POSITIONING THE TOUR OPERATOR ON THE INTERNATIONAL MARKET

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"All companies should plan for growth and survival in a world of international competition. To prosper they must become competitive in global terms whether they remain at home or go abroad." Root (1982)

Irish firms to-day are internationalising by marketing their products/ services to an ever increasing number of foreign markets. The internationalisation path for a tour operator, however, is more intricate; as well as marketing it's products/service offerings to an increasing number of foreign markets it can also market an increasing number of countries. A tour operator going "international" thus requires answers to two major questions:

1. How are we positioned with regard to the competition?
2. How are the countries we are marketing perceived?

While the first question is a common one for all firms going international the second one is more unusual. The problem arises because most firms go abroad with the objective of creating an image for their products/ services, but the tour operator marketing a new country is faced with the fact that there is usually an enforced image of the country already in the consumers' mind. In Ireland's case, for example, this image is likely to be the end result of the activities of a diversity of bodies such as Bord Failte, Coras Trachtala and the Industrial Development Authority, all of which, in pursuing their own particular purposes, would tend to emphasise different aspects of the country. The problem is compounded for the international tour operator in that it is in fact marketing a multiciplicity of countries and must know which aspects of a country to emphasise and which countries to group together in a tour package offering.

This research, in attempting to assist an Irish tour operator in its internationalisation process, had two principal objectives:

(1) to determine the competitive positioning of each tour operator in the US to Europe market, and
(2) to determine how the countries being marketed were perceived in the US.

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Research Methodology

As most of the operators' business is conducted through travel agents, US travel agents were considered to be the most suitable research base. With regard to setting up a competitive profile it was hypothesised that it would vary considerably between East coast and West coast travel agents, so it seemed most suitable to conduct two separate surveys to satisfy this requirement of the research. A further complication arose in that the research was scheduled to take place in the summer season when travel agents are particularly busy, so that response from a mail survey could be extremely low. Therefore, it was decided to attempt three separate telephone surveys, the first stage of which would consist of two surveys among New York and Californian travel agents to establish a competitive profile. Discussions with management in New York and Dublin produced a list of perceived competitors in the US to Europe market. A list of attributes was also set out in this manner and combining these with a review of attributes which are claimed by tour operators in their brochures; nine attributes were decided upon as representing the most important distinguishing features. The country attributes for the second stage of the survey were similar to those devised by Haahti (1984). They were compiled in a two stage inquiry which was carried out during two travel agents' work shops held in Finland in 1978/79. While the original attribute list numbered 67, discussions with tourism specialists in Finland, extensive literature reviews, pretests and exploratory factor analysis resulted in the choice of the 10 most important attributes. The country list was also devised by Haahti (1984) in a similar procedure, but was amended slightly for this study in that Norway, Sweden and Denmark were grouped together as "the Scandinavian countries" with the objective of minimising the number of stimuli, as it was considered that they were likely to be perceived similarly.

The Stapel scale, a simplified version of the semantic differential scale, was chosen for the principal questions in the survey. The advantages of this technique, according to Tull and Hawkins (1984), lie in:

> *"the ease of administration and the absence of any need to pretest the adjectives or phrases to ensure true bipolarity."*

Thus, this scale was particularly suited to a telephone survey. A unipolar 10 interval scale was utilised, whereby the scale value would indicate how accurately the list attribute described the stimulus in question. The resulting questionnaires and further background to the study are described in a separate work [Murphy, 1985].

Use of a Modelling Technique

It can sometimes prove difficult to undertake a comparative analysis of images of objects by comparing statistical averages and percentages, etc. This problem can be resolved through the modelling technique Multidimensional Scaling (MDS) which, according to Goodrich (1978) was unreported in the tourism and travel literature until 1978. He defines MDS as:

> *"a global or generic name for a series of computer-based statistical techniques that attempt to display graphically the underlying structure or dimension of empirically obtained data (specifically, perceptual and/or preference data)."*

The output of this technique is "a perceptual map" whereby the stimuli are represented as points in such a way that significant relationships among the stimuli are preserved.

The competitive profiles obtained from this study were utilised as input to one such MDS computer model, the INDSCAL [Carroll and Chang, 1981]. The evaluations of 14 New York travel agents and 14 Californian travel agents who were familiar with all the listed tour operators served as input to the model and two perceptual maps were produced. Figures 1 and 2 show the spatial display of the listed tour operators as perceived by New York and Californian agents respectively.

Figure 1: *Perceptual Map of New York Travel Agents' Evaluations of Tour Operators*

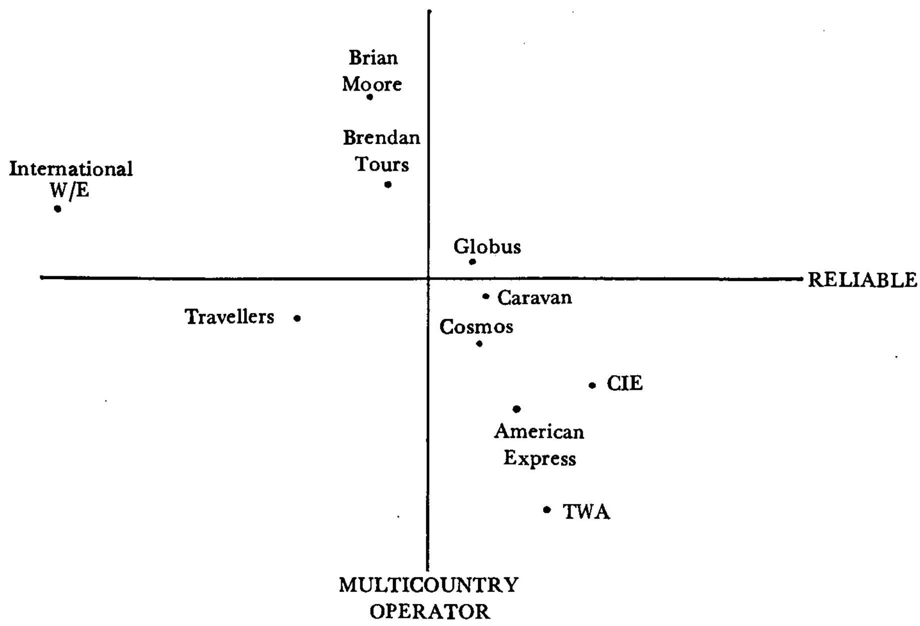
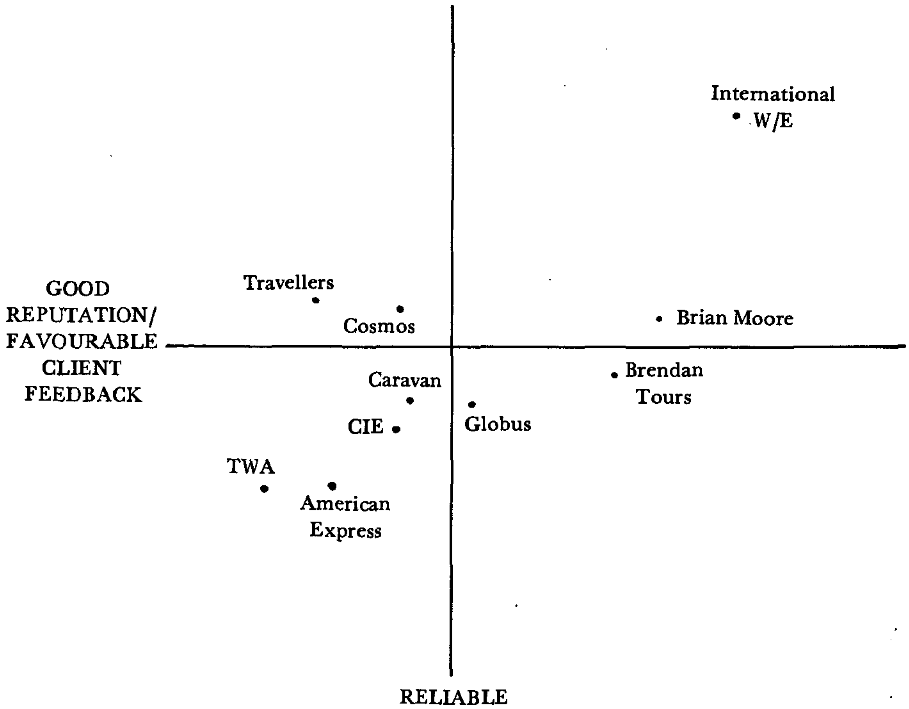


Figure 2: *Perceptual Map of Californian Travel Agents' Evaluations of Tour Operators*



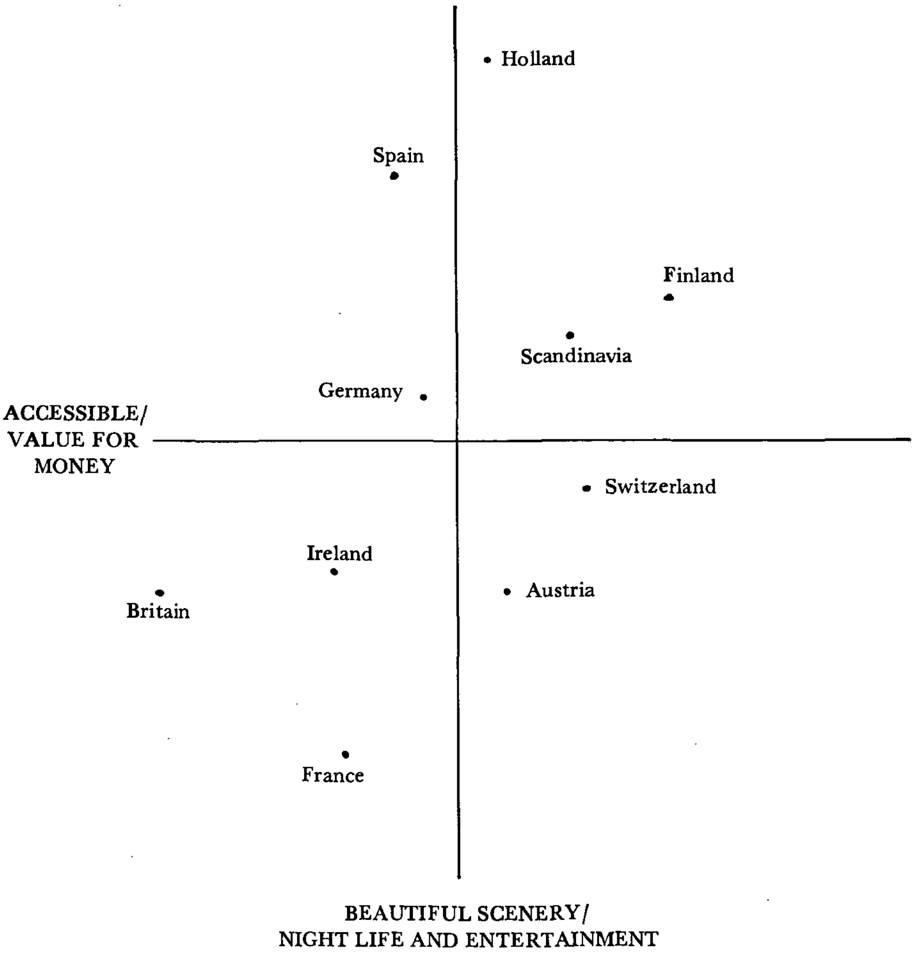
A comparison of the two maps reveals immediate differences between the way the operators are perceived on the East coast and the way they are perceived by West coast agents, e.g.

(1) CIE Tours' stronger image in New York, and American Express' stronger image in California, is reflected in the fact that American Express are positioned quite close to TWA (which would appear from the ratings given to be perceived as the top operator) in the Californian map, while in New York it has moved further away and CIE Tours have moved somewhat closer.
(2) The fact that Caravan pose more of a competitive threat in California is reflected in their movement much closer to CIE on the map, relative to the New York positioning.
(3) The stronger image of Cosmos as an economy operator in California is reflected in their movement in the direction of International Weekends (which appears to be the low-cost operator) on the Californian map.

CIE appears to be competing principally with TWA and American Express, with Caravan also posing a competitive threat in California. International Weekends, a relatively new operator appears to be positioning itself away from the competition and forming its own niche, both in California and in New York.

The perceptual map derived from the New York travel agents' evaluation of the listed countries can also be similarly employed to uncover which countries are close competitors in the travel agents' minds (see Figure 3). It emerges quite clearly that Britain and France are perceived very similarly to Ireland and would thus be close competitors for Ireland in the US to Europe travel market. Similarly, Finland and the Scandinavian countries appear to be competing closely; Austria would appear to be competing mainly with Switzerland and for Spain and other similar sun, sea and sand countries Germany would seem to pose the biggest competitive threat. Holland appears to have a fairly distinct image and is positioned away from the competition.

Figure 3: *Perceptual Map of New York Travel Agents' Evaluations of Countries*



Interpreting the Findings

Mellon (1978) outlined how it has been demonstrated in the literature that the information processing capacity of the average human being is limited, and as such, the number of dimensions required to represent consumer's cognitive structure of brand perceptions is likely to be very low. Similarly, the travel agents' perceptions of the various tour operators and countries may possibly be reduced to a low number of dimensions; if analysis on an increasing number of dimensions reveals no further structure in the data, the two-dimensional configuration can be assumed as representative.

Having accepted the two dimensional configuration as representative, the next stage of the analysis can be undertaken; this is the stage where, as Bradley (1982) noted, "the interface between model and manager is uppermost."

Management knowledge of the market can assist in labelling the two dimensions and accordingly uncover the latent evaluative dimensions of the travel agents. To further assist in interpreting the maps the evaluations of 21 New York agents and 25 Californian agents were utilised to form a matrix of average ratings of the 10 tour operators across the nine attributes in the case of the competitive analysis, and the evaluations of a further 20 New York agents formed the basis of a matrix of average ratings of the 10 countries across 10 attributes for the country analysis. These ratings were then converted to rankings.

With the New York agents, TWA, American Express and CIE emerged with the top three rankings with regard to being multicountry operators whereas Brian Moore Tours was ranked last on this attribute. Thus dimension one, that is, *Latent Evaluative Structure 1*, could be labelled a "country specialist v multicountry operator dimension". While there are, of course, other differences between the operators, this label seems to best explain their positioning on this dimension as all those operators grouped around the centre of the map also received the mid-way rankings on this attribute. *Latent Evaluative Structure 2* would appear to be most appropriately labelled as a "reliability" dimension with CIE, TWA and American Express ranking jointly first on this dimension and International Weekends ranking last.

With the Californian agents *Latent Evaluative Structure 1* appears to be a reliability dimension with the operators in the bottom left quadrant of the map having received the top four rankings with regard to reliability and International Weekends having been ranked last. Dimension two in this case, however, is best described as a "good reputation/ favourable client feedback" dimension with TWA, American Express, CIE, Caravan and Travellers receiving the top five rankings and Brian Moore Tours and International Weekends receiving the bottom two. Thus, reliability and favourable client feedback would appear to explain much of the positioning of the listed tour operators in the Californian travel agents' minds. With the New York agents, however, the fact that tour operators are country specialists as opposed to multicountry operators, combined with perceived reliability, positions them most appropriately. The underlying evaluative structures of the East and West coast travel agents would therefore appear to vary somewhat when judging between tour operators.

Figure 4: *Rankings of Countries on 10 Attributes – New York Travel Agents*

	BRITAIN	FINLAND	IRELAND	AUSTRIA	FRANCE	SPAIN	HOLLAND	GERMANY	SWITZERLAND	SCANDINAVIA
1. Good value for money	1	10	1	3	7	4	6	5	9	8
2. Accessibility, easy to reach	1	10	2	7	3	4	6	5	8	9
3. Facilities for sports and other activities	3	5	7	5	8	9	10	4	1	2
4. Night life and entertainment	2	10	7	3	1	7	9	4	5	5
5. A peaceful and quiet holiday	6	7	1	3	9	10	5	8	3	2
6. Friendly and hospitable people	1	3	2	5	10	7	8	4	9	6
7. Wilderness, tracking and camping	2	1	5	3	8	7	10	6	8	3
8. A cultural experience	1	10	5	4	2	6	7	3	9	7
9. Beautiful scenery	4	5	1	2	2	9	10	7	5	8
10. Change from the usual destinations	7	9	4	2	5	8	9	5	3	1

1 = highest score, ... 9 = lowest score

Figure 4 shows the overall rankings of the 10 countries across the 10 listed attributes per the New York agents and they proved to be most revealing:

(1) *Value for Money:* Ireland and Britain actually tied for first place on this attribute although this is most likely related to the favourable exchange rates which exists at the moment. Switzerland and Finland

received the bottom rankings and appear to be perceived as offering the least value for money.

(2) *Accessibility:* Britain and Ireland were perceived as being the most accessible, with Finland again being ranked last. France's ranking in third position could indicate possible potential for a three country tour of Ireland, Britain and France as all three countries are perceived as being easy to reach.

(3) *Facilities for Sports and Other Activities:* Switzerland was ranked first here which is not surprising given its extensive winter sports resorts, but the ranking second of the Scandinavian countries is somewhat unusual. While Britain ranked favourably on this attribute, in third position, Ireland fared badly at seventh place. Holland was perceived as having the least to offer in this area.

(4) *Night Life and Entertainment:* France came first on this attribute which is probably mainly attributable to the renowned "Paris night life". Britain again ranked favourably in second position with Ireland down the ranks in seventh place. Finland again came bottom of the rankings on this attribute.

(5) *Peaceful and Quiet Holiday:* Ireland is undoubtedly perceived as the spot to go to if you want peace and quiet rather than a hectic night-life. Britain ranked low on this attribute, while Spain, ranking tenth appears to be the place to go if you want a hectic time. Austria, on the other hand, seems to have hit a good balance – having ranked third with regard to offering a peaceful and quiet holiday and also third for night life and entertainment. This probably reflects Austria's dual attraction as a country offering summer holidays in the peaceful and quiet mountainous areas and its winter sports famous "apres ski" activities.

(6) *Friendly and Hospitable People:* Ireland surprisingly came second to Britain on this attribute, as one would have felt that this was one of Ireland's major advantages over Britain, which tends to have a much faster pace of life. France was perceived lowest on this attribute with Switzerland also faring badly.

(7) *Wilderness, Tracking and Camping:* Finland and Britain received the top rankings here which seems to indicate the wide variety in Britain's product offering, having also ranked highly on night-life and sporting facilities. Ireland was down the rankings at fifth position which would seem to indicate that the countryside is considered more suited to peace and quiet than to exciting outdoor activity, as it ranked first on that attribute.

(8) *A Cultural Experience:* Britain is the place to go for a cultural experience according to these New York travel agents, with France ranking second. Germany receives its highest ranking overall on this attribute; it was placed third, while Finland rests at the bottom of the list. Ireland again comes midway at number 5 only just ahead of Spain which ranked sixth and behind Austria which was fourth. It would thus appear that selling Ireland as a cultural experience to New York travel agents is unlikely to present a very strong selling theme.

(9) *Beautiful Scenery:* Ireland was again ranked first on this attribute which ties in with its ranking with regard to offering a peaceful and quiet holiday. Britain dropped to fourth place on this attribute, with Austria and France taking second place so that these latter two countries are likely to offer the main competition for Ireland if beautiful scenery is the attraction.

(10) *A Change from the Usual Destinations:* The Scandinavian countries provide the greatest change according to these New York travel agents which may be partially due to their perceived inaccessibility, where they ranked ninth. It is interesting to note that although Finland was perceived as the most inaccessible country, it was ranked ninth in terms of being a change from the usual destinations, so it is definitely faced with a tough marketing task. While wilderness, tracking and sports facilities appear to be its major selling strengths, they are all available at more accessible destinations. Ireland ranked fourth with regard to being a change from the usual destinations with Britain in seventh position, receiving its lowest ranking yet.

The consolidated assessment, therefore, of the ten holiday destinations may be stated as follows:

1. *Britain:* easily accessible, offering good value for money, hospitable and friendly people and a cultural experience. Facilities for sports, wilderness and tracking and night life is also good. Not much of a change from the usual destinations, however.
2. *Finland:* wilderness, tracking and camping provide its main attraction. It offers little value for money, little night life and not much of a cultural experience, and it is also inaccessible.
3. *Ireland:* the scenery and peace and quiet along with its present favourable exchange rate would appear to be Ireland's main selling tool with these agents. It offers little in the way of sports or night life.
4. *Austria:* the combination of beautiful scenery and being a change from the usual destinations appear to be Austria's main attractions, although they would appear to be hampered by its perceived inaccessibility.

5. *France:* the Paris night-life would appear to be the major attraction for France, although it also offers a cultural experience and beautiful scenery. Its principal drawback appears to be the perception that the people are inhospitable and unfriendly compared with other nations.
6. *Spain:* its accessibility and value for money seem to be Spain's main attractions with some degree of cultural offerings. However, it is perceived as offering little scenic beauty or peace and quiet and having a lack of sporting facilities.
7. *Holland:* it fares badly on all attributes and received its highest ranking as offering a peaceful and quiet holiday. It is also lacking in scenic beauty and in the provision of sporting facilities.
8. *Germany:* its culture is its main attraction but it does not offer a peaceful and quiet holiday nor much scenic beauty, nor is it much of a change from the usual destinations.
9. *Switzerland:* sporting activities provide the main attraction for Switzerland. However, its people are perceived as relatively inhospitable, it is fairly inaccessible and offers little value for money.
10. *Scandinavia:* their main attractions are the fact that they are a change from the usual destinations although they are also perceived as having good sporting facilities and offering a peaceful and quiet holiday. Their main disadvantages appear to be that they are relatively inaccessible and offer little value for money.

It is interesting to contrast these findings with the results received by Haahti (1984) in his survey which was conducted among holidaymakers in Finland. Those surveyed represented a wide variety of nationalities, including German, Dutch, Belgian, Swiss, Austrian, French, Spanish, British, Norwegian and Swedish respondents. Despite the obvious variability with regard to accessibility some other divergent views emerged.

(1) Ireland was ranked lowest on the Finnish survey with regard to offering a cultural experience; it ranked fifth on this aspect with the US travel agents and Finland ranked last.
(2) Finland emerged from Haahti's study as the country offering the most change from the usual destinations. It came bottom of the rankings with the US agents as regards this attribute, with the other Scandinavian countries coming out on top. It would appear that either Finland is perceived considerably different from Norway, Sweden and Denmark from the US point of view or that there is a lack of awareness of this country in the US.
(3) Whereas Haahti reported Holland as ranking relatively high on night life and entertainment, the US travel agents ranked it second last on this attribute.

Many of the country perceptions were also very similar. Spain was ranked last by both surveys with regard to offering a peaceful and quiet holiday, while Holland was ranked last on both with regard to offering wilderness, tracking and camping. The message emerging from this comparison would seem to be that the country as the tourism product offering will require different marketing in each target market. It is vital for the tour operator who is packaging and marketing the product to be familiar with how it is perceived by the target audience so that strong selling points can be highlighted, and perceived disadvantages overcome as much as possible. The challenge thus facing the international tour operator is not only to know his customer and his competitor, but to reconstruct a product profile for each target market and to adjust its communication strategy accordingly.

This information can now be utilised to assist in labelling the dimensions of our perceptual map and thus identify the latent evaluative structures of these New York travel agents when choosing vacation destinations for their clients. Latent evaluative structure 2, that is, the hoizontal axis, would appear to be an "accessibility and value for money dimension" with Britain and Ireland being perceived as the best value for money and also the two most accessible countries. Finland, on the other hand, ranked last on both of these attributes. Latent evaluative structure 1, the vertical axis, could be interpreted as a "beautiful scenery/night life and entertainment" dimension. Those countries in the lower half of the map received the top 5 rankings with regard to beautiful scenery, while France came out first with regard to night life and entertainment, while Holland and Finland fared badly. The enormous marketing task of selling a country such as Finland in the US is evidenced by the fact that it is perceived as the lowest ranking country with regard to offering value for money, the most inaccessible country and provides little night life or entertainment. On the other hand, Ireland and Britain are in a very attractive position; they are perceived as offering good value for money, and are accessible and easy to reach while offering beautiful scenery and/or night life and entertainment.

Conclusions and Management Implications

This research has provided information on how CIE Tours is positioned with regard to its competitors with these US agents. It has also provided information on how the listed countries are positioned as vacation spots in the US travel agents' minds. It has constructed an image of CIE Tours and of its competitors, if we take the definition of an image as being "the total impression of what a person or group of people think and know about an object." [Aaker and Myers, 1982]. This image can serve as the key to the positioning of CIE Tours and their product offering in this new stage in their international business development. And we can see how multidimensional scaling can be utilised as "a powerful analytical technique which incorporates management judgement in a practical setting" [Bradley, 1982]. Undoubtedly, there is great scope for the utilisation of marketing models in international business to-day [Bradley and Mealy, 1984].

This study demonstrates the application of one marketing modelling technique; it is important to recognise, however, that the resulting perceptual maps are representative of these US travel agents' images and that models derived from agents or consumers, e.g. in Britain, are likely to vary considerably. This, however, produces a further use for the technique in that it can be employed to identify the strengths of the country or company which should be emphasised when marketing the tourism product internationally. As well as serving as a marketing tool for an international tour operator this modelling technique could also prove invaluable for use by a national tourism organisation such as Bord Failte, in establishing marketing strategies for promoting Ireland in the various international markets.

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