

ANTI-ECONOMY AS A TOURISM BUSINESS STRATEGY

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Abstract

The rational operations management considers as given the alignment of the operational components and the reduction of the operational cost, in favor of maximizing the profits and improving the operational outcome of either profit or loss.

In the tourism market though, there are enterprises that aim to maximize the customer's gain, regardless the increase of cost. This strategy may seem non profitable, however can lead to increased profits

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Enterprenual motives

The most important enterprenual motives are (Brockhouse 1982):

- Profit
- Independence
- Social status
- Achievements

From the above referred motives, profit making is the most important, since it guarantees the corporate sustainability and provides the enterprise with the ability to fulfill the rest of the motives.

Profit making is connected to the human natural tendency that is called economy. Economy referees to the maximization of the profit, with the minimum of cost.

That economic gain is the enterprenual target of nowadays companies, which seek the maximum of profit with the minimum of cost. Most of the enterprises attempt to reduce cost, while reducing their services and their product quality to the point that there is no serious customer loss. At the same time, several pricing policies (like revenue management), determine the higher affordable price, leading to maximization of the income.

The emotions as behavior motives

According to Maisonneu (Maisonneu J. 1964 p. 117), emotion is one's psychic mood, which derives from past experiences, categorizing the emotions in positive and negative.

The emotions are spontaneous and they are subjected to one's inner psychic state. The emotions are affected by one's thought, will, physical needs and social state, though they are autonomous.

As Goleman (Daniel Goleman 1999 p. 32-33) indicates, the emotions are exhortations to action. "Emotions" as a word is British, and comes from the Latin verb "motere" which means "move", which indicates the galvanizing character of the emotion. That can be obvious if we monitor children or animals' behavior, who act as soon as they feel an emotion. On the other hand, human adults demonstrate an anomaly of neglecting their emotions, diminishing their motivating role

Further on Goleman indicates that the emotions lead persons to take some difficult decisions, while they complete some gaps in the human logical procedures. Feeling and thinking are equally important for human beings.

Goleman, divides the brain, in two different modes. The thinking brain, and the feeling brain. Under normal circumstances, the thinking brain and the feeling brain, possess a given percentage of control over human actions. In cases when human emotions are stronger and more intense, this percentage of control changes with the feeling brain taking the upper hand in the action control. Those different brain modes tend to cooperate naturally. The feeling brain fuels and defines the thinking brain's functions and operation. On the other hand the thinking brain improves the feeling brain and sometimes calms the exaggeration of the emotional effect.

The above analysis demonstrates how can positive emotions be a strong behavioral motive and lead to enterprenual decisions.

Dalai Lama (Dalai Lama, 2009), claims that humans are happier when offering than when receiving. This claim can provide a different perspective to the enterprenual motives. Under this view, the entrepreneur tries to offer the highest quality and quantity product that he can, while not paying the equivalent attention to the income and profits.

The augmented product

Each customer develops some expectations regarding the profit that will be gained via the purchase and consumption of a selected product. In marketing terms, this particular product is known as the “expected product”. The expected product contains meanings like expected yield and expected quality (Kotler, Philip 2000).

According to Drucker (Drucker Peter, 1954), quality is the consumer’s perception, that the service one receives satisfies his/hers needs according to one’s standards and the price paid for that service.

Quality in the tourism sector is highly dependent on the customer’s personality, the consumer’s prepossession and disposition against the selected service and/or product, the reason for travelling and the product price.

In the enterprenual field, the offered product often is characterized by subjectivity. Thus, the product itself may prove to overwhelm the expected product. This is the situation when the augmented product arises. The augmented product, contains some services or items beyond expectation, which are not charged additionally and they can improve the overall consuming experience.

The augmented product is expected to generate the increase of cost at several operational levels. This is the main reason why most of the enterprises, attempt to offer a relatively low cost range of items and services in order to transform the expected product, into augmented product.

The augmented product can increase the quality of the total product that is offered, which will result in:

- Increasing the customer loyalty
- Advertising via the word of mouth method
- Increasing internet sales, as an outcome of the company’s improved reputation

Contrary to the augmented products potential benefits, the lack of quality can lead to unsatisfied customers and further on major reduction of the product’s demand.

Anti – economic enterprises of high financial performance

In tourism business there are enterprises that operate contrary to the laws of economy, being very efficient in achieving their enterprenual goals. Those enterprises tend to offer an augmented product, not cost efficient at all, and not aiming to claim higher revenue through this procedure. In such enterprises, when services are the key part of the product, the fundamental rules of economics are reversed. The entrepreneur is not obliged to reduce cost and raise the total income in order to obtain the desired profit.

Case study No 1.

Nick, is the owner of a small camping in the region of Akrata, north Peloponnese. Nick is not obsessed with personal welfare and obtaining riches. His primary interests are the benefits that his guests can enjoy through the consumption of the product that he has to offer in his camping. Based on his enterprenual perception, Nick organizes thematic night events with good wine and regional food without charging anything extra for those

experiences. Nick also hires minibuses and organizes some excursions to nearby areas of interest. He also takes his guests to Greek live music nightclubs. All those additions are the supplementary parts that create the augmented product (P. Kotler, 2000) to a relishing point. In any given way, Nick is trying to satisfy his guests with his main motive being the way he conceives reality rather than profit.

A number of Nick's guests do not accept those offers and they only consume the core product that is expected to be offered. Some others gladly accept Nick's offers and they do not return for their vacation to the specific camping in the future. Most of the guests though, tend to appreciate Nick's behavior and they try to return the positive manners. Those guests are keen on leaving good tips and giving presents to the owner and the staff. The most important is that while time passes, these guests can provide 100% occupancy for the whole season.

The outcome is that after a series of years with that behavior from Nick, the enterprise has developed a very loyal clientele which allows the camping to operate in a full capacity all season round. The guests can demonstrate friendly relations to the owner. The fact that the camping is full and the guests are eager to return the positive behavior, leads to increased revenue to the highest potential. The cost is increased, though the revenue leaves a satisfying profit.

Case study No 2.

An enterprise like Nick's has been developed in Karpathos Island. It is a tavern, which due to its positioning serves solely tourists. The tavern is situated by the sea, in a large estate where vegetables are cultivated to serve the tavern's needs for ingredients. The tavern owner provides the ability of free camping in his estate, as well as he encourages the campers and the visitors to take any vegetables they wish along with them.

That behavior develops friendly relations among the tourists and the owner. That attitude has made the enterprise popular, increased its reputation and resulted in a vast number of very loyal guests who turn this tavern into a very profitable enterprise.

The meaning of anti-economy

Through the above referred cases, it is obvious that there is a contradistinction in the behavior of the guests and the entrepreneur.

A. Normal economic behavior

- The enterprise demands the higher gain with the lower offer
- The guests demand the higher offer with the lower pay

B. Anti-economic behavior

- The enterprise provides the highest offer for the least gain
- The guests offer the higher pay without demanding the higher offer

The second case refers to an augmented product that is generated by the entrepreneur's emotional motives. The entrepreneur is emotionally satisfied with the exaggerated offers to his guests. The entrepreneur's behavior leads a part of the clientele to an equivalent behavior. This specific part of the clientele, feel the same emotions as the entrepreneur, which finally lead to the guests' initiative of increasing the entrepreneur's reward.

Taking under consideration the rarity of such behaviors in the modern society when the gain of riches is a fundamental principal, there are strong friendly relations developed among the guests and the entrepreneurs.

It is this relation that leads the enterprise to an instant increase of the revenue and reassurance of a loyal clientele high demand. Those entrepreneurial achievements are secondary to the entrepreneur's increased satisfaction from his labor.

Starting from the social dimension of the enterprises, companies exist as long as they serve the society, fulfilling its needs. Under that prism, the fact that a company that serves the society in which it belongs to a greater extent compared to the competition can generate major profits, can be an acceptable theorem.

The enterprise that has developed relations with its customers can offer:

A sense of security for the guests in a foreign country, due to the friendly relations with the entrepreneur.

The maximization of positive emotions during the vacation, due to the experience that the augmented product has offered.

Conclusion

The above referred cases can drive to the conclusion that an enterprise can prove an anti-economic strategy effective and sustainable under the following circumstances:

- The supplementary product has to be of major importance.
- Fundamental entrepreneurial motive should be the good human relations and not the profit.
- The relations between the entrepreneur and the customer must be sincere, unselfish and honest.
- The product that is offered must be personalized. The provider should be the entrepreneur or a selected employee.
- The entrepreneur can take part in the consumption of the supplementary product.
- Developing strong relations with the customers is a process that takes time.
- Offering the supplementary product to an extreme level is not appreciated by the whole of the clientele, only by a part of it.

Anti-economy as a corporate developing strategy can be sustainable and efficient, to the extent that this strategy can affect the clientele to behave anti-economical as well.

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