

## IMPORTANT - PERFORMANCE ANALYSIS AS A TOOL IN DESTINATION MARKETING

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### Abstract

The Korça Region is located in the Southeast of Albania and borders Greece and Macedonia to the South and the East. It is a mountainous region with two major lakes, Lake Ohrid, the oldest lake in Europe, which is shared with Macedonia and Lake Prespa which is shared with Greece and Macedonia (100km<sup>2</sup> in Albania).

If we consider the last years, there is an increasing tendency to improve the tourist facilities and to attract the tourist market which is interested for activities in open nature and relax in fresh and pure air. These demands could be met very well in Korca destination which is characterized by suitable climatic conditions and tourist services. Eventually a combination of development of town tourism and tourist villages helped the sustainability of the development of Korca as tourist destination in general.

The main purpose of this paper is to present the using of important - performance analysis in marketing destination for the development of tourism.

Highlights: (1) the paper considers multifarious goals of the destination management; (2) a computer booking system is used by hotels and guest houses in the region; (3) the relationship between what a tourists wants to find in a destination and that he finds in fact.

**Key words:** Destination management organizations, Important-tourism analysis, Marketing destination.

**JEL Classification:** M30

### 1. INTRODUCTION

Numerous practitioners and researchers have applied importance-performance analysis (IPA) to identify the critical performance factors in customer satisfaction survey data for products and services (Wade and Eagles, 2003). IPA is a simple and effective technique that can assist practitioners in identifying improvement priorities for customer attributes and direct quality-based marketing strategies. IPA applied to analyze two dimensions of customer attributes: performance level (satisfaction); and importance to customers. Analyses of these dimension attributes are then integrated into a matrix that helps a firm identify primary drivers of customer satisfaction and, based on these findings, set improvement priorities, and identify areas of "possible overkill" and areas of "acceptable" disadvantage. Although IPA is an extremely valuable method, previous studies have several important shortcomings. For example, Matzler et al (2004a) noted the original IPA has two implicit assumptions: (1) attribute performance and attribute importance are independent variables; and, (2) the relationship between attribute performance and overall performance is linear and a symmetrical.

### 2. THE MARKETING OF DESTINATIONS

As with all strategic processes, developing tourism destination strategy comprises a number of stages (Cooper et al, 1998):

- *Analysis* which involves assessing the products and resources that exist at the destination; the markets that visit the destination; the environment in which tourism at the destination operates; and the destination's competitors. The question which is answer at this stage is: **Where are we now?**

- *Strategy Formulation* which involves segmentation, targeting markets and positioning the destination. The question which is answer at this stage is: **Where do we want to go?**

- *Formulation of tactics* which involves ensuring that the product is appropriate for the markets targeted, promoted and distributed accordingly through focused marketing channels, and priced within their expectations and possibilities. At this stage the question which is answered is: **How do we get there?**

- *Monitoring.* It is important that plans that are made are carefully followed and monitored to ensure that they are achieving what they were designed to do. Therefore, the impact of the activities prescribed must be checked on a regular basis, and if these are not achieving the desired results, they must be reviewed and reoriented. This answers the question: **Did we or are we getting there?**

Therefore, the special considerations in the formulation of a marketing strategy for a destination

are the two core strategies of: market segmentation and the identification of target markets and destination positioning and branding.

Determining target markets and developing destination products are interrelated tasks because of the relatively static nature of the tourism product at the destination. To attract markets suitable for the mix of products available at the destination, marketing strategy focuses on identifying potential visitors with common characteristics and on developing the appropriate activities and services to satisfy their needs. The second essential task in the strategy is to position the Korça Region as a destination vis-à-vis each target market and to endow it with a strong, easily recognizable and unique identity. Once these aspects have been determined, a number of strategic actions can be programmed to promote the destination.

The marketing of destinations is a relatively new departure for many localities, particularly at the regional and local level. Traditionally the public sector has been involved in destination marketing through NTOs, regional boards such as DMOs or local authorities. There are some key areas to consider (Cooper et al, 1998):

- The images of the destinations which the marketing campaigns wish to communicate should take into account the views and sensitivities of local people;
- The public sector controls neither the business plans of private sector companies at the destination, nor the quality of service delivery;

The **goals** of destination management can be multifarious. The most common ones are summarized below (J.Rehage, 2010):

- Strengthening the tourism industry as economic sector;
- Development of joint visions and strategies and securing their implementation;
- Decreasing competition thinking and strengthening the sense of belonging together;
- Using joint creative and innovative potentials;
- Increasing readiness for private and public investments;
- Qualification of (political) decision makers;
- Exchange of information and networking;
- Enhancing / ensuring quality of services and infrastructure;
- Increasing visitors satisfaction;
- Safeguarding natural resources and biodiversity.

In an effort to reach the overall objective modern concepts of destination management build on three principles (J.Kloiber, 2008):

a. *Process orientation*: In the development of services, emphasis is given to the establishment of integrated supply chains for the various visitor

segments rather than the traditional orientation along sub branches (hotels, restaurants, transportation services).

b. *Demand orientation*: product development is not anymore driven by the question "What can we offer?" but by the question "What do our (potential) visitors demand?" This approach requires a higher level of dynamic and flexibility.

c. *Stakeholder orientation*: destination planning and development is not only oriented towards the interest of shareholders, but it is aiming at the participation and satisfaction of the interests of all groups related to tourism.

In the academic literature regarding destination management there is so far no unified understanding about the specific tasks of destination management. Following C.Kaspar (1995), the functions and tasks of destination management, respectively of tourism organisations are including the following points:

- Overall local and regional tasks of tourism development (elaboration of tourism policies and funding mechanisms);
- Administrative tasks (disposition of Tourism Information Centres, complaint services);
- Tasks related to the collective determination, maintenance and operation of (public) tourism infrastructure and facilities.

### 3. DESTINATION MANAGEMENT ORGANIZATIONS

In order to realize the above mentioned activities there is an obvious need of (professional) human resources, and an organisational structure which is responsible for destination management. However, the tasks as described above do not necessarily have to be fulfilled by (Kloiber, 2008):

- Governmental institutions of all involved levels and departments;
- Tourism sector (tourism businesses, tour operators, agencies and tourism associations);
- Main tourist demand segments;
- Environmental care takers (NGOs, protected area administration);
- Other NGOs and citizens' initiatives (social- cultural, sport associations);
- Other economic sectors (agricultural, trade, building), chamber of commerce;
- (Potential) private investors and public donors and supporting development agencies single tourism organisation.

Some of the tasks can be outsourced or they do vary depending on the organisations geographic level (local, regional or national) and size of its area of intervention.

As a result, many different forms of Destination Management Organizations (DMO) have emerged and there is no type that fits it all.

#### *Korca's Destination Management Organization (DMO)*

DMO is a non profit organization in Korca's Region that contributes to sustainable tourism, cultural heritage and regional development, by enabling good governance, developing civil society and empowering community participation. The organization was founded in 2007 and has the following responsibilities:

- Regional tourism policy and strategic planning;
- Marketing and promotion;
- Collection and provision of visitor and general information;
- Product development;
- Market research;
- Facilitation of the private tourism sector and of tourism investment;
- Regional tourism awareness.

This structure is a clear partnership between the public and private sector with both contributing resources. The key roles of the DMO are: to coordinate the implementation of strategic plans affecting tourism in the region, to enhance public-private partnership within the tourism sector and to become the local point for the coordination of tourism planning and development in Korca Region. The Korca Destination Management organization, with funding from SNV (Netherlands Development Organisation), is developing a computer booking system for hotels and guest houses in the region. The software will help accommodation establishments keep a record of their booking and provide useful information about their businesses.

## **4. ANALYSIS OPINION OF TOURISTS FOR HOLIDAYS**

### **4.1. Methodology of research**

In realizing this study, a methodology combining primary and secondary data was used. A tourist sample by 70 persons, selected in the tourist destination or the accommodating units (Table 1, Annex 1).

The questionnaire applied to tourists is made up to provide general information on tourist market profile, considering the object of visiting the destination, the information source used, and to give information about the way how tourists perceive the holidays, by assessing the Important Performance

Analysis (IPA) for indicators of tourist demand. Such information helps to determine the development of new tourist destination based on natural activities and aims to maintain this trend of tourist visits.

For a touristic market and destination that targets sustainability is essential to this approach between what a tourist wants to find in a destination and that he finds in fact. Tourism academics used importance - performance analysis to evaluate the components of the tourist supply (Wade and Eagles, 2003). Tourists, considering holidays as a whole, the question whether "were satisfied by the holidays" answered 5.4% - "satisfied", 60.8% - "neither satisfied nor dissatisfied", 31.1% - "dissatisfied" and 2.7% - "very disappointed".

In tourist destination, according to results gathered, tourists called important destination location and proximity to (mean = 3.34), positive opportunities and infrastructure, tourist transport (mean = 3.8), road signage (mean = 3.8), information / tourist maps (mean = 3.75), followed by organizing cultural events (mean = 3.5) and opportunities for recreational activities at the destination (mean = 3.47) (Table 2, Annex 1).

Their answers about the "importance of the destination location" were: 61% thought that it was "moderately important", 31% thought it was "important" and 4.2% thought the location was "very important".

Tourists appreciate "good transportation and roads" in terms of importance as follows: 24.3% "moderately important" 55.4% "important" and 12.2% "very important".

But in terms of "tourist signs", 16.2% of tourists consider as "moderately important", 63.5% considered "important" and 9.5% considered "very important".

Tourists surveyed called significant presence of "tourist information" for the destination and the existence of tourist maps as follows: 25.7% considered "moderately important", 56.8% considered "important" and 9.5% considered it "very important".

But "the organization of cultural events" tourists considered: 35.1% "moderately important" 45.9% "important" and 10.8% "very important".

We should note that tourists seek new experiences and not simply places to visit. In accommodation/restaurant, as components of the tourist offer, tourists surveyed see the most important: prices on the services (mean 3.89), followed by the food preparation (mean 3.9), service in accommodation / restaurant (mean 2.7) (Table 4, Annex 1).

These results show that tourists are very interested in components of accommodation / restaurant and these values are near mean=4, according to IPA analysis (Wade and Eagles, 2003).

#### 4.2. Important - Performance Analysis

By analyzing of components of the above from the viewpoint of satisfaction and performance found at the destination, would have the following results (Table, Annex 1).

In the variables where the difference is positive, the variables are close to matching what tourist wants to find and what actually finds (Annex 1).

For the tourist destination, needs to improve information, activities, but tourist signs resulted in weaker while this variable in a tourism based on natural activities and a market that requires activities, excursions, tourist route, requires obviously favorable and signalization.

With regard to accommodation and meals, importance-performance difference for the preparation of food is positive, but the problem presented to the service and quality-price ratio. They should be improved to get closer as much what tourists expect to find in a destination.

Tourists asked for accommodation separated elements as important elements respectively shown above and their responses were about how important are the prices in the accommodation with the services they offer, they appreciated 25.7% "moderately important" 54.1% "important" and 14.9% "very important".

In relation to "service" in accommodation, tourists found 47.3% "moderately important", 37.8% "important" and 8.1% "very important". Tourist asks for equipment rooms thought that: 44.6% are "moderately important", 27% are "important" and 23% "very important".

By analyzing the results of the accommodation sector noticed they match the arguments of academics to these issues. Tourists come in rural areas to enjoy by natural and cultural activities. They appreciate as "important", prices in connection with the offered services in accommodations, but they appreciate "more moderately important" equipment rooms. Tourists in rural areas appreciate as very important that accommodations bring the traditional culture in the furniture and equipment and in the hospitality atmosphere.

In gastronomy, as one of the component of the tourist offer, tourists surveyed find the most important: the internal atmosphere (mean 3.8), followed by prices in the services (mean 3.6), service (mean 3.5), menu (mean 4.2) and preparation of food (mean 4.34).

Tourists asked for gastronomy separated as important these elements: internal atmosphere of the dining facilities: 33.8% considered "moderately important", 43.2% of considered "important" and 17.6% considered as "very important".

Asked about *prices* given the services offered, tourists considered 44.6% "moderately important" 40.5% "important" and 9.5% "very important". *Menu*

as an advertisement of restaurants was rated as follows by tourists: 6.8% considered menu "moderately important" 50% "significant" and 35.1% "very important".

*The traditional way of cooking* and his preparation with bio-products is another cause of attendance in rural areas, this trend will continue yet. Data showed that tourists thought: 54.1% "important" and 40.5% "very important".

Services offered are conditioned by the itself destination but also the professional skills of staff to use them.

In the territory, as a component of the tourist offer, tourists surveyed found: natural resource as "the most important" (mean 3.8); followed by "the favorable climate" (mean 3.68); and tourist routes (mean 3.52) (Table 6, Annex 1).

Asked about the importance of *rich nature*, the tourists thought that it is "moderately important" 16.2%, "important" 59.4% and 13.6% "very important". But, the beauty of nature is closely related to "climate" favorable throughout the year. The *climate* for surveyed tourists was 37.8% "moderately important", 48.6% "important" and 8.1% "very important".

Rural tourist *routes* to the destination, tourists regarded as "significant" 29.7%; "very important" 24.32% and 21.62% "moderately important".

By analyzing data collected, it is observed that tourists thought as significant the above variables and this indicates that variables should be developed further and monitored their development. Again reflected that tourists simply do not require physical locations, but experience, which will be facilitated by a territory rich and without degraded. So sustainability tourism and nature-based activities will bring tourists steadily.

#### 4.3. Results of statistical analysis

Based on the theoretical arguments of various tourism researchers, as well as on the characteristics of this studied area, we present the following hypotheses:

*For hypothesis 1 - If tourists increase satisfaction in destination resort, then increase the chance for to stay longer in this country*, were found the following results:  $\chi^2$  calculated = 16,19, the number of degrees of freedom 12,  $\chi^2$  tab = 21, F = 6.25 ;p = 0.01 and Cronbach index = 1. So  $\chi^2$  calc <  $\chi^2$  tab, so *hypothesis 1 has been confirmed* (Tables 1,2 and 3, Annex 2).

*For hypothesis 2 - The higher the tourists' satisfaction from holidays, the higher the chances that they will recommend them to others this destination, helping his image*, was found following results:  $\chi^2$  calc = 7.11, number of degrees of freedom 6,  $\chi^2$  tab = 12.59, F = 5.105, p = 0.02 (Tables 1 and 2, Annex 2). So  $\chi^2$  calc <  $\chi^2$  tab, so *hypothesis 2 has been confirmed*.

*For hypothesis 3 - Tourism sustainability grows as more tourists satisfaction is near to the importance of destination characteristics*, the analysis made by the important – performance model (Annex 1).

According to the results collected, it follows that characteristics of the destination to which tourists have a positive performance in comparison with the importance of these characteristics, as estimated by tourists are: the rich nature, cooking, organizing events, favorable climate, territory not many people and finally location, proximity to the customs points. So, natural elements with those cultural and traditional dishes were very like for tourists in our rural destination. Precisely these elements are part of a sustainable development related to the fact that tourists will return that will ensure a continuation tourist. Another fact that they appreciate the destination as a destination not saturated is positive because many tourists will want exactly this situation and this will provide a rural retreat to our destination. So 50% of tourists accommodated in hotels of Korca's city seeking to visit the tourist village, should be used as an additional number of tourists that the tourism market rural. Indicators are positive values and are close value 4; we say that Hypothesis 3 was confirmed.

*For hypothesis 4 - If the community has the positive attitude towards tourism development, community increases the possibility that require a higher number of tourists*, were found the following results:  $\chi^2_{\text{calc}} = 26.57$ , for  $p = 0,00$  and  $F = 37.6$ ,  $p = 0.000$  and  $b = 0,94$ , Cronbach's index = 0.7. So Hypothesis 4 was confirmed (Table 1). This shows that the community has the tendency of a higher number of tourists, given the improving economy through tourism, without causing economic and social problems.

It is noted that there is a satisfactory degree of satisfaction for services provided. But we need to monitor the dynamics of this indicator and to determine possible improvements. Questions about "*Would you visit this destination again, or I would recommend them to others*", express image of the destination - this set of indicators demonstrates the perceptions of tourists to destination. Practice has shown the importance of this factor when tourists make decisions on where to visit. The destination

image is closely associated with the degree of satisfaction that takes tourists during their stay at the destination.

## 5. CONCLUSIONS

Important - Performance analysis helps in determining the components of the offer that must be improve (Wade and Eagles, 2003) even indicating the priority of these improvements, by:

- Analyzing some of the components tourist destination in terms of their importance for tourists, we can say that the possibility of moving to the destination, tourist information and activities at the destination adding the hospitality of the population are very important to tourists not only to find the destination, but they are required to tourist standards;
- Analyzing the results on the importance of tourists coming meals, among other things, they separated the service, prices and food preparation but also the atmosphere .It is understood that the internal atmosphere had to do not only inside but also facilities offered grass around the restaurant as well as other decorations that should express exactly rural life and quality;
- In terms of price in relation to the services offered, tourists consider them in most of them as important or moderately important. This fact should be considered, because a part of the tourists can come with the only purpose to enjoy with the area's gastronomy, thus being the main expense for them;
- About of territory, from the results gathered showed that climate and rich nature are advantages of destination for tourists who came and enjoyed them, but tourist routes should be improved to maintain this number of tourists and to attract other potential tourists;
- Perceptions of the visitors are associated with eco-tourism product features that provide these rural areas - scenic beauty surrounded by cultural and natural heritage.

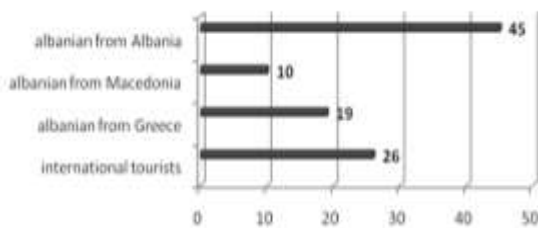
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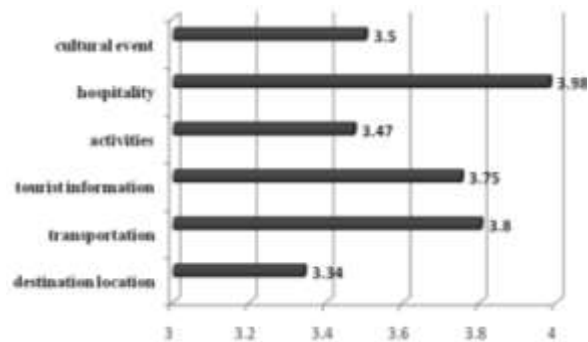
**ANNEX 1**

**Table 1 - Important – Performance**

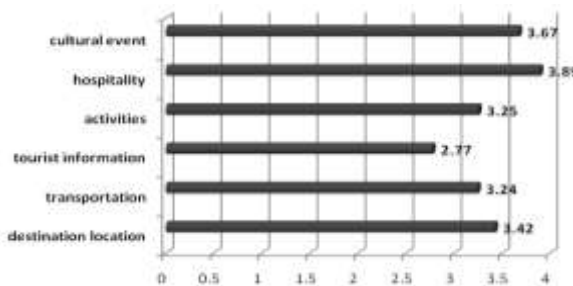
VARIABLES	IMPORTANT	PERFORMANCE	DIFER.
<b>Tourist destination</b> (Location/proximity)	3.34	3.42	<b>0.08</b>
Transportation opportunities/good roads	3.8	3.24	<b>- 0.56</b>
Opportunity information/signaling road	3.8	2.79	<b>- 1.01</b>
Tourist information/ maps	3.75	2.77	<b>- 0.98</b>
Community Hospitality	3.98	3.89	<b>- 0.09</b>
Opportunities for recreational activities	3.47	3.25	<b>- 0.22</b>
Organizing cultural events/holidays	3.5	3.67	<b>0.17</b>
Accommodation/restaurant			
Prices in the services	3.89	3.69	<b>- 0.20</b>
Service of meals	2.7	3.5	<b>- 0.8</b>
Food preparation	3.9	4.39	<b>0.49</b>
<b>Territory</b>			
Nature	3.8	4.79	<b>0.99</b>
Climate	3.68	3.83	<b>0.15</b>
Tourist road	3.52	3.34	<b>- 0.18</b>
Not crowded(with people)	4.3	4.42	<b>0.12</b>



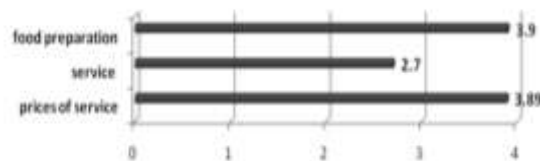
**Figure 1 - Nacionality of tourists**



**Figure 2 - The importance of destination's elements**



**Figure 3 - The performance of destination's elements**



**Figure 4 - The importance of accommodation/restaurant elements**

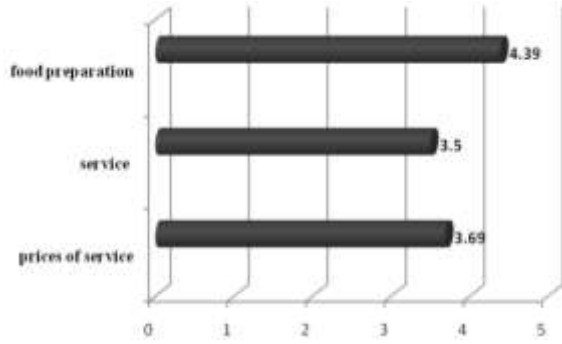


Figure 5 - The performance of accommodation/restaurant elements

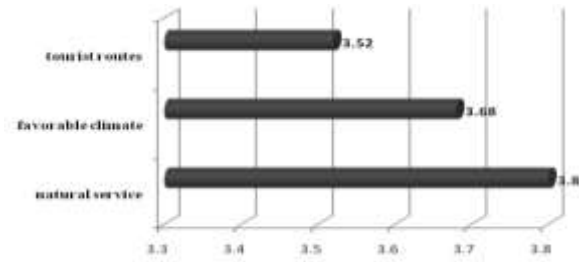


Figure 6 - The importance of the territory's elements

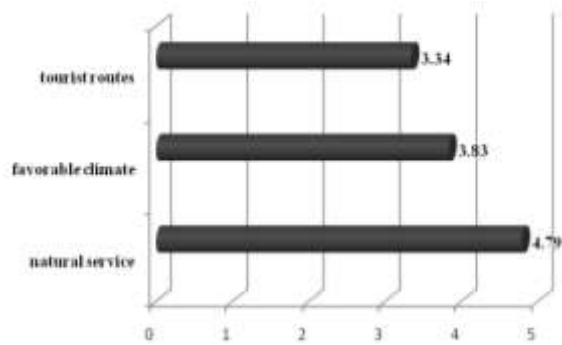


Figure 7 - The performance of the territory's elements

ANNEX 2

For the hypothesis 1.

Table 1 - Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.191	12	.01
Likelihood Ratio	17.612	12	.128
Linear-by-Linear Association	5.808	1	.016
N of Valid Cases	70		

Table 2 - ANOVA(b)

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	6.216	1	6.216	6.250	.015
Residual	67.627	68	.995		
Total	73.843	69			

Table 3 - Reliability Statistics

Cronbach's Alpha	N of Items
1.000	2

For hypothesis 2:

Table 1 - Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.113	6	.010
Likelihood Ratio	9.179	6	.164
Linear-by-Linear Association	4.818	1	.028
N of Valid Cases	70		

Table 2 - ANOVA(b)

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1.353	1	1.353	5.105	.027
Residual	18.019	68	.265		
Total	19.371	69			

For hypothesis 4:

Table no. 1. Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.574	2	.000
Likelihood Ratio	30.416	2	.000
Linear-by-Linear Association	24.596	1	.000
N of Valid Cases	70		