

*TOURIST CONSUMER BEHAVIOUR  
INSIGHTS IN RELATION TO ALL INCLUSIVE  
HOTEL RESORTS: THE CASE OF ANTALYA,  
TURKEY*

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**ABSTRACT**

This research investigates tourist customer satisfaction levels in all-inclusive resort hotels in Turkey. The paper investigates changes in patterns regarding all-inclusive hotel packages as well as changing consumer behaviour of tourists preferring such establishments. The research was conducted in the region of Antalya and data is analysed by using SPSS with descriptive statistical analysis, and correlation analysis. The results suggest, among other, that new tourists that purchase all inclusive package are now more diverse in profile while the products themselves are significantly better than what all-inclusives were associated with. Relevant

criticism is being addressed and suggestions for further research are being made. Finally, the study emphasized the effect of all inclusive system on customer satisfaction in 5 star hotels in Antalya.

**Key Words:** *Consumer Behaviour, All-inclusive Resorts, Tourism Planning, Tourism.*

The on-going financial crisis, initially after 2008 in the US and lately in the EU zone has created new playing fields and norms in the hospitality industry. Although it is relatively early to draw conclusions, it seems that hospitality firms exposed to debt were severely damaged and traditional tourism markets, such as destinations in the Mediterranean, found themselves in an interesting but also dramatic equilibrium between trying to be competitive and deliver quality products and services. Large firms tried to cut their losses while SMEs struggled simply to continue to exist in an environment where the cost of capital remained expensive and average hotel prices remained significantly lower than the 2008 mark (Hotel Price Index Data, 2012). However, the tourism and hospitality industry has shown great reflexes in the following years allowing global Travel & Tourism direct contribution to GDP to increase by a healthy 3.2% in 2012 (WTTC, 2013) but this does not reflect equally the majority markets. Political turmoil in Africa has enabled traditional markets like Greece and Spain or the nearby Dubai to maintain or even increase their competitive position mainly due to displaced demand (Ernst & Young, 2012). However, it seems that Turkey will outperform the Mediterranean resort market capitalizing on long term effects of the devaluation of the lira which has made the Turkish tourism product very attractive in comparison to Eurozone markets (Ernst and Young, 2012). According to the same source, it seems that this projected growth is mostly revolving around the *Sun and Sea* all-inclusive offerings that Turkey is well known for and which is a growing segment on a global scale, despite the fact that it is not a new product. It is however a new boost of all-inclusive facilities supply which provided the segment with a second youth. These interesting developments are receiving old criticism which still applies since authors have argued in the past about how all inclusive packages bode ill for many small business people - restaurant owners, craft vendors, taxi drivers - establishments owned by small business people (Henry, 1989). Critics of all-inclusive resorts accuse the firms for alienating the tourists

from the local context by importing provisions and discouraging them in many ways tourists from ever leaving the properties (Issa and Jayawardena, 2003). This creates an adverse effect on the expected outcomes of tourism development. Furthermore it has been argued that early all-inclusive practices were not up to the desired standards with the adoption of unified pricing system leading to a decline in employee satisfaction as well as customer perception of overall service quality, and finally, in customer satisfaction (Kozac, 2006). Further evidence has shown that hotels around the globe are increasingly adopting all-inclusive policies and it has been documented that this trend has reduced the revenue per stay as well as the customer satisfaction levels (Aguilo and Rosselio, 2012).

However, evidence shows that times have changed and practices vary between properties. Increasing volume of tourists preferring all-inclusive packages might show a shift either in the quality of the delivered services or the tolerance of the tourists who might be willing to compromise the quality for a good price. Based on these prevailing conditions, the main objective of this research is to investigate consumer perceptions on services provided by all-inclusive resorts. Turkey as a premium and growing all-inclusive provider has been chosen for the research with a specific focus on the region of Antalya.

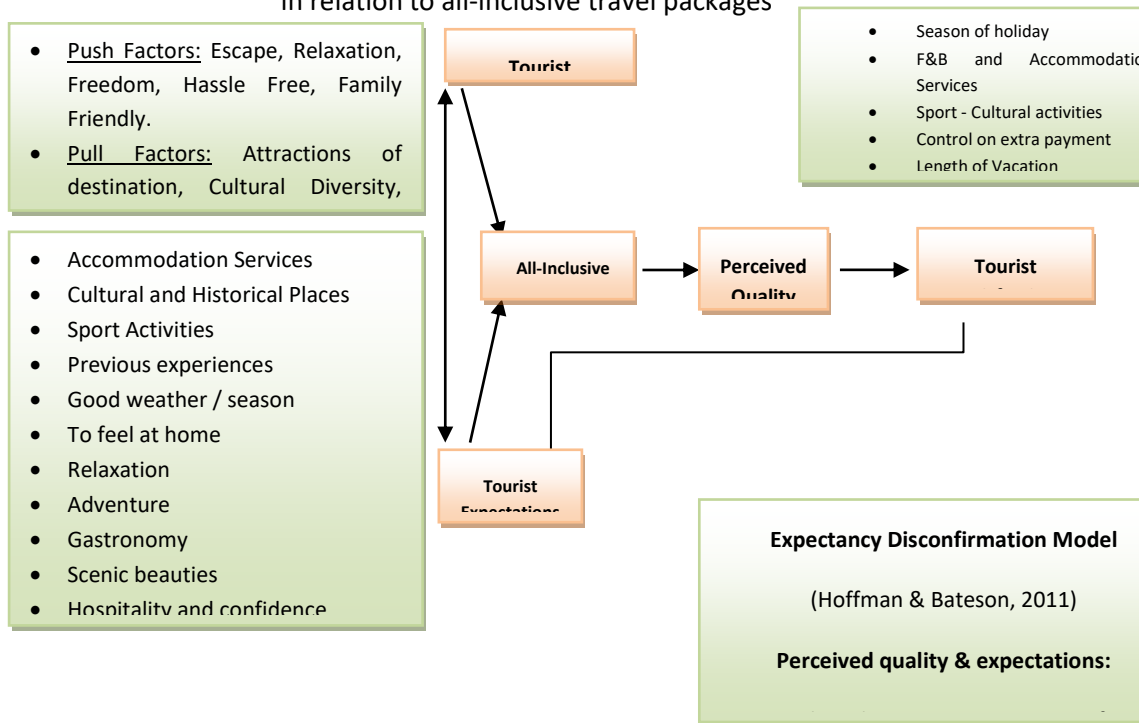
Over recent years, several studies have focused on tourist satisfaction in particular tourism destinations and from there information was drawn on the elements that create attractive tourism products and services. This study concentrates on customer satisfaction with the service performance of all inclusive resort seeking to identify key variables which are related to customer satisfaction and holiday selection patterns.

The basic definition of all-inclusive holidays is where all travel, accommodation, food and beverage, entertainment, trips or sports coaching costs are paid for when booking for one established price. Issa and Jayawardena (2003), established that the all-inclusive holiday concept was first introduced in holiday camps in Britain in the 1930's and was a different holiday concept where a guest had to carry no form of currency while on a holiday. It was a package designed to eliminate extra charges that can sour the sweetest of vacations.

Issa and Jayawardena (2003) further explain that all-inclusive clubs had a major impact on the concept of hospitality service. In the 1950's, 'Club

Mediterranean’, popularly known as ‘club-med’ introduced the concept on the Spanish island of Mallorca and later spread all over the globe. An explosion of the concept was later realised along coastal strips in the late 1990s. At this point, the all-inclusive concept was a fundamentally different type of holiday where a guest had to carry no form of currency, paper, coin or plastic to a hotel, resort or while on a cruise. Poon (1998) describes the all-inclusive concept as an important product innovation in the international tourism market place, as it packages various elements of the tourism product. The main idea of all-inclusive system is, minimize monetary transactions during the holiday, do not to make some decisions about money spending during the holiday and to eliminate the anxiety because of spending money, stress or problems for tourists (Poon 1998). The all-inclusive system has so far been dominated by European based providers such as Italy, Greece, Turkey and France.

Figure One: Tourist Motivational Factors and consumer decision making processes in relation to all-inclusive travel packages



Additionally, the Caribbean, Central America, Dominican Republic and other tourist destinations such as Thailand have entered the market with accommodation facilities (Menekse, 2005). German and Italian tourism enterprises have played a key role in spreading all-inclusive system in Europe, Asia and Africa. For example, main tour operators, such as TUI, NUR, ITS, preferred to implement all inclusive system in tourist destinations, such as, Spain, Turkey, Greece, Italy, Austria, Switzerland, Kenya, Sri Lanka, the Canary Islands, Tunisia, Senegal, Thailand and Ibiza with resorts operated by themselves like Robinson Club, Club Calimera and Club Aldiana (Poon 1998; Voss 2003).

This development has led to increased research interest mostly around motivational factors driving tourist consumer behaviour. Literature for some years now has recorded various factors which have impacts on consumers' purchasing decisions, such as cultural, social, personal and psychological (Mucuk, 1998). Other studies provide generally accepted classification of factors influencing consumer behaviour collected in four main groups such as personal factors (age and life cycle, occupation, economic status and lifestyle), cultural factors (culture, subculture, social class), social factors (reference groups, family, roles and status) and psychological factors (motivation, perception, learning, beliefs). These factors cannot be controlled by marketers generally, but necessarily be taken into account and to be emphasized on these factors (Kotler, Bowen, and Makens, 2006).

All these factors affect tourist decision making process. These decisions can appear in a simple structure or sometimes, be connected with multiple decisions in more complex structures (Decrop 2006). These processes usually consist of the following steps of; identification of variables of the problem addressed by a purchase, evaluation of alternatives as solutions to the problem, and the related returns, and finally selecting the best alternative using the appropriate decision criteria to get the best result (Clemen and Reilly 2001). Consumer behaviour models emphasize that needs and motivation factors are closely associated with each other (Kozak 2002). Additionally motivation factors explain how tourists are pulled by various factors when deciding on their purchase and how tourists are pushed towards their holiday destination (Baloglu and Uysal 1996; Kozak 2002; Yoon and Uysal 2005).

Key motivational factors and consumer behaviour processes can be summarized as seen in **figure one**.

For the purpose of this study satisfaction levels were measured exclusively in 5-star all-inclusive hotel establishments in the highly touristic province of Antalya which has one of the most widely all-inclusive systems in Turkey. The main research questions to be answered were 'Why do the tourists prefer All-inclusive system?' determine the satisfaction level towards the hotel services and features and last to identify the comparison with all-inclusive 5 star hotels with standalone 5 star hotels.

This research applied mostly quantitative research methods in consequence of the means available as well as the nature of this study. A survey of 18 questions was employed and 10 of the survey questions were close ended. The questionnaire contained 4 main sections. The first section was designed to determine the demographic characteristics of tourists. The second section measured satisfaction levels on food and beverage services, staff performance, and the general features of the hotel during the tourists stay. The third section investigated the importance of holiday destination features in decision making. The fourth section was designed to determine the importance of selection elements related all-inclusive resort hotels. Generally 5-point Likert-type scales were used and data obtained from the study were analyzed with SPSS (Statistical Program for Social Sciences). Demographics have been considered and the significant data have been continually evaluated. Reliability was also tested with Cronbach's Alpha Reliability test.

### **3.1 Sampling and Hypotheses**

The study sample was chosen from 8 different 5 star hotels in the province of Antalya to represent the best of the population. According to data from the Ministry of Culture and Tourism, Turkey in 2011, 7.5 million tourists had visited in Antalya. Approximately 70% of tourists staying in Antalya prefer all-inclusive properties. To assume reliability a confidence level of 95% with a sample of 384 tourists would be ideal. However, we managed to gather 174 usable surveys

which poses certain limitations but could be still considered an acceptable sample size for the needs of this research. The study sample was randomly selected.

According to the study aims certain hypothesis were created to identify the relationships between demographic characteristics of tourists and tourist's satisfaction with all inclusive resort hotel services. The hypotheses are:

H1.0: There is no relationship between education level and reason to choose All-inclusive holiday.

H1.1: There is relationship between education level and reason to choose All-inclusive holiday.

H2.0: There is no relationship between gender's food and beverage department satisfaction and overall satisfaction.

H2.1: There is relationship between gender's food and beverage department satisfaction and overall satisfaction.

H3.0: There is no relationship between the education levels of tourist with comparison the all-inclusive hotels quality to standalone 5 stars hotels quality.

H3.1: There is relationship between the education levels of tourist with comparison the all-inclusive hotels quality to standalone 5 stars hotels quality.

H4.0: There is no relationship between reasons to choose an all-inclusive resort hotels and involving any activity outside of hotel during the stay.

H4.1: There is relationship between reasons to choose an all-inclusive resort hotels and involving any activity outside of hotel during the stay.

The sample demographics were appropriate with fair age and gender distribution. The largest age range is 36-45 age group with 43,1% 26-35 age group is second group with 24,1%. Furthermore, 46-55 age range has 23,0%, 18-25 age group has 5,7% 56 and above age group has 4,0%. The Gender distribution was almost a 50-50 split which is also representative in nature.

The geographical origin distribution of the sample poses slight limitations to this study since the distribution was not ideal. The vast majority of the respondent were Germans representing 44,3% . The next big segment were the Russians with 19,0% and the Ukrainians with 9,2%. From there on 5,2% were from Austria, 4,0%

from Switzerland. On the positive side tourists from 18 different countries were surveyed in total.

The marital status was also even with 49,4% being married. Interesting enough 74.1% had no children and this was not expected in all-inclusive establishments but this could be justified from the age band of the interviewed tourists.

Another very interesting element refers to the education level which seems to be exceptionally high. 48,3% had BA university degree and amazingly 19,5% had doctoral degree. This is very interesting since it has been the impression in the past that well educated tourists prefer more independent travel products so this should be further investigated. 22,4% had high school degree and 9,8% had primary school degree.

The next set of questions aimed in identifying the level of satisfaction on Food and Beverage quality, staff performance, hotel facilities and crucial factors that affect purchase decisions. In total 24 different factors were investigated and the results were again somewhat surprising. It has been argued that in recent literature, that all-inclusive establishments suffer in terms of quality and (Aguilo and Rosselio, 2012) therefore brand loyalty but clearly here this is not the case. 51,1% were strongly satisfied with freshness of food while 52,9% were strongly satisfied of the food which was served in food and beverage outlets during their stay in 5 star all inclusive resort hotels. Menu descriptions and diversity of beverages have more satisfied tourists than strongly satisfied tourists. In total none of the participants were dissatisfied or strongly dissatisfied with any of the aspects of the food and beverage services.

Similarly tourists were satisfied with the performance of staff with none of the respondents providing a negative answer. Having said that some of the answers were at the neutral zone which could be an indication of indecisiveness of what good performance of staff means or there was a struggle in compromising the quality level for a good deal. In the same fashion Hotel facilities were also very highly rated with total satisfaction levels that borderline the average of an 85% (strongly or just satisfied). Interesting enough the lowest scores went to children facilities rates.



Concluding this part of the research, important elements for holiday choice were investigated and the outcome was more or less the expected. *Price* of hotel is the most important feature for the survey participants with 88,5% specifying that it is very important element for choosing holiday product. Second most important factors are *Relaxation* and *Rest* with a percentage of 72, 4%. Amazingly 67, 2% did not consider the *Location* of hotel as an important element for deciding holiday which can be interpreted in various ways. It seems that the effect of choices provided by tour operators might render destination irrelevant but this is just an assumption and should be further investigated. What we can safely say though is that this proves that some of the on-going criticism presented earlier seems to apply. To further these arguments only 3, 4% seek for both amenities of destination and for Cultural and Historical places as important elements for deciding on holiday destination.

With regards to distribution channels used the analysis shows that 32,8% made their reservations through the travel agencies and 31,0% via tour operators. This means that 63,8% use the specific channels which illustrates a fairly high dependency on this means. Internet bookings were at 17,8% and this could also refer to the same as above channels of all-inclusive resorts. Finally, direct hotel bookings were at 18,4% which illustrates the early quoted dependency on certain channels and might also explain the high concentration of certain markets that seems to be key clients (Germany).

Finally a very important section of the research revolved around the identification of elements that lead tourist to all-inclusive resorts. The key motivational factor here is *Low Extra Expenses* that all-inclusive resort hotels offer to the tourist with a percentage of 84,5%. 81% of the respondents specified that no obligation for tracing the extra expenses is another very important reason to stay in all inclusive resort hotels. Hence we can conclude that tourists more focused on initial price and overall cost at the end of their vacation. The third most important motive is not to have to engage with holiday plans standing at 59,8%. Interesting enough 36,8% specified that it's of no significance to them if the establishment is family friendly but this can be possibly explained by the demographics and could vary in different destinations. Also to reject some of the criticism discussed, more than 90% were satisfied with the whole experience 46,0% of which were very satisfied and none was dissatisfied.

This first image of the analysis was somewhat expected but interesting findings were made and conclusions were drawn. However, the final part of the analysis refers to the investigation and testing of the stated hypotheses.

*H1.1: There is relationship between education level and reason to choose All-inclusive holiday.*

As mentioned previously, there were 7 elements of importance to choose all-inclusive resort hotels. These were, low extra expenses, all inclusive resort hotel services, being family friendly, sun, sea and sand features of the destination, no obligation for tracing the extra expenses, being holiday plan is ready and sport activity diversity. With cross tabulation we found that there is a relationship between education and perceived low extra costs which is probably connected also to the income level of the more educated respondents. On the Chi-square test, P-value was found 0.00. Since the P-value is between  $0.00 < 0.05$  which is true for all the elements so H1 hypothesis is accepted.

*H2.1: There is relationship between gender's food and beverage department satisfaction and overall satisfaction.*

To identify the relationship between genders satisfaction level from the food and beverage outlets with overall holiday satisfaction, Spearman's rank correlation coefficient test was applied. In the results of test, r value was calculated at 0.337 without consideration of gender. When the gender was considered, r value was calculated at 0.408. This confirms that there is relationship between gender's food and beverage department between satisfaction and overall satisfaction.

*H3.1: There is relationship between the education levels of tourist with comparison the all-inclusive hotels quality to standalone 5 stars hotels quality.*

Results show the cross tabulation and chi-square test results between education and comparison of all inclusive resort hotels with standalone 5 star hotels. We can say that there is relationship between the education levels of tourist with comparison the all-inclusive hotels to standalone 5 star hotels. As the education

level increased, satisfaction level from all-inclusive hotels increased, which is very interesting. Also another not expected outcome was that once comparisons are done by tourist, it can be observed that 5 star all inclusive hotels are perceived to serve higher quality than standalone 5 star hotels. This however is an indication that needs further research in other geographic areas and different clientele geographic distribution in order to have more conclusive results. It is however, a clear indication of shifting perceptions on all-inclusive establishments.

*H4.1: There is relationship between reasons to choose an all-inclusive resort hotels and involving any activity outside of hotel during the stay.*

This hypothesis was created to understand whether tourist stay in the hotel during their holiday or they do involve any activities outside of the hotel. Spearman's Chi-square test results show that there is significant statistically negative relationship between no obligations on tracing extra expenses and involving any activity outside of the hotel. When we do correlation analysis between involving in any activity outside the hotel with the reason to choose all-inclusive system is the relationship, the  $r$  value was -0.615. This indicates that there is a strong negative relationship between these two variables. Therefore we can conclude that people who never go out of the hotel are mainly preferred all-inclusive system the reason is clear they do not have to consider spending or tracing extra money. Additionally 39,7% of the survey respondents *never went out of the hotel*, which is also consistent with previously described criticism. The reasons however need to be further investigated since we are not clear on whether this relates to convenience or whether the establishments implicitly or explicitly discourage the tourists to leave the premises.

All-inclusive accommodation establishments and tour operators have become an indispensable element of a fast growing segment. All-inclusive package tours offer economical and hassle free holiday options, which is why it is often preferred by middle-income tourists and as this research illustrates now other profiles are joining the target market. Despite the heavy criticism on the negative impacts

associated with all-inclusive resorts mostly with regards to the lack of recognition of local cultures and limited contribution to the development of local economies of the destinations, the segment seems to be set for further growth.

This study illustrates that, tourist consumer behaviour is generally changing due to convenience reason and this affects heavily the choice of holiday types as well as destinations. Tourists are now more price sensitive than ever and this is clearly the most important factor for holiday product type selection. In general, there has been a belief that all-inclusive system preferred by low-income tourists but the current analysis showed that income levels of tourists in all-inclusive resorts in Antalya higher than expected. This should be an interesting observation for hotel business pricing strategies as a means to influence on tourists' buying preferences. The quality of the hotel considered to be important factor when choosing an all-inclusive holiday by any type of tourist standards. Education level was not found to be important and interesting enough when the educational level of tourist increases the satisfaction degree obtained from an all-inclusive system is increasing, too. This could be due to excellent services or a broader perception of what constitutes a good deal. The destination's natural beauty, historical riches and cultural elements could be included in all-inclusive package tours but these research shows that the destination elements are less significant in the choice of holiday and this should be further investigated since it poses major issues to service providers and marketer who will find it rather difficult to identify differentiating features to compete with.

Concluding we feel that despite the criticism received, all-inclusive tourism products will only grow especially among Mediterranean countries mostly due to prevailing economic conditions and consequently shifting consumer patters. This will leave destinations, providers and marketers in a conundrum with regards to tourism development options as well as marketing promotion approaches. The segment of all-inclusive products is changing by becoming more sophisticated with better provisions and by attracting new types of tourists.

The survey had been conducted solely on international tourist who stayed at 5 star all inclusive hotels in the province of Antalya. The province of Antalya has a big scale of resort area and definitely indicative but this research should be also

open to other areas since this might change the synthesis of tourist and possibly the outcomes. Larger sample size would also be beneficial.

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