What is interesting about this category is that approximately 43% of interviewees identifying this diversification measure work in private companies and another 43% work in public organisations, which indicates an equal participation of private organisations and public organisations in the diversification effort.

5.1.5.2 Targeting/Segmenting

The second category refers to measures taken to target specific market segments as proposed in the strategic plan; specifically, interviewee 7 commented that "*we try to support it (strategy) by diversifying our strategy to offer different diverse, differentiated products both in price and conditions to the various target groups the CTO is trying to develop*". Similarly, interviewee 9 commented that "*we have entered into many different markets*" while interviewee 12 stated that they too "*deal with incoming tourism from several European and Middle Eastern countries*".

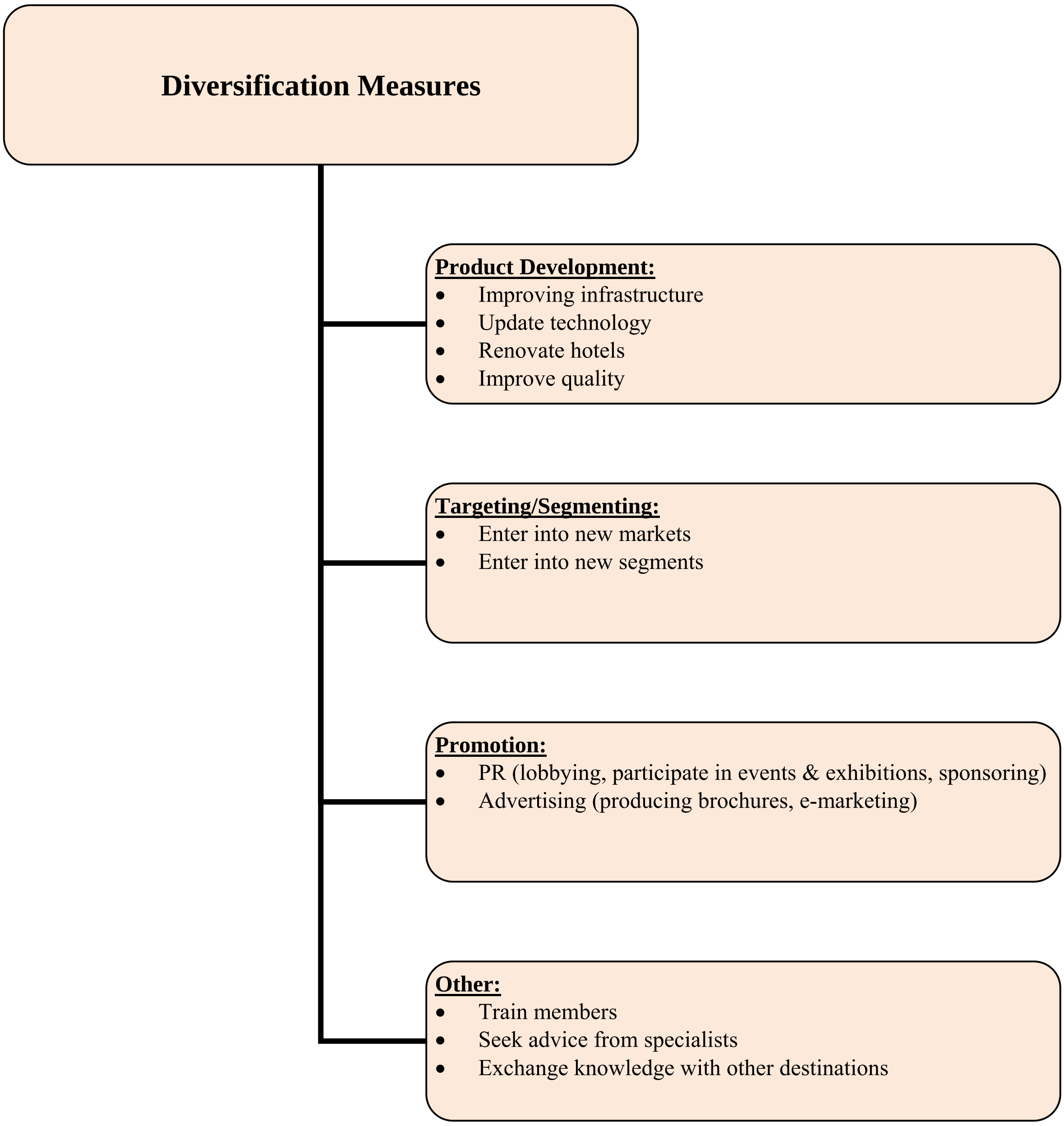
5.1.5.3 Promotion

About 58% of interviewees stated that they promote SIT products. Promotion refers to advertising, brochure publishing, participation in exhibitions and lobbying. Due to their nature associations limit their promotional activities by lobbying, participating in exhibitions and publishing informative material; indeed, interviewees 2, 4 and 8 identified pressurising the government as a key diversification measure. It was also noticeable that private organisations paid significant attention to e-marketing and online advertising; in particular, interviewee 3 stated that they are preparing a special website for SIT product promotion while interviewee 9 stated that they "*follow an aggressive view on the online market*".

5.1.5.4 Other

The last category includes activities such as training, advising and knowledge exchange. Interviewee 1 explained that due to the nature of the organisation being an association they try to provide training to their members about new SIT products whereas interviewee 11 argued that due to the nature of the product they are trying to develop (rural) they attempt to increase their expertise by exchanging knowledge with other destinations.

Figure 5.9: Diversification Measures



Source: Author

5.1.6 Cyprus destination image

In questions 10 and 11 the researcher tried to obtain the overall image of Cyprus as a tourist destination. Two parameters were examined: the projected image of Cyprus and the effect the introduction of the SIT products have had on the existing image. The following table illustrates the main descriptors of Cyprus destination image:

Table 5.8: Cyprus destination image

CYPRUS DESTINATION IMAGE		
Code No.	**Image**	**No. of Interviewee**
1	Mass	6 (1,2,4,6,8,11)
2	All-inclusive	1 (1)
3	Sea and sun	7 (2,3,4,5,10,11,12)
4	Expensive	5 (2,3,7,9,12)
5	Exotic	1 (3)
6	Wedding	2 (3,10)
7	Culture	2 (5,6)

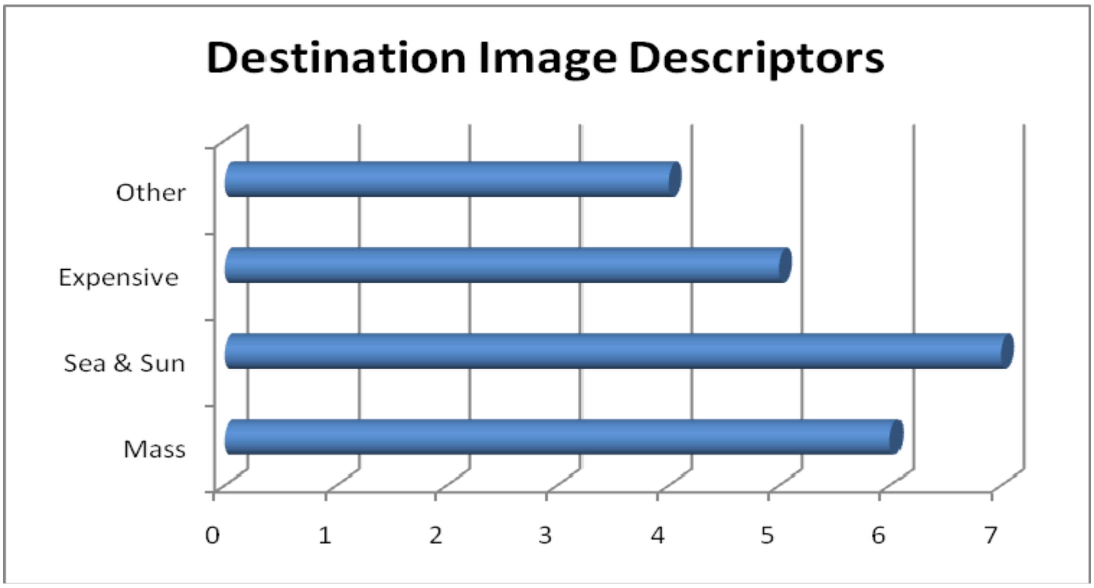
When asked to describe the projected image of Cyprus as a tourist destination interviewees mentioned words which were categorised into 7 themes. All-inclusive was combined with mass as it is a property of the 'mass' concept. 'Sea and sun' were kept separate from 'mass' as interviewee 5 described Cyprus as a sea and sun destination refuting the description mass destination. To simplify the categories the other descriptors were grouped together as 'other'.

Table 5.9: Cyprus destination image (merged)

Code No.	Image	No. of Interviewee
1	Mass	6 (1,2,4,6,8,11)
2	Sea and sun	7 (2,3,4,5,10,11,12)
3	Expensive	5 (2,3,7,9,12)
4	Other (exotic, wedding, culture)	4 (3,5,6,10)

The most frequent response can be seen in the figure below:

Figure 5.10: Destination Image Descriptors



Overall, 58% of interviewees described Cyprus as a sea and sun destination and 50% of interviewees described it as a mass destination. About 42% described Cyprus as being expensive.

5.1.6.1 Mass, Sea and Sun Destination

It is noticeable that 3 out of 7 interviewees that describe Cyprus as a sea and sun destination also described it as a mass destination. Interviewee 2 claimed that "*we are only a mass sun and sea destination…*". However, interviewee 8 stated that "*Cyprus has two sides of an image – one which is the superfluous which one…can characterise as mass tourist destination and one that is the hidden beauty of Cyprus that we have not managed yet to promote*". The dependence on tour operators has caused Cyprus to gain an undifferentiated image similar to other mass destinations. Interviewee 10 has stated that "*tour operators are promoting Cyprus the last years as a destination that offers sun and sea*" [chapter 3; 3.1.1.3]. This indicates the negative impact resulting from over-dependence on foreign tour operators. Tour operators play a significant role in promoting destinations; this is highlighted in the ninth interviewee's statement that the image of destinations depends on each individual tour operator as "*some push for mass, some of them go for price, some of them go for service, luxury depending on the profile of the tour operator*".

5.1.6.2 Expensive or Other

It can be noted that interviewees' statements do not belong only to one category but rather their perception of Cyprus may consist of more than one descriptor. For example, interviewee 3 stated that Cyprus is a mass sea and sun destination which is expensive but due to its proximity to the Middle East has an exotic appeal. Similarly, interviewee 10 said that Cyprus is an expensive, sea and sun destination which was successfully promoted as a wedding destination is some countries. This multi-dimensional descriptions are derived from the fact that image has many components which are increased with the promotion of SIT products; hence it is important to examine the effect that SIT promotion has had on the existing image of Cyprus. Also, it can explain the fact that Cyprus has failed to establish a clear brand as a destination. In particular, interviewee 1 stated that "*the branding (of the destination) doesn't exist*".

Overall, it was agreed by the interviewees that Cyprus has a strong established mass sea and sun image. Interviewee 4 and 5 highlighted the fact that "*mass tourism has been the bread and butter of the Cyprus economy for years*" but interviewees 1, 5, 8 and 11 emphasised the fact the Cyprus can be more than just a sea and sun destination provided that SIT products are created and projects are utilised.

5.1.6.3 SIT Effect on Destination Image

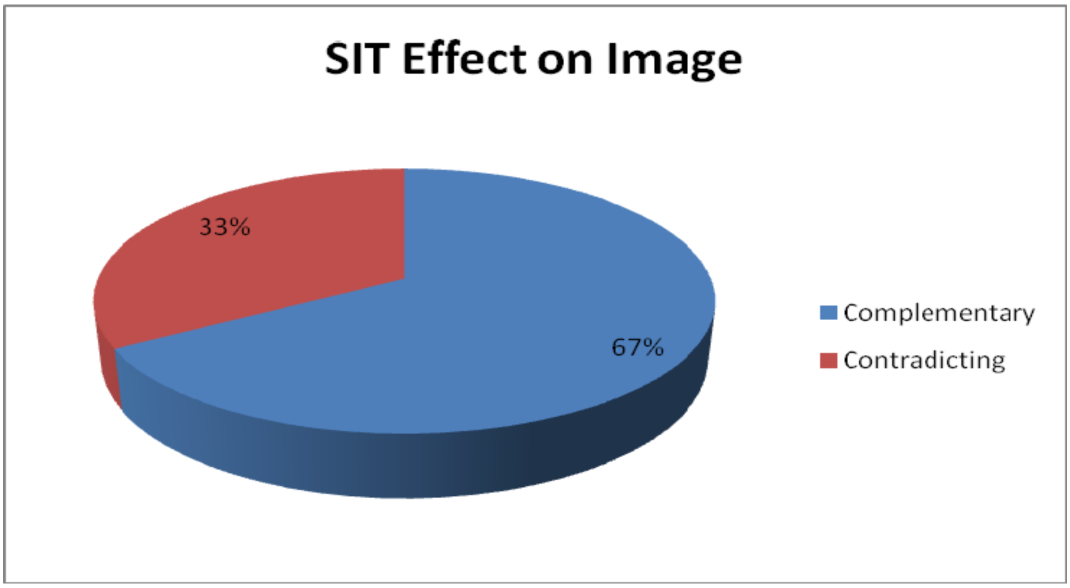
Question 11 is related to the examination of SIT effect on the destination image. Interviewee responses identified two main effects of SIT development: the first category includes all those responses that regarded SIT development as enhancing the existing image and SIT products as complementary to the existing sea and sun product whereas the second category includes the responses of those who believe that the development of the proposed SIT products are contradicting the existing image because they create a confusing image. This classification can be seen in the table below:

Table 5.10: SIT Effect on Image

SIT EFFECT ON DESTINATION IMAGE		
Code No.	**Image Effect**	**No. of Interviewee**
1	Complementary	8 (1,2,4,5,8,9,11,12)
2	Contradicting	4 (3,6,7,10)

The proposed strategy of diversification aims at enhancing the experience of tourists by establishing a ‘sun and sea Plus’ product; this means that by combining the primary ‘sea and sun’ product with a range of SIT products the destination could offer tourists the possibility to perform various activities and satisfy several interests such as trekking, bicycling, golf, yachting etc [chapter 3; 3.3.3]. As can be seen from the figure below, 67% of all interviewees believe that SIT development is complementary to the mass sea and sun image of Cyprus. According to interviewee 5 “*Cyprus is something more than just sun and sea*” as the offering of SIT products gives the general tourist the opportunity to do an additional activity and the interested tourist a purpose for travel. In addition, interviewee 11 claimed that rural activities can be combined with sea activities and utilise the small geographical area of Cyprus in a positive ways by allowing tourists to experience two diverse settings in one day. Interviewee 9 stated that the diversification strategy will not cause confusion as each SIT product is targeted to specific segment and does not appeal to the whole market. Similarly, interviewee 8 stated that “i*t’s a matter of amalgamating all these different components…like a mosaic*” but emphasised the need to carefully plan the marketing mix in order to add value to the tourist experience. Also, interviewee 1 stated that “*tourists love variety*” but highlighted that each segment is separately targeted, hence, avoiding confusion.

Figure 5.11: SIT Effect on Image



The remaining 33%, however, believe that SIT development is contradictory to the existing product and that it will cause a confused image of the destination. Specifically, interviewee 3 argued that "*we are confused…the outside is not confused because they don't realise…for the outside we are sun and sea*". The concern of interviewees 6 and 7 was that Cyprus cannot deliver both mass sea and sun product and SIT products. Specifically, interviewee 6 said that the strategy to enhance quality and promote sustainable tourism is contradictory in nature with the mass tourism trend that exists in Cyprus and the two cannot be developed and promoted together. In addition, interviewee 7 said that "*they (SIT products) are confusing even to us*". The interviewee pointed out that Cyprus should differentiate on price despite its product offering being based on mass sea and sun or SIT. Also, interviewee 10 said that "*by offering everything you just create confusion*" and highlighted the need to specify the strengths of Cyprus.

The other concern raised was that the range of SIT products is too extensive with many of the projects not been utilised yet; interviewees expressed their concern as to the ability of Cyprus to offer these products as many of them require large investments. Interviewee 5 commented that golf course in Cyprus are not very profitable because of the big investment required and the restricted operating period which is limited due to the hot weather of Cyprus. Furthermore, SIT development will yield only a small fraction of revenue as these products are targeted to small niche segments. Specifically, interviewee 3 stated that Cyprus is not really a well-being or golf destination. She expressed concern over the direction followed by the CTO in repositioning Cyprus using certain activities. Interviewee 12 argued that cultural tourism should receive greater attention whereas interviewee 9 stated that weddings and conference tourism are a lucrative business. On the contrary, interviewee 4 said that "*golf course could be a good income generating diversifying product…as well as marinas*". This seems to comply with the tenth interviewee's comments that Cyprus cannot advertise itself as a gold paradise when it does not have the infrastructure to support his; he continues by saying that Protaras district which attracts 65% of tourists does not have a golf course. This seems to contradict interviewee 4 statement that "each district should develop the things they are strong at…not do what other resorts are doing". Similarly, interviewee 4 said that "*Cyprus cannot be good in all kinds of tourism*" and that the concept of offering everything to everyone can be damaging. These statements indicate differing opinions exist as to what seems to be a good investment and which SIT products should receive greater investment.

5.1.7 Quality Level

In questions 12 and 13 the researcher tried to obtain information on the quality level of Cyprus. Quality is an important aspect of the perception people have of the destination and was therefore deemed essential in terms of examination. Quality level was expressed best as value for money for tourists. According to Harvey and Green (1993) value for money is one definition of quality that perceives quality in terms of return on investment. One of the aims of the strategy, as interviewee 5 stated, is to increase overall quality of the product as the price cannot be decreased; hence, it is important to examine quality in terms of the exchange between the price paid and the experience received. Indeed, when asked interviewees expressed quality level as an exchange between the price paid and the service received. According to interviewee 1 "*the problem is not that we are expensive or cheap…the key words are value for money*". The statements of many respondents included both negative and positive expressions of value for money; this made categorisation difficult. It is therefore important to examine these dimensions separately to fully understand the concept of quality level as expressed by respondents.

Table 5.11: Quality Dimensions

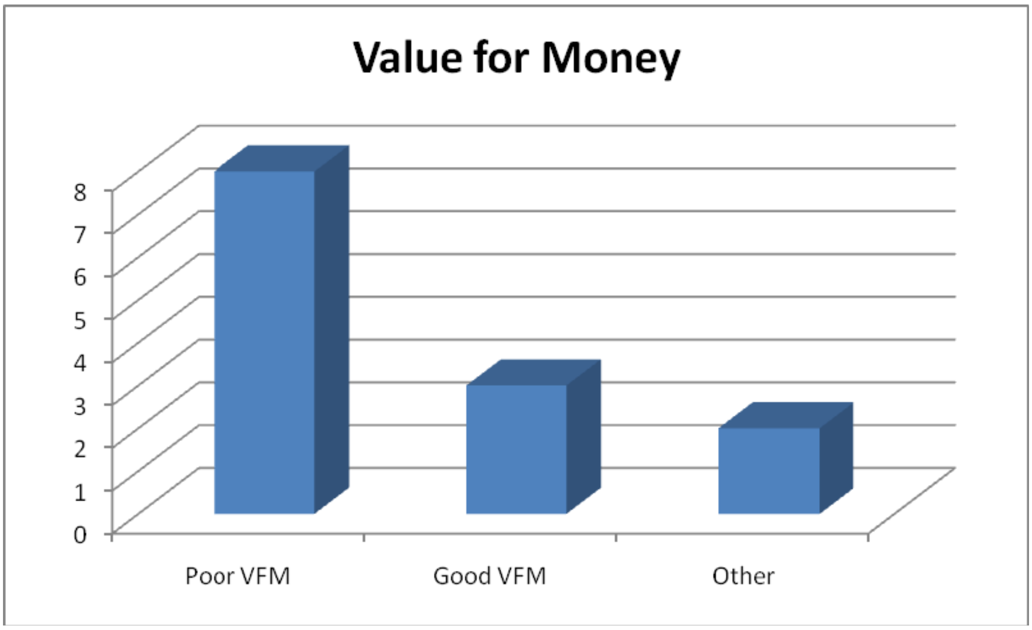
QUALITY LEVEL		
Code No.	**Dimensions**	**No. of Interviewee**
1	Poor value for money	5 (7,8,9,10,12)
2	Expensive	2 (1,7)
3	Poor service quality	4 (1,7,10,12)
4	Poor infrastructure	2 (3,9)
5	Foreign cheap labour	1 (2)
6	Good hotels	4 (2,3,5,9)
7	Varying quality according to location	2 (4,11)
8	Varying quality according to travelling mode	1 (11)

To simplify classification all negative statements were categorised as 'poor value for money', positive statements as 'good value for money' whereas indecisive responses were categorised under the label 'other'.

Table 5.12: Quality Dimensions (merged)

Code No.	Dimensions	No. of Interviewee
1	Poor value for money - Expensive - Poor service - Poor infrastructure - Foreign cheap labour	8 (1,2,3,7,8,9,10,12)
2	Good value for money - Good hotels - Good facilities	3 (2,3,5)
3	Other	2 (4,11)

Figure 5.12: Value for Money



<u>5.1.7.1 Poor Value for Money</u>

All statements with a negative connotation about Cyprus as a tourist destination were included in this category; statements on the expensiveness of Cyprus, foreign cheap labour, poor infrastructure and service were indicative of poor value for money. About 67% of interviewees agreed that Cyprus offers poor value for money as the surroundings of the hotels and service quality are poor. Specifically, interviewee 10 argued that "*Pafos is like a big construction city where we have construction of roads, no pathways, no pedestrian streets*". Interviewee 6 spoke of good quality monuments and historical sites but poor service quality due to many foreign workers working in the industry. Similarly, 2 interviewees characterised Cyprus as being an expensive destination. Interviewee 1 stated that "*it (Cyprus) doesn't offer the quality expected*" as it is overpriced while interviewee 7 agreed by saying that "*Cyprus is not cheap…Cyprus has not been successful in offering high quality…we have to put a lot more in creating infrastructure…*". He added that "*we will not be very successful if we promote Cyprus as a value for money destination as there are other destination who offer better…comparable quality at much lower prices".* It is noticeable that all interviewees who work at private organisations commented that Cyprus is a poor value for money destination.

51.7.2 Good Value for Money

Statements about good hotels and monuments were regarded as indicative of good value for money although the same interviewees who expressed positively towards accommodation and related facilities did mention the poor infrastructure surrounding the hotels or the expensiveness of the product as influencing factors. For example, interviewees 2 and 3 stated that in Cyprus there are good quality hotels; however, according to interviewee 2 "*we are becoming more expensive*". Moreover, interviewee 3 commented that "*there was a lot of improvement*" in terms of infrastructure in some cities; she also added that "*the price signals the value expected*" so due to the high price commanded tourists have a high expectation of quality. Interviewee 5 argued that "*we are average as far as value for money*" in that Cyprus has good hotels and good facilities but it is becoming expensive.

5.1.7.3 Other

Some interviewees did not give a straightforward response as to whether Cyprus is value for money. Instead they emphasised the fact that different segments of the market are targeted and that perceived quality might depend on where one stays; indeed, as interviewee 11 stated the quality level depends on where the tourists stay and also emphasised the fact that quality is higher when travelling in organised groups and interviewee 4 commented that perceived quality depends on how much money a tourist is willing to pay.

5.1.8 Strategy Success

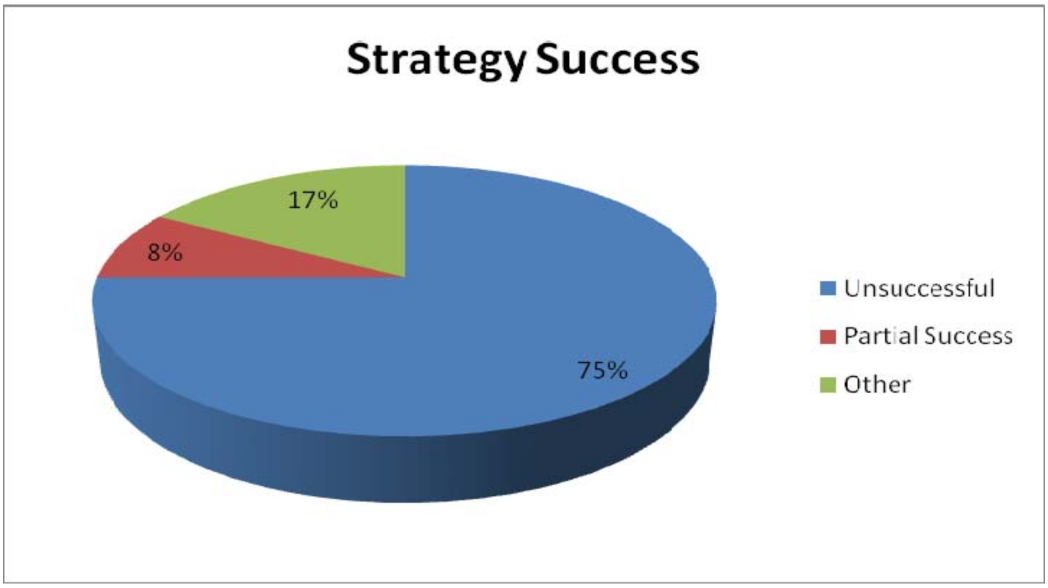
Question 14 relates to the degree of success of the diversification strategy in terms of realisation of the goals as outlined in the strategic plan. These goals include the improvement of seasonality, the increase in tourist arrivals and tourism revenue, the improvement of competitiveness and satisfaction levels of tourists. Interviewees' responses are depicted in the table below:

Table 5.13: Strategy Success Level

STRATEGY SUCCESS		
Code No.	**Success Level**	**No. of Interviewee**
1	Unsuccessful	9 (1,2,3,5,6,8,9,10,12)
2	Partly successful	1 (4)
3	Other	2 (7,11)

As can be seen from the table above, 75% of all interviewees stated that the strategy has been unsuccessful so far or not as successful as expected. For instance, interviewee 2 argued that "*market share (is) decreasing…competitiveness (is) down…seasonality is worsening gradually…satisfaction levels are worsening*" indicating that the strategy has not been successful so far. Similarly, interviewee 5 stated that "*it (strategy) has not been so successful*" but explained that diversification takes time and the delay in developing certain projects worsens the situation. Interviewee 8 stated that "*we have failed…at the advert of the strategic plan early 2000 to what we are having 9 years after the embarking of the strategic plan, definitely it's a blatant failure*" whereas interviewee 9 commented that "*the strategic plan is not performing the way it should be*". What is noticeable is that all interviewees working in the private sector of the tourism industry stated that the strategic plan has not been successful so far. The second category included a statement of interviewee 4 that the strategy was partly successful in that there has been some improvement but the implementation of plans has been extremely slow. A third category was formulated titled 'other' where unclear statements were included. For example, interviewee 11 stated that it is hard to judge the success of the strategy due to the recession whereas respondent 7 said that different results are documented in different market segments as tourist arrivals may decrease in some traditional markets but may increase in new ones. The figure below illustrates these percentages:

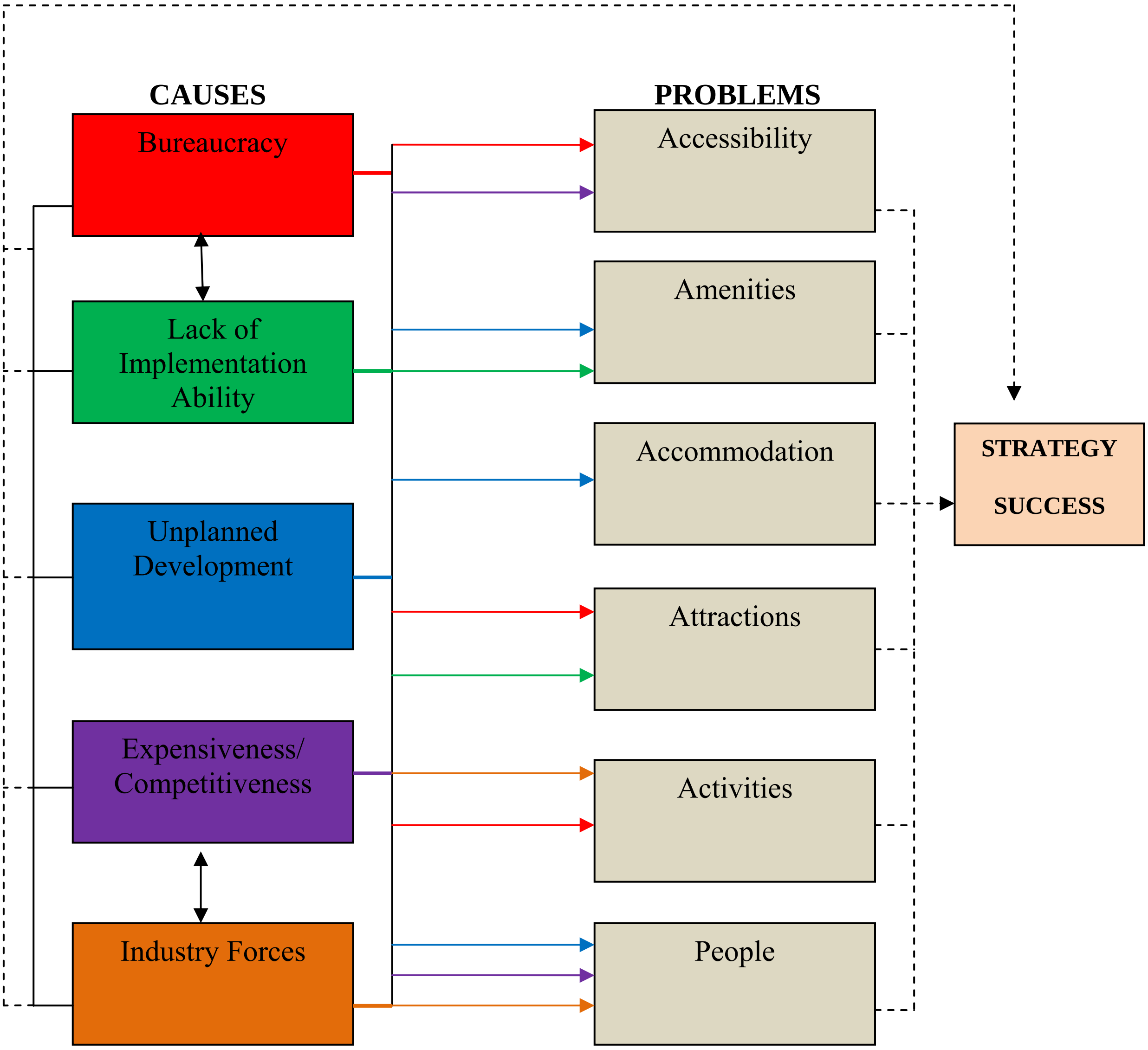
Figure 5.13: Strategy Success



The interviewees gave an explanation of their statements which highlight the main product weaknesses and the reasons why the strategy has failed. These are considered a property of the theme already examined – tourism product problems which in turn influence strategy success.

The following diagram illustrates the relationship between the two:

Figure 5.14: Relationship between problems, causes and strategy success



Source: Author

This is the same diagram as depicted in 5.8 with the exception that a third variable has been added to show strategy success. The diagram shows certain variables labelled 'causes' which create several tourism product weaknesses including lack of accessibility, poor accommodation, poor amenities, lack of attractions and activities and lack of trained workers. Each line in the diagram is coloured to correspond to a specific cause; for example, bureaucracy influences accessibility, attractions and activities as a result of government policies and legislative rules. In turn these causes affect the level of strategy success; this is shown in the diagram with the dashed line as the relationship tends to be indirect. Also, the tourist product problems are related to the level of strategy success as they prevent the utilisation of projects and the successful repositioning of the destination. According to interviewee 5 the strategy was not as successful due to EU membership, the adoption of the Euro, the lack of uniqueness of the destination and the delay in developing SIT projects.

5.1.9 Economic Crisis Responses

The researcher attempted to obtain some information on the response of the organisations to the current economic crisis. The following table shows the main answers given to question 15:

Table 5.14: Economic Crisis Responses

ECONOMIC CRISIS RESPONSES		
Code No.	**Measures**	**No. of Interviewee**
1	Follow government policies	6 (2,3,8,10,11,12)
2	Pressurise government for additional measures	2 (1,8)
3	Intensify advertising	1 (5)
4	Offer discounts to hoteliers	1 (3)
5	Offer special offers	1 (3)
6	Reduce prices	1 (9)
7	Upgrade services	1 (10)
8	Reduce capacity	1 (7)

When asked about the economic crisis and how their organisations responded to it interviewees answered according to the nature of the organisation and raised several themes: the first was that they followed the proposed government measures of VAT and tax reduction. Interviewee 11 argued that "*we try to support the organisation's (CTO) work*". However, interviewees 10 and 12 stated that these measures were not as effective as: a) they were announced too late and b) they did not reach the final consumer but benefited the tour operators instead. A second category was formed which included statements of interviewees about pressures placed on the government to initiate additional measures. In particular, interviewee 8 stated that "*we are having an important meeting with the participation of relevant ministries, CTO…and key stakeholders of the tourism industry in order to formulate our proposals officially to the government…for a more promising tourism year in 2010*". According to interviewee 10 "*we didn't wait for the government to respond, we have responded way before that*" indicating that private organisations anticipated the crisis and responded to it by taking out their own measures. Various tactics have been followed such as intense advertising, discounts and special offers as well as reduction in prices and costs were grouped under the theme special promotion. Specifically, interviewee 3 argued that "*we assist our tour operators to get special offers, we decrease our rates…*" whereas interviewee 10 stated that "*we started to offer reduced prices or upgraded services*". Similarly, interviewee 5 commented that "*we strengthen our advertising campaigns, we renewed our cooperation with tour operators*" while interviewee 7 stated that "*we are trying to protect ourselves by adjusting our capacity…so that we don't carry costs we cannot generate demand for*". Interviewee 6 did not answer this question as the organisation he works for is indirectly related to tourism and needs not to adopt any measures as a response to the crisis but did mention that the fall in tourist arrivals is a consequence of the crisis.

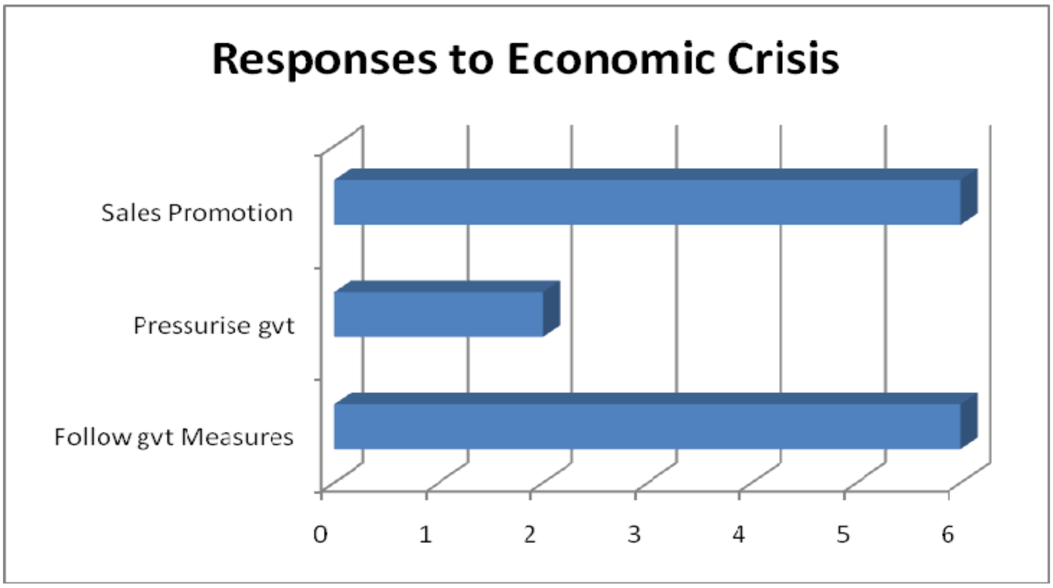
These tactics were merged and labelled 'sales promotion tactics' whereas the other categories were maintained as they were. The simplified categorisation can be seen in the following table.

Table 5.15: Economic Crisis Responses (merged)

Code No.	Measures	No. of Interviewee
1	Follow government policies	6 (2,3,8,10,11,12)
2	Pressurise government for additional measures	2 (1,8)
3	Sales promotion tactics	6 (3,4,5,7,9,10)

The main categories of responses to the economic crisis can be seen in the diagram below:

Figure 5.15: Responses to Economic Crisis



What is noticeable is that 75% of interviewees who work at private organisations stated that they adopted various sales promotion tactics to respond to the economic crisis as well as adopting government tax reduction measures whereas the 2 interviewees who claimed to place pressures on the government for further measures work in associations.

5.1.10 Suggestions

Question 16 relates to the suggestions made by the interviewees as to how to improve the Cyprus tourism product and the implementation of the strategic plan. The researcher aimed to obtain some useful insight as to how the interviewees themselves feel the strategic plan should be directed. The following table shows the main categories of their answers:

Table 5.16: Improvement Suggestions

SUGGESTIONS		
Code No.	**Proposals**	**No. of Interviewee**
1	Existing product - Increase quality/add value - Train workers - Improve infrastructure - Improve low class hotels - Enhance activities - Reduce mass market supply of hotels	8 (2,3,4,5,7,10,11,12)
2	New Product Development - Invest on selected SIT (weddings, conferences, nature, sports etc) - Expand SIT concept - Create train line - Develop 3E tourism (educational tourism) - Develop new routes, festivals etc	10 (1,2,3,4,5,6,7,8,9,11)
3	Marketing Strategy - Strengthen marketing campaign - Promote each region separately - Establish e-marketing/direct marketing - Enhance 'green' image (rural) - Promote Cyprus as specialised destination - Promote folklore	9 (1,2,5,6,7, 9,10,11,12)
4	Financial Strategy - Control prices - Reduce landing fees	3 (3, 7, 9)

	- Subside transportation of tourists	
5	Reorganisation - Restructure CTO - Implement plans - Bring in specialists - Hire project manager - Better coordination among stakeholders	5 (7,8,9,11,12)
6	Other - Increase daily flights - Increase regional power	1 (12)

The statements of interviewees were placed under 6 main categories and were grouped together to form family codes.

5.1.10.1 Improve the existing product

The first category included statements about the improvement of the existing product whereby 67% of interviewees agreed that the existing product needs to be improved. Interviewee 5 stated that it is necessary to "*keep improving our tourist product*" whereas interviewee 10 commented on the importance of improving infrastructure and workforce. Also, interviewee 12 stated that "*people working in the hotel industry (must) not only train but also retrain periodically in order to offer the level of services, personal attention and high standard of service expected*" whereas interviewee 11 suggested that a course is to be developed and completed by foreign workers whereby they can learn the language and basic history of the destination. Similarly, interviewee 3 stated that it is important "*not to destroy so much from the character of Cyprus*" which is highly influenced by the introduction of foreign workers. Interviewee 2 stated that to de-emphasise mass tourism it is necessary "*to reduce supply with regards to this particular model…stay with less buildings in the coastal areas*" and "*improve not only the hotels but all the other things that make the experience*".

5.1.10.2 New product development

The second category included statements about the development of new activities (SIT) and facilities. Approximately 83% of interviewees agreed that new activities and facilities need to be developed and added to the existing product offering. For instance, interviewee 1 stated that "*we have to expand this concept of special interest as much as we can so that we can change the image*". This seems to be the opinion of interviewee 4 who argued that Cyprus must diversify its product as much as possible. However, this seems to contradict the point of view of interviewee 3 who stated that "*you have to decide a few products which you really want to promote*" rather than investing on a wide range of special interest activities. Similarly, interviewee 6 argued the benefit from developing educational tourism whereas interviewee 8 said that education, entertainment and experience should be promoted.

5.1.10.3 Marketing Strategy

The third category included statements about how the marketing strategy could be improved with 75% of interviewees agreeing that the new products of the destination need to be communicated to the tourists. In particular, interviewees 5 and 9 argued that that marketing efforts should concentrate on e-marketing whereas interviewee 11 commented on the importance of emphasising the rural image of Cyprus. Interviewee 10 expressed an interesting point of view by suggesting that Cyprus should be promoted not as a whole but each region should be separately promoted to different target segments whereas interviewee 7 added that Cyprus needs "*to be promoted as a specialised destination*".

5.1.10.4 Financial Strategy

The fourth category included statements about financial measures that need to be taken to improve the implementation of the plan. These include subsidisation, price control and reduction in landing fees. As interviewee 7 argued the travel cost could be subsidised by the government in an attempt to increase demand by tourists whereas interviewee 9 suggested the reduction of landing fees in order to increase tour operator interest in Cyprus as a destination. Similarly, interviewee 3 stated that prices outside hotels need to be controlled.

5.1.10.5 Reorganisation

The fifth category included statements about restructuring the CTO and establishing a better mechanism to implement the plan in order to minimise the effects of bureaucracy and lack of coordination. Interviewee 7 highlighted the importance of offering "*a product that we really have to offer…not a product that we think we will be able to offer after some time…*" whereas interviewee 8 stated that "*virtue and boldness are required*" in implementing the plan.

5.1.10.6 Other

The last category was labelled 'other' and included suggestions that could not be attached in the other categories such as increase daily flights in order to increase competitiveness and focus on regional companies by allowing them to gain more power.

The following figure illustrates the main categories:

Figure 5.16: Suggestions for Product Improvement

5.2 OPEN-ENDED QUESTIONS

The open-ended questions 24 and 25 in the questionnaire were analysed qualitatively by creating categories of related themes. Firstly, all the answers that respondents gave were listed. Subsequently, the themes raised were closely examined by the researcher to identify commonalities that would allow categorisation and finally tables were created depicting the number of respondents which gave each answer.

Question 24 asked respondents to describe Cyprus as a tourist destination in their own words; thereby several categories were created consisting of associated words. The themes were divided into positive and negative depending on the descriptors given by respondents. Although most respondents answered either in a positive or negative way numerous respondents gave both positive and negative descriptors in an answer whereas 45 respondents did not answer the question. Overall, 22 categories were identified; those that were less related or seldom mentioned were grouped together and labelled 'other'. The following table shows the categories:

Table 5.17: Destination Descriptors

Positive			**Negative**		
Descriptor	No. of respondents	% of respondents	Descriptor	No. of respondents	% of respondents
Good weather	161	46.3	Expensive	30	8.6
Friendly/hospitable	135	38.8	Unclean/untidy	5	1.4
Good beaches	50	14.4	Unfriendly people	4	1.2
Beautiful scenery	46	13.2	Too noisy	4	1.2
Relaxed atmosphere	43	12.4	Overdeveloped	3	0.9
Good restaurants/food	40	11.5	Bad roads/driving standards	3	0.9
Good nightlife	35	10.1	Poor cultural experience	2	0.6
Good activities	17	4.9	Declining quality	2	0.6
Good luxury accommodation	12	3.5	British	2	0.6
Fun/Lively	12	3.5	Other	5	1.4
Safe	11	3.2			
Diverse	10	2.9			
Good value for money	9	2.6			
Cultural	8	2.3			
Interesting history/ political situation	8	2.3			

Child/family friendly	7	2.0			
Clean Environment	6	1.7			
British	6	1.7			
Easy driving/no traffic	5	1.4			
Good infrastructure/ facilities	5	1.4			
Different	4	1.2			
Green/good mountain scenery	3	0.9			
Other	12	3.5			

Source: Author

5.2.1 Positive Image

Respondents described Cyprus as a tourist destination in terms of attributes; hence, the themes identified are based on destination characteristics description. Out of the 348 respondents who answered this question approximately 46.3% described Cyprus as having 'good weather'; several respondents specified this by stating that Cyprus has a pleasant climate and/or it is hot and sunny. Also, 38.8% of respondents stated that they think Cyprus' people are 'friendly' and 'welcoming' whereas 14.4% said they think Cyprus has 'good beaches'. Similarly, 13.2% described Cyprus as 'beautiful' and/or having a 'beautiful scenery/landscape' and 12.4% said that Cyprus has a 'relaxed atmosphere' and/or is 'relaxing'. Furthermore, 11.5% of the respondents who answered this question described Cyprus positively in terms of restaurants and food stating that Cyprus has 'good restaurants', 'good traditional food' and 'fresh fruit and vegetables'. Approximately 10.1% of respondents stated Cyprus has a 'good nightlife' with respondent numbered 197 specifying that Cyprus "*is an ideal young clubber's land*" and respondent numbered 241 stating that "*Ayia Napa is the best resort for activities and nightlife*" while respondent numbered 251 said that "*Ayia Napa has a good party scene*". Also, 4.9% of respondents mentioned that Cyprus has 'plenty of activities' with respondents numbered 50, 116 and 274 specifying 'good water sports' as a characteristic and respondent 219 saying that Cyprus has 'good sports' in general. About 3.5% of respondents mentioned 'good luxury accommodation' as a characteristic of Cyprus and another 3.5% described

Cyprus as a 'fun and lively' destination. Moreover, 3.2% of respondents described Cyprus as being a 'safe' destination whereas 2.9% stated that Cyprus is a 'diverse' destination; specifically respondent numbered 162 said with Cyprus is "*a pretty country with two distinct sides*" and respondents numbered 163, 198, 223 and 261 stated that Cyprus has "*something to offer to everyone*". In particular, respondents numbered 182, 214, 252 and 386 said that Cyprus can be 'as lively or as quiet' and 'as intense or as relaxing' as desired. In addition, 2.6% of respondents stated that Cyprus is a 'good value for money' destination with 2.3% characterising Cyprus as 'cultural'; in specific, respondent numbered 164 saying that Cyprus has "*good cultural and traditional sites*", respondent numbered 373 stated that Cyprus has "*lovely sacred places*" and respondent numbered 246 said that Cyprus has an "*interesting history and/or political situation*". Approximately 2% of respondents described Cyprus as 'child -friendly' and/or "*an ideal destination for a family holiday*", 1.7% as having a clean environment and 1.7% as being 'British' (see section 3.2.1) by stating that the 'driving is similar' and 'English is widely spoken' whereas respondent numbered 271 said that Cyprus is "*attractive to UK travellers due to similaries*" and respondent numbered 102 stated that Cyprus feels like "*a home away from home*". Approximately 1.4% of respondents mentioned the 'lack of traffic' and the 'ease of getting around' as another characteristic while 1.4% mentioned 'good infrastructure/facilities' and 'good roads/motorways'. Finally, Cyprus was described as 'different to home' by 1.2% of the respondents while 0.9% described it as being 'green'; specifically respondent numbered 265 said that Cyprus has an "*excellent mountain scenery*". The descriptors that were less related to the above mentioned categories or sporadically mentioned were labelled as 'other' and included statements such as "*fulfilled our holiday requirements*" by respondent numbered 199, respondent 314 stated "*great all round holidays*", respondent 302 described Cyprus as offering the "*best holiday ever*", respondent 266 said it is "*similar to other Mediterranean destinations*", respondent 3 said it is "*similar to the Greek islands*" whereas respondent 214 described Cyprus as "*exotic*" and "*exclusive*".

5.2.2 Negative Image

About 8.6% of the 348 respondents answering question 24 stated that the destination was 'expensive' and/or offered 'bad value for money'; specifically returning travellers characterised Cyprus as 'becoming expensive after the Euro', the food and drinks becoming overpriced and/or the water sports activities are expensive. Also, respondent numbered 82 stated that Cyprus is "*in danger of losing its British tourists*" due to its expensiveness. About 1.4% of respondents described Cyprus as being 'untidy' with 'unclean beaches' while 1.2% commented negatively about the locals being 'rude and arrogant' as well as 'unfriendly'. Also, 1.2% of respondents stated that Cyprus is 'too loud' and/or 'noisy'. Approximately 0.9% of respondents said that Cyprus is 'overdeveloped' while respondent numbered 298 specified that "*some resorts are beautiful while others are too built up*". In addition, 0.9% of respondents stated that Cyprus has 'bad roads' and/or 'poor driving standards' whereas 0.6% commented on the 'poor cultural experience' they had during their holiday. Furthermore, 0.6% of respondents commented on the declining quality of the tourism product by stating that Cyprus is 'not as good as it used to be' with respondent 169 describing the tourism product as 'old and tired'. Also, respondent 64 said that Cyprus "*was once great…but now it is not value for money*" and respondent 184 described it as "*nice if you have lots of money*" implying expensiveness. Although 1.7% of respondents described Cyprus being 'British' positively, respondents 39 and 189 saw it in a negative way by describing Cyprus as being "*a little too British at times*" whereas respondent 112 specified the "*need for more authentic food*" being made available. In the last category statements mentioned less frequently were included and labelled 'other'; these include descriptions by respondent 271 that Cyprus is "*not appropriate for adventure travellers*" with respondent 149 saying that Cyprus has 'poor shopping facilities'.

Overall, approximately 91% of the respondents answering this question described Cyprus in a positive way with only 9% describing the destination negatively. Although most of the respondents described Cyprus in terms of attributes of the destination some gave more holistic descriptions. Specifically, respondent 90 described Cyprus as "*a diamond in a sea of jewels*", respondent 69 as "*a great place to visit*" and respondent 111 as "*a jewel in the sea*" while respondent 305 said

Cyprus is "*a place to return to year after year*". On the other hand, the negative image comments were based on specific attributes rather than holistic perceptions.

5.2.3 Recommendations for Improvement

Question 25 was analysed in a similar way; 90 respondents did not answer this question which asked them to provide recommendations as to how the tourism product could be improved. This non-response rate may mean that respondents did not have anything to suggest in terms of improvement or where satisfied already and/or were bored to answer the question. The following table shows the categories created:

Table 5.18: Recommendations

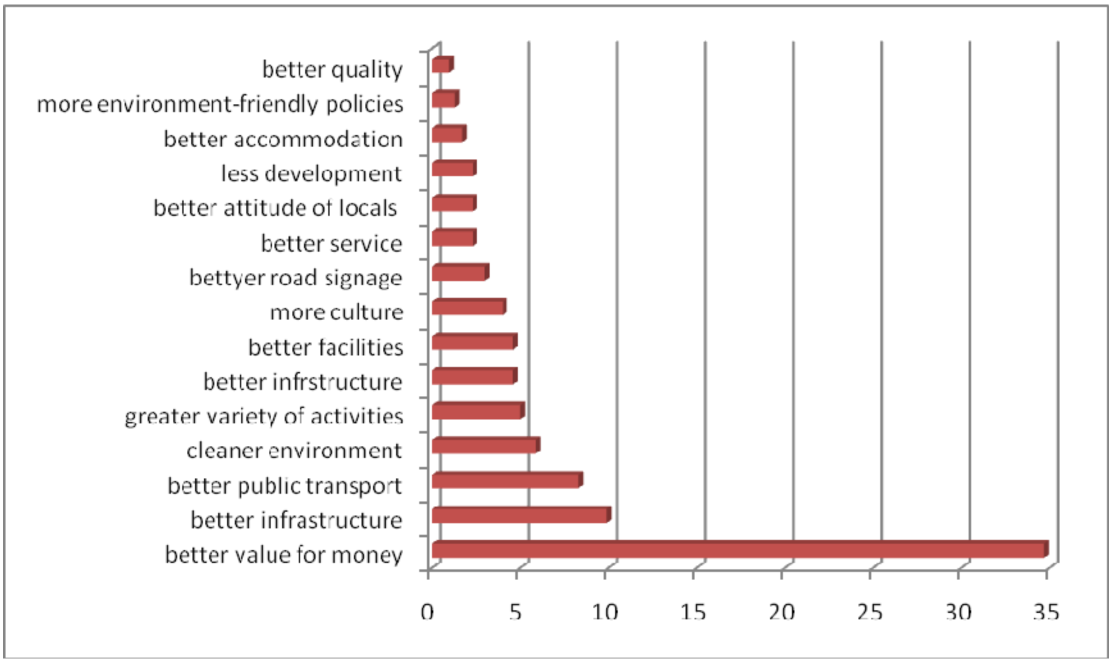
	No. of respondents	% of respondents
Better value for money/lower prices	105	34.7
Better infrastructure	30	9.9
Better public transport	25	8.3
Cleaner environment	18	5.9
Better activities/greater variety of activities	15	5.0
More information available	14	4.6
Better facilities	14	4.6
More culture/tradition	12	4.0
Better road signage/driving standards	9	3.0
Better service	7	2.3
Better attitude of locals	7	2.3
Less development	7	2.3
Better accommodation	5	1.7
More environment friendly practices	4	1.3
Better quality	3	1.0
Nothing/fine as it is	25	8.3
Other	17	5.6

Source: Author

About 34.7% of the respondents who answered question 25 recommended that 'better value for money is offered' and/or 'prices are reduced'. Specifically, respondents stated that "*the Euro should be abolished*" and that Cyprus should "*return to the pound*" with about half of them commenting negatively on the high prices of food, drinks, taxis, car hire, water sports activities and supermarket items. In fact, respondent 292 said that "*at the moment prices in Cyprus are higher than in the UK*" whilst respondent 52 suggested a 'no payment policy for the use of the beach'. Also, respondents 22 and 51 suggested more budget flights 'to open up the student market' whereas respondent 14 commented on the discrepancy in prices between locals and tourists saying that "*the high prices deter revisit*". Also, respondent 222 said that the high prices "*support the all inclusive trend*". Moreover, 9.9% of respondents suggested an 'improvement in infrastructure' in terms of roads, pavements, walkways and road marking. Respondents emphasised the need for a 'better and bigger airport' as well as more 'street lights' to increase the safety of 'footpaths' while about half of the respondents commented negatively on the 'lack of water availability' and 'sanitation'. In specific, negative comments were made about the 'lack of a sewage system'. Approximately 8.3% of respondents recommended that public transport should be improved by adding 'more bus routes', ensuring that buses are on time and that 'better access in provided to rural Cyprus'. The next issue that respondents raised was the need for a cleaner environment whereby 5.9% of respondents suggested that beaches and towns are cleaned, building sites are tidied up, a smoking ban is implemented and that locals are educated on litter disposal. Respondents 125, 191 and 280 also commented on the need to reduce 'noise pollution' caused mostly by motorbikes. Furthermore, 5% of respondents suggested that a 'greater variety of activities is offered' and/or activities are improved; almost half of these respondents requested 'more family entertainment' as well as 'kids' activities'. The rest suggested 'more golf courses' and 'tourist attractions' as well as more cycling routes and day activities. Also, respondents 92 and 161 stated that bigger clubs and 'better nightlife entertainment' are required while respondent 291 said that "*hotel entertainment should be improved*". In addition, 4.6% of respondents recommended that 'better access to information' is made available online and through tourism offices; specifically, respondents requested more information on activities, cultural sites, walking tours, non-tourist places and beaches while some suggested better advertisement of shops. ‘Better facilities’ are also recommended by 4.6% of respondents including more car parking, better shopping and sports facilities, more ATMs, internet points as well as more toilet facilities and lifeguards on the beaches. Another issue requiring improvement according to 4% of respondents is the need for ‘more cultural events’ and ‘traditional restaurants’; respondent 1 suggested that greater emphasis is placed on heritage by cultivating ‘cultural awareness’ in tourists whereas respondent 298 promoting the “*old side of Cyprus*”. Respondents further suggested ‘greater maintenance of cultural places’ and more museums whereas respondent 40 suggested better access to traditional Cyprus. Also, respondent 7 recommends that more local music is made available and that respondent 25 that “*better preservation of the traditional charm*” is made through ‘more traditional architecture’. In addition, respondent 36 advised to “*stop building English pubs*”. Following, 3% of respondents highlighted the need for ‘better road signage’, especially to the beaches and ‘more traffic police’ to ensure that driving standards are enforced for maximum road safety. Approximately 2.3% of respondents proposed the need to ‘better service’ by employing more locals, paying more attention to tourists in restaurants and allowing longer opening hours in shops and supermarkets. Related to this point is another recommendation 2.3% of respondents made about the need for locals becoming friendlier towards tourists. In particular, respondent 59 commented that “*locals are rude and arrogant*”. Furthermore, less development is required according to 2.3% of respondents who advised for ‘less construction and commercialisation’, less buildings and villas being developed and for those buildings that are under construction to be completed. Accommodation was a less popular attribute of the tourism product that 1.7% of respondents thought needed improving; these respondents warn against inaccurate accommodation ratings and suggested ‘immediate renovation of old hotels’. About 1.3% of respondents also mentioned the need for ‘more environmentally-friendly practices’ being employed such as paying more attention to flora, recycling and planting more green whilst 1% emphasised the need for ‘better quality’ of the general tourism product. About 8.3% of respondents said they did not feel anything had to be improved; in particular, respondent 273 suggested to “*keep the ambience*”, respondent 145 said Cyprus is “*fine as it is*” and respondent 10 said that “*it works well as it is*”. The comments that could not be divided into the above mentioned categories were included in a separate category labelled 'other'; these recommendations included 'to abolish the music curfew', 'less rocky beaches', 'better air-conditioning', 'better atmosphere', 'winter availability', 'more direct flights', 'flights being on time' and 'unite the island'.

The following figure illustrates the categories of recommendations according to the frequency mentioned by respondents:

Figure 5.17: Recommendations



As can be seen, the most frequently mentioned recommendation is the need to improve the value for money followed by the need to improve the infrastructure, public transport, clean the environment and enhance the variety of activities available.

5.3 SUMMARY

This chapter presented the findings from the analysis of the interviews which reveal the following: 75% of interviewees were holders of a postgraduate degree whereas 83% of interviewees held executive and/or managerial positions and had a direct relation to the tourism industry. In addition, 92% of the interviewees were fully aware of the diversification strategy while 83% had an active involvement in the strategy formation. Hence, the sample of interviewees included in the research was regarded as possessing deep knowledge of the tourism industry and strategic policy-making. The interviewees were asked a series of questions regarding their perception of the Cyprus product weaknesses, destination image and diversification measures adopted by their organisations in order to support the repositioning strategy. Regarding the product weaknesses poor accommodation, poor accessibility, lack of attractions and activities and lack of skilled labour were identified whereas the interviewees acknowledged that bureaucracy, lack of implementation ability, unplanned development and lack of competitiveness were among the causes for the tourism product problems. With regards to the image of Cyprus as a tourist destination 83% of interviewees characterised it as a mass sea and sun destination while 67% commented that the SIT products act as complementary to the existing sea and sun product. In addition, 75% of interviewees identified Cyprus as being a poor value for money destination and stated that the diversification strategy has not been successful so far due to an inability to implement the strategy correctly. Moreover, all of the interviewees outlined the diversification measures undertaken to support the repositioning strategy; these measures vary depending on the sector in which the organisation is and on the type of organisation and include the development and promotion SIT products, targeting of new markets and advising members. Also, 92% of the interviewees described the measures they took as a response to the economic crisis; these include adoption of government policies on tax reduction, pressurisation of the government for additional measures, intense advertising, special offers and discounts, reduction of capacity and service upgrades. When asked to provide suggestions to amend the problems of the tourism product all of the interviewees suggested a variety of proposals; 83% interviewees suggested the creation of new products of special interest tourism, 67% suggested that the existing facilities need renovation and improvement while 58% suggested an aggressive marketing strategy to promote the destination’s special offerings. Also, 75% suggested better control of prices, dissemination of power to regional level, reorganisation of the CTO and better coordination among stakeholders.

The open–ended questions were analysed in a similar way as the interviews. When asked to describe Cyprus respondents’ description was based on destination attributes. Their descriptions included both positive and negative perceptions. The three most popular positive descriptors were good weather (46.3%), friendly/hospitable (38.8%) and good beaches (14.4%) whereas the three most popular negative descriptors were expensive (8.6%), unclean (1.4%) and unfriendly (1.2%). Similarly, in question 25 respondents were asked to offer any recommendations as to the improvement of the tourism product. The five most popular recommendations included better value for money (34.7%), better infrastructure (9.9%), better public transport (8.3%), cleaner environment (5.9%) and better activities and/or greater variety of activities offered (5%). In the next chapter the findings from the quantitative analysis are presented and discussed.

CHAPTER 6 FINDINGS: QUANTITITIVE DATA ANALYSIS

This chapter presents the findings related to the results occurring from quantitative data analysis using SPSS. The first section of this chapter presents an explanation of the procedure of variable coding and data entry. The following sections present a description of the data through frequency tables and central tendency measures by making use of histograms, bar charts and pie charts. Also, several statistical tests were adopted to explore relationships and differences between variables. As a result, this chapter achieves aims 3 and 4.

6.1 DATA ENTRY

Each question of the questionnaire, except the two open-ended questions and the multiple response questions, was treated as a variable and for reasons of simplification it was named after the question number. For instance, question 2 (age) was named q2. All the variables hold certain values which represent specific categories. Some variables were treated as dichotomous as they included only two categories. For example, in question 3 (gender) the value "1" represents the category 'male' and the value "2" represents the category 'female'. Questions 5 (children travelling), 8 (first visit), 9 (previous visits) and 12 (did you travel on a package tour) were also treated as such. Other questions offered respondents the choice from a greater set of answer categories; for example, in questions 4 (marital status), 6 (educational level), 10 (primary reason for visit) and 23 (would you recommend Cyprus) the respondents had the choice of selecting from 5, 4, 6 and 3 categories respectively with each category representing one separate value. For questions 11 (which played a primary role in decision to visit), 13 (package components) and 17 (destination characteristics) respondents had a choice of multiple answers; therefore, each category selected was treated as a separate variable. For example, for question 11 'friends and family' was named q11a, 'tour operator/travel agent' as q11b and so on. To indicate which answers were selected by respondents the value "1" represented a selection for a specific category and value "0" represented a non-selection for the answer category. For example, if a respondent answering question

13 selected 'transport to/from Cyprus' and 'accommodation only' as the main components of the packaged holiday then the value "1" was used for these variables and the value "0" was used for the rest variables of the question which were not selected. Questions 14 consists of two variables measuring 'overall value for money' and 'overall quality' which were measured on a seven-point scale with the value "1" representing 'poor' and the value "7" representing 'excellent'. Similarly, questions 21 and 22 were measured on a 7-point scale with "1" representing the choice 'very dissatisfied' and "7" representing the choice 'very satisfied' for question 21 and for question 22 "1" represented the positive statement 'highly likely' while "7" represented the choice 'highly unlikely'. In addition, questions 15, 16 and 19 consist of a set of variables that were measured on a five-point Likert scale with the most negative choice being the value "1" and the most positive choice being the value "5". Another value was added named "0" to represent the 'don't know/don't answer' choice. Question 18 consists of 12 variables which respondents were asked to rank according to importance; thus, the value "1" represented the most important variable and value "12" the least important with an additional value, "0" representing 'no importance' being added to represent the variables respondents did not include in the ranking [see appendix 9]. Furthermore, question 20 is a semantic differential scale consisting of several variables that were measured on a 7-point scale with contrasting words representing the value "1" and value "7". For example, in q20a "1" is representing the variable 'boring' whereas the value "7" represents the variable 'exciting'. In questions 2 (age) and 7 (country of residence) respondents were asked to fill in their answers. Although question 2 was treated as a scale variable, answers to question 7 were categorised into two categories whereby value "1" represented those stating UK as the country of main residence and the value "2" representing all other answers. For those values that were missing because the respondents failed to provide an answer the value "-99" was used for missing answers. Also, for questions 9 (how many previous visits) and 13 (package components) another value named "-98" was added to represent the answers of respondents who did not need to answer these questions because of their answers in prior questions. Hence, the value "-98" was used for not applicable answers.

6.1.1 Data Transformation

Some variables had to be transformed either to increase the level of measurement to allow more powerful statistical analysis or to reverse negatively worded items in a scale. Similarly, new variables were computed by adding scores together from all the items on a scale [see appendix 10]. For instance, the variable 'age' was recoded into groups to allow comparison between various age groups. The variables in questions 15 and 16 were recoded to transform them from nominal to ordinal variables by coding the category 'don't know/don't answer' as missing. Also, the variables in questions 18 and 19 were transformed from nominal into ordinal by coding the categories 'no importance' and 'don't know/don't answer' respectively as missing whereas the negative worded items in questions 20 (q20b + q20d) and 22 were reversed so that the value "1" would represent the negative word and value "7" the positive word. Question 18 variables were also recoded into 'q182R' so that "1" would represent the lowest value and "12" the highest. Dichotomous variables such as 'gender', 'travelling with children' and 'first-time visitor' were recoded so that value "2" was coded "0" to enable multiple regression. In addition, variables in questions 4, 10 and 23 were transformed into dummy variables whereby subgroups were formed which took the values of "1" and "0" to indicate the presence and/or absence of a categorical effect.

Many researchers argue that it is necessary to exclude the missing values from the dataset. Otherwise, unbiased estimates can result especially when missing values are on the dependent variable (Howell, 2008). Several approaches exist that deal with missing values including casewise deletion and missing value replacement. However, neither is considered an appropriate approach as a bulk amount of data can be excluded or distorted (Allison, 2001). Missing values were not excluded in the data description as they were not random but rather incorporate the 'don't know/don't answer' category and the 'not applicable' category. In inferential statistics missing values were treated pairwise, except when multiple regression was used as suggested by Field (2005).

6.2 DATA ANALYSIS

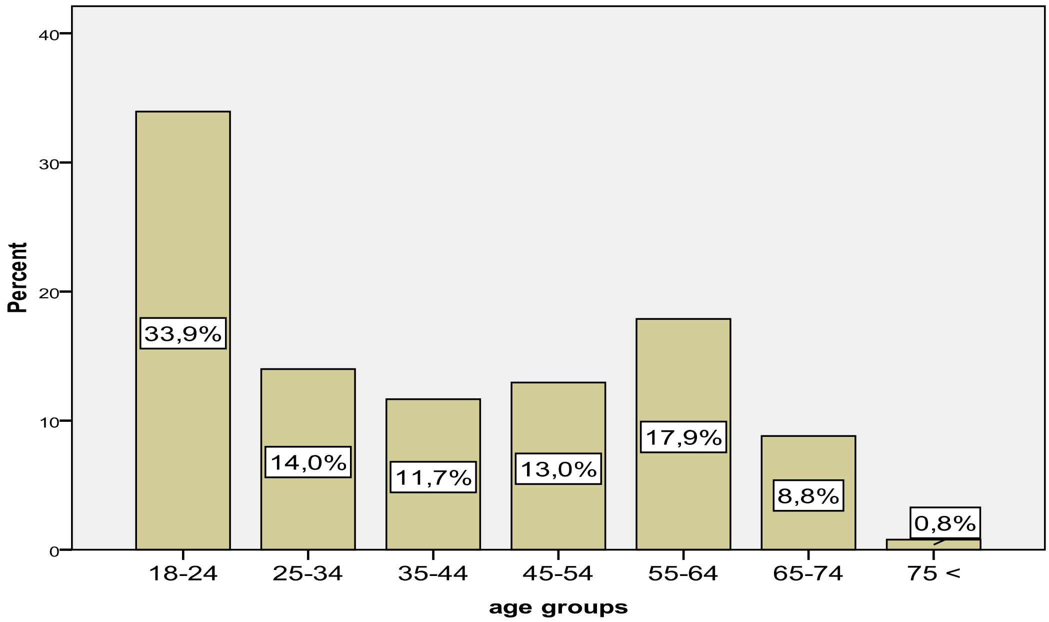
6.2.1 Descriptive Analysis

In this section an analysis of the data is being presented through a description of the data using frequency tables and central tendency measures, primarily the mean [see appendix 11]. In the following tables, charts and figures data numbers and percentages contain the ‘comma’ sign. This was the result of computer software which produced them in this way. In the text, however, the ‘period’ is used as a punctuation mark to represent percentages and mean values.

Frequencies are used to show the number and percentage of respondents belonging to each of the categories for the variable in question (Bryman, 2004). Hence, frequencies were calculated on several nominal and ordinal variables. Central tendency measures are statistical measures that reflect an average value for a variable (Henn et al, 2006). Depending on the measurement level of the data a specific test is chosen from the following three: mode, median and mean. The mode is the most basic measure of central tendency and refers to the value of a category most of the respondents have chosen. Hence, it is the most frequently occurring value (Field, 2005) and primarily used to measure nominal variables. The median is used to measure continuous variables and it represents the middle point in a distribution of values (Saunders et al , 2000) after the values have been rearranged from the lowest to the highest value. The most widely known measure is the mean which refers to the “average”. The mean is calculated by adding all the values together and dividing the figure by the total number of values (Bryman, 2004) and typically applies to scale variables. However, many behavioural researchers use the mean to measure ordinal variables with the justification that ordinal scales in behavioural science are somewhere between ordinal and interval scales. Although one concern is that the distance between the points on a Likert scale is not equal, several leading research studies use the mean to measure Likert scale data by stating that as long as the difference between ordinal scale ranks is not too variable the mean can be meaningful in measuring ordinal scales (Dawes, 2008). Hence, the mean is used in this study to measure and compare Likert scale data as well. In addition, to the mean the standard deviation is used to show how well the mean represents the data; a small standard deviation affirms a representative mean (Field, 2005). Other statistical measures are used to test the normality of distributions. These include skewness and kurtosis values. The first indicates the symmetry of the distribution whereas the second shows the 'pointyness' of a distribution (Field, 2005). Typically, a normal distribution would have 0 values of skewness and kurtosis; however, this is not always the case especially when scale variables are tested as ratings tend to be located towards one end of the scale. The standard error of skewness and kurtosis is also depicted in the tables below; these indicate the extent to which a sample differs from normal - the population - and is considered significant when the value is more than 2.

A frequency was calculated for the recoded variable 'age'.

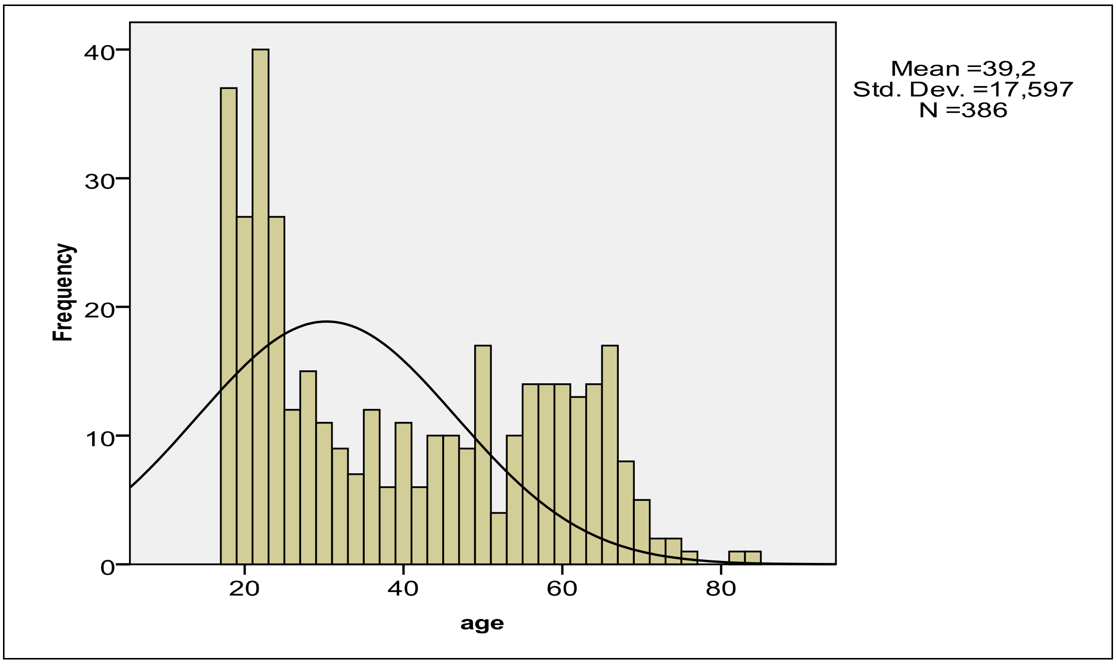
Figure 6.1: Age in Groups



As can be seen in the figure above, 47.9% of the 386 respondents who answered the question belong to the two youngest age groups (18 to 34) followed by the middle-aged groups of 45 to 64 (30.9%). Hence, it can be argued that approximately half of visitors who come to Cyprus are of a younger age, however, a significant proportion of visitors are middle-aged.

The following figure shows the mean and the standard deviation for the variable 'age'.

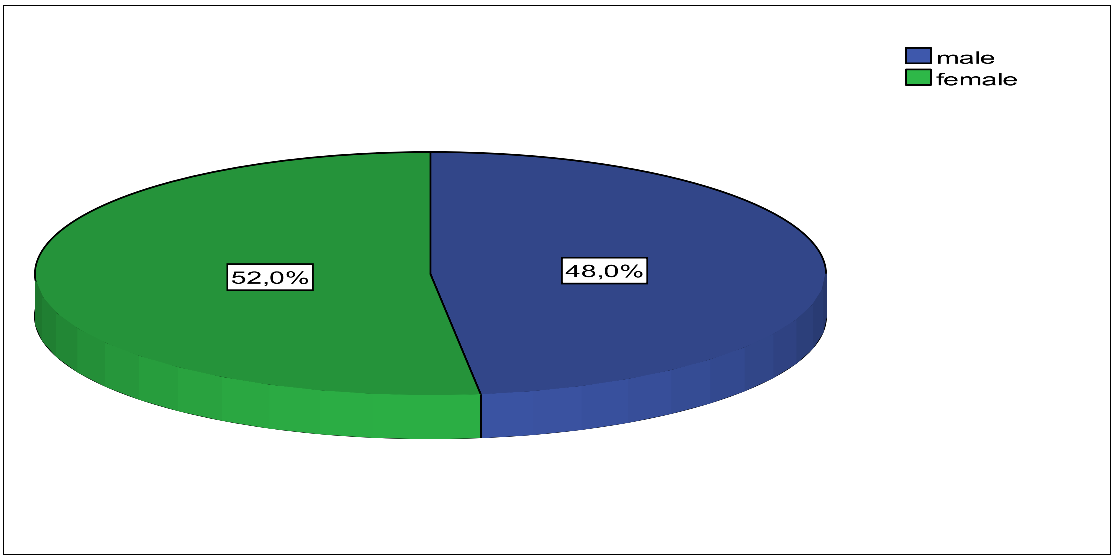
Figure 6.2: Histogram for Age



As can be seen in the histogram above, the mean value for age is 39.2 and the standard deviation 17.597. The large standard deviation in this test show that the age distribution is widely spread with 18 being the minimum age value and 83 the maximum. Similarly, the skewness was calculated at 0.343 and kurtosis was calculated at -1.297. Therefore, the distribution for age is positively skewed to the left with most respondents falling into the younger age group of 18 to 22. This is supported by the mode value which was calculated at 18. Moreover, the negative value for kurtosis indicates a rather flat distribution.

Figure 6.3 show the frequency for gender. One person failed to answer the question about gender. Of the remaining respondents 48% are male and 52% are female.

Figure 6.3: Gender



Similarly, in figure 6.4 the marital status of respondents is depicted. One respondent did not answer this question; of the remaining respondents 73.9% are either married or in a relationship followed by 23% being single. Also, 2.8% of the respondents who answered the question are divorced and 0.3% is widowed.

Figure 6.4: Marital Status

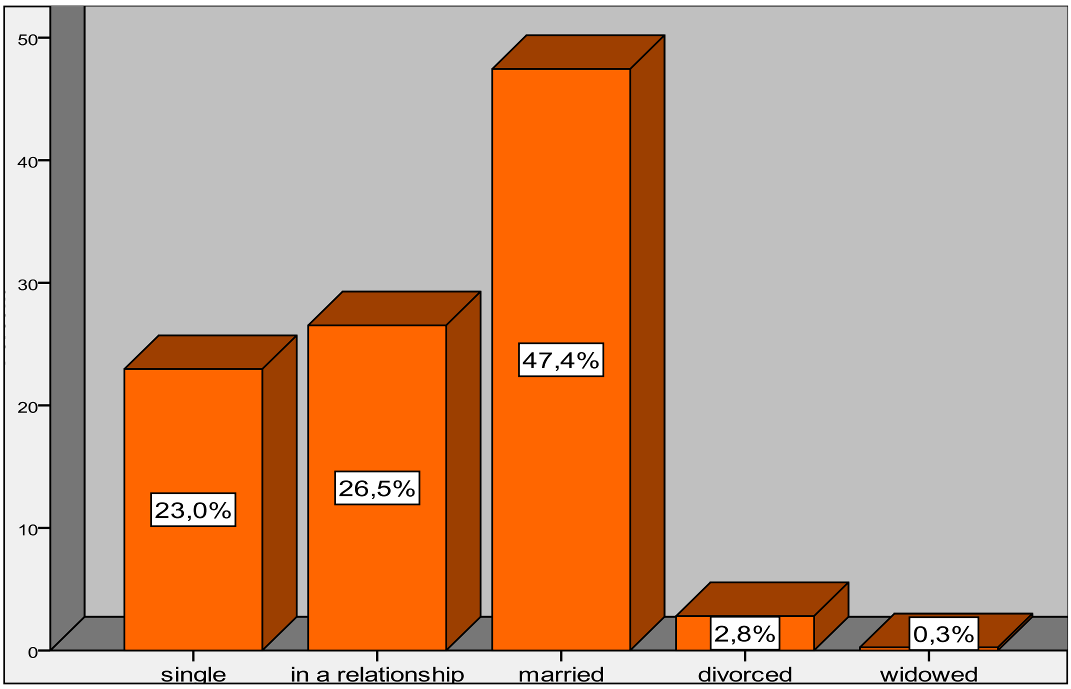


Figure 6.5 shows the answers of respondents to the question whether they have any children travelling with them. Two respondents failed to answer this question; of the remaining 391 respondents, 14.8% answered that they were accompanied by children on their travel while 85.2% answered negatively indicating that the majority of visitors to Cyprus although might be married or in a relationship are not travelling with children.

Figure 6.5: Children travelling

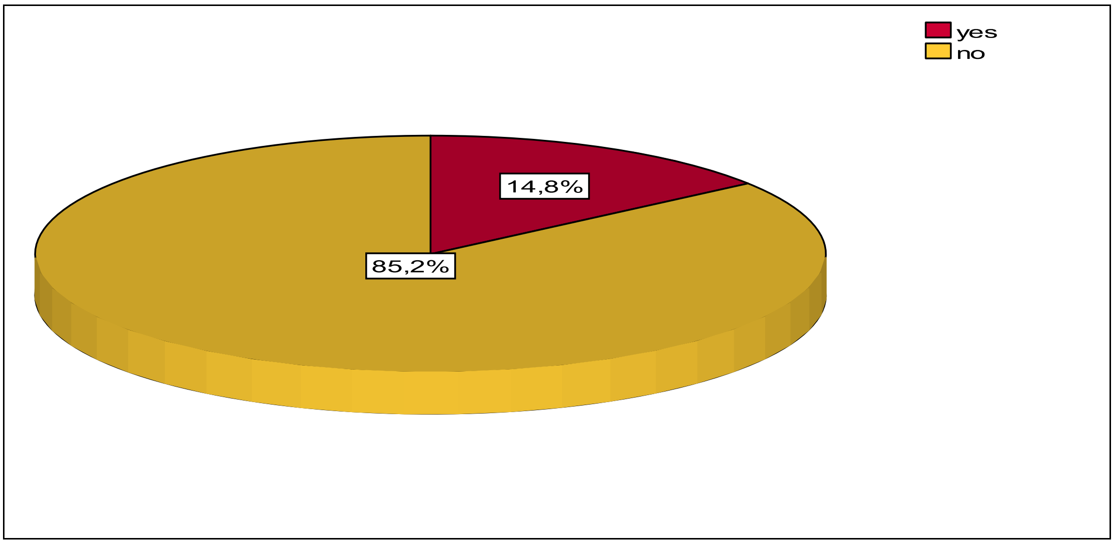
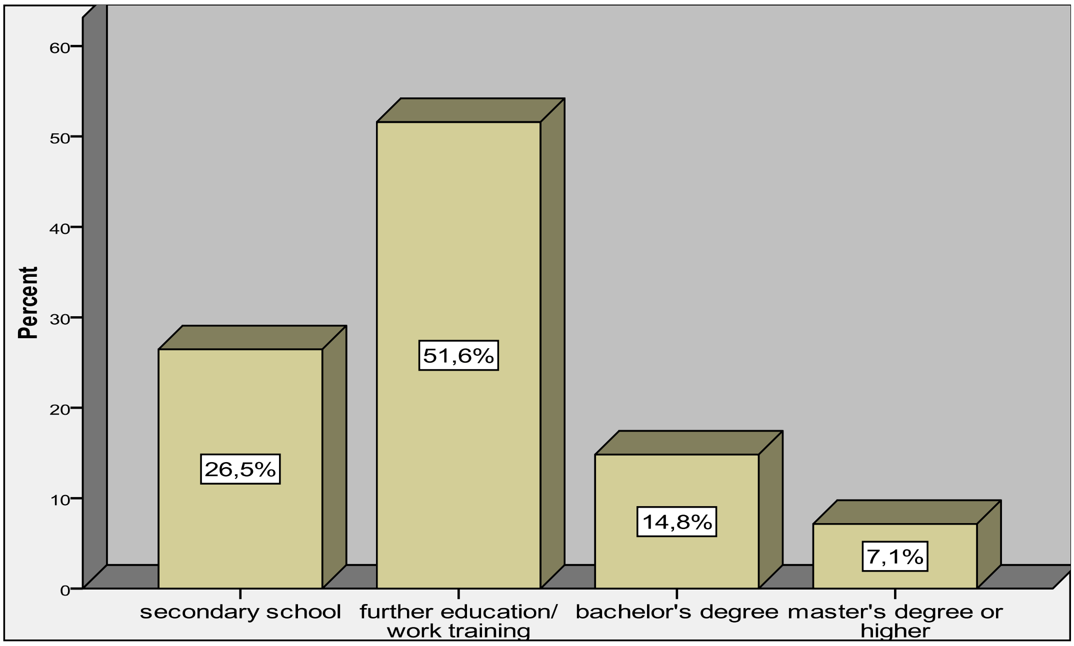


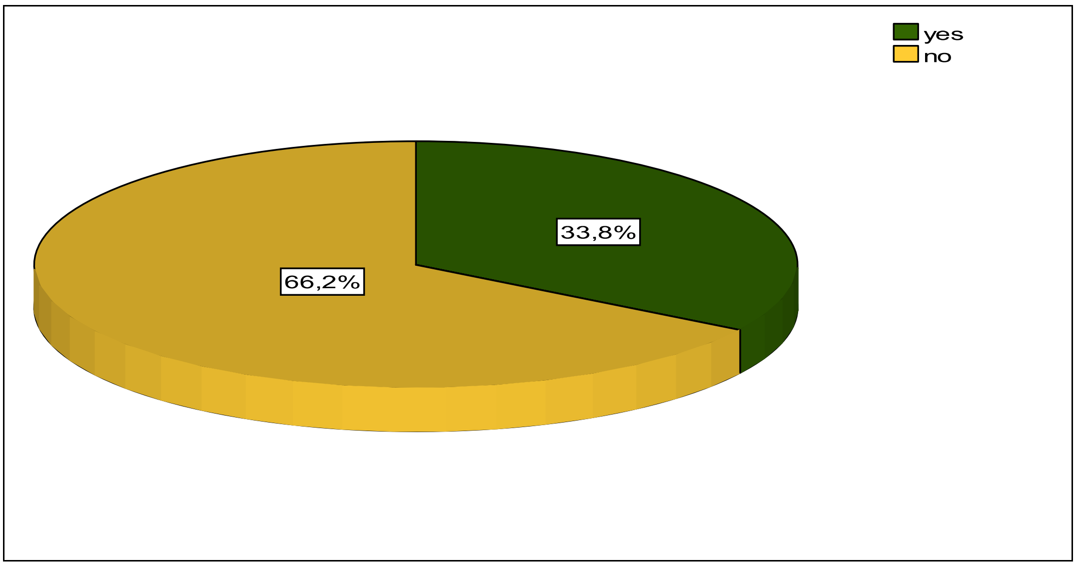
Figure 6.6 shows the educational level of respondents. Fifteen people did not answer the question about their educational level. It is assumed that due to the personal nature of the question some respondents chose not to answer it. Of the remaining 378 respondents 78% has reached up to further education or work training level, 14.8% had obtained an undergraduate degree whereas 7.1% stated that they had obtained a postgraduate degree indicating that the proportion of visitors holding a university degree is lower than those with basic education and/or training.

Figure 6.6: Educational Level



Country of usual residence was not measured as this was used as a screening question to ensure that all respondents reside in the UK. Question 8 asked respondents whether it was their first visit to Cyprus; 33.8% of respondents said 'yes' and 66.2% said that this was a repeat visit. The figure below illustrates this clearly:

Figure 6.7: First Visit to Cyprus



Those respondents answering positively to question 8 did not have to answer the next question that asked respondents to state how many previous visits to Cyprus they have made. Hence, 133 missing responses from the respondents that replied that this was their first time to Cyprus were recorded as not applicable. The next figure shows the percentage of the 260 respondents who are repeat visitors.

Figure 6.8: Number of Previous Visit to Cyprus

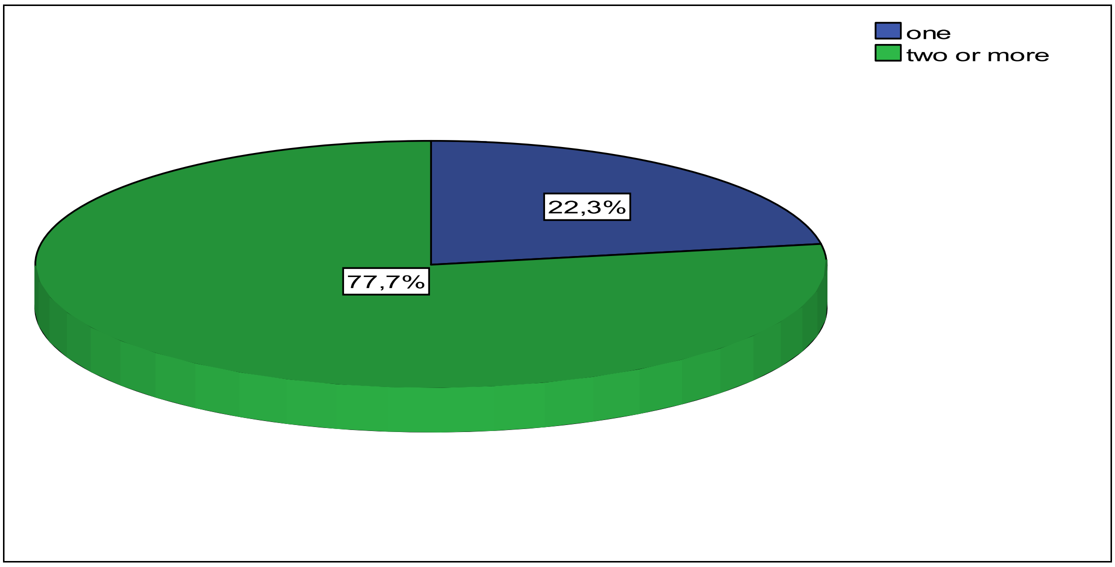
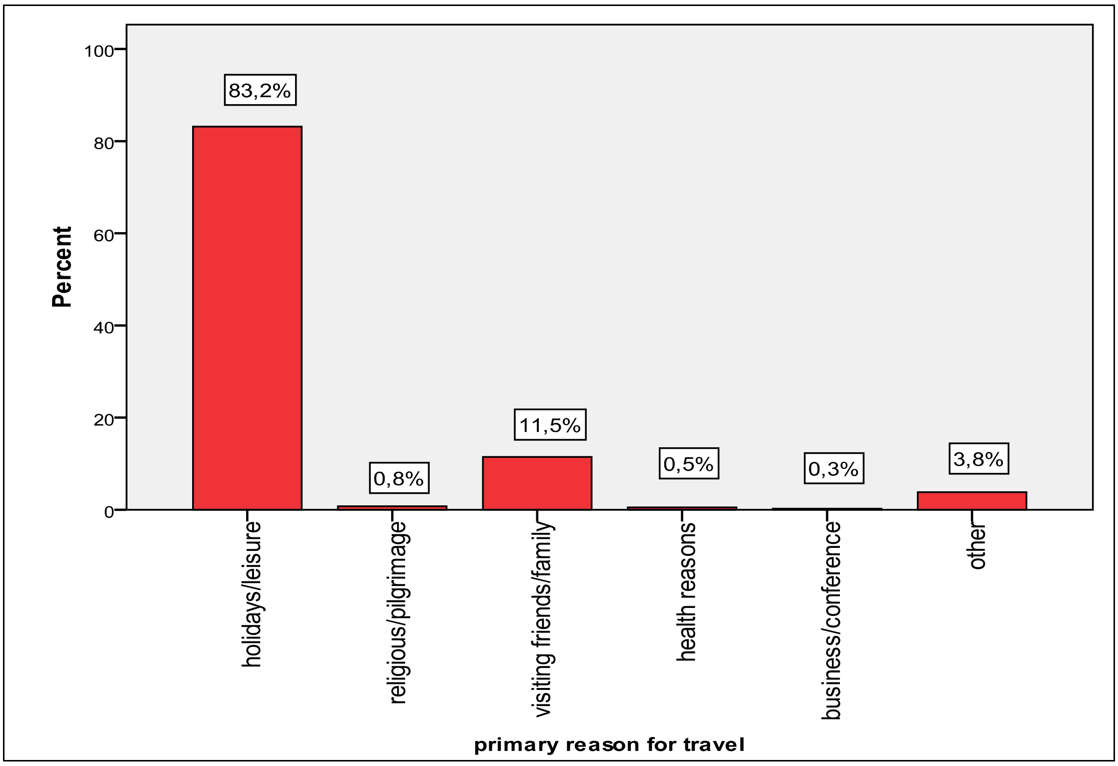


Figure 6.8 illustrates that 77.7% of respondents have visited Cyprus before more than once whereas 22.3% have made one visit to the destination before showing a high percentage of repeat visit.

Figure 6.9 illustrates the main reasons for travelling to Cyprus. With one missing value, 83.2% of the remaining respondents stated that they had visited Cyprus primarily for holidays or leisure purposes, another 11.5% said they visited the destination in order to visit friends and family whereas 3.8% selected 'other' as the main reason. Respondents were asked to give a description for the category 'other' whereby 67% said they visited Cyprus for a wedding with the remaining stating other reasons including honeymoon, partying and school trip. Hence, it can be concluded that the primary reason for travelling to Cyprus is leisure, followed by visiting friends and family and attending a wedding. Furthermore, it can be seen that

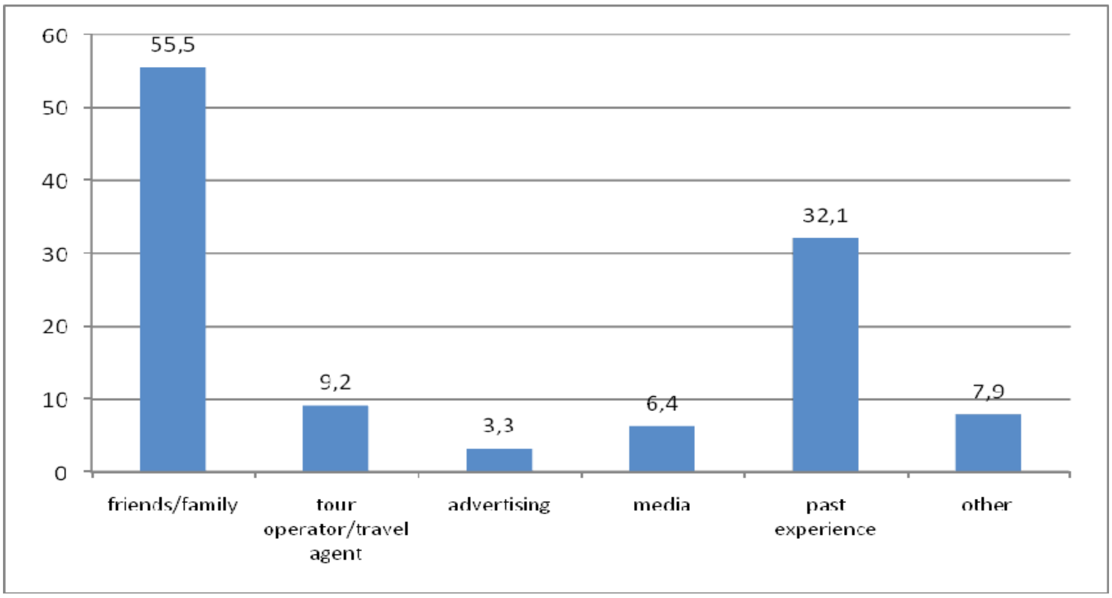
1.6% of respondents visited Cyprus for other purposes such as religious, health and business purposes.

Figure 6.9: Primary Reasons for Travel



In question 11 respondents had to select one or more variables that influenced their decision to travel to Cyprus. As this was a multi-response question each variable was treated separately and responses were categorised in the form of 'ticked' or 'not ticked'. Rather than obtaining a frequency table for each variable a grouping variable was formed using multiple response set. Then the data was inputted in Excel to represent it in graphical form. The figure below shows the number of responses in relation to the number of cases.

Figure 6.10: Factors influencing respondents' decision to travel to Cyprus



As can be seen in the figure above, friends and family (55%) influence respondents more in their travel decisions, followed by past experience (32.1%), tour operators/travel agents (9.2%) and other (7.9%) sources. On the other hand, induced information sources such as advertising (3.3%) and media (6.4%) are the least influencing factors in peoples' travel decisions.

The next figure shows the answer of respondents to the question whether they have travelled on a package tour:

Figure 6.11: Number of Respondents who travelled on a packaged tour

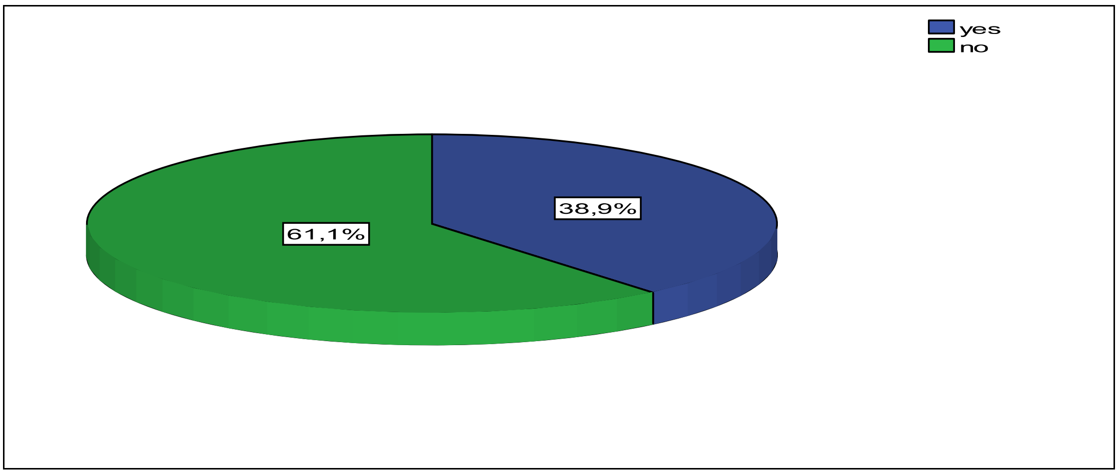
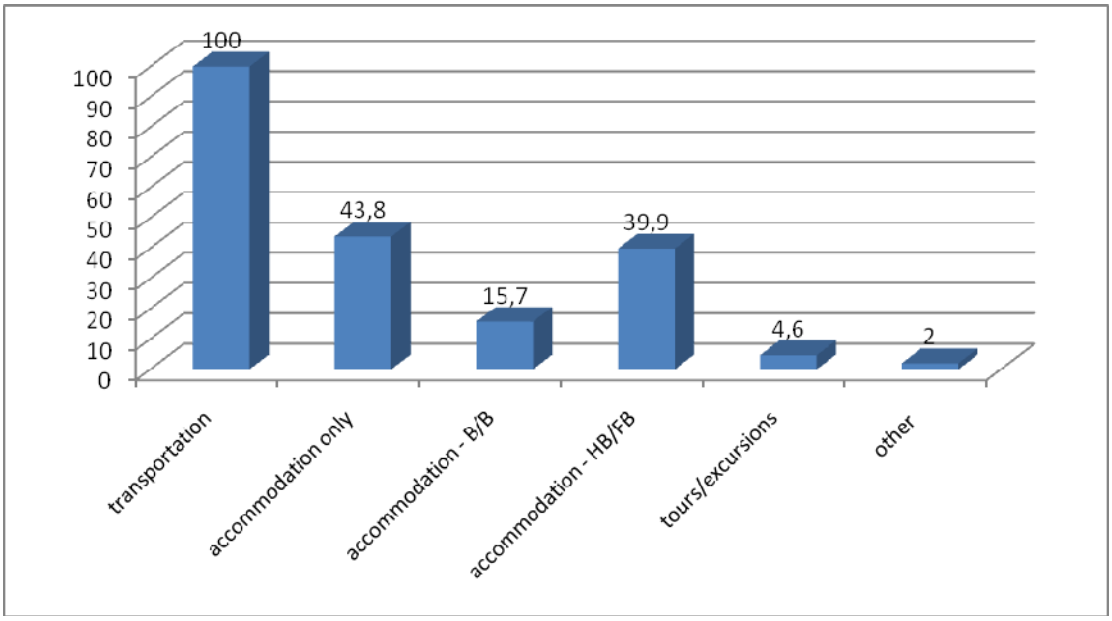


Figure 6.11 shows that 61.1% of respondents did not travel on a packaged tour confirming the trend of travellers choosing to make their own travel arrangements and/or travel individually.

Figure 6.12 illustrates the answer to question 13 whereby respondents travelling on a packaged holiday had to select the components of the package included. This question was answered only by those who answered positively to the previous question. The respondents answering negatively to question 12 did not have to give an answer for this question and hence the missing answer was coded as not-applicable with the answers to this question being derived from 153 respondents. As this was a multi-response question a grouping variable was formed whereby the responses given were shown as percentages of the number of respondents. A bar chart was formed in Excel using the percent of the cases answered.

Figure 6.12: Components of the packaged tour



All of the 153 respondents answering positively to question 12 selected 'transport from/to Cyprus' as a component of the package, followed by 'accommodation only' and 'HF/FB accommodation'. This shows that approximately 43.8% of respondents chose to stay in a self-catering accommodation establishment while 39.9% of respondents travelled on a HB/FB basis. A smaller percentage of respondents (15.7%) selected a 'B/B accommodation' type and 4.6% included 'excursions and tours' in their package. Approximately 2% of respondents selected the 'other' category and specified that they included 'transfers' in their package.

The following table illustrates the mean value for overall value for money and overall quality. A comparison of the two variables allows for the researcher to identify which variable was rated higher by respondents.

Table 6.1: Mean Value (Overall Value for Money & Quality)

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
rate Cyprus for overall value for money	393	1	7	4,40	1,427	-,183	,123	-,118	,246
rate Cyprus for overall quality	393	1	7	5,37	1,136	-,562	,123	,461	,246
Valid N (listwise)	393								

The mean value for overall value for money was calculated at 4.40 whereas the mean value for overall quality was calculated at 5.37 on a 7-point scale indicating that respondents rated Cyprus higher in terms of 'overall quality' than 'overall value for money'. The standard deviation are 1.427 and 1.136 for overall value for money and overall quality respectively; therefore, it can be said that the larger standard deviation for 'overall value for money' means that values are more dispersed than for 'overall quality'. The negative skewness (-0.562) value calculated for 'overall quality' is higher indicating a greater cluster of scores towards the right end of the distribution and hence higher ratings were given by respondents. Also, the negative kurtosis value (-0.118) for 'overall value for money' indicates a more flat distribution than for 'overall quality'.

The following table illustrates the difference in the total positive and total negative values for attributes in terms of 'value for money'. Rather than incorporating a figure for each separate variable category the total positive value was obtained by adding the 'very good' and 'good' values and the total negative value was calculated by adding the 'very bad' and 'bad' value. Then the negative value was subtracted from the positive value to obtain the difference and to see whether each attribute was rated positively or negatively. The table below allows for such a comparison by showing the percentage rate for each attributes in terms of value for money.

Table 6.2: Percentage difference between positive and negative scores (Value for Money)

	Positive total	Negative total	***Difference***
Restaurants	72%	5.1%	***66.9%***
Accommodation	61.5%	3.6%	***57.9%***
Natural environment	61.6%	4.1%	***57.5%***
Entertainment	55.2%	6.1%	***49.1%***
Activities offered	52.2%	5.6%	***46.6%***
Cultural attractions	49.7%	5.3%	***44.4%***
Shopping facilities	44.8%	11.2%	***33.6%***
Infrastructure	39.5%	7.2%	***32.3%***
Public transport	19.1%	7.4%	***11.7%***

The table above shows that the respondents rated destination attributes in terms of value for money positively. Specifically, the attributes that received the most positive rates were 'restaurants', 'accommodation facilities' and 'natural environment' whereas 'public transport', 'infrastructure' and 'shopping facilities' received the lowest positive rates. What is noticeable is that 'public transport' has a low rating percentage indicating that many respondents have not rated this attributes either positively or negatively. Indeed, for 'public transport' 55.2% of respondents selected the category 'don't know/don't answer'. The high percentage recorded for the 'don't know/don't answer' category implies that respondents have not used public transportation during their holiday in Cyprus and were unable to rate it according to value for money. This is true in several cases whereby people travelling in organised groups are offered transportation throughout their holiday as part of a pre-packaged holiday or when travellers choose to rent a car and travel around on their own.

Table 6.3 illustrates the difference in positive scores and negative scores for frequency for attributes in terms of 'quality'. Rather than incorporating a figure for each separate attribute a table was formed to allow for better comparison by showing the difference between the total of positive replies and total in negative replies. The table shows difference expressed as a percentage rate.

Table 6.3: Percentage difference between positive and negative scores (Quality)

	Positive total	Negative total	***Difference***
Restaurants	72.6%	2.3%	***70.3%***
Accommodation	63.8%	3.3%	***60.5%***
Natural environment	58.8%	5.4%	***53.4%***
Activities offered	53.6%	5.1%	***48.5%***
Entertainment	51.7%	3.1%	***48.6%***
Cultural attractions	48.3%	6.1%	***42.2%***
Shopping facilities	46.8%	7.9%	***38.9%***
Infrastructure	39.4%	7.9%	***31.5%***
Public transport	19.6%	9.9%	***9.7%***

As can be seen from the table above, all the destination attributes were rated positively overall with 'restaurants', 'accommodation' and 'natural environment' being rated the highest positive scores in terms of quality. On the other hand, 'public transport', 'infrastructure' and 'shopping facilities' were rated with the lowest positive scores. It is noticeable that 'public transport' has a small percentage of positive and/or negative replies; this is due to the fact that 50.9% of the respondents selected the 'don't know/don't answer' category. The reason for this might be the non-use of public transportation during their holidays in Cyprus which constitutes them unable to rate the attributes in terms of quality. It is also noticeable that respondents gave higher positive ratings in terms of quality for ‘accommodation’, ‘restaurants’, ‘activities offered’ and ‘shopping facilities’ indicating that they perceived these attributes more positively in terms of quality than value for money whereas respondents gave higher positive rating in terms of value for money for ‘public transport’, ‘infrastructure’, ‘natural environment’, ‘cultural attractions’ and ‘entertainment’. This shows that for these attributes respondents think quality is inferior to value for money.

This is supported by a comparison of the mean of variables as it allows the identification of the variables being regarded as most positive or most negative by respondents. The following tables compare the central tendency measures for each variable in the recoded questions 15 and 16 in order to establish which variable the respondents rated positively or negatively.

Table 6.4: Mean Value (value for money)

	public transport	accommodation facilities	natural environment	cultural attractions	activities offered	infrastructure	entertainment	shopping facilities	restaurants
N Valid	169	343	374	327	346	327	358	371	387
Missing	224	50	19	66	47	66	35	22	6
Mean	3,29	3,91	3,77	3,66	3,71	3,47	3,77	3,45	3,97
Median	3,00	4,00	4,00	4,00	4,00	3,00	4,00	3,00	4,00
Mode	3	4	4	4	4	3	4	3	4
Std. Deviation	1,060	,833	,825	,831	,841	,798	,916	,894	,897
Skewness	-,512	-,445	-,450	-,369	-,134	-,095	-,315	-,229	-,757
Std. Error of Skewness	,187	,132	,126	,135	,131	,135	,129	,127	,124
Kurtosis	-,025	-,022	,511	,284	-,455	,092	-,320	,018	,556
Std. Error of Kurtosis	,371	,263	,252	,269	,261	,269	,257	,253	,247
Minimum	1	1	1	1	1	1	1	1	1
Maximum	5	5	5	5	5	5	5	5	5

Higher values of mean represent more positive attitude towards variables. From the variables in question 15 ‘public transport’ (3.29), ‘shopping facilities’ (3.45), ‘infrastructure’ (3.47) and ‘cultural attractions’ (3.66) have the lowest values in mean. This indicates that overall respondents had neutral attitude towards these variables in terms of ‘value for money’. On the contrary, ‘restaurants’ (3.97), ‘accommodation facilities’ (3.91), ‘natural environment’ (3.77), ‘entertainment’ (3.77) and ‘activities offered’ (3.71) had the highest values in mean. This indicates that respondents have rated these variables more positively in terms of value for money. This is confirmed by the median value which is 4.00 for the highest rated variables in contrast to the lowest rated variables for which the median was calculated at 3.00. Similarly, the large standard deviation noted on ‘public transport’ suggests that there was more variation in respondents’ attitude in rating this variable. The distribution was found to be negatively skewed indicating a cluster of scores towards the highest values meaning that respondents rated the variables more positively whereas the negative kurtosis for some variables like ‘public transport’, ‘accommodation facilities’, ‘activities offered’ and ‘entertainment’ shows that the distribution is relatively flat. Missing values are not significant for each variable, however, a high percentage of responses are missing for ‘public transport’. This is because the ‘don’t know/don’t answer’ category was recoded as missing. However, the high percentage of missing values in this case could mean that respondents have not used any of the above mentioned variables and could not rate them accordingly. For instance, people staying with family and friends and/or people having not used public transport during their holiday in Cyprus.

Table 6.5 shows the mean for the recoded variables for question 16.

Table 6.5: Mean Value (Quality Level)

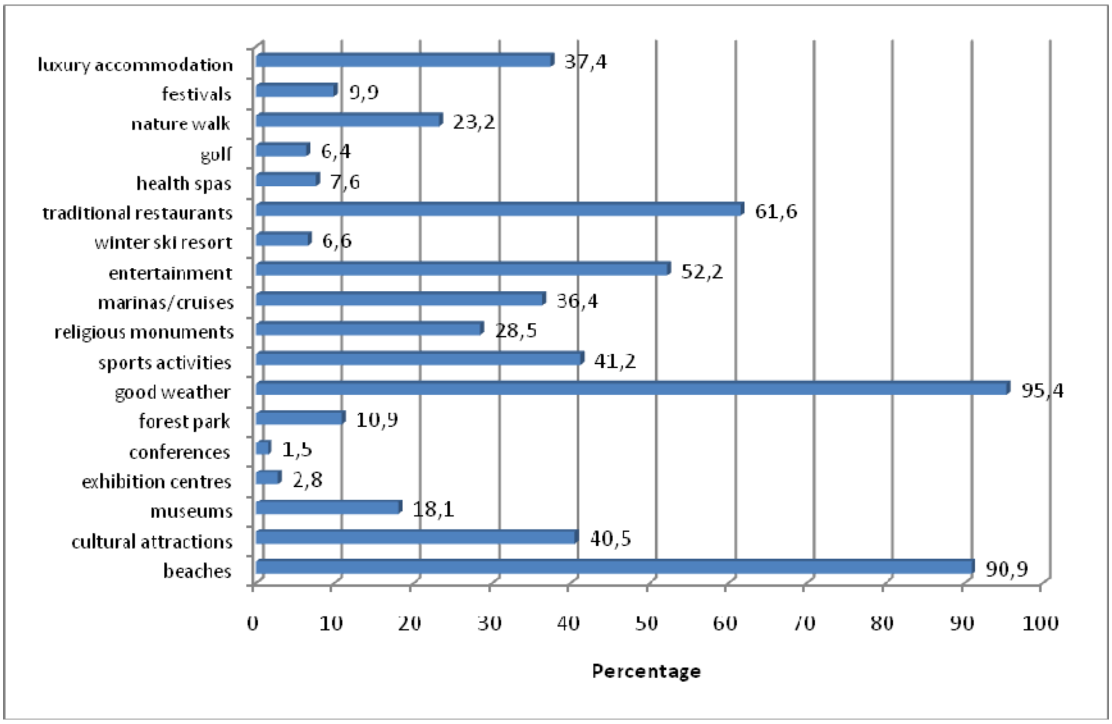
Statistics

		public transport	accommodation facilities	natural environment	cultural attractions	activities offered	infrastructure	entertainment	shopping facilities	restaurants
N	Valid	181	346	368	329	352	328	373	361	387
	Missing	212	47	25	64	41	65	20	32	6
Mean		3,17	3,93	3,75	3,66	3,69	3,46	3,53	3,73	4,01
Median		3,00	4,00	4,00	4,00	4,00	3,00	3,00	4,00	4,00
Mode		4	4	4	4	4	3	3	4	4
Std. Deviation		1,057	,824	,843	,859	,764	,812	,847	,886	,803
Skewness		-,565	-,558	-,322	-,242	,120	-,096	-,075	-,224	-,376
Std. Error of Skewness		,181	,131	,127	,134	,130	,135	,126	,128	,124
Kurtosis		-,235	,397	-,034	-,131	-,591	,005	-,080	-,241	-,372
Std. Error of Kurtosis		,359	,261	,254	,268	,259	,268	,252	,256	,247
Minimum		1	1	1	1	2	1	1	1	1
Maximum		5	5	5	5	5	5	5	5	5

A similar pattern whereby more than half of the responses are recorded as missing for the variable ‘public transport’; the reason for this is the recoding which preceded that included the ‘don’t know/don’t answer’ option as missing. Respondents who did not use ‘public transport’ during their stay were otherwise unable to rate the variable in terms of quality level. The lowest values in mean were given to ‘public transport’ (3.17), ‘infrastructure’ (3.46), ‘entertainment’ (3.53), ‘cultural attractions’ (3.66) and ‘activities offered’ (3.69) showing that respondents rated these variables relatively poorly compared to the rest. Conversely, ‘restaurants’ (4.01), ‘accommodation facilities’ (3.93), ‘natural environment’ (3.75) and ‘shopping facilities’ (3.73) were given the highest rating. Indeed, the mode for infrastructure and entertainment is 3 contrary to the rest variables which were more frequently rated with the value 4. A large standard deviation was calculated for ‘public transport’ (1.057) meaning that there was more variation in the values given by respondents for this variable. Also, the distribution was found to be negatively skewed for all the variables except ‘activities offered’ (0.120); this means that a cluster of scores towards the high end of the distribution exists whereas for ‘activities offered’ lower scores were recorded. A negative kurtosis was also recorded for all the variables except ‘accommodation facilities’ (0.397) and ‘infrastructure’ (0.005); the negative value indicates a flat distribution for these variables whereby extreme values were given whereas the positive value for accommodation facilities and infrastructure indicates a more peaked distribution. When compared some variables like ‘restaurants’, ‘shopping facilities’ and ‘accommodation’ were rated higher in terms of quality than value for money whereas others like ‘entertainment’, ‘infrastructure’, ‘activities offered’, ‘cultural attractions’, ‘natural environment’ and ‘public transport’ received higher rates in terms of value for money.

For question 17 a grouping variable was formed to deal with the issue of multi-response questions. The data were then inputted into Excel to form a bar chart. The figure below shows the number of responses relative to the number of respondents regarding the characteristics respondents think Cyprus has to offer as a destination.

Figure 6.13: Characteristics of Cyprus



As can be seen, the variables selected most by respondents were good weather (95.4%), beaches (90.9%), traditional restaurants (61.6%), entertainment (52.2%), sports activities (41.2%), cultural attractions (40.5%) and luxury accommodation (37.4%) followed by marinas/cruises (36.4%). The other variables including exhibition centres, conferences, health spas, golf and nature walks have not been selected as frequently by respondents indicating that despite CTO efforts to promote special interest tourism products based on such variables travellers cannot relate them to Cyprus as a destination. This also shows that the four main characteristics associated with Cyprus by respondents are good weather, beaches, traditional restaurants and entertainment; hence, characteristics that are primarily associated with sea/sun tourism. Therefore, it can be implied that respondents highly related Cyprus to the typical sea/sun destination.

Question 18 asked respondents to rank certain variables according to importance. Rather than creating a figure for each separate variable to indicate the number and percentage of responses to each variable the 3 most important scores for each variable were compared with the three least important scores. Hence, it was determined whether each variable was perceived either as important or not important.

Table 6.6: Destination Attributes ranked according to Importance

	3 most important	3 least important	*Difference*
Weather	85.3%	1.1%	***84.2%***
Accommodation	39.4%	1.8%	***37.6%***
Atmosphere	28.2%	3.6%	***24.6%***
Residents' friendliness	27.7%	6.8%	***20.9%***
Value for money	29.1%	8.9%	***20.2%***
Nightlife	28.5%	8.7%	***19.8%***
Service quality	14.5%	7.4%	***7.1%***
Availability of activities	13.3%	9.5%	***3.8%***
Scenery	15.6%	15.5%	***0.1%***
Transportation	2.6%	19.4%	***-16.8%***
Cultural attractions	6.1%	25.1%	***-19%***
Sports facilities	2.3%	25%	***-22.7%***

The table above shows that respondents rated 'weather', 'accommodation' and 'atmosphere' as the three most important variables whereas 'sports facilities', 'cultural attractions' and 'transportation' received the highest rates in terms of least importance. This is indicated by the negative figure which results as a difference between the total percentage calculated for the three most important and the total percentage calculated for the 3 least important. About 48.6% and 42.7% perceived 'sports facilities' and 'transportation' respectively as having no importance to them at all; this might be justified by the fact that their motives and/or holiday needs do not require either variable.

In the next table the mean value was calculated for the recoded question.

Table 6.7: Mean Value (importance)

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
activities availability	243	1	12	6,38	2,827	,049	,156	-,904	,311
scenery	271	1	12	6,68	3,154	-,177	,148	-1,151	,295
cultural attractions	245	1	12	8,19	3,042	-,511	,156	-,733	,310
nightlife	280	1	12	5,17	3,360	,340	,146	-1,094	,290
sport facilities	202	1	12	8,84	2,731	-,839	,171	-,058	,341
transportation	225	1	12	8,18	2,440	-,604	,162	-,094	,323
accommodation	313	1	11	4,06	2,136	1,018	,138	,642	,275
atmosphere	312	1	12	4,81	2,479	,693	,138	,001	,275
value for money	324	1	12	5,09	2,886	,653	,135	-,400	,270
weather	381	1	12	1,81	1,701	3,116	,125	11,699	,249
service quality	301	1	12	5,66	2,416	,689	,140	-,113	,280
Residents' friendliness	338	1	12	5,07	2,658	,680	,133	,018	,265
Valid N (listwise)	146								

In this case, '1' is the highest number and hence the variables that were rated as being most important for respondents include 'weather' (1.81), 'accommodation' (4.06), 'atmosphere' (4.81), 'residents' friendliness' (5.07), 'value for money' (5.09), 'nightlife' (5.17) and 'service quality' (5.66). The variables that were rated as least important are 'sports facilities' (8.84), 'cultural attractions' (8.19), 'transportation' (8.18.), 'scenery' (6.68) and 'activities availability' (6.38). Similarly, the smaller standard deviation of the variable 'weather' (1.701) suggests that there was less variation in values given for this variable contrary to the rest whose standard deviation is larger. Also, the skewness is negative for 'transportation' (-0.604), 'sport facilities' (-0.839), 'scenery' (-0.177) and 'cultural attractions' (-0.511) indicating a skew towards the right hand side of the scale which represents the lowest in importance rates. The positive kurtosis for 'accommodation' (0.642), 'atmosphere' (0.001), 'residents' friendliness' (0.018) and 'weather' (11.699) is indicative of a peaked distribution.

Question 19 asked respondents to rate several statements about Cyprus. Rather than calculating a figure for each separate variable to indicate the number and percentage of responses to each variable, a table was formed to allow for better comparison by showing the difference between the total of positive replies in terms of agreement and total in negative replies in terms of agreement.

Table 6.8: Agreement with statements of destination attributes

	Positive	**Negative**	***Difference***
Good weather	97.7%	0.3%	***97.4%***
Relaxed atmosphere	93.4%	1.3%	***92.1%***
Friendly people	87%	5.1%	***81.9%***
Excellent beaches	84.5%	4.6%	***79.9%***
Good service quality	78.6%	4.1%	***74.5%***
Quality accommodation	73.8%	4.3%	***69.5%***
Beautiful scenery	76.9%	7.6%	***69.3%***
Activities at night	72.5%	3.6%	***68.9%***
Activities during day	64.9%	3.6%	***61.3%***
Attractive towns	63.9%	7.4%	***56.5%***
Good sports facilities	43.8%	7.6%	***36.2%***
Good value	47%	30%	***17%***

As can be seen from the table above, the statements with which respondents agreed the most were that Cyprus has 'good weather', 'relaxed atmosphere' and 'friendly people' whilst they agreed least with the statements that Cyprus is of 'good value', that it has 'good sports facilities' and 'attractive towns'. This indicates that respondents think these variables are inferior and do not satisfy their expectations in terms of quality and/or value. No significant percentages were recorded for the 'don't know/don't answer' category although 'good sports facilities' were not rated by 19.1% of respondents indicating lack of knowledge and/or interest in this variable.

Table 6.9 shows the mean values for the recoded question 19 in which respondents had to show the extent of agreement with certain statements about Cyprus.

Table 6.9: Mean Value (agreement with statement)

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
beautiful scenery	370	1	5	3,89	,795	-1,161	,127	1,958	,253
friendly people	390	1	5	4,11	,820	-1,439	,124	3,332	,247
day activities	342	1	5	3,83	,715	-,709	,132	1,346	,263
evening activities	344	1	5	4,03	,759	-,863	,131	1,467	,262
excellent beaches	380	1	5	4,20	,818	-1,262	,125	2,210	,250
good sports facilities	272	1	5	3,65	,944	-,691	,148	,391	,294
relaxed atmosphere	381	1	5	4,33	,604	-,885	,125	3,044	,249
good weather	389	1	5	4,72	,501	-2,104	,124	7,566	,247
good value	379	1	5	3,21	1,164	-,296	,125	-,912	,250
attractive towns	360	1	5	3,71	,782	-,786	,129	,862	,256
good service quality	374	1	5	3,95	,742	-1,152	,126	2,935	,252
quality accommodation	355	1	5	3,96	,785	-1,157	,129	2,617	,258
Valid N (listwise)	231								

Table 6.9 illustrates that the respondents agreed less with the statements ‘good value’ (3.21), ‘good sports facilities’ (3.65), ‘attractive towns’ (3.71), lots of ‘activities during the day’ (3.83) and ‘beautiful scenery’ (3.89). Conversely, respondents seemed to agree more with the statements ‘good weather’ (4.72), ‘relaxed atmosphere’ (4.33), ‘excellent beaches’ (4.20), ‘friendly people’ (4.11), ‘lots of activities during the evening’ (4.03), ‘quality accommodation’ (3.96) and ‘good service quality’ (3.95). Similarly, the standard deviation was small except for the variable ‘good value’ (1.164) indicating that there is greater variation in respondents’ rates. Skewness is also negative for all the variables meaning that there is a cluster of scores towards the right end of the scale whereas kurtosis is positive except for the variable ‘good value’ (-0.912) which seems to have a more flat distribution.

Question 20 asked respondents to rate several bipolar descriptions about Cyprus. One represents the value related to the first descriptor; for example, in the first case 1 represents 'boring' and 7 represents 'exciting'. The table below shows the frequency and percentage rate for each variable as rated by respondents.

Table 6.10: Cyprus descriptors

Categories	Attributes									
	Boring – Exciting		Luxurious - Inferior		Common - Distinctive		Welcoming - Inhospitable		Unsafe - safe	
	No.	%	No.	%	No.	%	No.	%	No.	%
1	0	0	27	6.9	6	1.5	137	34.9	3	0.8
2	2	0.5	34	8.7	7	1.8	117	29.8	6	1.5
3	3	0.8	75	19.1	18	4.6	54	13.7	6	1.5
4	12	3.1	95	24.2	39	9.9	22	5.6	17	4.3
5	84	21.4	93	23.7	109	27.7	23	5.9	37	9.4
6	120	30.5	36	9.2	107	27.2	14	3.6	77	19.6
7	160	40.7	15	3.8	87	22.1	22	5.6	245	62.3
Missing	12	3.1	18	4.6	20	5.1	4	1.0	2	0.5
Total	393	100	393	100	393	100	393	100	393	100

No respondent rated Cyprus as being 'boring'; on the contrary 92.6% place it in the highest three categories of the scale towards the 'exciting' descriptor. The scale measuring luxurious-inferior was reversed on purpose and '1' represents the highest rate whilst '7' represents the lowest rate. Approximately 34.7% rated Cyprus as being 'luxurious' whereas 36.7% rated it as being 'inferior'. Also, it can be seen that 77% of respondents think Cyprus is 'distinctive' and 7.9% placing it towards the 'common' descriptor. The scale measuring welcoming-inhospitable was reversed on purpose and '1' represents the welcoming descriptors whilst '7' represents the inhospitable descriptor; hence, 78.4% describe Cyprus as a 'welcoming' destination with 15.1% describing it as an 'inhospitable' destination. Finally, 91.3% view Cyprus as a 'safe' destination with only 3.8% placing it towards the 'unsafe' descriptor. Overall, it can be concluded that respondents rated Cyprus higher in terms of safety, excitement and hospitality with distinctiveness and luxury receiving the lowest scores.

The mean was also calculated for each item in question 20.

Table 6.11: Mean Value (descriptors)

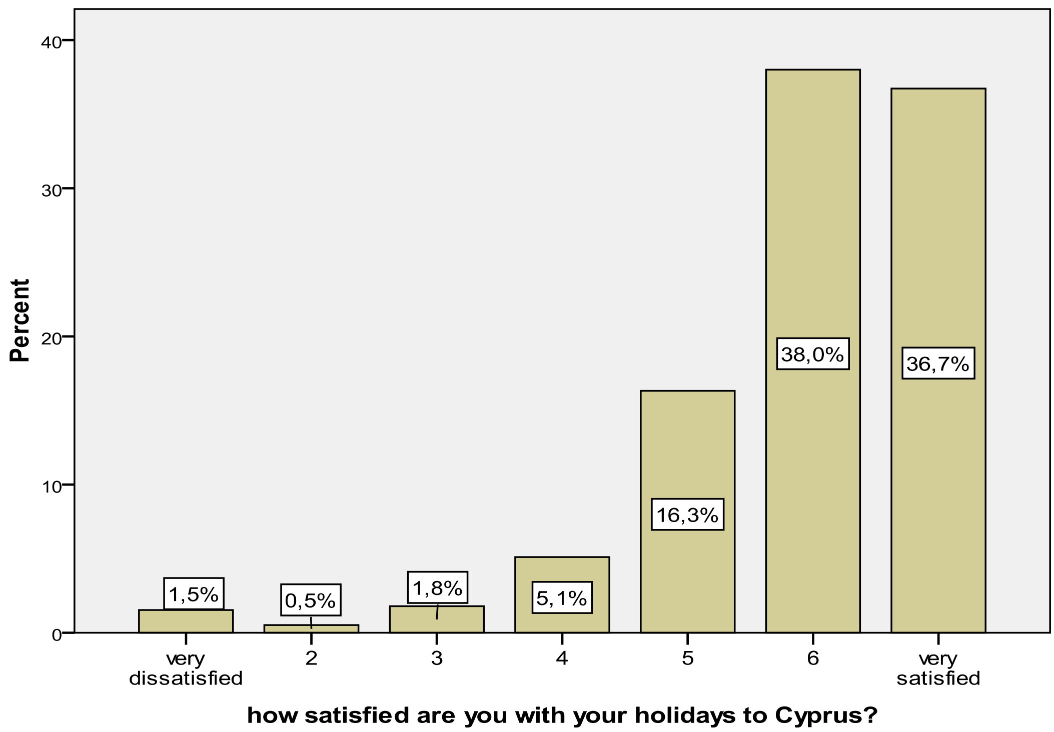
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
describe Cyprus (boring - exciting)	381	2	7	6,09	,957	-,982	,125	1,102	,249
describe Cyprus (common - distinctive)	373	1	7	5,43	1,327	-,961	,126	1,040	,252
describe Cyprus (unsafe - safe)	391	1	7	6,30	1,177	-2,126	,123	4,809	,246
describe Cyprus (inferior-luxurious)	375	1	7	4,04	1,486	,162	,126	-,429	,251
describe Cyprus (inhospitable-welcoming)	389	1	7	5,50	1,730	-1,278	,124	,716	,247
Valid N (listwise)	364								

The mean values reveal that respondents have a positive affective image of Cyprus as a destination. The highest values were for variables 'unsafe-safe' (6.30) and 'boring-exciting' (6.09) indicating that respondents rated Cyprus higher towards the 'safe' and 'exciting' end of the scale. The other variables have lower mean values indicating that respondents' image was less positive; the 'inferior-luxurious' variable scored the lowest mean meaning that respondents regard Cyprus as being neither inferior nor luxurious whereas 'common-distinctive' and 'inhospitable-welcoming' were rated relatively neutrally as well scoring a mean of 5.43 and 5.50 respectively. The standard deviation was smaller (0.957) for the variable 'boring-exciting' indicating that there was less variation in rates for these variables while skewness is negative of all variables except ‘inferior-luxurious’ (0.162). This shows that for all variables except ‘inferior-luxurious’ there is a cluster of scores towards the high end of the scale whereas for ‘inferior-luxurious’ there is a cluster of scores towards the negative end of the scale indicating that respondents regard Cyprus more ‘inferior’ than ‘luxurious’. Similarly, for all variables except ‘inferior-luxurious’ the kurtosis value (-0.429) is positive; this means that distribution is more peaked for these variables whereas for ‘inferior’ luxurious distribution is more flat.

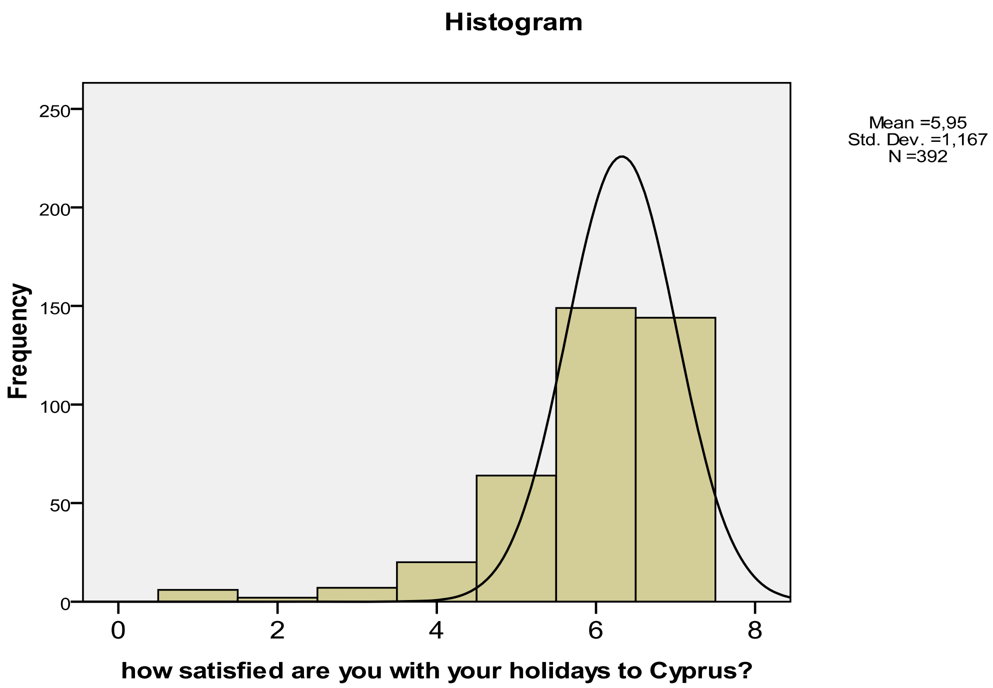
To question 21 which asked respondents to state whether they were satisfied with their holidays in Cyprus 91% answered that they were satisfied, 5.1% remained neutral and only 3.8% said they were dissatisfied.

Figure 6.14: Satisfaction Level



The following figure shows the mean value for satisfaction level:

Figure 6.15: Histogram for Satisfaction Level



The mean value for overall satisfaction was calculated at 5.95 indicating a positive rating of the variable satisfaction. The small standard deviation (1.167) also shows that there was little variation between values given by respondents whereas the histogram shows there is a cluster of scores towards the right end of the distribution indicating high satisfaction rates (skewness= -1.732). Similarly, the curve is relatively peaked (kurtosis= 4.188).

The items on the scale of question 22 were purposely reversed with '1' being the positive rate and '7' the negative rate; 76.6% of the respondents stated it is highly likely that they would whereas 17.7% stated they would not.

Figure 6.16: Likelihood of Repeat Visit

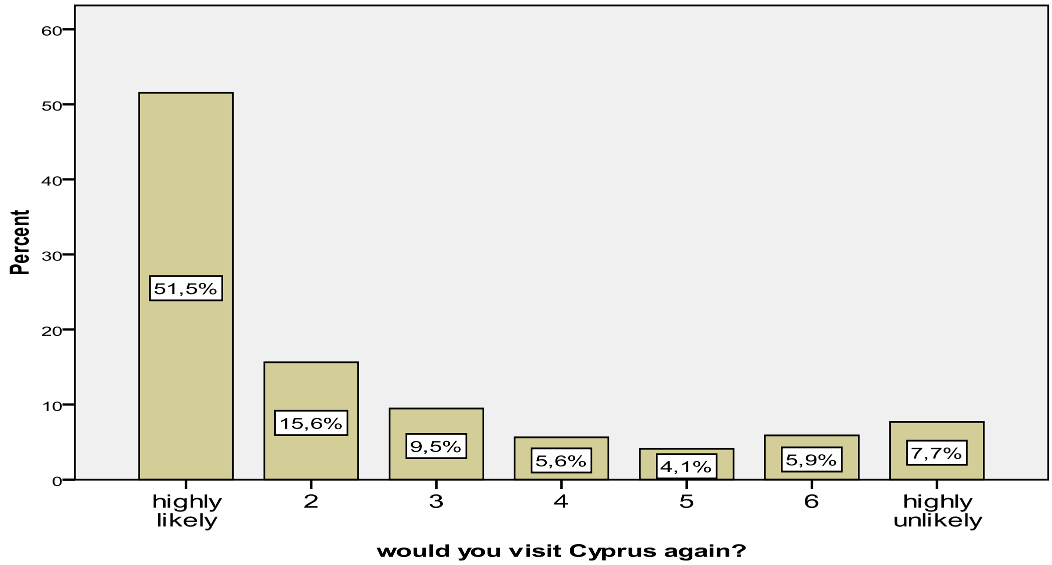
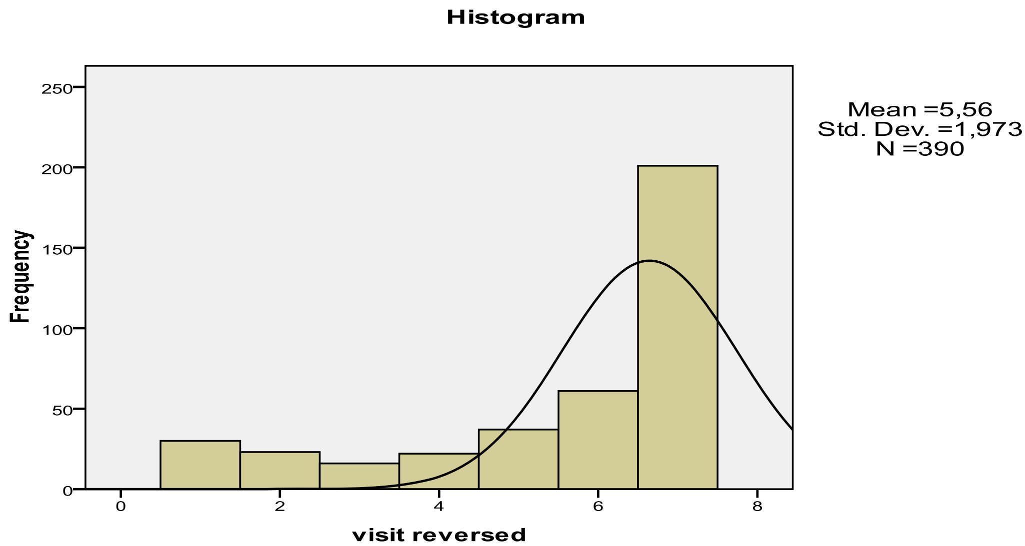


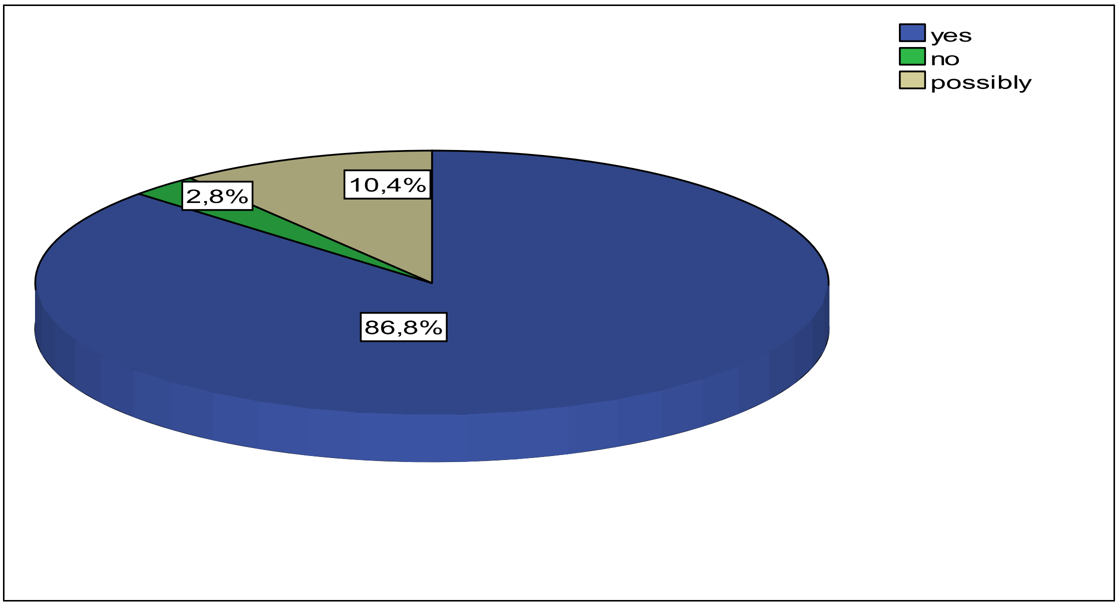
Figure 6.17 shows that the mean was calculated at 5.56 indicating high likelihood of respondents to visit Cyprus again with more than half of respondent stating they would most likely visit the destination again. This is also evident in the curve which is skewed to the right towards the high end of the scale (-1.230). The standard deviation (1.973) indicates the there is small variation in the values given by respondents which is also confirmed by the kurtosis (0.151) of the distribution as it is relatively peaked.

Figure 6.17: Histogram for Likelihood of Repeat Visit



To question 23 which asked respondents whether they would recommend Cyprus as a tourist destination 86.8% replied that they would recommend it, 2.8% said they would not and 10.4% said they might possibly recommend the destination to others.

Figure 6.18: Would you recommend Cyprus as a destination



The following table depicts the positively/negatively rated variables as shown in questions 15 and 16. As can be seen while ‘accommodation’, ‘natural environment’, ‘activities offered’ and ‘restaurants’ are rated positively in terms of value for money ‘public transport’, ‘cultural attractions’, ‘infrastructure’ and ‘shopping facilities’ are rated negatively. In terms of quality ‘shopping facilities’, ‘accommodation’, ‘restaurants’ and ‘natural environment’ are rated positively whilst ‘public transport’, ‘entertainment’, ‘cultural attractions’, ‘infrastructure’ and ‘activities offered’ are rated negatively.

Table 6.12: Positive/Negative Variables

	VALUE FOR MONEY	QUALITY
Positive	*accommodation *natural environment *activities offered *restaurants *entertainment	*shopping facilities *accommodation *restaurants *natural environment
Negative	*public transport *cultural attractions *infrastructure *shopping facilities	*public transport *cultural attractions *activities offered *infrastructure *entertainment

Source: Author

In table 6.13 the most important variables are ranked by respondents as follows.

Table 6.13: Most Important/Least Important

Destination Attributes	
Most Important	**Least Important**
*residents' friendliness *weather *accommodation *atmosphere *value for money *service quality *nightlife/entertainment	*cultural attractions *sports facilities *scenery *transport *availability of activities

Source: Author

Respondents ranked 'residents' friendliness', 'weather', 'accommodation', 'value for money', 'atmosphere', 'service quality' and 'nightlife/entertainment' as the most important attributes they are looking for in a destination whereas 'transportation', ‘scenery’, ‘availability of activities’, ‘sports facilities’ and ‘cultural attractions’ were regarded as the least important.

In the table below the degree of agreement is shown in terms of various statements about the destination:

Table 6.14: Agreement Degree

Destination Attitudes	
Disagreement	**Agreement**
*beautiful scenery	*good weather
*good sports facilities	*friendly people
*good value	*excellent beaches
*attractive towns	*relaxed atmosphere
*lots of day activities	*lots of evening activities
	*good service quality
	*quality accommodation

Source: Author

Respondents tend to agree more with statements that Cyprus has ‘good weather’ and ‘excellent beaches’, ‘friendly people’, ‘lots of activities to do in the evening’, ‘good service quality’ and ‘quality accommodation’. Also, they believe Cyprus has a ‘relaxed atmosphere’. On the other hand, they agree less with statements that Cyprus has ‘beautiful scenery’, ‘it is of good value’, it has ‘good sports facilities’, ‘attractive towns’ and ‘lots of activities to do during the day’. When compared with table 6.13 it can be seen that the variables respondents think are important in a destination are positively rated in table 6.14 except for ‘good value’ implying that better value for money is desired by tourists. Also, as can be seen in table 6.12 although ‘entertainment’ is positively rated in terms of value for money it is negatively rated in terms of quality; the same applies for ‘activities offered’. The only variables which are positively rated in terms of both value for money and quality are ‘accommodation’, ‘natural environment’ and ‘restaurants’.

6.2.1.1 Assessing Normality

A normal distribution represents a symmetrical, bell shaped curve which has the greatest frequency of scores in the middle, with smaller frequencies towards the extremes (Gravetter & Wallnau, 2000). Several of the distributions above, however, appear to be skewed either to the left or the right. According to Pallant (2001) this is normal with scales as it reflects the nature of the construct being measured, whereby respondents may rate the variables in questions at the two extremes of a scale representing either positive attitude towards the variables or negative attitudes. For example, satisfaction with one's holiday to Cyprus would most likely be skewed towards the high-end of the scale as most respondents were satisfied with their overall experience. Apart from skewness and kurtosis values another way to assess normality is to look at outliers. According to Field (2005) an outlier is a score very different from the rest of the data which may bias the model fitted to the data. Although outliers can be deleted from the dataset and/or transformed to reduce the impact of outliers (Pallant, 2001), in this research outliers were not deleted as they represent values given by respondents in their rating of certain variables and were deemed important representation of the data.

6.2.2 Inferential Analysis

Following the analysis of single variables, bivariate analysis is adopted. Bivariate analysis is concerned with the analysis of two variables at a time in order to uncover relationships and/or examine differences between groups. Cross tabulations are probably the most flexible method for analysing relationships (Bryman, 2004) as they allow the comparison between two variables by looking at their relationship. However, cross tabulations fail to show whether the relationship between two variables is statistically significant. Hence, the chi-square test is adopted to reveal whether there is a statistically significant association between two categorical variables (Saunders et al, 2000; Field, 2005). Cross tabulations and a chi-square test were used to measure various combinations of categorical variables. However, most of the combinations of variables related to the proposed questions of this research revealed that more than 20% of the expected frequencies are smaller than 5 (Hays, 1994). According to Bryman and Cramer (1999) the chi-square test is not a reliable test to use in this case and should not be adopted. Therefore, to explore the relationship and/or differences between a categorical and continuous variable the researcher had to adopt either:

a) parametric tests, such as the independent t-test and/or ANOVA, for attempting to establish a statistical significant difference in a continuous variable among two or more groups of a categorical variable or
b) non-parametric tests, such as Mann-Whitney U and/or Kruskal-Wallis H, for examining the difference in a continuous variable by two or more values in a categorical variable.

According to Pallant (2001) non-parametric tests are used when distributions do not appear normal, as often is the case when dealing with scales whereby sometimes scores are positively or negatively skewed. Although non-parametric tests are less powerful than parametric tests they are widely used to identify differences between means and/or compare differences between independent groups. Sometimes they are referred to as distribution-free tests, in that they do not make any assumptions about the distribution of the data; however, this belief is wrong as they do make distributional assumptions only less restrictive ones (Field, 2005). According to Gibbons (1993) non-parametric tests are considered more appropriate for Likert-scale data. However, when Likert item scores are summed they can be treated as interval variables measuring a latent variable and parametric tests can be used provided that the variables are normally distributed (Labovitz; 1970; Glass et al, 1972; Lubke and Muthen, 2004). Hence, in this research parametric tests were used to test the hypotheses.

In addition, correlation was used to explore relationships between two variables. Where ordinal variables were involved Spearman's Rank correlation was used and where continuous variables were tested Pearson's correlation was adopted.

6.2.2.1 Exploring differences between groups

An independent t-test is used when the mean scores for two groups of subjects must be compared on a continuous variable (Pallant, 2001). Independent t-tests were conducted to explore the differences in mean scores of a continuous variable between two levels of a categorical variable. Similarly, ANOVA is a useful tool for establishing differences between groups (Pallant, 2001). Analysis of variance was carried out to explore the differences in the mean scores on the dependent variable across several groups. It involves one independent, categorical variable with many levels and one dependent continuous variable. Multivariate analysis of variance was also used to examine the difference in means between two or more continuous variables and two or more categorical variables with two or more levels. A MANOVA is essentially an extension of the analysis of variance using more than one dependent variable.

6.2.2.2 Exploring relationships

To explore the relationship between continuous variables correlation was used. Correlation coefficients can show the strength and direction of a relationship between two variables whereby a value of -1 indicates a perfect negative relationship, 0 indicates an unpatterned relationship and 1 indicates a perfect positive relationship (Bryman, 2004). The closer the correlation coefficient is to either -1 or 1 the stronger the relationship between the variables is whereas the minus or plus sign indicates whether the relationship is a positive or negative one (Saunders et al, 2000). Although one variable can be used to predict another the establishment of correlation does not imply causation between variables. This research adopts the consensus suggested by Henn et al (2006) that:

- Between 0 and 0.2: No to weak association
- Between 0.2 and 0.4: Weak to moderate association
- Between 0.4 and 0.6: Moderate to strong association
- Between 0.6 and 0.8: Strong to very strong association
- Between 0.8 and 1.0: Very strong to perfect association

The confidence level was set at 95% except where stated.

Multiple regression was also used to explore the relationship between a set of independent variables and a dependent variable (Pallant, 2001).

6.2.2.3 Relationship Establishment

According to several scholars (Burgess, 1978; Holbrook, 1981; Ward and Russel, 1981; Zimmer and Golden, 1988; Walmsley and Jenkins, 1993, Gartner, 1993; Baloglu and Brinberg, 1997) destination image consists of three interrelated components: a) the cognitive which is based on the perception people have of destination attributes, b) the affective which is based on the feelings a person has of a destination and c) the conative which is formed from the evaluations of the previous two components and refers to the behaviour of people [chapter 4; figure 4.2]. Hanyu (1993) suggested that affective refers to the appraisal of the affective quality of environments whereas the perceptual quality refers to the appraisal of physical features of environments. Therefore, to measure the cognitive component the questionnaire asked respondents to rate 12 statements regarding destination attributes. The measurement of these statements and the perceptual items selected to form the scales were based on a review of previous literature on destination image (Echtner and Ritchie, 1991, 1993; Gartner, 1993; McKay and Fesenmaier, 1997; Chen and Kerstetter, 1999). Similarly, respondents had to rate 5 bipolar scales measuring the affective component; the affective image evaluation was based on previous studies (Russel and Pratt, 1980; Baloglu and McCleary, 1999). These items (in questions 19 and 20) were factor analysed using principal component analysis with varimax or oblique rotation procedure in order to derive the cognitive and affective image components. In question 19 three factors with an eigenvalue greater than 1 were retained. Examination of the scree plot supported the conclusion of a three-component solution. The three factors accounted for approximately 57% of the item variance (36.8%, 11.6% and 8.9% respectively). Following, three variables were created whereby the first represents the ‘attractiveness’ of the destination by summarising evaluations of the environment and hospitality, the second represents an aura of ‘activity’ as it summarising evaluations of outdoor activities and the third represents the typical ‘holiday’ as it summarising evaluations of sea and having fun. Similarly, in question 20 one factor with an eigenvalue greater than 1 was retained. Slightly more than 39% of item variance was explained by this factor and a variable was created which represents the ‘holistic’ evaluations of the affective image. The factor loadings on each variable can be seen in appendix 12 with values higher than 0.4 highlighted in bold.

The first test performed aimed to identify the difference – if any – in the cognitive and affective image in terms of purpose of visit. An ANOVA was conducted for the three components of the cognitive image and for the affective image component. Subjects were divided into 6 groups according to the purpose of visit. There was a statistically significant difference $p<.05$ in the first component of the cognitive image representing 'attractiveness' of the destination for the 6 groups [$F(2, 225)=2.5$, $p=.029$]. No violation in the assumption of homogeneity of variance has been made. The effect size for the first component, calculated using eta squared, was .05 indicating a medium effect. Hence, 5% of the variance on the first component of the cognitive image can be explained by the purpose of visit. Post hoc tests could not be calculated because at least one group had fewer than two cases. Nevertheless, the means plot showed that those travelling 'for business' had the lowest score in the first component of the cognitive image whilst those travelling for 'religious purposes' had the highest score, followed by those travelling for 'other' and 'leisure purposes'. Similarly, a statistical difference at the $p<.05$ in the affective image component was found for the 6 groups [$F(4, 357)=2.4$, $p=.036$]. The effect size, calculated using eta squared, was 0.03 indicating a small effect. However, in large samples ($N=363$) even small differences can be statistically significant (Pallant, 2001).

In order to investigate the relationship between the cognitive and affective image of Cyprus and the destination attributes as ranked by respondents in terms of importance the Spearman's Rho correlation coefficient was calculated. The following table shows the correlation coefficient for the attributes ranked according to importance as related to the cognitive and affective image.

Table 6.15: Correlation Coefficients

	COG1	COG2	COG3	AFF
Availability of activities				
Correlation Coefficient	-0.015	0.076	0.135	***-0.166*
Sig (2-tailed)	0.858	0.351	0.094	0.012
Scenery/nature				
Correlation Coefficient	0.065	-0.134	**-0.175*	-0.060
Sig (2-tailed)	0.406	0.088	0.025	0.338
Cultural attractions				
Correlation Coefficient	0.116	-0.093	-0.064	-0.062
Sig (2-tailed)	0.155	0.254	0.433	0.344
Nightlife/entertainment				
Correlation Coefficient	***-0.298*	0.133	0.121	-0.026
Sig (2-tailed)	0.000	0.064	0.093	0.671
Sports facilities				
Correlation Coefficient	**0.167*	0.057	-0.033	**-0.182*
Sig (2-tailed)	0.047	0.501	0.699	0.012
Transportation				
Correlation Coefficient	***-0.263*	0.042	-0.091	***-0.222*
Sig (2-tailed)	0.001	0.611	0.267	0.001
Accommodation				
Correlation Coefficient	0.126	0.066	-0.028	0.003
Sig (2-tailed)	0.073	0.350	0.690	0.963
Atmosphere				
Correlation Coefficient	0.123	-0.103	-0.019	0.108
Sig (2-tailed)	0.087	0.155	0.792	0.064
Value for money				
Correlation Coefficient	-0.125	0.155	-0.012	-0.014
Sig (2-tailed)	0.077	0.103	0.863	0.806
Weather/climate				
Correlation Coefficient	**0.137*	-0.059	0.033	0.083
Sig (2-tailed)	0.041	0.382	0.626	0.119
Service quality				
Correlation Coefficient	0.053	-0.009	-0.116	**0.141*
Sig (2-tailed)	0.475	0.899	0.115	0.017
Residents' friendliness				
Correlation Coefficient	***0.189*	-0.106	-0.137	0.083
Sig (2-tailed)	0.007	0.131	0.051	0.142

* Correlation significant at the 0.05 level (2-tailed)

**Correlation significant at the 0.01 level (2-tailed)

All of the attributes have a relatively weak relationship with both the cognitive and the affective image components. A statistically significant positive relationship was found between the first component of the cognitive image and 'residents' friendliness', 'sports facilities' and 'weather' with the component having a statistically significant negative relationship with 'transportation' and 'nightlife/entertainment'. No statistically significant relationship was found for the second component whereas for the third component of the cognitive image a statistically significant negative relationship was found with ‘scenery/nature’. Similarly, the affective component was significantly and positively related with ‘service quality’ and negatively related with ‘transportation’, ‘sports facilities’ and ‘availability of activities’. A negative relationship means that as the value of the attributes increases the value for the cognitive/affective image components decreases; hence, the more important respondents think these attributes are the less favourable their cognitive/affective evaluations. Similarly, a positive relationship indicates that the more important respondents think destination attributes are the more favourable their cognitive/affective evaluations.

To identify the differences and/or association between several demographic factors of respondents and the cognitive and affective image components a stepwise multiple regression was undertaken to explore the cognitive and affective image components as the dependent variables.

Table 6.16: Multiple Regression Coefficients

COG1	B	SE B	β	R^2	Sig.
Model 1					
Constant	-0.435	0.158			
Age	0.012	0.004	0.197	0.039	*0.003*
COG2					
Model 1					
Constant	0.295	0.155			
Age	-0.009	0.004	-0.144	0.021	*0.034*
COG3					
Model 1					
Constant	0.571	0.273			
Gender	-0.260	0.137	-0.130		
Travel with children	0.001	0.193	0.000		
Educational level	-0.004	0.087	-0.003		
Marital status (widowed)	-0.198	0.171	-0.090		
Age	-0.011	0.005	-0.176	0.041	0.106
AFF					
Model 1					
Constant	-0.015	0.212			
Age	0.003	0.003	0.061		
Gender	-0.168	0.101	-0.085		
Educational level	-0.044	0.064	-0.038		
Marital status (widowed)	0.149	0.145	0.065		
Travelling with children	-0.044	0.153	-0.016	0.013	0.498

*significance level = ($p<0.05$)

Age was the only statistically significant predictor of the first component of the cognitive image although it accounts for only 3.9% of variance in the cognitive image component. Similarly, for the second cognitive image component age was the only predictor with a small effect of 2.1% on the variance of the dependent variable. However, the coefficient shows that as age increases the perception of the second cognitive component falls by 0.009. Despite a statistically significant correlation between the variables their influence on the cognitive image components is small. No statistically significant correlation was found between the independent variables and the third cognitive component and affective image.

Also, a stepwise multiple regression was undertaken to explore the influence of the information source types as independent variables on the dependent variables of cognitive and affective image.

Table 6.17: Multiple Regression Coefficients

COG1	B	SE B	β	R^2	Sig.
Model 1					
Constant	-0.117	0.078			
Past Experience	0.385	0.141	0.178	0.032	*0.007*
COG2					
Model 1					
Constant	0.177	0.197			
Friends/family	-0.173	0.195	-0.086		
Travel agent	0.071	0.266	0.021		
Advertising	0.290	0.392	0.056		
Media	-0.186	0.254	-0.055		
Past experience	-0.247	0.204	-0.114		
Other	-0.052	0.278	-0.014	0.013	0.815
COG3					
Model 1					
Constant	-0.050	0.068			
Travel Agent	0.522	0.222	0.154	0.024	*0.019*
AFF					
Model 1					
Constant	-0.071	0.063			
Past experience	0.234	0.113	0.108	0.012	*0.040*
Model 2					
Constant	-0.097	0.064			
Past experience	0.254	0.113	0.117		
Advertising	0.591	0.292	0.106	0.023	*0.016*

*significance level = ($p<0.05$)

As can be seen in the table above, 'past experience' was the only variable that influenced the first cognitive image component explaining 3.2% of the variance. No statistically significant relationship was found between information source types and the second cognitive image component whereas the variable 'travel agent' influenced the third cognitive image component by accounting for 2.4% of the variance. Similarly, for the affective image in the first model 'past experience' accounted for 1.2% of the variance and in the second model 'advertising' was added accounting for an extra 1.1% in variance. Therefore, despite a statistically significant correlation between the variables their influence on the cognitive and affective image components is small. A comparison of the coefficients reveals that 'past experience' leads to an increase in the affective image by 0.254 whereas 'advertising' is more powerful in influencing the affective image of tourists by 0.591. This indicates that 'advertising' is more powerful in influencing the affective image.

In addition, a MANOVA was used to identify the mean differences between the two levels of a categorical variable across three dependent continuous variables: overall value for money, overall quality and satisfaction level. Preliminary assumption testing was conducted to check for normality and homogeneity of variance-covariance matrices. According to Field (2005) there is no way to check for multivariate normality so univariate normality for each dependent variable was performed using the Kolmogorov-Smirnov and Shapiro-Wilk tests. Although it was found that normality was violated no other serious violations were noted and the test was carried out. As the sample used was large the MANOVA was considered robust and the assumption of normality not upheld (Pallant, 2001). There was no statistical difference between first-time visitors and repeat visitors on the combined dependent variables: $F(3,388)= .51$, $p= .676$; Wilks' Lambda= .99; partial eta squared= .00. Hence, it can be concluded that there is no significant statistical difference between first-time and repeat visitors in terms of overall value for money, overall quality and satisfaction level.

An independent t-test was conducted to explore the difference in the likelihood of returning between those travelling on a packaged holiday and those travelling individually. There was no difference in likelihood of return between those travelling on a packaged holiday ($M=5.49$, $SD=1.90$) and those who did not [$M=5.61$, $SD=2.02$; $t(388)= -0.57$, $p= .572$]. The magnitude of the difference in means was very small (eta squared= .00). Hence, it is concluded that there is no significant statistical difference between those travelling on packaged holiday and those who did not in terms of likelihood of return.

Moreover, a stepwise multiple regression was performed to explore the relationship between the independent variables (package components) and the dependent variables of cognitive and affective image.

Table 6.18: Multiple Regression Coefficients

COG1	B	SE B	β	R^2	Sig.
Model 1					
Constant	0.268	0.124			
Accommodation only	-0.365	0.176	-0.205	0.042	*0.040*
COG2					
Model 1					
Constant	-0.497	0.970			
Accommodation only	0.352	0.980	0.182		
Accommodation B/B	0.692	1.014	0.224		
Accommodation HB/FB	0.457	0.983	0.229		
Excursions	0.331	0.529	0.067		
Other	1.142	0.748	0.165	0.056	0.357
COG3					
Model 1					
Constant	-0.120	1.039			
Accommodation only	0.386	1.959	0.184		
Accommodation B/B	-0.279	1.087	-0.083		
Accommodation HB/FB	0.101	1.054	0.047		
Excursions	-0.942	0.567	-0.176		
Other	0.476	0.801	0.064	0.077	0.178
AFF					
Model 1					
Constant	-0.342	0.944			
Accommodation only	0.272	0.952	0.145		
Accommodation B/B	0.326	0.969	0.121		
Accommodation HB/FB	0.448	0.953	0.237		
Excursions	0.212	0.410	0.047		
Other	0.110	0.569	0.017	0.013	0.875

*significance level = ($p<0.05$)

'Self-catering accommodation' was the only predictor of the first cognitive image component by accounting for a small effect of 4.2% of the variance in the dependent variable. Those including 'self-catering accommodation' in the package have lower perceptions of the first cognitive component by 0.365. No statistically significant associations were found between the independent variables and the second and third cognitive components and affective image component.

In order to identify the relationship between the attributes rated in terms of value for money and the cognitive and affective image components the Pearson product-moment correlation coefficient was calculated. The following table shows the correlation coefficient between the value for money attributes and the cognitive and affective image:

Table 6.19: Correlation Coefficient

	COG1	COG2	COG3	AFF
Public Transport				
Correlation Coefficient	***0.334*	**0.228*	***0.290*	***0.320*
Sig (2-tailed)	0.000	0.014	0.002	0.000
Accommodation facilities				
Correlation Coefficient	***0.363*	0.033	***0.214*	***0.261*
Sig (2-tailed)	0.000	0.623	0.001	0.000
Natural environment				
Correlation Coefficient	***0.288*	***0.202*	***0.331*	***0.333*
Sig (2-tailed)	0.000	0.002	0.000	0.000
Cultural attractions				
Correlation Coefficient	***0.419*	***0.227*	***0.354*	***0.331*
Sig (2-tailed)	0.000	0.001	0.000	0.000
Activities offered				
Correlation Coefficient	***0.346*	***0.262*	***0.442*	***0.369*
Sig (2-tailed)	0.000	0.000	0.000	0.000
Infrastructure				
Correlation Coefficient	***0.310*	**0.179*	***0.265*	***0.326*
Sig (2-tailed)	0.000	0.011	0.000	0.000
Entertainment				
Correlation Coefficient	***0.179*	***0.232*	***0.426*	***0.270*
Sig (2-tailed)	0.007	0.000	0.000	0.000
Shopping facilities				
Correlation Coefficient	***0.372*	***0.221*	***0.367*	***0.314*
Sig (2-tailed)	0.000	0.001	0.000	0.000
Restaurants				
Correlation Coefficient	***0.292*	**0.157*	***0.254*	***0.268*
Sig (2-tailed)	0.000	0.017	0.000	0.000

**Correlation significant at the 0.01 level (2-tailed)

* Correlation significant at the 0.05 level (2-tailed)

All of the attributes have a statistically significant and positive relationship with the cognitive image components with the exception of ‘accommodation facilities’ that does not exhibit a statistically significant relationship with the second component. Although a moderate relationship this indicates that the higher the rating of each attribute in terms of value for money the more favourably the cognitive image components are perceived by respondents. The same is applied for affective image with is statistically significantly and positively related with the attributes, meaning that as the rating of the attributes increases in terms of value for money the affective image of respondents is more favourable.

To explore the degree of predictability of the independent variables on the dependent variables a stepwise multiple regression was carried out whereby ‘cultural attractions’ accounted for 32.9% of the variance in the first component with ‘shopping facilities’ adding an extra 7.4% and ‘accommodation facilities’ an additional 3%. ‘Cultural attractions’ had a greater impact on the first component by 0.539. ‘Restaurants’ explained only 5.6% of the variance in the second cognitive component and ‘activities offered’ accounted for 25% of the variance in the third component with ‘natural environment’ adding an extra 6.2% and ‘shopping facilities’ 4.5%. ‘Activities offered’ were more influential on the third cognitive image component by 0.345 while ‘shopping facilities’ had a greater impact on the third component by 0.310 with ‘natural environment’ being the least influential (0.291). Similarly, ‘activities offered’ accounted for 20.3% of the affective component with ‘public transport’ adding an extra 8.6%, ‘restaurants’ 4.4% and ‘cultural attractions’ 2.6%. ‘Activities offered’ and ‘public transport’ influenced the affective image by 0.257 and 0.247 respectively with ‘cultural attractions’ (0.237) and ‘restaurants’ (0.220) are less powerful in terms of influence. This is shown in the table below.

Table 6.20: Multiple Regression Coefficients

COG1	B	SE B	β	R^2	Sig.
Model 1					
Constant	-2.946	0.476			
Cultural attractions	0.818	0.127	0.574	0.329	*0.000*
Model 2					
Constant	-3.481	0.482			
Cultural attractions	0.587	0.140	0.412		
Shopping facilities	0.400	0.124	0.316	0.403	*0.000*
Model 3					
Constant	-4.070	0.550			
Cultural attractions	0.539	0.139	0.378		
Shopping facilities	0.342	0.125	0.271		
Accommodation facilities	0.249	0.119	0.186	0.433	*0.000*
COG2					
Model 1					
Constant	-0.969	0.443			
Restaurants	0.239	0.107	-0.236	0.056	*0.028*
COG3					
Model 1					
Constant	-2.601	0.489			
Activities offered	0.663	0.125	0.500	0.250	*0.000*
Model 2					
Constant	-3.258	0.527			
Activities offered	0.501	0.134	0.378		
Natural environment	0.335	0.122	0.278	0.312	*0.000*
Model 3					
Constant	-3.564	0.528			
Activities offered	0.345	0.145	0.260		
Natural environment	0.291	0.120	0.241		
Shopping facilities	0.310	0.128	0.254	0.357	*0.000*
AFF					
Model 1					
Constant	-1.997	0.418			
Activities offered	0.550	0.109	0.450	0.203	*0.000*
Model 2					
Constant	-2.586	0.431			
Activities offered	0.414	0.110	0.338		
Public transport	0.330	0.095	0.314	0.289	*0.000*
Model 3					
Constant	-3.116	0.468			
Activities offered	0.339	0.111	0.277		
Public transport	0.259	0.097	0.246		
Restaurants	0.263	0.103	0.235	0.333	*0.000*
Model 4					
Constant	-3.457	0.492			
Activities offered	0.257	0.117	0.210		
Public transport	0.247	0.095	0.235		
Restaurants	0.220	0.104	0.196		
Cultural attractions	0.237	0.119	0.186	0.359	*0.000*

To identify the relationship between the quality perception of the attributes and the cognitive and affective image components the Pearson product-moment correlation coefficient was calculated. The following table shows the correlation coefficient between the quality attributes and the cognitive and affective image.

Table 6.21: Correlation Coefficients

	COG1	COG2	COG3	AFF
Public Transport				
Correlation Coefficient	***0.358*	***0.400*	***0.260*	***0.320*
Sig (2-tailed)	0.000	0.000	0.004	0.000
Accommodation facilities				
Correlation Coefficient	***0.422*	-0.012	***0.272*	***0.364*
Sig (2-tailed)	0.000	0.860	0.000	0.000
Natural environment				
Correlation Coefficient	***0.437*	0.111	***0.304*	***0.425*
Sig (2-tailed)	0.000	0.099	0.000	0.000
Cultural attractions				
Correlation Coefficient	***0.475*	***0.229*	***0.430*	***0.467*
Sig (2-tailed)	0.000	0.001	0.000	0.000
Activities offered				
Correlation Coefficient	***0.349*	***0.218*	***0.505*	***0.422*
Sig (2-tailed)	0.000	0.001	0.000	0.000
Infrastructure				
Correlation Coefficient	***0.304*	***0.214*	***0.323*	***0.344*
Sig (2-tailed)	0.000	0.002	0.000	0.000
Entertainment				
Correlation Coefficient	***0.320*	**0.156*	***0.351*	***0.336*
Sig (2-tailed)	0.007	0.019	0.000	0.000
Shopping facilities				
Correlation Coefficient	***0.195*	***0.155*	***0.491*	***0.317*
Sig (2-tailed)	0.003	0.019	0.000	0.000
Restaurants				
Correlation Coefficient	***0.379*	***0.054*	***0.311*	***0.397*
Sig (2-tailed)	0.000	0.420	0.000	0.000

**Correlation significant at the 0.01 level (2-tailed)

* Correlation significant at the 0.05 level (2-tailed)

All of the attributes have a statistically significant positive relationship with the cognitive image components except ‘accommodation facilities’ and ‘natural environment’ with does not have a statistical significant relationship with the second component. Similarly, the attributes rated in terms of quality are significantly and positively associated with the affective image. Despite the moderate relationship between the variables it can be said that the higher the rating of each attribute in terms of quality the more favourable the cognitive and affective images components are.

A stepwise multiple regression was performed to explore the degree of prediction of the cognitive and affective image of the attributes.

Table 6.22: Multiple Regression Coefficients

COG1	B	SE B	β	R^2	Sig.
Model 1					
Constant	-2.072	0.355			
Cultural attractions	0.587	0.095	0.525	0.276	*0.000*
Model 2					
Constant	-2.941	0.444			
Cultural attractions	0.490	0.097	0.439		
Restaurants	0.303	0.099	0.264	0.338	*0.000*
Model 3					
Constant	-3.370	0.476			
Cultural attractions	0.423	0.099	0.379		
Restaurants	0.257	0.099	0.224		
Accommodation facilities	0.218	0.098	0.197	0.370	*0.000*
COG2					
Model 1					
Constant	-1.431	0.314			
Public transport	0.418	0.094	0.406	0.165	*0.000*
COG3					
Model 1					
Constant	-2.024	0.377			
Shopping facilities	0.520	0.096	0.476	0.227	*0.000*
Model 2					
Constant	-2.901	0.426			
Shopping facilities	0.405	0.096	0.370		
Cultural attractions	0.363	0.098	0.325	0.321	*0.000*
AFF					
Model 1					
Constant	-1.719	0.337			
Cultural attractions	0.494	0.090	0.445	0.198	*0.000*
Model 2					
Constant	-2.429	0.406			
Cultural attractions	0.377	0.096	0.340		
Restaurants	0.286	0.097	0.255	0.252	*0.000*
Model 3					
Constant	-2.622	0.412			
Cultural attractions	0.322	0.099	0.290		
Restaurants	0.256	0.097	0.228		
Public transport	0.164	0.081	0.171	0.277	*0.000*

‘Cultural attractions’ accounts for 27.6% in the variance of the first cognitive component with an extra 6.2% explained by ‘restaurants’ and an additional 3.2% by ‘accommodation facilities’; indeed ‘cultural attractions’ had the greatest impact on the first cognitive component by 0.423. ‘Public transport’ account for 16.5% of the variance in the second component whereas ‘shopping facilities’ explain 22.7% of the third component with an additional 9.4% being explained by ‘cultural attractions’. ‘Shopping facilities’ also had the greatest impact on the third cognitive component by 0.405. Similarly, 19.8% of the variance in the affective model is explained by ‘activities offered’ with an additional 5.4% being explained by ‘restaurants’ and 2.5% by ‘public transport’. ‘Cultural attractions’ were more powerful in influencing the affective image by 0.322 rather than ‘restaurants’ (0.256) and ‘public transport’ (0.164).

To explore the influence on the cognitive and affective image of Cyprus according to the destination characteristics Cyprus has to offer as selected by respondents a stepwise multiple regression was performed

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Table 6.23: Multiple Regression Coefficients

COG1	B	SE B	β	R^2	Sig.
Model 1					
Constant	-0.284	0.080			
Cultural attractions	0.706	0.126	0.346	0.120	*0.000*
Model 2					
Constant	-0.483	0.088			
Cultural attractions	0.628	0.122	0.309		
Luxury accommodation	0.559	0.122	0.276	0.195	*0.000*
Model 3					
Constant	-0.669	0.103			
Cultural attractions	0.530	0.123	0.260		
Luxury accommodation	0.455	0.123	0.224		
Restaurants	0.428	0.129	0.208	0.232	*0.000*
Model 4					
Constant	-0.851	0.127			
Cultural attractions	0.558	0.122	0.274		
Luxury accommodation	0.455	0.122	0.224		
Restaurants	0.418	0.128	0.202		
Entertainment	0.238	0.119	0.128	0.251	*0.000*
COG2					
Model 1					
Constant	-0.171	0.096			
Sports facilities	0.353	0.130	0.177	0.031	*0.007*
Model 2					
Constant	-0.092	0.096			
Sports facilities	0.381	0.129	0.191		
Religious monuments	-0.324	0.143	-0.147	0.053	*0.002*
COG3					
Model 1					
Constant	-0.447	0.101			
Entertainment	0.718	0.128	0.349	0.121	*0.000*
Model 2					
Constant	-0.596	0.105			
Entertainment	0.584	0.129	0.283		
Sports facilities	0.479	0.125	0.240	0.175	*0.000*
Model 3					
Constant	-0.669	0.105			
Entertainment	0.621	0.127	0.301		
Sports facilities	0.412	0.124	0.207		
Museums	0.545	0.166	0.196	0.212	*0.000*
Model 4					
Constant	-1.392	0.267			
Entertainment	0.569	0.126	0.277		
Sports facilities	0.383	0.122	0.192		
Museums	0.503	0.164	0.181		
Beach	0.814	0.278	0.174	0.241	*0.000*

AFF					
<u>Model 1</u> Constant Entertainment	 -0.268 0.509	 0.074 0.102	 0.254	 0.065	 *0.000*
<u>Model 2</u> Constant Entertainment Cultural attractions	 -0.471 0.532 0.477	 0.084 0.099 0.101	 0.266 0.234	 0.119	 *0.000*
<u>Model 3</u> Constant Entertainment Cultural attractions Luxury accommodation	 -0.568 0.513 0.426 0.352	 0.087 0.098 0.101 0.102	 0.256 0.209 0.169	 0.147	 *0.000*
<u>Model 4</u> Constant Entertainment Cultural attractions Luxury accommodation Forest parks	 -0.594 0.519 0.339 0.362 0.568	 0.086 0.096 0.102 0.101 0.168	 0.259 0.166 0.174 10.68	 0.174	 *0.000*

Table 6.23 shows that 12% of the variance in the first cognitive image component can be explained by 'cultural attractions' with 'luxury accommodation' adding an extra 7.5%, 'restaurant' 3.7% and 'entertainment' 1.9%. The variance in the second component can be explained by 'sports facilities' by only 3.1% with 'religious monuments' accounting for an additional 2.2%. 'Entertainment' accounts for 12.1% of the variance in the third component with 'sports facilities' adding an extra 5.4%, 'museums' 3.7% and 'beach' 2.9%. Similarly, 'entertainment' accounts for 6.5% in the variance of the affective image with 'cultural attractions' adding an extra 5.4%, 'luxury accommodation' 2.8% and 'forest parks' 2.7%. Of the destination characteristics selected 'cultural attractions' had the greatest influence on the first cognitive image component by 0.558, 'sports facilities' were more powerful in influencing the second component by 0.381 and 'beach' had the greatest impact on the third component by 0.814 followed by 'entertainment' and 'museums' who had less influence by 0.569 and 0.503 respectively. Similarly, 'forests parks' had more influence on the affective image by 0.568 followed by 'entertainment' (0.519) whilst 'cultural attractions' and 'luxury accommodation' had smaller impacts by 0.339 and 0.362 respectively.

The relationship between the number of visits made to Cyprus and the cognitive and affective image components was also explored. The relationship between the variables was investigated using Spearman's Rho correlation coefficient. There was a weak positive relationship between the number of visits and the first cognitive image component [$r=0.167$, $n=146$, $p<0.044$]. The more times a respondent visited Cyprus the more positive the perception of the first component of the cognitive image is. No statistically significant relationship was found between number of previous visits and the other cognitive and affective components.

The influence satisfaction level has on the willingness of respondents to recommend the destination was also explored. The relationship between the variables was investigated using Pearson product-moment correlation coefficient. A statistically significant and positive relationship between the satisfaction level and willingness to recommend the destination [$r=0.394$, $n=392$, $p<0.000$] was found with high levels of satisfaction being associated with greater willingness to recommend the destination.

In addition, the relationship between satisfaction level and the cognitive and affective image components of Cyprus using a Pearson product-moment correlation coefficient was explored. The correlation coefficients are shown below:

Table 6.24: Correlation Coefficients

	COG1	COG2	COG3	AFF
Satisfaction Level				
Correlation Coefficient	***0.367*	-0.005	***0.375*	***0.366*
Sig (2-tailed)	0.000	0.945	0.004	0.000

As can be seen, there is a statistically significant, positive relationship between satisfaction level and the cognitive and affective image components except for the second component which shows a non-statistically significant relationship. Although the variables are moderately associated it is an indication that as the satisfaction level of respondents increases their cognitive and affective perception becomes more favourable.

6.3 SUMMARY

Quantitative analysis revealed interesting results regarding the profile of the respondents as well as their perception of destination attributes. Regarding the profile of respondents it was found that nearly half (47.9%) of the respondents were of a young age (18-34) with 30.9% being of the group age 45-64. More than half of the respondents (52%) were women whereas the majority (73.9%) of respondents was either married or in a relationship; only 23% were single. Also, 85.2% of respondents stated that they were not travelling with children whilst 78% claimed they had finished further education and/or work training with only 21.9% stating they held a university degree. Furthermore, of the 393 respondents, 66.2% said they were repeat visitors who have visited Cyprus more than twice. The majority (83.2%) of the respondents has visited Cyprus for leisure purposes with 11.5% stating they came to visit friends and family; smaller percentages claimed they visited for business, health, religious and other purposes such as to attend a wedding. Moreover, more than half (55.5%) of the respondents stated that their travel decision was influenced by friends and family mostly and by a lesser extent (32.1%) by past experience; travel agents' advice, advertising, media and other factors played a minimal influencing role. Out of the 393 respondents 61.1% travelled individually; of the 38.9% respondents that travelled on a packaged holiday 100% included transportation, 43.8% self-catering accommodation and 15.7% accommodation on a HB/FB basis with smaller percentages including B/B accommodation and other services like transfers and excursions. Also, overall quality was rated higher than overall value for money with a mean of 5.37 opposed to the mean of overall value for money which was calculated at 4.40. In terms of value for money attributes 'restaurants', 'natural environment' and 'accommodation facilities' were rated more positively while 'public transport', 'infrastructure' and 'shopping facilities' received the lowest positive rates.

In terms of quality it was revealed that the same attributes were rated positively and negatively accordingly. In addition, when asked to select characteristics that Cyprus has to offer as a destination 95.4% of respondents stated 'good weather', 92.9% said 'beaches', 61.6% stated 'traditional restaurants' and 52.5% stated 'entertainment' indicating a perception that is close to the typical sea and sun destination.

Respondents were asked to rank several destination attributes according to importance; those ranked as the three most important included ‘weather’, ‘accommodation’ and ‘atmosphere’ with ‘transportation’, ‘cultural attractions’ and ‘sports facilities’ bring ranked as the least three important. Also, when asked to agree with certain statement of Cyprus respondents agreed more with the statements that Cyprus has a ‘good weather’, ‘relaxed atmosphere’, ‘friendly people’ and ‘excellent beaches’ and least with the statements that Cyprus has ‘good sports facilities’, ‘good value’ and ‘attractive towns’. Furthermore, rates of bipolar scales showed that respondents rate Cyprus high in terms of ‘safety’, ‘excitement’ and ‘hospitality’ with lower rates being offered to ‘luxury’ and ‘distinctiveness’. Overall, 91% of respondents claimed to be satisfied with their holidays in Cyprus with 76.6% stating they would most likely return in the future and 86.8% saying they would recommend the destination to others.

Variable relationship exploration revealed interesting findings. It was found that the cognitive and affective image of Cyprus differs according to the purpose of visit and the importance placed by tourists on destination attributes. Furthermore, from all the demographic factors measured only ‘age’ has a significant relationship with the cognitive and affective image. It was also established that in terms of information sources ‘past experience’ influences the cognitive and affective image with ‘travel agent’ and ‘advertising’ having less influence whereas no difference was found between first-time visitors and repeat visitors in terms of ‘overall value for money’, ‘overall quality’ and ‘satisfaction level’. Similarly, no difference between those travelling on a packaged tour and those travelling individually in terms of ‘likelihood to return’ was found. Also, it was established that ‘self-catering accommodation’ had an association with the cognitive image while a relationship between the destination attributes rated in terms of ‘value for money’ and the cognitive and affective image was established. Similarly, a relationship between all the attributes rated according to ‘quality’ and the cognitive and affective image was also confirmed. A relationship between the characteristics selected by respondents as ‘attributes the destination has to offer’ and the cognitive and affective image was found. Also, a relationship between the ‘number of visits’ to the destination and the cognitive image was established whilst an association was recorded between ‘willingness to recommend’ the destination and ‘satisfaction level’. Finally, a relationship between ‘satisfaction level’ and the cognitive and affective image was found. In the next chapter the findings from both qualitative and quantitative analysis are discussed in combination in order to achieve the research aim of determining diversification strategy success.

CHAPTER 7 DISCUSSION: COMPARING QUALITATIVE AND QUANTITATIVE RESULTS

This chapter compares the results derived from the qualitative and quantitative analysis in relation to the research objectives outlined in chapter 4. The chapter also presents a discussion of the similarities and/or dissimilarities between the projected and perceived image in order to establish the degree of success of the diversification strategy of the Cyprus tourism product. The chapter includes a conceptual framework which links the findings derived from the interviews and the questionnaire survey together as well as to the academic literature.

7.1 INTRODUCTION

The achievement of the research aim requires the comparison of the projected and the perceived image of Cyprus. Therefore, in the following sections the projected image and diversification measures undertaken by the tourism supply sector as identified through qualitative research are discussed. Also, the perceived image of Cyprus is presented in relation to the analysis of quantitative data which revealed important insights regarding destination attributes and/or relationships between variables.

7.1.1 Qualitative Data Findings

Qualitative research was conducted through a series of semi-structured interviews with tourism industry stakeholders in an attempt to achieve objectives 1 and 2 of identifying the projected image of Cyprus as a tourism destination as well as the diversification measures followed by tourism-related key players in order to reposition Cyprus. Overall, it was found that much of the tourism product problems identified by the interviewees coincide with the negative impacts of mass tourism development [chapter 2; 2.3.1.2] and arise largely from industry forces and internal weaknesses including bureaucracy, lack of strategy implementation ability and dependency [chapter 5; 5.1.4]. Tourism product components such as infrastructure, accommodation, tourist facilities, the environment and service provided were characterised as being of poor quality by the interviewees [chapter 5; 5.1.3]. In particular, interviewee 12 claimed that accommodation needs upgrading whereas interviewee 7 emphasised the need to offer better value for money low-grade accommodation. In addition, interviewee 5 stated the lack of public transport as an underlying factor for product weakness whereas interviewees 3 and 6 claimed there is a loss of hospitality. Similarly, interviewee 1 mentioned the loss of traditionality and atmosphere while as discussed in section 3.1.1.3 often locals blamed tourists for the deterioration of the Cypriot culture and nature. This coincides with the argument in section 2.3.1.1 of the increasing tension especially in small islands arising between locals and tourists due to the excessive number of tourist arrivals. Interestingly, 25% of the interviewees mentioned 'activities' as a weakness; specifically, interviewees 8 and 11 stated that there is a lack of activities, particularly in the rural areas, whereas interviewee 2 said that an addition of activities would improve the seasonality problem of the Cyprus tourism product. This contradicts the statements of interviewees 1, 4 and 5 who said that 'sea and sun' is the main tourism product of Cyprus and that the destination cannot offer a large variety of SIT activities [chapter 5; 5.1.4.3]. About 92% of interviewees identified the 'lack of implementation ability' and 50% identified 'bureaucracy' as the most significant causes for the lack of amenities and attractions with interviewee 12 stating that despite rejuvenation efforts the Cyprus tourism product is still based on 'sun and sea' [chapter 3; 3.3]. Similarly, interviewees 11 and 12 said historical and cultural monuments are poorly maintained with interviewee 11 emphasising the bad conditions in which thematic museums are in the rural areas. This corresponds with Butler's (2006) statement that cultural resources are overlooked in the stagnation phase of destination's lifecycle [chapter 2; 2.4.1.1]. In the following section research objectives 1 and 2 of identifying the projected image and the diversification measured undertaken are achieved and discussed.

7.1.1.1 Diversification Measures

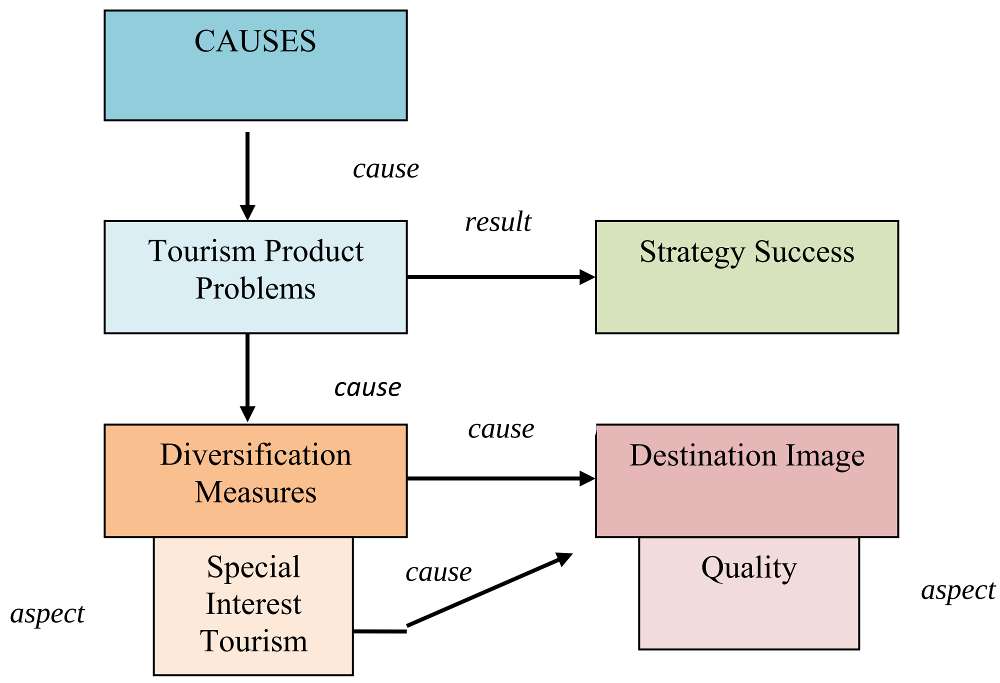
Despite the acknowledgement that the 'sea and sun' product is the main economic contributor to the Cyprus tourism industry, 92% agreed to the need to rejuvenate the Cyprus tourism product [chapter 3; 3.3]. Specifically, interviewee 12 stated that although Mallorca was facing similar mass tourism problems it managed to reposition itself as an up-market destination [chapter 2; 2.5.4]. Also, 58% of the interviewees claimed that their organisations have undergone product development [chapter 5; 5.1.5.1] in order to improve the existing tourism product as well as develop new attractions and facilities such as golf, weddings, sports, agrotourism, nature walks and other tourism activities [chapter 5; 5.1.5.2]. In addition, 25% of the interviewees said they were trying to enter new markets and/or strengthen their position in existing markets while 58% of the interviewees stated that existing and new activities promotion is performed through advertising, PR, lobbying and participation in tourism exhibitions [chapter 5; 5.1.5.3]. One of the objective of diversification is destination image enhancement, hence, it is important to measure the projected image of Cyprus. The destination image as it is projected by the supply-sector is discussed below.

7.1.1.2 Projected Image

According to Echtner and Ritchie (1991) destination image enhancement is a fundamental component of the repositioning process as it influences tourist perception and directs tourist behaviour. When asked to identify the projected image of Cyprus half of the interviewees stated that Cyprus is projected as a mass destination as a result of the all-inclusive package being highly supported by foreign tour operators [chapter 5; 5.1.6.1]. Particularly, interviewee 9 said that the image of a destination depends greatly on tour operators' promotion with interviewee 10 explaining that tour operators promote Cyprus as a sun and sea destination. In general, 58% of the interviewees identified Cyprus as a sea and sun destination with 25% combining the concepts of 'mass' and 'sea and sun'. Indeed, Sharpley (2003) argued that Cyprus has a clear and firm image of being a 'sea and sun' destination and that the image of Cyprus as a 'sea and sun' destination has been largely influenced by tour operators (Ashworth, 1991; Sharpley, 1998a). Also, 42% of the interviewees described Cyprus as being expensive while 67% stated that Cyprus is a poor value for money destination. Specifically, interviewee 3 said that although infrastructure has been improved in some cities price increases raise tourist expectations, hence, any shortcomings in the tourism product offered will result in dissatisfaction [chapter 5; 5.1.3.2]. On the other hand, interviewees 5 and 11 commented that Cyprus can offer more than just 'sea and sun' whereas 33% of the interviewees worried that the development of new products might create a confusing image of the destination [chapter 2; 2.5.3.2]. In particular, interviewee 3 stated that the Cyprus tourism stakeholders are confused over strategy direction whereas interviewees 6 and 7 argued that mass ‘sea and sun’ tourism cannot be combined with the new tourism products due to their contradicting nature. This coincides with the discussion in section 5.1.4 regarding strategy implementation ability. Approximately 42% of interviewees expressed concern over the wide variety of new products developed as well as the type of certain products being promoted [chapter 2; 2.5.3.5]; for instance, interviewees 3 and 5 commented that golf development in Cyprus is not as profitable due to the high investment and maintenance cost required. Ioannides (1992) agrees by stating that costs increase further considering the water shortage problem Cyprus faces. Contrary, interviewee 4 commented that golf tourism as well as marinas can yield good profits. Regardless the belief that diversification is necessary [chapter 5; 5.1.2], 75% of the interviewees stated that the strategy has been unsuccessful so far, relating the strategy’s inability to fulfil its goals to industry weaknesses [chapter 5; 5.1.3] and product problems [chapter 5; 5.1.4]. Contrary, 17% of the interviewees blamed the economic crisis for the diversification strategy’s failure, stating that measures have been taken by the government and the private sector including tax reduction and additional promotion.

The following diagram attempts to explain the relationship between the various variables identified in the qualitative analysis. An attempt has been made to show the patterns of relationship by emphasising causal relationships, properties and aspects of various variables.

Figure 7.1: Conceptual Framework between variables



Source: Author

As can be seen in the diagram above, the factors identified as reasons of the tourism product problems have a direct causal relationship with the tourism product weaknesses which in turn affect the degree of the diversification strategy success. This has been established by 83% of the interviewees who mentioned the various tourism product problems as key factors for the failure of the strategy. For instance, interviewee 9 mentioned the lack of internet exposure as a critical factors whereas interviewee 8 mentioned the lack of coordination between the key stakeholders as another reason for the failure of the strategy. It can also be seen that the development of SIT products is a property of the diversification measures which aims to enhance the destination image; simultaneously due to the problems of the tourism products the diversification measures were instigated as a means of improvement and adverting the situation whereas the success of the implementation of the diversification measures will lead to the enhancement and improvement of the image of the destination. Finally, quality is seen as an aspect of destination image and has been measured in relation to destination image.

7.1.2 Quantitative Data Findings

Quantitative research was conducted through a questionnaire survey in an attempt to identify the perceived image of Cyprus as a tourism destination in relation to a series of destination attributes which respondents were asked to rate. The analysis of the questionnaire was performed using SPSS whereby numerous tests were performed to identify relationships between variables and explore differences between groups of variables. In addition, the two open-ended questions in the questionnaire were analysed qualitatively using thematic content analysis. The findings are presented in this section. Overall, it was found that most respondents were repeat tourists who had come to Cyprus for holidays. Despite the perception of Cyprus being a mass 'sea and sun' destination the majority of respondents had arrived to Cyprus individually rather than on a packaged holiday. The following sections aim to satisfy research objectives 3 and 4.

7.1.2.1 Perceived Image

The third research objective was to identify the perceived image of Cyprus. The measurement of perceived image was achieved through the rating of several attributes. When asked to select the characteristics they thought Cyprus could offer as a destination respondents selected 'good weather', 'beaches', 'traditional restaurants' and 'entertainment' more frequently indicating that the destination is perceived by respondents as a sea and sun destination ideal for relaxation and fun. Indeed, characteristics such as 'conferences', 'museums', 'forest parks', 'golf' and 'health spas' which are related to special interest tourism development have been mentioned less frequently showing little knowledge that Cyprus offers such facilities/activities. It was also found that 'weather', 'nightlife/entertainment' and 'value for money' were rated as the three most important destination variables for respondents followed by 'accommodation', 'residents' friendliness', 'scenery/nature' and 'atmosphere' with 'transportation', 'service quality', 'sports facilities', 'cultural attractions' and 'availability of activities' receiving the lowest rating in terms of importance. This indicates that when planning their holidays respondents consider the weather conditions, entertainment and the cost involved more. The attributes rated more positively in terms of value for money included 'restaurants', 'natural environment' and 'accommodation facilities' whereas the attributes that were rated more negatively included ‘public transport’, ‘infrastructure’ and ‘shopping facilities’. Similarly, the attributes which were rated more positively in terms of quality included ‘restaurants’, ‘accommodation facilities’ and ‘natural environment’ whereas the attributes which rated more negatively in terms of quality included ‘public transport’, ‘infrastructure’ and ‘shopping facilities’. In general, respondents rated overall quality higher than overall value for money. When asked to agree with certain descriptions of the destination respondents agreed that Cyprus has ‘good weather’, ‘relaxed atmosphere’ and ‘friendly people’ whilst disagreed that the destination is ‘value for money’ and/or has ‘good sports facilities’ and ‘beautiful scenery’ indicating that the attributes they agreed more with are regarded as strengths of the destination and the attributes they agreed less with are regarded as weaknesses. Also, respondents characterised Cyprus as ‘safe’, ‘exciting’, ‘welcoming’, ‘common’ and ‘inferior’, indicating a lack of distinctiveness and/or luxury association. These ratings indicate that whilst most respondents view Cyprus as a ‘sea and sun’ destination with many of the respondents relating Cyprus to attributes such as ‘weather’, ‘beach’ and ‘relaxed atmosphere’ there is a dominating perception that Cyprus is not a value for money destination. This coincides with the views of the interviewees as discussed in section 5.1.6.1. Nevertheless, when asked to rate their satisfaction level with their holidays in Cyprus and the likelihood of return 91% stated they were highly satisfied and 76.6% said they would most likely return. Also, 86.8% of respondents stated they would recommend the destination to others.

7.1.2.2 Relationship Exploration

In order to achieve research objective 4 of exploring the relationship between the perceived image and the variables affecting its formation statistical tests were used to explore differences between groups and explore relationships between variables. Overall, it was found that the first cognitive image component and the affective image component differ according to the purpose of visit. This is consistent with the findings of previous studies (Um and Crompton, 1990; Stabler, 1990; Gartner, 1993; Dann, 1996; Baloglu, 1997; Baloglu and McCleary, 1999). This raises concerns over the promotion of SIT products; since respondents have different cognitive and affective images due to their motivations it may be wiser to promote each SIT products separately. As interviewees 1, 3, 9, 10, 11 and 12 stated their effort to promote SIT products includes the participation in exhibitions, publications and events as well as the cooperation with specialised tour operators to appeal to various segments of tourists according to their motives/interests. Also, interviewee 1 said that when participating in exhibitions abroad the participants promote one aspect of Cyprus such as walking, fishing, cycling etc rather than the variety offered, hence, avoiding confusion among potential tourists. Also, a significant positive relationship was established between 'residents' friendliness', 'sports facilities' and 'weather' and the first cognitive image component indicating that the more important respondents consider this attribute the higher their evaluation while 'nightlife/entertainment' and 'transportation' were negatively associated with the first cognitive component. This indicates that the higher the importance placed on these attributes by respondents the lower their evaluation of these attributes. Also, 'scenery/nature' were negatively associated with the third cognitive component whereas 'service quality' was positively associated with the affective component and 'availability of activities', 'sports facilities', 'transportation' were negatively associated with the affective component of destination image. This has several implications for the diversification strategy. 'Nightlife/entertainment' in particular has been rated by respondents as one of the three most important destination attributes indicating that when planning their holidays the choice of destination is highly influenced by the evaluation of the attribute; for instance, if Cyprus is evaluated as having a poor 'nightlife/entertainment' this may deter potential tourists from visiting. The research findings show that the negative relationship in terms of the first cognitive image component reveals that the evaluation of this attribute by respondents has been low. Since the cognitive image component is related to the perception of respondents (Gartner, 1993) and has been argued to indicate knowledge of a place's objective attributes (Genereux et al, 1983) it is important that the negative perceptual evaluation of 'nightlife/entertainment' is improved. Research has shown that feelings incorporated in the affective image component are better predictors of tourist travel behaviour than the cognitive image component (Yu and Dean, 2001; White, 2003; 2004). 'Availability of activities', 'sports facilities', 'transportation' have been negatively evaluated; however, respondents did not rank these attributes highly in terms of importance.

In addition it was found that only age influenced the first and second cognitive image components. This is in congruence with previous studies' findings (Nickel and Wertheimer, 1979; Chen and Kerstetter, 1989; Walmsley and Jenkins, 1993; Baloglu, 1997; Baloglu and McCleary, 1999; Beerli and Martin, 2004) and raises concerns over the promotion of Cyprus as a tourism destination which should accommodate the age difference between potential tourists. Furthermore, it was found that 'past experience' influenced the first cognitive image component, 'travel agent' influenced the third cognitive image component and 'past experience' and 'advertising' influenced the affective component with the latter having a more powerful effect on the affective image than 'past experience'. This shows that actual experience with the destination will affect the perceived image of respondents. This coincides with previous studies (Fridgen, 1987; Chon, 1990, Ahmed, 1991; Fakeye and Crompton, 1991; Hu and Ritchie, 1993; Milman and Pizam, 1995; Baloglu and McCleary, 1999) and Beerli and Martin's (2004) findings that the development of the image must be based on reality for satisfaction to be achieved. Hence, the projected image must correspond to the actual experience in order to avoid dissatisfaction [chapter 4; 4.2.1.3] which in turn could lead to lower poorer evaluations of perceived image. This is also highlighted in the interviews whereby 92% of the interviewees mentioned that the delay in implementing the diversification strategy and completing the related projects aggravates the problems faced by the Cyprus tourism product and worsens the destination's image [chapter 5; 5.1.4.2]. Moreover, it was found that only self-catering accommodation influenced the first cognitive image component negatively; this means that those tourists including self-catering accommodation in the package made lower evaluations of the first cognitive component, which represents hospitality and environment evaluations.

This research found that all the destination attributes rated in terms of 'value for money' were significantly and positively related to the cognitive and affective image components except for 'accommodation facilities'. This indicates that the higher the rating for the attributes in terms of 'value for money' the more positive the evaluation of the cognitive and affective image. Also, 'cultural attractions' were found to have the greater impact on the first cognitive image component whereas 'activities offered' were more influential on the third cognitive image component followed by ‘shopping facilities’ and ‘natural environment’. Similarly, ‘activities offered’ and ‘public transport’ had the greatest influence on the affective image followed by ‘cultural attractions’ and ‘restaurants’.

The evaluation of quality is also important as it is directly related to satisfaction; one aspect of the diversification strategy was to enhance the overall quality of the service offered [chapter 4; 4.2.1.2] in order to match the high price paid by tourists. In terms of quality it was found that all the destination attributes were positively related to the cognitive and affective image components except for ‘accommodation facilities’ and ‘natural environment’ which showed no statistical significant relation with the second cognitive component. Also, ‘cultural attractions showed the greatest influence on the first cognitive component and ‘shopping facilities’ were more powerful in effect on the third cognitive component. The affective image component was mostly influenced by ‘cultural attractions’ followed by ‘restaurants’ and ‘public transport’ indicating that these attributes need to be emphasised in terms of quality to increase the cognitive and affective appeal of the destination.

Provided that the purpose of the diversification strategy was to enhance the existing tourism product by developing several SIT products it is revealed that respondents are not well aware of the additional activities and/or facilities offered in Cyprus. Respondents selected ‘weather’, ‘beaches’, ‘traditional restaurants’ and ‘entertainment’ as the characteristics Cyprus has to offer with other attributes being less frequently selected. Also, the findings showed that ‘cultural attractions’ had the greatest influence on the first cognitive image component, ‘sports facilities’ were more powerful in influencing the second component and ‘beach’ had the greatest impact on the third component followed by ‘entertainment’ and ‘museums’. Similarly, ‘forests parks’ had more influence on the affective image followed by ‘entertainment’, ‘cultural attractions’ and ‘luxury accommodation’.

Also, this research found that there is a relationship between the number of past visits and the first cognitive image component indicating that the more times a respondent visited the destination the more favourably the destination is evaluated. This is consistent with previous research (Beerli and Martin, 2004). Indeed, Baloglu

(2001) stated that it would be unrealistic to expect a high level of repeat visitation to a tourist destination without a positive attitude to it due to the high involvement decision. This implies that repeat visitors have higher evaluations of destination image as the various image components are interrelated. This might be explained by the fact that the more times a person visit a destination the more aware he/she becomes with activities available, tourist sites and facilities

Undoubtedly, satisfaction level influence word-of-mouth (Riggers, 1995; Kotler, 2003) as well as destination image. This research found that there is a relationship between tourists' satisfaction level and their willingness to recommend the destination. Also, it was found that a statistically significant and positive association exists between satisfaction and the cognitive and affective image components except for the second cognitive component. This means that the higher the levels of satisfaction the more positive the evaluation of the cognitive and affective image.

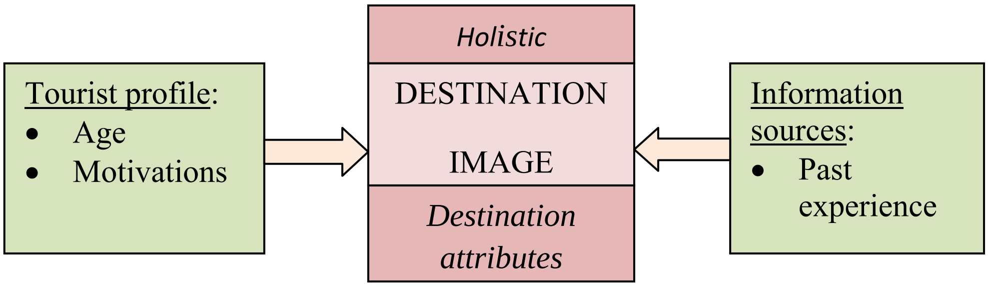
7.1.2.3 Open-ended questions

Two open-ended questions were included in the questionnaire. The first asked respondents to describe the destination in their own words and the second to provide suggestions regarding the improvement of the tourism product offered. In terms of describing the destination respondents described destination attributes rather than provide a holistic description. This indicates that tourists think of destinations in terms of characteristics with which they interact. Studies have shown that different attitudes can exist towards various attributes. For instance, one tourist might have a positive attitude towards the weather of a destination but negative attitudes towards the food whereas Nakanishi and Bettman (1974) argued that the weakness of one attribute can be compensated by the strength in another. Analysis of the open-ended questions revealed that 91% of the respondents described the destination in a positive way stating that has 'good weather', is 'friendly and/or hospitable' and has 'good beaches' with 9% stating that Cyprus is 'expensive', 'unclean' and 'unfriendly'. It is interesting to see that 'friendliness' was both regarded as positive and negative by respondents. The description of Cyprus having a 'good weather' and 'good beaches' indicates a tendency to think of the island as a 'sun and sea' destination. This is in agreement with the 58% of the interviewees who stated that Cyprus is a 'sea and sun' destination [chapter 5; 5.1.6]. In terms of providing suggestions as to how to improve the destination's tourism product respondents identified similar problem areas as the interviewees [see table 5.4]. About 34.7% stated 'better value for money' must be offered, 9.9% said 'better infrastructure' and 8.3% 'better public transport' is required with 5.9% stating the need for a 'cleaner environment' and 5% requesting 'greater variety of activities'

Approximately 40 questionnaires were deemed unusable as the respondents were below the adult age, resided outside the UK and/or holidayed in Northern Cyprus [chapter 4; 4.4.4.6]. In fact, 9 questionnaires were completed by people staying in Northern Cyprus [see appendix 13]. Although these questionnaires were not included in the analysis the researcher was curious to examine the opinions of the respondents of Northern Cyprus and compare with those revealed for Cyprus (southern). A review of the ratings given by respondents for Northern Cyprus revealed positive overall value for money, unlike in the case of Cyprus (southern) where value for money was rated lower than quality. The destination attributes that received the lowest scores for 'value for money' and 'quality' were 'infrastructure', 'entertainment', 'activities offered' and 'shopping facilities'. Indeed, when asked to suggest what aspects of the tourism product stated that 'cleanness' needs to be improved, 'direct flights' are required while 'better use of English by hotel staff', 'improvement in infrastructure', 'better water sports offered' and 'a connection between the north and south of the island' was also suggested. When asked to describe Cyprus as a tourist destination comments were similar to those made for southern Cyprus. One respondent spoke of the risk of overdevelopment spoiling the scenery while three respondents described northern Cyprus as a friendly place. Other descriptors revolved around the relaxed atmosphere, peaceful scenery and sunny weather. Also, two respondents characterised Cyprus as 'traditional' and 'cultural' contrary to comments made about southern Cyprus. Overall, respondents described northern Cyprus in a positive way, with one respondent stating that northern Cyprus is cheaper than southern Cyprus verifying the notion that Cyprus is expensive.

The conceptual framework below depicts the links between the concepts tested in the questionnaire survey analysis with reference to existing literature.

Figure 7.2: Conceptual Framework



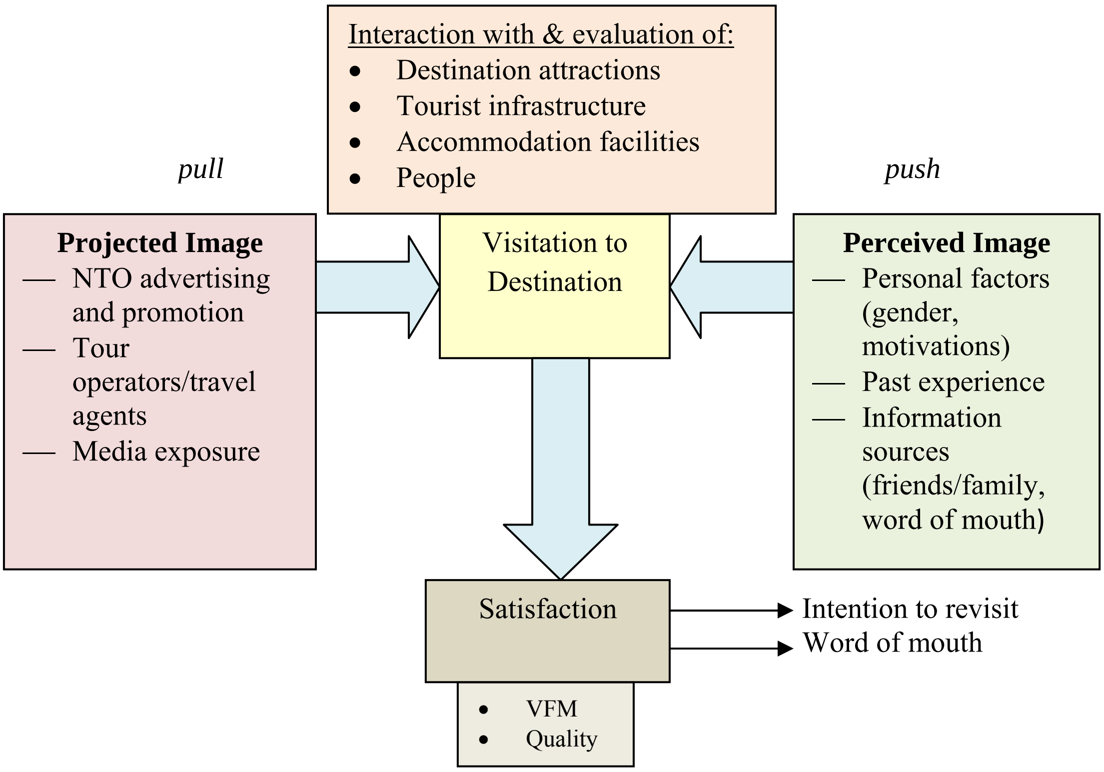
Source: Author

As the above figure shows quantitative analysis revealed that age and motivations are the only personal factors that affect destination image perception of respondents. In addition, past experience, travel agent and advertising are the information sources that influence tourists' travel decisions. When asked to describe Cyprus respondents focused on destination characteristics such as 'weather', 'beaches', 'accommodation' etc with some respondents giving more holistic image descriptions by characteristing Cyprus as 'a jewel' or 'a great place to holiday'.

7.2 DIVERSIFICATION SUCCESS

The examination of the success of the diversification strategy is two-fold and needs to concentrate on: a) economic goals and b) image enhancement. As discussed in section 4.2.1.1 the economic goals of improving tourist arrival numbers, revenue and competitiveness have not been realised. The degree of success in enhancing the destination's image is discussed below through a comparison between the projected image of the destination and the image as perceived by tourists. The following figure illustrates the conceptual links between related variables:

Figure 7.3: Conceptual Link Framework



Source: Author

As can be seen from the figure above, projected image acts as a ‘pull’ factor in the destination decision process; according to Ashworth (1991) it is diffused by various communication channels towards the potential tourist. In this communication of information several stakeholders are involved including the tourist organisation of the destination, tour operators and travel agencies as well as other media such as reports, news etc (Pritchard, 1998). The image of each of these stakeholders of the destination might be differently transmitted, as it may include some positive coverage and/or some negative coverage. Indeed, interviewee 9 stated that tour operators promote destinations according to their needs; some may opt for price differentiation, other may promote the destination based on luxury etc. This results in a proliferation of different destination images. Correspondingly, the way potential tourists will receive these images will differ depending on their personal factors, their knowledge of the destination and the effect information sources have on their decision. This will result in the creation of the perceived image which in turn has been characterise as a ‘push’ factor in the destination decision process (Baloglu and

Uysal, 1996). Visitation to the destination will act as a catalyst for the comparison of the projected and the perceived image whereby tourists come into contact with destination attributes and evaluate them on the basis of their expectations. Should satisfaction arise following a trade off between the price paid, which sets expectations, and the benefits received a revisit might be considered by the tourist who will return home and spread positive word-of-mouth for the destination. Satisfaction, which is considered in terms of value for money and quality received, is the ultimate factor that will decide the success of the promotional and positioning strategy of the NTO, which in turn must receive feedback to examine the success of the strategy [chapter 4; 4.2.1.2].

The following section discusses the similarities and dissimilarities between the projected and perceived destination image in terms of: a) the description of the destination by both the supply-side and the demand-side of the tourism industry and the congruence between the two and b) the satisfaction level of tourists following visitation at the destination which will determine the success of the diversification strategy. The projected image was derived by an examination of the promotional activities of tour operators/travel agencies and the destination's tourism authorities as well as the interviews while the perceived image was derived following a questionnaire survey with tourists following visitation at the destination.

7.2.1 Similarities/Dissimilarities

An exploration of both the projected and the perceived images reveals that there are dissimilarities between them. The image of Cyprus as a 'sea and sun' destination has been largely influenced by tour operators, which promoted the island as a safe summer, sea and sun destination with an emphasis on fun, relaxation and romance (Sharpley, 1998a) in an attempt to safeguard their economic interests. The realisation by the CTO that the destination needed repositioning and hence image enhancement entailed that changes had to be made to the way the destination has been projected to potential tourists. The basis of such changes were the inclusion of natural and cultural destination attributes in advertising, the emphasis on quality and the focus of the promotional campaign on a variety of activities that could be enjoyed by tourists in Cyprus throughout the year and with relative convenience due to the small geographical area of the island. To maximise the efficiency of the promotional campaign specialised groups were targeted through CTO participation in exhibitions and educational trips for specialised tour operators. However, as the research revealed tourists continue to see Cyprus as a 'sea and sun' destination whilst their ratings of destination attributes other than the 'weather', 'beaches' and 'relaxed atmosphere' are poor. Particularly low ratings have been given to destination attributes that support the tourism product and enhance the quality aspect of it such as infrastructure, public transport, facilities and workforce. In fact, tourists rated Cyprus poorly in terms of value for money indicating that their expectations as shaped by the price paid have not been met and that they perceive the destination as expensive. In addition, the effect SIT products seems to have been minimal as almost 50% of the respondents perceived Cyprus in terms of 'sea and sun' attributes with sporadic statements of Cyprus being 'green' or 'cultural'. On the other hand, the research revealed that most tourists had willingness to revisit Cyprus and that they were satisfied with their holiday at the destination. This contradicts previous study findings (Sharpley, 2002; Clerides and Pashourtidou, 2007) as well as statements of some of the interviewees who said that satisfaction levels are falling. Nevertheless, since the survey took place in the summer the purpose of the respondents' visit was primarily for holidays and relaxation. It is most likely that the satisfaction with their overall holidays resulted from the fact that the needs of tourists for leisure and relaxation were satisfied. Overall, it can be concluded that Cyprus maintains a firm and established image as a sun and sea destination which it is finding difficult to shift. Despite the repositioning effort to project Cyprus as an up-market destination, it is obvious that the main ingredients of the image of Cyprus as a tourist destination is 'sun, sea and sand' and that the tourism product elements are negatively perceived. Ultimately, the motives of tourists will affect the desire to explore other parts of the island and/or experience other activities. However, the inability of the destination to provide what it is communicated in the promotional campaign will result in dissatisfaction, negative word-of-mouth and lack of revisit intention.

7.2.2 Diversification: Potential Risks

According to Bacher (2005) the diversification of a destination's product requires the attention of certain indications for success. These have been adapted and include:

- The careful examination and evaluation of each perspective diversified product with regards to the capital investment required, maintenance costs, the anticipated results and related factors. The influence of diversification on peoples' decisions to travel is marginal and so the effect on tourist arrivals is small (Bacher, 2005). Similarly, the profitability of the diversified products is linked to the basic product (Bacher, 2005). This implies that choice to invest on both product types can be very expensive.
- The evaluation of the degree to which the diversified product complements the basic product. Diversified products cannot be evaluated outside their environment of production; hence, it is difficult to establish their real effect.
- The measurement of the potentiality of the diversified products in yielding the expected results. The effectiveness of the diversified products depends greatly on the quality level of the sun and sea product.
- The distinction between diversification need and reaction to a crisis. Diversification is a risky growth strategy and should thus not be adopted by a destination to alleviate existing problems as it can worsen the situation.
- The attention to the destination's tourism facilities which are required for the provision of the diversified products.

Despite diversification becoming a popular choice of several destinations as a means of repositioning, certain factors have been identified as potential associated risks [chapter 2; 2.5.3]. These include the high investment cost involved in developing new products and the limited profitability they are associated with. According to Glaesser (2003) diversification requires the multiple uses of resources for the development and promotion of several products in numerous market segments. Therefore, this strategy carries the threat of resources and capital misallocation and failure of capitalisation of the new market. Indeed, interviewee 12 highlighted the high cost in developing golf courses and marinas as well as the little profit margin involved and explained that the only way to arouse interest in investors was to allow the development of accommodation [chapter 5; 5.1.8]; specifically, he stated that "*the golf course per say is not profitable…we will make the investment profitable from the sale of the real estate around the golf course*". Similarly, interviewee 5 mentioned that "*if it was only for the golf courses I would say no, it is not profitable because of the big investment …the same applies for the marinas*". Therefore, it can be argued that:

a) The high investment cost involved in developing and promoting SIT products may lead to the failure of the diversification strategy.

Another risk associated with diversification is the possibility of creating a confusing image for tourists by overstretching. Glaesser (2003) argued that the distinctive image of a destination can be watered down as a result of diversification. Although the enhancement of the mass sea and sun image of Cyprus is among the goals of the tourism authorities it is important that the SIT products complement the existing tourism product to establish a unified image. Indeed, one third of the interviewees expressed concerns over the image of the destination being contradicting with the image of the SIT products, as Cyprus is primarily a mass sea and sun destination (Sharpley, 2003). Specifically, interviewees 3 and 7 stated that the confusion tends to be internal as a result of the effort to diversify extensively [chapter 5; 5.1.6]. Interviewee 3 suggested that it might be best if Cyprus invests its resources on the development of a few SIT products that are deemed more appropriate in relation to the development capabilities of the destination. On the other hand, interviewee 1 argued that tourists love variety while interviewee 9 said that the image cannot be confused as the promotion of the various special interest tourism products is targeted to different segments. The separate promotion of SIT products to different target markets might protect against confusion, however, simultaneously it prevents the destination's image from being enhanced as SIT associations do not transfer to the overall existing destination image. The researcher also believes that tourists' minds continually accept additional information about destination for various sources; this entails that the perception of a new product does not eliminate the perception of an existing product but rather supplements it. Hence, a change in destination image that does not complement the existing one and/or an addition to the existing product that fails to carry the credibility of the previous might result in uncertainty and dissatisfaction. Indeed, quantitative analysis revealed that respondents perceived Cyprus in terms of the sea and sun model; it might be that the purpose of visit being leisure and relaxation is the cause of such a perception. This issue requires further research to target tourists off season as well. Nevertheless it can be argued that:

b) The overstretching of the existing tourism product offer may lead to a confused destination image if not promoted appropriately.

Bianchi (2004), Agarwal (2006) and Smith (2002) argued that the rejuvenation of destinations may lead to a form of standardisation as the struggle for resource allocation intensifies. As a result of the failure to develop sustainable tourism the rejuvenation of the destination may follow a similar path as mass tourism (Knowles and Curtis, 1999) whereby culture and/or nature become the main factors for new product development and therefore overused or abused. Indeed, interviewee 6 protested over the commercialisation of the cultural heritage which tour operators and tourism authorities intensely request for hosting festivals and events. Figure 5.14 shows that the success of the strategy is highly related to the causes of the tourism problems which if unresolved will cause the Cyprus tourism industry to suffer regardless of the product offered. Indeed, respondents have identified similar problems as the interviewees with the Cyprus tourism products indicating that as the causes of the problems are not removed the problem areas will remain. Hence, it is important that the causes of the problems faced by the Cyprus tourism product are effectively met before developing new products. Therefore, it can be argued that:

c) If the causes of the problems of the Cyprus tourism industry are not alleviated the weaknesses of the Cyprus tourism product will prevail across the new products developed.

In addition, the attempts of the destination tourist organisation to maintain its existing customer and gain new customers by enlarging its existing product offering holds the potential risk of developing a heterogeneous product which lacks a clear brand position, destination image and marketing reflection. Moreover, it takes a long time to change a resort's image (Bacher, 2005) making it difficult for the destination to shed its establishing image. Indeed, 58% of interviewees and the majority of the respondents see Cyprus as a 'sea and sun' destination; hence, the delivered image may be difficult to re-orientate. Indeed, interviewee 10 agreed by saying that "*we promise what we cannot deliver*". Also, the delay in implementing the diversification plan may negatively influence the perceived image of the destination; as destination tourism authorities promise one thing but deliver another, dissatisfaction may occur among tourists who relied on the projected image to make their travel decision [chapter 4; 4.2.1.2]. Also, interviewee 4 stated that Cyprus does not have the same diversifying ability as Greece or Spain due to the small size and limited resources available. Therefore, it can be argued that:

d) The success of the Cyprus' diversification strategy depends on the ability of the destination to diversify the products and services and respond to target segment needs.

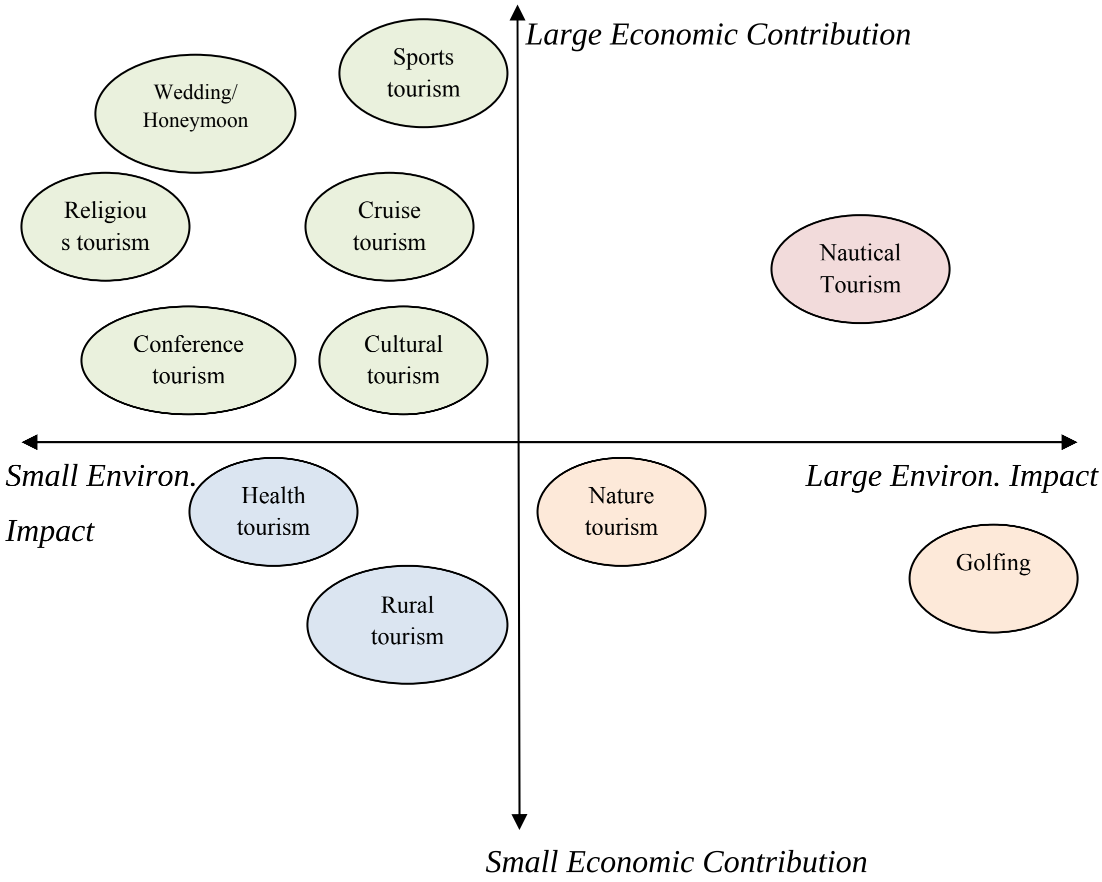
Knowles and Curtis (1999) predict that the expansion of 'new' tourism in declining destinations is short-lived as the rejuvenation efforts are built on the same structural defects as mass tourism. The authors conclude that it is more important to achieve reorientation of the market by specialising and segmenting it whilst simultaneously renovating the infrastructure and facilities. Several reasons justify this statement. Firstly, sustainability places an emphasis on 'quality' tourism, which in turn is associated with luxury; however, the development of 'quality' tourism has been accompanied by an increasing transfer of power and capital to a wealthy regional bourgeoisie which operates in alliance with large-scale tour operators (Bianchi, 2004). This statement has two implications in the Cyprus case:

- Cyprus tourism is largely dependent on a few large-scale tour operators, which direct the tourism industry by acting as both information sources of destination image and distribution channels of a destination's products. According to Trunfio et al (2006) tour operators are reluctant to promote new tourism forms because their structure is profit-driven. Although the CTO has established cooperation with specialised tour operators the majority of the industry still remains in the hands of the large travel companies, which hinder the promotion of Cyprus' new tourism products;

- The association of quality with luxury may prove detrimental. According to Holcomb and Balm (1996) the assumption that sophisticated tourists are higher-spenders than mass tourists is not always accurate. Indeed, Aguilo et al (2005) found in their study on tourist satisfaction of the Balearic islands that price increases following rejuvenation caused the dissatisfaction of tourists who were not willing to pay for complementary facilities/services. In addition, Ayres (2000) argues that there is a danger in attracting more mass tourists in the short-run at the saturation phase as this contradicts with the attempt to make the destination more selective and up-market. These considerations raise the question on whether diversification is appropriate as a growth strategy.

In addition, considering that the diversification strategy aims to achieve sustainable development, it is important to study the impact of the SIT products on the environment. From one point of view, tourism sustainability is sought in order to protect the environment and promote Cyprus' culture and traditional character; on the other hand, the development of SIT products, which is based on the same large-scale mass production and consumption structure as conventional tourism, strains the environment further. Hence, the concept of product diversification in tourism seems to ignore ecological models of sustainable tourism and is rather developed on economically framed sustainability discourse (Kousis and Eder, 2000). The figure below evaluates the various SIT products developed in terms of their economic contribution and environmental impact:

Figure 7.4: SIT products Economic Contribution and Environmental Impact



Source: Author

The figure above shows that the development of certain SIT products is inappropriate in terms of sustainability whilst demand a vast investment. For instance, the development of golf courses on an island that faces a chronic water shortage problem appears to be a misguided strategy (Ioannides, 1992). Also, the development of golf courses requires a substantial amount of land which could be used elsewhere such as agriculture (Markwick, 2000). From this perspective it can be argued that golf course development creates environmental pressures as it requires extensive use of water and land resources. Similarly, the development of such a large-scale project is not only contradictory to sustainable tourism perspectives but unlikely to make any significant economic contribution to the economy as a whole considering the substantial amount of investment required to develop and maintain golf courses. The economic influence of golf tourism is verified by Garau-Vadell and Borja-Sole's study of Mallorca (2008) who revealed a stagnation of the economic impact of golf tourism as demand stopped growing. In addition, nautical tourism requires the development of marinas which are expected to place great pressures on the marine system of coastal areas as well as the surrounding environment. Indeed, marina development involves great investment on a large-scale project which could however, attract a high-spending clientele and yield substantial economic returns. Moreover, the CTO aims to promote Cyprus as a peripheral medical centre, however, the financial investment required to develop the necessary medical infrastructure is estimated to be significant. Also, the ability to develop and promote effectively medical tourism is further hindered by Cyprus' image mass tourism image, poor infrastructure and transport system and close proximity to Israel, a popular medical centre. It might be more appropriate to develop well-being tourism within the context of spa treatments; however, the economic contribution of this product is not estimated to be significant whereas interviewee 3 stated that tourists with wellbeing interests will prefer a more exotic destination, indicating intense competition in this segment. Some SIT products such as cultural tourism, religious tourism, weddings/honeymoons and sports tourism seem to fit more consistently with Cyprus' 'sea and sun' product whilst having a minimal impact on the environment and contributing economically. On the other hand, conference tourism and cruise tourism require funds for the development of appropriate facilities; however can be used complementarily with the main 'sea and sun' product to gain additional receipts whilst having a minimum impact on the environment. Also, rural tourism and nature tourism, although may impact the environment negatively due to the interaction of tourists with the natural world and/or local communities, can yield supplementary economic profit. Thus, it can be argued that certain tourism products which appeal to specific interest groups – if promoted appropriately – can aid the rejuvenation effort of Cyprus by not diverting extensively from its current establish image and/or target market as a tourist destination.

7.3 SUMMARY

Following secondary and primary research it is concluded that the strategy has not been successful in realising economic goals and/or enhancing destination image. Research has revealed that the 'sea and sun' image of Cyprus is dominating. In this chapter discussion focused on a comparison between the projected and the perceived image and it was found that the strategy has certain shortcomings in terms of developing and promoting SIT products effectively. In fact, some researchers (Shaprley, 2002; Ayres, 2000) have questioned the appropriateness of the diversification strategy and rather indicate towards market consolidation as a wiser option. Specifically, Sharpley (2003:262) states that "planning should focus on sustaining and improving the current mass tourism product". In addition, tourism authorities are faced with various internal and external problems that impede the ability to implement the strategy effectively and enhance destination image. Destination images are difficult to change especially when the supporting tourism infrastructure cannot sustain such changes. The following chapter acknowledges the limitations of the diversification strategy and offers recommendations regarding the development and promotion of SIT products.

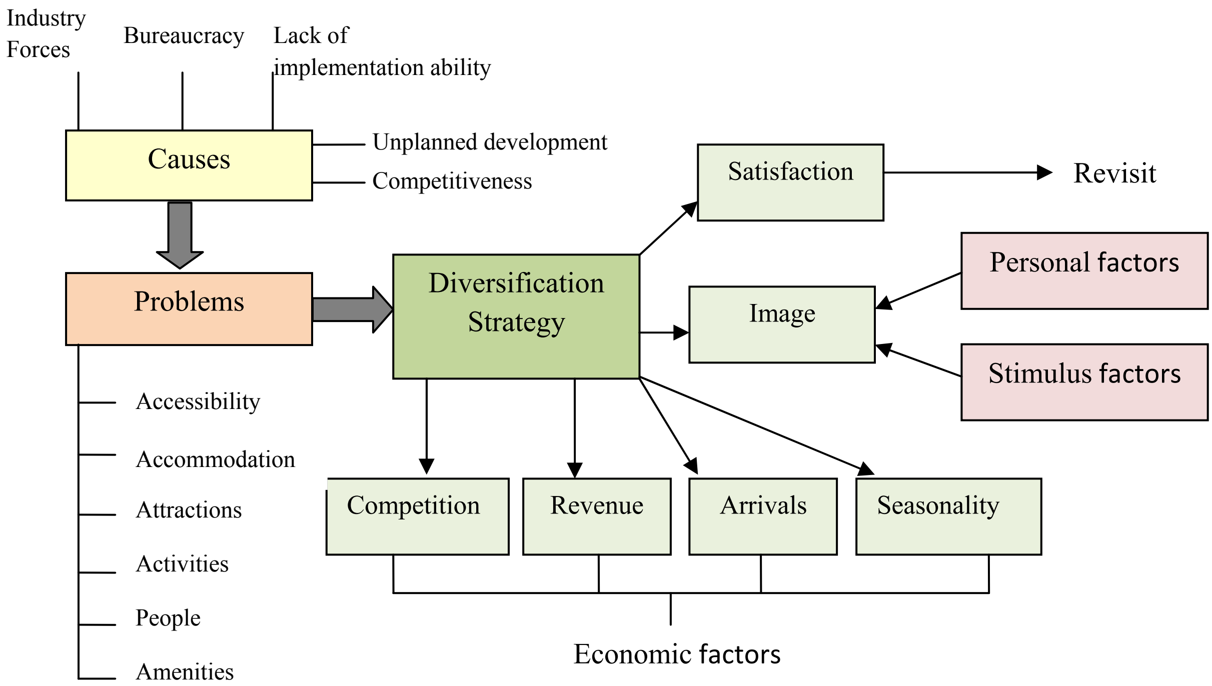
CHAPTER 8 CONCLUSION

This chapter summarises the main points discussed in chapter 7 whereby the findings of qualitative and quantitative analysis have been examined and compared. Also, the chapter presents several recommendations regarding the Cyprus tourism product and identifies the limitations faced by this research. In addition, it explains the contribution of this research to existing knowledge and offers recommendations for future research.

8.1 SUMMARY OF FINDINGS

The analysis of qualitative and quantitative data revealed two important points: a) that the Cyprus tourism product suffers from several problems which appear to stem primarily from internal forces and b) that the goal of the diversification strategy in improving economic figures as well as enhancing destination image has not been fulfilled. This relationship is depicted below in the conceptual framework which illustrates the connecting link between all the issues discussed:

Figure 8.1: Conceptual Framework



Source: Author

Several causes have been identified by the interviewees as the root of the main problems of the Cyprus tourism product. These include bureaucracy, the lack of strategy implementation ability leading to several delays in project completion, unplanned development that resulted in rapid mass tourism development, the poor competitiveness of the tourism product resulting from the destination being more expensive from competing destinations and industry forces which determine changes in tourist motivations and demand. As a result, the Cyprus tourism product faces certain weaknesses such as accessibility to the destination as there are limited direct flights while due to the distance of Cyprus from northern Europe flights tend to be expensive. Also, accommodation units are in need of renovation while tourist attractions need upgrading and more convenient working hours. In addition, tourist facilities lack quality whereas the service offered by the workforce is poor since most of the workers are unskilled. Finally, the lack of variety of activities offered has been identified as another weakness. These weaknesses ultimately affect the degree of success of the diversification strategy which aims at repositioning Cyprus as a quality destination that offers a multiple experience and several special interest activities. The degree of success of the strategy is measured in economic terms by the increase of tourism revenue, arrivals, competitiveness, and the improvement of seasonality as well as the enhancement of the destination's image and the maximisation of the satisfaction level of tourists. Satisfaction level is important not only for ensuring a future revisit to the destination, which will ultimately create tourist loyalty, but also for communicating positive information about Cyprus to others. A change in the destination's image is also vital for the repositioning of Cyprus. Research findings have revealed that the majority of respondents and more than half of the interviewees perceive Cyprus as a 'sea and sun' destination, indicating that despite the efforts to enhance the destination's image by offering a variety of activities the main attributes that constitute a mass tourism destination prevail. Although overall respondents expressed satisfaction with their holidays in Cyprus the majority of them rated the destination negatively in terms of supporting tourist facilities and services indicating failure to upgrade the destination. It is vital to identify and discuss the weaknesses of the tourism product and of the strategy itself in order to recognise the reasons for its failure. The section below outlines the main issues detected as weaknesses and attempts to provide recommendations in terms of strategic planning.

8.1.1 Strategy Weaknesses

The strategic plan proposed by the CTO has been criticised for having certain weaknesses. These are identified and discussed below:

1) The strategic plan proposed by the CTO aims to develop tourism within the context of sustainability; however, the revised plan proposes an increase in the target number of arrivals to 2.7 million tourists by 2010. This target number, albeit yielding the possibility of higher tourism revenues, contradicts the sustainability concept proposed in the strategic plan. One cannot resist wondering whether the target goals set by the CTO are unrealistic especially considering the small size of Cyprus. It appears that despite the efforts to develop tourism products which emphasise nature and culture, the economic goals set by the tourism authorities encourage and support the mass tourism model. In addition, some of the proposed SIT activities are contradicting to the sustainability concept. For instance, as part of SIT development the CTO has

proposed the construction of marinas and golf courses; it is apparent though that such large-scale projects will not only require great investment and resource exploitation but will impact negatively the environment and ecosystem of the island. From one hand, environmental preservation is emphasised and on the other hand large-scale projects, which enhance the mass produced ‘sea and sun’ product, are developed. This coincides with the arguments of several researchers. According to Kousis and Eder (2000) the concept of tourism product diversification seems to ignore ecological models of sustainable tourism and is rather developed on economically framed sustainability discourse. In addition, Ayres (2000) argued that there is a danger in attracting more mass tourists in the short-run preventing the destination to become more up-market. Also, according to Bianchi (2004) the possibility of reproducing another form of standardisation through the development of SIT products may intensify territorial claims. Hence, the economic targets set by the CTO must be reconsidered as not only they are not within the sustainability framework but they simultaneously strengthen the much -accused mass tourism model.

2) Several of the SIT products developed or to be developed are inappropriate as they require a large investment and have a possible negative environmental impact. A large amount of money has been directed towards the development of activities and facilities to enable the offering of SIT products; however, quantitative and qualitative research revealed that Cyprus still has a strong ‘sea and sun’ image. This questions the appropriateness of SIT development; might be more suitable to enhance the ‘sea and sun’ tourist product by investing on the existing infrastructure (Sharpley, 2003) rather than allocating resources on the development of new products. Cyprus has been associated with ‘sea and sun’ attributes and should repositioning dilute its personality the destination’s image can be harmed. Interview analysis showed that although the destination has an established ‘sea and sun’ image the SIT products are seen as complementing the existing product. However, failure to provide these products successfully and efficiently will result in dissatisfaction. Hence, Cyprus must intensify its efforts in improving its main ‘sea and sun’ product; should diversification occur it must be done once a strong economic base has been achieved so that resources and capabilities can be transferred to the diversified products accordingly.

3) The strategy proposes that small segments are targeted depending on the interest tourists have on a product. However, the profitability of such a strategy is questionable as the market size for SIT products may not be large enough to yield a desirable profit level. Another implication of the strategy is that special interest tourists are not typically repeat tourists (Weiler and Hall, 1992). Loyalty is a desirable marketing phenomenon, as it can lead to positive word-of-mouth communication, indicates increased satisfaction and is associated with lower marketing costs (Oppermann, 1998a; 2000b). In fact, quantitative analysis revealed that more than half of the respondents were returning tourists. This creates implications over the targeting strategy. Thus, Cyprus must reconsider the effectiveness of SIT development considering the cost that it carries.
4) The strategy refers to 'quality' tourism development by attracting 'quality' tourists in an attempt to enhance sustainability. However, associations of 'quality' are made with 'luxury' and as Bianchi (2004:519) stated "the development of 'quality' tourism has been accompanied by an increasing transfer of power and capital to a wealthy regional bourgeoisie" which operates in alliance with large-scale tour operators indicating the possibility of a threat to sustainable tourism development. Indeed, the assumption that sophisticated tourists are high-spenders unlike mass tourists is not necessarily accurate (Holcomb and Balm, 1996); some tourists might not be willing to pay for additional facilities and/or services (Aguilo et al, 2005) whilst quality does not necessarily indicate luxury. With the pressures created by the recent economic crisis and as quantitative analysis revealed value for money is an important aspect for tourists when planning their holidays. The sophistication of tourists and the changes in tourist motivations does not imply willingness to spend a lot on holidaying. Rather, a well-thought destination selection is most probable amongst the plethora of destinations available. The destination that does not meet the criteria of tourists by matching reality to their expectations will ultimately be affected negatively. Hence, Cyprus must upgrade its tourist facilities and service at all levels, including low-grade and self-catering accommodation units in order to provide value for money.
5) The strategy proposes the promotion of several SIT products whilst their availability is questionable. For example, there are many projects that remain

incomplete while some regions – especially the mountains – are lacking the necessary facilities and supporting infrastructure. Although the CTO administers funds to encourage development, many use these loans to establish a business but then fail to manage it and preserve its viability leading to closure, abandonment and inability to provide the necessary tourist product. This ultimately leads to dissatisfaction amongst tourists as they are not able to enjoy the promoted facilities or activities. Hence, promotion must concentrate on projects that have been completed whereas monetary incentives must be given on the basis of growth prospects.

8.1.2 Product Weaknesses

Qualitative and quantitative analysis revealed that much of the inability to develop the proposed projects timely is due to the lack of cooperation between the public and private sector, bureaucracy as well as conflicting interests between the parties involved. Therefore, it is acknowledged that the tourism product of Cyprus has certain weaknesses. These include:

1) A dependency on foreign tour operators. Much of this dependency problem arose because of an over-supply of accommodation relative to demand whereas the lack of cooperation amongst stakeholders of the industry and the lack of a political mechanism able to translate policy into practice at a national level resulted in poor management of the tourism industry. The structure of the tourism industry in Cyprus is intensified by the economic globalisation promoted by the European Union and the single monetary union which enhances even further the power of large tour corporations, entrenching their role as peripheral nodes of transnational webs of corporate production (Holden, 2005). This dependency has certain consequences: firstly, tour operators have the power to demand large discounts from hotels by threatening to cut capacity. Considering their ability to direct the tourism industry by acting as both distribution channels and information sources shaping a destination's image an increase in power allows them to direct the tourism industry and secondly, due to their profit structures large tour operators are reluctant to promote SIT (Trunfio et al, 2006), hence, failing to support the repositioning efforts of the destination. According to Sharpley (2003) the over-dependency of Cyprus on tour operators is not an

issue of mass tourism development but an inability from the tourism authorities' part to manage it effectively. Quantitative research analysis revealed that almost half of the respondents travel on a packaged holiday indicating that efforts to manage the cooperation with tour operators effectively must be intensified.

2) The authoritative structure of the Cyprus tourism industry suffers from a lack of coordination, management, control and ability to implementation the strategy at a national level. The current structure of the CTO is not productive enough to make the changes required in the tourism industry. Decision-making is affected by political parties and local authorities whilst the limited role of the CTO allows great dependence on other Ministries and government authorities, leading to delays in decision-making, strategy implementation and project completion. Arguments over the creation of a separate Ministry of Tourism have been put forward; however, critics say this will not be effective but merely double the personnel of the current Ministry of Commerce, Industry and Tourism and take away some of the tasks of the CTO. Nevertheless, efforts to improve the administrative structure of the Cyprus tourism industry must be increased.
3) The Cyprus tourism product is rather poor in terms of quality compared to alternatives, as it suffers from a variety of infrastructural problems and deficiencies including poor transport system, limited green areas and public spaces and deteriorating tourist facilities. In addition, the island's archaeological sites have been accused of being poorly maintained and managed. This further inhibits the destination's efforts to attract a high-spending clientele raising questions over the value being offered to tourists who arrive to the island with certain expectations that are influenced by the price and promotional advertising. Ioannides and Holcomb (2003:253) argued "why would 'quality' tourists wish to visit Cyprus as a destination in the first place, especially as there are so many other competing up market destinations…offering vastly superior products?". It is thus acknowledged that Cyprus needs to upgrade its quality in terms of both tourist facilities and the service offered to improve the value offered to tourists.
4) Analysis of the open-ended questions indicated that Cyprus had been described as being an expensive destination with respondents demanding lower prices within and outside resorts. It is interesting that several respondents commented that Cyprus has become excessively expensive after the Euro adoption indicating

lack of price control and monitoring. This has been particularly evident among the British travellers. At the peak of the economic crisis and with new emerging cheaper destinations in the Eastern Mediterranean Cyprus's competitiveness needs to be increased. The way this will be achieved is through the improvement of the product offering to maximise value for money provided.

Overall, the research found that the repositioning strategy has not been as successful as expected. The image of the destination is based on 'sea and sun' attributes and despite the offering of several SIT activities the delay in completing the appropriate facilities and infrastructure to support these products has led to failure in capitalising the potential benefits. The research revealed that part of the inability to implement the strategy properly stems from internal factors such as bureaucracy; however, many points regarding the strategy seem unrealistic and inappropriate. According to Amor et al (1994:428) "the barriers inherent to the product itself are those characteristics which impede the achievement of the desired image owing to a lack of adequacy of the product to the desired repositioning, to an unrealistic desired repositioning and/or to intrinsic inconsistencies of the product". It appears that the resources required to support SIT are not currently present in Cyprus whereas the industry appears to be confused over the direction repositioning entails with several of the stakeholders acting individualistically rather than cooperating. The following section proposes several recommendations to confront these weaknesses.

8.2 RECOMMENDATIONS

It is not a case of whether Cyprus is perceived as a 'sea and sun' destination or a 'luxury' destination. The important issue is that Cyprus offers a value for money tourism product, whether this refers to the existing product or the new diversified products. This section offers suggestions regarding the improvement of the development and promotion of the Cyprus tourism product as well as recommendations about the structure and operation of the tourism industry.

8.2.1 Administrative

Some of the key issues that research analysis revealed are the delay in implementing the strategic plan, the bureaucracy that exists within the industry and the limited power of the CTO. These are damaging to the destination's tourism development as they prevent Cyprus from exploiting its competitive advantages, from realising its strategic goals and performing at the maximum possible level. Indeed, the tourism industry consists of several key players, each with different interests and goals. This makes the development and management of the industry more difficult. It is therefore important that the role of the private sector and the public sector is highlighted before recommendations are offered regarding the administrative section of the industry.

8.2.1.1 Government Role

The Cyprus government plays a significant role in guiding and shaping the tourism industry and it must acquire a supportive and assertive role in order to enable the industry to develop and prosper. A number of ways can be adopted to achieve this:

- The government must direct attention to the tourism industry by re-establishing its structure. It has often been argued that a separate Ministry of Tourism should be created to eliminate the bureaucracy and allow for rapid decision-making. Kelepeshis (Haravgi, 2007) argued that a separate ministry is essential as is the participation of key tourism players of the private sector in the board of directors of the CTO. On the other hand, many argue that a separate Ministry of Tourism will not solve the problem of bureaucracy but merely increase the personnel of the Ministry of Commerce, Industry and Tourism and take away some responsibilities from the CTO (Politis, 2007). Whatever the case a modern and more efficient mechanism needs to be developed to respond to problems promptly and take effective decisions.
- As the tourism product requires the upgrading of existing facilities and the development of new infrastructure it is important that the various Ministries and government departments involved cooperate and coordinate in order to achieve the timely development of projects. For instance, the Ministry of Communication and Works, the Ministry of Finance and the Ministry of Commerce, Industry and Tourism must strengthen their ties to achieve common goals. It is recommended that an independent project manager is hired to oversee the development of new tourism products and the upgrading of the existing

product. This project manager can act as a liaison between the various government departments involved in tourism and the CTO.

- The government needs to establish a tourism academy that will attract local students and promote hospitality management courses targeted at future hotel managers and executives as there is a need for strategic planners, managers and administrative staff to be employed within the industry.
- The government must provide monetary support in the form of funds, subsidies and/or incentives like tax reductions to private investors in order to encourage the improvement of existing accommodation and other tourist facilities as well as the development of new tourism products. Specifically, in the sector of accommodation more funds need to be allocated to allow hotels to renovate as research showed that hotels are unable to refurbish with the limited funds given by the government.
- The government must offer continuous support to small tourist businesses in the form of educational seminars and workshops in order to ensure that they grow and prosper. Research revealed that small tourist businesses, especially in the rural areas, are unable to reach the expected growth levels due to the inexperience and inability of their owners often leading to closure and/or abandonment. Hence, funding must be allocated in relation to expected growth rates [see section 8.2.3].
- The government must establish appropriate regulation in order to safeguard the interests of the industry. For instance, it must reduce airport fees to make the market more attractive to low-budget airlines. Also, it must establish a price control system through which prices can be monitored to ensure that the Cyprus tourism product remains competitive. In addition, it must reduce the accommodation tax to allow for more competitive prices being offered to potential tourists and increase demand.
- The government must take forceful actions regarding employment within the tourism industry. It must initiate an educational programme that will allow potential workers to learn the basic history, geography and language of Cyprus. If the required examination is passed then workers – whether foreign or local – may be allowed to work in the industry. Simultaneously, it must give monetary incentives such as tax reduction or subsidies to tourist establishments that hire

trained employees and that retrain their existing workers. In this way service quality will be increased whilst the industry will be encouraged to hire skilled workers. In terms of foreign workers communication with the embassies or consulates of the countries they traditionally come from can enable the establishment of such a programme.

- The government must give incentives to municipalities to maintain the natural resources, particularly the beaches, clean and promote environmental awareness. Incentives should also be given for the better maintenance of cultural monuments as well as the establishment of more flexible working hours.

8.2.1.2 CTO Role

The CTO has been and continues to be the administrative mechanism responsible for tourism development and promotion. However, as research revealed the power of the CTO has been limited in terms of decision-making, strategic planning and project implementation. This results in the sole tourism authority in Cyprus being unable to implement tourism goals whilst at the same time it must rely on other public-sector departments for the realisation of tasks. It is therefore recommended that:

- The CTO acquires more power in terms of decision-making, planning and implementation and that its board of directors includes representatives from all tourism sectors, both private and public.
- The CTO intensifies its monitoring of prices in tourism establishments like restaurants and shops to ensure competitive prices are offered to tourists. Also, the CTO must reconsider its accommodation grading system by regularly supervising the industry's accommodation units.
- The CTO must oversee the tourism development and promotion of the regional tourism boards to ensure that a unified message of Cyprus is communicated to potential markets and that all regions receive the support required in developing tourism products.
- The CTO must act as the coordinating body between the public sector and the private sector by promoting public-sector ideas for tourism development to private investors in the form of seminars. It is recommended that an annual board is established whereby members of both the public and private sector meet

to exchange knowledge, opinions and suggestions whereas the CTO can be responsible for supervising the discussion.

- The CTO must become the executive body of government decisions and develop specialised departments responsible for the coordination of new product development, the improvement of existing tourism facilities, regional tourism development, promotion etc.
- The CTO must develop a department that will specialise solely in the performance of tourism-related research. Research on tourism should be continuous and not dispersed to the department of statistical service or private research companies. On the contrary, research should be performed to measure performance of projects, customer satisfaction and tourist perception. It is recommended that future research incorporates qualitative measures to allow for the deep exploration of concepts.
- One of the problems revealed in research is the dependency of Cyprus on foreign tour operators. It is recommended that the CTO re-establishes its cooperation with foreign tour operators. It must initiate cooperation with specialised tour operators that will allow the promotion of SIT products and strengthen its negotiating position with existing large tour operators. Details regarding the promotion of the Cyprus product are given in the following section.

8.2.1.3 Private-Sector Role

The private sector plays an important role in the Cyprus tourism industry in terms of providing elements of the tourism product such as accommodation, entertainment, activities etc. Therefore, several steps need to be taken by private investors in order to aid the repositioning of the destination. It is recommended that:

- Private investors must use the monetary funds provided by the government in an appropriate way to improve existing tourist facilities and/or develop new tourism products. Funds must be not be used for personal reasons and the decision to participate in the tourism industry must not be taken lightly. Specifically, small entrepreneurs need to ensure that they receive the training, the support and assistance of the public-sector to invest in and develop tourism establishments.
- Private investors need to monitor the industry and identify fields which are worth investing in. New product development must revolve around the exploitation of

existing resources and must be performed within the sustainability context rather than large-scale project development which are costly. Detailed discussion on new product development is provided below.

- Private-sector companies must acknowledge the benefit of the industry and act accordingly. For instance, when hiring employees cost must not be the factor directing the decision but service quality, corporate image and tourist satisfaction need to be considered. Private-sector companies also need to train and retrain their workers to ensure that customer satisfaction is achieved. Motivation systems such as promotions and bonuses could be established to encourage workers to retrain in order to update their knowledge and skills. Such training programmes can be made available through private and/or public tourism colleges under a subsidised fee scheme.
- Private-sector companies need to establish online marketing schemes whereby they can improve their relationship with their customers, wider their audience and provide information. The adoption of IT can help in the reduction of costs, the improvement of customer relationship building and corporate brand image. Promotion of their products must be targeted to specific audiences and include resourceful policies. A detailed discussion on promotion is provided in the next section.
- Through their associations private-sector members must pressurise the government to provide greater support either in the form of monetary funding or educational. Non-profit associations must coordinate their efforts to represent the interests of their members in board meetings and ensure that the private sector has the opportunity to exchange information, to offer suggestions and place topics for discussion.

In the following section recommendations over the improvement of the existing product and the development of new products are provided in detail in relation to the above named sectors involved in the tourism industry.

8.2.2 Existing Tourism Product

Mass ‘sea and sun’ tourism is regarded as a cash cow for the Cyprus tourism industry. It is therefore recommended that investment is directed at upgrading the existing tourism product, which is the main economic contributor to the tourism industry. The role of the government is vital in directing the tourism industry towards the desired route; on the other hand, the private sector plays an important role in tourism development. Therefore, the following recommendations are offered with regards the various parties involved in both the public-sector and the private-sector.

8.2.2.1 Accommodation/Infrastructure Improvement

An improvement in the existing tourism product requires the upgrading of the product's components as well as its supporting facilities. For example, infrastructure must be improved as research revealed that tourists perceive infrastructure as being of poor quality. Infrastructural improvement should include the improvement of the road system, the construction of more walkways, pavements and bicycle routes, the improvement of cultural attractions and their surrounding environments as well as the development of tourism facilities (such as restaurants, shops etc) in the mountain region. Other supporting facilities and services offered that need improvement is public transport. It is suggested that buses linking the cities run more frequently and timely and that better connections are established between the airports and cities. In addition, it is recommended that environmental awareness is promoted to respond to tourists' demand of a cleaner environment. Accommodation facilities also need to be renovated immediately. Accommodation upgrading requires government funding, however, as research showed funds are estimated to be inadequate. Hence, an increase in funding is required whereas renovation needs to cover all classes of hotels and all accommodation types – including low-grade and self-catering accommodation – to be able to respond to all tourist segments targeted. It is also recommended that a hotel is developed near the new airport in Larnaka to offer transit and/or business travellers the opportunity of nearby accommodation. Renovation and product improvement must not only concentrate on the coastal areas of Cyprus but also include the rural region where research showed that tourist facilities are lacking. Tourist facilities development in the rural area is discussed in the following section.

8.2.2.2 Work Force

One important aspect of the tourism product is the workforce. Much of the delivery of the tourism product involves the participation of workers, which ultimately influence the quality of the service offered as well as the perceived image due to the direct interaction with tourists. The workforce also has the ability to enhance the character and 'traditionality' of a place by offering hospitality. It is therefore an essential part of the atmosphere of a destination. Research analysis has shown that one of the weak points of the Cyprus tourism product has been its workforce; rapid mass tourism development led to the hiring of foreign, seasonal, cheaper labour which is mostly unskilled. This has severe repercussions to the image of Cyprus as a destination as well as the quality of the product offered and tourist satisfaction. It is thus recommended that the government sets up regulation to safeguard the industry and ensure that only trained and skilled employees are hired by businesses and that existing employees are frequently retrained [see section 8.2.1.1].

8.2.2.3 Price Controls

Cyprus was characterised by respondents as an expensive destination, particularly after the adoption of the Euro. This is indicative that price monitoring has not been upheld especially in tourist areas and resorts. It is therefore recommended that price controls are intensified to ensure that better value for money is offered to tourists. Also, it is suggested that a reduction in the taxation of accommodation units is introduced to increase tourist demand and that airport fees are decreased to open up the market for low-cost carriers [see section 8.2.1.1]. Although accommodation tax was slightly reduced in year 2009 and 2010 as a response to the economic crisis, research revealed that this was inadequate as it benefited mostly the tour operators. According to Hadjioannou (Phileleftheros, 2010) Cyprus should become a low-budget attractive destination. This could encourage individual travel to Cyprus and make Cyprus an attractive stop-over destination as the geographical position of the island can encourage the increase of transit or short-stay travellers. Hence, the government must tighten the regulation on taxation in both the accommodation and transportation sector.

In the following section details of the development of new products and activities is provided in relation to the elements that need to be improved and enhanced for each proposed tourism product.

8.2.3 Development of SIT Products

The development of SIT products will undoubtedly enhance the range of activities offered and appeal to different segments of tourists. However, as discussed in section 7.2.2 the development of some SIT products might influence the environment negatively whilst requires a substantial amount of investment, which could otherwise be used to strengthen the existing 'sea and sun' product. Similarly, other SIT products have not received much attention from tourism authorities although it is believed that their development could benefit the Cyprus tourism industry. The following section offers recommendations over the development of the SIT products that are considered most appropriate and profitable:

Rural Tourism

Rural tourism development in Cyprus has not been largely successful in yielding adequate profits (Sharpley, 2002). Although monetary incentives have been given, many small enterprises such as accommodation units and/or thematic museums have been unable to make a turnover in terms of profits with several of these being neglected or eventually shut down. Other problems rural enterprises have been facing include accessibility, lack of trained labour, high costs of operation and lack of promotional support (Page and Getz, 1997). It is thus important that post-development support is given by tourism authorities. As most rural enterprises are family-owned and/or established by locals for supplementing their main source of income, training is also required to increase their viability and profitability. Hence, management training programmes could be established whilst the Agrotourism Company must ensure that related seminars, workshops and funds are available on a continuous basis for entrepreneur support. In addition, a new approach is required in rural tourism business support policy; to ensure the commitment and involvement of small firms a condition must be established that financial support will be allocated according to growth objectives (Komppula, 2004). Moreover, it is recommended that cooperation between small rural businesses is established; a similar support network was successfully initiated between rural communities in Ireland to intensify promotion, minimise marketing costs and exchange knowledge (Gorman, 2005). These co-ops will allow the maximisation of profit as production of locally produced goods can be done on a large-scale yet sold in small traditional shops as well as the exchange of knowledge, support and skills. Also, it is recommended that the promotion of the rural tourism product of Cyprus in particular is intensified through the attendance in specialised exhibitions, online marketing, cooperation with specialised travel agents and advertising.

Cultural/Religious Tourism

According to interviewee 5, culture has always been part of the 'sea and sun' tourism product to a lesser or greater extent. Indeed, Cyprus has adequate resources to support the development of cultural tourism as its rich history has left behind relics of several civilisations in the form of historical monuments and religious sites that can be either casually enjoyed by 'sea and sun' tourists or more carefully studied by 'cultural' tourists. It is thus recommended that information provision on cultural and religious sites is improved and differentiated according to the type of 'cultural' tourist. Also, tour guides are an integral part of cultural tourism, especially for organised groups; hence the number of tour guides in some languages should be increased in accordance to the targeting strategy. Similarly, technological updating is required in museums and heritage sites to enable tourists to enjoy the 'cultural' experience through audio interpretation equipment, three-dimensional reconstructions of buildings and visual display (Richards, 1996), hence making the cultural experience more interactive. In addition, it is recommended that visitor facilities in heritage sites are improved; some heritage sites are situated in remote areas and therefore restrooms, restaurants, souvenir shops and disabled facilities should be appropriately development. Cultural events are also a popular method of increasing demand during low seasons (Richards, 1996) although it has been argued that the maintenance of visitor numbers can be difficult in the long-term (Britton, 1991). It is thus recommended that investment is allocated to organise and promote events and festivals to boost demand during the low season and/or promote non-traditional locations. Another popular innovation used in cultural sites, such as Mdina in Malta and Pyramids of Giza in Egypt, has been 'sound & light' technology which could be successfully installed in several heritage sites in Cyprus. It is also recommended that 'retreat houses', such as the guestrooms found in Kykkos Monastery, are more intensely promoted. According to Shackley (2004) retreat houses are a subdivision of the hospitality business offering short-term accommodation to cultural tourists; retreat houses carry low marketing costs and enhance educational tourism through workshops. Hence, this type of low-cost accommodation could provide an alternative experience to cultural tourists.

Nature Tourism

Nature tourism development in Cyprus has been mainly concentrated in the western part of the island, in the Akamas region, where an abundance of flora and fauna can be admired. Similarly, cycling and walking routes have been created in the mountains. Although nature tourism can provide some economic contribution to the Cyprus tourism industry the interaction of tourists with nature can prove damaging to the environment if appropriate measures are not taken. It is thus recommended that 'green awareness' is promoted to minimise environmental impact (Shackley, 1996). Also, it is proposed that investment is directed towards nature-based activities such as forest parks and camping sites development. The government must establish appropriate regulation and encourage investment from the private sector towards the development of nature activities. In addition, it is recommended that information provision of nature-based activities is intensified to ensure that all 'nature' tourist types – whether soft or hard – are informed of preservation sites and activities available. The organisation of cycling races or trekking events could also help to increase demand during the low season and direct tourism towards rural areas.

Sports Tourism

According to Weed and Bull (2004) approximately 52% of holiday-makers in Cyprus are motivated by sporting activities. As more people become health conscious demand for sports activities is expected to rise. The degree of participation in sport tourism, however, differs depending on the type of sport tourist. Some 'sea and sun' tourists may enjoy participating in sport activities such as water skiing and diving while others may travel particularly for a sporting event, either to watch or take part in. It is thus recommended that information provision on sport activities available is intensified and that sporting events are promoted according to the type of sport tourist. Golf tourism has been widely promoted in Cyprus. According to the European Golf Association (2006), golfers in Europe account for 34% of the total 80 million that exist worldwide. It is estimated that this number will reach 120 million by 2010 (Hosteltur Especial Golf, 2006) with 25% coming from the UK and 50% from Germany (www.invgolf.com). Despite the promotion of Cyprus as a golf destination demand for Cyprus is only 0.03% of the total European golf tourism flow (European Golf Association, 2009). Also, golfing in Cyprus is not benefited due to the high temperature which restricts the golfing period. Hence, it can be argued that golf tourism is not a profitable source of tourism revenue especially considering its environmental impact and substantial investment required. Also, a stagnation of golf demand has been revealed in similar Mediterranean destinations. Hence, it is recommended that the government policy on golf course development is reconsidered so that development needs are planned, resources and promoted by means of a clear policy (Weed and Bull, 2004). In addition, it is recommended that investment is directed at developing the appropriate facilities to establish training centres for several sports such as football, tennis etc. This development could be favoured by the mild climate in Cyprus and will increase demand during the low season. In an attempt to increase arrivals during the winter months the CTO has also been trying to upgrade the ski resort in the Troodos mountain area; however, recent climatic changes entail that skiing in Cyprus is not a pragmatic choice for tourism development. It is hence recommended that the facilities in the area are utilised differently in order to support rural tourism and/or nature tourism (i.e. development of aerial cableway).

Health Tourism

As discussed in section 3.3.3.2 health tourism is divided into two sub-categories: medical tourism and wellbeing. The first refers to the provision of medical treatment to visitors and the second to spa treatments and pampering services. According to interviewee 9 an increasing number of foreigners prefer Cyprus for cosmetic surgery and dentistry due to the low cost involved. Indeed, travelling to developing countries to receive medical treatment at a lower cost is a worldwide trend (Connell, 2005). The development of medical tourism in Cyprus, however, could be hindered by its ‘sun and sea’ image and competition. It is thus recommended that promotion of medical tourism intensifies and that its developmental policy addresses all ethical, planning and resource issues. In addition, it is recommended that wellbeing tourism is strongly promoted. Although interviewee 3 suggested that tourists travelling for wellbeing and pampering tend to prefer exotic destinations, the affiliation of Cyprus with Aphrodite, the goddess of beauty and love, encourages the development of this product. Hence, investment on the development and upgrading of spa centres and related facilities must be intensified.

Weddings/Honeymoon Tourism

It is estimated that more than 1500 civil weddings are performed in Pafos alone every year. It is therefore a profitable tourism segment which complements the existing ‘sea and sun’ product as a wedding can be combined with a honeymoon in Cyprus. It is thus recommended that promotion of weddings and honeymoons in Cyprus intensifies; the promotion must be encouraged by the affiliation of the island with Aphrodite, the goddess of love and beauty.

Conference Tourism

Conference tourism has been promoted by the CTO in an attempt to increase demand during the low season and attract the high-spending business traveller; however, this segment has been experiencing a decline in demand rates in recent years. As businesses are decreasing travel budgets due to the economic crisis business and conference tourism is experiencing a decrease in demand (Euromonitor, 2009). Europe in particular although maintaining the largest number of meetings in 2008 has been losing share to emerging destination such as Athens, Tokyo and Buenos Aires. From 2003 to 2007 the percentage of meetings organised in Europe fell from 58% to 55.1% (Association Meetings Market, 2008). Nevertheless, the geographic position of Cyprus could encourage the organisation of meetings and conferences. Despite the substantial investment required to develop this product, its economic contribution to the tourism industry could be significant especially in the low season. Thus, it is recommended that incentives are given to develop conference facilities and centres. Also, the promotion of conference tourism should be intensified and directed towards the business travel segment.

Nautical Tourism

The CTO has been promoting nautical and cruise tourism to attract high-spending tourists and short-term visitors. Within this context the diversification strategy has proposed the development of marinas in the coastal regions of the island as well as the upgrading of the passenger area in the Limassol Port. Indeed, the geographical position of Cyprus and its short distance from the Greek Islands, Syria, Israel, Lebanon and Egypt could encourage the development of cruise tourism. Nevertheless, the development of marinas requires substantial investment and is estimated to impact the marine environment. The developmental policy for marinas should therefore consider all planning, resource and promotional issues involved.

Shopping Tourism

According to Bacon (1991) almost 20% of all travel journeys are to shop. Indeed, shopping is seen as a popular leisure activity with two tourism forms (Butler, 1991): a) as a tourism activity and b) as a destination attraction. Research (Gordon, 1986; Levell, 2000) has shown that tourists often buy souvenirs as reminders of their trips. McCanell (1976) and Swanson (1994) argued that souvenirs prolong the tourist experience while Anderson and Littrell (1995) found that one of the three reasons for shopping is buying gifts for people at home. McCormick (2001) found that shopping was the primary or secondary purpose of one or more trips during a year whereas Dallen (2005) argued that the driving forces for shopping tourism is the merchandise sought, the destination and the price advantages. Indeed, tourists travel to other destinations to shop specific products and to buy at lower or duty free prices (Tanzer, 1996; Weller, 1997). Similarly, several destinations such as Dubai have developed into well-known shopping destinations (Begley, 1999; Riegler, 1999). Hence, it is recommended that the development of shopping centre near tourist resort is encouraged through incentive appropriate schemes. Also, it is suggested that incentives are given for the development of shops selling traditional products which could be purchases either as souvenirs or as gifts whilst simultaneously promoting the island's traditional character. Finally, as research showed that one of the suggestions of respondents was to decrease prices in shops it is recommended that the maintenance of attractive prices is encouraged.

Educational Tourism

Interviewee 6 suggested that educational tourism is developed. Considering the diversity of the geological and historical background of Cyprus it is believed that education tourism would be an appropriate and profitable product to develop. Also, it is believed that education tourism can be easily combined with conference tourism and that learning could include areas like language, arts/music, culture and nature. Educational tourism development would require the cooperation of public and private educational institutions such as schools and universities whereby workshops and classes could be offered on several areas including music, cooking and language. Also, thematic tours could be organised whereby a group is accompanied by a teacher-guide (Kalinowski and Weiler, 1992). Therefore, it is recommended that cooperations are established and that incentives are given for the organisation and promotion of educational workshops and thematic tours.

Casino Development

The development of a casino in Cyprus has been debated for years and approval for such development is still pending. As discussed in section 6.3.3.2 casino development can provide benefits to the tourism industry and help to attract affluent travellers (McLaurin and McLaurin, 2003). Katircioglu et al (2007) argued that Greek Cypriots show important demand for casinos in Northern Cyprus since the border opening in 2003; in particular, up to 400000 Greek Cypriots visit casinos in Northern Cyprus spending an estimated CY£44 million each year (Rollins, 2009). Also, Cypriots spent GB£28 million on online gambling in 2006 with another CY£93.2 million played on lottery every year (Rollins, 2009). This shows that demand for gambling tourism exists and it is believed that casino development could bring about economic benefits (Israeli and Mehrez, 1999). Hence, it is recommended that a cost-benefit analysis is performed to establish the profitability of casino development highlighting the responsibilities of all the service providers involved to ensure that a structured planning model is developed should developmental permission be granted.

Overall, it is recommended that investment is directed towards the strengthening and enhancement of the existing ‘sea and sun’ tourism product. This does not entail that SIT product development should be abolished altogether. Rather it is advised that new product development is prioritised into phases with low investment products being development first. The following table illustrates this:

Table 8.1: SIT Product Development Phases

Phase	Special Interest Tourism Product
1	Weddings/honeymoons Cultural tourism Religious tourism Rural Tourism Cruise tourism Wellbeing/Pampering Tourism Sports Tourism (cycling, events) Nature tourism (trekking, bird watching etc)
2	Conference tourism Health Tourism Sports tourism (sports centres/stadiums, training fields)
3	Nautical tourism Golf tourism

Source: Author

8.2.4 Promotion

Target marketing has been an essential part of the promotion of Cyprus. The first group of priority markets include the UK, Germany, Scandinavian countries and Russian with Greece, France, Ireland and Poland following. Countries of the Eastern European block as well as Middle Eastern countries are not in the top priority list of the CTO. However, it is estimated that by 2020 travel demand from Eastern European countries, Far East countries and China will increase (WTO, 2009). Thus, it is recommended that these markets are targeted. Also, it is recommended that priority target markets are adjusted according to the SIT products promoted. For example, cruise tourism could be promoted to Middle Eastern countries, Greece and Italy with promotion intensifying during different seasons. For example, Greece could be targeted during national and religious holidays with special offerings. Also, as research revealed that ‘motivations’ and ‘age’ are the only influencing factors in destination image formation, it is recommended that promotion emphasises activities/interests and age. Moreover, it is considered important that promotional campaigns and advertising emphasise the strengths of Cyprus such as the weather, the beaches, the hospitality element and cultural attractions rather than activities/attractions that are not available yet.

Interviewee 10 suggested that each region is promoted separately to different target segments. This is partly achieved through the regional tourism companies. Also, as each region has different resources developmental level over the years different markets have been targeted. For example, Pafos has an abundance of archaeological and cultural heritage and is thus more appealing to cultural tourists, travellers with a family and/or older tourists, Ayia Napa is more appealing to young clubbers whereas Protaras is more family-oriented. However, it is important that all regions cooperate to promote a uniform image of Cyprus; failure to do so can lead to poor brand building. Also, the tendency of private investors to develop the same products other regions have developed leads to development trends. Interviewee 8 argued that a similar trend happened in the 1980s whereby investors decided to develop tennis courts which have not been utilised effectively and have remained idle since. It is feared that a similar development will result for golf courses should they develop in every region. It is thus recommended that each region utilises its resources and upgrades its infrastructure to target difference market segments. It is also recommended that the promotional policy of regions aims to strengthen the destination image and brand by complementing each other. Hence, the regions should be promoted under the same 'brand umbrella' and follow common objectives.

Studies have shown that an increasing number of people prefer to search for information and/or make bookings online. Thus, an aggressive online marketing campaign needs to be undertaken in order to capture the significant sophisticated segment of tourists that make their own travel arrangements. Also, it is recommended that e-marketing is intensified for the improved promotion of SIT products. E-marketing includes the provision of information about the SIT products in various 'interest' websites, the promotion of the destination in websites where the target segments tend to search and/or shop as well as the provision of incentives to private tourism-related companies for establishing their own dynamic websites not only as portals for information search but also for communication with potential tourists. It is estimated that in 2009 30.9% of the Cyprus population used the internet, which is lower than the EU average (European Internet Statistics, 2009); however, as technologic is improving and more people begin to use the internet it is suggested that online marketing receives greater attention as a lower cost alternative marketing tool.

It is also recommended that different promotional methods are followed. For instance PR activities, participation in specialised exhibitions and advertising in special interest magazines can increase knowledge of SIT products. Also, research showed that advertising had great influence on the affective image component; hence, it is recommended that advertising budget is increased to create interest towards the destination and increase repeat visit. Moreover, research showed that travel agents exert some influence on the third cognitive image component therefore it is recommended that cooperation with specialised tour operators/travel agents are established. Also, research showed that respondents requested more information be made available. Thus, it is suggested that more information regarding tourist sites, activities available and events is made available through tourist information offices and online.

8.3 LIMITATIONS OF THE RESEARCH

Although strict scientific criteria have been adopted throughout this research, it is unlikely that the research is free of restrictions with most of the restriction arising from budgetary and time limitations. Indeed, the research has faced certain limitations in terms of methodological perspectives. Conceptually, the research was limited by its objectives as it failed to study psychographic factors (such as values and lifestyle) which also influence the formation of the perceived image. In addition, the use of a self-completion questionnaire possesses some limitations as the researcher was forced to restrict the number of questions asked to ensure a high completion rate. Also, it is recognised that the use of a self-completion questionnaire for gathering information restricts the number of respondents that can be targeted. Nevertheless, it is not believed that these have a great effect on the reliability and validity of findings. Methodologically, the research faces certain limitations in terms of the generalisation of its findings. Firstly, the concentration on British tourists restricts the generalisability of the findings to other populations. Secondly, the research was performed during the summer months of July and August excluding the targeting of tourists visiting during the low-season. Nonetheless, as most tourists arrive to Cyprus during the summer season and mostly 50% of total tourist arrivals are from the UK it is not believed that these will affect the generalisation of findings greatly.

8.4 FURTHER RESEARCH

The aim of this research was to determine the success of diversification of the Cyprus tourism product. The research achieved its objective, hence, contributing to existing knowledge on tourism product diversification. The comparison between the projected image and the perceived image allowed the exploration of tourist expectations as formed by destination promotion and other sources and Cyprus' image as a tourist destination; thus the researcher was able to determine whether tourists' perceived image held characteristics of SIT to determine whether the strategy of Cyprus was successful in enhancing destination image. Simultaneously, the findings of the research contributed practically in the fields of tourism management, strategic planning and destination promotion. As research on tourism product diversification is limited it is believed that this thesis can lead to further research on both Cyprus as well as the tourism diversification concept. For instance, more research must be undertaken to measure tourist perception of the various SIT products developed. The measurement of SIT product effect from a demand-side point of view is important in understanding the effect of tourism product diversification better. In addition, future research on Cyprus may ask respondents their main place of stay on the island as this could reveal differences in their perceived image and/or satisfaction levels between the various regions. This is particularly important to study following the dissemination of power from the CTO to regional tourism companies. Moreover, it is recommended that research is undertaken to measure in depth the image of Cyprus as a destination as a gap in literature is observed. Also, the concept of time-sharing would be interesting to study; especially, nowadays that golf and marina development in Cyprus is performed based on this concept. Similarly, the effect of holiday home rentals on the accommodation sector would be interesting to examine with particular attention to the reasons tourists choose to stay in holiday homes rather than hotels. If the underlying factor is price then the CTO's focus on developing luxury hotels might have to be redirected.

8.5 SUMMARY

The aim of this research has been to investigate the degree of success of the diversification strategy of the Cyprus tourism product with particular attention on destination image enhancement. Several success indicators have been identified and discussed in relation to existing literature. Recent economic figures, such as tourist revenue and arrivals, revealed that diversification goals have not been reached. Similarly, examination of the destination image revealed that 'sea and sun' image attributes prevail, indicating a failure of the diversification strategy to enhance destination image by incorporating additional attributes related to SIT development. Although measures have been undertaken to improve the existing tourist product and develop new products, the repositioning strategy has been characterised by internal weaknesses such as implementation delay, bureaucratic issues and conflicting interests. As a result, the competitiveness of Cyprus as a destination and tourist satisfaction is diminishing. According to Archontides (2007:277) "a more realistic confrontation is required as the strategic plan is based on future goals and not current reality". Indeed, "the strategic plan presents a full picture of measures that need to be taken…what is left is the cooperation of all those involved, time scheduling and effective coordination" (Archontides, 2007:329). It is thus imperative that the necessary steps in improving the Cyprus tourism product are taken to enable the destination to exit from the downward spiral it has entered. Such measures will require determination and the cooperation of all those involved in the Cyprus tourism industry. Whatever the case, the problems facing the Cyprus tourism product should not be taken lightly. According to the president of the CHC tourism can support the Cyprus economy for at least 20 years (Phileleftheros, 2010). But what will the consequences be to the economy if Cyprus fails to reverse the declining course of its tourism product?

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APPENDIX 1

TOURIST MOTIVATION THEORIES

Table AP/1.1: Tourist Motivation Theories

	Theoretical Background
Cohen (1972)	**Tourist typology** • tourists categorised as ‘institutionalised’ and ‘non-institutionalised’ followed by ‘drifters’, ‘explorers’, ‘individual mass tourists’ and ‘organised mass tourists’ • mass tourists are characterised as "institutionalised" and more individualistic tourists as non-institutionalised • suggests that at the initial stages of destination development ‘explorers’ make their own travel arrangements to previously unexplored areas; as the destination develops the tourist type changes to more ‘institutionalised’ types and as capacity levels are exceeded and the destination becomes out-dated tourists become organised mass tourist.
Plog (1974, 1987)	**Psychocentric-Allocentric model** • proposes a continuum where two extremes exist: psychocentric travellers (self inhibited, nervous, and non-adventurous, preferring the ‘familiar’ in vacation-travel destinations) and allocentrics (outgoing, self-confident with desire to experience new things). Along the continuum other types can be found: the near-allocentrics (belong to the first major wave of adopters, where they visit a destination after it has been discovered by the allocentrics) and near-psychocentrics (most likely to visit a destination after it has been well-established within tourism). • most travellers belong to the mid-centric type, which is positioned between psychocentrics and allocentrics.
Iso-Ahola (1980)	**Intrinsic motivation-optimal arousal perspective** • suggests that leisure needs are changing during life • emphasises the importance of intrinsic motivation within the framework of the need for optimal arousal (i.e. individuals seek different stimulation levels to avoid boredom)
Bourdieu (1984)	**The new tourist classes** • identifies two classes: ‘the new bourgeoisie’ referring to ecotourists and ‘the new petit bourgeoisie’ referring to egotourists • ecotourists have the economic ability to take exclusive holidays abroad; not necessarily focus on environment • egotourists do not have the economic ability to take exclusive holidays but rather attempt to distinguish themselves by enhancing their cultural capital; also known as ‘intellectuals’
Pearce (1988)	**Travel Career Tapestry model** • a five-fold hierarchical system which ranks tourists’ post-hoc motivational descriptions pertaining to their holidays starting with a) biological needs, b) safety and security needs, c) relationship development needs, d) special interest and self-development needs and e) self-actualisation needs • argues that tourists go through different levels during their lifecycle by treating travel as a career

Source: Author

APPENDIX 2

EARLY WORK ON DESTINATION EVOLUTION

Table AP/2.1: Early Studies on Destination Evolution

Researcher	Theoretical Background
Christaller (1963)	• Suggested that destinations go through an evolution process • Unexplored destinations discovered initially by artists; in turn the working class is attracted and tourist facilities are established leading to the destination becoming fashionable
Plog(1973)	• Proposed a continuum which categorises tourists' personality • The two extremes are pshychocentrics (non-adventurous and self-inhibited) and allocentrics (novelty seekers and outgoing) • Suggested that most tourists fall in between the two extremes and are labelled midcentrics
Cohen (1972)	• Proposed that tourists fall into two categories: institutionalised and non-institutionalised • The two extremes of the categories include drifters/explorers and organised mass tourist suggesting that a destination will receive initially a small number of tourists making their own travel arrangements and as the tourism market develops organised groups of tourists will arrive at the destination
Doxey (1975)	• Proposed that the attitude towards tourism of residents of a destination changes from positive to negative as the industry evolves
Stansfield (1978)	• Suggested a cyclical concept where destinations go through rise, decline and rebirth
Wolfe (1954)	• Proposed that tourism and recreation facilities are developed from second home establishments in destinations

Source: Author

APPENDIX 3

THE RESTRUCTURING THESIS IN MANUFACTURING

Table AP/3.1: Comparison between Fordism and Post-Fordism

	Fordism	Post Fordism
Production concept	Mass production, economies through fixed capital and labour productivity within the production process	Flexible specialisation automation, economies through working capital productivity between production processes and in distribution
Technology	Machine purpose built and dedicated R&D functionally separate and discontinuous	General purpose adaptable machinery, importance of design
Products	Limited range of standardised products	Product variety and specialisation, 'niche' markets
Inputs	Materials and energy-intensive	Materials and energy-saving/information-intensive
Work process and skills	Fragmented and standardised tasks, strict division between mental and manual labour. Semi-skilled workers	Open-ended tasks, semi-autonomous groups and decentralised responsibility, closer integration of manual and mental tasks, core of multi-skilled workers linked to subcontract and semiskilled labour
Payment system	Rate for the job, formalised pay Bargaining	Payment for person, rising incomes for skilled core. More informal wage settlement
Organisation and management	Managerial hierarchies, centralisation, multidivisional corporation	Flatter hierarchies, centralised information and planning systems with decentralised production, networks, subcontracting, franchising
Markets and customers	Domination of manufacturers over retailers of producers over users, one-way relations/mass advertising	Domination of retailing, two-way relations between customers and manufacturer, firm rather than product advertising
Suppliers	Arm's length stocks held 'just in case'	Two-way relations, stock arrive 'just in time'
Competitive strategy	Competition through full capacity, utilisation and cost-cutting tends to over production, stockpiling and markdowns	Competition through innovation, response to falling markets through diversification, innovation, subcontracting or lay off

Source: UNDP/UNIDO (1987)

APPENDIX 4

SHIFTS IN TOURISTS MOTIVATIONS

Table AP/4.1: Shifts in Tourist Motivations

Old Tourist	New Tourist
Search for the sun	Experience something new
Follow the masses	Want to be in charge
Here today, gone tomorrow	See and enjoy but not destroy
Show that you have been	Just for the fun of it
Having	Being
Like attractions	Understanding
Reactions	Like sport and nature
Eat in hotel dining room	Adventurous
Homogeneous	Try out local fare
	Hybrid

Source: Mowforth and Munt (1998)

APPENDIX 5

TYPOLOGY OF IMAGE FORMATION AGENTS

Table AP/5.1: Typology of Image Formation Agents

Over induced I	Direct attempts by destination to influence through traditional forms of advertising
Overt induced II	Information provided from various travel intermediaries
Covert induced I	A celebrity is used to convey a message either through mass media or personal appearance
Covert induced II	Travel organisations that promote destinations receive motivation to include the destination in their media sources
Autonomous	Agents are not provided incentives to promote the destination and hence the information provided should be unbiased; similar to publicity
Unsolicited organic	Agents provide unsolicited information about the destination; act as third-party endorsers who have a direct or indirect information about the destination
Solicited organic	Similar to unsolicited agents but provide information the consumer has requested
Organic	Includes personal visitations by the consumer who will use word-of-mouth advertising; it is the best and least expensive form of promotion

Source: Gartner (1993)

APPENDIX 6

PARTICIPANT INFORMATION SHEET

Please read the information below concerning the research in question. You are kindly advised to go through all the details carefully and contact the researcher should any queries arise either about the instructions provided in this information sheet or about concerns regarding the nature of the research itself.

Researcher Contact details:
Anna Farmaki
Email: N0088143@ntu.ac.uk

Supervisor: Reverend Professor Myra Shackley
Tel: +44 (0) 1158482143
Nottingham Business School
Nottingham Trent University
Burton Street
Nottingham NG1 3BU

My name is Anna Farmaki and I am carrying out this research as part of my PhD dissertation in tourism marketing. I am investigating the Cyprus tourism product diversification strategy. You are asked to participate in an interview of approximately 45 minute length where you will be asked by the interviewer a series of questions about your professional experience regarding the tourism industry of Cyprus and the various diversification measures undertaken to its tourism product.

Your responses will be digitally recorded. During the interview you have the right to refuse to answer any of the questions. Due to the nature of the research extracts from the interview might be used in the final report in the form of quotes. However, your anonymity will be withheld at all times; any data you give will be presented in the thesis in such a way that your name will not be identified. Instead each participant will be identified as respondent A, respondent B and so on. Only the interviewer and supervisor will have access to recordings. Recordings will be maintained in a secure place during and after the interview. Hence, all the data collected in this research will be confidential.

Upon completion of the interview you are free to ask any questions you may have about the interview or research. Participation is entirely voluntary and you have the right to withdraw from the interview at any stage before the completion of data collection without specifying a reason. Should you decide to withdraw please inform the researcher and ask for your data to be withdrawn.

Your participation is greatly appreciated. If you want to participate in this research please sign and date two copies of the consent form below.

CONSENT FORM

Please read and confirm your consent to being interviewed for this project by ticking the appropriate box(es) and signing and dating this form

1. I confirm that the purpose of the research has been explained to me, that I have been given information about it in writing and that I have had the opportunity to ask questions about the research

   ☐

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason and without any implications for my legal rights

   ☐

3. I give my permission for the interview to be digitally recorded by the researcher on the understanding that the CD will be safely stored

   ☐

4. I agree to take part in this research

   ☐

Name of participant	Date	Signature

Name of researcher	Date	Signature

Thank you very much for your time in reading the information sheet and for your interest in the research.

APPENDIX 7

INTERVIEWEE QUESTION SHEET

Profile Questions

1) Can you state your educational background?
2) Would you say you have experience of the Cyprus tourism industry?
3) Can you describe the nature of your job here at the organisation?
4) What role does the organisation play in the Cyprus tourism industry?

Interviewee Knowledge

5) Are you aware of the diversification strategy the CTO is undertaking in order to reposition Cyprus as a destination?
6) Do you think it is necessary to alter Cyprus' position?
7) Do you identify any problems or weaknesses of the Cyprus tourism product?
8) What do you think is the cause of these problems?
9) Can you describe the main diversification measures undertaken by the organisation in repositioning Cyprus?

Interviewee Views

10) Would you say that currently Cyprus being projected as a mass tourist destination?
11) Do you think the provision of a wide variety of SIT products create a confusing image to tourists?
12) Would you say Cyprus is a high quality destination?
13) Tourist expectations vary with different markets of tourists. Would you say that Cyprus as a tourism destination offers tourists what they expect in terms of value for money?
14) Would you argue that diversification has been successful so far in realising its main strategic goals of increasing revenues, market share, competitiveness, improving seasonality and satisfaction levels?
15) How does the organisation respond to the economic crisis affecting the world right now?
16) What suggestions would you make to improve the Cyprus tourism product?

APPENDIX 8

INTERVIEWEE LIST

Table AP/8.1: Interviewee List

Organisation	Position	Date of Interview
The Cyprus Association for Cultural and Special Interest Tourism	President	7/5/09
Association of Cyprus Tourist Enterprises	General Manager	8/5/09
Louis Tourist Agency	Sales and Marketing Manager, Tourist Dept	14/5/09
Association of Cyprus Travel Agents	Director General	19/5/09
Cyprus Tourism Organisation	Planning officer	28/5/09
Department of Antiquities Ministry of Communication and Works	Director	28/5/09
Cyprus Airways	Commercial Manager	29/5/09
Cyprus Hotels Association	Director General	3/6/09
Aeolos	Marketing Manager	4/6/09
Aqua Sol	Assistant Manager (Sales & Marketing)	5/6/09
Troodos Company of Tourist Development and Promotion	Vice President of Troodos Tourism Development and Promotion Company	17/6/09
Lanitis Group	Executive Consultant	3/7/09

APPENDIX 9

QUESTIONNAIRE SURVEY
For PhD Research

This survey is part of a research project aiming at investigating the Cyprus tourism product diversification strategy. Please answer the following questions as honestly as possible. Completion of the questionnaire should take no more than a few minutes. You cannot be identified from the information you provide.

ALL THE INFORMATION YOU PROVIDE WILL BE TREATED WITH STRICT CONFIDENCE

General Instructions

In this questionnaire you will find a number of scales and questions designed to measure your opinions, beliefs and attitudes. Please answer the questions as honestly as possible without spending too much time to think about the answer. Your answers should show how you really feel and what you believe and not how you think you should feel or behave. Should any queries arise please ask the researcher for assistance.

Instructions on completing the questionnaire are provided for each question. Please read carefully as some may ask you to tick an appropriate answer while others may ask you to rate a scale. Please return the questionnaire to the researcher as soon as you finish.

1. Id. No. ☐
(to be completed by researcher)

2. AGE ………………… *(in years)*

3. Gender
(tick the appropriate box) **M** ☐ **F** ☐

4. Marital Status
(tick the appropriate box)

single	
in a relationship	
married	
divorced	
widowed	

5. Do you have children travelling with you?
(tick the appropriate box) **YES** ☐ **NO** ☐

6. What is the highest completed educational level you have?
(tick the appropriate box)

Secondary School	
Further education/work training	
Bachelor's degree	
Master's degree or higher	

7. Country of Usual Residence

………………………………………………………

8. Are you a first time visitor to Cyprus?
(tick the appropriate box)

YES ☐

NO ☐

(if YES go to question 10)

9. How many previous visits have you made to Cyprus?
(tick the appropriate box)

One ☐

Two or more ☐

10. What was the primary reason for this visit to Cyprus?
(tick the appropriate box)

Holidays/Leisure	
Religious/Pilgrimage	
Visiting friends/family	
Health reasons	
Business/Conference	
Other *(specify)* ……………………………………	

11. State which of the following played a primary role in your decision to visit Cyprus?
(tick the appropriate box or boxes)

Friends and family	
Tour operator/travel agent	
Advertising	
Media (reports, news, articles etc)	
Past experience	
Other*(specify)*	

12. Did you travel on a package tour?
(tick the appropriate box)

YES ☐

NO ☐

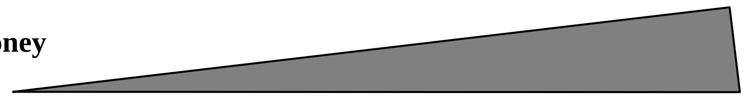
(if NO go to question 14)

13. Which of the following were included in the package?
(tick the appropriate box or boxes)

Transport to/from Cyprus	
Accommodation only	
Accommodation - B&B	
Accommodation - HB or FB	
Tours/Excursions	
Other *(specify)*	

14. How would you rate Cyprus as a destination in terms of:
(please circle the appropriate number)

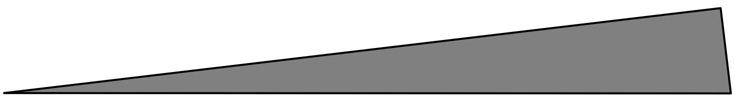
Overall value for money



1 2 3 4 5 6 7

Poor *Excellent*

Overall quality



1 2 3 4 5 6 7

Poor *Excellent*

15. **Rate the following tourism products/services of Cyprus according to value for money by ticking the appropriate box.**

	Don't Know/Don't Answer	*Very Bad*	*Bad*	*Reasonable*	*Good*	*Very Good*
Public transport						
Accommodation facilities						
Natural environment						
Cultural attractions						
Activities offered						
Infrastructure						
Entertainment						
Shopping facilities						
Restaurants						

16. **Rate the following tourism products/services of Cyprus according to quality level by ticking the appropriate box.**

	Don't Know/Don't Answer	*Very Bad*	*Bad*	*Reasonable*	*Good*	*Very Good*
Public transport						
Accommodation facilities						
Natural environment						
Cultural attractions						
Activities offered						
Infrastructure						
Entertainment						
Shopping facilities						
Restaurants						

17. **Select the characteristics that you think Cyprus has to offer as a destination by ticking the appropriate boxes.**

Beaches		**Marinas/cruises**	
Cultural attractions		**Entertainment facilities**	
Museums		**Winter ski resort**	
Exhibition centres		**Traditional restaurants**	
Conferences		**Health Spas**	
Forest parks		**Golf**	
Good weather		**Nature walks/routes**	
Sports activities		**Festivals**	
Religious monuments		**Luxury accommodation**	

18. **With 1 being the highest rank the following characteristics of Cyprus according to their importance to you. If one has no importance at all, please leave blank.**

Availability of activities	
Scenery/Nature	
Cultural attractions	
Nightlife/entertainment	
Sport facilities	
Transportation	
Accommodation	
Atmosphere	
Value for money	
Weather/Climate	
Service Quality	
Residents' friendliness	

19. **Using the scale provided rate the following statements about Cyprus as a tourist destination by ticking the appropriate box:**

	Don't know/Don't answer	*Strongly Disagree*	*Disagree*	*Neither*	*Agree*	*Strongly Agree*
Beautiful scenery						
Friendly people						
Activities during the day						
Activities in the evening						
Excellent beaches						
Good sports facilities						
Relaxed atmosphere						
Good weather						
Good value						
Attractive towns						
Good service quality						
Quality accommodation						

20. **Which of the following words best describe Cyprus as a destination?**
(place an x on a line below according to the statement you agree with the most)

Boring ___|___|___|___|___|___|___|___ **Exciting**

Luxurious ___|___|___|___|___|___|___|___ **Inferior**

Common ___|___|___|___|___|___|___|___ **Distinctive**

Welcoming ___|___|___|___|___|___|___|___ **Inhospitable**

Unsafe ___|___|___|___|___|___|___|___ **Safe**

21. How satisfied are you with your holidays to Cyprus?
(circle the appropriate number)

1	2	3	4	5	6	7
Very Dissatisfied						*Very Satisfied*

22. Would you visit Cyprus again?
(circle the appropriate number)

1	2	3	4	5	6	7
Highly Likely						*Highly Unlikely*

23. Would you recommend Cyprus as a tourist destination to others?
(tick the appropriate box)

YES	
NO	
Possibly	

24. Describe Cyprus as a tourist destination in your own words.

....
....
....
....

25. In your opinion what should be improved in the Cyprus tourism product?

....
....
....
....

Thank you for taking the time to complete this questionnaire. If you have any further queries or would like further information on this project please email me at N0088143@ntu.ac.uk.

Anna Farmaki
Nottingham Business School
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APPENDIX 10

CODEBOOK

Table AP/10.1: Codebook

Variable	SPSS Variable Name	Coding Instructions
Id	Q1	Number assigned to each questionnaire
Age	Q2	In years
Gender	Q3	1 = male; 2 = female
Marital Status	Q4	1 = single; 2 = in a relationship; 3 = married; 4 = divorced; 5 = widowed
Children travelling with you	Q5	1 = yes; 0 = no
Educational level	Q6	1 = secondary school; 2 = further education/work training; 3 = bachelor degree; 4 = master's degree or higher
Country of residence	Q7	1 = UK; 2 = Other
First time visit	Q8	1 = yes; 0 = no
Number of previous visits	Q9	1 = one; 0 = two or more
Primary reason for visit	Q10	1 = holidays/leisure; 2 = religious/pilgrimage; 3 = visiting friends/family; 4 = health reasons; 5 = business/conference; 6 = other
Primary influence to decision (friends/family)	Q11a	1 = influenced; 0 = not influenced
Primary influence to decision (tour operator/travel agent)	Q11b	1 = influenced; 0 = not influenced
Primary influence to decision (advertising)	Q11c	1 = influenced; 0 = not influenced
Primary influence to decision (media)	Q11d	1 = influenced; 0 = not influence
Primary influence to decision (past experience)	Q11e	1 = influenced; 0 = not influenced
Primary influence to decision (other)	Q11f	1 = influenced; 0 = not influence
Package tour	Q12	1 = yes; 0 = no
Package components (transport to/from Cyprus)	Q13a	1 = included; 0 = not included
Package components (accommodation only)	Q13b	1 = included; 0 = not included
Package components (accommodation B/B)	Q13c	1 = included; 0 = not included
Package components (accommodation H/B-F/B)	Q13d	1 = included; 0 = not included
Package components (tours/excursions)	Q13e	1 = included; 0 = not included
Package components (other)	Q13f	1 = included; 0 = not included
Overall value for money	Q14a	1 = poor; 7 = excellent

Overall quality level	Q14b	1 = poor; 7 = excellent
Value for money items	Q15 (a to i)	0 = don't know/don't answer; 1 = very bad; 2 = bad; 3 = reasonable; 4 = good; 5 = very good
Quality level items	Q16 (a to i)	0 = don't know/don't answer; 1 = very bad; 2 = bad; 3 = reasonable; 4 = good; 5 = very good
Destination characteristics offered	Q17 (a to r)	1 = selected; 0 = not selected
Destination characteristics (importance)	Q18 (a to l)	1 = most important; 12 = least important; 0 = no importance
Statements about destination	Q19 (a to l)	0 = don't know/don't answer; 1 = strongly disagree; 2 = disagree; 3 = neither; 4 = agree; 5 = strongly agree
Destination descriptors	Q20a	1 = boring; 7 = exciting
Destination descriptors	Q20b	1 = luxurious; 7 = inferior
Destination descriptors	Q20c	1 = common; 7 = distinctive
Destination descriptors	Q20d	1 = welcoming; 7 = inhospitable
Destination descriptors	Q20e	1 = unsafe; 7 = safe
Satisfaction with holidays	Q21	1 = very dissatisfied; 7 = very satisfied
Would visit again	Q22	1 = highly likely; 7 = highly unlikely
Would recommend destination	Q23	1 = yes; 2 = no; 3 = possibly
Age in groups	Age2	1 = 18-24; 2 = 25-34; 3 = 35-44; 4 = 45-54; 5 = 55-64; 6 = 65-74; 7 = 74 <
Recoded value for money	Q15(a-i)2	1 = very bad; 2 = bad; 3 = reasonable; 4 = good; 5 = very good
Recoded quality level	Q16(a-i)2	1 = very bad; 2 = bad; 3 = reasonable; 4 = good; 5 = very good
Recoded destination characteristics (importance)	Q18 (a-l)2	1=most important; 12=least important
Recoded statements on Cyprus	Q19(a-l)2	1 = very bad; 2 = bad; 3 = reasonable; 4 = good; 5 = very good
Reversed items on q22	Q22R	1 = high unlikely; 7 = highly likely
Recoded destination characteristics reversed (importance)	Q18(a-l)2R	1=least important; 12=most important
Recoded gender	Q3R	1 = male; 0 = female
Recoded Marital status	Q4(a-e)	1 = affiliated; 0 = not affiliated
Recoded purpose of visit	Q10(a-f)	1 = affiliated; 0 = not affiliated
FAC 1-1 FAC 2-1 FAC3-1	Q19 (3 cognitive evaluation factors)	
FAC 1-2	Q20 (1 affective evaluation factor)	

APPENDIX 11

CENTRAL TENDENCY MEASURES

Table AP/11.1: Central Tendency Measures

Question Number	Variables	Number		Mean	Median	Mode
		Valid	Missing			
Q14 (a)	Overall value for money	393	0	4.40	4	4
Q14 (b)	Overall quality	393	0	5.37	5	6
Q15 (a)	Public transport	169	224	3.29	3	3
Q15 (b)	Accommodation facilities	343	50	3.91	4	4
Q15 (c)	Natural environment	374	19	3.77	4	4
Q15 (d)	Cultural attractions	327	66	3.66	4	4
Q15 (e)	Activities offered	346	47	3.71	4	4
Q15 (f)	Infrastructure	327	66	3.47	3	3
Q15 (g)	Entertainment	358	35	3.77	4	4
Q15 (h)	Shopping facilities	371	22	3.45	3	3
Q15 (i)	Restaurants	387	6	3.97	4	4
Q16 (a)	Public transport	181	212	3.17	3	4
Q16 (b)	Accommodation facilities	346	47	3.93	4	4
Q16 (c)	Natural environment	368	25	3.75	4	4
Q16 (d)	Cultural attractions	329	64	3.66	4	4
Q16 (e)	Activities offered	352	41	3.69	4	4
Q16 (f)	Infrastructure	328	65	3.46	3	3
Q16 (g)	Entertainment	373	20	3.53	3	3
Q16 (h)	Shopping facilities	361	32	3.73	4	4
Q16 (i)	Restaurants	387	6	4.01	4	4
Q18 (a)	Availability of activities	243	150	6.38	7	7
Q18 (b)	Scenery/nature	271	122	6.68	7	9
Q18 (c)	Cultural attractions	245	148	8.19	9	12
Q18 (d)	Nightlife/entertainment	280	113	5.17	5	1
Q18 (e)	Sports facilities	202	191	8.84	9	11
Q18 (f)	Transportation	225	168	8.18	9	9
Q18 (g)	Accommodation	313	80	4.06	4	3
Q18 (h)	Atmosphere	312	81	4.81	4	2
Q18 (i)	Value for money	324	69	5.09	4	4
Q18 (j)	Weather/climate	381	12	1.81	1	1
Q18 (k)	Service/quality	301	92	5.66	5	4
Q18 (l)	Residents' friendliness	338	55	5.07	5	5
Q19 (a)	Beautiful scenery	370	23	3.89	4	4
Q19 (b)	Friendly people	390	3	4.11	4	4
Q19 (c)	Day activities	342	51	3.83	4	4

Q19 (d)	Evening activities	344	49	4.03	4	4
Q19 (e)	Excellent beaches	380	13	4.20	4	4
Q19 (f)	Good sports facilities	272	121	3.65	4	4
Q19 (g)	Relaxed atmosphere	381	12	4.33	4	4
Q19 (h)	Good weather	389	4	4.72	5	5
Q19 (i)	Good value	379	14	3.21	3	4
Q19 (j)	Attractive towns	360	33	3.71	4	4
Q19 (k)	Good service quality	374	19	3.95	4	4
Q19 (l)	Quality accommodation	355	38	3.96	4	4
Q20 (a)	Boring-exciting	381	12	6.09	6	7
Q20 (b)	Inferior-luxurious	375	18	4.04	4	4
Q20 (c)	Common-distinctive	373	20	5.43	6	5
Q20 (d)	Inhospitable-welcoming	389	4	5.50	6	7
Q20 (e)	Unsafe-safe	391	2	6.30	7	7
Q21	Satisfaction level	392	1	5.95	6	6
Q22	Future visit	390	3	5.56	7	7

APPENDIX 12

PRINCIPAL COMPONENT ANALYSIS

Cognitive Image Components

Pattern Matrix[a]

	Component		
	1	2	3
beautiful scenery	**,433**	,104	,218
friendly people	**,802**	-,240	-,079
day activities	,163	,291	**,635**
evening activities	-,066	,003	**,768**
excellent beaches	-,063	-,250	**,793**
good sports facilities	,248	**,487**	**,441**
relaxed atmosphere	***,548***	-,344	,211
good weather	,312	**-,741**	,258
good value	**,402**	,323	,129
attractive towns	**,764**	,139	,014
good service quality	**,812**	,049	-,008
quality accommodation	**,788**	-,064	-,117

Extraction Method: Principal Component Analysis.
Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 16 iterations.

Affective Image Component

Component Matrix[a]

	Component
	1
describe Cyprus (boring - exciting)	**,576**
describe Cyprus (common - distinctive)	**,561**
describe Cyprus (unsafe - safe)	**,625**
describe Cyprus (inferior- luxurious)	**,699**
describe Cyprus (inhospitable-welcoming)	**,663**

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

APPENDIX 13

TOURISM INDICATORS FOR NORTHERN CYPRUS

Table AP/13.1: Tourism Indicators for Northern Cyprus

Years	Arrivals from Turkey	Tourist From Other	Total	Net Tourism Receipts ($m)
1988	173,351	56,050	229,401	118,0
1989	214,566	59,507	274,073	154,9
1990	243,269	57,541	300,810	224,8
1991	179,379	41,858	220,237	153,6
1992	210,178	57,440	267,618	175,1
1993	281,370	77,943	359,313	224,6
1994	256,549	95,079	351,628	172,9
1995	298,026	87,733	385,759	218,9
1996	289,131	75,985	399,364	175,6
1997	326,364	73,000	393,027	183,2
1998	315,797	77,230	414,015	186,0
1999	334,400	79,615	432,953	192,8
2000	347,712	85,241	365,097	198,3
2001	277,739	87,358	425,556	93,7
2002	316,193	109,363	589,549	114,1
2003	340,083	128,784	589,549	178,8

Source: www.trncinfo.com

APPENDIX 14

CD OF INTERVIEWS

APPENDIX 15

CD OF TRANSCRIPTS