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MACAO AS A BRAND

Can city branding change Macao's image perceptions?

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Abstract

Competition between tourism destinations is becoming extremely fiercely as a result of the growing international tourism supply. Destinations are under constant pressure to attract visitors and promote cultural development, along with an ongoing necessity to raise the industry's quality standards.

Destination image has been recognized as a key component for the success of the tourism management industry as it can influence traveler decision.

Following this line of thought, the main goal of this dissertation is to explore the role that city branding plays on building Macao's image perception on tourists and how it could be a competitive advantage to Macao.

The research was conducted with the purpose of determining whether city branding can influence pre- and post-trip impressions held by foreigners regarding the image of Macao as a tourism destination.

Keywords: Brand, Brand Image Perceptions, Differentiation, City Branding

JEL Classification System: M370

Sumário

A concorrência entre destinos tem vindo a tornar-se extremamente intensa fruto do crescimento da oferta do turismo internacional. Os destinos encontram-se sob constante pressão para atrair visitantes e promover o seu desenvolvimento cultural, paralelamente à necessidade de melhorar a qualidade da indústria do setor.

A marca de um destino é considerada uma componente fulcral para o sucesso na gestão da indústria do turismo, uma vez que tem influência na escolha do local a visitar.

Seguindo esta linha de raciocínio, o maior objectivo desta dissertação é explorar em que sentido a marca da cidade está relacionada com a percepção que os turistas têm da imagem de Macau, bem como perceber em que ponto pode revelar uma vantagem competitiva para a região. O estudo foi conduzido com o intuito de esclarecer de que forma o desenvolvimento da marca Macau pode influenciar as perceções anteriores e posteriores à viagem, no que concerne à imagem de Macau como um destino turístico.

Palavras-chave: Marca, Percepções da imagem de marca, Diferenciação, Marca da cidade

JEL Classification System: M370

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AMA – American Marketing Association

UNESCO – United Nations Educational, Scientific and Cultural Organization

CBBE – Customer-Based Brand Equity

MICE – Meetings, Incentives, Conferences, and Events

MGTO – Macao Government Tourist Office

UNWTO – The United Nations World Tourism Organization

DMOs – Destination Marketing Organizations

NTOs – National Tourism Organizations

SAR – Special Administrative Region

MSAR – Macao Special Administrative Region

PRC – People's Republic of China

STDM – Sociedade de Turismo e Diversoes de Macao

PPRD – Pan-Pearl River Delta

1. EXECUTIVE SUMMARY

O desempenho da marca de uma cidade tem adquirido crescente importância no ambiente competitivo que caracteriza os principais destinos turísticos. Neste sentido, a marca da cidade tem um papel fundamental na construção da identidade e desenvolvimento de uma região, uma vez que permite potenciar novos investimentos, atrair novos turistas e fazer face aos desafios globais.

Na generalidade, as pessoas tendem a associar Macau a uma imagem relacionada com a indústria dos casinos, sendo que as receitas provenientes do jogo totalizaram 126.620 milhões de patacas em 2013, traduzindo 61% do volume do setor terciário.

Macau destaca-se nesta indústria por ser um dos únicos locais na Ásia onde o jogo é legal., no entanto, a longo prazo esta pode deixar de ser uma vantagem competitiva.

Segundo o local de residência, 90% dos visitantes que se deslocaram a Macau em 2013, são provenientes da China continental, Hong Kong ou Taiwan, tendo como principal interesse o jogo.

Neste sentido, uma das estratégias do turismo de Macau para 2014 está relacionada com o desenvolvimento e comunicação da marca Macau, que visa promover o turismo e potenciar diferentes atributos da região para além do jogo.

Esta dissertação tem como principal objectivo compreender se o desenvolvimento da marca Macau tem influência na percepção que existe da imagem.

2. INTRODUCTION

In this chapter, the area of research is introduced, bringing up general information within the subject and outlining the reasons why the positioning of Macao as a "World Centre of Tourism and Leisure" is interesting to further explore. In addition, this chapter clarifies the problem statement, as well as the research purpose and the methodological approach used to achieve results.

Finally, the outline of the dissertation is presented along with a brief review of all chapters.

1.1. Background to the study

Tourism is today one of the most internationalized sectors of the world economy. Over the past years, Macao has become a significant international tourism destination, mostly due to the liberalization of the industrial policy on gambling business. Therefore, it is nowadays, widely seen as "The Las Vegas of Asia", being Mainland China the largest source market[1], with 64% of total visitor arrivals with 18.632.207 visitors in 2013[2]. Consequently, this indicates that Mainland China is also the main source of income for Macao's industries, especially for export market[3]. However, this proves to be a challenge that Macao needs to address: the necessity to attract more high-end tourists from other markets, and not only from China.

Despite that, Macao is much more than just a casino city and is hardly making strong efforts to achieve a tourism destination image and repositioning itself in opposition to this predefined image. The region is positioning itself as an important player in international tourism, by promoting its core industries, to ensure long-term sustainable growth.

The strategic orientation of diversifying Macao's image into a "World Centre of Tourism and Leisure"[4], has the aim of formulating new policies and measures while focusing, not only on the growth of visitor arrival numbers, but also on projecting the region to extend the length of visitor stay. Hence, it is essential to develop Macao into a more multi-faceted destination and promote its unique and appealing cultural combination of East and West, the UNESCO heritage status, international festivals, and the MICE (meetings, incentives, conferences, and events) industry which has been having a rapid development.

During the Annual Press Conference, in the 22nd of January 2014, Maria Helena de Senna Fernandes, the director of Macau Government Tourist Office (MGTO) pointed out five main

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[1] Analyzed by place of residence
[2] Source: Statistics and Census Department, Monetary Authority, and Economic Services
[3] Macau Daily Times – 26/07/2012 – "Mourists' brand awareness in Macau"
[4] Macauhub 19/04/2013 – *Macao tourism growing stronger*

goals to promote the tourism development in order to become a "World Centre of Tourism and Leisure", being one of them the promotion of events and building up the destination's tourism image through marketing activities.

1.2. Problem Statement

The increasingly competitive nature of the international tourism sector evidences that fighting market saturation is decisive for any destination's success. In order to face competition, Macao needs to create diversified and memorable products, services and experiences.

> *"What makes a tourism destination truly competitive is its ability to increase tourism expenditure, to increasingly attract visitors while providing them satisfying, memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations."*

(Ritchie & Crouch, 2003)

According to Terry Sio, the President of the Macao International Brand Enterprise Commercial Association, Macao should improve its economic structure to change the traditional image as only a gaming city, and turning into a world tourism and leisure hub[1]. Anholt (2008: 266) supports this underlining that "*image goes hand-in-hand with economic development*" of the place.

The main challenge is that a destination's image depends on subjective interpretations made by tourists which, in turn, influence the process of choosing a tourism destination rather than other. This leads us to the core question of this research: "Can city branding change Macao's image perceptions?"

1.3. Research Purpose

Based on Terry Sio point of view, "*Macao has the potential to become a brand name city*", mostly due to the recent progress in the creative industry and the success of some local brand names.

The questionnaire applied in this study was conducted as a quantitative research, having as its main purpose to gain deeper insight into tourists' behavioral variables, expectations and level of satisfaction.

On the basis of the above assumptions, the main goal of this thesis is to carry out a destination and city branding research, in order to understand if it can influence Macao's image

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[1] Macau Daily Times 19/10/2012 – "*Macau needs to develop its own brand names*"

perceptions on tourists and to what extent, giving emphasis to the analysis of the relationship between destination image and the tourist behavior.

1.4. Methodological approach

Given the complexity of tourism destination image perception, which will be further developed in the literature review chapter, this research was supported by a comparative analysis based on a survey concerning tourists' pre and post opinions with the goal of exploring and identifying the image perceptions of Macao. The discussion attempt to relate the literature review and data collected given conclusions to the research study.

1.5. Research contribution

This study marks a valuable contribution to the current strategy of Macao tourism, which aims to repositioning the brand. Furthermore, the destination image enhancement, both regionally and international, is a key government policy.

This research provides insight to the influence of city branding in the success of Macao as a tourism destination.

1.6. Outline the dissertation

This first chapter is meant to provide a broad view of this thesis and how it will be conducted. On the second chapter the theme of international marketing and tourism is presented, providing literature background for a wider understanding of this topic.

The third chapter is specifically related to the research methodology approach developed in order to achieve the main question of this dissertation.

The fourth and fifth chapter will be dedicated to the specific case of Macao and Macao Brand, giving a better insight.

The sixth and final chapter will present the discussion of results obtained from survey questionnaire and will support the whole conclusion taken in this study.

3. Literature review on international marketing and tourism

The literature review that supports this study is presented in this chapter as an overview of several academic domains which are, in turn, based on different perspectives on the subjects of international marketing and tourism.

Firstly, the identification of distinct trends within the area of discussion helps reflecting upon and clarify notions concerned with the process of branding a place as a tourism destination.

2.1. Global tourism trends

> *"Tourism is frequently the 'loudest voice' in communicating the country."*
>
> (Anholt, 2009)

Travel & Tourism is one of the world's greatest industries. Not only is it a massive generator of jobs, wealth and economic growth, but also a substantial driver of the global economic recovery[1].

Talef Rifai, the UNWTO General-Secretary, believes that tourism is a fundamental pillar that should be regarded by governments as an important feature to stimulate economic growth.

The total contribution of Travel & Tourism to the global economy grew to 9.5% of global GDP (US $ 7 trillion) in 2013; 266 million jobs (1 in 11 jobs of the world's total jobs); US$754 billion in investment that corresponds to 4.4%; and US$1.3 trillion denoting 5.4% of exports[2].

According to the latest UNWTO[3] World Tourism Barometer, international tourist arrivals grew by 5% in 2013, reaching 1.087 billion for the first time in history. Emerging economies regained the lead over advanced economies, with Asia and the Pacific showing the strongest results.

The best performer in 2013 by region was Asia and the Pacific (grew 6% up by 52 million arrivals in 2013, reaching a total 248 million international tourists), and South-East Asia by sub-region (increased 10% which is mostly due to the implementation of policies that foster intraregional cooperation and coordination in tourism). Furthermore, the prospects for 2014 are stronger for Asia and the Pacific destinations (+5% to +6% respectively).

2.2. Destination Branding

The word "destination" refers to a country, region or city (Anholt, 2009) seen as a combination of tourism products and services that offers an integrated set of experiences to

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[1] World Travel & Tourism Council Annual Report 2012 "*Progress and Priorities*"
[2] Http://www.wttc.org/research/economic-impact-research/
[3] United Nations World Tourism Organization

consumers under a brand name (Buhalis, 2000). A destination is subjectively interpreted by consumers based upon different aspects, such as travel itinerary, cultural background, purpose of visit, educational level and past experience (Buhalis, 2000).

In the increasingly competitive global marketplace, the subject of destination branding has been receiving increased attention, becoming crucial for destinations to create a unique identity and to develop a strong and competitive brand. The key focus of a tourism destination should be to attract tourists by differentiating itself from competitors, and marketing its image to potential visitors (Anholt, 2009).

During the Annual Congress of the International Association of Scientific Experts in Tourism, Ritchie and Ritchie (1998: 17) defined destination brand as *"...a name, symbol, logo, word mark or other graphic that both identifies and differentiates the destination; furthermore, it conveys the promise of a memorable travel experience that is uniquely associated with the destination; it also sewers to consolidate and reinforce the recollection of pleasurable memories of the destination experience.".*

It is possible to understand that destination branding refers to the combination of tangible and intangible elements, such as a name, symbol or other graphics (Ritchie & Ritchie, 1998) that creates a unique image of a place, being the main goal to influence the consumers' decision to visit a specific destination.

Following this line of thought, one can note that Ritchie and Ritchie's definition meets Aakers' conventional explanation of brand which will be later explored in depth - but at the same time includes the experience characteristic of tourism by specifically addressing the concept of 'destination brand'.

2.2.1. **Brand & Branding**

> *"The brand name becomes the basis on which a whole story can be built."*
>
> (Kotler & Armstrong, 2010)

The concepts of brand and branding are not recent (Cai, 2002), and neither is their recognized importance in marketing businesses, places, products or services; however such concepts are not easily defined, which often conducts to reviews in diverse research studies.

David A, Aaker (1991) [1] defines a brand as "*a distinguishing name or symbol (such as logo, trademark or packaging design) intended to identify the goods or services of either one seller or a group of sellers and to differentiate those goods and services from those of competitors*".

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[1] Branding and Sustainable Competitive Advantage – Building Virtual Presence - Avinash Kapoor & Chinmaya Kulshrestha – 2012 – business Science reference

In addition, The American Marketing Association brand definition recognizes the customer's experience as a collection of images and ideas that are triggered through the direct use or by the influence of marketing tools (such as advertising, design, and media commentary).

Furthermore, Kotler and Armstrong (2010) outline this as a key element that represents the relationship between the company and the consumer's perceptions (Kotler & Armstrong, 2010). Having said this, it is crucial to keep in mind that brand definition covers a much wider range of elements.

Chernatony and McDonald (2001) claim that there are input and output perspectives to understand and interpret a brand. The first one relates, for example, "*to the way managers emphasize the use of resources to achieve a customer response*". On the other hand, the output perspective focuses on "*the way customers interpret and use it to enhance their personal experience*" (Konecnik & C. Gartner, 2007: 401).

To add value to this research, Kapferers' perspective, in turn, is more focused on the consumer's perceptions, advocating that the gain in perceived value is brought by the brand, being the perceptions *"unique (exclusivity), strong (saliency) and positive (desirable)"* (Kapferer, 2008: 10). Moreover, he says that, financially speaking, brands are intangible and conditional assets. A brand is an intangible asset and requires tangible support to create value, for example, in tourism products.

Whereas a brand is the total sum of costumers' functional and emotional perception of a product or a service, as a vehicle of meaning (Kärreman & Rylander, 2011), branding manages the added value and stipulates the increase of this value to customers and stakeholders.

According to Kotler (2000: 404), branding is "*a major issue in product strategy*", who believes that a brand is just a part of the product, while the brand building and communication strategy creates the brand image and identity, leading to the concept of brand awareness. This, in turn, is considered as brand recall and performance recognition (Keller, 1993) being one of the key factors, when applied to destinations, that influence a customer's decision making when choosing a specific tourism destination. Branding can package the experience into something that can be easily marketed.

From a destination branding perspective, the branding process' importance is unquestionable when building a competitive identity based on experiences, which essentially comprise the tourism industry, for a destination (Anholt, 2009).

2.2.2. **Brand Equity & Brand Identity**

In fact, "the set of brand assets and liabilities linked to the brand – its name and symbols – that add value to, or subtract value from, a product or service" is defined by Aaker as brand equity (Aaker, 1991: 15). Based on brand assets, Aaker's Brand Equity Model (Aaker, 1991) defines five components that when properly combined result in added value to the brand and/or the company, which are namely loyalty, brand awareness, perceived quality, brand associations and other propriety assets.

Supporting this statement, Keller outlines the importance of the "Customer-Based Brand Equity (CBBE)" model to build a strong brand, advocating that it should involve four main steps. It is essential to establish an appropriate brand identity and increase awareness ensuring that customers identify with, and make associations to the brand; the second step is related to the creation of a brand meaning, which is also important to achieve favorable and unique associations both tangible and intangible. The last two are related with giving positive and accessible responses; and to strengthen brand relationships with customers through active loyalty (Keller, 2001).
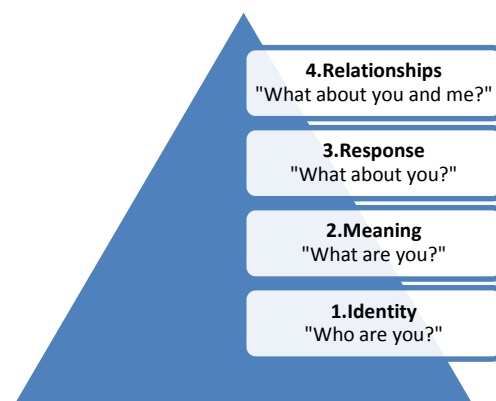
Source: Keller, K. L. (2001). Building Customer-Based Brand Equity

Figure 1 – Brand Equity Model

Kotler and Armstrong (2010) rely on the importance of high brand equity to the success of the brand, whenever the brand has the ability to capture customers' response and loyalty, thus meeting Aakers' notion.

Moving beyond this concept, Upshaw categorized brand equity into two different regions, "brand valuation" and "brand identity" (Upshaw, 1995). On the one hand, "brand valuation" is linked with the features that directly support the value of the brand, which include both tangible as well as "goodwill" financial assets (Upshaw, 1995). On the other hand, "brand identity" refers to the *"Who are you?"* question, involving a unique set of brand associations

established both in the current and potential customer's mind (Keller, 2001). This make the brand more attractive as an object of a possible purchase and enabling it to stand out above its competitors (Anholt, 2009). In this particular case, the role of a brand should be to establish a destination's competitive identity (Anholt, 2009).

Keller (Cai, 2002) highlighted that the strength and uniqueness of brand identity could benefit from the entire process of image formation, when supported by consistent brand elements. Brand awareness may improve brand recognition but it is the brand identity that differentiates the product from all others.

Following this line of thought, when the brand identity is effectively managed, it is more likely to have strengthened brand equity with potential growth (Upshaw, 1995).

Therefore the importance of what comes to a consumer's mind when thinking about a brand should be as important as its distinguishing symbol. This perspective, however, frequently overlooks the importance of social processes that affect brand recognition, knowledge and association (Kärreman & Rylander, 2011).

When applying this concept to destinations, strong brands can protect the regions from competitive prices, thus continuing to attract tourists. In fact, regular sales and price-reduced promotions in destinations can generate a negative image in the visitor's mind, who may feel that the "cheap image" could suggest that the place is not worth visiting. This reflects the importance of branding and the aspect of the brand value.

2.3. Destination Brand Image

Within the destination branding process, there is no doubt that image formation plays an essential role in customers mind (Cai, 2002). However, based on the complexity of image concept, there are different approaches to destination image formation, as the concept is not clearly and rigorously defined.

In a tourism destination context, the most universally accredited concept of destination image is probably the acceptance of itself as an essential role in tourists' destination choice behavior. (Konecnik & C. Gartner, 2007). The image concept is most often considered as "*an attitudinal construct consisting of an individual's mental representation of knowledge (beliefs), feelings, and global impression about an object or destination*" (Baloglu & McCleary, 1999: 870).

Cai (2002) believes that the image of a destination brand can be defined as the perceptions of customers about a place, formulated by associations held in their memory, (Cai, 2002) an argument also supported by Crompton (Hosany et al., 2006). Furthermore, destination image

has been considered substantially important in the tourist' travel decision, when selecting the vacation destination (Baloglu & McCleary, 1999) and a key component for destination loyalty (Hosany et al., 2006).

Travel motivation is defined by people who search for new sensations and unique experiences, including an emotional connection to the place visited, rather than mere relaxation and leisure (Anholt, 2009). Travelers seek to engage with a culture, to understand their destination's human and physical environment, as well as to achieve personal fulfillment from their holiday experience (Anholt, 2009).

The concept of destination image proves, therefore, valuable (Baloglu & McCleary, 1999) as it contributes towards making a destination the chosen one (Anholt, 2009).

Destination brand image should comprise singular or various messages that communicate the destination's major benefits.

2.3.1. The Stages of Image Formation

Based on the "Model of a Destination Image Formation" (Baloglu & McCleary, 1999), which highlights determinant elements that influence the destination image formation, image is mainly formed by two main aspects: stimulus factors (such as external or physical factors, as well as previous experience) and to personal factors (such as social and psychological characteristics of the perceiver).

Furthermore, this model reveals that there are three major characteristics that influence destination image in the absence of an actual visit or previous experience; specifically: tourism motivations, socio-demographics factors, and information sources (Baloglu & McCleary, 1999).

Besides that, according to several studies (Hosany et al., 2006) the overall image of a place is formed by both perceptual/cognitive and affective evaluations (Cai, 2002) (Baloglu & McCleary, 1999). While perceptual/cognitive evaluations are linked to beliefs or knowledge about a destination's attributes (Baloglu & McCleary, 1999); the affective evaluations carry out the emotional connection to it (Cai, 2002).

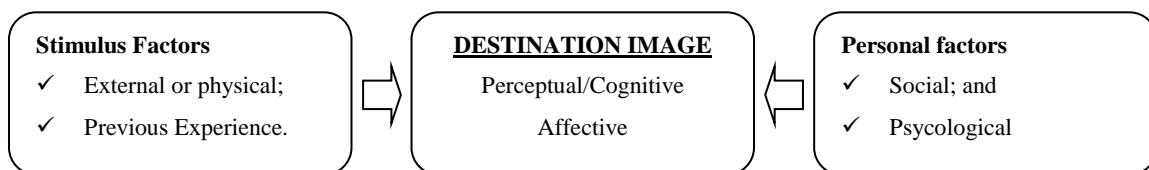| Stimulus Factors	DESTINATION IMAGE	Personal factors
✓ External or physical; ✓ Previous Experience.	Perceptual/Cognitive Affective	✓ Social; and ✓ Psycological

Figure 2 – The stages of image formation

Hence, destination's attributes play an important role in the potential tourists' mind (Wong, 2011) serving as a travel incentive and pulling travel motivations (Wong, 2011) even though they frequently differ according to distinct travel situations (Pike, 2009).

People's perceptions should be understood by marketers before using image to lead and control their decisions, as the destination image can be positively or negatively understood and perceived by the tourist. Their main focus should be to communicate the destination's brand values consistently and holistically matching the influencing elements.

According to Wally Olin's perspective *"you do not change people's perceptions of a country with advertising. You change people's perceptions by finding the truth, finding an idea that embraces that truth and putting it through everything they do"* (Olins, 2007), marketing communication does not manipulate visitors' perceptions; this tool simply brings the brand to the attention of potential visitors by presenting a credible and deliverable image of that destination (Anholt, 2009), which is a critical factor in motivating the tourist (Cai, 2002).

It is crucial to communicate the brand consistently, in order to avoid a gap between the reality of the city and the expectation and perceptions held by outsiders. The "made up" image perceptions of tourists can be either positive or negative, and in both cases, even in a positive one, this could consequently cause problems to the city *"An overly positive destination image can lead to disappointment, while a negative one will lead prospects to spend their time and money elsewhere and possibly perpetuate negative word of mouth"* (Baker, 2012). The negative view of a destination could decrease the chance of changing a potential tourist's mind (Anholt, 2009). Destination branding has become a key component for effective product positioning (Hosany et al., 2006) and helps to understand customers' perceptions as well as their attitudes towards the brand.

To sum up, the image of a destination consists of subjective interpretations of reality made by tourists that could influence the process of choosing a place to visit, the subsequent evaluation of that place and future intentions to return (Bigné et al., 2001).

Based on Hosany et al. (2006: 11) study the relationship between destination image and destination personality could be easily explained as the *"brand image seems to be an encompassing concept and brand personality is more related to the affective components of brand image"* moreover, the canonical correlation analysis explored within Hosanys' study revealed that the emotional component of destination image captures the majority of variance on destination personality dimensions (Hosany et al., 2006).

A destination brand encompasses several singular and complementary values that define its personality and facilitate its relationship with consumers (Blain et al., 2005).

Kotler and Armstrong define brand personality as a set of combined human attributes of a particular brand (Kotler & Armstrong, 2010) which meets Aakers' (1997: 347) definition as "*the set of human characteristics associated with a brand*". In other words, its "*symbolic or self-expressive function*" easily enables consumers to make associations to the brand through human personality traits.

The destination must express its personality through different and complementary brand values in a way that it can reflect the destination's brand essence. The "sense of place" makes the place distinctive from competitors, memorable and refers to "*celebrating the place's people, products, culture and heritage, nurturing its natural and built environment, presenting the public realm in a way that reflects the true spirit of the place from the management of public buildings to public art and events*" (Anholt, 2009:xxvii). Moreover, the "sense of place" involves both the outsider's and resident's perceptions and feelings about the place. (Anholt, 2009)

The destination personality should have the ability to engage visitors, whether they have been to the place before or merely see it as a promising destination to visit one day, by providing an emotional benefit (Lee et al., 2009) and brand equity to its tourists and potential tourists (Konecnik & C. Gartner, 2007).

In a destination perspective the reinforcement and development of personality increases brand equity (Keller, 2001), which allows for unique and favorable associations in the mindset of consumers, as well as to the differentiation from competitors.

2.4. Destination Brand Management

The conceptual branding process involves several models and techniques. On the other hand, the destination branding process is quite different, starting by assessing what a destination's assets are and then focusing on the best way to present them to target markets (Anholt, 2009). Its success highly depends on the adopted strategy, which should always express the core values of the place.

Developing a brand strategy means to attract visitors by achieving destination awareness, influencing prospective customers' attitudes and purchasing behavior (Hudson, 2008) in a coherent way within the objectives of the branding destination (Anholt, 2009).

The destination branding strategy has been growing in recent years, and most of the Destination Marketing Organizations (DMOs) are involved in a range of promotional activities such as brochures, advertisements, press and public relations campaigns, personal selling, sales promotions, and trade affairs and exhibitions (Hudson, 2008). These

organizations are responsible not only for managing the reputation of the place and to attracting visitors (Anholt, 2009), but also for planning and marketing an entire area (Buhalis, 2000), which could be a country, a province, a region, or a specific city, in order to achieve strategic objectives. Despite that, the main goal is not only to attract potential visitors and increase the number of visitors, but also to market the region to possible residents and businesses. DMOs also monitor hosts' reactions to tourists, for host-tourist interaction, which is an important element of the tourist experience (Buhalis, 2000).

Most often, the members of these organizations are tourism operators, government bodies, local businesses, and companies' that support tourism like hotels, attractions, restaurants, transportation or airlines companies, and tour agencies.

Furthermore, the success of a branding strategy helps to assert a city's effectiveness and efficiency in the way it presents itself (Baker, 2012).

Positioning the brand in an efficient way ensures that target markets comprehend what a specific destination stands for (Anholt, 2009) and allows the communication of the desire message in a short-term period[1], being crucial to do a subsequent analysis of how people perceive the brand.

Indeed, image is considered a key component in destination positioning; therefore one of the main goals of a destination positioning strategy should be to positively strengthen the image held by consumers (Pike, 2009) and adjust negative perceptions, or to create a new brand (Pike & Ryan, 2004).

Sautter & Leisen (1999) consider the management of a destination, one of the most difficult tasks within the process of destination branding, mostly due to the complexity of the interaction between local stakeholders (Buhalis, 2000). Moreover, as there is a wide range of stakeholders, managing and marketing a destination, it becomes even more complex, as well as the whole process of developing tourism products and services.

The role of stakeholders is crucial when creating and branding destination experiences, being extremely important to work as a unified team within a cohesive structure, to be most effective and to achieve full potential. According to Keith Dinnie (2011: 98) "*Successful city branding strategies appear to be characterized by a collaborative partnership approach involving different stakeholders*".

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[1] Aaker, D. 2013. From Positioning to Framing. *Marketing News*, pp. 22-23

In addition, stakeholders have an opinion regarding strategies and actions that should be taken into account, specifically within indigenous people, businesses and investors, tourists, tour operators and intermediaries, and interest groups. (Buhalis, 2000)

A successful tourist experience is often linked with the collaboration, network, and integration, not only between the tourism and economic development offices, (Baker, 2012) but also among a variety of tourism principals, such as taxi drivers, hoteliers, cultural organizations responsible for the local attractions such as festivals, museums, theatres, etc. (Buhalis, 2000). Indeed, local resources represent a core asset for destinations and tourism suppliers, as well as for tourism marketing sustainability.

This illustrates Anholt (2009: xxiv) statement that "*no single national stakeholder has control over all of the factors that affect a country's reputation*" (Anholt, 2009: xxiv)**,** which reflects the required partnership between stakeholders.

Destination experience management can help relate different aspects and resources of a place, enabling destination stakeholders to achieve competitive advantage and tourist loyalty. However, the success of the destination brand occasionally requires changes in the attitudes and relationships of these very same tourism players who, usually, have no idea of their daily impact on the identity of their city. (Baker, 2012)

To sum up, destination branding is perceived by tourists as a collection of suppliers and services, being their overall impression and level of satisfaction built after their visit, which forms destination image. On the other hand, expectations are previously formulated based on experience, word of mouth, press reports, advertising, and common beliefs, as well as the destination image (Buhalis, 2000).

2.4.1. <u>Challenges in branding a destination</u>

One of the main challenges in branding a place is related with putting together a destination's core brand values and running it through global marketing campaigns, where the segments and motivations to travel are not the same.

Actually, there is no agreement among NTOs about which is the most successful way to apply brand marketing campaigns, if locally or globally. (Anholt, 2009) Furthermore, Morgan and Pritchard (2002) suggested in their book about destination branding that there are five key challenges in branding a destination, namely: limited budgets, politics, external environment, destination product and creating differentiation (Hudson, 2008).

Anholt (2009), on the other hand, claims that there are key challenges that managers have to face while developing a destination brand, which are correlated with different influencing

factors. They are specifically: understanding visitors and non-visitors; achieving stakeholder buy-in to the brand; brand architecture; stretching the brand through partnership; user-generated content and social networking: threat or opportunity; brand coherence: image without cliché; branding on a budget; brand lifespan (Anholt, 2009).

In order to overtake these issues, qualitative perception studies are undertaken to better understand people's motivation and reasons for travel, focusing especially on first responses to get deeper motivation.

Measuring brand impact comes out as an indispensable tool that helps to understand consumers' perceptions and finding suitable solutions whenever a brand loses impact (Anholt, 2009).

There are several techniques used to achieve these goals, being the most usual ones are surveys across different areas of research and media monitoring.

Within this study, a combination of a brand-tracking and visitor satisfaction survey was conducted. The chosen method intends to gather more and extended information about destination perceptions by those who have and have not been to Macao.

The brand-tracking surveys are usually undertaken with regular intervals to provide truthful perceptions according to major changes that may occur in the destination meanwhile (Anholt, 2009). If, on the one hand, this qualitative study aims to understand a destination's branding performance across target segments, the visitor satisfaction survey is focused only on a target audience that has already been to the destination.

2.5. Destination Branding

Destination branding is related with a kind of sophisticated tourism promotion, being its key focus to make the destination distinctive and memorable in the eyes of the others. (Anholt, 2008)

"A destination brand is the DNA that defines the place" (Anholt, 2009: xxviii) thus representing a forceful interface between destinations' core assets (such as landscape, people, culture and history), and the way in which visitors and potential visitors perceive them. There is a close connection to the commercial field, through the use of distinct commercial techniques such as corporate identity, public relations, advertising, and graphic design.

Supported by previous brand identity concepts, destination branding can be defined as a consistent element mix, which identifies and distinguishes a place. (Cai, 2002)

The concept of destination branding is linked with the efforts developed by places to combine attributes under one specific concept that articulates the unique identity and personality of the destination and differentiates itself from competitors.

The communication and apprehension of distinct elements in destination brand is essential to create a unique position in visitor's mind, being those elements: identity, essence, personality, image, character and culture. This process is called brand positioning and appears to be an important factor to the success of a tourism destination and to attract tourists, as previously explained. However, the complexity of the decision process on the part of tourists will always remain a challenge when branding a destination (Cai, 2002).

2.6. From Destination Branding to City Branding

The concept of place brand is more holistic defined than destination brand. It holds together the entire economic activity, including sectors like tourism, manufacturing, private investment and exports, as well as sports, education and entertainment (Anholt, 2009). Furthermore, place marketing and place branding enclose the 'sense of place', which is concerned with attracting people to invest, live, visit, work, do business and study.

Place marketing highly depends on the construction, communication and management of city's image, mostly due to the fact that consumers apprehend place through perceptions and images (Kavaratzis & Ashworth, 2005). The importance of the image reflects what connects city branding to cultural geography in the consumer's mind (Kavaratzis & Ashworth, 2005).

Keith Dinnie states that city branding is about identifying a set of brand attributes selected to communicate the brand across target groups, aiming to create positive perceptions (Dinnie, 2011).

The more a city can reflect its brand values across sectors by applying branding concepts, the easier it will be to build a reputation, as well as impact and recognition, improving the brand equity.

A recognizable image of a place plays a major part in influencing external perceptions of the country or city (Kavaratzis & Ashworth, 2005). Perceptions could be influenced by different aspects; word-of-mouth, inherited images from films, books, websites and popular perception are some of them. Besides that, marketing developed by the tourism authorities requires a lot of investment to promote a place's image and is often a significant factor on influencing people's perception of a place.

Increasingly, countries and cities are turning from "destinations" to "places", looking to develop and recognize the power of different elements, improving their overall competitive

identity, rather than relying on a destination brand. In either case, place branding cannot substitute destination brand; instead, the two should coexist.

The complexity of city branding is also connected with the wide range of stakeholders and target groups who frequently look for different benefits (Dinnie, 2011). By creating and maintaining a place brand, the identity can be easily communicated to stakeholders through different marketing tools, whilst keeping the differentiation within the global competitive environment.

Repositioning the city is a key challenge often associated with the necessity of creating a strategy that aims to modify existing perceptions on tourists, in order to reflect the reality of the city (Dinnie, 2011).

2.6.1. <u>Successful City Brands</u>

There are different ways to develop a city brand. The truth is that people usually associate a place to certain attributes and qualities. Paris is romance, Milan is style, New York is energy, Washington is power, Tokyo is modernity, Lagos is corruption, Barcelona is culture and Rio de Janeiro is fun (Anholt, 2006).

The simplicity of the brand "I love New York" is probably what earned it the title of the most well-known brand across the world. In the mid-1970s, New York's economy was collapsing and the promotion of the tourism industry was identified as a possible solution: relatively low investment which could rapidly have significant economic impact. The result was above expectations, an 11.8% increase in travel receipts.

On the other hand, having as the main goal to face competition from other cities in Europe, Amsterdam presented the "Iamsterdam" brand and slogan in 2004, portraying the city as a successful hub to experience, live and do business. The logo is nowadays recognized worldwide and almost a mandatory stopping point when visiting the region, as well as depicted in virtually every souvenir. Moreover, the large-scale letters located in the heart of the city became a contemporary symbol for tourists.

These are two successful cases of international city brands, which in different contexts played a high part in the growth of economy.

2.7. Summary of the Literature Review

As the literature review demonstrates, there has been a lot of previous research conducted on brands and branding, which also explored the subject of destination branding in particular.

The main goal and added-value of city branding is to identify how the core values, attitudes, behaviors and characteristics of each sector can enhance each other and thereby create more

impact for the place as a whole (Dinnie, 2011). Through the use of this marketing tool, Macao could improve as a tourist destination and expand its brand image worldwide. Besides that, it would help to adjust the existing association to casino's industry.

To conclude, it is important to note that this research, and specifically the definition of destination branding, did not introduce a new marketing concept but consolidated several marketing concepts into one definition.

4. RESEARCH METHODOLOGY

The research methodology is the cornerstone to achieve the proposed objectives.

In order to have a solid review and to explore the research question, a combination of qualitative and quantitative research has been accomplished.

This chapter explains the data collection method, which is followed by an explanation about the instrument used to measure Macao's image, as well as the respective sample selection.

The end of the chapter will bring up to discussion of the limitations that constrained our study.

3.1. Data collection Method

This study first reviewed theoretical notions related to the research area on full-text articles and reviewed journals. In addition, textbooks and doctoral thesis were used to explore theory and gain more insight into the area of research.

The internet was also a useful tool and made it easier to obtain information within the tourism and marketing industry through online books and documents.

With the aim of obtaining in-deepen information on city branding of Macao it was necessary to collect primary research through different methods. The primary research techniques used in this study consisted on interviews conducted within two different stakeholders from the public sector, and second one in a survey instrument.

The interviews were conducted face-to-face with semi-structured questions based upon the stakeholders' role in promoting Macao's image and adapted towards the better understanding of tourism objectives to the future.

3.2. Instrument to Measure Image: Survey Instrument

The predominant methodology used to obtain data in this study focused on the implementation of a survey instrument, which revealed as a great tool, due to the low related costs and quick data collection. It was undertaken among foreign tourists to gather different image perceptions of Macao, based on travelers' expectations and level of satisfaction.

This study's data collection process was spread over a six-month period, divided in two different stages. The first one was conducted in Macao with the purpose of collecting tourists' responses that were travelling at that time.

Geographically speaking, Macao has been split up into different areas of research to collect data, based upon touristic areas with diversity of tourists, namely Senado's Square, Saint Paul Ruins and Venetian, in order to make the best use of the gathered information.

The second part consisted in an online survey to travelers, who have either visited Macao or not, in order to gather both pre- and post-trip perceptions.

The form consisted in structured open-ended and close-ended questions, which aimed to achieve the realistic perceptions about Macao's image, based on Likert's scale from one to five. The Likert Type scale is often used to measure destination image (Marino, 2007) through image attributes which helps producing ratings on each attribute.

Having said this, the questionnaire has been divided in three main sections. The first one aimed to attain socio-demographic information about the visitors, being focused on different characteristics. Gender, age, country of residence and education were identified to define the respondents' background, ethnic group and academic level.

The second part focused only on tourists that have been to Macao, with the objective of achieving tourists' profile as travelers by understanding the purpose of the visit, the length of stay, the chosen accommodation and their level of satisfaction according to previous expectations.

The last section was prepared with two open-ended questions with the aim of measuring the components of Macao based on Echtner and Ritchie (1993) statement (Marino, 2007) designed to capture both distinctive or unique attractions and to let the respondents freely describe what they want to experience in Macao (functional-holistic components).

Following this, a question about information sources and closed-ended attribute questions were structured on different components of a destination image. Within this, both tangible and intangible attributes were adopted in statements phrased in positive and negative forms, which were pre-selected with the help of the literature review and measured with Likert's standardized scale.

The intention to travel to Macao in the future and to recommend the destination to a friend was structured in a final question, which is determined by the brand image.

All the questions were prepared based on different reports and articles about Macao and destination branding.

3.3. Research Limitations

There were certain limitations that should be taken into account, as they can reduce the optimization of this dissertation research.

Given that the surveys were undertaken among tourists, thus not including residents or culture representatives, they do not reveal sufficient information to provide recommendations on new

strategies for the city marketing. Ideally, the data collection should focus, not only on tourists' perceptions, but also on any group of individuals that contribute to the brand image success.

Throughout the collection of questionnaires in Macao, most of the tourists were limited in time, and, in some cases, not able to fulfill the survey at all, which made it difficult to conduct the research. Furthermore, it proves important to consider the influence of the period when the study was undertaken, as the amount of tourists in Macao varies throughout the year according to hosting events (e.g. Macao Grand Prix, Chinese New Year) as well as the target segments.

Regarding the interviews, it is assumed that each interviewee represents their company, so that their opinion could stand for personal opinions or organizations' goals, not representing a holistic reflection of the tourism businesses ambitions.

The last limitation worth pointing out is the lack of comparative studies between Macao and other destinations.

5. MACAO AS A CASE STUDY

Macao, a Special Administrative Region (SAR) of People's Republic of China (PRC), is located in the south of the Guangdong province, on the western shore of the Pearl River Delta. Approximately 60km northeast of Hong Kong, Macao holds a small peninsula and the tiny islands of Taipa and Coloane with a total land area of 29.9[1] square kilometers. These two outlying islands are now linked by the Cotai Strip with the key new casinos and resort.

Colonized by the Portuguese in the 16th century, Macao was the first and oldest permanent European settlement in the Far East Asia. Under the Portuguese administration for more than four hundred years (from the mid-sixteenth century to December 1999), it was handed to the territory's sovereignty of China as a special administrative region SAR (MSAR) of the Beijing government.

4.1. Macao: Historical background

The Portuguese traders first reached Ou Mun in early 1550's, also called A Ma Gao, which means "place of A Ma", originally derived from a small Buddhist temple in honor of the Goddess of Seafarers. The region, later entitled Macao, became a major hub for prize trade routes between China, Japan, India and Europe, considered the perfect crossroad for East and West cultures to meet.

The Portuguese paid China an annual tribute for the use of the peninsula for nearly 300 years until 1849, when Portugal proclaimed it a free port, which in turn was confirmed by China in the Protocol of Lisbon in 1887. In this protocol the Manchu government recognized the Portuguese's right of "perpetual occupation.

Macao enjoyed a brief period of economic prosperity during World War II as the only neutral port in South China, after the Japanese occupied Guangzhou (Canton) and Hong Kong. In 1943, Japan created a virtual protectorate over Macao. Japanese domination ended in August 1945.

In 1949, the Protocol of Lisbon was declared invalid, when the Chinese communists came to power considering it as an "unequal treaty" imposed by foreigners on China.

In 1966-1967, pro-communist Chinese elements and the Macao police clashed when communist-organized riots struck the province. This had resulted in an agreement between the Portuguese Government and China to end the flow of refugees from China and to prohibit all communist demonstrations, which progressed to an ending of the conflict and helped relations between the government and the leftist organizations that have remained peaceful.

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[1] Source: Statistics and Census Department, Monetary Authority, and Economic Services

In 1974 Macao was established as a Chinese territory under Portuguese administration. This was connected with the return of Macao to Chinese sovereignty. At that time, China refused to accept the return of the territory.

Portugal and China established diplomatic relations in 1979. Negotiations to find a mutually agreeable solution to Macao's status began in 1985 and the result was an agreement on the 13th of April 1987.

Pursuant this agreement signed by China and Portugal, Macao returns to Chinese sovereignty as a Special Administrative Region (SAR) of China on December 20, 1999.

4.2. Political and Legal Structure

Following the establishment of Macao SAR, the region started operating under the principles of "one country, two systems"[1], "Macao people governing Macao", and owns a "high degree of autonomy", benefiting from a special status, similar to Hong Kong.

The socio-political system in Macao differs from the one in China Mainland in the fact that it safeguards basic rights and freedoms of its residents and territory integrity. China's political and economic system would not be imposed on Macao, and the region would enjoy a high degree of autonomy in all matters except foreign affairs and defense for the next 50 years.

The legal system is based largely on Portuguese law and is under the complete national sovereignty with a high degree of autonomy, which means that the National People's Congress (NPC) authorizes the MSAR to exercise in accordance with the Basic Law[2] and the central government will not interfere regarding what covers up the autonomy in the MSAR's international affairs. The territory has its own independent judicial system, with a high court. Judges are selected by a committee and appointed by the chief executive.

"Macao People governing Macao", reflects the residents' efforts to preserve long-term prosperity, stability and the responsibility for their own domestic affairs.

Under the "One Country, Two Systems" policy, Macao successfully confirmed its traditional strengths and developed adjustments in political, economic and cultural areas.

4.3. Economic Structure

Macao has a moderately small-scale economy with an open economic policy, highly externally oriented, being one of the regions with the lowest tax regimes and steady finances in Asia Pacific.

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[1] Article 31 of the Constitution of the People's Republic of China
[2] The Basic Law stipulates the system to be practiced in Macao, and lays down the political and administrative framework of the MSAR for 50 years from 1999. Portal do Governo da RAE de Macao, http://www.gcs.gov.mo/files/factsheet/Politics_EN.pdf

As a separate customs region and one of the two international free ports in China, it benefits from the lack of exchange restrictions of goods, capital and foreign exchange, and people flow freely in and out of Macao. Furthermore, the region was ranked in the 19th position among 179 economies globally, as a "mostly free" economy[1].

Macao holds one of the most dynamic economies in Asia-Pacific region largely based on tourism, including gambling, textile and garment manufacturing, working as a platform that bridges the gap between China and international markets. Besides its high dependence on the export trade, being the European Union and Hong Kong the main suppliers of raw materials and capital goods, the services sector has obtained a significant role over the years.

Since opening up its locally-controlled casino industry in 2001, Macao converted its territory into one of the world's largest gaming centers, attracting tens of billions of dollars in foreign investment.

The economy had severely slowed down in 2009 as a result of the global economic slowdown, but had rebounded strong growth in 2010-11, mostly as a result of tourism from mainland China and the gaming sectors.

Although, Macao's economy has registered a stable growth since the establishment of the Macao Special Administrative Region, the Economic Services predicted that the economic growth of Macao was likely to slow down in 2012. Even though, according to the Government of Macao Special Administrative Region Statistics and Census Service, the Gross Domestic Product (GDP) increased 16.9% (343.416 vs. 293.745 million MOP) compared to 2011, mostly due to the bounce back in exports of gaming services and the increase in public investment. In 2013 the GDP grew in 20.4% year-on-year at current prices (413.471 million MOP), being the per-capita GDP at current prices 697.502MOP.
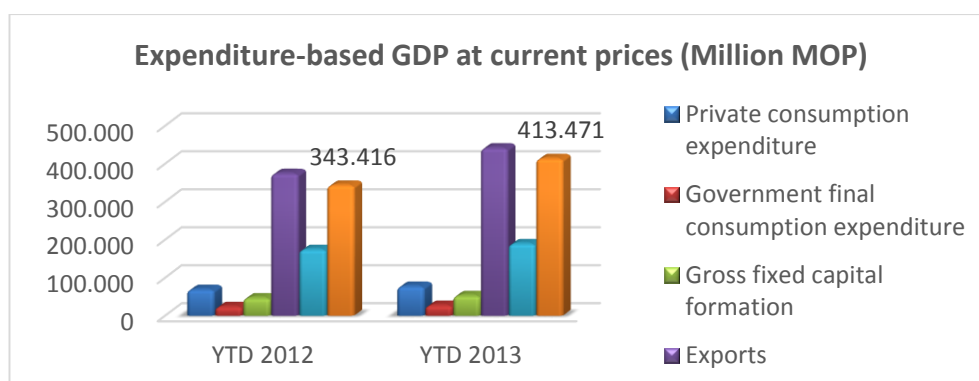
Source: Government of Macao Special Administrative Region Statistics and Census Service

Figure 3 – Expenditure-based GDP at current prices

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[1] According to the 2011 Index of Economic Freedom

This economic growth was a result of the increase in several variants. Namely, the exports of services (increased 17.9%) while the import of services were only 8.7% higher than the previous year. Gross fixed capital formation soared in 13.1%, private consumption expenditure (rose 12%) and government final consumption expenditure (grew in 13.4%).

Macao's foreign relations and defense are the responsibility of China. China has, however, granted Macao considerable autonomy in economic and commercial relations. In order to improve and strengthen external economic cooperation, Macao is integrated within the global economy, maintaining the sustainable ties with the Asia-Pacific region, benefiting from the historical relations with European countries and effectively preserving relations with Portuguese-speaking countries.

Tourism and service industries have been considered the major key to strong economic development and the main source of foreign income to Macao's growth economy[1]. Being the gambling industry the largest source of direct tax revenues.

4.4. Gaming in Chinese Culture

Gambling has been a part of daily life for Chinese for thousands of years (Liu, 2012). Gaming and games of fortune in Chinese culture are considered an accredited social activity (Lam and Ozorio, 2008:3),[2] an entertainment ritual, a form of celebration, and a gateway to assemble social and business networking.

Since the establishment of the People's Republic of China in 1949, gambling has been forbidden and, ever since, the Chinese government does not support the legalization of casinos in mainland China or Taiwan.

Simultaneously, Macao, known as the "Asian gambling Mecca" and "Las Vegas of Asia", benefits from its monopoly border-location strategy with China, being one restricted legal location for the casinos industry. This reflects a comparative advantage over the Chinese tendency towards gaming, which is becoming a significant feature, and extremely lucrative for the local economy.

However, the success of this strategy highly depends on the permanence of gambling free being necessary for a regulatory environment to maintain the economic structure (McCartney G. J., 2005).

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[1] Macao Government Tourist Office

[2] Lam and Ozorio (2008:3) state that most Chinese treat gambling with friends or relatives as an accredited social activity.

4.5. Macao gaming history

The roots of the gaming history in Macao stretch back to 1847, being one of the oldest industries, when the Portuguese Government created a new source of income to diversify the economy by legalizing gambling, in order to minimize the dependence on trade.

In 1961, a syndicate jointly formed by Stanley Ho Hung Sun, Henry Fok Ying Tung, Teddy Ip Tek Lei and Ip Hon, was established to introduce an open bid for casino gaming license (Godinho, 2012). Starting in 1962, the monopoly license dominated the gambling industry, issued by Stanley Ho's Sociedade de Turismo e Diversoes de Macao (STDM) and lasted for over forty years.

Under this contract, STDM paid an annual gaming tax to the Government. In the 1990s, half of the Government's annual income came from gaming tax, which accounted for one-third of total GDP.

In August 2001, the "Legal Framework for the Operations of Casino Games of Fortune"[1] was approved and consisted in clarifying designations related with this industry, defining regulations for concessions system, conditions and processes for bidding.

Legal gaming business in Macao currently includes games of luck, interactive gaming, pari-mutuels (betting on animal races) and lotteries.

Subsequent to Macao's return to sovereignty in 1999 as a MSAR, the Government decided, in 2002, not to extend the STDM monopoly system and to grant out three gaming concessions (Godinho, 2012), with the purpose of branching out the gaming sector and the entire economy, increasing employment and introducing appropriate competition.

According to the Gaming Inspection and Coordination Bureau, the Macao SAR announced the results of the bidding, on 8 February 2002, and concession was granted to Sociedade de Jogos de Macao ("SJM"), a subsidiary of STDM, Galaxy Casino, S.A. ("Galaxy"), and Wynn Resorts (Macao) S.A. ("Wynn").

In 2002, Macao sat as the world's third largest gaming market, and with gambling revenues of US$3.5 billion in 2003, the year saw an increase of 27% on, with gaming revenues accounting for around 70% of total Macao government revenue (McCartney G. J., 2005).

In 2004, the competition has been established with the opening of the Sands Casino (Godinho, 2012) and extended to the islands of Taipa and Coloane. Especially in the "Cotai strip", considered a new area of tourism, where a vast number of "integrated resorts" were built

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[1] Law No. 16/2001, officially passed in Legislative Assembly, Gaming inspection and Coordination Bureau Macao SAR, http://www.dicj.gov.mo/web/en/history/index.html

(Godinho, 2012), namely: the Venetian (2007), the Four Seasons (2008), the City of Dreams (2009), Galaxy (2011), and Sands Cotai Central (2012).

In 2006, Macao surpassed the Las Vegas Strip and became the largest gambling centre in the world (McCartney G. , 2008). Gambling revenue soared by 22 percent in 2006, reaching $6.95 billion, according to figures released by the local administration[1].

In 2013, the cumulative gross gaming revenue rose by 18.6% to 361.866million MOP and tax revenue from gaming increased by 18.5% to 134.383 million MOP.
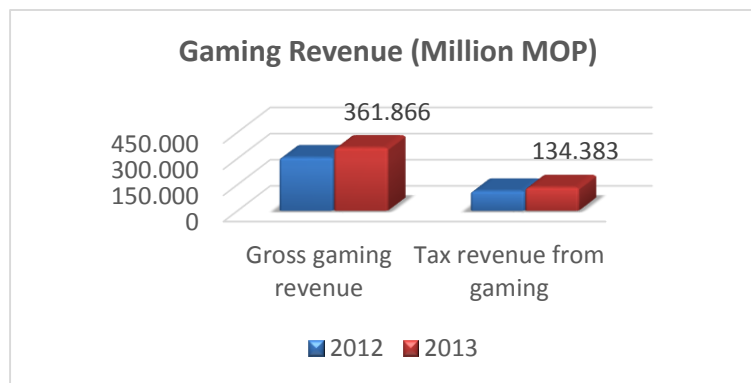
Source: Government of Macao Special Administrative Region Statistics and Census Service

Figure 4 – Gaming Revenue

Despite being the largest source of revenue that tourism offers, gaming industry can display controversial social policies (Kwan & Mccartney, 2005) being associated with crime. Furthermore casinos' tourists show different socio demographic profile from the non-casino tourists and can also influence negatively the non-casinos tourists (McCartney G. J., 2005)

"Could this suggest a tourism segmentation strategy for casino and non-casino tourist?"

Given the importance of the mass gaming market, Macao SAR Government's is currently working on the improvement of Macao's image, by positioning itself as a "Word Centre of Tourism and Leisure", with the purpose of diversifying this industry sector and promoting Macao has a quality travel-destination, with regional cooperation.

4.6. Tourism

Tourism has been playing an increasingly imperative role in Macao, being an important mainstay for growth economy, as the major source of foreign exchange, income and employment.

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[1] The New York Times 23/01/2007 – "*Macao Surpasses Las Vegas as Gambling Center*"

In 2013, the direct contribution of Macao travel & tourism to the GDP was 173.008 million MOP (43.1% of GDP)[1], being the forecast to 2024 4.6% above and 45.8% of GDP. On the other hand, total contribution of travel & tourism to GDP in 2013 was 86.2% of GDP with 345.714 million MOP.

While direct contribution relates to "internal" spending by residents and non-residents linked to leisure and business activities, total contribution includes the "indirect" contribution, measuring GDP and jobs supported by those who are directly or indirectly employed by the travel and tourism industry.

In 2013, this industry generated 165.500 million jobs and reached 375.894 million MOP of visitor exports, which is a key feature of the direct contribution.

Most recently, the MSAR Government started working towards the major objective of turning Macao into a premium tourist destination and Asia's unique leisure, entertainment, exhibition and convention hub[2].

Over the past decade, Macao's tourism infrastructure has seen continuous improvement, with Macao Government Tourist Office (MGTO) focusing on the diversification of the tourism industry to turn the local into a high quality tourist destination. They are developing a new series of marketing and promotional initiatives to attract different target markets and explore new international markets. These efforts are greatly enhancing the diversified intended development of the local tourism industry.

4.7. Tourism policy

The Director of Macao Government Tourist Office (MGTO), Maria Helena de Senna Fernandes stated in the Macao Government Tourist Office Annual Press Conference that the tourism strategic orientation of building up Macao as a "World of Tourism and Leisure Centre" has as a priority the application of a comprehensive "Tourism Development Master Plan"[3] and the elaboration of tourism policies and measures based on different highlights.

In order to actively promote and enhance quality of tourist services, it is necessary to optimize industry management and provide training for tourism sector employees.

Since 2012, the slogan "Touching Moments, Experience Macau", together with new themes and images were used in connection with innovative promotion techniques in current channels for tourism.

TOUCHING MOMENTS EXPERIENCE MACAU

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[1] World Travel & Tourism Council – Economic Impact 2014
[2] Macao Yearbook 2012
[3] Macauhub 19/04/2013 – "*Macao tourism growing stronger*"

The policy of "Reaching out and inviting in", applied by the Government is committed to search for and develop exchanges and cooperation with neighboring provinces and cities.

Macao has established good interactive relationships with Guangdong, Fujan, Chongqing, Inner Mongolia, Jiangsu, Zheijang and Tianjin, with the trade and economic interactions gradually introduced[1].

4.8. Overview of Tourism in Macao

According to the Statistics and Census Service (Table 1), the sum of visitor arrivals in Macao in 2013 was 29.324.822, with a 4% increase over the 2012 figure, being 51,3% of the total same-day visitors, translated in 15.056.359 (4% increase comparatively to 2012) and 14.268.463 overnight stay visitors (48,7% of the total) .

Macao's tourism sustained the previous year's growth, being the major source markets[2] of visitors arrivals: Mainland China, rose by 10% year-on-year (18.632.207 visitors, 64% of total), Hong Kong (6.766.044 visitors, decreased 5%) and Taiwan (1.001.189 visitors, decreased 12%). Greater China (mainland China, Hong Kong and Taiwan) comprised 9% of the total visitors.

VISITOR ARRIVALS AND SAME-DAY VISITORS BY PLACE OF RESIDENCE									Unit: nº people
	Visitor Arrival					Same-day Visitor			
	Total	Structure (%)	Total	Structure (%)	Rate of Change	Total	Structure (%)	Total	Structure (%)	Rate of Change
	2013		2012		%	2013		2012		%
GRAND TOTAL	29 324 822	100%	28 082 292	100%	4,4%	15 056 359	100%	14 504 994	100%	3,8%
Mainland China	18.632.207	63,5%	16.902.499	60,2%	10,2%	9.706.885	64,5%	8.831.535	60,9%	9,9%
Hong Kong	6.766.044	23,1%	7.081.153	25,2%	-4,4%	3.560.766	23,6%	3.760.850	25,9%	-5,3%
Taiwan	1.001.189	3,4%	1.072.052	3,8%	-6,6%	578.448	3,8%	657.334	4,5%	-12,0%
Others	2.925.382	10,0%	3.026.588	10,3%	-3,3%	1.210.260	4,1%	1.255.275	4,3%	-3,6%

Source: Government of Macao Special Administrative Region Statistics and Census Service

Table 1 – Visitor Arrivals and Same-day visitors by place of residence

Furthermore, Mainland visitors who travel to Macao under the Individual Visit Scheme (IVS) increased 13% to 8.059.627 when compared with the same period in previous year.

While analyzing international markets it is interesting to see the increasing numbers from long-haul visitors, such as Australia (109.566 visitors, slightly below 2012), 10% travelling with a package tour (10.479 visitors), and Canada (74.213 visitors, decreased 9%). However the highest positive fluctuation of visitor arrivals came from Vietnam with a distinguished increase of 24% (17.105 vs. 13.868). On the other hand the worst variation were in Japan market, with a 29% decrease from 395.989 visitors in 2012 and 290.622 in 2013.

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[1] Macao Yearbook 2012

[2] Analyzed by place of residence

Taking into account the entry mode, it is clear that the most of people enter by land (15.817.499 visitors, 53.9% of total), followed by sea with 11.557.593 visitors (39.4%) and only 1.949.730 (6.6%) by air.
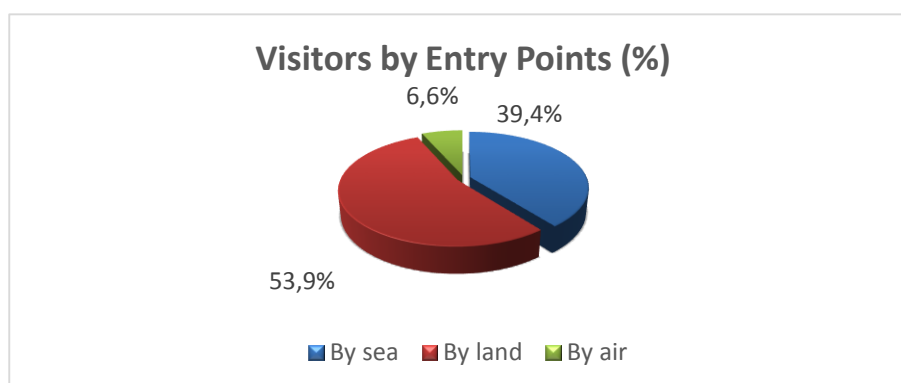
Visitors by Entry Points (%)

6,6%   39,4%

53,9%

■ By sea   ■ By land   ■ By air

Source: Government of Macao Special Administrative Region Statistics and Census Service

Figure 5 – Visitors by Entry Points

Considering the visitor arrivals by month, the summer, Christmas and Lunar Year holidays were the highest seasons for travel entries.

In 2013, the cumulative inbound visitor arrivals in package tour increased 7.2% when compared to 2012 (9.775.798 vs. 9.122.332 visitors). Taking into account the average length of stay of hotel guests (Table 2) of visitors, it was registered at 1.4 day in 2013, similar to that of 2012. The highest length of stay by place registered Portugal, Vietnam and Philippines with 3.4 days, 3.1days and 1.9 days respectively.

Analyzing the occupancy rate (%) by hotel it is quite similar between 5-star, 4-star and 3-star hotels with approximately 85%, totalizing 10.153.602 guests (26% year-on-year grow).

PRINCIPAL INDICATORS OF THE HOTEL INDUSTRY

	Operating Establishments		Guests Rooms			Occupancy Rate (%)			Guests (No.)			Average Length of Stay (Night)		
	2013	2012	2013	2012	Rate of Change (%)	2013	2012	Difference (%)	2013	2012	Rate of Change (%)	2013	2012	Difference
GRAND TOTAL	98	100	27.764	26.069	6,5%	83,1	83,6	-0,6%	10.670.599	9.541.397	11,8%	1,4	1,4	0,0%
Hotels - total	65	67	27.128	25.436	6,7%	83,6	84,2	-0,7%	10.503.589	9.374.790	12,0%	1,4	1,4	0,0%
5-star	27	28	18.371	16.626	10,5%	83,5	83,9	-0,5%	6.381.551	5.273.534	21,0%	1,5	1,6	-6,3%
4-star	14	14	5.565	5.562	0,1%	85,2	86,0	-0,9%	2.703.075	2.643.927	2,2%	1,2	1,1	9,1%
3-star	12	12	2.412	2.410	0,1%	85,3	85,2	0,1%	1.068.976	1.041.306	2,7%	1,2	1,3	-7,7%
2-star	12	13	780	838	-6,9%	71,9	75,6	-4,9%	349.987	416.023	-15,9%	1,2	1,1	9,1%
Guesthouses	33	33	636	633	0,5%	60,7	61,4	-1,1%	167.010	166.607	0,2%	1,4	1,4	0,0%

Source: Government of Macao Special Administrative Region Statistics and Census Service

Table 2 – Principal Indicators of Hotel Industry

In comparison with 2012, the total spending of visitors sum up an increase of 13.7% translated in MOP57.196 million MOP. The per-capita spending of visitors was MOP2.030 with a rise of 8.9% year-on-year. Being the Mainland China visitors who had the highest per-capita spending of MOP2.563; Singaporean visitors spent MOP1.777, whereas long-haul

visitors from Australia, the US and the UK spent MOP1.278, MOP1.152 and MOP1.103 respectively.

In relation to visitor arrivals, there were 9.775.798 arriving in a package tour, 7% increase year-on-year, with 7.458.472 visitors from Mainland China, rising 14%.

Under the UNWTO international ranking, according to the number of international visitor arrivals in 2011, Macao was ranked in the 20th position around the world and the 5th in Asia-Pacific region; according to the tourism revenue in 2011, Macao was ranked in 7th place in the world and 2nd in Asia-Pacific region.

6. MACAO AS A BRAND

Macao, as a tourist hub, is frequently associated to its casino's industry, being the largest segment of visitors comprised by gamblers instead of tourists. This is one of the reasons that could explain Macao's fading competitive position as a potential tourism destination.

As a result, Macao SAR Government is working on changing traveler perceptions of Macao from a day-tripper's destination and improving the attractiveness of the destination.

Positioning Macao as a "World Center of Tourism and Leisure" is linked with the sustainable approach for diversification the place in a long-term stable economic growth. In 2014, several channels have been taken into account to address a strategic positioning for Macao.

As mentioned earlier, during the 2014 Annual Press Conference, Maria Helena de Senna Fernandes presented the five main goals in which, the government is currently focused to promote the region.

The first one aims to achieve a "Tourism Industry Development Master Plan" to optimize the overall tourism environment and become a tourism destination place. On the other hand, the importance of the tourism service quality is also a key point that could be accomplished with industry training and management. The "Quality Tourism Services Accreditation Scheme" and "Tourism Awareness Campaign" are related tools to better understand and evaluate the sector.

Moreover, the diversification of tourism products and the promotion of events are the third and fourth objectives highlighted during the conference, which actually meets the main subject of this dissertation.

To conclude, the dynamic participation in international and regional cooperation would help improving the communication overseas. Alongside with the growth of platforms to provide further information about events and history (e.g. "Useful Tourism-Info E-Platform" and "Macau Travel Talk")[1].

By diversifying tourism products to lessen reliance on gaming, such as sightseeing, cuisine, culture and heritage and shopping, the attractiveness could be easily achieved, as well as higher profitability in the tourism industry.

In this chapter the brand "Macao" will be further analyzed in terms of scope, founders, context, objectives and how residents are part of this marketing process.

Although the brand already exists, it needs to enhance perceptions in consumers' mind and "reposition" the brand image to reach potential tourists and be recognized overseas.

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[1] Macao Government Tourist Office – 22/01/2014 "*MGTO presents Annual Press Conference*"

Has reviewed before, brand awareness is considered a key factor that could influence tourists decision making when choosing Macao as a destination.

5.1. Macao Sightseeing

Macao holds a portfolio of distinctive sights and attractions, which helps the tourism promotion overseas. The Ruins of St. Paul's, A-Ma Temple, Senado Square, The Mandarin House, Macau Giant Panda Pavilion and Macau Tower are some of the examples.

The Ruins of St. Paul's are an historic symbol. The facade was part of a church (adjacent to Jesuit College of St. Paul's) and caught fire after the expulsion of the Jesuits, while the college was being used as army barracks. The restoration was done from 1990 to 1995, when the backside was transformed in a museum.

A-Ma temple is clearly a Chinese symbol inspired by Confucianism, Taoism, Buddhism and multiple traditional principles. On the other hand, Senado square is surrounded by neo-classical buildings, creating a pleasant Mediterranean atmosphere.

Finally Mandarin's House combines architectural influences from different cultures, providing a unique product that exhibits the encounter and trading between Chinese and Western cultures.

5.2. Macao Business Tourism & Infrastructure

New York and Las Vegas are two mature travel destinations endowed with well-developed event tourism infrastructures, which helps providing reputation and allows destinations to host different kind of events (Wong, 2011).

Macao's infrastructure has registered a rapid development during the last years, following casino's industry growth. In fact, it is nowadays the largest integrated convention and exhibition center in Asia[1].

The diversity of services offered in the region work as incentives to business tourism travelers that could be interested to engage with the culture heritage, gastronomy, culture, adventure (Macao tower) and luxury shops.

In terms of public transports, the bus stops have tourist information and maps, as well as taxis. The main goal is to improve this area of transports when the Cotai Strip is completed in order to satisfy the visitors.

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[1] Macau Government Tourist Office

5.3. Macao as a MICE destination

One of the current focus areas of Macao SAR Government is focused on MICE (Meetings, Incentives, Conventions and Exhibitions) industry. The optimization of the hotel segment infrastructures along with the vast opportunities to gamble, exposes a competitive edge over other destinations in the region which cooperates to the growth of the local economy. Additionally, this sector could attract different high-end foreign tourists between business, entrepreneur and leisure travelers among others.

Macao welcomed a total of 1.030 MICE events in 2013, up by 8 than 2012. The year-on-year growth were approximately 26%, carrying 2.033.908 meeting participants, versus 1.1612.961 participants in 2012.

TYPE OF EVENT	Number of Events			Number of participants			Average (days)		
	2013	2012	vs. PY	2013	2012	Rate of Change (%)	2013	2012	vs. PY
Conference	60	37	23	50.461	17.284	192,0%	3,0	3,0	0,0
Government Meeting	80	80	0	10.043	5.937	69,2%	2,0	1,0	1,0
Incentive Meeting	36	47	-11	12.477	7.845	59,0%	3,0	2,0	1,0
Association Meeting	168	163	5	22.725	16.429	38,3%	2,0	1,0	1,0
Exhibition	66	61	5	1.893.265	1.489.933	27,1%	3,0	3,0	0,0
Corporate Meeting	620	634	-14	44.937	75.533	-40,5%	2,0	2,0	0,0
TOTAL	1.030	1.022	8	2.033.908	1.612.961	26,1%			

Source: Government of Macao Special Administrative Region Statistics and Census Service

Table 3 – Type of MICE event

Within the type and subject of the events, the highest positive year-on-year variations were the ones related with the increase in conferences with 50.461 participants (+192%), Banking & Finance (+136%) events and Judiciary & Law (+104%).

Besides that, the major events highlighted with higher percentage of attendees were 66 exhibitions (1.893.265 participants, +27%) and 61 events linked to Commerce,Trade & Management (1.617.170 participants).

The cumulative revenue of 2013 were 180 million MOP with 299 million MOP of expenditure.

The majority of meeting were held in November, being February the month with less events of this type, once it is the Lunar New Year holiday. On the other hand, there were 11 exhibitions in July and 10 in December.

According to Macao's MICE dreams: opportunities and challenges article there are certain factors that contribute to the level of satisfaction and perception of MICE industry attendees. 'Service quality & professionalism' and 'Government support' could define the success of Macao as a MICE destination, on the other hand 'Business friendliness and image', 'Infrastructure & accessibility' and 'Leisure & entertainment facilities' are also key elements in this sector (Nadkarni & Man Wai, 2007).

5.4. Macao as a "World Heritage City"

"If there is any one single characteristic and attribute of a brand that provides sustainable competitive advantage, it is heritage."

(Benson, 2005)

On 15th July 2005 "The Historic Centre of Macao" was internationally recognized by UNESCO[1] in the World Heritage List, as the 31st designated World Heritage site in China.

The concept of World Heritage is linked with the universal value added that places give for humanity and the protection assurance in the benefit of future generations, in accordance with the international treaty of "Convention concerning the Protection of the World Cultural and Natural Heritage".[2]

The evaluation of the region inscription in the World Heritage List, as the nominated property "The Historic Monuments of Macao" was under four main criterions based on specific features.

The first one relates Macao's strategic location on the Chinese territory to the recognized relationship between the Chinese and Portuguese authorities over several centuries, benefited the interchange of human values into different domains of culture, sciences, technology, art and architecture.

The second one is associated to Macao's role in the first and longest-lasting encounter between the West and China. The fact that from the 16th to the 20th centuries the region ran as a strategic location, for traders and missionaries could explain the diversity of cultures that characterize the historic core zone of Macao.

Moreover, Macao links East and West, being notable by its architectural ensemble, gathering aesthetic, cultural, architectural and technological influences, which represent the developments between Portuguese and Chinese civilizations over a few centuries.

The last criterion refers to the presence of Western and Chinese civilizations in Macao which translates into a cultural, spiritual, scientific and technical influence between cultures.

5.5. Tourism Incentive Schemes

In the end of 2011, the government started developing incentive schemes, such as "Wedding Incentive Scheme" and "Student Excursion Incentive Scheme" aiming to diversify the tourist

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[1] United Nations Educational Scientific and Cultural Organization
[2] Adopted by UNESCO in 1972 Source: UNESCO

target segment. The first one, promotes the region, by providing diversified offers to potential couples, wedding planners and companies, in order to choose a different destination for overseas wedding. The terms of this arrangement stipulate that "the wedding should have a minimum of 50 non-local guests with 2 consecutive nights of stay in Macao's hotels".

On the other hand, the "Student Excursion Incentive Scheme" has the same terms, and connect the students with relevant Government entities or local university and institutes.

On the both circumstances a quantity of MOP$300 will be granted by the government to visitors spend on activities in Macao based on actual consumption.

Most recently, the government as developed a "Quality Tourism Services Accreditation Scheme", which as the ambition to promote and achieve quality tourism service by defining service quality standards for the tourism industry.

These incentives drives as encouragements to promote the region as a "World Center of Tourism and Leisure" and attract different target markets.

5.6. Macao's Festivals

Macao's festivals are an important slice of the main attractions of the place, being most of them associated to Chinese celebrations, for example the Lunar New Year, Feast of the God Tou Tei, the Tun Ng Festival (Dragon Boat Festival). Moreover, Macao Grand Prix invites additional international visitors from all over the world, as well as the annual Macao International Fireworks Display Contest.

According to Public Security Forces Affairs Bureau, Macao Grand Prix brought 795.082 visitors in 2013 (66% increase year-on-year) with 6 more races. From the total of visitors 74% (588.048 visitors) came from Mainland China, 15% (122.857 visitors) from Hong Kong, 8% (63.372 visitors) from other countries and regions and only 3% (20.805visitors) from Taiwan. The average occupancy rate of hotels in this period (3 to 5 star hotels) were 94%.

These events attract visitors in different periods of the year according to the tourist profile and what they are looking to achieve in the region.

Festivals are a key field in the promotion of the city brand. The Oktoberfest in Munich and the Olympic Games are two onetime festivals' that attract people from all over the world.

5.7. Macao Gastronomy

The diversity of gastronomic experiences offer in Macao is actually part of the tourism suggestions. On the one hand, the presence of Portuguese cuisine, which is mostly concentrated in Taipa Village and hardly found in Asian countries. On the other hand the exclusive combination of Portuguese and Chinese flavors are joint in Macanese gastronomy,

along with the blend of ingredients by a wide range of parts of the world, including Africa, India, South America and Malaysia.

The proximity to Mainland China also reveals the presence of the cuisine techniques in some restaurants.

Furthermore, the "Portuguese egg-tarts" and "pork chop buns" are interesting internationalized products that attract visitors in the touristic areas.

Most recently, The Macanese Gastronomy Association disclose the interest to submit the local gastronomy to People's Republic of China's Material Cultural Heritage list[1].

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[1] Macau Daily Times 27/02/2014 – "Local gastronomy applies for China's Cultural Heritage"

7. SWOT ANALYSIS OF MACAO'S TOURISM INDUSTRY

Since the main goal of Macao is to become a tourism hub by promoting cultural, leisure and business travel, the SWOT analysis is a valuable strategic planning tool to understand and evaluate internal and external factors that may contribute to the city's tourism industry's development. This way it becomes easier to identify the best way to apply strengths, exploit opportunities, together with the recognition of both weaknesses and possible threats.

6.1. Strengths

Macao offers a distinctive advantage through its unique historical background and a diversity of exclusive opportunities to apprize a blend between Portuguese and Chinese cultural features. Moreover, being recognized as World Heritage by UNESCO, brought a wide range of privileges (Chung, 2009) and attracted more visitors, who have contributed to the development of related service industries, such as hospitality and retail.

An additional strength of Macao are the year-round trendy hosted events that likewise invite thousands of visitors from all over the world for particular interests. The most famous are the Arts Festival, Grand Prix, the International Fireworks Festival and the International Music Festival.

Easy access to the region and simplified entry procedures, especially since Macao International Airport began operating, are also considered plus points. Most visitors are not required to carry a visa if entering through the gateway in southern China since the implementation of the Individual Visit Scheme (IVS), which resulted in the permission for Mainland residents to visit Macao and Hong Kong independently. Furthermore, the transportation infrastructures provided, offer an extremely easy access for any visitor.

Macao endowed with its status of a Special Administrative Region (SAR) benefits from the "One country. Two systems" policy, acting as a gateway to develop business with Mainland China, which along with the strategic geographical location helps reinforcing its position with some major key-markets of Asia, such as Hong Kong, Mainland China and Taiwan.

The largest integrated system for MICE industry in Asia is in the Venetian Macao Resort Hotel, which positions the site as a suitable destination to organize meetings and events.

6.2. Weaknesses

Besides being Macao's main source of income, the casino industry is often damagingly associated to prostitution, drugs, and criminality (Papineau, 2003), which could hamper the tourism industry's progress. In addition, as most visitors fly with the purpose of gambling, the average length of stay is rather short, at about one day.

Moreover, Macao airport is relatively smaller when compared to closer competitors, having less airline and direct flights.

Macao is highly dependent on export trade being the European Union and Hong Kong the main suppliers of raw materials and capital goods and has limited natural resources. On the other hand Macao mostly depends on China Mainland to import food, fresh water and energy.

Local people are frequently short qualified to keep up with the hotel industry's to pursue a career in the hotel industry and insufficient in number to support the demand of new casinos (Nadkarni & Man Wai, 2007), which reflects in the quality of service provided – which, in turn, often defines the level of satisfaction of visitors and their intention to return.

6.3. Opportunities

The economic connection between Mainland China and Macao provides a good opportunity to preserve long-term cooperation and to develop Macao into a gateway to the Mainland and the Pan-Pearl River Delta (PPRD) Region.

The Government is committed to the improvement of the infrastructures to access Macao by air, sea and land, thus enabling tourism development of the area. The Hong Kong-Zhuhai-Macao Bridge is an example of that: the construction of the bridge would help the transport network that connects Macao to Taipa.

Recent progresses in MICE infrastructures could reflect a forthcoming source for tourism growth that goes hand in hand with the expansion of new kind of product such has luxury hotels, entertainment and high-end luxury stores. The strategic inclusion of international brands on site unlocks the place open opportunities to allure fresh markets.

Parallel to that, MGTO is organizing specific training workshops for the tourism sector in order to have qualified staff to better satisfy visitors, as well as the residents sessions which include brainstorming techniques to help understand the importance of the tourism development and the necessity to host visitors.

The available workshops like "Technique in Handling Dissatisfied Customer for Tour Guides" also aim to instruct tour guides on how to strengthen the image of Macao as a tourist destination.

6.4. Threats

As the local economy mostly relies on external factors and is consequently affected by them, Macao inevitably must face outside shocks such as the Asian Financial Crisis and the SARS wave.

On the other hand, the gaming market is rising across countries such as Australia, South Korea and Malaysia and the competition is getting higher, which could ultimately compromise customer loyalty.

Although festivals drive the increase of tourism demand, they can bring risks, such as overcrowding and traffic complications, alcohol and drug abuse, accidents and negative publicity.[1]

The previously mentioned weakness of qualified local people also poses as a threat, since the region is trying to commit and position specialized services of MICE industry in Asian countries.

6.5. Conclusion

Though Macao takes advantage of the Chinese passion for gambling with Casino industry, the government is currently concentrated in developing and adjusting strategies to expand a comprehensive tourism plan and explore different market segments.

Macao has the potential to improve city branding through its attributes and become a successful tourism destination.

By positioning Macao as a World Center of Tourism and Leisure, the region will be able to differentiate itself from other gaming destinations in neighboring countries and its quality as a tourism destination will increase.

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[1] 3rd International Conference on Destination Branding and Marketing – IFT 2009

8. DISCUSSION OF RESULTS

This chapter highlights the analysis of results on the investigation which will be shown ordered as a match with the questionnaire.

7.1. Tourists' socio-demographic profile

Demographic profile of the 106 surveys collected (Annex A), indicates that 47% were female and 53% male, being the majority (48%) between the ages of 15 and 24, 25% were between 25 and 34, while the rest were more than 35.

Of the respondents 44% had completed university or college, 22% were high school and pre-university graduates, and 17% had a master degree. The most of people were from Portugal (about 63%), 5% from United Kingdom and from China Mainland, 4% from Philippines and Brazil and about 20% from other countries such as Thailand, France, Australia, USA, between others.

7.2. Macao tourists profile

Taking in consideration the 51 of people that have already been to Macao (48% from collected sample) 70.6% entered by Macao Ferry terminal, 17.6% from Macao International Airport and only 11.8% through border gate.
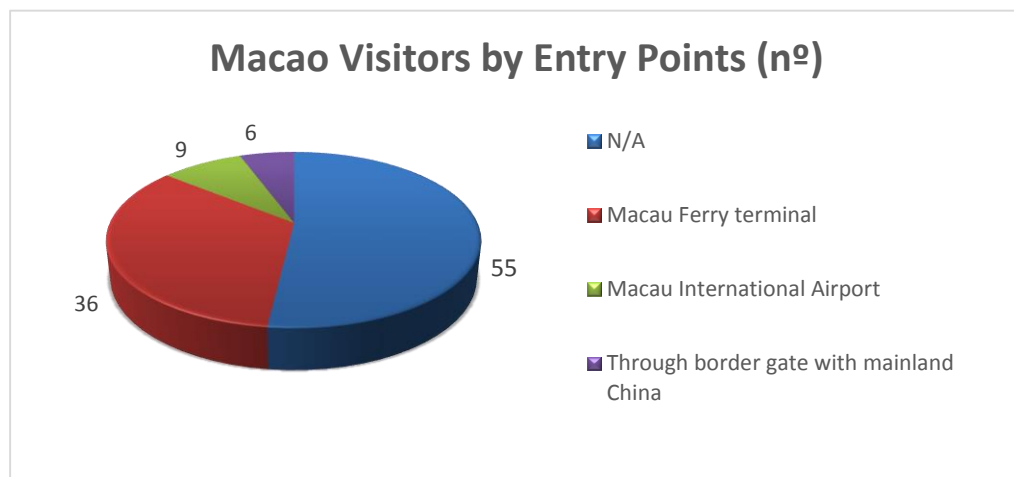
It is important to keep in mind that only 5% of the inquired were from China Mainland, while 11.8% got to Macao through gate border, reflecting the easy access to the region (identified as a strength).

Nearly 43% of respondents were travelling with family, 29% with friends and besides business trip (3.9%) the rest were travelling alone (23.5%). In relation to the chosen type of accommodation, more than half (52.9%) were in Hotels & Resorts, 29.4% were in friends or

family accommodation, being the rest (about 17.6%) either in pensions, hostels, or not specified.

Approximately 56.9% of people traveled with sightseeing purpose, being the rest in business (21.6%) or to visit friends/relatives trips (21.6%).

From the 51 people who have already been to Macao, about 69% had high expectations and the same percentage admitted that Macao met expectations. From the 31% that didn't have opinion on estimated expectations nor high level, only 12% remained negatively with respect to expectations being fulfilled.

Having the same sample in consideration, 86.2% of visitors were satisfied with Macao trip, from which 23.5% were extremely satisfied.

7.3. Macao as a travel destination & Experiences

Within the two open-ended questions, there were several interesting perspectives that should be carefully analyzed, in order to better understand the actual tourists' perceptions about Macao.

The first question, where respondents were asked to describe Macao as a travel destination, although the most of people mentioned the casino's industry, it was notable the number of people who referred the mix of cultures, its cultural history and the notion of Macao being a bridge between Occident and Orient. Some answers also mentioned the proximity to both Hong Kong and Mainland China.

Being an adventure place, associated to Macao tower and the highest place to do bungee jumping was another key feature pointed.

Furthermore, exciting, different, interesting and a place to do business were some other adjectives used to describe the place which demonstrates the opportunity to promote the brand.

Besides that, not only encouraging opinions were listed. One of the respondents highlighted that Macao needs to understand the importance of English for tourism, which reinforces on of the identified weakness, as well as the lack of knowledge about the place, strengthening the necessity to invest in the promotion of the brand.

The second question, which supports the previous one, aims to identify the experiences that tourists desire to attempt in Macao.

Once more, there were a lot of people who showed interest in having a gambling experience. However, the number of answers related to casinos were much less than others, which reveals the interest of people in different suggestions rather than casinos.

The mix between western and oriental cultures, and a gate to experience different cultures located around (such as the Chinese, India, Japan and Thailand) had also keen interest from the respondents.

Gastronomic experience, which has been identified earlier as a key component of Macao brand, was also mentioned in some of the answers.

To conclude, the cultural heritage, also classified as a key element of Macao brand, as well as a strength, has been recognized in this question.

7.4. Information Sources

Information sources are useful tools to marketing regions. On the basis of this statement, it is important to understand the perceived image in this field.

When asked about having heard about Macao as a tourism the destination, the most of people returned friends/family (53 – 24%), internet/email (43 – 20%) and a few lessen on the television (28 – 13%). On the other hand, when asked about which are the best information sources that could improve the image, the most of them answered broadcast and print advertising, outdoor advertising, which could be a useful marketing tool to expand the image overseas, as well as word of mouth.
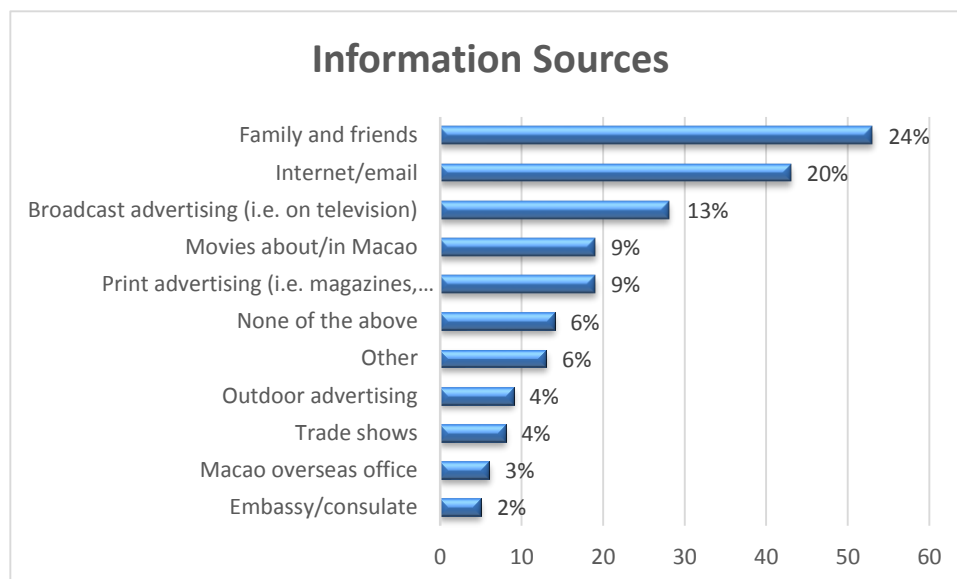
7.5. Tourists' Perceptions

Macao city brand aims to attract tourists through positive and eye-catching attributes. If properly applied, these attributes, have the task to promote and represent Macao's image as a "World Centre of Tourism and Leisure".

The KMO's (Kaiser-Mayer-Olkin) test have been taken in order to check if there is a certain redundancy between attributes that can be summarize with four factors.

KMO and Bartlett's Test[a]

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,635
Bartlett's Test of Sphericity	Approx. Chi-Square	161,806
	df	45
	Sig.	,000

a. Based on correlations

Rotated Component Matrix[a]

	Rescaled Component			
	1	2	3	4
Great opportunity for adventure		,718		
Interesting local festivals & shows		,725		
Easy access to China	,438			
Quality deluxe hotels	,738			
A lot of gambling opportunities	,926			
Unsafe places to visit/security issues			,655	
Difficult to interact with local people			,853	
Poor transportation facilities			,443	
Few cultural attractions				,533
[Lack of tourism facilities				,916

From this results analysis there are important perceptions that should be wisely explored. The most of respondents believe that Macao is a place of vivid life, with great opportunities for adventure and interesting local festivals & shows. Furthermore, the easy access to China, quality deluxe hotels and high gambling opportunities conduct the expectations to experience the Chinese culture.

On the other hand, this test exposes some threats, which could origin the deficit in receiving tourists, such as the perception of unsafe places to visit, the existing difficulty to interact with local people and poor transportation facilities.

To conclude, few cultural attractions and lack of tourism facilities exhibit the low expectations about arts and leisure.

A group mean *t*-test analysis has been taken within five attributes to better understand the differences between tourists' pre- and post- perceptions, about expectations and satisfaction concerning the selected attributes.

The first test analyze the variable "Great opportunity for adventure", where "0" reflects the people who have never been to Macao and "1" people who have been in the place at least once.

Group Statistics

BeenToMacau		N	Mean	Std. Deviation	Std. Error Mean
Adventurous	0	59	3,58	,969	,126
	1	47	3,36	,942	,137

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Adventurous	Equal variances assumed	,010	,920	1,147	104	,254	,215	,187	-,156	,586
	Equal variances not assumed			1,150	99,890	,253	,215	,187	-,156	,585

As the significance level is 0,920, we cannot reject the hypothesis, which means that people who have never been to Macau has the same expectation - Macau is a great opportunity for adventure - of those who have.

Group Statistics

BeenToMacau		N	Mean	Std. Deviation	Std. Error Mean
EasyGoChina	0	59	3,64	,826	,107
	1	47	3,96	,955	,139
Hoteis	0	59	3,80	,906	,118
	1	47	4,15	,780	,114

Independent Samples Test

		Levene's Test for		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of	
									Lower	Upper
EasyGoChina	Equal variances assumed	,154	,696	-1,811	104	,073	-,313	,173	-,656	,030
	Equal variances not assumed			-1,782	91,407	,078	-,313	,176	-,663	,036
Hoteis	Equal variances assumed	2,971	,088	-2,115	104	,037	-,352	,167	-,683	-,022
	Equal variances not assumed			-2,151	103,341	,034	-,352	,164	-,677	-,027

Everybody (people who have been in Macau and those who have not) share the idea that it is easy to go to China (sig. 0,696). As we cannot reject the Null hypothesis (significance = 0.88) at the confidence level of 5%, so we can say that everyone shares the feeling that Macau is city with high quality hotels.

Group Statistics

BeenToMacau		N	Mean	Std. Deviation	Std. Error Mean
NoNightlife	0	59	2,37	,807	,105
	1	47	2,32	,935	,136
Communication	0	59	3,12	1,084	,141
	1	47	3,02	1,277	,186

Independent Samples Test

		Levene's Test for		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of	
									Lower	Upper
NoNightlife	Equal variances assumed	,546	,462	,317	104	,752	,054	,169	-,282	,390
	Equal variances not assumed			,312	91,315	,756	,054	,172	-,288	,396
Communication	Equal variances assumed	4,434	,038	,424	104	,672	,097	,229	-,358	,552
	Equal variances not assumed			,417	90,374	,678	,097	,234	-,367	,562

The significance level is 0,462 which means that people thinks that Macau should have more night life. The significance level of communication attribute is 0,038 which is below 5% confidence level, meaning that those who have not been in Macau do not agree with those who have to Macau about the issue of communication with local people.

7.6. Macao Image & Recommendation

According to the frequency of gambling, the most of answers were split in less than once a month (40%) and on no occasion (52%) being the rest more than one time a month (9%), however we have to consider the fact that the most of respondents were from western countries. Besides that, 62% affirmed that the liberalization didn't have any impact on the perception of Macao image, while the rest acknowledge that it influenced their image on Macao.

From the collected sample, 86% (92 respondents) asserted that, if other Asian countries legalize, or open more casinos, it would not have any influence on the decision to travel to Macao, once more we need to keep in mind that the most of respondents were not from China Mainland, Hong Kong or Taiwan.

It was listed some local events to better understand if people recognize and associate to Macao. Which are detailed in the table below.

Macao Events	YES	%	NO	%
Macau International Dragon Boat Races (June 2013)	24	23%	82	77%
FIVB World Grand Prix (Aug 2013)	30	28%	76	72%
Macau International Fireworks Display Contest (Sep 2013)	23	22%	83	78%
Macau International Music Festival (Oct/Nov 2013)	20	19%	86	81%
Macau Grand Prix (Nov 2013)	55	52%	51	48%
Macau Food Festival (Nov 2013)	26	25%	80	75%

Table 4 - Macao's Events

Besides Macao Grand Prix, where 52% have known of the occurrence of the event, the most of people didn't know that Macao would host these variety of events. The promotion of Macao brand and its attributes would at least spread the word.

Furthermore, 58% of respondents said that Macao hosting this events would not influence the decision to travel more to Macao. On the other hand, the rest (42%) said that it could have influence, supporting the necessity to promote the brand and its core attributes.

Macao being the next destination of holidays was not on the list of the most of respondents, only 10% agreed with this statement while the rest did not show opinion, or rejected this hypothesis. However, this 10% only represents people who have already been to the place.

On the other hand, 64% showed intention to travel to Macao in the future, being the most of them, people who have never been to Macao (37 persons from a total of 68); 14% disagree and 22% neither agree nor disagree.

To conclude, from the people who have been to Macao, 75% would recommend the place to a friend, 18% neither agree nor disagree and 5% (which represents 4 in 51 persons) would not

recommend. Curiously 59% of those who have never been to Macao, don't have opinion about recommending the place, feasible because of the lack of acknowledge.

7.7. Conclusions

It is clearly important for Macao to keep up the competition growth and to improve as a tourism destination.

The findings of path analysis indicates that city branding has positive effect and influence on perceptual and cognitive evaluations, which develop tourists' image perceptions. Furthermore, this image improvement would certainly influence the intention to return, as well as to recommend the place in the future.

As described above, Macao offers a sort of distinctive opportunities in tourism industry, which reveals the potential to become an attractive tourism destination, being city branding a key field to identify these attributes and to promote the brand across the world, moving beyond the actual perceptions.

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ANNEX A – TOURISTS' DEMOGRAPHIC PROFILE

Table 1. Tourists' demographic profile	Answers	%
Gender		
Female	50	47,2%
Male	56	52,8%
Age Groups		
15 – 24	51	48,1%
25 – 34	26	24,5%
35 – 44	10	9,4%
45 – 54	7	6,6%
55 - 64	8	7,5%
≥ 65	4	3,8%
Country of Residence		
Portugal	67	63,2%
United Kingdom	5	4,7%
China Mainland	5	4,7%
Phillipines	4	3,8%
Brazil	4	3,8%
Thailand	3	2,8%
FRANCE	3	2,8%
Australia	2	1,9%
Hong Kong	2	1,9%
USA	2	1,9%
Others	9	8,5%
Education		
Completed University/College	47	44,3%
Completed High School, Pre-University	23	21,7%
Completed Master's degree	18	17,0%
Postgraduate	15	14,2%
Completed Vocational Training	2	1,9%
Other	1	0,9%

ANNEX B – MACAO TOURISTS PROFILE

Table 2. Macao Tourists Profile	Answers	%	
Have you ever been to Macao?			
NO	55	51,9%	
YES	51	48,1%	
How did you get to Macao?			
Macau Ferry terminal	36	70,6%	
Macau International Airport	9	17,6%	
Through border gate with mainland China	6	11,8%	
Condition			
With family	22	43,1%	
With friends	15	29,4%	
Alone	12	23,5%	
Business trip	2	3,9%	
Accomodation			
Hotels & Resorts	27	52,9%	
Friends/family accommodation	15	29,4%	
Not Specified	3	5,9%	
Tourist Apartments	2	3,9%	
Pension	2	3,9%	Day trip
University apartment	1	2,0%	
Hostels	1	2,0%	
What was the average length of your last trip?			
Purpose of visit? [Sightseeing]	29	56,9%	
Purpose of visit? [Business]	11	21,6%	
Purpose of visit? [Visit friends/relatives]	11	21,6%	
[I had high expectations about Macao]			
Agree	29	56,9%	
Neither agree nor disagree	13	25,5%	
Strongly agree	6	11,8%	
(blank)	2	3,9%	
Disagree	1	2,0%	
[Macao met my expectations]			
Agree	29	56,9%	
Neither agree nor disagree	9	17,6%	
Strongly agree	6	11,8%	
Disagree	5	9,8%	
(blank)	1	2,0%	
Strongly disagree	1	2,0%	
[I am satisfied with my trip to Macao]			
Agree	32	62,7%	
Strongly agree	12	23,5%	
Disagree	4	7,8%	
(blank)	2	3,9%	
Strongly disagree	1	2,0%	

ANNEX C – NUMBER OF EVENTS & PARTICIPANTS BY SUBJECT OF MICE EVENT

SUBJECT OF EVENT	Number of Events			Number of participants			Average (days)		
	2013	2012	vs. PY	2013	2012	Rate of Change (%)	2013	2012	vs. PY
Banking & Finance	112	92	20	15.997	6.777	136,0%	2,0	2,0	0,0
Judiciary & Law	21	13	8	3.225	1.584	103,6%	2,0	1,0	1,0
Others	54	61	-7	16.447	9.790	68,0%	2,0	2,0	0,0
Travel & Tourism	75	80	-5	56.974	35.115	62,2%	1,0	2,0	-1,0
Commerce,Trade & Management	454	453	1	1.617.170	1.209.498	33,7%	2,0	2,0	0,0
Education & Training	61	65	-4	32.364	25.756	25,7%	2,0	2,0	0,0
Medical & Health	102	101	1	25.536	23.324	9,5%	2,0	2,0	0,0
IT & Other Technology	119	124	-5	152.182	151.981	0,1%	2,0	2,0	0,0
Culture & Arts	32	33	-1	114.013	149.136	-23,6%	2,0	3,0	-1,0
TOTAL	1.030	1.022	8	2.033.908	1.612.961	26,1%			

ANNEX D – NUMBER OF VISITORS & ENTRY POINTS

	Number of Visitors			By Entry Points			
	Same-day visitors	Visitor Arrivals		By sea	By land	By air	
Jan	1.195.450	2.312.321	Jan	867.671	1.291.826	152.824	
Feb	1.263.616	2.376.840	Feb	954.324	1.263.240	159.276	
Mar	1.216.775	2.387.281	Mar	980.494	1.253.141	153.646	
Apr	1.238.786	2.398.340	Apr	961.521	1.278.067	158.752	
May	1.211.591	2.342.523	May	944.209	1.251.818	146.496	
Jun	1.164.332	2.324.935	Jun	949.016	1.225.352	150.567	
Jul	1.287.741	2.565.170	Jul	1.009.963	1.390.770	164.437	
Aug	1.445.589	2.871.088	Aug	1.160.399	1.531.408	179.281	
Sept	1.178.340	2.332.325	Sept	957.986	1.211.906	162.433	
Oct	1.269.280	2.394.195	Oct	841.105	1.381.806	171.284	
Nov	1.271.023	2.432.975	Nov	885.118	1.374.456	173.401	
Dec	1.313.836	2.586.829	Dec	1.045.787	1.363.709	177.333	
	15.056.359	29.324.822	Total	11.557.593	15.817.499	1.949.730	29.324.822
Qtr1	3.675.841	7.076.442	Qtr1	2.802.489	3.808.207	465.746	
Qtr2	3.614.709	7.065.798	Qtr2	2.854.746	3.755.237	455.815	
Qtr3	3.911.670	7.768.583	Qtr3	3.128.348	4.134.084	506.151	
Qtr4	3.854.139	7.413.999	Qtr4	2.772.010	4.119.971	522.018	
	15.056.359	29.324.822		11.557.593	15.817.499	1.949.730	29.324.822
YTD 2013	15.056.359	29.324.822	Visitors	11.557.593	15.817.499	1.949.730	29.324.822
			%	39,4%	53,9%	6,6%	

ANNEX E – EXTERNAL MERCHANDISE TRADE & EXPENDITURE-BASED GDP

	External merchandise trade						
	Private consumption expenditure	Government final consumption expenditure	Gross fixed capital formation	Changes in inventories	Exports	Imports	Total
2012 Qtr1	15.873	4.302	8.418	939	91.685	42.244	78.973
2012 Qtr2	16.878	5.453	10.794	951	89.994	41.889	82.180
2012 Qtr3	17.925	5.703	11.459	976	92.603	42.870	85.795
2012 Qtr4	18.315	8.340	16.028	1.030	99.965	47.210	96.468
	68.991	23.798	46.699	3.896	374.246	174.213	343.416
2013 Qtr1	18.182	4.882	9.925	1.013	104.958	44.353	94.606
2013 Qtr2	18.380	6.173	11.609	1.069	104.827	45.158	96.900
2013 Qtr3	20.153	6.490	12.489	1.103	109.248	46.737	102.746
2013 Qtr4	20.582	9.444	18.790	1.233	122.320	53.149	119.219
	77.297	26.989	52.813	4.417	441.352	189.397	413.471

	Expenditure-based GDP at current prices						
	Private consumption expenditure	Government final consumption	Gross fixed capital formation	Exports	Imports	GDP	Changes in inventories
YTD 2012	68.991	23.798	46.699	374.246	174.213	343.416	3.895
YTD 2013	77.297	26.989	52.813	441.352	189.397	413.471	4.417

ANNEX F – SURVEY QUESTIONNAIRE

"Macao as a brand: Can city branding change Macao's image perceptions?"

The main goal of this survey is to collect a representative sample of population, with the purpose of developing a coherent and solid review regarding current tourism and to understand how Macao is perceived as a travel destination by people from foreign markets.

✓ **PROFILE**

1. **Gender**

    ☐ Female
    ☐ Male

2. **Age**

    ☐ 15 – 24
    ☐ 25 – 34
    ☐ 35 – 44
    ☐ 45 – 54
    ☐ 55 – 64
    ☐ ≥ 65

3. **Country of residence**

4. **Education**

    ☐ Completed Pre-high School or below
    ☐ Completed High School, Pre-University
    ☐ Completed University/College
    ☐ Postgraduate
    ☐ Completed Master's degree
    ☐ Completed Vocational Training
    ☐ Other :

✓ **MACAO AS A TRAVEL DESTINATION**

5. Have you ever visited Macao?

- ☐ Never (please skip to question number 11)
- ☐ Once
- ☐ 2 to 3 times
- ☐ 4 to 5 times
- ☐ 6 to 7 times
- ☐ More than 7 times

6. What was the <u>average</u> length of your last trip? What was the purpose of the visit?

	Sightseeing	Business	Visit friends/Relatives
Not Applicable	☐	☐	☐
Day trip	☐	☐	☐
2 to 3 days	☐	☐	☐
4 to 5 days	☐	☐	☐
6 to 7 days	☐	☐	☐
More than 7 days	☐	☐	☐

7. How did you get to Macau?

- ☐ Through border gate with mainland China
- ☐ Macau International Airport
- ☐ Macau Ferry terminal

8. In which condition did you travel?

- ☐ Alone
- ☐ With family
- ☐ With friends
- ☐ Business trip
- ☐ Guided Excursions/Tours
- ☐ Other: _____

9. What was the chosen type of accommodation?

- ☐ Hotels & Resorts
- ☐ Friends/family accommodation
- ☐ Pension
- ☐ Hostels
- ☐ Tourist Apartments
- ☐ Other: _____

10. How do you feel about the following statements?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
I had high expectations about Macao	☐	☐	☐	☐	☐
Macao met my expectations	☐	☐	☐	☐	☐
I am satisfied with my trip to Macao	☐	☐	☐	☐	☐

11. How would you describe Macao as travel destination?

12. What would you like to experience when visiting Macao?

13. Please choose whether you heard/seen anything about Macao as a tourism destination from the following information sources:

- ☐ Broadcast advertising (i.e. on television)
- ☐ Print advertising (i.e. magazines, newspaper)
- ☐ Internet/email
- ☐ Outdoor advertising
- ☐ Trade shows

- ☐ Embassy/consulate
- ☐ Macao overseas office
- ☐ Family and friends
- ☐ Movies about/in Macao
- ☐ None of the above
- ☐ Others: _____

14. From the previous list, which is/are the information source(s) that you consider more useful to improve the image of Macao as a tourism destination?

15. How would you classify your level of satisfaction about Macao according to:

In case you have never been there, please answer according to your expectations about Macao

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Pleasant and attractive climate	☐	☐	☐	☐	☐
Great opportunity for adventure	☐	☐	☐	☐	☐
Interesting local festivals & shows	☐	☐	☐	☐	☐
Rich cultural heritage	☐	☐	☐	☐	☐
Easy access to China	☐	☐	☐	☐	☐
Quality deluxe hotels	☐	☐	☐	☐	☐
A lot of gambling opportunities	☐	☐	☐	☐	☐
Great place to do business	☐	☐	☐	☐	☐
Unsafe places to visit/security issues	☐	☐	☐	☐	☐
High cost of life/value for money	☐	☐	☐	☐	☐
Difficult to interact with local people	☐	☐	☐	☐	☐
Poor transportation facilities	☐	☐	☐	☐	☐
Few cultural attractions	☐	☐	☐	☐	☐
Unsafe international airlines	☐	☐	☐	☐	☐
Non-availability of night life	☐	☐	☐	☐	☐
Lack of tourism facilities	☐	☐	☐	☐	☐

16. **Do you gamble? (i.e. in a casino, on sports, lottery, social games)**

    ☐ Never
    ☐ Less than once a month
    ☐ 1 to 2 times a month
    ☐ 3 or more times a month

17. **Did the liberalization of Macao's casino industry change your image on Macao?**

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
☐	☐	☐	☐	☐

18. **In the future if other Asian countries legalize, or open more casinos, would this have any influence on your decision to travel to Macao**

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
☐	☐	☐	☐	☐

19. **Did you know that Macao will host the following events?**

	YES	NO
Macau International Dragon Boat Races (June 2013)	☐	☐
FIVB World Grand Prix (Aug 2013)	☐	☐
Macau International Fireworks Display Contest (Sep 2013)	☐	☐
Macau International Music Festival (Oct/Nov 2013)	☐	☐
Macau Grand Prix (Nov 2013)	☐	☐
Macau Food Festival (Nov 2013)	☐	☐

20. **With Macao hosting these events will this in turn influence your decision to travel more to Macao in the future?**

    YES ☐
    NO ☐

21. **How do you feel about the following statements?**

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Macao will be the destination to my next vacation.	☐	☐	☐	☐	☐
I will certainly travel to Macao in the future.	☐	☐	☐	☐	☐
I would recommend Macao to a friend.	☐	☐	☐	☐	☐

THANK YOU VERY MUCH FOR TAKING TIME TO ANSWER THESE QUESTIONS!