

## **TOURISM INDUSTRY AND STANDARDISATION: AN IMPOSSIBLE TASK?**

**Alper BOZKURT, PhD**  
**Karsiyaka/Izmir-TURKEY**

### **Abstract**

Standardisation of a tourism industry offering will be discussed with this article in two different ways. First, by reviewing previous studies on the topic, definitions of standardisation, tourism industry and differences between a service and a goods product will be presented. Second, by interviewing managers from different tourism industry sectors, possibility of a tourism product's standardisation will be outlined.

Key words: standardisation, service product, goods product, tourism industry.

### **Introduction**

Standardisation of a service product is not a new concept to the marketers. Numerous articles were written on the topic (see Brotherton, 1996; Rice, 2004; Toner, 2006 for a small selection of these articles), along with a number of unpublished dissertations (see Benrachi, 1988; Bozkurt, 1999). Despite these attempts, one could argue that the notion of a standardised service product requires further attention. This is because the previous studies on the topic not only failed to clear the scepticism on a service product's possibility of standardisation, but they also did not provide clear guidelines to practitioners in terms of standardisation of a service product. In addition, previous studies did not explore standardisation of a service product by concentrating on specific industries (such as tourism industry).

This article aims to explore these gaps in the literature. First section will provide definitions and benefits of standardisation, along with presenting the main differences between a service and goods product. It will then move into the tourism industry as being the research focus. Final sections will outline the research findings, limitations, conclusions and implications of the stud

### **Literature Review**

Jain explains standardisation as:

*“Standardisation means offering a common product on a national, regional or worldwide basis”* (Jain, 1990, p.422)

Clow on the other hand makes the following statement:

*“Standardisation means presenting a unified theme across nations and cultures”* (Clow, 2005, p.162)

Standardisation has its benefits to the companies. Paliwoda (1995, p.45) names two of these as avoiding modification costs of the product for the local market's needs and capturing the advantage of economies of scale in production. Joining the argument, Toner (2006, p.10) adds that standardisation “makes life easier”. Being more specific than Toner, White (2005, p.12) indicates that standardisation minimises operational costs and risks, also allows the company to offer a better service to its customers. Based on their research on US hospitals Barton and Bieker (2007) also contribute greatly to the list of these benefits by specifically naming 13 of these benefits.

#### **Service Product versus Goods Product**

A service product has always been different than its goods counterpart. There are four main characteristics of a service product that presents its difference. These are: intangibility, heterogeneity, inseparability and perishability (Cowell, 1990, p.23; Payne, 1993, p.7; Lovelock, 2000, p.9). Heterogeneity characteristic supports the idea most for the difficulty of standardising a service offering. Leaving other characteristics aside, the definition of the term “heterogenic” alone makes a service product almost impossible to be standardised (Woodruffe, 1995, p.19). As a contrast, a goods product could be standardised in its packaging, features and styling. Consisting the “core product”, these three components of a goods product are easier to standardise than components of “augmented product”, such as delivery and after-sales services (Kotler and Armstrong, 1991, p.253). Despite the difficulty, augmented product offerings are also possible to standardise, as opposed to the both (core and augmented) components of a service product. These differences between a service and goods product are displayed in the Table 1.

Table 1- Differences Between a Service Product and Goods Product, adapted from Zeithaml and Bitner, 2000, p.12

Service Product	Goods Product	Implications of a Service Product
Intangible	Tangible	Cannot see or touch, difficulty in pricing
Heterogeneous	Standardised	Experience is based on the delivering employee, difficulty in repeating the same experience
Inseparable	Separable	Experience cannot be separated from the employee who delivers it
Perishable	Non-perishable	Cannot be stored or re-sold, difficulty in balancing supply and demand

### **Tourism Industry**

Definition of “tourism” concept occupied marketing literature for some time, concentrating mainly on which categories of tourists and travellers should be included in the offerings of the industry. This argument has ended when the World Tourism Organisation (WTO) provided a widely accepted list that defined tourist, visitor and traveller (Lumsdon, 1999, p.2,3). Concentrating specifically on the term of tourism, Mill and Morrison came-up with the following definition of tourism:

*“Tourism is the term given to the activity that occurs when tourists travel...It includes the activities the traveller undertakes as part of the trip, the purchases made and the interactions that occur between host and guest. In sum, it is all of the activities and impacts that occur when a visitor travels”* (Mill and Morrison, 1992, p.9)

As it could be seen from the definition, tourism offerings include a variety of products and activities (or sectors), including but not limited to: accommodation, food and beverage, business services and leisure (Bowie and Buttle, 2004, p.26). This mixture of offerings presents uniqueness and differentiation against goods products, not only because of the general characteristics of a service product that were presented earlier, but for the specifics of a tourism product as described by Lumsdon:

*“Tourism activity takes place away from the normal place of residence and work; movement is short term and temporary; it*

*includes day activities; it can involve considerable benefits and disbenefits to society” (Lumsdon, 1999, p.4,5)*

### **Data Collection**

There are twenty structured in-depth interviews conducted for this study with the owners/managers from different tourism industry sectors. Interviewees were selected by using non-probability sampling as opposed to the probability sampling. The choice was made in order to get representations from different sectors of the tourism industry. These sectors were activity holidays, national tourism office, tour operators and airlines. The first four that were interviewed were the managers of an activity sports: scuba diving. The second four were the directors and the management staff of different tourist organisations such as AA, RAC in London. The third four were the branch managers of different tour operators. The fourth group of interviewees were the sales managers of different airlines in London. The final group of four were the branch managers of travel agencies in London.

For the first three set of interviews (activity sports managers, directors/management staff of tourist organisations, branch managers of tour operators) access was gained by sending letters and explaining the researcher's interests, along with a request for an interview. Remaining two set of interviewees (sales managers of airlines, branch managers of travel agencies) were accessed through the researcher's personal contacts within the tourism industry.

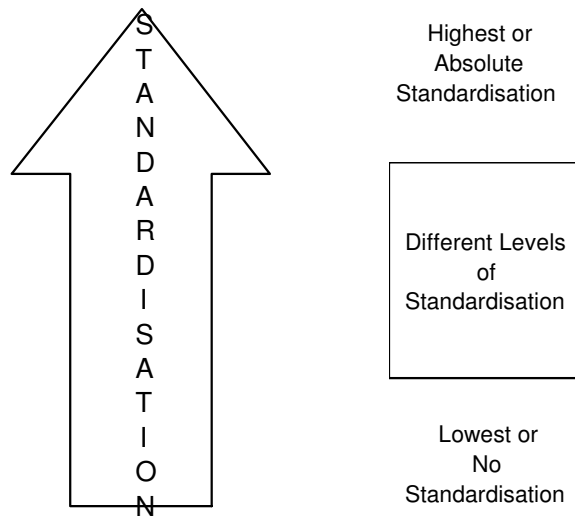
The structured nature of the interviews allowed the researcher to ask same questions each time by referring to his notes. As with the timing, each interview averaged about 45 minutes, with an exception of a longest one that took around 90 minutes, including a short tour of the premises and meeting with the other members of staff. All interviews were tape recorded and the notes that the researcher took during and after the interviews significantly contributed to the development of the primary research findings. As with this research, in-depth interviews are often used to obtain detailed evidence from a relatively small number of informants (Remenyi *et al.*, 2000: 55).

### **Research Findings**

It should be noted that due to UK Data Protection Act and the requests by a number of interviewees, company and individual names were not disclosed by the research findings.

In terms of standardisation there were different views among the interviewees. On one side, a number of them believed that standardisation of a service product was impossible, regardless of the type of service it was attached to. The opposing group believed that standardisation in services was not only possible but also beneficial to the customers. The remaining others placed their comments anywhere between these two. Figure 1 presents these different views of the interviewees.

Figure 1- Standardisation Arrow



At the “Highest or Absolute Standardisation” end of the standardisation arrow were the views of Mr. D.N., a sales manager of a scuba diving organisation. Mr. D.N. believed that all scuba diving courses that his organisation offered were standardised and delivered in the same way all around the world. Taking the argument further, he stated that other marketing related aspects of the product they offer, such as advertisements were standardised too. To support this claim, Mr. D.N. presented the researcher a

number of magazine ads that were published in different languages in different countries but with the same theme. Furthermore, Mr. D.N. believed that there were benefits to the customers with the absolute standardisation, namely feeling more comfortable and confident with the service they received. Finally, Mr. D.N. stated that his organisation was planning to standardise the lay-out of the scuba diving shops in the near future, taking the standardisation concept even further.

At the “Lowest or No Standardisation” end of the figure was Mr. E.A., branch manager of a travel agency in London. He claimed that standardisation of a service product was impossible due to the differences between a service and a goods product. Naming the “intangibility characteristic” as being the main contributor, he claimed that service companies should modify their offerings according to the customer they faced. Mr. E.A. also indicated that human interaction between the product and the member of staff that delivered it was another major contributor to the “No Standardisation”. Adding cultural differences to the list of human interaction, he supported this claim by giving example of the multinational fast food companies and their modified menus in each country.

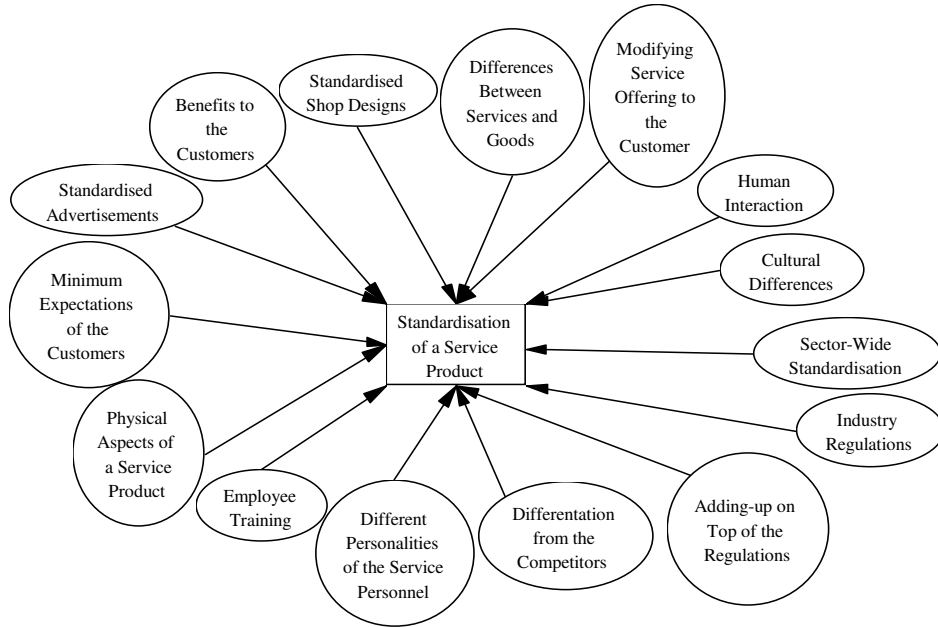
Remaining views on the standardisation of a service product topic placed themselves anywhere between these two ends (see Figure 1). Ms. J.C., branch manager of a famous tour operator for example stated that all services they offered to their customers were standardised, no matter which branch delivered it. Taking the point further, she indicated that not only the company she worked for but other UK tour operators did the same, a view in a full contradiction with Mr. E.A., branch manager of a travel agency. Perhaps in an attempt to reduce her claim slightly, Ms. J.C. indicated that there were modifications to the degree of the standardisation such as interior design of the shops, which was decided by the branch managers - with the approval of the head office. As a final word, Ms. J.C. claimed that standardisation of a service product increased the satisfaction of the customer that the product was received by.

A number of interviewees, such as Ms. A.B., manager of an airline company in London concentrated on specific industry regulations. She stated that all products that were offered by the airlines in general were standardised up to a level, thus setting a base-line. It was then the decision of each company to add-up more on this core product, an improvement of the service that they offered. This also served as differentiating the service offering from the competitors. Mentioning the human element as with Mr. E.A., Ms. A.B. also believed that different personalities of the member of staff who delivered a service product made it impossible to standardise. Although constant training of these staff members could overcome a great proportion of this problem, to eradicate it was impossible as long as human involvement remained. On the contrary with Ms. J.C., branch manager of a tour operator, Ms. A.B. believed that standardisation could only be achieved on the physical aspects of a service product, such as shop designs and staff uniforms but not the delivery of the service.

Human involvement in the delivery of a service product and its role in making the service product standardised discussed by a number of interviewees. Perhaps slightly different than others, Mr. S.K., director of a tourist organisation in London stated that

human element of a service delivery process made the standardisation difficult, but not impossible. However, rather than pursuing the matter further, perhaps in an attempt to avoid speculation, he too concentrated on more tangible elements of a service product. Sharing almost identical views with Ms. A.B., manager of an airline company, Mr. S.K. too mentioned about the regulations that were imposed on companies. Adding that these standardised regulations were the minimum and were expected by the customers. Rising above these minimum standards meant companies could have advantage over the competitors. As with the other interviews, Mr. S.K. also emphasised the importance of employee training and its positive effects on delivering higher quality service product to the customers.

These comments are summarised in Figure2.



### Research Limitations

The first limitation of the research was the number of interviews that were conducted. Although in total 20 in-depth interviews were enough for the research, no doubt more interviews would have enriched the research findings. However, this limitation was mainly out of control of the researcher, because a great number of managers that were contacted for an interview request had never replied back. However, the possible contacts to send letters were also limited, due to the condition that the researcher lived in London during the time of the interviews.

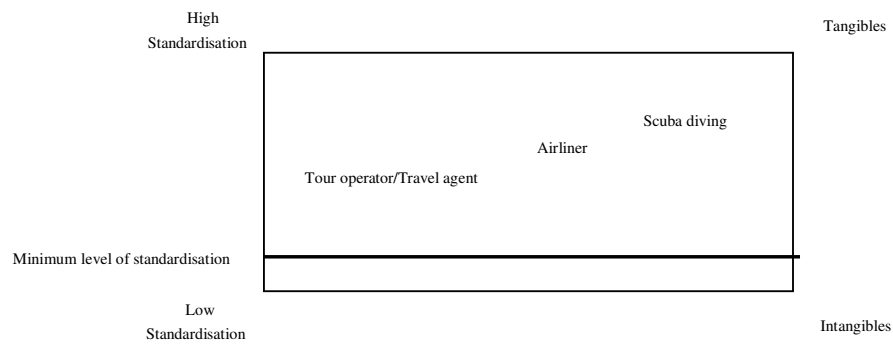
The second limitation was using non-probability sampling method, which is connected to the first limitation. Since the researcher covered his own expenses for his research, time and financial restrictions played their part by not giving much flexibility for the initial data collection. As explained by Saunders *et al.* (2003, p.170), on the other hand, limited resources that are available to the researcher is a justification for using non-probability sampling method.



### Conclusions

There were different views among the managers that were interviewed when exploring the possibility of a standardised tourism product offering. Leaving extreme views aside, the consensus among them was that a tourism product could be standardised. Explaining the point further, these interviewees stated that absolute standardisation was almost impossible mainly due to the human involvement with delivery of the product. Components of the offering on the other hand, in particular physical elements such as uniforms and shop layouts could easily be standardised. Furthermore, findings of this research revealed that perhaps these physical elements of a service offering should be standardised because of the confidence they imposed on a customer's purchasing behaviour. Figure 3 presents these different levels of standardisation.

Figure 3- Standardisation Matrix



There are three sectors in Figure 3 that will be explained. These are the examples of a scuba diving, airline and tour operator/travel agent businesses. In all sectors, there is a minimum level of standardisation that is either required by the industry, hence obligatory or expected by the customers. Above this level, there are varying degrees of standardisation which is attached to tangible or intangible elements of the service product. In scuba diving, for example, standardisation is high due to more tangible

elements of the service offering such as diving equipment, teaching material during training, presence of the instructor and so on. With a tour operator and travel agent, however, standardisation is relatively low due to tangible parts of the service being limited. As with the airliner example, it is between the two. There are tangible elements of the service that is offered such as staff uniforms, décor of the shops and the planes, on board meals etc.

Another finding of the study was the importance of the continuous training. Interviewees pointed out that staff training was crucial for the quality of the service that was delivered to the customers. Once achieved, one of the possible outcomes of high quality service could be satisfied customers who might repurchase the service offering of the company in the future.

Finally, a number of interviewees mentioned sector specific regulations that were imposed on companies by a regulatory body. Acting as a minimum standard, any add-on voluntary standardised offerings on top of these regulations could differentiate a company over the competitors. Again, this might result having a higher customer retention rate, hence higher profits.

### **Recommendations**

There are two sections for the recommendations. First section is for future researchers who wish to pursue the findings of this research further. Second section is for tourism industry practitioners who wish to apply the findings of this research into their own businesses.

### **Future Research Recommendations**

Primary research findings such as importance of continuous training and limiting standardisation to the physical elements of a product could be tested in other sectors of the tourism industry. This will not only validate (or invalidate) the findings of this study but will also enrich our understanding of a standardised service product.

Another point that was raised during the interviews “possibility of absolute standardisation” also begs capturing the interest of future researchers. Conducting a study related to the absolute standardisation, such as among the end users of a service product, will present these customers’ views on the matter. To be more specific, a research with the users of a scuba diving company for example, will contribute to the academic knowledge. One way of achieving this contribution could be comparing these “end user” findings with the managers’ views on the matter and displaying whether these two findings will match with each other or not, with the reasons explained for both set of outcomes.

Finally, a future study exploring recent trends in the air travelling sector of the tourism industry such as automated check-ins is worth to consider. A research on this specific topic could establish whether these measures have been introduced for a reason as

simple as reducing the operational costs (by removing the need for a check-in staff) or an attempt to standardise the service offering by removing the human element from the equation.

### **Practical Recommendations**

The recommendations for the tourism industry practitioners are more on the operational level, although the practitioners will also benefit from the proposed further research areas. One of the findings of this research, however, may prove itself to be very specific to the needs of practitioners. That is the arguable conclusion of absolute standardisation of a service offering is almost impossible, despite the claims otherwise. Therefore, when possible, modifying the product to the needs of each customer could be a solution to this problem. Limiting the standardisation to a certain level - for instance staff uniforms only - may increase the confidence of the customers. However, hoping that this strategy should result a total satisfaction, an opinion suggested by a number of managers that interviewed, might be too optimistic. Customer satisfaction is far more complicated than to be assigned to a single attribute, such as standardisation of a service component. A standardised look of a shop interior may even backfire because customers may find it banal or lack of character. This could result with an adverse affect on a customer's post-purchase decision making process, instead of increased satisfaction as indicated. Perhaps, applying a different décor to each shop (if the company has multiple branches) along with limiting the standardisation to the staff uniforms and the initial customer greeting (as practiced in the fast food industry) may prove to be a better alternative.

In addition to the above, tourism industry practitioners should also take into consideration a number of comments that are made by relatively new studies. McMillan (2006, p.24) for example points out the cost factor of the industry imposed regulations, which companies should add on top of their operational costs. Wei and Jiang (2005, pp.841-843) on the other hand propose that a globally standardised policy such as using an exact replica of an advertisement may not work, due to cultural differences in each country. Kirkpatrick *et al.* (2009, p.16) indicate that customers' special needs or requests could make standardisation of service offering impossible, hence the need for customisation.

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