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# Agro-tourism segment in the island of Cyprus using marketing for attraction method & techniques

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**AGRO-TOURISM SEGMENT IN THE ISLAND OF CYPRUS USING  
MARKETING FOR ATTRACTION METHODS & TECHNIQUES**

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## **Abstract**

This thesis was developed to enlighten new challenges to the horticultural tourism sector in Cyprus where new implementation areas were found using different marketing techniques such as attraction techniques. During the years there was an increase of tourism in the rural areas which result bigger demand and the Cyprus Government find ways to benefit from it in a sustainable way. Through this thesis will be present a variety of agricultural tourism practises from the whole island of Cyprus. Also, it will cover aspects such as organisation and economic of agricultural tourism. Furthermore, this study describing the methods and techniques that small hotel implements from the marketing perspective to promote their accommodations as an agro tourism destination.

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***Sotiris Neofytou***

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## CHAPTER 1: INTRODUCTION

This dissertation discusses the preview of tourism in general and the agro-tourism in Cyprus, the opportunities and the barriers of agro tourism development in the island, stakeholders' opinions concerning the development of agro tourism, the contributions toward economy and social situation improvement of the local communities and contributions of agro tourism toward contribute for sustainable tourism development

Tourism has been defined by many authors as an engine of growth in the various economies in the world. Several countries have transformed their economies by developing their tourism potential. Tourism has great capacity to generate large-scale employment and additional income sources to the skilled and unskilled.

Today the concept of traditional tourism has been changed. Some new areas of the tourism have been emerged like Agro-Tourism. Promotion of tourism would bring many direct and indirect benefits to the people.

Agro-tourism is an innovative agricultural activity related to tourism and agriculture both. It has a great capacity to create additional source of income and employment opportunities to the farmers.

Agro-tourism is a new-style cross-industry, which combines agriculture with tourism based on the agricultural activities and of course the consumption of domestic products. Agro-tourism enterprise is the principal part of the rural agro-tourism's development and it can be a strong arm for the economy of any country.

Agro-tourism is a kind of travelling management activities in the countryside scope, which can grant many tourists' demands as the sightseeing, the experience, the leisure, the vacation, the entertainment and the fitness through scientific plan and design of the tourism resources of agriculture natural environment, countryside landscape, agricultural production, agriculture management, facilities, culture and peasant family life as well.

Through this study author is being an ambassador for her country with a primary goal to show that above the fact that Agro-tourism provides a great opportunity to have a rest from all the fuss and noise of everyday life and it's a great idea to treat yourself and enjoy the Cyprus countryside guided by nature and tradition, still you can enjoy all that without abandoning the stylish way that city hotels provide to its guests.

Through this project author address an additional perceived shortcoming in the history of Cyprus as a tourist destination. What is very crucial here is to understand the importance of necessity to consider a tourist as a consumer. For a consumer, visiting a destination is an experience. Once he or she decides to visit a destination, that means he or she buys a product that is intangible. The quality of such a product becomes very important and it will directly influence the satisfaction degree of a consumer's experience.

More or less this research project investigates how the rural tourism can marry stylish accommodation without losing the primary image of agro-tourism

Agro-tourism describes the activity of holiday-making in rural areas, specifically for those seeking a rural experience. Activities can include wine tours, outdoor sports, participation in the rural lifestyle and local community, enjoyment of the natural environment and the opportunity to enjoy truly locally produced food. Agro-tourism forms a significant proportion of the tourism sector, and its growth is set to continue in both developed and developing countries.

The new era for tourism industry finds the marketing having a key role in the country's promotion worldwide.

Marketing is everywhere. Formally or informally, people and organizations engage in a vast number of activities that could be called marketing. Good marketing has become an increasingly vital ingredient for business success. And marketing profoundly affects our day-to-day lives. It is embedded in everything we do—from the clothes we wear, to the Web sites we click on, to the ads we see.

Thus, Marketing the Cyprus Island for its attraction methods & techniques in agro-tourism segment is a huge challenge.

Introduction to decision-making by consumers, firms, and Cyprus Tourism Organization and resulting allocation of resources through markets appears in this study together with a discussion and economic analysis of current environmental issues with special emphasis on the impact of economic growth.

The market structure, behaviour and performance including futures market by exploring how policies are crafted to effectively address social issues, especially for agriculture and the environment, and how they impact society.

## CHAPTER 2: LITERATURE REVIEW

In an era in which most people in industrialized nations are urban or suburban dwellers, farm and ranch tourism has become increasingly important. This is particularly true in many European nations, North America, Australia and Zealand.

According to Wilson and Thilmany (2006) in a state known for its skiing, agriculture activities have shown the potential to provide a real boost to Colorado's tourism efforts outside for winter months. *Thilmany* said, increased visitations during these times help fill the underutilized capacity of lodging and service industries. More than 20 percent (%) of those surveyed took more than three agritourism trips each year, offering great potential for farm and ranch enterprises considering agritourism activities, according to the report. Focussing on the firm, community and sector-level implications of local, organic and other value-added food differentiation will give a boost to agro tourism growth. Recent projects on Colorado



apples, bison, wine and agritourism were all helpful in illustrating the motivations and values of consumers, as well as the potential economic contributions and welfare implications of Colorado producers addressing different consumer segments.

## **2.1 Tourism Definition**

Tourism in spherical view is the travel for recreational, leisure, or business purposes. The World Tourism Organization defines tourists as *people traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes*. Tourism has become a popular global leisure activity.

Tourism is very important and in some cases, vital for many countries. It was recognized in the Manila Declaration on World Tourism of 1980 as *an activity essential to the life of nations because of its direct effects on the social, cultural, educational, and economic sectors of national societies and on their international relations*.

Tourism brings in large amounts of income in payment for goods and services available, accounting for 30% of the world's exports of services, and 6% of overall exports of goods and services. It also creates opportunities for employment in the service sector of the economy, associated with tourism. These service industries include transportation services, such as airlines, cruise ships, and taxicabs; hospitality services, such as accommodations, including hotels and resorts; and entertainment venues, such as amusement parks, casinos, shopping malls, music venues, and theatres.

## **2.2 Sustainable Tourism**

Sustainable tourism is a concept of tourism management that anticipates and prevents problems that occur when carrying capacity is exceeded. Carrying capacity can be determined by an environmental impact assessment that typically follows the following steps:

- Inventory the social, political, physical and economic environment
- Project trends
- Set goals and objectives
- Examine alternatives to reach goals
- Select preferred alternatives
- Develop implementation strategy
- Implement
- Evaluate

## **2.3 Tourism and innovation**

Innovation is often seen as one way in which business may seek to gain competitive advantage, especially where innovation in the face of competition leads to growth, survival or enhanced profitability. Innovation implies change to some sort and can be divided into a number of areas: diffusion of new ideas, products or processes, adoption by individual organizations and levels of innovativeness. For tourism managers, the challenge is to understand the ways it is adopted, used by organizations and diffused to the business and

commercial/non-commercial environment to provide solutions to problems or generate ideas that can make a difference to the way a business operates on functions.

Innovation is critical in tourism, given the sector's fast-evolving nature. Being trend driven means that tourism has to adapt and innovate to meet consumers' needs for improved quality and new products and experiences.

#### **2.4 Tourism management in action: designing and developing a visitor attraction**

One of the key features inherent in tourism is the tourist's search for something new – a new experience and a new place to visit or new activity. Part of the innovation development process for businesses is how they evaluate the feasibility of new ideas and potential business ventures or developments. This is usually undertaken in two stages: the construction of a business plan that sets out the ideas and then a more detailed feasibility study if investment of external or large sums of money is involved.

#### **2.5 Tourism attractions**

One type of attraction is the environmental tourism. The emphasis here is on natural and environmental attractions. Travel for purposes of 'getting back to nature' and to appreciate people-land relationships fall in this category. Environmental tourism is primarily geographic and includes thousands of destinations.

#### **2.6 Tourism policy & planning**

Tourism policy can be defined as a set of regulations, rules, guidelines, directives and development/promotion objectives and strategies that provide a framework within which the collective and individual decisions directly affecting long-term tourism development and the daily activities within a destination are taken.

Tourism policy seeks to ensure that visitors are hosted in a way that maximizes the benefits to stakeholders while minimizing the negative effects, costs and impacts associated with ensuring the success of the destination. In effect, tourism policy seeks to provide high-quality visitor experiences that are profitable to destination stakeholders while ensuring that the destination is not compromised in terms of its environmental, social and culture integrity.

We need to build competitive & sustainable destinations. The competitiveness of a destination refers to its ability to compete effectively and profitably in the tourism marketplace.

Sustainability pertains to the ability of a destination to maintain the quality of its physical, social, cultural and environmental resources while it competes in the marketplace.

Regardless of the size or scope of a destination, it is useful to view it from a holistic perspective in which the structure and management processes are explicitly appears to detract from the functioning or well-being of another sector. Conflicts between tourism and other

sectors most commonly arise when there is competition for a shared resource base (e.g. the extractive industries), where there is a common need for a specific individuals or types of individuals (e.g. entertainment, technology, education) or where there may exist a divergence of philosophical views (e.g. the environment, transportation sectors).

Each of these interfaces can pose either a threat or an opportunity for tourism. The environmental sector and the extractive industries have traditionally viewed tourism as a competing force, the technology, entertainment and transportation sectors most often perceive tourism as an ally or business opportunity.

Good tourism planning must be based on a sound understanding of those factors that fundamentally determine the success of a tourism destination. Nine components are needed in order to achieve the successes which are the following:

1. The core resources and attractors
2. Supporting factors and resources
3. Qualifying and amplifying determinants
4. Destination policy, planning and development
5. Destination management
6. Comparative versus competitive advantage (8)
7. Global (macro) versus competitive (micro) environment (9)

## **2.7 Consumer behaviour**

Consumer behaviour concern the way tourists as purchasers of products and services behave in terms of spending their attitudes and values towards what they buy. Their age, sex, marital status, educational background, amount of disposable income, where they live and other factors such as their interest in travel directly affect this. For marketers who sell and promote tourism products and services, these factors are crucial to the way they divide tourists into groups as consumers so that they can provide specific products that appeal to each group.

One frequent approach by tourism marketers to achieve this goal is *market segmentation* (i.e. how all the above factors can be used to describe different groups of consumers).

There are range of approaches one can use in market segmentation through the most commonly used is demographic or socio-economic segmentation, which occurs where statistical data such as the census are used together with other statistical information to identify the scale and volume of potential tourists likely to visit the destination. One powerful factor shaping demand in demographic context is social class, which is related to income, social standing and the way status evolves from these factors. Social class is widely used by marketers as a way of identifying the spending potential of tourists.

The following factors exert a powerful influence on the decision to purchase tourism products and services:

- Personality of the purchaser
- The point of purchase
- The role of sales person
- Whether the individual is a frequent or infrequent purchaser of holidays products
- Prior experience

### **2.8a Hospitality sector**

Page (2009) defined that Hospitality is the very essence of tourism, involving the consumption of food, drink and accommodation in an environment away from the normal home base. The very nature of hospitality involves hosting and hospitality, provided by a host and involving a guest. Historically, hospitality was not necessarily a commercial endeavour, as you might host someone with the expectation they may host you a later stage. In modern-day society hospitality has become a commercialized experience, where the guest pays for the services/goods they consume via a bill.

### **2.8b Accommodation sector**

It is the scope and the significance of the accommodation sector which is of interest to tourism analysts, not least because it often comprises the largest element of tourist expenditure during a trip.

### **2.8c The characteristics of the accommodation industry**

Accommodation has been conceptualized by some researchers as a product and this is illustrated in figure 7.4 p261 which depicts the principal factors that can impact upon the way the product is constructed, portrayed and sold to customers.

Figure ?

### **2.9a Visitor attractions and activities**

During any visit to a destination, tourists engage in activities and events which provide a focal point for the use of their leisure time. Attractions and activities are a fundamental element of any tourist's itinerary and in some cases the attraction, event or activity may be the *raison d'être* (purpose) for the visit. Attractions have been divided into numerous categories or listings by tourism researchers to try to understand how they impact upon, interact with the shape tourists activities.

The conventional ways in which attractions are viewed are in terms of:

- Natural resources, which are resources that are naturally occurring and used by visitors as places to consume tourism or as resources during a visit to a destination.

- Man-made resources, which have emerged as a response to the developing tourism market in a locality and often build upon the natural attractions.

### **2.9b Visitor attractions: product considerations**

Visitor attractions offer both products and experiences. One of the main management issues for visitor attraction operators is matching the product to the benefits sought by the consumer.

### **2.9c Visitor attractions and the visitor experience**

The visitor experience is somewhat nebulous concept because it is a complex amalgam of factors that shape the tourists feelings and attitude towards their visits. The visitor experience is likely to be different for each individual visitor as it forms through a series of value judgements based on emotional and physical responses to a site and resulting in satisfaction/dissatisfaction with one or more components of the site.

Swarbrooke (2002) asserts that a range of elements affect the visitor experience on site beyond the core focus of the attraction. These elements include: the tangible elements of the product, the service delivery elements, the expectation, behaviour and attitude of the visitor and a number of factors that are largely outside the control of either the attraction or visitor, such as climatic conditions and the mix of people using the attraction at one time. The visitor experience is the combination and interrelationship of these factors and will be different for each individual visitor.

### **2.10 Managing the visitor experience**

Two main factors underpin the need to ensure customers are satisfied with their experience. According Stephen Page (2009) a first visitor satisfaction can encourage regular and repeat visits and this is more cost effective than seeking new visitors. Second positive word-of-mouth recommendations work in favour of attraction operators since minimal marketing input is required to attract new visitors.

Word-of-mouth can work inversely too and the communication of bad experiences to friends & family is likely to influence visit decision-making negatively. Managing the visitor experience is a vital, although complex requirement in the operation of a visitor attraction and is essential for attraction owners/managers to recognize the significance of the visit/visitor experience in sustaining visitor satisfaction and inevitably, visitor numbers. Understanding the visitor experience is a key factor in determining the success of a visitor attraction and has wider implications for the public perception of specific attractions as day-trip destinations.

Some of the key factors that will shape the visitor attractions in the future have been identified and grouped into categories of challenges by Swarbrooke (2001) as:

- Product development and innovation

- Marketing and promotion
- Revenue generation and funding
- Education and training
- Community and public sector intervention

## **2.11 Agro-Tourism Definition**

The concept of agro tourism is a direct expansion of ecotourism, which encourages visitors to experience agricultural life at first hand. Agro tourism is gathering strong support from small communities as rural people have realised the benefits of sustainable development brought about by similar forms of nature travel. Visitors have the opportunity to work in the fields alongside real farmers and wade knee-deep in the sea with fishermen hauling in their nets. Agro-tourism is a new-style cross-industry, which combines agriculture with tourism based on the agricultural activities and of course the consumption of domestic products. Agro-tourism enterprise is the principal part of the rural agro-tourism's development and it can be a strong arm for the economy of any country.

## **2.12 Aims of Agro-Tourism & Agro Tourism in Cyprus**

The aim of the present contribution is to investigate agro tourism using a comparative international approach and thereby to introduce important topics of that type of tourism. Cyprus Island was chosen because of the complimentary nature of its market of agro tourism.

The image of agro tourism in Cyprus is characterized by high quality and exclusiveness because it is inseparable from the gastronomic choices in food and wine.

The sector also has weaknesses which lead among other things to a delayed development in strategic organizational planning. In addition in Cyprus, agro tourism has up to now caught on with limited part of production.

In contrast to other destinations, its image is however somewhat modest. This type of tourism originated in a social tradition which has made agro tourism particularly interesting for above all families with children. A difference from other markets lies in the fact that the Cypriot agro-tourism holidays have been successful in establishing a well-developed system of quality certification.

We can classify agro-tourism operations based on their location, dividing them into mountain, hill, seaside or natural park agro accommodations.

Throughout the Cyprus, one can enjoy his stay in the many traditional farmhouses, hotels and apartments situated in villages. This gives the opportunity to visitors to experience village life and explore unique parts of Cyprus. Furthermore, one can stay in club and resort hotels which offer activities and specialized services to those with special interests. The range of activities is so wide that the average two-week holiday is barely long enough to sample.

Some years ago the Cyprus Tourism Organization developed a program of restoration of traditional village houses. In 1995 they formed the Cyprus agro tourism company. Currently over 60 registered agro tourism houses offer a taste of nature and tradition in the Countryside Drop into almost any country tavern, or join the locals at a town market, and you will feel the atmosphere of a way of life that has remained essentially the same for centuries.

Tourism impacts on both national & international economics and demands a new brief of manager with both management & specific tourist focus.

Cyprus may be a small country, but it's a large island - the third largest in the Mediterranean. And it's an island with a big heart - an island that gives its visitors a genuine welcome and treats them as friends. Holidays in Cyprus guided mostly by nature and tradition.

With its spectacular scenery and enviable climate, it's no wonder that Aphrodite chose the island as her playground, and since then, mere mortals have been discovering this 'land fit for Gods' for themselves.

Cyprus is an island of beauty and a country of contrasts. Cool, pine-clad mountains are a complete scene-change after golden sun-kissed beaches; tranquil, timeless villages are in striking contrast to modern cosmopolitan towns; luxurious beachside hotels can be exchanged for large areas of natural, unspoilt countryside; yet in Cyprus all distances are easily manageable, mostly on modern roads and highways - with a secondary route or two for the more adventurous.

Most important of all, the island offers peace of mind. At a time when holidays are clouded by safety consciousness, a feeling of security prevails everywhere since the crime level is so low as to be practically non-existent.

Few countries can trace the course of their history over 10.000 years, but in approximately 8.000 B.C. the island of Cyprus was already inhabited and going through its Neolithic Age.

The island's strategic position, its copper deposits and its timber attracted the first Greeks who came to the island over 3.000 years ago at the end of the Trojan wars. They settled down bringing in with them and establishing the Greek identity, language and civilisation. Over the centuries Cyprus came under the sway of various rulers including the Egyptians, Assyrians, Persians, the successors to Alexander the Great and the Romans before Cyprus became part of the Byzantine Empire. Later the Crusaders came, the Frankish Lusignans and Venetians, Ottomans and British. Cyprus won its independence in 1960, for the first time in 3.500 years, but the Greek identity of language and culture has been retained. In July 1974 Turkey invaded Cyprus and since then 37% of the island in the North is being illegally occupied by Turkish troops who acted in violation of all principles governing international relations.

From the topmost point of Mountain Olympus to the coasts and sweeping plains, Cyprus is nature's island. Many exquisite wild flowers grow in splendid profusion in springtime. Trees, shrubs and plants luxuriate in the Mediterranean sunshine all year round. Bright bougainvillea blazes vividly against white walls, reflecting its splendour in the crystal clear waters.

Cyprus is also prized for its bird life, and the migratory birds that use the country as a stopover are eagerly awaited between seasons. With so many possibilities, Cyprus is a bird watcher's paradise, an archaeologist's heaven, a photographer's dream.

Due to the wonderful climate and variety of scenery, the island offers endless opportunities for nature lovers and outdoor sports fans. Activities such as angling, mountain-hiking, hiking, gliding, golf, sea sports and yachting are but a few of the special activity holidays that the island offers. The Cyprus countryside is endowed with inexhaustible historical, natural and human riches, generously revealed to the visitor. Its traditional villages enhance and complement a wonderful natural environment, with their local character, traditional architecture and village planning. Such places are conducive to a harmonious coexistence of man with nature, a coexistence sought by more and more visitors on their holidays.

Within such an environment the visitor has the benefit of the daily hands-on experience of the rich traditions of village people: the simple, serene rhythms of rural life, folk customs, daily activities, and the authentic tastes of traditional cuisine; all filtered through the sense of genuine hospitality.

The Cyprus Tourism Organisation, having considered this new trend of visitors wishing to experience a new, alternative way to holidaymaking, has set in motion a programme of restoration of traditional houses and enhancement of the traditional element in Cyprus villages, within the framework of the philosophy of agro tourism. The need for a better and more organised co-ordination of agro tourism led to the establishment of the Cyprus Agro tourism Company, a body dealing exclusively with holidays in the Cyprus countryside. Today, agro tourism is an autonomous, vibrant part of Cyprus tourism hosted in traditional lodgings of historical value throughout Cyprus, ready to offer a new, alternative holiday ideal.

These restored lodgings create a warm atmosphere that will be engraved deep in visitor's memories. Visitors are enjoying the comfort of a household that makes them feel like home. From then on await a handful of pleasant surprises nature has in store for them: millions of different scents, images of unparalleled beauty, walks down nature trails, visits to historical monasteries and archaeological sites, the real life of the country.

Cyprus visitors see and enjoy one day after the other and they were overcome by a feeling of invigorating rejuvenation. As for the cuisine in these places, it is certain that they will be missing it for a long time after they will taste it.

Suffice to say, agro tourism is not something you describe but something you experience. Agro tourism in Cyprus customised in visitors needs and that's because in today's world, where time is of essence, every moment counts some Cyprus Agro tourism lodgings aimed to deliver a customised, seamless lifestyle experience to their potential guests.

Agro tourism provides a great opportunity to have a rest from all the fuss and noise of everyday life. It is a great idea to treat you and enjoy the Cyprus countryside guided by nature and tradition.

Cyprus traditional villages enhance and compliment a wonderful natural environment, with their local character and traditional architecture. The island of Cyprus offers a wide range of attractions to the visitor seeking this alternative holiday including opportunities for walking, hiking, bird watching and wine tasting.



For relaxing holidays and short get-away by relaxing and enjoying swim and enjoy the sun at the courtyard. Visitors can enjoy unique hospitality drinking Cypriot coffee or eating traditional sweets by landlord's hands.

Traditional Cypriot villages located up on the hills surrounded by vineyards, olive trees and other local fruit plantations. In many of those villages visitors can find traditional coffee shops, small minimarkets and some taverns with their own wineries corners where they can enjoy the taste of some of the finest wines in Cyprus. Donkey rides or horse rides are usually available to the brave ones who want to explore the beauty of nature around the village whereas for the less brave ones natural trails can be used for their morning or afternoon walks to explore that beauty. Visitors can also visit some old chapels and monasteries which can be found very close to their holiday chosen village.

The small hotels rigidly preserve the traditional character and environment of the area. Housed in a newly refurbished and unique cluster of traditional stone houses built in the late 1800's, hotels have preserved its distinctive Cypriot character, whilst including all modern conveniences. There is a superb example of Cypriot cultural heritage reviving the today's lifestyle.

The stone built village houses are 100% Cyprus properties and there are situated in the traditional and unspoiled villages with its narrow winding lanes, wonderful cool climate, even during the summer months.

The quality and luxury holidays accommodation in Cyprus offering a wide selection of choices to their guests by choosing between traditional & modern style.

Comprising of their own private swimming pool, some villas, all acquire fully equipped kitchens, main bathrooms and en-suite showers, attractively furnished living areas and lead outdoors, to covered patios equipped with garden furniture.

Close to all amenities, the holiday villas in Cyprus are set in secluded areas, offering the choice of tranquil countryside with breathtaking views of the surrounding mountains or magnificent panoramic Mediterranean views.

Cyprus, surprisingly, is full of surprises. There's the climate, for one – hot all year save for the sun's brief sabbatical in January and February. The island is about 150 miles long and the roads easy. Wine is highly palatable, local and cheap. The food, Greek in essence, with shared Turkish traits, perhaps a remnant of a shared past though not, seemingly, a future.

There's history, aeons of it, usually involving invasions. Perhaps most surprising are the Troodos, the green peaks capping Cyprus's blanched features, a place where Cypriots go to escape the stifling summer heat or to experience snow and a burning log fire in winter. You can ski in Cyprus in winter, at 1,952m Mount Olympus.

## **2.13 What is Hospitality and Tourism Marketing?**

- In the hotel industry, marketing and sales are often thought to be the same and no wonder: the sales department is one of the most visible in the hotel. Sales managers provide prospective clients with tours and entertain them in the hotels food & beverage outlets. Thus the sales function is highly visible, whereas most of the non-promotional areas of the marketing function take place behind closed doors.
- In reality, selling & advertising are only two marketing functions and often not the most important. Advertising and sales are components of the promotional element of the Marketing Mix. Other marketing mix elements include product, price and distribution. Marketing also includes research, information systems and planning.
- The four-P framework calls on marketing professionals to decide on the product and its characteristics, set the price, decide how to distribute their product and choose methods for promoting their product and services.
- If marketers do a good job of identifying consumer needs, developing a good product and pricing and distributing and promoting it effectively, the result will be attractive and satisfied for the customers.
- Marketing means ‘hitting the mark’ *Peter Drucker*, a leading management thinker, but in this way: ‘the aim of marketing is to make selling superfluous. The aim is to know and understand customers so well that the product or service fits them and sell itself’.
- This does not mean that selling and promotion are important, but rather, that they are part of a larger marketing mix, a set of marketing tools that work together to produce satisfied customers. The only way selling and promoting will be effective is if we first define customers targets and needs and then prepare an easily assessable and available value package.

#### **2.14 Importance of marketing**

- The hospitality industry is one of the world's major industries and marketing has assumed an increasingly important role in this industry as well. The entrance of corporate giants into the hospitality market transformed it from a mom-and-pop industry, where individually owned hotels were norm, into industry dominated by chains.
- The marketing expertise of these large firms has created a competitive and aggressive marketing environment in response to growing competitive pressures.
- Successful hospitality marketing is highly dependent on the entire travel industry.

#### **2.15 Marketing & Management in Agro-Tourism: Attraction methods & techniques in agro-tourism segment**

Agro-tourism in Cyprus is highly supported since promotion of Agro-Tourism involves some more important stakeholders namely Ministry of Agriculture and rural development ministry of the state and central governments. To promote domestic tourism, thrust areas identified by the government of Cyprus development of infrastructure, product development and diversification, development of eco-adventure sports, cultural presentations, providing inexpensive accommodation etc. The government also has realized the importance of agro-tourism. The tourism organization of Cyprus had accorded high priority to tourism as an instrument of employment generation and poverty alleviation in rural and backward areas by

developing the potential of agro tourism to supplement farm incomes, and heritage tourism to promote village development.

Cyprus is promoting to agriculture tourism for achieving income, employment and economic stability in rural areas. Help boosting a range of activities, services and amenities, provided by farmers and rural people to attract urban tourists to their area thus providing opportunity to urban people to get back to the rural roots”.

Agro tourism offers vast potential for tourism development in Cyprus with large rural areas. It not only provides recreational opportunities for both visitors and residents, but provides farm owners with the opportunity of expanding the profitability of their businesses. In many cases, this is what makes the difference in whether a business survives or not.

Successful agro tourism programs do take a lot of effort, though. The careful coordination of events, promotional materials, and farm businesses through regional planning is essential. Working together, farm owners and tourism promoters and planners can create a successful agro tourism program out of existing resources and attractions.

## CHAPTER 3: RESEARCH METHODOLOGY

### 3.1 Introduction

Research methodology describes and justifies the research strategy, plan and structure chosen to conduct the research project (Leedy, 1993). Consequently, this chapter presents the research design, study population and sample size and techniques that have been used in this study. In addition, the research instrument used for data collection, as well as the research procedure of the quantitative aspects of the investigation, will be described in detail. Further, a description of the validity and reliability of research instruments and data analysis and statistical techniques used in this study will be presented. To conclude, this chapter highlights the ethical considerations of the study that needed to be taken into account.

The sources used for this study are material that have been collected for a similar topic from the author in the past, book refers to tourism, tourist newspapers, our Local's tips and of course the Cyprus Tourism Organization (CTO) information.

### 3.2 Materials, methods and Research Questions

For the first, quantitative phase of this study the guiding research question is: What methods and techniques are used from hoteliers & Cyprus tourism organization in order to attract rural tourism in Cyprus Island?

The specific research sub-question is: Can agro tourism's development and promotion lead Cyprus in differentiation from all the other agro-tourism destinations and being a strong arm for the economy of Cyprus Island?

### **3.3 Research Design**

The term *survey* is normally used to refer to any activity which is undertaken for the express purpose of gathering information about a particular population in order to draw reliable conclusions about that population.

The methodology employed in this study is survey style research. Survey research varies in their purposes, in the method they use for collecting data, in the timeframes in which they operate and in quality too. What they all have in common are key mythological and practical issues that have to be resolved prior to fieldwork and data collection, transformation and analysis concerns to resolve prior to the presentation and dissemination of the findings.

The above stated approach assisted the author to examine the data and findings from the perspective of questionnaires and views of hotel owners and this resulted to attain credible and valid findings. The information collected was obtained through questionnaires which were distributed to some Cyprus hoteliers and as a secondary date some material that have been collected for a similar topic from me in the past, book refers to tourism, tourist newspapers, our Local's tips and of course the Cyprus Tourism Organization (CTO) information.

### **3.4 Research Population and Sample**

Given the exploratory nature of this study, a questionnaire served as the primary methods of data collection, which occurred between August and September 2013. Questionnaire participants included key stakeholders such as owners of Argo tourism accommodations. It was a small survey based in 6 chosen traditional lodgings as a methodology in order to determinate the purpose of this study. These accommodations were screened based product equality and services offered. A sample of the questionnaire is given bellow.

### **3.5 Questionnaire sampling**

1. How many years you are operation your business?
2. What pushed towards this direction?
3. Government help you with your new begging?
4. What is the role of Cyprus Tourism Organization in your business?
5. Are you cooperating with operators and travel agencies?
6. Are you offering other facilities and services above accommodation?
7. How many employees have you worked in;
8. You & your family operate the hotel or you are having a manager as well?
9. Your hotel works 12 months or seasonal?
10. Which is your average occupancy
11. Which methods are you using in order to attract new customers?
12. What type of techniques are you using in order to keep your existing customers?
13. Do you think agro tourism in Cyprus is well spread?

14. Can agro tourism's development and promotion lead Cyprus in differentiation from all the other agro-tourism destinations and being a strong arm for the economy of Cyprus Island?

The importance of a good questionnaire design, the choice of questions (whether open-ended or close-ended) and the ability for pre-testing the questionnaire were the main concerns of the author. Foddy (1993) argued that a questionnaire design necessitates the specification of a study question and guides away from losing sight of the precise topic or from making unsubstantiated generalizations. Furthermore, the questionnaires were designed by the author to contain open-ended questions.

The open-ended question does not provide answer categories. The person (respondent) who is asked an open-ended question formulates the answer and gives the response in his or her own words. Although this structure gives the respondent more freedom in crafting an answer, it also increases the cognitive effort. Without answer choices as cues to aid in understanding the question and deciding on an answer, the respondent has to perform additional cognitive tasks before he or she responds (Ballou, 2008).

The purpose of the questions was to find out through them the business performance, their business structure, the way they follow in order to promoting their company as well as the role of CTO in that the huge effort.

### **3.6 Data Collection**

The process of data collection includes the use of secondary and primary data sources. In this study, seeking information from respondents through the use of survey questionnaires was the predominant method, supported by information from the literature review.

#### **3.6a Secondary Data**

Secondary data are data that have been collected by other researchers. For instance, secondary data encompass a range of different sources such as general reports, internet websites, academic journals, textbooks, and many others (Wilson, 2010, p.169). According to Armstrong (2009, p. 180), it is necessary to know what has already been covered and the theories that have been developed to provide hints and reference points. In the present study, the reading of literature review, including available electronic books, articles, academic journals and textbooks, was very important and helpful for the author in order to acknowledge the theoretical concepts of performance management, motivation and leadership and at the same time to comprehend the relationship and influence between the above variables.

#### **3.6b Primary Data**

Primary data was gathered by the author of this study through questionnaires. According to Wilson (2010, p.134), primary data is information gathered for the purpose of your own research such as questionnaires, interviews, observations and many others. Actually, primary data are those which are collected for the first time and thus happen to be original in character

(Kothari, 2004, p.59). Accordingly, 6 self-administered questionnaires were distributed to the respondents in different agro tourism hotels by the author herself.

### **3.7a Analysis of Data**

The results of the survey questionnaire couldn't recorded and measured with numbers in this study, therefore a concept mapping used as an alternative approach for the analysis of open-ended survey responses.

### **3.7b Three approaches to qualitative analysis:**

Content analysis is a widely used qualitative research technique. Rather than being a single method, current applications of content analysis show three distinct approaches: conventional, directed, or summative. All three approaches are used to interpret meaning from the content of text data and, hence, adhere to the naturalistic paradigm. The major differences among the approaches are coding schemes, origins of codes, and threats to trustworthiness. In conventional content analysis, coding categories are derived directly from the text data. With a directed approach, analysis starts with a theory or relevant research findings as guidance for initial codes. A summative content analysis involves counting and comparisons, usually of keywords or content, followed by the interpretation of the underlying context. The authors delineate analytic procedures specific to each approach and techniques addressing trustworthiness with hypothetical examples drawn from the area of end-of-life care (Hsiu-Fang Hsieh and Sarah E. Shannon 2005).

### **3.8 Ethical Considerations**

Cooper & Schindler (2003) argued that research must be designed so that a respondent does not suffer physical harm, discomfort, pain, embarrassment, or loss of privacy. The goal of ethics in research is to ensure that no one is harmed or suffers adverse consequences from the research activities. With regards the Methodology of Ethology of this survey, the author has protected the rights of the respondents by:

- None of the respondents was named during the research or subsequent thesis.
- All of the respondents were selected to participate without pressure.
- All of the respondents were informed of the reason and purpose of the research.
- All of the respondents were treated with the principles of respect of person, beneficence, and justice.
- The final research project will be remaining confidential.

### **3.9 Conclusion**

This chapter has presented in detail the methodology and design of the research and the process of data collection and analysis. Information concerning the sample size, population and research instruments included in the final statistical analysis was presented. An indication of the procedure of data collection method was then given. Moreover, reliability and validity were then discussed in detail. Additionally, ethical considerations that needed to be taken into account when doing the actual research and data gathering have been argued.

## CHAPTER 4: DATA ANALYSIS

### 4.1 Introduction

This chapter focuses mainly on analysing the data gathered for the purposes of this study and also discusses the findings, as revealed by the results of the analyses. Data from the field were analysed and results grouped into sections as per the objective of the study which is to assess the methods & techniques were taken from hotel owners in order promote their agrotourism accommodations.

### 4.2 The purpose of Marketing and Management in Agro-tourism from owners' perspective

Considering the fierce competition between various destinations and leisure activities in the current tourist market, appropriate marketing techniques should be used in order to successfully sell the product of agro-tourism to the final consumer. A key for successful marketing is a demand-based approach, market segmentation and the use of marketing mix principles. Any marketing programme should be well targeted and appropriately funded. According to the respondents, CTO have a supportive and promotional role with regards the promotion of their hotel and the Cyprus promotion as a holiday destination too.

The Importance of Marketing from the finance prospective finds the financial success often depends on marketing ability. Finance, operations, accounting, and other business functions will not really matter if there is not sufficient demand for products and services so the company can make a profit. There must be a top line for there to be a bottom line.

According to the American Marketing Association, marketing is *the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objective*. Marketing approach relies on creating and promoting a product (ideas, goods or services) that satisfies a customer's need or desire and is available at a desirable price and place (Kotler, 1994).

Marketing concept requires that businesses and organizations should:

- Design their products/services to meet customer needs and wants;
- Focus on those people most likely to buy their product rather than the entire mass market;
- Develop marketing efforts that fit into their overall business objectives.

A key to learn the specifics of marketing in tourism is to understand the nature of the tourist product.

Tourist product can be defined as everything what is being bought to satisfy the needs and expectations related to temporary change of residence for tourist purposes (Nawrocka E., 1998). Therefore an agro – tourist product can be defined as tourist product purchased at the agricultural farm (and relatively, agro-tourism is a way of recreation in the rural areas, based on lodging and attractions provided by agricultural 12 farms and their natural surroundings).

According to another definition, tourist product is a set of material and immaterial components, creating the possibilities to spent the free time at the destination, and presented to the tourists as an experience attainable at a certain cost. The product consists of [Middleton, 1996]:

- Attractions and the environment of the destination,
- Infrastructure and the services of the destination,
- Accessibility of the destination,
- Image of the destination,
- Price paid by the customer.

Tourist operators' approach to the product is based on the components and benefits offered to the customers.

Tourist product is a structure that consists of 3 components:

- Core benefits – which refer to the basic needs that are fulfilled by the purchase; in the case of a tourist products, that would be recreation, satisfaction, perception;
- Tangible product – core benefits are accompanied by necessary services (accommodation, boarding etc.) which amount to the tangible product,
- Augmented product – tangible product is often accompanied by additional services, which aim to diversify the product, make it more attractive and add to the quality of the product.

Core benefit in the agro-tourism can be described as: experiencing the country life, leisure at the farm, satisfaction, a bundle of positive experiences resulting from the stay at the farm. Core benefit of the agro-tourist service is the key reason to choose the service.

A part of the core benefit is the unique attraction, which motivates tourists to visit the given place. Basic classification of the tourist attractions distinguish between natural (climate/landscape) and artificial (historical/culture/social) attractions. Another approach is to distinguish tourist attractions “based on resources” and “based on the users”.

With reference to core benefit concept, a classification of major attractions and supplementary attractions is a key distinction. Tourist attraction is considered major, when it itself can influence the customers' decisions about the desired destination.

Supplementary attraction would eventually enrich the tourists' experiences, but it is not influencing the customers' choices. Therefore, a major attraction could become core benefit of a tourist product, while supplementary attractions should be included in the augmented product package.



Core benefit of the tourist service is purchased in a form of the tangible product of the tourist destination: as a purchase of the temporary accommodation and boarding. The buyers of the tangible product are additionally attracted by services added to distinguish the product.

In conclusion, the customer who decides to purchase the agro-tourist service tends to buy recreation, experience and satisfaction resulting from the visit in the farm (core benefit). The values are accomplished by consumption of the service (tangible product), which is supported by supplementary services.

The process of creating the product consists of 3 main phases (Daszkowska M.1998):

- Pre-integration phase – a preparation phase, which should lead to the readiness to produce the service. It would generally consist of the initial investment phase (which converts the farm into the agro-tourist farm) and preparations before the guests could be accommodated. Pre-integration phase is also the time of preparing and executing the marketing plan to attract the customers;
- Integration phase – phase that starts with the arrival of the customers, and includes the overall interaction between the guests and the hosts during their stay at the farm. The phase finishes with the moment of the guest departure.
- Post-integration phase – the phase includes the possible interaction between the agro-tourist farm owners and customers after their departure.

If agro-tourist businesses tried to develop marketing strategies for the mass market, it may result in unappealing products, prices, and promotional messages. Marketing concept of market segmentation and target marketing should be heavily implemented.

Market segmentation is the process of:

- Taking existing and potential customers and visitors (market) and categorizing them into groups with similar preferences referred to as “market segments”;
- selecting the most promising segments as “target markets” and
- Designing “marketing mixes” or strategies (combination of the 4 Ps), which satisfy the special needs, desires and behaviour of the target markets (Majewski, Lane 2001).

As mentioned, there is no single approach to segment markets, but ways in which customers can be grouped are:

- Location of residence;
- Demographics - age, income, family status, education;
- Equipment ownership and use - sailboats, canoes, tents;
- Important product attributes - price, quality, quantity;
- Lifestyle attributes - activities, interests, opinions (Legutko, 2003).

The effect of segment identification process should be finding of at least one segment large enough to justify specialized marketing efforts, which suggests that all marketing efforts will be effective in attracting them.

Having the marketing segments identified, agro-tourist entity should select the “target markets” – which consist of the market segments that were identified as promising the greatest opportunity. When determining target markets, consideration should be given to many aspects, such as:

- Existing and future sales potential of each segment;
- The amount and strength of competition for each segment;
- The ability to offer a marketing mix which will be successful in attracting each segment;
- The cost of servicing each segment;
- Each segment's contribution to accomplishing overall business objectives.

Agro-tourist entities tend to target smaller segments that are presently not being served, or served inadequately, than to go after larger segments for which there is a high level of competition, thus defining them as a “niche market company”.

### **4.3 Marketing Mix**

The marketing mix is the mixture of controllable marketing variables that the firm or company uses to pursue the sought level of sales in the target market (Kolter, cited in Holloway and Plant 1988). Marketing mix is the right combination of elements that will produce a profit and is composed of every factor that influences the marketing effort. Timing, brands, packaging, pricing, channels of distribution, product, image, advertising, selling, public relations, service quality and research are included on this mix. Those 4Ps are incorporated into the marketing process in relation to the known competition and the impact of market conditions. Thus, the marketing process involves the continuous evaluation of how business operates internally and externally to meet customer requirements. Many elements in the marketing mix have been defined most frequently as ‘the four Ps’ a term popularized by E. Jerome McCarthy, co-author of Basic Marketing and Essentials of Marketing. Those four Ps are product, place and promotion and price of course.

The marketing strategy (mix) is an overall package of offerings designed to attract and serve the customer or visitor. The marketing mix in agro-tourism includes (Swietlikowska 2000):

Product/service - the principal products that agro-tourism provides are recreational experiences and hospitality. The factors that create a quality recreational experience often differ among customers, and therefore decisions on what facilities, programs and services provide should be based on the needs and desires of the target market and not based on the preferences of the owners and managers or on what the competition is providing.

Every tourism experience includes five elements:

- trip planning and anticipation;
- travel to the site/area;
- the experience at the site;
- travel back home;
- Recollection.

It is the management responsibility to enhance the quality of the overall experience during all phases of the trip.

Price – being one of the most important elements of the marketing mix. Pricing process should consider all of the following aspects:

- business and target market objectives;
- the full cost of producing, delivering and promoting the product;
- the willingness of the target market to pay for the service;
- prices charged by competitors offering a similar service to the same target market;
- The availability and prices of substitute services (in case of agro-tourism: campgrounds, motels, etc.);
- the economic climate (local and national);
- The possibility of stimulating high profit products and services by offering related services (such as maintenance) at or below cost.

Many pricing strategies can be implemented in agro-tourism, which may encourage off season and non-peak period sales, longer stays, group business, and the sale of package plans (combination of room, meals, and recreational facilities).

#### Place/location

In agro-tourism consists of a destination (location) and accessibility, including both improving travel to and from the operational area:

- providing directions and maps;
- providing estimates of travel time and distances from different market areas;
- recommending direct and scenic travel routes;
- identifying attractions and support facilities along different travel routes;;
- Informing potential customers of alternative travel methods to the area such as airlines and railroads.
- Servicing the customer at the site.

This aspect of marketing mix involves also reviewing possible alternative locations for:

- distance and accessibility to target markets;
- location of competitors with respect to target markets;
- modes of travel serving the area; and
- Other attractions and activities that might induce travel to the area.

#### Promotion

It consists of all the activities leading to providing the target audiences with accurate and timely information about the product. One of the main mistakes in promotion is misrepresentation which leads to dissatisfied customers and poor recommendations. Developing a promotional campaign consists of decisions regarding which type or combination of promotion types to use (personal selling, advertising, sales promotions, or publicity) as well as decisions regarding:

- Target audience - the group that is aimed at;
- Image - that which agro-tourist business wants to create or reinforce;
- Objectives - those of the promotional campaign;

- Budget - the amount of money available for the promotion;
- Timing - when and how often should promoting materials appear;
- Media - which methods (television, radio, newspaper, magazine) will most effectively and efficiently communicate the message to the target audience;
- Evaluation- - determinations of the effectiveness of the promotional campaign.

In case of agro-tourism, marketing efforts should be directed at the travel trade in the generating market rather than at the final consumer (so-called pull approach).

#### **4.4 Marketing Tourism as a Management function**

Marketing is widely acknowledged as a vital prerequisite to communicating the product or service offering of businesses or suppliers to the market. According to Kotler and Armstrong (1991), marketing is a process whereby individuals and groups obtain the type of products or goods they value. These goods are created and exchanged through a process which requires a detailed understanding of consumers and their wants and desires so that the product or service is efficiently delivered to the client or purchaser.

To meet customer needs, a company (Hoteliers) or an organization (Cyprus Tourism Organization), analyses its own products and services in terms of its own business expertise and how competitors' products and services may affect them. This is frequently undertaken as a SWOT analysis, which considers the strengths and weakness of, opportunities and threats to its products and services in the business environment (agro-tourism).

##### **4.4a Needs, desires and motives**

One of the classic definitions of marketing is that it is a process of satisfying customer needs. A physiological theory holds that the continuous churning of largely unconscious feelings of needs, wants and goals generates uncomfortable states of tension within individuals 'minds and bodies. Such tension tends to build up and cannot be released until the needs are satisfied.

States of tension, including hunger fatigue and loneliness as well as the drive for self-development are thus the motivations that trigger the actions that release tension states. Motivations are the dynamic process in buyer behaviour, bridging the gap between a felt need and the decision to act.

##### **4.4b Consumer decision-making process**

One of the most widely used models of the consumer decision process is that of Engel et al. (1978). In the version used by Morgan (1996), it forms the acronym PIECE.

- Problem recognition
- Information search
- Evaluation of alternatives
- Choice of purchase

- Evaluation of post-purchase experience

#### **4.5 Buyer behaviour**

The range of physiological processes by which an individual chooses to buy a product is complex and hard to measure. The mind of the consumer has been described as a black box. You can observe what went in and what comes out, but what actually happens inside remains a mystery. For this reason, it is important that marketers make full use of evidence provided by resulting behaviour.

#### **4.6 Market segmentation**

The main methods of segmentation are by:

- Purpose of travel
- Buyer needs, motivations and benefits sought
- Buyer behaviour / characteristics of product usage
- Demographic, economic and geographic profiles
- Psychographic profile
- Geographic profile
- Price

#### **4.7 Developing marketing strategies**

For marketing purposes, strategic planning may be defined as the process whereby an organization analyses its strengths and weaknesses in its current and prospective markets, identifies its aims and opportunities it seeks to develop and specifies strategies and cost programmes of activity to achieve its aims. The stages illustrated are the following:

- Vision
- Analysis
- Objectives
- Strategies
- Implementation
- Tactics
- Control

Strategic decisions are always focused on the longer run, usually defined as 3 or more years ahead and looking wider than the existing range of products provide for a current group of segments.

#### **4.8 Developing and managing tourism ventures in the small business sector**

There is a tendency to assume that tourism has great potential to stimulate economic development if it is managed well. The basic argument is that fledging new business of today could develop and grow into the large international corporation of the future. This may occur in a few cases, such as the rise of some airlines venture. Many governments have avidly supported small business development in tourism owing to its future employment-generating potential, although they were not overtly concerned until 1980s with ensuring managers and owners had the skill set needed to manage such enterprises. The short-term planning horizon of many tourism small – medium enterprises, their limited knowledge of the business environment and their owner – managed structure influences the way tasks are managed. This highlights the scope of management challenges faced by many small tourism and hospitality business. Addressing though good management skills is critical and in the initial set-up stage of the business venture particular attention should be paid to the obvious financial issues through a feasibility study of business plan.

#### **4.9 The public sector marketing of tourism (CTO)**

The majority of national tourism organizations are not producers or operators in a tourism context, but seek to influence the images which visitors and potential visitors may hold of the country or region. However, prior to those organizations marketing destinations, private transport companies worked in collaboration with destinations to promote their attraction. Imagery and place promotion then is not a task, but in recent years this has been undertaken by destination organizations like CTO (Cyprus Tourism Organization).

The three core elements in the marketing system are the following:

- The attitudes and decisions of target users or customers concerning the perceived utility and value of available goods and services in terms of their needs, wants, interests and ability to pay.
  - The attitudes and decisions of producers concerning production or provision of goods and services for sale, in the context of their long-term business objectives and the wider environment in which they operate.
  - The ways in which producers communicate with consumers before, during and after the point of sale and distribute or provide access to delivery of their products.
- In other words, the key elements in any marketing system are the attitudes and thought processes of the two parties-buyers and sellers-or users and providers-in an exchange process.

As a result of the evolution of place promotion, there are four models widely used to undertake this task:

- Full stage intervention, where the stage promotes the brand image
- A public-private sector partnership, where the private sector contributes to the marketing

- A minimalist public sector role where private sector promotion is dominant
- Other models that entirely funded from taxation of tourists and tourism rather than stage support for destination marketing as a concept

#### **4.10 The future of the public sector in the management of tourism**

At a global scale, there has been a growing consensus among governments that private sector tourism interests need to work more closely with the public sector to manage the marketing, planning control and development of tourism. Part of the marketing logic here is to gain industry ownership of what is being marketed in terms of sales and promotion. The term tourism collateral is now in vogue to describe how the tourism sector gets buy-in to the collateral of the destination from the private sector (e.g. brochures, websites, posters and visual material to promote the destination) so as to feel an integral part of the messages, images and focus of how the area is being sold to tourists. This is part of withdrawal of central government from direct management of many areas of public activity, reflecting a desire to see a greater use of public-private partnerships to govern the tourism sector, where the private sector are seen as joint owners of the tourism collateral. If the public sector is to play a greater role in tourism, understanding the consequences of specific tourism policies, it requires a more explicit recognition of whether policy is successful or a failure.

#### **4.11 The economy impact of tourism**

The economy measurement of tourism has a long history in many countries. The study by Ogilvie (1933), *The Tourist Movement*, is one of the early attempts to illustrate the significance of outbound tourism's impact on the national economy.

Tourism is not necessarily a stable source of income for destinations because tourists are not noted for their high levels of customer loyalty to tourism destinations. Page and Hall (2002) identify a number of features to support this argument based on urban tourism destinations:

- Tourism is a fickle industry, being highly seasonal and this has implications for investment and the type of employment created.
- The demand for tourism can easily be influenced by external factors such as political unrest, unusual climatic and environmental conditions which are beyond the control of destination areas.
- The motivation for tourist travel to urban destinations is complex and variable and constantly changing in the competitive marketplace.
- In economic terms, tourism is price and income elastic, which means that it is easily influenced by small changes to the price of the product and the disposable income of consumers.
- Many cities are becoming alike, a feature described as 'serial reproduction'. This means that once an idea for urban economic development is successful in one location, the concept diffuses to other places.

Pearce (1989:192) argued the objective and detailed evaluation of the economic impact of tourism can be long and complicated task. This is because there is a little agreement in what constitutes the tourism industry although it is normally classified in relation to:

- Accommodation
- Transport
- Attractions
- The travel organizers sector (travel agents)
- The destination organization sector

Hospitality and ancillary services are also important. Understanding the economic impact of these disparate sectors of the economy requires a method analysis that allows us to isolate the flow of income in the local tourism economy. This is notoriously difficult because of attributing the proportion of tourist expenditure by all users of the destination. What we usually need to do is identify the different forms of tourist expenditure and how they affect the local economy. Typically this includes:

- The nature of the destination area and its products, facilities and physical characteristics
- The volume and scale of tourist expenditure
- The stage of the economic development and the economy in the destination
- The size and the nature of the local economy
- The extent to which tourist expenditure circulates around the local economy and is not spent on imported goods and services
- The degree to which the local economy has addressed the problem of seasonality and extends the destination appeal to all year around

*Source: Modified from Page (1995)*

On the basis of these factors, it is possible to assess whether the economic impact will be beneficial or have a detrimental effect on the economy. In this respect, it is possible to identify some of the commonly cited economic benefits of tourism:

- The generation of income for the local economy
  - The creation of new employment opportunities
  - Improvements to the structure and balance of economic activities within the locality
  - The encouragement of entrepreneurial activity
- In contrast, there is also a range of costs commonly associated with tourism and these include:
- The potential for economic over-dependence on one particular form of activity
  - Inflationary costs in the local economy as new consumers enter the area and potential increases in real estate prices as the tourism development cycle commences and tourism competes with other land uses



- Depending on the size and nature of the local economy, a growing dependence on imported rather than locally produced goods services and labour as the development of facilities and infrastructure proceeds
- Seasonality in the consumption and production of tourism infrastructure and services leading to limited returns on investment
- Leakages of tourism expenditure from the local economy
- Additional costs for city authorities

*Source:* Modified from Page (1995)

With the strong support of the Cyprus Tourism Organisation (CTO) and Government by means of incentives, the tourist industry in Cyprus has gradually developed to the pillar sector of the economy.

#### **4.12 Constructing the economic impact of tourism**

In seeking to understand the extent, scale and consequences of tourism on the economies of countries and destinations, a range of analytical methods have been developed by economists. These usually involve collecting data to model the expenditure from tourism and its impact as information gathered in visitor surveys can be used to identify:

- *Direct expenditure* by tourists on goods and services consumed (e.g. hotels, restaurants and tourist transports services), although this is not a definitive account of expenditure due to leakage of tourist spending to areas and corporations outside the local economy.
- *Indirect expenditure* by visitors is often estimated by identifying how many tourism enterprises use the income derived from tourists' spending. This money is then used by enterprises to pay for services, taxes and the employees, which then recalculates in the urban economy. In other words, tourist expenditure stimulates an economic process which passes through a series of stages (or rounds).
- *The induced impact*, by calculating the impact of expenditure from those employed in tourism and its effect on the local economy.

*Source:* Modified from Page (1995)

These three impacts are then used to estimate the nature of tourist spending. For planners and managers, maximizing local economic linkages (e.g. buying local produce and employing local people) can enhance the benefits of tourism to a locality. Where the local economy is very vulnerable and depended upon a large number of imports, leakage will be high and so reducing the openness of the tourism economy will help to improve the impact locally. Many rural areas are characteristically open economies and high levels of leakage in tourism occur there, whereas in urban areas leakage is reduced as the economy is more closed. In many less developed countries and island nations that depend upon tourism, the leakage is also high due to external control by multinational companies and reluctance of tourism businesses to use

local products. Instead, high-volume imports reduce the beneficial local effects to tourism economists use various tools to measure tourism demand in local economies.

Cyprus, carrying an experience in tourism of over 30 years, is called upon to utilize the knowledge of the past and within the framework of ongoing changes and new developments to map out a new route for Cyprus tourism toward the 21st century.

#### **4.13 Crises in tourism and business response: a management challenge?**

Although such crises may be short term in nature, the exposure of the tourism sector is significant and apparently stable business activities can be transformed into chaos. However, such crises may also have the potential to stimulate innovation. Ultimately, crises and chaos illustrate tourism's highly volatile nature and indicates how adaptable organizations need to be change. In management context, Faulkner and Russell (1999) identified the typical models of operation for entrepreneurs in tourism, who instituted chaos and change and for those who were planners and regulators of change. This has important implications for how tourism ventures are managed. Chaos makers were characterized by being:

- Individualistic
  - Flexible
  - Innovative
  - Experimental
  - Intuitive
  - Risk takers
- Regulators were characterized by being:
- Risk-averse
  - Rational
  - Controlled
  - Planners
  - Rigid in their outlook
  - Concerned with reaching consensus on decision-making
- Therefore, the profitability of tourism organizations is increasingly being linked to the ability to:
- Innovate
  - Manage and adapt to change and crises
  - Manage, recruit and retain high-quality human resources
  - Develop competitive business ventures by understanding the economic, social, political and managerial challenges of operating tourism enterprises
  - React to public policy and influence it's formulation and implementation particularly and growing concerns over regulation and cost to business
  - Think creativity and globally with an ability to apply international best practice in a local context

- Understand how tourism trends affect one's day-to-day business operations

In order to react and embrace change, many tourism organizations need to be able to understand and implement technology.

Agrotourism in Cyprus is directly related to the tradition, culture and people in the countryside and beautiful villages. The agrotouristic premises, which all of them have been restored with, care maintain the traditional architecture while offering all modern comforts to their guests, offering an alternative kind of holiday close to nature and tradition. The nature trails, wine routes (in most of them) that paved the CTO giving options to the tourists to visit wineries and traditional restaurants, taste local wines and authentic Cypriot cuisine, prepare traditional foods and many others are the main features promoted abroad for rural tourism in Cyprus.”

In majority, hotel owners explained that the last decade, agrotourism in Cyprus has developed. The European Union through various funds helped the local organisations to maintain development in the countryside by supporting local communities and renovating old houses.

#### **4.14 Towards a new tourism management concept: managed tourism**

The concept of sustainable tourism is quite simply vogue, imprecise and lacking in detailed measures for an assessment to be made of how it should be implemented and monitored in different contexts so that limits and thresholds of tourism activity can be established. The tourism industry does not want to see anything implemented that could damage their commercial viability and without decrying the validity of much of the academic research in the way tourism is developed or promoted. The theory of sustainable tourism has not been widely applied in practice and it so it probably time for a more radical concept to be introduced that governments and policy-makers can understand in simple terms: it is *managed tourism*.

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## CHAPTER 5: DISCUSSION, CONCLUSION AND RECOMMENDATIONS

### **5.1 Overview**

After illustrating the results of the research in Chapter Four, the implications of these results are now discussed in the light of the literature review argued in Chapter Two. Research recommendations are suggested for further research.

### **5.2 Discussion of the Research Results**

Agro tourism is gaining worldwide attention as touristic increasingly demand, unspoiled destinations and personalized service in a rich natural environment. Hotel owners must enhance local identity by cultivate and nurture local colour and character, despite foreign staff. Local hospitality must be improved among all members of staff.

### **5.3 Conclusion**

Everything we do is authentic and unique and it does involve with local culture and community, altogether with the bond with targeted guest group away from mass tourism stands for authenticity. We sustain the fundamental values of tourism such as hospitality and code of ethics.

#### **5.4a The marketing role of information materials and their multiple purposes**

- Products (information materials are used as product substitutes)
- Advertising and other forms of promotion mainly serve to create awareness and interest in the product. To convert that interest into a purchase, further information is often needed (information materials may be used to respond to enquiries generated by advertising campaigns or to trigger recall of advertising messages at the point of sale)
- While service production and consumption are simultaneous, the production process is often separated by weeks or months from the act of purchase. Inevitably, many products are ideas and expectations only at the point of sale (information materials provide reassurance and a tangible focus for expectations)
- Especially where infrequently purchased expensive products, such as holidays, are concerned most customers seek full information and consider several options before making choices. Retailers of holidays are well aware that every minute spent answering questions costs money (There is a powerful incentive to distribute information material that reduce customer contact time)
- There are many marketing reasons for communicating with customers during the production/consumption process, partly to 'facilitate' the experience and inform and partly to generate a greater level of 'in-house' expenditure (information materials serve both facilitation and sales promotion and merchandising roles)

#### **5.4b The multiple purposes**

- Creative awareness
- Promotional - messages/symbols/branding and positioning
- Promotional - incentives/special offers
- Product substitute role
- Access/purchasing mechanism
- 'proof' of purchase/reassurance
- Facilitation of product use and information
- Providing education

This dissertation discusses methods & techniques of customer attractions and aims to look at whether they are an important phrase used for marketing purposes or a significant sector. The objectives are to provide a definition and definitive criteria of what constitutes an agro tourism destination, to determine the importance of factors affecting the rationale for being classed as agro tourism accommodations. The paper proposes to examine strategies that can help agro tourism in Cyprus, to maintain the rate of occupancy at traditional

accommodations. The motivation behind the research is explained, research questions and objectives are detailed, the methodology of the proposed research is described and its timescale is indicated.

The review of literature discusses a range of topics, some of which include an analysis of the industry. The research methodology is detailed, and the results and findings are analysed and discussed. Conclusions are made regarding recommendations.

## **5.5 Limitations / recommendations**

As the present study was conducted only in some hotels in Cyprus, further research should replicate the results in other countries. This idea echoes recent calls for cross cultural research in the field of business ethics. Another limitation of the present studies was that they relied on one selected hospitality organization. Larger domain of study would certainly throw more light on the various dimensions studied. And hence further studies should include a large sample size. The results of the present study however, can be used for future cross unit and cross institutional studies.

This thesis had to tackle with and overcome many barriers that occurred before and during the research, the main problem was the lack of literature search since there were few books available related to Cyprus Tourism in the university library. Also the existing literature is often not the appropriate material and this has made the secondary data difficult to sort through the project.

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